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CONFIDENTIAL INFORMATION MEMORANDUM

Sentinel Investment Fund SPC

(a Segregated Portfolio Company incorporated with limited liability under the laws of the Cayman Islands under registration number TR-178163)

*FOR THE SUBSCRIPTION OF NON-VOTING, REDEEMABLE PARTICIPATING
SHARES*

in

the segregated portfolios of Sentinel Investment Fund SPC

THIS OFFERING IS NOT A PUBLIC OFFERING. THE SHARES OFFERED HEREBY HAVE NOT BEEN REGISTERED OR QUALIFIED WITH THE U.S. SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES REGULATORY AUTHORITY OF ANY U.S. STATE, NOR ANY OTHER REGULATORY OR SELF-REGULATORY AUTHORITY OR BODY, NOR HAS SUCH COMMISSION OR ANY REGULATORY AUTHORITY PASSED UPON THE VALUE OF THE SHARES DESCRIBED HEREIN, MADE ANY RECOMMENDATION AS TO THEIR PURCHASE, APPROVED OR DISAPPROVED THIS OFFERING OR THE QUALIFICATIONS OF THE INVESTMENT ADVISOR OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS CONFIDENTIAL INFORMATION MEMORANDUM.

THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER OR SOLICITATION IN ANY JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION IS NOT LAWFUL, OR IN WHICH THE PERSON MAKING SUCH OFFER OR SOLICITATION IS NOT QUALIFIED TO DO SO.

THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER OF THE SHARES TO ANY MEMBER OF THE PUBLIC OF THE CAYMAN ISLANDS AND THE SHARES MAY NOT BE OFFERED TO ANY MEMBER OF THE PUBLIC IN THE CAYMAN ISLANDS.

24 January 2006

INTRODUCTION AND GENERAL INFORMATION

Sentinel Investment Fund SPC (the “**Company**”) is an exempted limited liability company of unlimited duration registered as a Segregated Portfolio Company on 29th November 2006 pursuant to the provisions of Part XIV of the Companies Law (2004 Revision) of the Cayman Islands. The Segregated Portfolio Company structure permits the creation of numerous Segregated Portfolios of assets and liabilities within the capital of the Company and allows the segregation and protection of assets of a particular Segregated Portfolio from other liabilities of the Company and other Segregated Portfolios. Under the laws of the Cayman Islands, a Segregated Portfolio Company such as the Company may create several Segregated Portfolios each with its own unique investment objectives, strategy and each representing a distinct portfolio of assets and liabilities. Each such Segregated Portfolio created shall constitute a separate class (each a “**Class**”) of shares in the capital of the Company (“**Shares**”) and each separate Class of Shares shall constitute a separate fund of the Company with a separate investment strategy (each a “**Fund**” or if more than one, collectively the “**Funds**”). Each Class of Shares shall be deemed Segregated Portfolio Shares of the particular Fund which that Class constitutes. The proceeds from the issue of any such Segregated Portfolio Shares shall be applied for the account of that Fund and form Segregated Portfolio Assets of that respective Fund. Subject to the Companies Law (2004 Revision) of the Cayman Islands, the assets and liabilities and income and expenditures attributable to a Fund shall be applied to that Fund to the exclusion of any other Fund of the Company. In addition, each Class may be subdivided into separate series (each, a “**Series**”), each of which corresponds to a particular type of investor within such Class, and is created to provide the fees, minimum investment requirements and redemption rights applicable to each such investor. Each such Series shall also constitute Segregated Portfolio Shares of a Fund such Class of Shares represents.

Shares of a Class may be subject to terms and conditions that differ from the terms and conditions applicable to the Shares of another class. The creation of further Segregated Portfolios constituting another Class of Shares may be issued without the consent of or notice to existing Shareholders, provided that such Shares will not adversely affect the interests of the Shareholders of the Company. The Shares of each Class may be further issued in Series, with a new Series being issued on each date that shareholders subscribe for Shares as may be determined by the Directors. The Directors may determine to that specific terms and conditions applicable to a particular Series be set forth in a Supplement offering such Series for subscription.

The Net Asset Value of each Class of Shares will be calculated separately and Shares of a particular Class will be redeemed at the Net Asset Value per Share of that Class at the relevant time. For limitations of such a corporate structure as regards the liabilities of the Series within a Fund, see “CERTAIN RISK FACTORS” herein. The Net Asset Value per Series may also be calculated separately and on such basis and in such manner as determined by the Directors in their absolute discretion.

The Company is offering redeemable, participating, non-voting shares, par value US\$0.01 per share, (“**Shares**”) in Sentinel Investment Fund SPC (the “**Company**”) by way of this Confidential Information Memorandum (which, together with the Appendices in respect of

any Fund and subscription documents, is referred to as this “**Memorandum**”) to investors who satisfy the suitability requirements set forth in §7, “SUITABILITY REQUIREMENTS”.

The Company is regulated as a mutual fund under Section 4(3) of the Mutual Funds Law (2003 Revision) as amended by the Mutual Funds (Amendment) Law, 2006 of the Cayman Islands (the “**Law**”). The Company will be subject to the supervision of the Cayman Islands Monetary Authority (“**CIMA**”) to which among other things, the Company is required to submit audited annual financial statements and such other information as CIMA reasonably requires. Regulation of the Company under the Law aforesaid does not mean that the Company is guaranteed, insured or approved by CIMA, the Cayman Islands Government or any other entity or governmental agency.

Spyglass Investment Management Ltd., a company limited by shares, incorporated under the laws of British Virgin Islands, serves as the Investment Advisor of the Company and the Funds (the “**Investment Advisor**”) and, in that capacity, has responsibility for managing the operations and cash of the Fund. You should not construe the contents of this Memorandum as legal, tax, financial or other advice or as a recommendation or advice in relation to the subscription, purchase, holding or disposition of Shares. No legal or professional advice has been requested or obtained by the Company concerning any of the tax aspects of this investment. **You should consult your independent professional advisers in assessing the merits and risks of investing in the Fund.** You and your advisers must rely on your own examination of the Fund, the Shares and the terms of this offering in assessing such merits and risks. In doing so, you should carefully review this Memorandum and consider the following:

An investment in the Fund should be considered speculative and involves substantial risk due to, among other things, the nature of a Fund’s investment strategy and techniques, the significant fees and costs associated with such an investment and the illiquidity of the Shares. You should not invest in the Fund unless you have no need for immediate liquidity with respect to your investment, are fully able to bear the financial risk of your investment for an indefinite period of time and are fully able to sustain the loss of all or a significant part of your investment. In light of this financial risk, you should consider an investment in the Fund only for an appropriate portion of your overall portfolio.

The Company and the Investment Advisor urge you to carefully consider the special considerations and risk factors relating to an investment in the Fund, as described in §9, “RISK FACTORS,” and in other sections of this Memorandum, as well as the actual and potential conflicts of interest to which the Company, the Directors and the Investment Advisor and their affiliates and principals will be subject in making investment and trading decisions for the Fund, as described in §10, “CONFLICTS OF INTEREST”, and in other sections of this Memorandum.

Other than registration of the Company in the Cayman Islands the Company has not registered or qualified the Shares for offer or sale under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), or the securities laws of any U.S. state or any other jurisdiction. The Company is offering and selling the Shares only outside of the United States pursuant to Regulation S under the Securities Act (“**Regulation S**”). Investors may not transfer their Shares except in transactions that are exempt from, or not subject to, the registration requirements of the Securities Act and other applicable securities laws. Investors who wish to transfer their Shares must also comply with the restrictions and conditions on transfer set forth in the Company’s Articles of Association. Among other things, an investor may transfer Shares

only with the Company's consent, which the Board of Directors of the Company may withhold in its discretion. Although the Company may, in its sole discretion, attempt to list the Shares on any Stock Exchange and may do so without further recourse or advice to Shareholders, there can be no assurance that the Shares will be listed on such exchange or any other exchange, and the Company is not required to pursue any such listing of the Shares. No public market for the Shares otherwise exists or is likely to develop.

This Memorandum constitutes an offer to you only if the Company has entered your name on the cover page hereof. You are being provided this Memorandum for the exclusive purpose of assessing the merits and risks of investing in the Fund. In the absence of the Company's express prior written consent, you may not copy, use or transmit this Memorandum or any data or information contained herein, in whole or in part, or permit such action by others for any purpose (except that you may provide copies of this Memorandum or portions hereof to your legal, tax, financial and other advisers for the purpose of assisting you in determining whether an investment in the Fund is appropriate for you). Upon the Company's request, you must return this Memorandum and any other materials relating to this offering that the Company has provided to you.

Neither the delivery of this Memorandum nor the offer, issue or sale of Shares shall, under any circumstances, constitute a representation that the information contained in this Memorandum is correct at any time subsequent to the date of this Memorandum.

The Board of Directors of the Company reserves the right to modify any of the terms of a Fund respectively and the Directors of the Company may modify the terms of this offering before the date on which a Fund first issues Shares pursuant to this Memorandum. Accordingly, the information contained in this Memorandum, as well as the terms of (1) the Company's Memorandum of Association and Articles of Association (together, the "**Company Charter**"); (2) the investment advisory agreement among the Company and Spyglass Investment Management Ltd (the "**Investment Advisory Agreement**"); (3) the administration agreement (the "**Administration Agreement**") between the Company and its administrator, Trident Trust Company (Cayman) Limited (the "**Administrator**"); (4) the form of Subscription Agreement (the "**Subscription Agreement**") pursuant to which prospective investors subscribe for Shares; and (5) the Company's other contractual agreements are subject to modification. If any terms of the Fund or this offering are materially modified before the Initial Closing Date, the Company will provide you with supplemental information relating to such modifications a reasonable time before the Initial Closing Date to afford you the opportunity to determine whether you still wish to invest in the Fund.

The Company invites you and your representatives to review any materials that are available to it relating to the Fund, the Shares, the administration, management and investment experience of any of the service providers listed herein and their principals and any other matters relating to this offering. The Company will afford you and your representatives the opportunity to ask it questions regarding those matters and to obtain any additional information necessary to verify the accuracy of any representations or information set forth in this Memorandum to the extent the Company possesses such information or can acquire it and provide it to you without unreasonable effort or expense. If you have any questions regarding this Memorandum, please direct them to Spyglass Investment Management Ltd., at info@spyglassIM.com. The Company has not authorized any person to give you any information concerning the Company or the Fund other than that contained in this Memorandum. Accordingly, any information given or representation made by any dealer,

salesman or other person and (in either case) not contained herein should be regarded as unauthorized and should not be relied upon.

The Shares described herein may not be offered by way of invitation to nor subscribed or held by members of the public in the Cayman Islands, with the exception of certain persons or entities prescribed by the Mutual Funds (Amendment) Law, 2006.

All references to “**US\$**,” “**US dollar**” and “**dollar**” are to the lawful currency of the United States of America. All references to “**CI\$**” are to the lawful currency of the Cayman Islands. “**Business Day**” as used in this Memorandum means any day that is not a Saturday or Sunday and is not a legal holiday or day on which banking institutions generally are authorized or obligated by law or regulations to remain closed in New York or in the Cayman Islands.

This Memorandum contains “forward-looking statements” (as defined in Section 27A(i)(1) of the Securities Act), including statements regarding, among other things, a Fund’s investment strategy. The words “believe”, “expect”, “anticipate”, “intent”, “project” and similar expressions identify forward-looking statements that speak only as of the date the statement is made. These forward-looking statements are based largely on a Fund’s expectations and are subject to a number of risks and uncertainties, some of which cannot be predicted or quantified and are beyond the control. Future evidence and actual results could differ materially from those set forth in, contemplated by, or underlying the forward-looking statements. Statements in this Memorandum, including those set forth in §9, “RISK FACTORS”, describe factors, among others, that could contribute to or cause such differences. In light of these risks and uncertainties, there can be no assurance that the forward-looking information will prove to be accurate. All written and oral forward-looking statements attributable to a Fund, or persons acting on its behalf are expressly qualified in their entirety by the foregoing.

This Memorandum does not constitute an offer of the shares to any member of the public of the Cayman Islands and the shares may not be offered to any member of the public in the Cayman Islands.

The Company is regulated as a mutual fund under Section 4(3) of the Law. The Company will be subject to the supervision of the Cayman Islands Monetary Authority (“**CIMA**”) to which among other things, the Company is required to submit audited annual financial statements and such other information as CIMA reasonably requires. Regulation of the Company under the Law aforesaid does not mean that the Company is guaranteed, insured or approved by CIMA, the Cayman Islands Government or any other entity or governmental agency.

ADDITIONAL ACKNOWLEDGMENTS

Subscribers from any of the following countries acknowledge the following applicable disclosure notices in connection with their subscription for Shares in a Fund.

Argentina. The Shares offered hereby have not been, and will not be, registered with the Comision Nacional de Valores (the Argentinean Securities Commission) and may not be offered and sold in Argentina except in circumstances which do not constitute a public offering or distribution under Argentinean laws and regulations.

Australia. No offer for subscription or purchase of the Shares offered hereby, nor any invitation to subscribe for or buy such Shares has been made or issued in Australia, otherwise than by means of an excluded issue, excluded offer or excluded invitation within the meaning of Section 66(2) or 66(3) of the Corporations Law. Accordingly, this Memorandum has not been lodged with the Australian Securities Commission. Further, the Shares offered hereby may not be resold in Australia within a period of six (6) months after the date of issue otherwise than by means of an excluded offer or excluded invitation as described above.

The Commonwealth of the Bahamas. The Shares may not be offered or sold or otherwise disposed of in any manner to persons deemed by the Central Bank of the Bahamas as resident for exchange control purposes, unless such persons deemed as resident obtain the prior approval of the Central Bank of the Bahamas.

Belgium. The offering of Shares has not been and will not be registered with the Belgian Banking and Finance Commission (Commissie Voor Het Bank-en FinancLzewezen/Commission Bancaire et Financiere) nor has this Memorandum been or will it be approved by the Belgian Banking and Finance Commission. The Shares shall not, whether directly or indirectly, be offered, sold, transferred or delivered in Belgium, as part of their initial distribution or at any time thereafter, to any investor other than (i) credit institutions and investment firms referred to in Article 3.2, a of the Belgian Royal Decree of January 9, 1991 on the Public Character of Transactions Which Aim To Solicit Public Savings and the Assimilation of Certain Transactions with a Public Offer, (ii) institutions for collective investment referred to in Book III of the Belgian Act of December 4, 1990 on the Financial Transactions and the Financial Markets, (iii) insurance companies referred to in Article 2§1 of the Belgian Act of July 9, 1975 on the Supervision of Insurance Companies and (iv) pension funds referred to in Article 2§3, 6 of the Belgian Act of July 9, 1975 on the Supervision of Insurance Companies and in the Belgian Royal Decree of May 15, 1985 on the Activities of Private Mutual Funds, each acting on their own account in reliance on Article 3.2 of the Belgian Royal Decree of January 9, 1991. The Memorandum has been distributed in Belgium only to investors mentioned hereabove for their personal use and exclusively for the purposes of the offering of Shares. Accordingly, this Memorandum may not be used for any other purpose nor passed on to any other person in Belgium.

Bolivia. The Shares offered hereby have not been, and will not be, registered with the Comision Nacional de Valores (the Bolivian Securities Commission) and may not be offered and

sold in Bolivia except in circumstances which do not constitute a public offering or distribution under Bolivian laws and regulations.

Brazil. The Shares offered hereby have not been, and will not be, registered with the Comissao de Valores Mobiliarios and may not be offered or sold in Brazil except in circumstances which do not constitute a public offering or distribution under Brazilian laws and regulations.

British Columbia and Ontario, Canada. This Memorandum constitutes an offering of the securities described herein only in those jurisdictions and to those persons where and to whom they may be lawfully offered for sale, and therein only by persons permitted to sell such securities. This Memorandum is not, and under no circumstances is to be construed as, an advertisement or a public offering of the securities described therein in Canada. No securities commission or similar authority in Canada has reviewed or in any way passed upon this Memorandum or the merits of the securities described therein, and any representation to the contrary is an offense.

If this Memorandum, together with any amendment thereto, contains an untrue statement of a material fact or omits to state a material fact that is required to be stated or is necessary in order to make any statement therein not misleading in the light of the circumstances in which it was made (a "Misrepresentation") and it was a Misrepresentation on the date of purchase, purchasers in British Columbia and Ontario to whom this Memorandum was sent or delivered and who purchase Shares shall have a right of action against the Company for rescission (while still the owner of such shares) or alternatively, for damages, exercisable on written notice given not more than 180 days subsequent to the date of purchase in the case of rescission and by the earlier of (i) 180 days after the purchaser first had knowledge of the facts giving rise to the cause of action and (ii) 3 years after the date of purchase in the case of damages, provided that the Company will not be liable: (a) if the purchaser purchased such Shares with knowledge of the Misrepresentation; (b) for all or any portion of any damages that the Company proves do not represent the depreciation in value of such Shares as a result of the Misrepresentation; or (c) for amounts in excess of the price at which such Shares were sold to the purchaser. The foregoing summary is subject to the express provisions of either the Securities Act (British Columbia) or the Securities Act (Ontario), whichever the case may be, and reference is made to the complete text of such provisions.

British Virgin Islands. The Company, any Fund, this Memorandum and the Shares offered hereby have not been, and will not be, recognized or registered under the laws and regulations of the British Virgin Islands. The Shares may not be offered or sold in the British Virgin Islands except in circumstances in which the Company, any Fund, this Memorandum and the Shares do not require the recognition by or registration with the authorities of the British Virgin Islands.

Cayman Islands. No invitation may be made to the public in the Cayman Islands to subscribe for the Shares unless the Fund is listed on the Cayman Islands stock exchange. The Shares described herein may not be offered by way of invitation to nor subscribed or held by members of the public in the Cayman Islands, with the exception of certain persons or entities prescribed by the Mutual Funds (Amendment) Law, 2006, which may include Cayman Islands exempted and ordinary non-resident companies, sophisticated and high net worth individuals and certain other persons engaged in offshore business.

Chile. The Shares offered hereby have not been, and will not be, registered with the Superintendencia de Valores y Seguros (the Chilean Securities Commission) and may not be offered and sold in Chile except in circumstances which do not constitute a public offering or distribution under Chilean laws and regulations.

Colombia. The Shares offered hereby have not been, and will not be, registered with the Superintendencia de Valores (the Colombian Securities Commission) and may not be offered and sold in Colombia except in circumstances which do not constitute a public offering or distribution under Colombian laws and regulations.

Republic of China. No invitation to offer for, or offer for, or sale of, the Shares shall be made to the public in China or by any means that would be deemed public under the laws of China. The offer of Shares is personal to the investor to whom this Memorandum has been addressed by the Fund. Business entities incorporated under the laws of China (excluding foreign investment business entities) shall apply for approval from the Chinese government authorities before purchasing the Shares. Furthermore, all business entities incorporated under the laws of China and Chinese citizens residing in China shall obtain the prior approval from the Chinese Foreign Exchange Authority before purchasing Shares.

Costa Rica. The Shares offered hereby have not been, and will not be, registered with the Comision Nacional de Valores (the Costa Rican Securities Commission) and may not be offered or sold in Costa Rica except in circumstances which do not constitute a public offering or distribution under Costa Rican laws and regulations.

Ecuador. The Shares offered hereby have not been, as at the date hereof, registered with the Superintendencia de Companias del Ecuador (the Ecuadorian Securities and Exchange Commission) and may not be offered and sold in Ecuador except in circumstances which do not constitute a public offering or distribution under Ecuadorian laws and regulations. This communication is for informative purposes only; it does not constitute a public offering of any kind.

France. The Shares offered hereby do not comply with the conditions imposed by French law for issuance, distribution, sale, public offering, solicitation and advertising within France. The distribution of this Memorandum and the offering of Shares of the Fund in France are therefore restricted by French law. Prospective shareholders should inform themselves as to the restrictions with respect to the manner in which they may dispose of the Shares in France.

Germany. Any person who is in possession of this Memorandum understands that no action has or will be taken which would allow an offering of the Shares to the public in Germany. Accordingly, the Shares may not be offered, sold or delivered and neither this Memorandum nor any other offering materials relating to the Shares may be distributed or made available to the public in Germany. Individual sales of the Shares to any person in Germany may only be made according to German securities, tax and other applicable laws and regulations.

Greece. The Shares may not be offered or sold in any manner that constitutes an offer or sale to the public in the Hellenic Republic within the laws and regulations from time to time applicable to public offers or sales of securities.

Guatemala. The Shares offered hereby have not been, and will not be, registered with the Comision de Valores (the Guatemalan Securities Commission) and may not be offered and

sold in Guatemala except in circumstances, which do not constitute a public offering or distribution under Guatemalan laws and regulations.

Hong Kong. This Memorandum relates to a private placement and does not constitute an offer to the public in Hong Kong to subscribe for Shares. No steps have been taken to register this Memorandum as a prospectus in Hong Kong. The offer of the Shares is personal to the person to whom the Memorandum has been delivered by or on behalf of the Fund, and a subscription for Shares will only be accepted from such person (or a company that such person shall have certified to be its controlled subsidiary) for such minimum amount of Shares as described in this Memorandum. It is a condition of the offer that each person who agrees to subscribe for Shares provides a written undertaking that it (or its principal) is acquiring such shares for investment purposes only and not with a view to distribute or resell such Shares and that it will not offer for sale, resell or otherwise distribute or agree to distribute such Shares within six (6) months from their date of sale to such person.

Ireland. This Memorandum is not a prospectus and does not constitute or form part of any offer or invitation to the public to subscribe for or purchase Shares in the Fund and shall not be construed as such and no person other than the person to whom this Memorandum has been addressed or delivered shall be eligible to subscribe for or purchase Shares in the Fund. The Fund is not authorized or registered or otherwise supervised by the Central Bank of Ireland. Shares may not be purchased or held by persons resident in Ireland for tax purposes.

Isle of Man. The Fund is not a recognized collective investment scheme for the purposes of Sections 12 or 13 of the Financial Services Act 1988 (the “**FS Act**”) of the Isle of Man and is accordingly subject to the prohibition on the promotion of collective investment schemes as contained in Section 1(1) of the FS Act. Accordingly, this Memorandum may only be issued or passed on to any person in the Isle of Man by way of the two limited exceptions to this general prohibition contained in Section 1(2) of the FS Act and the Financial Supervision (Promotion of Unregulated Schemes (Exemption)) FS Regulations 1992 (the “**Exemption Regulations**”). Under Regulation 3(2) of the Exemption Regulations, any advertisement issued in the Isle of Man in connection with the Fund must contain a statement either (a) that participants in the Fund are not protected by any statutory compensation scheme; or (b) that participants in the Fund are protected by a statutory compensation scheme and particulars sufficient to identify the compensation arrangements.

Israel. The Shares are offered to a limited number of sophisticated investors, in all cases under circumstances designed to preclude a distribution which would be other than a private placement. This Memorandum may not be reproduced or used for any other purpose, nor be furnished to any other person other than those to whom copies have been sent. Israeli residents, other than those considered “exemption holders” under the General Currency Control Permit, 1978, require a special permit from the Israeli Controller of Foreign Currency in order to purchase the Shares.

Italy. The Memorandum is solely intended for the individuals to whom it is delivered and may not be considered or used as a public offering in the meaning of and for the purpose of the Art 1/18 Ter L.N. 216/74. In addition, any person who is in possession of this Memorandum understands that no action has or will be taken which would allow an offering of the Shares to the public in Italy. Accordingly, the Shares may not be offered, sold or delivered and neither this Memorandum nor any other offering materials relating to the Shares may be distributed or made available to the public in Italy. Individual sales of the Shares to any person in Italy may only be made according to Italian securities, tax and other applicable laws and regulations.

Japan. Under Article 23-14 Paragraph 1 of the Securities Exchange Law (the “**SEL**”), the purchase of Shares cannot be made unless the purchaser agrees to the condition that it will not make an assignment of the Shares to any person other than a non-resident of Japan (having the same meanings as defined in Article 6, Paragraph 1(6) of the Foreign Exchange and Foreign Trade Control Laws), except for the case that all the Shares (excluding the Shares assigned to non-residents of Japan) are assigned to one person. Furthermore, disclosure under the SEL has not been made. The Shares will not be registered under the SEL. The offer and sale of the Shares in Japan may be made only in accordance with an exemption available under the SEL and with all other applicable laws and regulations of Japan.

Jersey. This Memorandum relates to a private placement and does not constitute an offer to the public of Jersey to subscribe for the Shares offered hereby. No regulatory approval has been sought to the offer in Jersey. The offer of the Shares is personal to the person to whom this Memorandum is being delivered by or on behalf of the Fund, and a subscription for the Shares will be accepted only from such person. This Memorandum may not be produced or used for any other purpose, nor be furnished to any other person other than those to whom it has been so delivered.

Korea. This Memorandum is not, and under no circumstance is to be construed as, a public offering of securities in Korea. Neither the Fund nor the Investment Advisor is making any representation with respect to the eligibility of any recipients of this Memorandum to acquire the Shares under the laws of Korea, including without limitation the Foreign Exchange Management Act and regulations thereunder. The Shares have not been registered under the Securities and Exchange Act of Korea and none of the Shares may be offered, sold or delivered, or offered or sold to any person for re-offering or resale, in Korea or to any resident of Korea except pursuant to applicable laws and regulations of Korea.

Liechtenstein. The Shares are offered to a narrowly defined category of investors, in all cases under circumstances designed to preclude a public solicitation. This Memorandum may not be reproduced or used for any other purpose, nor be furnished to any other person other than those to whom copies have been sent.

Luxembourg. The Shares are offered to a limited number of sophisticated investors, in all cases under circumstances designed to preclude a distribution that would be other than a private placement. This Memorandum may not be reproduced or used for any other purpose, nor be furnished to any other person other than those to whom copies have been sent.

Mexico. The Shares offered hereby have not been, and will not be, registered with the Comision Nacional Bancaria y de Valores (the Mexican Securities Commission) and may not be offered and sold in Mexico except in circumstances, which do not constitute a public offering or distribution under Mexican laws and regulations.

Netherlands. The Shares may not be solicited, acquired or offered in or from within the Netherlands, and this Memorandum may not be circulated in the Netherlands, to any individual or legal entity as part of their initial distribution or anytime thereafter, other than to individuals or legal entities who or which trade or invest in securities in the conduct of a profession or trade, including banks, brokers, dealers and (other) institutional investors investing in securities, as defined in Act on the Supervision of Investment Institutions of June 27, 1990 (the “**Netherlands Act**”), and in the Regulation dated October 9, 1990, in respect of the implementation of Article 14 of the Netherlands Act and the respective accompanying memoranda thereto of the Minister of Finance of the Netherlands. In the event of a solicitation, acquisition or offering made to or by

professional investors and therefore exempt from the general prohibition as contained in the Netherlands Act no subsequent offering of the participation rights in a “secondary offering” by such professional investors may be made. Acting in violation of the foregoing may constitute a criminal offense for the investment institution (or its directors) and the person or legal entity who solicits, acquires or offers participation rights in such investment institution. In addition, contractual terms conflicting with the prohibition provision of the Netherlands Act or in violation of restrictions or conditions contained in an exemption may be deemed null and void or voidable under the general rules of Netherlands civil law.

New Zealand. This Memorandum has been prepared solely for and the offer made in it is made solely to habitual investors (being persons defined in Section 3(2)(a)(ii) of the New Zealand Securities Act 1978).

Norway. This Memorandum has not been filed with the Oslo Stock Exchange in accordance with the Norwegian Securities Trading Act, Section 5-1, and may therefore not be distributed to more than fifty potential investors in Norway.

Oman. This Memorandum and the Shares offered hereby are not available to any member of the public and are restricted to investors having an existing business relationship with the Fund. Application for the Shares made by or on behalf of investors not having an existing relationship with the Investment Advisor will not be accepted. Any investor that considers purchasing the Shares offered by this Memorandum should consult a professional adviser before doing so.

Panama. The Shares have not and will not be registered with the Comision Nacional de Valores (the National Securities Commission) of the Republic of Panama under Cabinet Decree No. 247 of 1970 (“Panama’s Securities Laws”) and may not be offered or sold in a primary offering within Panama, except in certain transactions exempt from the registration requirements of Panama’s Securities Laws.

Paraguay. The Shares offered hereby have not been, and will not be, registered with the Comision Nacional de Valores (the Paraguayan Securities Commission) and may not be offered and sold in Paraguay except in circumstances which do not constitute a public offering or distribution under Paraguayan laws and regulations.

Peru. The Shares offered hereby have not been, and will not be, registered with the Comision Nacional Supervisor de Empresas y Valores (the Peruvian Securities Commission) and may not be offered and sold in Peru except in circumstances which do not constitute a public offering or distribution under Peruvian laws and regulations.

Portugal. The Shares offered hereby have not been, and will not be, registered with the Comissao do Mercado de Valores Mobiliarios (the Portuguese Securities Commission) and may not be offered and sold in Portugal except in circumstances which do not constitute a public offering or distribution under Portuguese laws and regulations.

Russia. The Shares are not intended to be sold or offered in (or on the territory of) the Russian Federation or to Russian residents and this Memorandum has not been registered with, and will not be registered with, the Federal Securities Markets Commission of the Russian Federation.

El Salvador. The Shares offered hereby have not been, and will not be, registered with the Superintendencia de Valores (the Salvadorian Securities Commission) and may not be offered and sold in El Salvador except in circumstances which do not constitute a public offering or distribution under Salvadorian laws and regulations.

Singapore. This Memorandum has not been registered with the Registrar of Companies in Singapore and the Shares will be offered in Singapore pursuant to an exemption invoked under Sections 106c and 106d of the Companies Act, Chapter 50 of Singapore (“**Singapore Act**”). Accordingly, the Shares may not be offered or sold, nor may this Memorandum or any other offering document or material relating to the Shares be circulated or distributed, directly or indirectly, to the public or any member of the public other than (1) to an institutional investor or other body or person specified in Section 106c of the Singapore Act, or (2) to a sophisticated investor specified in Section 106d of the Singapore Act, or (3) otherwise pursuant to, and in accordance with the conditions of, Section 106e(2) of the Singapore Act or any other applicable exemption invoked under Division 5a of Part IV of the Singapore Act.

South Africa. The Shares offered hereby are for your acceptance only and may not be offered or become available to persons other than yourself and may not be publicly offered, sold or advertised in South Africa and this Memorandum may only be circulated to selected individuals.

Spain. The Shares offered hereby have not been, and will not be, registered with the Comision Nacional del Mercado de Valores de España (the Spanish Securities Commission) and may not be offered and sold in Spain except in circumstances which do not constitute a public offering or distribution under Spanish laws and regulations.

Switzerland. The Shares offered hereby may not be publicly offered, sold or advertised in Switzerland pursuant to Article 2 of the Swiss Investment Fund Act 1995, and this Memorandum may only be circulated to a limited number of persons in Switzerland. Therefore, no steps have been taken to register the Fund and/or this Memorandum as a prospectus in Switzerland.

United Kingdom. This Memorandum has not been delivered for registration to the registrar of companies in England and Wales. The Shares may not be offered or sold in the United Kingdom except in accordance with all applicable provisions of the Financial Services and Markets Act 2000 (the “UK Act”) and all applicable orders, rules and regulations relating thereto. Purchases of the Shares in the United Kingdom may only be made on the terms set forth in this paragraph. The Shares are interests in a collective investment scheme which has not been authorized or recognized by the Financial Services Authority of the United Kingdom. Accordingly, this Memorandum is not being distributed to, and must not be passed on, to the general public in the United Kingdom. The distribution in the United Kingdom of this Memorandum on and after the date on which Section 19 of the UK Act comes into force (A) if made by a person who is not an authorized person under the UK Act, is being made only to the following persons: (i) persons who are “Investment Professionals” as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2001 (the “**Financial Promotion Order**”), (ii) persons falling within any of the categories of persons described in Article 49 of the Financial Promotion Order and (iii) any other person to whom it may otherwise lawfully be made and (B) if made by a person who is an authorized person under the UK Act, is being made only to the following persons: (I) persons falling within one of the categories of “Investment Professionals” as defined in Article 14(5) of the Financial Services and Markets Act 2000 (Promotion of Collective Investment Schemes) (Exemption) Order 2001 (the “**Promotion**

of CISs Order”), (II) persons falling within any categories of persons described in Article 22 of the Promotion of CISs Order and (III) any other person to whom it may otherwise lawfully be made in accordance with the Promotion of CISs Order.

Uruguay. The Shares offered hereby correspond to a private issue and are not registered with the Central Bank of Uruguay.

Venezuela. The Shares offered hereby have not been, and will not be, registered with the Comision Nacional de Valores (the Venezuelan Securities Commission) and may not be offered and sold in Venezuela except in circumstances which do not constitute a public offering or distribution under Venezuelan laws and regulations.

FUND DIRECTORY

The Company:

Sentinel Investment Fund SPC
Registered Office
One Capital Place,
P.O. Box 847,
Grand Cayman, KY1-1103, Cayman Islands
Tel.: (345) 949 0880
Fax: (345) 949 0881

Investment Advisor of the Company and the Funds:

Spyglass Investment Management Ltd.
c/o Akara Building,
24 De Castro Street,
Wickhams Cay 1,
Road Town, Tortola,
British Virgin Islands

Tel.: 1-786-924-5737

Directors of the Company:

Aldo Ghisletta,
Roger H. Hanson

Administrator of the Company and the Funds:

Trident Trust Company (Cayman) Limited
One Capital Place,
P.O. Box 847,
Grand Cayman, KY1-1103, Cayman Islands
Tel.: (345) 949 0880
Fax: (345) 949 0881

Auditors of the Company and the Funds:

Altschuler, Melvoin & Glasser (Cayman)
P O Box 1168GT
Grand Cayman
Cayman Islands KY1-1103
Tel.: (345) 946 0166
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**U.S. Counsel to the Company and the
Funds:**

Brito & Young
Professional Limited Company
Merrick Plaza
2199 Ponce de Leon Blvd.
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**Cayman Islands Counsel to the Company
and the Funds:**

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(345) 949-7555
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§ 1. SUMMARY OF PRINCIPAL TERMS

This Summary of Principal Terms summarizes various features of the Company and the Funds some of which are discussed in greater detail in other sections of this Memorandum. This Summary is qualified in its entirety by those other sections.

In addition, this Memorandum summarizes certain provisions of the governing documents and contractual agreements relating to the Company, and the Funds as well as certain provisions of applicable statutes, rules and regulations. These summaries are intended to be brief and do not purport to provide detailed descriptions or explanations of the topics they cover.

Moreover, this Memorandum does not summarize every provision of the governing documents and contractual agreements relating to the Company and the Funds, but only those provisions that the Company believes are likely to be of greatest interest to prospective investors. This Memorandum is therefore qualified in its entirety by the full text of those documents and agreements, which you should read in their entirety for a more complete understanding of the Company the Funds, and the Shares.

Copies of the Company's contractual agreements and governing documents, as well as copies of the governing documents and contractual agreements, are available from the Company upon request.

GENERAL

<i>The Company</i>	Sentinel Investment Fund SPC
<i>a Fund/the Fund(s)</i>	Pursuant to Part XIV of the Companies Law (2004 Revision) of the Cayman Islands, the segregated portfolio structure of the Company permits the creation of several segregated portfolios which may each constitute a separate investment fund, each with its own unique investment objectives and representing a distinct portfolio of assets and liabilities in the capital of the Company.
<i>“Segregated Portfolio”</i>	Means a segregated portfolio maintained in accordance with the Articles and Part XIV of the Companies Law of the Cayman Islands, which shall be kept segregated, separate and separately identifiable for each investment strategy of the Company and to which the assets, liabilities, income and expenditure attributable to or allocated to such strategy and the Shares issued therein, shall be applied or charged.
<i>“Segregated Portfolio Assets”</i>	Means, in respect of each Segregated Portfolio, the assets of the Company held within or on behalf of such Segregated Portfolio which comprise assets representing the share capital and reserves (which includes retained earnings, capital reserves and share

premiums) and all other assets attributable to or held within the Segregated Portfolio.

“Segregated Portfolio Shares”

Means a Share issued in the authorized share capital of the Company from time to time, including a fraction of any such share, the proceeds of issue of which are included in the Segregated Portfolio maintained by the Company in respect of which such Share is expressed to issued.

Investment Advisor

Spyglass Investment Management Ltd., a company limited by shares, incorporated under the laws of British Virgin Islands (the “**Investment Advisor**”), serves as the Investment Advisor of the Funds, and, in that capacity, has responsibility for managing the operations and cash of a Fund. Voting interests in the Company (represented by the Management Shares) will be held exclusively by the Investment Advisor and/or its affiliates.

Pursuant to the Investment Advisory Agreement, the Investment Advisor is responsible for (i) monitoring investments and selecting the securities to be purchased and sold consistent with a Fund’s investment objectives, (ii) making all decisions with respect to leverage and hedging transactions, (iii) selecting the broker/dealer through whom securities transactions shall be placed, and (iv) providing the Directors periodically with available information regarding the Fund’s investments, as determined, in its sole discretion, to be appropriate.

The Investment Advisor, in consultation with the Directors, reserves the right to alter or modify some of the investment strategies of a Fund when the Investment Advisor believes that such modifications or alterations are consistent with the investment objectives of a Fund. See "Investment Management Fees, Administrative Fees, and Fund Expenses."

The Investment Advisor may appoint and delegate any or all of the aforementioned responsibilities to, in its sole discretion, one or more sub-advisers either generally or in respect of a particular Fund or Funds. The Investment Advisor and not the Funds will be responsible for the fees and costs of any such sub-advisers.

See §2, “MANAGEMENT- *The Funds*”.

The Administrator

Trident Trust Company (Cayman) Limited (the “**Administrator**”) serves as the administrator of the Company and the Funds.

The Directors have delegated certain administrative and accounting functions to the Administrator pursuant to the

Administration Agreement.

See §2, "MANAGEMENT- *The Administrator, Registrar and Transfer Agent*"

INVESTMENT OBJECTIVE AND STRATEGIES; RISK AND RISK MANAGEMENT

Investment Objective and Strategies

Pursuant to Part XIV of the Companies Law (2004 Revision) of the Cayman Islands, the segregated portfolio structure of the Company permits the creation of several segregated portfolios which may each constitute a separate Fund, each with its own unique investment objectives and representing a distinct portfolio of assets.

Specific details pertaining to a particular Fund's objective, strategy and proposed asset allocation are discussed in greater detail in the relevant Appendix for the Fund attached hereto.

Risk and Management

Risk Although the Company will use what it considers seasoned investment research techniques and risk management strategies in investing and reinvesting a Fund's assets, an investment in a Fund - which, as discussed above, - should be considered speculative and involves substantial risk.

See §9, "RISK FACTORS".

DESCRIPTION OF SHARES, CLASSES AND SERIES

The Shares

The share capital of the Company consists of US\$50,000 divided into 100 voting, non-redeemable, non-participating Management Shares of US\$0.01 par value each (the "**Management Shares**"), all of which were subscribed for and have been issued to, and will be held on an ongoing basis by the Investment Advisor, and 4,999,900 non-voting, redeemable, participating Shares having a par value of US\$0.01 per share (the "**Shares**"). The Management Shares are issued, fully paid and non-assessable.

Multiple Classes

The Company may offer various classes of its Shares (each, a "**Class**"), each issued in respect of a particular and separate Segregated Portfolio of assets and liabilities, and created for, and issued with respect to, a separate investment strategy and representing a separate Fund. For the purposes of compliance with Part XIV of the Companies Law of the Cayman Islands, the assets attributable to each Fund shall be deemed Segregated Portfolio Assets of that Fund and each Class of Shares issued shall be deemed Segregated Portfolio Shares in respect of the Fund in which they are issued. The Company is currently offering its

Shares in the Funds. The Company is offering redeemable, participating, non-voting shares, par value US\$0.01 per share, (“**Shares**”) in the Funds by way of this Confidential Information Memorandum. Specific details pertaining to a Fund are discussed in greater detail in the relevant appendix attached hereto (each an “**Appendix**” and collectively the “**Appendices**”).

See §5, “DESCRIPTION OF SHARES, CLASSES”.

Multiple Series

A Fund may be subdivided into separate series (each, a “**Series**”), which correspond to a particular type of investor within a Fund, and is created to provide for certain fees, minimum investment requirements and redemption rights applicable to each such investor. The Company may create additional Series for a Fund, the particular terms of which may be set forth in greater detail in the relevant appendix attached hereto (each an “**Appendix**” and collectively the “**Appendices**”).

For the avoidance of doubt, any Series of Shares created within a Fund shall be Segregated Portfolio Shares of the Fund in which they are created.

THE OFFERING OF SHARES

Suitability Requirements You may not purchase Shares of the Fund unless you are a “Non-U.S. Person”. A concise description of the types of investors that qualify as “Non-U.S. Persons” is set forth in **Exhibit A** attached hereto.

Minimum Investment and Purchase Price per Share ***Initial and per*** If you wish to become a shareholder of a Fund (a “**Shareholder**”), you must make an initial minimum investment in a Fund as set forth in the Appendix for the specific Fund. The Board may raise or lower this minimum from time to time and accept initial capital contributions below the established minimum in its discretion. Additional investments by a Shareholder will be subject to the minimum amount as set forth in the Appendix for the specific Fund.

Capital Sought The Company intends to raise an initial minimum amount of US\$1,000,000 prior to commencing operation of any Fund, although the Company may decide to commence operations with less than that amount.

The Company does not expect to set a maximum aggregate amount of capital that it will accept for a Fund, although the Directors may waive or impose any such limitation in their discretion.

Offering Period With respect to Shares of a Fund being offered by the Company, the Investment Advisor (in consultation with the Directors) will establish an initial offer period (the “Initial Offer Period”) commencing and ending on such dates as the Investment Advisor,

in consultation with the Directors may determine.

The Initial Offer Period anticipated for a specific Fund will be as set forth in the Appendix relating to the specific Fund. During the Initial Offer Period, Shares will be offered at the Initial Offering Price specified in the Appendix for that Fund. The Initial Offer Period may be extended or deferred to such later date as the Directors in their sole discretion may determine.

After the Initial Offer Period, the Directors may in their sole discretion accept subscriptions for additional Shares on a continuous basis, and permit existing Shareholders to make additional investments in a Fund, on the first Business Day of each month or on such other day or days as the Directors may from time to time determine. However, the Company may suspend the offering of Shares from time to time or terminate the offering of Shares at any time in its discretion.

If prior to the close of the Initial Offer Period, the Company has not accepted sufficient subscriptions to proceed with a Fund, then the Company may determine not to issue Shares of a Fund, in which case all subscription amounts for a Fund will be returned to the subscribers..

Use of Proceeds

The Company will use the proceeds of a Fund for the purpose of implementing the investment objectives and strategy of that Fund and to pay certain expenses of the Fund.

See §4, “EXPENSES; MANAGEMENT FEES AND INCENTIVE FEES - *Fund Expenses*”.

Placement Agents

The Company may use placement agents in respect of any offering or sale of Shares. The Company may appoint a primary placement agent in respect of any Fund and such placement agent may be an affiliate of the Investment Advisor. The Company may also appoint such other or additional placement agents from time to time at the discretion of the Directors, who may also be affiliates of the Investment Advisor (the “**Placement Agents**”).

Certain investors in a Fund may be charged a servicing fee for certain fees, commissions, and charges assessed by the Placement Agents and distributors in connection with the marketing of a Fund, as may be more particularly described in the relevant Appendix for that Fund attached hereto.

Side Letters

The Company may from time to time seek to induce investment in a Fund from financial institutions by offering investment terms which are not available to other investors in a Fund. In such cases the parties will enter into a written side arrangement (a “**Side Letter**”) varying the standard terms of offer herein. Such variations may include, without limitation, variations to fees, minimum investment or redemptions, with the effect that not all investors in a Fund will invest on the same terms and larger investors may be expected to enjoy more favorable terms than smaller investors.

Subscription Procedures

If you wish to become a Shareholder, you must complete and execute a Subscription Agreement and deliver it via fax to the Investment Advisor and mail the original to the Company c/o Administrator at the Administrator’s address set forth in the Directory.

If the Company accepts your Subscription Agreement, whether in respect of the full subscription amount or only part thereof, you must transmit your subscription funds to the Company by wire transfer in accordance with the instructions herein no later than three (3) Business Days before the relevant investment date (subject to waiver by the Company in its discretion). If you are subscribing on or prior to the Initial Offer Period anticipated for a specific Fund as set forth in the Appendix relating to the specific Fund, Shares will be offered at the Initial Offering Price specified in the Appendix for that Fund. However, if you are subscribing thereafter and if the Company accepts your Subscription Agreement, the Company will issue (subject to the conditions contained in this Memorandum) the number of Shares (rounded to four decimal points) calculated by dividing (i) the amount of your subscription funds accepted by the Company (minus any applicable Subscription Charge) by (ii) the final NAV of the Shares of a Fund as of your subscription date (the “**Subscription Price**”). The Company may issue you fractional shares in a Fund (rounded to four decimal places), if your subscription amount is not an exact multiple of the Subscription Price. Any interest earned on your subscription funds before the relevant investment date will also be credited to the relevant Fund. The Company may in its discretion admit you as a Shareholder as of a particular investment date notwithstanding that you have not wired your subscription funds to the Company at least three (3) Business Days before that date.

Your execution of a Subscription Agreement constitutes a binding offer to purchase the Shares of a Fund subscribed for thereunder and an agreement to hold your offer open until your subscription is accepted (in whole or in part) or rejected by the Company. Your execution of the Subscription Agreement and its acceptance by the Company together constitute your agreement to be bound by the terms of this Memorandum, the Subscription Agreement and the Company Charter. The Company reserves the right to accept or

reject your Subscription Agreement, and any additional investment in a Fund you may wish to make, in whole or in part, in its discretion.

EXPENSES AND FEES

Expenses

The Investment Advisor is responsible for the respective salaries, bonuses and employee benefit expenses of its principals and employees who are involved in making investment and trading decisions for the Fund (as well as related overhead, including office space and equipment, utilities and other similar items), except as otherwise described herein.

The Company generally will bear all other costs and expenses associated with its organization, the offering of Shares of the Funds and its ongoing operations.

Notwithstanding U.S. generally accepted accounting principles, the Company will amortize these costs and expenses in equal instalments over a period of 60 months (or such other period as the Directors may resolve), commencing as of the end of the month in which the Initial Closing occurs, for purposes of calculating a Fund's net asset value ("**NAV**"). While not expected to be deemed material by the Company's auditor, such amortization is a departure from generally accepted accounting principles and may be deemed to be material, and therefore result in a qualification of the Company's annual financial statement.

A Fund's operational costs and expenses are expected to consist primarily of (i) Management and Incentive Fees (defined below); (ii) Servicing Fees; (iii) the fees and expenses of the Administrator; (iv) direct operating costs and expenses, including administrative, legal, accounting, auditing, recordkeeping, compliance and consulting costs and expenses; fees, costs and expenses of third-party service providers that provide such services; insurance costs and expenses; bank service fees; costs and expenses associated with preparing investor communications; and printing and mailing costs; and (v) governmental licensing, filing and exemption fees.

For a more complete description of the expenses of a Fund see §4, "EXPENSES MANAGEMENT FEES AND INCENTIVE FEES - *Fund Expenses*".

Management Fees

The Company ordinarily will pay a monthly management fee (the "**Management Fee**") in advance in an aggregate amount equal to a fixed percentage of the NAV of the Shares of a Fund held by each investor, determined as of the beginning of each month to the Investment Advisor. The exact terms and amount of such

Management Fees are set forth in the Appendix for the specific Fund.

Incentive Fees

The Company ordinarily will pay the Investment Advisor an Incentive Fee equal to a fixed percentage of the increase (if any) in a Fund's Net Asset Value Per Share at the end of each month (before deduction of such Incentive Fee, but after deduction or accrual of all other expenses and liabilities) above the previous highest such value at the end of any preceding month (after deduction of any monthly Incentive Fee). The exact terms and amount of such Incentive Fees are set forth in the Appendix for the specific Fund.

Subscription Charge

In connection with a subscription of Shares of a Fund, the Company may charge a subscription charge of between 0-5% of the subscription amount ("**Subscription Charge**") as set forth in the Appendix for the specific Fund.

Servicing Fees

Certain investors may be required to pay the Company an annual servicing fee ("**Servicing Fee**"). The exact terms and amount of such servicing fees are set forth in the Appendix for the specific Fund.

Redemption Fees

The Company may charge a Shareholder a redemption fee in respect of their redemption of Shares in a Fund as may be more particularly described in the relevant Appendix for that Fund attached hereto.

LIQUIDITY DISTRIBUTIONS, REDEMPTIONS AND TRANSFERS

Distributions

Dependent upon the specific investment terms of a Fund, a Fund may be designed to generate a regular or fixed stream of income and may make distributions to the holders of Shares in a Fund. Alternatively, income earned by the Company with respect to a Fund may be reinvested and reflected in the NAV of the Shares. If the Company makes distributions with respect to a particular Fund or in respect of Shares therein, it generally will make them subject to the provisions of the Companies Law and the Articles of Association of the Company and any specific investment terms as more particularly described in the relevant Appendix for that Fund attached hereto.

Redemptions

Voluntary Redemptions. A Shareholder may generally redeem all or any portion of its Shares of a Fund as of the last Business Day of any calendar quarter (the "**Redemption Date**"), upon not less than 60 days' prior written notice to the Company.

A request for redemption that would reduce a Shareholder's aggregate holdings below the minimum initial investment requirement in effect at the time of such redemption will be treated as a request for a full redemption, unless the Board, in its

discretion, determines otherwise.

Compulsory Redemptions. The Company may compulsorily redeem all or any portion of the Shares of a Fund held by any Shareholder as of any month-end by giving not less than five days written notification to such Shareholder.

The Company may also require redemptions without notice for certain tax and regulatory reasons.

Redemption Price. The redemption price for Shares being redeemed shall be the NAV of such Shares as of the Redemption Date, after the deduction of the Management Fee, any accrued Incentive Fee attributable to such Shares and any redemption or other fees applicable to such Shares. Investors should note that in Funds which generate a regular or fixed stream of income and which may make distributions to the holders of Shares in that Fund, income earned on investments is not re-invested and therefore not reflected in the NAV of the particular Shares of the Fund in which the regular or fixed stream of income is distributed. As a result the Redemption Price will not be reflective of any distributions made on the Shares and investors may on redemption receive back less than the amount subscribed for the Shares.

Payments on Redemption. Except under certain circumstances described below and subject to any investment terms applicable to the Shares of a particular Fund, if a Shareholder requests redemption of Shares of a Fund, or the Company requires a Shareholder to redeem Shares, the Company will generally distribute the redemption proceeds within 40 days of the applicable Redemption Date.

Limitation on Redemption. As a result of certain limitations on redemptions imposed by the underlying investments on a Fund, Shareholders may be unable to redeem 100% of their Shares at a specific time. Accordingly, the Company may, on the advice of the Investment Advisor, distribute less than 100% of the estimated redemption proceeds in respect of any Fund within forty (40) days of the Company's receipt of the proceeds of any withdrawals or redemptions that a Fund makes from underlying investments in order to fund such redemption and distribute the balance as soon as reasonably practicable following the completion of the Company's annual audit for the year in which the redemption was effected.

Redemption Fees. The Company may charge a Shareholder a redemption fee in respect of Shares in a Fund as set forth in the relevant Appendix for that Fund attached hereto.

Suspensions of Redemptions. The Company may temporarily suspend redemptions and redemption payments in respect of the

Shares of a Fund in certain limited circumstances.

Holdback. The Investment Advisor may also recommend that the Company withhold from any redemption proceeds, a reserve to pay for contingent liabilities arising from events occurring during the period of time in which a redeeming Shareholder held the Shares being redeemed. Any holdback will be made as soon as practicable after the Directors determine that the above reserves are no longer required (or are required only in part).

Transfers

Because the Company has not registered the Shares under the Securities Act or other applicable laws, (with the exception of the registration of the Company in the Cayman Islands) investors may not resell, assign, pledge or otherwise transfer Shares except in transactions that are exempt from or not subject to the registration requirements of the Securities Act and other applicable securities laws. In addition, a Shareholder may not resell, assign, pledge or otherwise transfer its Shares, and transferees may not become Shareholders, without the prior written consent of the Board, which may withhold such consent in its discretion.

Shares are not listed on any exchange. Although the Company may, in its sole discretion, attempt to list the Shares on a Stock Exchange, there can be no assurance that the Shares will be listed on such exchange or any other exchange, and the Company is not required to pursue any such listing of the Shares. No public market for the Shares otherwise exists or is likely to develop. As a result, an investor may not be able to liquidate its Shares in the event of a financial emergency or use its Shares as collateral for a loan. For a more complete description of the restrictions on and conditions applicable to transfers of Shares, see the Company Charter.

OTHER

Limited Liability

The liability of each Shareholder of the Company to the Company is limited to the amount unpaid (if any) on Shares purchased by such Shareholder.

Tax Considerations

The Company does not expect to be subject to tax in the United States, the Cayman Islands or any other jurisdiction with the exception of possible U.S. withholding taxes imposed on the Company's U.S. source dividend income and certain interest income. The Company will be a passive foreign investment company ("**PFIC**") for U.S. federal income tax purposes. The tax aspects of the Fund are complex. You should consult your own tax advisors before determining to invest. See §11, "TAXATION AND EXCHANGE CONTROL."

Reports

As soon as reasonably practicable after the end of each month, the Company will provide to each Shareholder a report reflecting the NAV of such Shareholder's Shares as of the end of such month as compared with the end of the previous month.

**Fiscal Year;
Accounting Matters**

The Company's fiscal year will be the calendar year, unless the Board determines otherwise. The Company will keep the financial books under the accrual method of accounting, and, as to matters not specifically described herein or in the Company Charter, in accordance with U.S. generally accepted accounting principles consistently applied.

Counsel

Brito & Young have assisted the Company in the preparation of this Memorandum and has advised and may continue to advise the Company and the Investment Advisor regarding its duties and responsibilities with respect to the Fund (and its Shareholders). Brito & Young have not represented the Shareholders in organizing the Company, the Fund or negotiating its business terms or in connection with the offering of Shares of any Fund.

Truman Bodden & Company, Attorneys-at-Law, Grand Cayman, Cayman Islands, have advised the Investment Advisor and the Company on certain matters of Cayman Islands law. Truman Bodden & Company have not represented the Company's Shareholders in negotiating the business terms of any Fund or in connection with the offering of its shares.

The Company does not anticipate that it will engage separate counsel in connection with the organization or general operation of the Company or the Fund.

Auditors

The Board has selected Altschuler, Melvoin & Glasser (Cayman) to audit the financial statements of the Company on an annual basis. The Board reserves the right to change its selection of auditors for the Company.

§ 2. MANAGEMENT

The Board

General

The Board is responsible for managing the overall business and affairs of the Company and the Fund, subject to the provisions of Cayman Islands law and the Company Charter. However, pursuant to the Investment Advisory Agreement, the Directors have delegated the responsibility to make operational and cash management decisions to and the responsibility for managing the investment activities to the Investment Advisor. The Board has also delegated certain administrative functions to the Administrator pursuant to the Administration Agreement.

Current Members of the Board

The Directors serve in a non-executive capacity and have delegated the day-to-day operation of the Company and the Funds to service providers including the Investment Advisor and Administrator. In performing their duties, the Directors are entitled to rely upon, and generally rely upon the work performed by and information received from such service providers. Given the nature of the securities traded by the Fund only the Investment Advisor will be in a position to assess the risk associated with the investments. Accordingly, the responsibility for risk management will rest with the Investment Advisor.

The current members of the Board, whose biographies appear below.

Roger H. Hanson, Director

A recognized leader in the Cayman hedge fund industry, Mr. Hanson was previously the Regional Manager (North American and Caribbean), for Fortis Prime Fund Solutions, a leading global provider of fund administration, banking and financial services to the hedge fund industry with over US\$135 billion in assets under administration. At Fortis he directed the operations, compliance and commercial activities of five offices in four countries.

He has served as a director to several notable hedge funds and is a founding member and Executive Committee member of the Cayman Islands Fund Administrators Association.

Before joining Fortis, he served in Audit and Business Advisory Services of Ernst & Young, Cayman Islands and in the audit and corporate tax departments of Deloitte Haskins and Sells, England. He is a member of the Institute of Chartered Accountants in England and Wales, and a member of the Chartered Institute of Taxation.

Aldo Ghisletta, Director

Formerly, Mr. Ghisletta was the General Manager of Morval Bank & Trust Cayman Ltd., where he directed its private banking, mutual fund administration, and trust operations, serving institutional and high networth clientele with particular emphasis on European clients.

Prior to that, he was the Vice President of Banca Unione di Credito, a financial services group based in Lugano, Switzerland where he managed the mutual fund administration and securities trading operations of the Zurich branch. Previous to this role, he managed Banca Unione di Credito's Internal Audit department and led the establishment of the group's subsidiary operations in the Cayman Islands.

Before joining Banca Unione di Credito, Mr. Ghisletta was the Deputy Vice President of Banca Svizzera Italiana, one of the ten largest banks in Switzerland, managing the Internal Audit Departments of the Bahamas, United States and Switzerland subsidiaries. He is a former member of the Swiss Banking Association and the Swiss Internal Auditing Association.

He holds a degree in Banking and Business Administration from the Swiss Confederation and is fluent in Italian, German, English, French and Portuguese.

Exculpation and Indemnification of Members of the Board

The Company Charter provides that each Director of the Company shall be indemnified and held harmless out of the assets of the Company against all actions, proceedings, costs, charges, losses, damages and expenses (including reasonable legal and/or accountancy fees) claims, losses or liabilities that he or she may incur or sustain by reason of any act done or omitted in or with respect to the execution of his or her duty as a director of the Company or otherwise in relation thereto, including any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted, and no Director or person as aforementioned shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office or in relation thereto provided that he acted in good faith and in a manner reasonably believed by him to be in the best interests of the Company and provided further that his actions did not involve Gross Negligence, wilful default, fraud or dishonesty.

Notwithstanding the foregoing, no exculpation or indemnification of a Director shall be permitted to the extent such exculpation or indemnification would be inconsistent with the requirements of applicable law.

The Investment Advisor

The Board has appointed Spyglass Investment Management Ltd., a company limited by shares, incorporated under the laws of British Virgin Islands, as the investment advisor of the Company and the Funds (the "Investment Advisor").

Mr. Edmund J. E. Ward is the principal of the Investment Advisor and is responsible for the day-to-day operational control of the Investment Advisor. Mr. Ward is graduate from Montana University (1950) and an investment professional. He served as CEO of Xerox Corporation in Panama from 1965 until 1973 and then as Panama and Central America Regional Manager for Xerox Corporation from 1973 until 1982. Pursuant to the investment advisory agreement (the

“Investment Advisory Agreement”) with the Company discussed below, the Investment Advisor is responsible for the trading and investment of a Fund’s assets. The Investment Advisor may appoint and delegate any or all of the aforementioned responsibilities to, in its sole discretion, one or more sub-advisers either generally or in respect of a particular Fund or Funds. The Investment Advisor and not the Funds will be responsible for the fees and costs of any such sub-advisers.

The Investment Advisory Agreement

The Company has appointed Spyglass Investment Management Ltd. as the Investment Advisor to the Company and the Funds pursuant to the Investment Advisory Agreement.

The Investment Advisory Agreement provides that the Investment Advisor will not be liable for monetary or other damages to the Company or any of its shareholders, for their respective good faith reliance on the provisions of the Investment Advisory Agreement or the governing documents of the Company or for (a) losses sustained or liabilities incurred by any of them as a result of errors in judgment on their part, or any act or omission of the Investment Advisor, if such losses or liabilities were not the result of the Investment Advisor’s or wilful malfeasance, bad faith or negligence in the performance of, or reckless disregard of, its duties under the Investment Advisory Agreement or the governing documents of the Company; (b) errors in judgment on the part of any person, or any act or omission of any person, selected by the Investment Advisor or perform services for or otherwise transact business with the Company, provided that, in selecting such person, the Investment Advisor, or, as the case may be, acted without willful malfeasance, bad faith or gross negligence; or (c) circumstances beyond the Investment Advisor’s or control, including the bankruptcy, insolvency or suspension of normal business activities of any broker-dealer, bank or other financial institution holding assets of the Company.

Pursuant to the Investment Advisory Agreement, the Company will, to the fullest extent permitted by law, indemnify the Investment Advisor, their affiliates and each shareholder, partner, member, director, officer, employee or agent of any of their affiliates (each an Associate) - from and against any and all losses, damages, liabilities, costs, expenses (including reasonable legal and expert witness fees and related costs and expenses), judgments, fines, amounts paid in settlement and other amounts (including costs and expenses associated with investigation or preparation), actually and reasonably paid or incurred by such Associate in connection with any and all legal or similar proceedings that arise from or relate, directly or indirectly, to any act or omission (or alleged act or omission) of such Associate in connection with the Investment Advisory Agreement or the business or affairs of the Company and in which such Associate may be involved, or is threatened to be involved, as a defendant, witness, deponent or otherwise (but not as a plaintiff, unless the Board agrees otherwise in its sole and absolute discretion), whether or not the same shall proceed to judgment or be settled or otherwise be brought to a conclusion, except to the extent that it is Judicially Determined (defined below) that such Associate is not entitled to be exculpated in respect of such act or omission as described above. “Judicially Determined” means determined in a judgment or order, not subject to further appeal or discretionary review, by a court, governmental body or agency or self-regulatory organization having jurisdiction to render or issue such judgment or order.

Notwithstanding the foregoing, no exculpation or indemnification of an Associate shall be permitted to the extent such exculpation or indemnification would be inconsistent with the requirements of United States federal or state securities laws or other applicable law.

The Investment Advisory Agreement shall have an indefinite term, but may be terminated by the Company or the Investment Advisor upon written notice to the other parties in the event of (i) material breach by another party, (ii) bankruptcy or insolvency of another party, (iii) inability of another party for regulatory reasons to perform its services or (iv) commencement of winding up of the Fund (or analogous process). In addition, (i) the Investment Advisor may terminate this Agreement upon 30 days written notice to the Company; (ii) the Company may terminate the Agreement as it relates to itself upon 30 days written notice to the Investment Advisor; and (iii) the Investment Advisor may terminate this Agreement as it relates to itself upon (a) 30 days written notice to the Company; (b) material breach by another party, (c) bankruptcy or insolvency of another party, (d) inability of another party for regulatory reasons to perform its services or (e) commencement of winding up of the Company or any Fund.

The Administrator, Registrar and Transfer Agent

The Company has appointed Trident Trust Company (Cayman) Limited (the “Administrator”) to provide services to the Company as the Administrator, Registrar and Transfer Agent with respect to the Funds. The Administrator provides corporate, administrative, accounting and other services to investment companies, mutual funds, unit trusts, finance companies, trading companies and others. It is licensed in the Cayman Islands as a Mutual Fund Administrator under the Mutual Funds Law (2003 Revision) as amended by the Mutual Funds (Amendment) Law, 2006 and as a Trust Company under the Banks and Trust Companies Law (2003 Revision).

Under the terms of an Administration Agreement, the Company has appointed the Administrator as the Administrator, Registrar and Transfer Agent of the Company and the Funds. The Administrator has its principal office located at One Capital Place, P.O. Box 847GT, Grand Cayman, Cayman Islands. The Administrator will provide the Company with certain administrative, accounting and clerical services, including processing Subscription and Redemption documents for the Funds, providing periodic reports, accepting subscription payments and remitting redemption proceeds, payment of the Company's expenses, and other day-to-day administrative tasks. The Administrator will also maintain the accounting records of the Funds; will be responsible for the calculation of the Fund's Net Asset Value and Net Asset Value per Share; will undertake all reporting requirements in respect of the Fund as required and will maintain the share register of the Company in respect of the Funds. The Share transfer registers for each Class or Series of Shares of the Fund are kept at its principal office.

As Registrar and Transfer Agent for the Funds, the Administrator is responsible for the recording and processing of subscriptions, transfers and redemptions from shareholders in the Funds and for recording the pertinent information in the Funds' shareholder registers.

It should be noted that in relying on information furnished by other persons in performing services for the Funds, the Administrator is not responsible or liable for the accuracy of the underlying data. The Administrator in no way acts as guarantor or offeror of the investment described therein and is not responsible for the actions of the sales agents, trading advisors and clearing brokers the Directors may select.

Under the terms of the Administration Agreement, the Company has agreed to pay the Administrator based on prevailing market rates and to indemnify the Administrator and its directors, officers and employees against any liability, action, proceedings, claims, demands, costs or expenses incurred in connection with the performance of its services under the

Administration Agreement, unless these arise from dishonesty, gross negligence, fraud, willful neglect, willful misconduct or bad faith.

The Administration Agreement is terminable with 90 days prior written notice.

The Custodian

The Company may, in its sole discretion, appoint a custodian (the “Custodian”) of the assets of the Funds pursuant to a custodian agreement (the “**Custodian Agreement**”).

If appointed, the Custodian would maintain all assets of the Funds, including the monies raised in the offering of the Shares until they are invested as directed by the Investment Advisor into, and those assets will be separately identified and held in a segregated client account.

Under the terms of the Custodian Agreement, the Company would pay the fees to the Custodian based on prevailing market rates and reimburse the Custodian for reasonable expenses in connection with its services. The Company would also indemnify and hold harmless the Custodian from and against any loss, damage or expenses suffered or incurred by the Custodian arising from the activities performed under the Custodian Agreement, unless these arise from negligence, wilful default, fraud or dishonesty. The Custodian Agreement would generally be terminable with 90 days prior written notice.

The Custodian would be permitted to appoint sub-custodians (“**Sub-Custodians**”) to hold the assets of the Funds. The Custodian would be required to act with reasonable skill, care and diligence in the selection, appointment and monitoring of Sub-Custodians and be responsible to the Company, for the duration of any agreement with Sub-Custodians, for satisfying itself periodically as to the ongoing suitability of any such Sub-Custodian to provide custodial services to the Funds. The Custodian would be required to maintain an appropriate level of supervision over any Sub-Custodians and make appropriate enquiries periodically to confirm that the obligations of any Sub-Custodian continue to be competently discharged. The Custodian would not be liable for any losses or damages to the Company arising from the insolvency of a Sub-Custodian, provided that the Custodian had not been negligent in the selection and continued retention of such Sub-Custodian.

§ 3. INVESTMENT OBJECTIVES AND STRATEGIES

INVESTMENT OBJECTIVES

Pursuant to Part XIV of the Companies Law (2004 Revision) of the Cayman Islands, the segregated portfolio structure of the Company permits the creation of several segregated portfolios which may each constitute a separate Fund, each with its own unique investment objectives and representing a distinct portfolio of assets. Each separate segregated portfolio Fund shall be constituted by a separate Class of Shares. Specific details pertaining to a particular Fund’s objective, strategy and proposed asset allocation are discussed in greater detail in the relevant Appendix for the Fund attached hereto.

The Investment Advisor may exercise its discretion to terminate a Fund in situations including, among others, (i) where it determines that suitable replacement securities of

adequate quality and yield to replace matured, prepaid or liquidated portfolio securities held by a Fund are not available in the market, making it uneconomical to continue the Fund, or (ii) any other circumstances, such as increased cost of leverage, that cause the Investment Advisor to conclude that the Fund will be unable on an on-going basis to produce sufficient returns to pay the Funds' costs and expenses and still pay dividends at or approximating the Estimated Rate of Return to investors, or generate sufficient excess returns to pay the Service Fee. In cases of Termination, investors may not realize the Estimated Rate of Return for the projected Term, and may lose some or a significant part of their principal invested.

The Investment Advisor may take any of the actions described above, without the need to obtain the approval or consent of, or give notice to, investors in the Fund. Investors will receive quarterly reports of a Fund's asset composition in which material changes will be reflected.

The performance of any particular Fund may be affected by several risk factors, and there can be no assurance that a Fund will achieve its objectives or avoid substantial losses. See "Risk Factors." There can be no assurance that the investment objectives of a Fund will be achieved. An investment in a Fund is designed only for sophisticated persons who can afford a loss of all of their investment in a Fund.

A Fund's investment program entails substantial risks. There can be no assurance that the investment objectives of a Fund will be achieved or that a Fund will be able to avoid substantial losses. An investment in a Fund is designed only for sophisticated investors who can afford a loss of all of their investment in a Fund.

INVESTMENT STRATEGY

Newly Identified Derivative Strategies

A Fund may, from time-to-time, invest in certain newly identified derivative strategies that include, but are not limited to, privately negotiated over-the-counter and exchange traded transactions. The Company anticipates that a Fund may invest in such highly specialized derivative instruments only in order to gain access that would otherwise be closed to new investors. The International Swaps and Derivatives Association, Inc. ("**ISDA**") is an organization that was formed during the 1980's to help define and standardize these types of transactions. Prospective investors should investigate and familiarize themselves generally with the types of transactions executed using ISDA Master Agreements.

Portfolio Turnover; Level of Trading

While the Company expects that it will, through the Funds, hold interests in underlying assets for significant periods, the underlying assets themselves may be actively traded. Also, if a Fund were to invest in securities directly, there may be circumstances under which a significant portion of that Fund's portfolio may turn over in a short period of time. Rapid portfolio turnover would result in considerable transaction expenses for a Fund or the Company that would be borne directly or indirectly by a Fund.

Use of Leverage

Neither the Company's governing documents nor the Investment Advisory Agreement impose any restrictions on the level of margin borrowings or other forms of leverage including the use of swaps or other derivative instruments in respect of a particular Fund. The Company may establish lines of credit and may borrow to provide it with the necessary liquidity to fund its operations, including redemptions in respect of any Fund. Generally, the Company will attempt to manage the leverage it uses to a reasonable ratio; although, if a Fund uses options or other derivatives, the leverage could be substantially higher. A Fund will not control the use of leverage by underlying investment or project managers and will not have direct access to information about the level of leverage that such parties use.

Other Investment Strategies

The various segregated portfolios will invest across a potentially wide range of strategies selected by the Manager from time to time and may be used to provide additional diversification to a Fund's portfolio. The specific strategy outline and approach of a particular Fund will be set out in greater detail in the relevant Appendix for the Fund attached hereto.

See "*Newly Identified Derivative Strategies*" above.

INVESTMENT RESTRICTIONS

In addition to the foregoing objectives and policies, a Fund may adopt certain investment restrictions, which may further be described in the specific Appendix for the Fund, to govern the selection and maintenance of the Portfolio Securities to be held in a Fund. The specific Appendix for the Fund sets forth certain fundamental restrictions that regulate the investment activities of the Fund, including the maximum percentage of the Fund's total assets that will be invested in the securities of any one issuer and the maximum leverage that can be incurred by the respective Fund. The Directors may modify a Share Class' objectives, policies and restrictions at any time, without Shareholder approval. Shareholders will be provided notification of any material change in the Share Class' objectives, policies or restrictions. A Fund's investment guidelines and policies should not be construed as providing any protection against the risks of a decline in the value of a Fund's assets, a default in any of the Portfolio Securities, or any of the other risks associated with the Fund's investments in the Portfolio Securities (see "Risk Factors" below).

Risk Management

Each Fund will invest in a highly concentrated asset class where the risk of default is substantial. Investment in a Fund does not represent a complete investment program and may not be appropriate for all investors.

A Fund may, at its discretion, invest in short-term obligations of, or securities guaranteed by, the United States Government, its agencies or instrumentalities or in high quality obligations of banks or corporations or in short-term certificates of deposits issued by banks or corporations including the Service Provider or an affiliate or notes issued by developed or developing markets. The yield on these securities will tend to be lower than the yield on other securities to be purchased by a Fund.

Modification of Objectives, Policies and Restrictions

The Investment Advisor, in consultation with the Directors, reserves the right to alter or modify some of the investment objectives, strategies or restrictions of a Fund at any time, without Shareholder approval. Shareholders will be provided notification of any material change in a Fund's objectives, strategies or restrictions.

§ 4. EXPENSES AND FEES

Fund Expenses

The Investment Advisor will render the services set forth in the Investment Advisory Agreement and will be responsible for the payment of its respective ongoing overhead expenses associated with the rendering of such services. All ongoing operational costs and expenses of a Fund's investment program (including brokerage and custody charges, registration and legal fees, interest and taxes, and fees payable to the Investment Advisor, the Administrator, and Clearing Firm) will be paid from a Fund's assets. Initial offering and formation expenses of a Fund, as well as the associated professional fees of a Fund's accountants and attorneys, will be paid from a Fund's assets.

Subject to the limitations described below, the Company will pay such costs and expenses of a Fund as the Board shall reasonably determine to be necessary, appropriate, advisable, incidental or convenient to effect a Fund's formation, carry on its business and realize its objective, including without limitation: (i) a Fund's organizational costs and expenses, and offering costs and expenses incurred in connection with the offer and sale of Shares issued on the date of the Initial Closing; (ii) costs and expenses incurred in connection with the offer and sale of Shares after the Initial Closing; (iii) Management and Incentive Fees; (iv) the Servicing Fees; (v) direct operating costs and expenses, including administrative, legal, accounting, auditing, record-keeping, compliance and consulting costs and expenses (including costs and expenses associated with obtaining systems and other information designed to facilitate Fund accounting or record-keeping, including related hardware and software); fees, costs and expenses of third-party service providers that provide such services (including fees, costs and expenses of attorneys retained by the Company in connection with the business and affairs of a Fund, to the extent such fees, costs and expenses relate to advice provided to the Company or the Investment Advisor by such attorneys with respect to such business and affairs); insurance costs and expenses (including premiums for liability insurance covering a Fund and other persons); bank service fees; costs and expenses associated with preparing investor communications; and printing and mailing costs; (vi) fees and taxes imposed by any federal, state, local or foreign government, governmental agency or regulatory body or self-regulatory organization, including licensing, filing, registration and exemption fees and withholding, transfer and franchise taxes; (vii) the Company's indemnification obligations under the Company Charter, the Investment Advisory Agreement and the Administration Agreement; and (viii) extraordinary costs and expenses, if any.

The Company's organizational costs and expenses with respect to a Fund, together with offering costs and expenses incurred in connection with the offer and sale of Shares issued on the date of the Initial Closing, are not expected to exceed US\$50,000. The Company will amortize these organizational and offering costs and expenses in equal installments over 60

months (or such other period as the Directors may resolve), commencing as of the end of the month during which the Initial Closing occurs, for purposes of determining its NAV. This practice is not in accordance with U.S. generally accepted accounting principles, which would require the Company to expense its organizational and offering costs immediately, thereby charging them only to those investors who subscribe on or prior to the Initial Closing Date. While not expected to be deemed material by the Company's auditor, if this departure from generally accepted accounting principles is deemed to be material, it may result in a qualification of a Fund's annual financial statement.

Overhead Expenses of Investment Advisor

The Investment Advisor is responsible for the respective salaries, bonuses and employee benefit expenses of their principals and employees who are involved in making investment and trading decisions for a Fund (as well as related overhead, including office space and equipment, utilities and other similar items), except as otherwise described herein.

Management Fees

The Company ordinarily will pay a monthly Management Fee in advance equal to 0.125% of the NAV of the Shares of a Fund held by each investor, determined as of the beginning of each month (approximately 1.500% annually), which such Management Fee is allocated the Investment Advisor.

The Management Fee is charged against the Shares of the Fund to which it relates and thereby reduces the NAV of such Shares.

The Management Fee is charged against Shares of the Fund regardless of whether such Shares increase or decrease in value over time.

The Investment Advisor may agree to a different management fee arrangement in respect of any Share, generally by rebating all or a portion of such Management Fee, in its discretion. This will not entitle the Shareholder that holds such Shares, or any other Shareholder, to the same arrangement in respect of any other Shares.

Incentive Fees

The Company ordinarily will pay the Investment Advisor an Incentive Fee, the exact terms and amount of which are set forth in the Appendix for the specific Fund. Incentive Fees will generally be paid monthly.

The Investment Advisor will not be required to "repay" any Incentive Fee paid to it in respect of any Net Asset Value Per Share in the event such Net Asset Value Per Share subsequently decline in value

Like the Management Fee, the Incentive Fee is charged against the Shares to which it relates and thereby reduces the NAV of such Shares.

The determination of the Incentive Fee is binding and conclusive on the Shareholders.

The Investment Advisor may elect to waive, vary or modify the Management Fee or the Incentive Fee payable in whole or in part for certain investors and all or part of either fee may be paid to third parties that introduce investors to the Fund. The Company may also enter into side letters with respect to the Fund, varying the standard terms of offer herein. Such variations may include, without limitation, variations to fees for certain investors.

Servicing Fee

Certain investors may be required to pay the Company an annual servicing fee. See §6, “THE OFFERING OF SHARES – Servicing Fee”.

Redemption Fee

Certain investors may be required to pay the Company a redemption fee. See §8, “VALUATION AND REDEMPTION OF SHARES - Redemption Fee”.

§ 5. DESCRIPTION OF SHARES, CLASSES AND SERIES

Description of Shares.

The authorized share capital of the Fund is US\$50,000 divided into 100 voting, non-redeemable and non-participating shares, par value US\$0.01 per share (the “**Management Shares**”), all of which were subscribed for and have been issued to and will be held on an ongoing basis by the Investment Advisor; and 4,999,900 non-voting, redeemable, participating Common Shares, par value US\$0.01 per share (the “**Shares**”). The Management Shares are validly issued, fully paid and non-assessable. The Shares confer on their holders the right to receive dividends or otherwise participate in the profits and assets of the Company and the right, upon a winding up, to share, pro rata to their respective holdings, in the Company’s surplus assets available for distribution to Shareholders. Shareholders will not be entitled to vote their Shares at general meetings of the Company. The Shares are redeemable on the terms set out in this Memorandum. All Shares, when issued and paid for in accordance with the terms of the applicable Subscription Agreement, will be fully paid and non-assessable. If the Company accepts your Subscription Agreement, the Company will issue (subject to the conditions contained in this Memorandum) the number of Shares (rounded to four decimal points) calculated by dividing (i) the amount of your subscription funds accepted by the Company (minus any applicable Subscription Charge) by (ii) the final NAV of the Shares of a Fund as of your subscription date (the “**Subscription Price**”). The Company may issue you fractional shares in a Fund (rounded to four decimal places), if your subscription amount is not an exact multiple of the Subscription Price. The Shares will be issued in registered, book-entry form only. For purposes of administrative convenience, Shares may be certificated at the discretion of the Directors. The Administrator will, upon the Investment Advisor’s request, provide to the Investment Advisor detailed information regarding Shareholders and their respective shareholdings in the Company.

Multiple Classes

The Company may offer various classes of its shares. Each Class is created for, and issued with respect to, a separate investment strategy, each representing a separate Fund and Segregated Portfolio of the Company.

Multiple Series

The Fund may be subdivided into separate series, which corresponds to the various types of investors in the Fund, and is created to provide for certain cover fees, minimum investment amounts and redemption rights applicable to each such type of investor. The particular terms of each such Series are described in the relevant Supplement. The Company may create additional Series for the various Classes of the Company, the particular terms of which will be set forth in a Supplement.

New Issues

The U.S. National Association of Securities, Dealers, Inc. (the "NASD") restricts its members from allocating "new issues" (securities issued in a public offering that trade at an immediate premium in the secondary market) to private investment vehicles such as the Fund (or to private investment vehicles in which the Fund participates) unless, among other things, the Fund allocates profits and losses attributable to its direct or indirect investments in "new issues" exclusively to persons who are not "Restricted Persons" (as defined in the Subscription Agreement) under the NASD's "new issues" rule.

Shareholders will not be permitted to participate in the Fund's profits and losses attributable to "new issues" if they cannot represent and warrant that they are not Restricted Persons. In that case, to the extent the Company accepts such Shareholder's subscription of Shares of the Fund, the Company will divide the Fund into subclasses that are identical in all respects, except that one subclass will participate in "new issues" while the other will not. In certain cases, however, persons who are not able to represent and warrant that they are not Restricted Persons may nevertheless be eligible to participate in "new issues."

Eligibility

The Directors may in their sole discretion, restrict or prevent the ownership of Shares by any person, firm or corporate body. The Shares may only be purchased by non-U.S. Persons outside of the United States and by up to 100 tax exempt United States Persons that are "accredited" investors in private offerings and each investor will be required to represent, among other things, that it meets the above requirements and is thus an "Eligible Investor."

For purposes hereof, a U.S. Person is (i) a natural person who is a United States citizen or resident in the United States for immigration or United States income tax purposes, (ii) a partnership, corporation or other entity organized or incorporated under the laws of the United States or that has its principal place of business in the United States, (iii) an estate of which an executor or administrator is a U.S. person or the income of which is subject to U.S. income tax regardless of source, (iv) a trust of which any trustee is a U.S. person or the income of which is subject to U.S. income tax regardless of source, (v) an agency or branch of a foreign entity located in the United States or the income of which is subject to U.S. income tax regardless of source, (vi) a non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. person, (vii) a discretionary account or similar account (other than an estate or trust held by a dealer or other fiduciary organized, incorporated, or (if an individual) resident in the United States), (viii) a partnership or

corporation (A) organized or incorporated under the laws of any foreign jurisdiction and (B) formed by a U.S. person principally for the purpose of (1) investing in the Fund or (2) investing in securities not registered under the United States Securities Act of 1933, as amended, or (ix) an entity organized principally for passive investment such as a commodity pool, investment company or other similar entity in which U.S. Persons hold units of participation representing in the aggregate 10% or more of the beneficial interest in the entity or which has a principal purpose the facilitating of investment by a U.S. person in a commodity pool with respect to which the operator is exempt from certain requirements of Part 4 under the U.S. Commodity Exchange Act regulations by virtue of its participants being non-U.S. Persons, or (x) a U.S. or non-U.S. employee benefit plan, pension plan, retirement plan or other "Employee Benefit Plan," defined under the U.S. Employee Retirement Income Security Act of 1974, for either U.S. or non-U.S. employees, or acting on behalf of any of the foregoing.

Transfers

Transfers of Shares may be accepted by the Administrator, pursuant to authority delegated by the Directors, upon receipt of (i) irrevocable written instructions of transfer from a shareholder of the Fund, and (ii) a fully completed Subscription Agreement executed by the proposed transferee, who must be an Eligible Investor. The Directors may, in their sole and absolute discretion, for any reason or for no reason at all, direct the Administrator to refuse to accept any transfer request. Transfer fees and any applicable taxes and other charges incurred will be charged to the transferring shareholder for all transfers of Shares. Applicable placement fees will be paid by the transferee.

The Shares have not been registered under the United States Securities Act of 1933, as amended, or under the securities laws of any State of the United States, and the Fund has not been registered under the Investment Company Act.

THE SHARES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES LAWS OF ANY JURISDICTION, AND CONSEQUENTLY ARE RESTRICTED SECURITIES, SUBJECT TO SUBSTANTIAL RESTRICTIONS ON TRANSFERABILITY AND RESALE. THE SHARES MAY NOT BE TRANSFERRED OR SOLD EXCEPT UPON THE PRIOR WRITTEN APPROVAL OF THE DIRECTORS TO THE ADMINISTRATOR. THE DIRECTORS MAY DIRECT THE ADMINISTRATOR TO REFUSE TO PERMIT ANY SALE OR TRANSFER OF SHARES THAT WOULD REQUIRE REGISTRATION OF THE SHARES UNDER THE SECURITIES LAWS OF ANY JURISDICTION OR REGISTRATION OF THE FUND UNDER THE INVESTMENT COMPANY ACT OR RESULT IN A VIOLATION OF ANY SECURITIES LAW OR REGULATION OF ANY JURISDICTION. The Directors may direct the Administrator to condition approval of any sale or transfer of the Shares on receipt of an opinion of counsel, in form and substance satisfactory to the Directors, that no such registration is required and no violation of any securities laws or regulations will result. The Shares may not be sold or otherwise transferred except in the limited circumstances set forth in this Confidential Information Memorandum, and in accordance with the requirements and conditions set forth in the Memorandum and Articles of Association of the Company and the Subscription Agreement. There is no secondary market for the Shares.

TAX CONSIDERATIONS

§ 6. THE OFFERING OF SHARES

Minimum Investment

Eligible investors who wish to invest in the Fund must make an initial investment as set forth in the Appendix relating to the specific Fund. The Board may raise or lower this minimum from time to time and accept initial capital contributions below the established minimum in its discretion. Minimum additional investments for a Shareholder will be subject to the amounts set forth in the Appendix relating to the specific Fund.

The Offering Period

With respect to Shares of the Fund being offered by the Company, the Investment Advisor will establish an initial closing date, and may in its sole discretion extend such date for such an additional time as the Directors may from time to time determine in their absolute discretion. The Fund anticipates that the initial closing of the Shares of the Fund on or about 31 December 2006 (the “**Initial Closing Date**”), but the Directors, in consultation with the Investment Advisor may defer such closing in their discretion to a later date.

After the Initial Closing Date, the Company may in its discretion accept subscriptions for additional Shares on a continuous basis, and permit existing Shareholders to make additional investments in the Fund, on the first Business Day of each month or on such other day or days as the Fund may from time to time determine. However, the Company may suspend the offering of Shares from time to time or terminate the offering of Shares at any time in its discretion.

Placement Agents

The Company may use placement agents in respect of any offering or sale of Shares. The Company may appoint a primary placement agent in respect of any Fund and such placement agent may be an affiliate of the Investment Advisor. The Company may also appoint such other or additional placement agents from time to time at the discretion of the Directors, who may also be affiliates of the Investment Advisor (the “**Placement Agents**”).

Servicing Fee

Certain investors may be required to pay the Company an annual servicing fee (the “**Servicing Fee**”). The Servicing Fee is charged against the Shares to which it relates and thereby reduces the NAV of such Shares. The Servicing Fee is charged against Shares regardless of whether such Shares increase or decrease in value over time.

The Servicing Fee will be used to offset certain expenses incurred by Investment Advisor for certain fees, commissions and sales charges with respect to the services provided by the Placement Agents and distributors. The exact terms and amount of such servicing fees are more particularly described in the relevant Supplement.

Subscription Procedures

If you wish to become a Shareholder, you must complete and execute a Subscription Agreement and deliver it via fax to the Investment Advisor and mail the original to the Company c/o Administration at Administrator's address set forth in the Fund Directory on page v.

If the Company accepts your Subscription Agreement, whether in respect of the full subscription amount or only part thereof, you must transmit your subscription funds to the Company by wire transfer in accordance with the Investment Advisor's instructions no later than three (3) Business Days before the relevant investment date (subject to waiver by the Company in its discretion). If the Company accepts your Subscription Agreement, the Company will issue (subject to the conditions contained in this Memorandum) the number of Shares (rounded to four decimal points) calculated by dividing (i) the amount of your subscription funds accepted by the Company (minus any applicable Subscription Charge) by (ii) the final NAV of the Shares of a Fund as of your subscription date (the "**Subscription Price**"). The Company may issue you fractional shares in a Fund (rounded to four decimal places), if your subscription amount is not an exact multiple of the Subscription Price. Any interest earned on your subscription funds before the relevant investment date will also be credited to the relevant Fund. The Company may in its discretion admit you as a Shareholder as of a particular investment date notwithstanding that you have not wired your subscription funds to the Company at least three Business Days before that date.

Your execution of a Subscription Agreement constitutes a binding offer to purchase the Shares subscribed for thereunder and an agreement to hold your offer open until your subscription is accepted (in whole or in part) or rejected by the Board of the Company in respect of the particular Fund subscribed. Your execution of the Subscription Agreement and its acceptance by the Fund together constitute your agreement to be bound by the terms of this Memorandum, the Subscription Agreement and the Company Charter. Subscriptions for Shares by eligible investors may be accepted at such times as the Investment Advisor may determine and recommend to the Board, subject to the receipt of cleared funds on or before the acceptance date. The Company reserves the right to accept or reject your Subscription Agreement, and any additional investment in the Company you may wish to make, in whole or in part, in its discretion.

Subscription Charge

In connection with a subscription of Shares, the Company may charge a subscription charge of between 0.00-5.00% of the subscription amount (the "**Subscription Charge**"), which is payable as more particularly described in the applicable Supplement. Alternatively, the Subscription Charge may be deducted directly by the Placement Agent from the Shareholder's subscription payment for purposes of determining the net amount available for investment in Shares. Regardless of whether the Subscription Charge is applied by the Company or collected by the Placement Agent at the time of subscription, the subscription amount for Shares subject to a Subscription Charge will be reduced by the amount of the Subscription Charge. The actual Subscription Charge shall be specified on each Subscription Agreement completed by the investor. The Company will use the subscription charges to reimburse the Investment Advisor for commissions, fees and other expenses it incurs or services provided in marketing the Fund and soliciting subscriptions through other Placement Agents and distributors.

UNITED STATES

The following discussion of the Federal income tax consequences of an investment in a Fund is based upon the existing provisions of the Internal Revenue Code of 1986, as amended

(the "Code"), the Treasury Regulations thereunder, administrative rulings of the IRS and court decisions, any of which could be changed at any time. This summary does not disclose all aspects of U.S. federal income taxation that may be important to particular investors in light of their individual investment circumstances, such as Shares held by investors subject to special tax rules (e.g., financial institutions, insurance companies, broker dealers, tax exempt organizations and non-U.S. investors), all of whom may be subject to tax rules that differ significantly from those summarized below. In addition, this summary does not discuss any foreign, state or local tax considerations.

Because the Company and its Funds are organized under the laws of the Cayman Islands and will maintain its principal office outside the United States, it generally will be considered a foreign person for purposes of U.S. tax laws and not be deemed engaged in a trade or business in the United States. Additionally, under United States tax law as is in effect as of the date of this Confidential Information Memorandum, a Fund should not be subject to U.S. taxation on U.S. capital gains realized by that Fund. Because there is no income tax treaty between the United States and the Cayman Islands, all dividends received by a Fund from U.S. sources, which are not expected to be significant, will be subject to U.S. withholding tax at a 30% rate.

A Fund may take certain actions in order to avoid the receipt of dividends and limit the U.S. withholding tax incurred by the Fund, including selling securities owned by the Fund prior to the record date for payment of a dividend or removing certain stocks from its trading universe. Any such actions may cause a Fund to incur transaction costs it would not otherwise have incurred or may otherwise adversely affect the investment performance of the Fund.

Each prospective shareholder is urged to consult his own tax advisor with respect to the federal, state and local tax consequences of an investment in a Fund.

A Shareholder who is neither a citizen nor a resident of the United States will not be subject to any U.S. income or withholding taxes as a result of the sale or other disposition outside the United States of Fund Shares or on distributions, if any received by such Shareholder from a Fund with respect to such Shares. Non-U.S. Shareholders will not be subject to U.S. estate tax with respect to their ownership of Shares.

Except for sales to Eligible Investors, the Shares being offered for sale pursuant to this Confidential Information Memorandum are not available to any U.S. Persons, including U.S. Persons who originally bought the Shares when they were not residents of the United States and have subsequently been deemed a U.S. Person. Any U.S. Person holding Shares pursuant to this Confidential Information Memorandum, is in breach hereof and may suffer U.S. tax consequences.

Importance of Obtaining Professional Advice. The foregoing analysis is not intended as legal or tax advice, or as an opinion as to the tax situation of any prospective investor. It is intended to be informative only, and not a substitute for careful tax planning. Moreover, the effect of existing income tax laws and possible changes in such laws will vary with the particular circumstances of each investor.

§ 7. SUITABILITY REQUIREMENTS

An investment in the Fund is suitable only for investors who are aware of, and can afford, the risks involved in an investment in the Fund and have the ability and willingness to accept the illiquid nature of investments in Shares and the risk of loss of a substantial portion of the Fund's capital.

You may not purchase Shares of the Fund unless you are a "Non-U.S. Person" (the "**Suitability Requirements**"). A concise description of the types of investors that qualify as "Non-U.S. Persons" is set forth in **Exhibit A** attached hereto.

§ 8. VALUATION AND REDEMPTION OF SHARES

Valuation

Subject to the overall supervision of the Board and the considerations discussed below, the Administrator will determine the Company's aggregate NAV and the NAV of the Fund on a monthly basis and the various Series of Shares of the Fund for purposes of determining (i) the Management Fees, Incentive Fees and Servicing Fees payable in respect of such Shares; (ii) the redemption value of Shares and (iii) the applicable Redemption Fee. The NAV of the Fund will be determined in U.S. dollars and will equal the sum of all cash and cash equivalents and the fair value of all other assets of the Fund (including its investment in the underlying investments), less all liabilities of the Company, as determined on the basis of U.S. generally accepted accounting principles consistently applied under the accrual method of accounting.

The NAV of a particular Series shall be determined by dividing the NAV of the Fund by the number of Shares of that particular Series then outstanding.

The Management Fees, Incentive Fees, Subscription Fees, Servicing Fees and Redemption Fees are allocated separately to each Series of Shares. All other expenses are allocated among Shares on a pro rata basis in accordance with their respective NAVs.

Use of Estimates in Valuation

Notwithstanding the anything to the contrary herein, the Company's Articles of Association permit the Directors to review and approve the use of non-standard valuation methods where special circumstances exist. In such cases the Directors may permit the Investment Advisor, in a reasonable manner, good faith and subject to US Generally Accepted Accounting Principles, to rely upon opinions and estimates of any persons who appear to them to be competent to value any asset or liability of the Company of any type or designation by reason of any appropriate professional qualification or experience of the relevant market or issuer. Prospective investors should be aware that situations involving uncertainties as to the valuation of portfolio positions could have an adverse effect on the Net Asset Value determination if judgments regarding appropriate valuations should prove incorrect (see the

sections captioned “Estimates of Net Asset Value” under “Certain Risk Factors” below). Absent bad faith or manifest error, the Investment Advisor’s determination of Net Asset Value is conclusive and binding on all Shareholders and prospective investors.

Fees and expenses that are identifiable with a particular Fund may be charged against that Fund in computing its Net Asset Value.

Redemptions

Voluntary Redemptions

A Shareholder may generally redeem all or any portion of its Shares as of the last Business Day of any calendar quarter (the “**Redemption Date**”), upon not less than 60 days prior written notice to the Company. A request for redemption that would reduce a Shareholder’s aggregate holdings below the minimum initial investment requirement in effect at the time of such redemption will be treated as a request for a full redemption, unless the Board, in its discretion, determines otherwise.

The Board may agree to a different redemption arrangement in respect of any Shares in its discretion. This will not entitle the Shareholder that holds such Shares, or any other Shareholder, to the same arrangement in respect of any other Shares. The Board also has the discretion to grant a Shareholder the right to redeem Shares at a time that differs from, or upon a notice period shorter than, the time and notice period described above. This will not entitle the Shareholder that holds such Shares, or any other Shareholder, to the same right in respect of any other Shares.

Compulsory Redemptions

The Board may at any time require any Shareholder to redeem all or any portion of its Shares as of any month-end by giving not less than five days’ written notification to such Shareholder. The Board shall not be required to give such advance notice to a Shareholder if the Board reasonably determines that: (a) such Shareholder made a material misrepresentation to the Company in connection with acquiring its Shares; (b) a proceeding is commenced or threatened against the Company or any other Shareholder arising out of, or relating to, such Shareholder’s investment in a Fund; or (c) such Shareholder’s continuing ownership of Shares would result in: (i) a violation by the Company of any requirement, condition or guideline contained in any federal, state, local or foreign law or in any order, directive, opinion, ruling or regulation of a federal, state, local or foreign government or governmental agency or body or self-regulatory organization, (ii) the imposition of a requirement that the Company comply with any requirement, condition or guideline contained in any federal, state, local or foreign law or in any order, directive, opinion, ruling or regulation of a federal, state, local or foreign government or governmental agency or body or self-regulatory organization, to which it is not subject as of the date of this Memorandum; (iii) the termination of the Company’s classification as a partnership for U.S. federal income tax purposes, (iv) the Company being treated as a “publicly traded partnership” within the meaning of Section 7704 of the U.S. Internal Revenue Code of 1986 (the “**Code**”) and applicable regulations thereunder; (v) any of the assets of a Fund being treated as “plan assets” within the meaning of the U.S. Employee Retirement Income Security Act of 1974, as amended (“**ERISA**”); (vi) the imposition of a requirement on the Company to register as an investment company under the U.S. Investment Company Act of 1940, as amended (the “**ICA**”); (vii) the imposition of a requirement on the Company to comply with any

provision of the ICA (other than provisions applicable to a company that relies on Section 3(c)(1) of the ICA); or (viii) the occurrence of any “prohibited transaction” (within the meaning of Section 406 of ERISA or Section 4975(c) of the Code).

Redemption Price.

The redemption price for Shares being redeemed shall be the NAV of such Shares as of the Redemption Date, after the deduction of the Management Fee, any accrued Incentive Fee attributable to such Shares and any redemption or other fees applicable to such Shares.

Payments on Redemptions

Except under certain circumstances described below, if a Shareholder requests redemption of Shares of the Fund, or the Company requires a Shareholder to redeem Shares, the Company will generally distribute the redemption proceeds within 40 days of the applicable Redemption Date.

While the Company expects to distribute cash to Shareholders in respect of their redemptions, there can be no assurance that the Company will have sufficient cash to satisfy redemptions, or that it will be able to liquidate investments at the time of redemptions at favorable prices. Under the foregoing circumstances or the circumstances described below under “Suspension of Redemptions and Redemption Payments,” the Fund may make “in kind” distributions of its portfolio securities, or distributions consisting of a combination of cash and portfolio securities, to satisfy redemptions. To the extent the Company makes “in kind” distributions, it will allocate such distributions among the Shareholders entitled thereto such that each such Shareholder shall, except for immaterial variances, receive a *pro rata* portion thereof. Securities distributed “in kind” may not be readily marketable or saleable and may have to be held by the Shareholders who receive them for an indefinite period of time.

The Board, as the case may be, may establish (and increase or decrease from time to time) reserves for: (a) estimated accrued costs or expenses; and (b) contingent, unknown or unfixed debts, liabilities or obligations of the Company, as the case may be, even if such reserves are not required by generally accepted accounting principles. The existence of any such reserve at the time a Shareholder redeems or is required to redeem Shares would reduce the NAV of such Shares by the amount of their *pro rata* share of such reserve. In addition, any such reserve, to the extent reversed, will be allocated among the Shares outstanding at the time of such reversal in the manner provided in the Company Charter. As a result, it is possible that a Shareholder that redeems all of its Shares at a time when a reserve exists will not receive any amount from such reserve if it should later be reversed.

The Investment Advisor may also recommend that the Company withhold from any redemption proceeds, a reserve to pay for contingent liabilities arising from events occurring during the period of time in which a redeeming Shareholder held the Shares being redeemed. Any holdback will be made as soon as practicable after the Directors determine that the above reserves are no longer required (or are required only in part).

Suspension of Redemptions and Redemption Payments

The Company may suspend redemptions and/or payments due to Shareholders in connection with redemptions for the whole or any part of any period during which (a) the Board determines that (i) effecting such redemptions or making such payments would violate Cayman Islands law or have a material adverse effect on the Shareholders generally; (ii) it is not reasonably practicable to accurately ascertain the value of a material portion of the Fund's assets due to factors such as the closure of or the suspension of trading on any stock exchange or other market on which such assets are usually traded or the break-down in any of the means usually employed by the Administrator in ascertaining such value; or (iii) circumstances exist as a result of which it is not reasonably practicable for the Fund to realize on the value of a material portion of its assets; or (b) the Board has determined that (i) effecting redemptions from a Fund would violate applicable law or have a material adverse effect on investors in the Fund generally; (ii) it is not reasonably practicable to accurately ascertain the value of a material portion of the assets of a Fund due to factors such as the closure of or the suspension of trading on any stock exchange or other market on which such assets are usually traded or the break-down in any of the means usually employed by the Fund in ascertaining such value; or (iii) circumstances exist as a result of which it is not reasonably practicable for the Fund to realize on the value of a material portion of its assets.

Redemptions proceeds generally will not bear interest from the effective date of the redemption to the date of payment. However, the Company may credit interest to a Shareholder in respect of any payment to such Shareholder if the Board determines that it would be equitable to do so.

Limitation on Redemption

As a result of certain limitations on redemptions imposed by the underlying investments on the Fund, Shareholders may be unable to redeem the entire amount of their shares at a specific time. Accordingly, the Company may, upon the advice of the Investment Advisor, distribute less than 100% of the estimated redemption proceeds in respect of any Fund within forty (40) days of the Company's receipt of the proceeds of any withdrawals or redemptions that the Fund makes from underlying investments in order to fund such redemption and distribute the balance as soon as reasonably practicable following the completion of the Company's annual audit for the year in which the redemption was effected.

The Investment Advisor may, if the Company cannot promptly liquidate sufficient quantities of the underlying investments to fund redemptions on any Redemption Day without a material adverse effect on the prices to be obtained for the underlying investments, or for any other reason in its exclusive and absolute discretion limit the total amount of redemptions accepted on any Redemption Day to not more than ten percent (10%), or such other percentage of the net assets of a Fund as of the last day of the preceding calendar month (before giving effect to sales of Shares or requests for redemption for such month) as they may deem necessary. In such circumstances, the Investment Advisor may recommend that the Company scale down *pro rata* the number of Redeemable Participating Shares to be redeemed in response to each request for redemption to the extent necessary to ensure that the foregoing limit is not exceeded and shall carry forward the balance for redemption as at the next Redemption Day and so on to each succeeding Redemption Day until each request has been complied with in full. Requests for redemption carried forward from an earlier Redemption Day shall have priority over later requests.

Redemption Fee

Certain investors may be required to pay the Company a redemption fee (the “**Redemption Fee**”) for the redemption of their Shares prior to a specified period of time, as more particularly described in the Supplement.

§ 9. RISK FACTORS

In considering an investment in a Fund, prospective investors should be aware of certain special considerations and risk factors, which include, but are not limited to, the following: (a) **General Investment or Market Risk** (i.e., the risk of deterioration in an entire market, such that all or most of the Managers concentrating in that market incur large losses); (b) **Strategy Risk**, i.e., the risk of deterioration in an entire strategy, such that all or most of the Managers concentrating in that strategy incur large losses; (c) **Manager Risk**, i.e., the risks associated with the a Fund’s use of investment management firms, such as fraud, deviation from defined strategies, human or system error and poor judgment; (d) **Institutional Risk**, i.e., the risk that a Fund could incur losses due to: (i) the failure of counterparties to perform their contractual commitments to a Fund or to the underlying investments in which a Fund invests; or (ii) the financial difficulty of brokerage firms, banks or other financial institutions that hold assets of a Fund or of the underlying investments in which a Fund invests; (e) **Fund Structure Risk**, i.e., the special considerations and risks arising from the operation of certain provisions of the Company Charter, and the Investment Advisory Agreement; and (f) **Operational Risk**, i.e., the special considerations and risks arising from the day-to-day management of a pooled investment vehicle like a Fund.

Certain special considerations and risk factors that fall under these general categories are described below. Others are referred to elsewhere in this Memorandum and will not be repeated here. Prospective investors should therefore read this entire Memorandum before subscribing for Shares. In addition, the inclusion of specific special considerations and risk factors in this Memorandum should not be construed to imply they are described in complete detail, or that there are not other special considerations or risk factors that apply to an investment in a Fund.

As discussed above, a Fund ordinarily will not invest and trade its assets directly, but will contribute substantially all of its assets to the underlying investments, which in turn will engage in all investment and trading activities on behalf of a Fund. Accordingly, in reviewing the special considerations and risk factors below, any such considerations or risks that relate to a Fund must also be understood as relating to a Fund and an investment therein

CERTAIN RISK FACTORS

Shares of a Fund are speculative and involve risks suitable only for financially sophisticated investors who are able to bear the risk of losing most or all of their investment. A Shareholder in the Fund faces a variety of material risks, including those described below.

AN INVESTMENT IN A FUND INVOLVES SIGNIFICANT RISKS NOT ASSOCIATED WITH OTHER INVESTMENT VEHICLES AND IS SUITABLE ONLY FOR PERSONS OF ADEQUATE FINANCIAL MEANS WHO HAVE NO NEED FOR LIQUIDITY IN THIS INVESTMENT. THERE CAN BE NO ASSURANCES OR GUARANTEES THAT (I) THE FUND'S INVESTMENT OBJECTIVES WILL PROVE SUCCESSFUL OR (II) INVESTORS WILL NOT LOSE ALL OR A PORTION OF THEIR INVESTMENT IN A FUND.

YOU SHOULD CONSIDER A FUND AS A SUPPLEMENT TO AN OVERALL INVESTMENT PROGRAM AND SHOULD ONLY INVEST IF YOU ARE WILLING TO UNDERTAKE THE RISKS INVOLVED. IN ADDITION, INVESTORS WHO ARE SUBJECT TO INCOME TAX SHOULD BE AWARE THAT AN INVESTMENT IN A FUND IS LIKELY (IF A FUND IS SUCCESSFUL) TO CREATE TAXABLE INCOME OR TAX LIABILITIES IN EXCESS OF CASH DISTRIBUTIONS TO PAY SUCH LIABILITIES. YOU SHOULD THEREFORE BEAR IN MIND THE FOLLOWING RISK FACTORS AND CONFLICTS OF INTEREST BEFORE PURCHASING A SHARE:

Fund Risks

Limited Operating History of the Investment Advisor. The Investment Advisor has only recently commenced investment operations and therefore has no operating or investment performance history (although the principals of the Investment Advisor may have experience in managing assets and personal experience in substantially similar investment objectives). Investors should note that the prior investment performance or history of any such principal should not be construed as an indication of the future results of an investment in a Fund.

Dependence Upon the Investment Advisor. The success of a Fund will depend on the management of the Investment Advisor and on the skill and acumen of its principals. If key personnel of the Investment Advisor should die, become disabled or otherwise cease to participate in a Fund's business; a Fund's ability to select attractive investments and manage its portfolio could be severely impaired.

As a Shareholder, you should be aware that you will have no right to participate in the management of nor will you have no opportunity to select or evaluate any of a Fund's investments or strategies. Accordingly, you should not invest in a Fund unless you are willing to entrust all aspects of the management of a Fund and its investments to the discretion of the Investment Advisor. Although each principal of the Investment Advisor intends to devote a substantial part of his time to the business of a Fund, they may not devote all of their time.

Limited Operating History. The Company began operating in December 2006 and, therefore, has a limited operating history upon which prospective investors may evaluate a Fund's future performance.

Limited Liquidity of Shares and Underlying Investments. An investment in a Fund involves substantial restrictions on liquidity and its Shares are not freely transferable. There is no market for the Shares in a Fund, and no market is expected to develop. Consequently, Shareholders will be unable to redeem or liquidate their Shares except by redeeming from a Fund in accordance with the Articles of Association. Shareholders may be unable to liquidate their investment promptly in the event of an emergency or for any other reason. Although a

Shareholder may attempt to increase its liquidity by borrowing from a bank or other institution, Shares may not readily be accepted as collateral for a loan. In addition, transfer of Shares as collateral or otherwise to achieve liquidity may result in adverse tax consequences to the transferor. Although the Shareholder may request a loan from a Fund in lieu of redemption, the Investment Advisor is under no obligation to make such loan.

A portion of a Fund's assets may from time to time be invested in securities and other financial instruments or obligations for which no market exists and/or which are restricted as to their transferability under federal or state securities laws. Because of the absence of any trading market for these investments, a Fund may take longer to liquidate these positions than would be the case for publicly traded securities. Although these securities may be resold in privately negotiated transactions, the prices realized on these sales could be less than those originally paid by a Fund. Further, companies whose securities are not publicly traded may not be subject to public disclosure and other investor protection requirements applicable to publicly traded securities.

Lack of Registration. The Shares have neither been registered under the U.S. Securities Act of 1933, as amended (the "Act") nor under the securities or "blue sky" laws of any state in the United States and therefore a Fund may not conform to certain disclosure and other requirements under the Act. Additionally, the Investment Advisor and other advisors to a Fund are exempt from registration under the U.S. Commodity Exchange Act and, accordingly, will be exempt from certain disclosure and reporting requirements which might otherwise be required under the U.S. Commodity Exchange Act and the regulations promulgated thereunder.

Redemptions. The Directors may elect to pay cash or securities in-kind, or both, to a Shareholder that makes a redemption. Substantial redemptions by investors within a short period of time could require a Fund to liquidate securities positions more rapidly than would otherwise be desirable, possibly reducing the value of a Fund's assets and/or disrupting a Fund's investment strategy. Reduction in the size of a Fund could make it more difficult to generate a positive return or to recoup losses due to, among other things, reductions in a Fund's ability to take advantage of particular investment opportunities or decreases in the ratio of its income to its expenses.

Limitations on Redemptions. The Investment Advisor, in its discretion, may suspend or postpone the payment of any redemptions (i) during the existence of any state of affairs which makes the disposition or the determination of the price or value of a Fund's investments impractical or prejudicial to the Shareholders; (ii) where any redemptions or distributions would result in the violation of any applicable law or regulation; or (iii) for such other reasons or periods as the Investment Advisor may in good faith determine (including, but not limited to, in the event that Shareholders, in the aggregate, request redemptions of 10% or more of the value of a Fund's net assets as of any date of redemption).

Resignation of Investment Advisor. The Investment Advisory Agreement provides that the Investment Advisor may resign upon a specified notice period. Upon such resignation of the Investment Advisor, or upon its bankruptcy or dissolution, the Company may appoint a substitute Investment Advisor in respect of a Fund. The Investment Advisory Agreement also permits the Investment Advisor to appoint additional sub managers or sub advisors.

Dissolution of a Fund or Expel Shareholder. The Directors may elect to dissolve a Fund at any time upon such notice to the Shareholders as shall be specified in the Articles or the Memorandum from time to time. Accordingly, there is a risk that if a Fund's assets become

depleted, the Directors may elect to mandatorily redeem Shares in a Fund and distribute its remaining assets. Such mandatory redemption could result in adverse tax and/or economic consequences to such Shareholder. No person will have any obligation to reimburse any portion of a Shareholder's losses -- upon dissolution, expulsion, redemption or otherwise.

Concentration of Investments. A Fund is not limited in the amount of capital that it may commit to any one investment. The concentration of a Fund's portfolio in any one investment, issuer or industry would subject a Fund to a greater degree of risk with respect to the failure of one or a few issuers or with respect to economic downturns in relation to such industry.

Operating Deficits. The expenses of operating a Fund (including the Management Fee payable to the Investment Advisor) may exceed its income, thereby requiring that the difference be paid out of a Fund's capital, reducing a Fund's investments and potential for profitability.

Distributions. Depending on the specific investment criteria of a Fund, the Investment Advisor may to make distributions to the Shareholders, or instead to reinvest substantially all Fund income and gain, if any. Cash that might otherwise be available for distribution will also be reduced by payment of Fund obligations, payment of Fund expenses (including fees payable and expense reimbursements to the Investment Advisor) and establishment of appropriate reserves. As a result, if a Fund is profitable, Shareholders in all likelihood will be credited with Fund net income, and will incur the consequent income tax liability (to the extent that they are subject to income tax), even though Shareholders receive little or no Fund distributions.

Investment Expenses. The investment expenses (e.g., expenses related to the investment and custody of a Fund's assets, such as brokerage commissions, dealer mark-ups, custodial fees and other trading and investment charges and fees) as well as other Fund fees (e.g., management fees and operating expenses) may, in the aggregate, constitute a high percentage relative to other investment entities. Some of the strategies and techniques to be employed by the Investment Advisor, may require frequent trades to take place and, as a consequence, portfolio turnover and brokerage commissions may be greater than for other investment entities of similar size. A Fund will bear these costs regardless of its profitability.

Incentive Fee. The Investment Advisor's Incentive Fee creates an incentive for the Investment Advisor to effect transactions in securities that are riskier or more speculative than would be the case in the absence of such an allocation. Since the Incentive Fee is calculated on a basis which includes unrealized appreciation of a Fund's assets, such allocation may be greater than if it were based solely on realized gains.

Broad Discretionary Power to Delegate Investments and Strategies. The Articles of Association of the Company give the Directors broad discretionary power to delegate to the Investment Advisor to power to decide what investments a Fund will make and what strategies it will use. While the Investment Advisor currently intends to use the strategies described herein, it is not obligated to do so, and it may choose any other investments and strategies that it believes are advisable.

No Participation in Management. The management of a Fund's operations by the Company is vested solely in the Investment Advisor. The Shareholders have no right to take part in the conduct or control of the business of the Company. In connection with the management of a Fund's business, the Investment Advisor and its principals will devote only such time to Fund matters as it, in its sole discretion, deems appropriate.

Investment Advisory Agreement. The Investment Advisor may elect to contract an investment advisor to manage a portion or the entire portfolio depending upon the investment strategy and objectives of a Fund. Any investment advisor procurement will be subject to the terms and conditions of the investment advisors agreement, which will be available to the Shareholders upon request.

Hedging Transactions. Hedging strategies in general are usually intended to limit or reduce investment risk, but can also be expected to limit or reduce the potential for profit. No assurance can be given that any particular hedging strategy will be successful.

No Minimum Capitalization. No minimum level of capital is required to be maintained by a Fund. As a result of losses or redemptions, a Fund may not have sufficient capital to diversify its investments to the extent desired or currently contemplated by the Investment Advisor.

No Minimum Size of Fund. A Fund may begin operations without attaining any particular level of capitalization. At low asset levels, a Fund may be unable to make its investments as fully as would otherwise be desirable or to take advantage of potential economies of scale, including the ability to obtain the most timely and valuable research and trading information from securities brokers. It is possible that even if a Fund operates for a period with substantial capital, investors' redemptions could diminish a Fund's assets to a level that does not permit the most efficient and effective implementation of a Fund's investment program.

Liability of a Shareholder. If a Fund should become insolvent, the Shareholders may be required to return any property distributed to them at the time the Fund was insolvent, and forfeit any undistributed profits.

Allocation of liabilities among Series of Shares – cross collateralization. Although each Series of Shares will be maintained and treated by a Fund and notionally separate from other Series, separate Series of Shares are not separate legal entities but rather internal subdivisions within the capital of a Fund. A Fund as a whole, including all such separate Series, in turn is a segregated portfolio of the Company, which is the one, ultimate legal entity. Thus, under the provisions of Part XIV of the Companies Law of the Cayman Islands that apply to the Company, all of the assets of a Fund are available to meet all of the liabilities of a Fund, regardless of the Series of Shares to which such assets or liabilities are attributable. In practice, cross collateralization liability will usually only arise where any separate Series of Shares becomes insolvent and is unable to meet all of its liabilities. In this case, all of the assets of a Fund attributable to other separate Series of Shares may be applied to cover the liabilities of a Fund as a whole.

The assets of all Series of Shares will be charged with the liabilities of a Fund and will all be available to meet such liabilities.

Market Risks

General Market Risk and a Fund's Investment Activities. A Fund's investment activities will involve a high degree of risk. The performance of any investment is subject to numerous factors which are neither within the control of nor predictable by the Investment Advisor. These factors include a wide range of economic, political, competitive and other conditions, which may affect investments. In recent years, the securities markets have become increasingly volatile, which

may adversely affect the ability of a Fund to realize profits. As a result of the nature of a Fund's investing activities, it is possible that a Fund's financial performance may fluctuate substantially from period to period.

Global Economic and Market Conditions. A Fund may invest in currencies and securities traded in various markets throughout the world, including in emerging or developing markets, some of which are highly controlled by governmental authorities. Such investments require consideration of certain risks typically not associated with investing in currencies or securities of developed markets. Such risks include, among other things, trade balances and imbalances and related economic policies, unfavourable currency exchange rate fluctuations, imposition of exchange control regulation by governments, withholding taxes, limitations on the removal of funds or other assets, policies of governments with respect to possible nationalization of their industries, political difficulties, including expropriation of assets, confiscatory taxation and social, economic or political instability in foreign nations. These factors may affect the level and volatility of securities prices and the liquidity of a Fund's investments. Unexpected volatility or illiquidity could impair a Fund's profitability or result in losses.

General Economic Conditions. General economic conditions and the business and financial condition of the Company that issued a particular security may affect a Fund's activities. A Fund's investment activities will involve a variety of risks including, but not limited to risks associated with interest rates, default by issuers of securities, yield curve, inflation, liquidity, call options and credit spreads. In addition, general levels of economic activity, the price of securities and participation by other investors in the financial markets may affect the value and number of investments made by a Fund.

Competition. The securities industry and the varied strategies and techniques to be engaged in by the Investment Advisor are extremely competitive and each involves a degree of risk. A Fund will compete with firms, including many of the larger securities and investment banking firms, which have substantially greater financial resources and research staffs.

Market Volatility. The profitability of a Fund substantially depends upon the Investment Advisor correctly assessing the future price movements of stocks, bonds, options on stocks, and other securities and the movements of interest rates. The Investment Advisor cannot guarantee that it will be successful in accurately predicting price and interest rate movements.

Accuracy of Public Information. The Investment Advisor selects investments for a Fund, in part, on the basis of information and data filed by issuers with various government regulators or made directly available to the Investment Advisor by the issuers or through sources other than the issuers. Although the Investment Advisor evaluates all such information and data and ordinarily seeks independent corroboration when the Investment Advisor considers it is appropriate and reasonably available, the Investment Advisor is not in a position to confirm the completeness, genuineness or accuracy of such information and data, and in some cases, complete and accurate information is not available.

Leverage. When deemed appropriate by the Investment Advisor and subject to applicable regulations, a Fund may use leverage in its investment program, including the use of borrowed funds and investments in certain types of options, such as puts, calls and warrants, which may be purchased for a fraction of the price of the underlying securities while giving the purchaser the full benefit of movement in the market of those underlying securities. While such strategies and techniques increase the opportunity to achieve higher returns on the amounts invested, they also increase the risk of loss. To the extent a Fund purchases securities with borrowed

funds, its net assets will tend to increase or decrease at a greater rate than if borrowed funds are not used. The level of interest rates generally, and the rates at which such funds may be borrowed in particular, could affect the operating results of a Fund. If the interest expense on borrowings were to exceed the net return on the portfolio securities purchased with borrowed funds, a Fund's use of leverage would result in a lower rate of return than if a Fund were not leveraged.

If the amount of borrowings which a Fund may have outstanding at any one time is large in relation to its capital, fluctuations in the market value of a Fund's portfolios will have disproportionately large effects in relation to a Fund's capital and the possibilities for profit and the risk of loss will therefore be increased. Any investment gains made with the additional monies borrowed will generally cause the Net Asset Value of a Fund to rise more rapidly than would otherwise be the case. Conversely, if the investment performance of the additional moneys borrowed fails to cover their cost to a Fund, the net asset value of a Fund will generally decline faster than would otherwise be the case.

Additionally, commodity market price levels are volatile and materially affected by unpredictable factors such as weather and governmental intervention. The combination of leverage and volatility creates a high degree of risk.

In addition to the above risks investors should note the following risks specific to trading by a Fund in margin FX.

Investors should note however that this brief statement does not disclose all of the risks and other significant aspects of trading in margin FX.

Spot and Forward Margin FX

1. Effect of "Leverage" or "Gearing"

Transactions in margin fx carry a high degree of risk. The amount of initial margin is small relative to the value of the margin fx contract so that transactions are "leveraged" or "geared". A relatively small market movement will have a proportionately larger impact on the funds a Fund has transferred or will have to transfer and this may work against a Fund as well as for a Fund. A Fund may sustain a total loss of initial margin funds and any additional funds deposited with the broker to maintain its position. If the market moves against that position or margin levels are increased, a Fund may be called upon to pay substantial additional funds on short notice to maintain its position.

2. Risk-reducing orders or strategies

Strategies using combinations of positions, such as "spread" and "straddle" positions may be as risky as taking simple "long" or "short" positions.

(a) Options Margin FX

3. Variable degree of risk

Transactions in options carry a high degree of risk.

The purchaser of options may offset or exercise the options or allow the options to expire. The exercise of an option results either in a cash settlement or in the purchaser acquiring or delivering the underlying interest. If the option is on a spot or forward, the purchaser will acquire a forward position with associated liabilities for margin (see the section on Spot and Forward Margin FX above). If the purchased options expire worthless, a Fund will suffer a total loss of its investment which will consist of the option premium plus transaction costs. In addition if purchasing deep-out-of-the-money options, the chance of such options becoming profitable ordinarily is remote. Selling (“writing” or “granting”) an option generally entails considerably greater risk than purchasing options. Although the premium received by the seller is fixed, the seller may sustain a loss well in excess of that amount. The seller will be liable for additional margin to maintain the position if the market moves unfavorably. If the option is exercised upon expiry of the option, the seller will acquire a position in the underlying cash instrument. If the option is “covered” by the underlying cash instrument the risk may be reduced. If the option is not covered, the risk of loss can be unlimited.

(b) Additional risks common to Spot, Forward Margin FX and Options

4. Suspension or restriction of trading and pricing relationships

Market conditions (e.g., illiquidity) may increase the risk of loss by making it difficult or impossible to effect transactions or liquidate/offset positions. If a Fund has sold options, this may increase the risk of loss.

5. Transaction in other jurisdictions

Transactions on markets in other jurisdictions, including markets formally linked to a domestic market, may expose a Fund to additional risk. Such markets may be subject to regulation which may offer different or diminished investor protection. The local regulatory authority will be unable to compel the enforcement of the rules of regulatory authorities or markets in other jurisdictions where a Fund's transactions have been effected.

6. Risks of Futures

The leveraged exposure provided by futures can lead to substantial losses. The percentage return, either positive or negative, made on your initial investment is far greater than the movement in the underlying index. If the market moves against you, the losses you will suffer from trading futures may be substantial.

Unlike option contracts, where the buyer of the option can lose no more than the cost of the premium, both the buyer and the seller of a futures contract face potentially unlimited losses. The futures contract is a legally binding agreement to buy or sell the underlying index at the agreed price, no matter what the level of the index is at maturity of the contract.

Index futures may also be used to hedge against the risk of either a rise or a fall in the underlying index. By selling index futures you can protect the value of a portfolio. By buying index futures you can lock in the purchase price of the index at a future date. The principle behind using futures to hedge is that a profit in one market, say the futures market, will offset a loss in the other market, the share market. The success of any hedging strategy depends in part on how closely movements in the value of the shares being hedged track movements in the index underlying the futures contract. If the market moves adversely, an investor will face the prospect of significant losses.

Achievement of a Fund's Investment Goal and Objective

No guarantee or representation is made that a Fund's program will be successful. No assurance can be given that a Fund will achieve its investment objective of capital appreciation.

No Current Income

The Fund's investment policies should be considered speculative, as there can be no assurance that the Investment Advisor's assessments of the short-term or long-term prospects of investments will generate a profit. In view of the fact that a Fund may likely not pay dividends, an investment in a Fund may not be suitable for investors seeking current income for finance or tax planning purposes.

Illiquidity

The consent of the Investment Advisor must be obtained prior to any transfer of Shares. In light of the restrictions imposed on a transfer of Shares, and in light of the limitations imposed on a shareholder's ability to withdraw all or part of his or its capital from a Fund, an investment in a Fund should be viewed as relatively illiquid and subject to risk.

No Investment Advisor Liability Beyond Fund Assets

Subject to the Investment Advisor' fiduciary responsibility to shareholders, the Investment Advisor shall have no personal liability to the shareholders for the return of any capital contributions, it being understood that any such return shall be made solely from Fund assets.

Early Termination

In the event of the early termination of a Fund, a Fund would have to distribute to the shareholders their *pro rata* interest in the assets of a Fund. Such an early termination would have the effect of accelerating the unamortized portion of any organizational fees, thereby decreasing amounts otherwise available for distribution. Certain assets held by a Fund may be illiquid. It is possible that at the time of such sale or distribution, certain properties/projects held and/or invested in by a Fund would be worth less than the initial cost of such properties/projects, resulting in a loss to shareholders.

Regulation

The Fund is not registered as an investment company under the US Investment Company Act of 1940, as amended (or any similar laws). Registered investment companies are subject to extensive regulation which, among other things, generally require investment companies to

have a majority of disinterested directors, require securities held in custody at all times to be maintained in segregated accounts and regulate the relationship between the investment company and its asset manager. Because a Fund is unregulated under the Investment Company Act, such requirements will not apply to a Fund.

Changes in Applicable Law

The Fund must comply with various legal requirements, including requirements imposed by the federal securities laws, tax laws and pension laws. Should any of those laws change over the scheduled term of a Fund, the legal requirements to which a Fund and the shareholders may be subject could differ materially from current requirements.

Performance Fee Arrangements

The Fund's performance fee arrangements with the Investment Advisor may create an incentive for the Investment Advisor to engage in investment strategies and to make investments that are more speculative and risky than would be the case in the absence of such performance fees.

Reserve for Contingent Liabilities

Under certain circumstances, the Investment Advisor may find it necessary upon withdrawal by a shareholder to set up a reserve for contingent liabilities and withhold a certain portion of the shareholder's assets. As a result, the withheld proceeds may remain at risk along with a Fund's assets and the shareholder may incur losses (or gains) on such proceeds, or such proceeds may be placed in cash reserves.

Risk of Litigation

In the regular course of business a Fund may become involved in litigation in respect to specific projects and/or properties. Under such circumstances, a Fund may be named as a defendant in a lawsuit or regulatory action causing a Fund to incur the expenses of litigation. Such expenses would be outside of the ordinary course of business.

Future Returns

No assurance can be given that the strategies employed by a Fund's Investment Advisor in the past to achieve attractive returns will continue to be successful or that the return on a Fund's investments will be similar to that achieved by the Investment Advisor in the past.

General Economic Conditions

The success of any investment activity is influenced by general economic conditions which may vary and adverse impact on investment markets.

Lack of Independent Experts Representing Investors

The Fund has consulted with counsel, accountants and other experts regarding the formation of a Fund. Each prospective investor should consult his own legal, tax and financial advisors regarding the desirability of an investment in a Fund.

Institutional Risk

The financial institutions, including banks, with which a Fund (directly or indirectly) does business, or to which funds have been entrusted for custodial purposes, may encounter financing difficulties that impair the operational capabilities of a Fund or the Investment Advisor.

Side Letters

The Company may from time to time seek to induce investment in a Fund from financial institutions by offering investment terms which are not available to other investors in a Fund. In such cases the parties will enter into a written side arrangement (a "Side Letter") varying the standard terms of offer herein. Such variations may include, without limitation, variations to fees, Minimum Investment or redemptions, with the effect that not all investors in a Fund will invest on the same terms and larger investors may be expected to enjoy more favorable terms than smaller investors.

Fiduciaries' Responsibilities

Fiduciaries of tax-exempt entities, in consultation with their advisors, should carefully consider whether an investment in a Fund is consistent with their fiduciary responsibilities, particularly any requirements that assets be diversified unless it is clearly prudent not to do so.

Foreign Investments

The Fund may invest in foreign or domestic securities denominated in foreign currencies and/or traded in a range of foreign markets. Such investments require consideration of a broader and more diverse set of risks. A Fund's Memorandum of Association and Articles of Association do not limit the amount of funds which may be invested in foreign securities. Such risks include unfavorable currency exchange rate developments, restrictions on repatriation of investment income and capital, imposition or exchange control regulation by foreign governments, foreign withholding taxes, political difficulties, including expropriation of assets, confiscatory taxation, and economic or political instability in foreign nations. In addition, there may be less publicly available information about certain foreign companies and certain foreign companies may not be subject to accounting, auditing and financial reporting standards or requirements comparable to or as uniform to U.S Generally Accepted Accounting Principles or similar.

Risks Related to Investments in Other Investment Funds and Through Managers

Lack of liquidity of Investment Funds. Like an investment in a Fund, investments in Investment Funds may be illiquid and subject to risk. The governing instruments of most Investment Funds in which a Fund may invest will have provisions similar to those of a Fund restricting both the transferability of a participant's interest and the participant's ability to withdraw its investment in certain circumstances. In addition, there is generally no liquid secondary market for interests issued by the Investment Funds in which a Fund may invest. A Fund's ability to satisfy Shareholders' redemption requests will be largely dependent upon its ability to liquidate, by redemption, transfer or otherwise, the capital committed to its portfolio Investment Funds.

Risks of compulsory cash redemption, redemptions in kind and suspensions of net asset valuation determination by Investment Funds. The investments of a Fund in certain Investment Funds may become subject to compulsory cash redemptions or redemptions in kind. In such

event, a Fund may be required to accept cash or securities from a portfolio Investment Fund in redemption of its interest therein at a time when it would not otherwise be advantageous to do so. In addition, the Investment Funds in which a Fund invests may be subject to temporary suspensions in the determination of the Net Asset Values of such Investment Funds. In such event, a Fund may be unable to redeem or otherwise dispose of its interests in such Investment Fund when it would otherwise be advantageous to do so. The premature redemption or delay in disposal of Fund investments may adversely affect both the value of the investment being disposed of, and the value and liquidity of the Shares of the relevant Fund. In addition, regardless of the period of time over which redemptions occur, potential delays in reinvesting proceeds of a compulsory redemption or disposing of securities received by a Fund pursuant to a redemption in kind, and the lack of liquidity resulting from a Net Asset Value suspension could require the Board to suspend accepting subscriptions and redemptions of Shares, declare a cash dividend or make it more difficult for a Fund concerned to generate profits or recover losses. Holders of Shares in any Fund investing primarily in other Investment Funds should recognise that they will be subject to an above-average liquidity risk.

Volatility of a Fund's investments. Many Investment Funds in which a Fund may invest will be lower capitalized, less seasoned Investment Funds that may be subject to higher volatility and instability than larger, more mature investment pools due to a variety of factors, which may include a high concentration of investments in a particular financial instrument or market sector. In addition, many portfolio Investment Funds of a Fund will invest in illiquid financial instruments and use riskier investment techniques and strategies than traditional mutual funds, which may make it impossible to either liquidate positions without incurring substantial losses or satisfy redemption requests by their participants, including a Fund.

Lack of publicly available information regarding Investment Funds. The Investment Funds' securities in which a Fund may invest are generally offered on a private placement basis and, unlike more regulated mutual funds registered for distribution to the public, are subject to limited regulatory, disclosure and reporting requirements. Accordingly, only a relatively small amount of publicly available information about Investment Funds, their holding and performance, will be available to the Investment Advisor in managing and assessing the investments of a Fund. For other information relating to the Investment Funds, the Investment Advisor will be forced to rely upon the Investment Funds themselves, and their managers, administrators and agents. Investors should recognise that the Investment Advisor's ability to monitor a Fund's portfolio Investment Funds will be affected by the amount, timeliness and quality of information available with respect to these Funds and their investment operations, and that the Investment Advisor will have no means of independently verifying much of the information supplied by the Investment Funds or their agents.

Valuation of Investment Funds. The net asset value per share of each Class is unaudited (except at fiscal year-end) and based primarily upon the value of a Fund's holdings of Investment Funds. In valuing those holdings, a Fund will need to rely primarily on unaudited financial information provided or reported by portfolio Investment Funds, their agents and/or market-makers. If financial information used by any Investment Fund to determine the Net Asset Value of its own securities is incomplete, inaccurate, or if such Net Asset Value does not adequately reflect the value of the Investment Fund's holdings, the Net Asset value per share of each Class of a Fund may be adversely affected (especially if subscriptions or redemptions are effected on the basis of over- or under-estimated Net Asset Values). A Fund generally will not receive detailed information on the securities and other financial instruments composing the portfolio of the Investment Funds in which it invests. Adjustments to the Net Asset Value of a Fund will generally be made to the then current Net Asset Value, not by adjusting the Net Asset

Values previously reported. In addition, the Board may for a Fund determine to establish reserves which will reduce the Net Asset Value per Share until such reserves are reversed. Since 1987, there have been a number of widely reported instances of Investment Funds making substantial revisions to their previously reported net asset values. Although the Investment Advisor intends to select Investment Funds which use reputable administrators and accountants, a Fund will have no control over the choice of custodians, brokers or counterparties made by such Funds nor on the valuation methods and accounting rules which they may use. Investors should recognise that a Fund's ability to correctly assess the value of its portfolio Investment Funds will be dependent upon the information available with respect to these Funds and their investment operations.

Disposition of Investment Funds in special circumstances. If a Fund receives securities or assets other than cash in connection with a redemption in kind of its interests in any portfolio Investment Fund, or if the value of its interests in a portfolio Investment Fund may not be ascertained in a manner which is consistent with the valuation methods or redemption features of a Fund, the Board may determine to transfer ownership of such interests to a trustee in trust for the benefit of all persons who were registered as shareholders as of the transfer date, and instruct the trustee to liquidate such interests in cash and make a pro rata distribution of the net liquidation proceeds to such persons.

Performance-based compensation of Investment Funds. The managers of most of the Investment Funds through which a Fund will invest will be compensated through incentive arrangements whereby the manager may benefit from appreciation, including unrealised appreciation, in the value of the assets under its discretionary investment authority, but may not be similarly penalized for realised losses or decreases in the value of such assets. Such fee arrangements may create an incentive for the managers to make investments that are unduly risky or speculative. Moreover, any performance-based compensation for such managers will be paid indirectly by a Fund's shareholders and will reduce the return that ultimately would be payable to such investors. In most cases the Investment Advisor will seek to invest in Investment Funds where the manager is required to recoup some or all prior losses before any incentive fee is payable in respect of current gains. No assurance can be given, however, that such efforts will be successful.

Duplication of operating expenses. In investing in Shares of a Fund which in turn invests in securities issued by Investment Funds, a shareholder will incur the costs of two forms of investment advisory services, the fees and expenses paid to a Fund and its agents, and the fees and expenses paid by the Investment Funds to their service providers and managers (including performance fees, as the case may be), which may constitute in the aggregate a higher percentage of average net asset value than would be found in many investment entities. Certain Investment Funds may calculate the performance fees payable to their managers more frequently than yearly, while others may not calculate such fees on a "high watermark" basis but rather period-to-period with no carry-forward of prior-period losses. All fees and operating expenses to which Investment Funds are subject must be more than offset by increases in the value of their portfolio investments or the value of a Fund's investment in such Investment Funds will decline.

Effect of monthly subscriptions and quarterly redemptions. Subject to the conditions outlined in this Information Memorandum, a Fund may accept subscriptions on a monthly basis and redemptions on a quarterly basis. Investment Funds in which a Fund invests, however, may not permit additional capital contributions or the admission of new participants on the same basis. As a result, a Fund may be delayed in investing the net proceeds of any new subscriptions in

Investment Funds. This delay may in turn affect the performance of a Fund.

Inadvertent concentration. Although the Investment Advisor will seek to monitor the Investment Funds in which a Fund's assets may have been invested, it is possible that a number of Investment Funds might take substantial positions in the same security, financial instrument or market sector at the same time. This inadvertent concentration would interfere with a Fund's goal of diversification.

Lack of operating history. Certain Investment Funds in which a Fund may invest will be newly organised and therefore will have no, or only a limited, operating history (although the Investment Advisor will generally select Investment Funds and managers which have had some operating or trading history). In addition, the managers of the Investment Funds to whom the Investment Advisor may allocate a Fund's assets will have varying levels of experience and may operate in teams which are small relative to the assets under their management. The managers may also employ proprietary trading methods, policies and strategies which differ from those of other managers and which may deviate from the Investment Advisor's expectations relating thereto based on its research and evaluations. Of course, past performance achieved by such managers and Investment Funds is not necessarily indicative of future results. Therefore, the results of any Investment Fund may differ from those of other investment entities or accounts operated by the managers and from results anticipated by the Investment Advisor's models or projections. In such cases, if that manager's services became unavailable, a Fund might sustain losses.

Risks of special techniques used by Investment Funds and their managers. Many managers of the Investment Funds in which a Fund may invest use special investment techniques and strategies that may subject a Fund to significant risks. Most of these techniques entail significantly higher risks than those to which traditional, benchmark-driven strategies may be subject. Certain, but not all, of these techniques and strategies, and the risks that they entail are summarised below.

Risks of leverage. Investment Funds may borrow funds for the purpose of purchasing securities or other financial instruments. A particular Investment Fund may not be subject to any limitations on the amount of its borrowings, and the amount of borrowings that the Investment Fund may have outstanding at any time may be large in comparison to its capital. Borrowing incurred to invest in securities and instruments may provide a portfolio Investment Fund with the opportunity for greater capital appreciation and profits but, at the same time, will increase the Investment Fund's, and indirectly the investing Fund's, exposure to capital risk and higher current expenses, including the risk that such Investment Fund will sustain losses in excess of the amount invested in particular securities or instruments. Moreover, if the Investment Fund's debt, when due, exceeds its assets, a Fund could sustain a total loss of its investment in that Investment Fund.

Risks of options trading. In seeking to enhance performance or for hedging purposes, an Investment Fund may permit its manager to enter into call and put options on both securities and stock indices, which entail risks. Although an option buyer's risk is limited to the amount of the purchase price of the option, an investment in an option may be subject to greater fluctuation than an investment in the underlying securities. In theory, an uncovered call writer's loss is potentially unlimited, but in practice the loss is limited by the term of existence of the call. The risk for a writer of a put option is that the price of the underlying security may fall below the exercise price. The effectiveness of purchasing or selling stock index options as a hedging technique will depend upon the extent to which price movements in assets that are hedged

correlate with price movements of the stock index selected. Because the value of an index option depends upon movements in the level of the index rather than the price of a particular stock, realisation of a gain or loss from the purchase or writing of options on an index depends upon movements in the level of stock prices in the stock market generally, rather than movements in the price of a particular stock. Successful use of options on stock indices will depend upon the ability of a manager to predict correctly movements in the direction of the stock market generally. This ability requires skills and techniques different from those used in predicting changes in the price of individual stocks.

Risk of trading in futures. Commodity futures prices can be highly volatile. Because of the low margin deposits normally required in futures and options trading, an extremely high degree of leverage is typical of a futures trading account. As a result, a relatively small price movement in a futures contract may result in substantial losses to the investor. Like other leveraged investments, a futures transaction may result in losses in excess of the amount invested.

Risk of government intervention. Interest rates and trading in derivative instruments based on currencies or interest rates are subject to certain risks arising from government regulation of or intervention in the currency and interest rate markets through regulation of the local exchange market restrictions on foreign investments by residents, limits on inflows of funds or changes in the general level of interest rates. Such regulation or intervention could adversely affect a Fund's and portfolio Investment Funds' performance. a Fund's allocation of assets to Investment Funds investing in securities or other financial instruments issued or guaranteed by sovereign governments, governmental entities, banks or other entities also presents risk of loss in the event of a default by the issuers of such instruments.

Short selling. Certain Investment Funds through which a Fund will invest may sell securities of an issuer short in the expectation of "covering" the short sale with securities purchased in the open market at a price lower than that received in the short sale. If the price of the issuer's securities declines, the Investment Fund may then cover the short position with securities purchased in the market. The profit realised on a short sale will be the difference between the price received in the sale and the cost of the securities purchased to cover the sale. The possible losses from selling short a security differ from losses that could be incurred from a cash investment in the security; the former may be unlimited due to the lack of an upper limit on the price to which a security may rise, whereas the latter can only equal the total amount of the cash investment. Short selling activities are also subject to restrictions imposed by regulations and/or securities exchange rules, which restrictions could limit the investment activities of Investment Funds. However, where a Fund invests through an Investment Fund, its exposure is limited to its investment in that Investment Fund.

Other clients of managers. Managers generally have exclusive responsibility for making trading decisions on behalf of the Investment Funds in which a Fund may invest. The managers may also manage other accounts which, together with accounts already being managed, could increase the level of competition for the same trades the managers might otherwise make on behalf of a Fund, including the priorities of order entry. This could make it difficult or impossible to take or liquidate a position in a particular security or financial instrument at a price indicated by a manager's strategy.

Future returns. No assurance can be given that the strategies employed by managers in the past to achieve attractive returns will continue to be successful or that the return on a Fund's investments will be similar to that achieved by such managers in the past.

Other investments. The Company reserves the right to invest in equities, obligations, investment funds, or derivative structures based thereon which the Board and the Investment Advisor at their sole discretion feel are consistent with the investment objectives and philosophy of a Fund. No assurance can be given that such investments will be successful.

Estimates of Net Asset Value

The net asset values received by the Company with respect to a Fund's investments from the third party investments may be based on estimates only, subject to revision through the end of each underlying third party investments annual audit. Revisions to a Fund's gain and loss calculations will be an ongoing process, and no net asset value figure can be considered final until the Company's annual audit is complete. However, no adjustments will be made in redemption proceeds, Management Fees previously paid or credited unless the final numbers are deemed to be materially different from the estimated numbers, in the sole discretion of the Directors.

Moreover, in some cases, the Company will have little ability to assess the accuracy of the valuations of its investments. There may be no market quotations available to use in valuing the Company's underlying investments. As a result, these investments will be valued at their fair values as determined in accordance with procedures adopted in good faith by the Directors. These valuations may not in all cases accurately reflect the values of the Company's investments. Such inaccuracies may adversely affect a Fund or investors who purchase Shares of a Fund or redeem their Shares.

Regulatory Risks

Legal, tax and regulatory changes could occur during the term of the Company that may adversely affect the Company and the Portfolios. The regulatory environment for hedge funds is evolving, and changes in the regulation of hedge funds may adversely affect the value of investments held by a Portfolio and the ability of a Portfolio to obtain the leverage it might otherwise obtain or to pursue its trading strategies. In addition, the securities and futures markets are subject to comprehensive statutes, regulations and margin requirements. Regulators and self-regulatory organisations and exchanges are authorised to take extraordinary actions in the event of market emergencies. The regulation of derivatives transactions and funds that engage in such transactions is an evolving area of law and is subject to modification by government and judicial action. The effect of any future regulatory change on a Fund could be substantial and adverse.

Recognition of Segregated Portfolio Company Structure

Potential investors should be aware that the segregation of assets and liabilities permitted under Cayman law might not necessarily be recognised in jurisdictions where the company's assets are located.

The foregoing list of risk factors does not purport to be a complete explanation of the risks involved in investing in a Fund. Potential investors should read this entire Memorandum before determining whether to invest in a Fund and consult with their own financial and tax advisers. Potential investors should also be aware that, if they decide to purchase Shares, they will have no role in the management of a Fund and will be required to rely on the expertise of the Investment Advisor and the Administrator in dealing with the foregoing (and other) risks on a day-to-day basis.

§ 10. CONFLICTS OF INTEREST

Attention is drawn to the following potential conflicts of interest:

The Investment Advisor or Administrator and their respective holding companies, their principals, shareholders, any subsidiaries and any of their directors, officers, members, employees, agents and affiliates (“**Interested Parties**”) may be involved in other financial, investment or professional activities which may on occasion cause conflicts of interest with a Fund. These include management and administration of other funds, purchases and sales of securities, investment and management advisory services, brokerage services, and serving as directors, officers, advisers, or agents of other funds or other companies. In particular it is envisaged that the Investment Advisor and the Administrator may be involved in advising or administering other investment funds which may have similar or overlapping investment objectives to or with a Fund. The Investment Advisor and the Administrator may provide services to third parties similar to those provided to a Fund and shall not be liable to account for any profit earned from any such services. Where a conflict arises the Investment Advisor and the Administrator will both endeavor to ensure that it is resolved fairly. In relation to the allocation of investment opportunities to different clients, including a Fund, the Investment Advisor may be faced with conflicts of interest with regard to such duties; however, they will ensure that investment opportunities in those circumstances will be allocated fairly.

The Administrator and its officers, affiliates, and employees will use their best endeavors in carrying out their obligations under the terms of the Administration Agreement. The principals of the Administrator are not obligated to devote any specific amount of their business time to the affairs of a Fund and may provide administrative or other similar services to other funds and accounts, whether or not such other funds or accounts are in competition with Fund. The Administrator may give advice on administrative matters and render services to, or take action with respect to such other funds or accounts that differ from advice given with respect to a Fund.

The Company, on behalf of a Fund, may acquire securities from or dispose of securities to any Interested Party or any investment fund or account advised or managed by any such person. Any Interested Party may hold Shares and deal with the same as it thinks fit. An Interested Party may buy, hold and deal in any investments for its own account notwithstanding that similar investments may be held by the Company for the account of a Fund.

Any Interested Party may contract or enter into any financial or other transaction with any Shareholder or with any entity any of whose securities are held by or for the account of a Fund, or be interested in any such contract or transaction. Furthermore, any Interested Party may receive commissions and benefits which it may negotiate in relation to any sale or purchase of any investments of the effected by it for the account of a Fund and which may or may not be for the benefit of a Fund.

Certain of the Directors are also directors and/or officers of the Investment Advisor and the fiduciary duties of the Directors may compete with or be different from the interests of the Investment Advisor. Only the Directors may terminate the services of the Investment Advisor and other agents of the Company or any Fund.

The Investment Advisor and/or any company associated with it may enter into portfolio transactions for or with a Fund either as agent, in which case they may receive and retain customary brokerage commissions and/or cash commission rebates, or deal as a principal with the in accordance with normal market practice subject to such commissions being charged at rates which do not exceed customary full service brokerage rates.

The Investment Advisor and/or any company associated with it reserves the right to effect transactions by or through the agency of another person with whom the Investment Advisor and/or any company associated with it have an arrangement under which that party will from time to time provide to or procure for the Investment Advisor and/or any company associated with it goods, services or other benefits (such as research and advisory services, computer hardware associated with specialised software or research services and performance measures) the nature of which is such that their provision can reasonably be expected to benefit a Fund as a whole and may contribute to an improvement in the performance of a Fund or of the Investment Advisor and/or any company associated with it in providing services to a Fund and for which no direct payment is made but instead the Investment Advisor and/or any company associated with it undertake to place business with that party. For the avoidance of doubt, such goods and services do not include travel, accommodation, entertainment, general administrative goods or services, general office equipment or premises, membership fees, employee salaries or direct money payments.

Investors should note that the Investment Advisor is a member of the same group of companies as the Company and, as such, will become involved in the investment process of the Company and the Funds (which may result in non-arm's length dealings between the Company and the Investment Advisor), share directors, officers, employees, agents and affiliates from time to time and as such the Investment Advisor may face a conflict of interest arising from the connection between its involvement in the investment process of the Company and the Funds and its entitlement to fees based upon valuations of assets.

A Director of the Company will have due regard to the fiduciary obligations to the Company and in particular their obligations to act in the best interests of a Fund, so far as practicable when and if a conflict of interest arises between their duties as a Director and their interest in the affairs of any affiliated service provider.

By acquiring Shares in the capital of the Company hereby offered, an investor will be deemed to have acknowledged the existence of such actual and potential conflicts of interest and to have waived, to the fullest extent permitted by applicable law, any claim with respect to the existence of any such conflicts.

§ 11. TAXATION

This discussion is only a summary of certain tax considerations relating to the Company and a Fund. No attempt is made herein to summarize the tax consequences applicable to every Shareholder. Prospective investors should consult legal and tax advisors in the countries of their citizenship, residence, and domicile to determine the possible tax or other consequences of acquiring, holding, and disposing of Shares under the laws of their respective jurisdictions. No advance tax ruling (except with respect to the Cayman Islands) has been, or will be, sought in connection with the operation of the Company, any Fund or an investment in Shares, and there is no assurance that Cayman Islands, United States or other tax authorities will agree with the discussion herein. This discussion is based on current law, regulations, rulings and judicial decisions thereunder, which may change from time to time, possibly with retroactive effect.

Cayman Islands

There is no direct taxation of the Company or a Fund in the Cayman Islands and, therefore, interest, dividends and gains payable to a Fund will be received by a Fund free of all Cayman Islands tax, as will all gains payable to a Fund.

The Company has applied for, and can be expected to obtain, an undertaking from the Cayman Islands authorities that, in accordance with Section 6 of the Tax Concessions Law (1999 Revision), for 20 years from the date of issue of the undertaking, no law that is enacted in the Cayman Islands imposing any tax or duty to be levied on income, profits, gains or appreciations shall apply to it or its operations, and no such tax or any tax in the nature of estate duty or inheritance tax shall be payable on or in respect of its shares, debentures or other obligations or by way of withholding in whole or in part of any payment of dividend or other distribution of its income or capital to its shareholders or any payment of principal or interest or other sums due under its debentures or other obligations.

No capital or stamp duties are levied in the Cayman Islands on the issue, transfer or redemption of shares. The only taxes that will be chargeable on the Company in the Cayman Islands are an annual charge payable to the Registrar of Companies calculated on the nominal amount of the authorized share capital of the Company, as the case may be, which is currently approximately US\$3050 per annum for each of the Company. As the Company is registered as a “mutual fund” under the Law (see §12, “GENERAL INFORMATION - *The Mutual Funds Law*”), the Company would owe annual fees (currently CI\$2,500 (approximately US\$3,050) per annum) in accordance with the Law. There are no exchange controls in the Cayman Islands.

United States

Introduction

The following discussion addresses some of the U.S. federal income tax consequences applicable to Shareholders based on the Code and the regulations, rulings and judicial

decisions thereunder as of the date hereof, any of which could be changed at any time (possibly on a retroactive basis). This discussion is not intended to be a complete summary of all U.S. tax consequences applicable to an investment in a Fund. This discussion is for the purpose of providing general assistance only, is not intended to be a substitute for the advice of an investor's own tax or other advisors and should not be interpreted as tax or other advice. You should consult with and must depend on your own tax advisor regarding the tax consequences of investing in a Fund.

U.S. Taxation of the Company and Funds

The Company intends to be classified as a corporation for U.S. federal income tax purposes. A foreign corporation can be subject to U.S. federal income tax if it, or a partnership of which it is a partner, is engaged in the conduct of a trade or business within the United States ("**U.S. trade or business**"). Statutory "safe harbor" provisions of U.S. Federal income tax laws provide that a foreign corporation trading stock, securities and commodities for its own account in compliance with such statutory provisions will not be treated as engaged in the conduct of a U.S. trade or business whether such trading is conducted directly by the foreign corporation or indirectly through a partnership. The Company intends to conduct their affairs in conformity with such statutory "safe harbors" so that the Company will not, for such purposes, be engaged in a U.S. trade or business. So long as the Company is not engaged in the conduct of a U.S. trade or business, the Company will not be subject to a U.S. federal income tax. In the event that the Company were to be engaged in a U.S. trade or business, the Company would be required to file a U.S. Federal income tax return for each year it was so engaged. The Company would be required to pay tax on any income and investment gain that is effectively connected with such trade or business at full U.S. corporate income tax rates and an additional branch profits tax at a 30% rate.

Any U.S. source dividends paid to or derived by the Company, will be (and certain other U.S. source income, such as certain interest income, may be) subject to U.S. federal withholding tax at a rate of 30%. Distributions made by the Company in respect of Shares will not be subject to U.S. withholding tax unless 25% or more of the Company's gross income for the three year period (or for such part of such period as the Company has been in existence) preceding the distribution consisted of income effectively connected to a U.S. trade or business. As noted above, however, the Company does not expect to be engaged in a U.S. trade or business.

The Company expects to be treated, for U.S. federal income tax purposes, as a passive foreign investment company ("**PFIC**"). The Company does not intend to provide investors with the information required to make a "qualified electing fund" election under the PFIC rules. See U.S. Taxation of Investors" below.

U.S. Taxation of Investors

Non-U.S. Investors

An investor that is not a "United States person" within the meaning of Section 7701(a)(30) of the Code ("**U.S. Tax Person**") (generally a non-resident alien, foreign corporation, foreign partnership, foreign estate or foreign trust) should be exempt from U.S. federal income tax with respect to gains derived from the sale, exchange or redemption of, or dividends received unless 25 percent or more of the Company's gross income for the three year period (or for such part of such period as the Company has been in existence) preceding the

distribution consisted of income effectively connected to a U.S. trade or business in respect of, Shares, provided that such investor does not have certain present or former connections with the United States (e.g., holding Shares in connection with the conduct of a U.S. trade or business or being present in the United States for 183 days or more during the applicable period), which connections will not exist solely by investing in a Fund.

If an investor were to become a U.S. Tax Person, or if a U.S. Tax Person is a direct or indirect owner of an investor, such person should consult his or her own tax advisors as to the U.S. tax consequences and especially regarding the application of various U.S. anti-deferral provisions of the Code (i.e., PFIC, foreign personal holding company, controlled foreign corporation and/or foreign investment company provisions) and any reporting requirements to such investor's ownership of Shares.

Other Countries

The Company may be subject to income or withholding taxes on certain income sourced in other countries as well as securities taxes, turnover taxes, stamp duties and capital gains taxes in certain countries.

Prospective investors should consult legal and tax advisors in the countries of their citizenship, residence and domicile to determine the possible tax or other consequences of purchasing, holding and redeeming Shares under the laws of their respective jurisdictions.

§ 12. GENERAL INFORMATION

Incorporation and Share Capital

- (a) The Company is an exempted limited company limited by shares, incorporated and registered as a Segregated Portfolio Company on 29th November 2006 in the Cayman Islands under the provisions of the Companies Law (2004 Revision).
- (b) Each Segregated Portfolio created shall constitute a separate class (each a "**Class**") of shares in the capital of the Company ("**Shares**") and each separate Class of Shares shall constitute a separate fund of the Company (a "**Fund**"). Each Class of Shares shall be deemed Segregated Portfolio Shares of the particular fund which that Class constitutes.
- (c) Each Class may be subdivided into separate series (each, a "**Series**"), each of which corresponds to a particular type of investor within such Class, and is created to provide the fees, minimum investment requirements and redemption rights applicable to each such investor. Each such Series shall also constitute Segregated Portfolio Shares of a Fund such Class of Shares represents.
- (d) The authorized share capital of the Company is US\$50,000 divided into 100 voting, non-redeemable, non-participating Management Shares of US\$0.01 par value each and 4,999,900 redeemable, participating, non-voting shares with a

par value of US\$0.01 each (the “**Shares**”) which may be issued in such Classes and Series as the Directors determine from time to time

Rights Attached to the Shares

- (a) The Shares confer on their holders the right to receive dividends or otherwise participate in the profits and assets of the respective Segregated Portfolio fund in respect of which they are issued and the right, upon a winding up, to share, pro rata to their respective holdings, in the surplus assets available for distribution to Shareholders of that Segregated Portfolio fund only, to the exclusion of assets within any other Segregated Portfolio fund.
- (b) The Shares do not confer on their holders the right to vote at any general meeting of the Company.
- (c) Subject to the provisions of section 37 of the Companies Law (2004 Revision), the Shares shall be redeemable and redeemed in the manner and upon and subject to the terms and conditions set out in the Company’s Articles of Association.
- (d) There are no rights of pre-emption attaching to the Shares.
- (e) None of the Shares are under option, or agreed, conditionally or unconditionally, to be put under option.
- (f) The Shares will be issued in fully registered, book-entry form.
- (g) The rights attached to any series or class of Shares shall be deemed to be varied by the creation or issue of Shares of any other class or series in priority to them as regards participating in the profits or assets of the Company.

The Company Charter

The Company’s Memorandum of Association provides that the Company’s objects are unrestricted but include the carrying on of the business of an investment company. The objects of the Company are set out in full in clause 3 of the Company’s Memorandum of Association. Copies of the Company’s Memorandum of Association and Articles of Association (the “**Articles**” and, together with the Company’s Memorandum of Association, the “**Company Charter**”), are available from the Administrator upon request.

Set out below is a summary of some of the main provisions of the Articles. Words and expressions defined in the Articles that are not defined in this Memorandum shall have the same meaning wherever used in the following summary:

- (a) *Shares*

Subject to the Articles, all unissued Shares shall be under the control of the Directors, who may allot and dispose of or grant options over the same to such persons, on such terms and in such manner as they may think fit. The Directors may in their absolute discretion refuse to accept any application for Shares.

(b) *Issue of Shares*

- (i) If the Company accepts your Subscription Agreement, the Company will issue (subject to the conditions contained in this Memorandum) the number of Shares (rounded to four decimal points) calculated by dividing (i) the amount of your subscription funds accepted by the Company (minus any applicable Subscription Charge) by (ii) the final NAV of the Shares of a Fund as of your subscription date (the “**Subscription Price**”). The Company may issue you fractional shares in a Fund (rounded to four decimal places), if your subscription amount is not an exact multiple of the Subscription Price.
- (ii) The Shares may be issued by the Directors in different Classes and Series. The Directors shall maintain separate accounts, for accounting purposes, which shall be segregated and kept separate for each Class of Shares to which the assets and liabilities and income and expenditure attributable or allocated to each such Class shall be applied or charged in accordance with the requirements of Part XIV of the Companies Law (2004 Revision) of the Cayman Islands pertaining to Segregated Portfolio Companies. The Directors may also maintain separate accounts, for accounting purposes, which shall be segregated and kept separate for each Series of Shares to which the assets and liabilities and income and expenditure attributable or allocated to each such Series shall be applied or charged.
- (iii) The price at which the first issue of Shares of each Class and or Series shall be effected and the time of such issue shall be determined by the Directors. Thereafter, Shares of an existing Class or Series may be allotted and issued from time to time in the discretion of the Directors, provided that such additional Shares are issued at not less than the then current NAV per Share of the same Class or Series.

(c) *Series*

Each Class of Shares may be subdivided into separate series (each, a “**Series**”), each of which corresponds to a particular type of investor within such Class, and is created to provide the fees, minimum investment requirements and redemption rights applicable to each such investor. The terms of each Series applicable to a Fund may be set forth in more detail in the relevant Appendix for that Fund attached hereto. .

(d) *Transfer of Shares*

- (i) Subject to the Articles, Shares shall be transferable by a transfer in any usual or common form in use in the Cayman Islands or in such other form as the Directors shall from time to time sanction or allow.
- (ii) Instruments of transfer must be executed by or on behalf of the transferor and be accompanied by such evidence as the Directors may reasonably require to show the right of the transferor to make the transfer.

- (iii) Shares may only be transferred with the prior approval of the Directors, which approval may be withheld in their sole discretion; including, without limitation, in instances where the Directors impose restrictions on transferability in order to comply with the requirements set by Euroclear or Clearstream, Notwithstanding the foregoing, the Directors may relax this requirement to the extent that they deem appropriate in connection with the listing of any class or series of Shares on a stock exchange or otherwise.

(e) *Valuation and Redemption of Shares*

Shares shall be valued and may be redeemed as described under the heading “Valuation and Redemption of Shares” above. The Articles provide that the valuation of Shares may be suspended in certain circumstances.

(f) *General Meetings*

The Directors may, whenever they think fit, convene an extraordinary general meeting. There is no requirement that there be an annual general meeting of the Company.

(g) *Directors*

- (i) Unless otherwise determined by the Company in general meeting, the minimum number of directors shall be one (except in the event that a Fund is registered under the Law in which case the minimum number shall be two) and the maximum shall be unlimited. A Director need not be a Shareholder of the Company but shall be entitled to receive notice of and attend all general meetings of the Company.
- (ii) The business of the Company shall be managed by the Directors, who may exercise such powers of the Company as are not, by law or by the Articles, required to be exercised by the Company in general meeting.
- (iii) The Directors shall be entitled to be paid for their general services to the Company. The Directors shall also be entitled to be paid their traveling, hotel and other expenses properly incurred by them in going to, attending and returning from meetings of the Directors, or any committee of the Directors, or general meetings of the Company, or otherwise in connection with the business of the Company. The Directors may by resolution award special remuneration to any Director undertaking any special work or services for, or undertaking any special mission on behalf of, the Company, other than his ordinary routine work as a Director.
- (iv) A Director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of Director for such period and on such terms as to remuneration and otherwise as the Directors may determine. A Director may act by himself or his firm in a professional capacity for the Company, and he or his firm shall be entitled to remuneration for professional services as if he were not a Director.

- (v) A Director may be or become a director or other officer of or be otherwise interested in any company promoted by the Company or in which a Fund may be interested as a shareholder or otherwise, and no such Director shall be accountable to the Company for any remuneration or other benefits received by him as a director or officer of, or from his interest in, such other company.
 - (vi) No person shall be disqualified from the office of Director or prevented by such office from contracting with the Company, either as vendor, purchaser or otherwise, nor shall any such contract or any contract or transaction entered into by or on behalf of the Company in which any Director shall be in way interested be or be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realized by any such contract or transaction by reason of such Director holding such office or of the fiduciary relation thereby established. A Director shall be at liberty to vote in respect of any contract or transaction in which he is so interested as aforesaid PROVIDED that the material facts of the interest of such Director in any such contract or transaction shall be disclosed by him at or prior to the Directors' consideration of such contract or transaction and any vote thereon (either at such meeting or by notice in writing) and provided that no other Director objects to such interested Director voting on such matter.
 - (vii) The Company may by ordinary resolution appoint any person to be a Director and may by like resolution remove any Director. The Directors shall have power at any time and from time to time to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors.
- (h) *Borrowing Powers*
- (i) The Directors may exercise all the powers of the Company to borrow money and to secure such borrowings in any manner.
 - (ii) The Company is not restricted in its ability to borrow money.
- (i) *Dividends*
- (i) The Directors may in their discretion declare dividends on the Shares issued in respect of a particular Fund.
 - (ii) No dividend shall be declared or paid except out of the profits of the Company allocated to the relevant Fund in which the Shares, on which the dividend is proposed to be paid, are issued (and subsequently the particular Fund to which the Shares relate), realized or unrealized, out of the share premium account or as otherwise permitted by law.

(j) *Winding Up*

The duration of the Company is unlimited. Under the laws of the Cayman Islands, the Company may be voluntarily wound up following the passing of a Special Resolution to that effect at a general meeting. Any surplus assets available for distribution shall be distributed in accordance with the provisions in the Articles. Surplus Assets of a Segregated Portfolio fund shall only be distributed to the Shareholders of such Fund to the exclusion of Shareholders in other Segregated Portfolio funds. On a winding up (whether the liquidation is voluntary, under supervision, or by the court) the liquidator may, with the authority of the Company, distribute the assets of the Company to the Shareholders in specie provided no such assets are transferred to Shareholders who are not Shareholders in respect of the particular Segregated Portfolio fund of the Company to which such assets were attributed.

(k) *Fiscal Year*

The fiscal year of the Company shall end on 31 December in each year unless the Directors prescribe some other period therefor.

(l) *Indemnity*

The Articles contain provisions exculpating the Directors and officers from and indemnifying them against certain liabilities in the discharge of their duties.

(m) *Alteration of Articles of Company*

Subject to the provisions of Cayman Islands law, the Company may by Special Resolution change its name, alter its objects or amend its Articles of Association. Under the Articles, the passing of a Special Resolution at a general meeting requires at least two-thirds of the votes cast to be in favor, provided a quorum is present at such meeting. Subject to and insofar as permitted by the provisions of Cayman Islands law, the Company may from time to time by ordinary resolution increase its authorized share capital. Under the Articles, the passing of an ordinary resolution at a general meeting requires a simple majority of the votes cast to be in favor, provided that a quorum is present at such meeting.

Anti-Money Laundering Regulations

In order to comply with the Money Laundering Regulations (2006 Revision) of the Cayman Islands as amended or restated from time to time (the "**Regulations**"), which are aimed at the prevention of money laundering, the Administrator on behalf of the Company will, to the extent required under the Regulations, require verification of identify from all subscribers (unless in any case the Administrator is satisfied that an exemption under the Regulations applies). Depending on the circumstances of each subscription, it may not be necessary to obtain full documentary evidence of identity where: (a) the subscriber makes the payment for his investment from an account held in the subscriber's name at a recognized financial institution; (b) the subscriber is a recognized financial institution that is regulated by a recognized regulatory authority and is based or incorporated in, or formed under the law of, a recognized jurisdiction; or (c) the subscription is made by a recognized intermediary acting on behalf of the subscriber and such intermediary is regulated by a recognized regulatory authority and is based or incorporated in, or formed under the law of, a recognized jurisdiction.

For the purposes of these exceptions, recognition of a financial institution, regulatory authority or jurisdiction will be determined in accordance with the Regulations by reference to those jurisdictions recognized by the Cayman Islands as having sufficient anti-money laundering regulations.

The Administrator and the Company reserve the right to request such information as is necessary to verify the identity of a subscriber. The Administrator and the Company also reserve the right to request such identification evidence in respect of a transferee of Shares. In the event of delay or failure by the subscriber or transferee to produce any information required for verification purposes, the Company or the Administrator on its behalf may refuse to accept the application or (as the case may be) to register the relevant transfer and (in the case of a subscription of Shares) any funds received will be returned without interest to the account from which the monies were originally debited.

The Company or the Administrator on its behalf also reserves the right to refuse to make any redemption payment or distribution to a Shareholder otherwise than to the account from which the corresponding subscription funds were paid if any Director or the Administrator suspects or is advised that the payment might result in a breach or violation of any applicable anti-money laundering or other laws or regulations by any person in any relevant jurisdiction, or such refusal is considered necessary or appropriate to ensure the compliance by the Company, its Directors or the Administrator with any such laws or regulations in any relevant jurisdiction. In no event will the Company or the Administrator make any redemption payment or distribution to any account that is not in the name of the registered shareholder of Shares.

If any person who is resident in the Cayman Islands has a suspicion obtained in the course of business that any other person is engaged in money laundering, such person is required to report such suspicion pursuant to the Proceeds of Criminal Conduct Law (2001 Revision) of the Cayman Islands, as amended or restated from time to time and such report shall not be treated as a breach of any restriction upon the disclosure of information imposed by any enactment or otherwise.

The Mutual Funds Law

The Company will fall within the definition of a “mutual fund” in terms of the Mutual Funds Law (2003 Revision) as amended by the Mutual Funds (Amendment) Law, 2006 of the Cayman Islands (the “**Law**”) and accordingly will be regulated in terms of that Law. However, the Company is not required to be licensed or to employ a licensed mutual fund administrator since the minimum interest purchasable by a prospective investor in the Fund exceeds \$100,000 or its equivalent in any other currency.

Accordingly, the obligations of the Company are:

- (i) to register the Fund with the Monetary Authority (the “**Authority**”) in the Cayman Islands in accordance with the terms of the Law;
- (ii) to file with the Authority prescribed details of this document and any material change thereto;
- (iii) to file annually with the Authority accounts audited by an approved auditor; and

- (iv) to pay a prescribed registration fee.

The Authority may at any time instruct the Company to have its accounts audited and to submit the audited accounts to the Authority within such time as the Authority specifies. In addition the Authority may ask the Directors to give the Authority such information or such explanation in respect of the Company as the Authority may reasonably require to enable it to carry out its duty under the Law.

The Directors must give the Authority access to or provide at any reasonable time all records relating to the Company and the Authority may copy or take an extract of a record to which it is given access. Failure to comply with these requests by the Authority may result in substantial fines being imposed on the Directors and may result in the Authority applying to the court to have the Company liquidated. The Authority is prohibited by the Law from disclosing any information relating to the affairs of a mutual fund other than disclosure required for the effective regulation of a mutual fund or when required to by law or by the court.

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

§ 13. AUDITORS

The Board has selected Altschuler, Melvoin & Glasser (Cayman) to audit the financial statements of the Company on an annual basis. The Board reserves the right to change its selection of auditors for the Company. Investors should note that in certain circumstances the liability of the auditors may be limited to the value of assets of the Company or its Funds.

§ 14. LEGAL MATTERS

Brito & Young have assisted the Company in the preparation of this Memorandum and has advised and may continue to advise the Investment Advisor regarding its duties and responsibilities to the Company (and its Shareholders) as to matters of U.S. law and regulation. Brito & Young have not represented the Company, or their respective shareholders in organizing the Company or negotiating its business terms or in connection with the offering of Shares.

Truman Bodden & Company, Grand Cayman, Cayman Islands, have advised the Investment Advisor, and the Company on certain matters of Cayman Islands law. Truman

Bodden & Company have not represented the shareholders in negotiating the business terms of a Fund..

The Company does not anticipate that it will engage separate counsel in connection with the organization or general operation of the Company.

§ 15. REPORTS AND OTHER INFORMATION

Reports

As soon as reasonably practicable after the end of each month, the Company will provide to each Shareholder a report reflecting the NAV of such Shareholder's Shares as of the end of such month as compared with the end of the previous month.

The Company intends to make its audited annual financial statements available to shareholders as soon as reasonably practicable after the end of the Company's fiscal year. Requests for copies of the Company's audited annual financial statements should be directed to the Administrator at the address listed in the Directory.

Information Available

Prior to the sale of any Shares, the Investment Advisor will make available to each subscriber or his representative, the opportunity to ask questions of and receive answers from representatives of the Investment Advisor concerning any aspect of the investment and to obtain any additional information, to the extent the Investment Advisor possesses such information or can acquire it without unreasonable effort or expense. Any requests for additional information should be directed to the Investment Advisor, telephone 1-786-924-5737

EXHIBIT A

TYPE OF INVESTORS THAT QUALIFY AS “NON-US PERSONS”

Explanatory Note: As used herein, “U.S.” means the United States of America, its states, territories and possessions, and any enclave of the United States government, its agencies or instrumentalities. For purposes of the various categories below, a “U.S. Person” is any individual or entity other than an individual or entity that is a Non-U.S. Person.

AN INDIVIDUAL SUBSCRIBER QUALIFIES AS NON-U.S. PERSON IF:

(i) He or She is a natural person who is not resident in or a resident of the United States.

AN ENTITY SUBSCRIBER QUALIFIES AS NON-U.S. PERSON IF:

(i) it is a partnership, corporation or other entity organized under the laws of a non-U.S. jurisdiction that: (A) has its principal place of business in a non-U.S. jurisdiction; and (B) was not organized and is not being operated principally for the purpose of making passive investments or investing in securities not registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”);

(ii) it is a partnership, corporation or other entity organized under the laws of a non-U.S. jurisdiction that has its principal place of business in a non-U.S. jurisdiction and: (A) units of participation in Subscriber held by U.S. Persons (other than U.S. Persons that are “qualified eligible persons” within the meaning of U.S. Commodity Futures Trading Commission (“CFTC”) Rule 4.7) represent in the aggregate less than 10% of the units of participation in Subscriber; (B) if Subscriber was organized by a U.S. Person or U.S. Persons principally for the purpose of investing in securities not registered under the Securities Act, no such U.S. Person was a natural person, estate or trust, and each such U.S. Person was an “accredited investor” (within the meaning of Rule 501(a) of Regulation D under the Securities Act) at the time it organized Subscriber; and (C) if Subscriber was formed or is being operated principally for the purpose of investing in securities not registered under the Securities Act, no U.S. Person who is a natural person, estate or trust has an ownership interest in Subscriber, and any other U.S. Person that has an ownership interest in Subscriber is an “accredited investor;”

(iii) it is a pension plan for the employees, officers or principals of an entity organized and with its principal place of business outside the U.S. and such plan has been established and is being administered in accordance with the laws of a country other than the U.S. and customary practices and documentation of such country;

(iv) it is a trust, the income of which is not subject to U.S. income tax regardless of source, and no trustee of such trust is a U.S. Person; or

(v) it is an estate, the income of which is not subject to U.S. income tax regardless of source, and no executor or administrator of such estate is a U.S. Person.

SPECIFIC INFORMATION APPENDIX RELATING TO EACH SEGREGATED PORTFOLIO FUND

1. Sentinel Global Real Estate Fund SP

References in this section to the “Fund” are to be read as a reference to Sentinel Global Real Estate Fund SP, a segregated portfolio of the of Sentinel Investment Funds SPC (the “Company”)

THIS APPENDIX MUST BE READ IN CONJUNCTION WITH THE INFORMATION MEMORANDUM OF THE COMPANY, AS AMENDED FROM TIME TO TIME (THE “INFORMATION MEMORANDUM”).

UNLESS OTHERWISE INDICATED, TERMS USED IN THIS APPENDIX SHALL HAVE THE SAME MEANING GIVEN TO THEM IN THE INFORMATION MEMORANDUM.

1.1. INVESTMENT OBJECTIVE AND POLICY

Sentinel Investment Funds SPC (the “**Company**”) intends to operate as an off-shore hedge fund. Pursuant to Part XIV of the Companies Law (2004 Revision) of the Cayman Islands, the segregated portfolio structure of the Company permits the creation of several segregated portfolios which may each constitute a separate Fund, each with its own unique investment objectives and representing a distinct portfolio of assets. Each Fund will allocate its assets to one or more underlying investments.

It is intended that Sentinel Global Real Estate Fund SP, the first segregated portfolio of the Company, will invest primarily into registered and non registered private mortgage backed notes, real estate backed securities and real estate related assets.

The Directors reserve the right to invest in assets other than as aforementioned, where the Directors, in consultation with the Investment Manager feel such investments are consistent with the investment objectives and philosophy of the Fund.

There can be no assurance the Fund will be successful or achieve its objectives.

1.2. PERMITTED INVESTMENTS

There is a wide discretion of the Directors of the Company in respect of what investments may be made for and on behalf of the Fund. Neither the Memorandum nor the Articles of Association of the Company contain any restrictions on the investment powers of the Company nor limits on the types of real estate securities or other instruments in which the Fund may invest, the types of positions it may take, the concentration of its investment by sector, industry, fund, country, class or otherwise, the amount of leverage it may employ or the number or nature of short positions it may take. Further, depending on conditions and trends in securities markets, the Fund may pursue other strategies or employ other techniques the Investment Manager (with the prior consent of the Directors of the Company) considers appropriate and in the Fund's best interests.

1.3. INVESTMENT STYLES AND STRATEGIES OF THE UNDERLYING FUNDS AND INDIVIDUAL ACCOUNTS

The Fund will make mainly direct investments in areas consistent with the investment objectives and policy of the Fund.

1.4. INVESTMENT RESTRICTIONS

There are no restrictions on the Fund subject to the general restrictions on the investment powers of the Company set out in the Information Memorandum.

1.5. BORROWING

The Fund may incur leverage as specified in section 3 of the Information Memorandum titled "INVESTMENT OBJECTIVES AND STRATEGIES – *Leverage*"

1.6. BASE CURRENCY

The base currency of this Fund is the US Dollar.

1.7. FEES AND EXPENSES

Refer to section of the Information Memorandum titled "Fees and Expenses".

1.8. CUSTODIAN & ADMINISTRATION FEES

No Custodian appointed

1.9 ADMINISTRATION FEES

Refer to section of the Information Memorandum titled "Fees and Expenses".

1.10 SUBSCRIPTIONS

The first Business Day of each month (each a Subscription Date)

1.11 DEALING DAY

15 Business Days prior to the Subscription Date.

1.12. VALUATION DAY

4.00 p.m. in the jurisdiction of the Administrator on the Business Day prior to the relevant Dealing Day.

1.13 ISSUE OF SHARES

Multiple Series

Sentinel Global Real Estate Fund SP's shares may be subdivided into separate series: Series 1 Shares through Series 7 Shares. Series 1 Shares (the "**Common Shares**") will not be offered to the public. The Common Shares have been subscribed for and have been issued to, and will be held on an ongoing basis by the Investment Advisor or affiliates thereof. The Common Shares are subordinated to the Preferred Shares in accordance with 1.14 below.

Placing/Initial Offer

The Fund will offer Series 2 Shares through Series 7 Shares (the "**Preferred Shares**").

Applicants for Series 2 Shares through Series 7 Shares will be required to certify that they are not US Persons precluded from purchasing, acquiring or holding Shares.

Series 2 Shares through Series 7 Shares in the Fund will be initially offered at a placing price of US\$ \$100 or (the "**Initial Offer Price**") commencing on 1 December 2006 and ending on 31 December 2006 or such other period or periods as the Directors may determine (the "Initial Offer Period") and subject to an initial Minimum Subscription requirement of US\$50,000. Subscriptions for Shares may be made on any Business Day during the Initial Offer Period. The Directors may determine to levy a subscription fee charge of up to five per cent (5%) on the monies subscribed for Preferred Shares should they deem it appropriate. The initial offer period may be shortened or extended by the Directors.

Subsequent subscriptions by an existing Shareholder in the Fund will be subject to a subsequent minimum subscription of US\$1,000. Following the Initial Offer Period, the Subscription Price for Preferred Shares is the Net Asset Value per Share of the relevant Series of the Fund calculated as at the relevant Valuation Day. Subscriptions for Shares following the Initial Offer Period may be made on a Subscription Date unless otherwise determined by the Directors in their sole discretion. The Directors may determine to levy a sales charge of up to five per cent (5%) of the Net Asset Value per Share for subsequent subscriptions

should they deem it appropriate. Any subscription fee charge levied shall be payable to and shall be for the sole benefit and account of the Investment Advisor. The Investment Advisor reserves the right to reduce or waive the sales charge and may distinguish between applicants for Preferred Shares accordingly.

The Preferred Shares shall have preference over the Common Shares in accordance with 1.14 below.

Further Issues

No allotment or issue of Preferred Shares in the Fund shall be made in respect of an applicant subscribing for less than the minimum subscription or minimum subsequent subscription, if any, for Preferred Shares of the Fund.

The number of Preferred Shares will be rounded to three decimal places. Fractional Preferred Shares shall not carry any voting rights.

1.13 DEADLINE FOR SUBSCRIPTIONS

Subscription applications received by the Administrator up to 5 p.m. in the jurisdiction of the Administrator no later than three (3) Business Days prior to the relevant Dealing Day will be dealt with on that Dealing Day. Any applications received after this time will be dealt with on the next succeeding Subscription Day provided that, at the Directors' sole discretion with the agreement of the Administrator, applications received after that time may be accepted for the relevant Dealing Day. Contract notes confirming ownership of Preferred Shares will normally be issued within five (5) Business Days after the calculation of Net Asset Value per Share of the Shares subscribed for, provided all original documentation required by the Administrator has been received. Preferred Share certificates shall not be issued unless specifically requested by a Shareholder and shall be sent by pre-paid ordinary post at the Shareholder's risk and expense.

Settlement for subscriptions should be received no later than 5 p.m. in the jurisdiction of the Administrator three (3) Business Days prior to the relevant Subscription Day by telegraphic transfer in accordance with the instructions as set out herein. No interest shall be payable on monies received prior to the applicable time.

At the Directors' sole discretion and with the agreement of the Administrator, settlements received after that time or day may be accepted for value on that Subscription Day.

1.14 PREFERRED RATE DIVIDENDS

Series 2 Shares through Series 7 Shares shall pay a preferred rate dividend to the holders thereof, subject to and in accordance with the Companies Law of the Cayman Islands (2004 Revision) and the Articles of Association of the Company and provided that the investments of the Fund which are attributable to the relevant Series of Shares in respect of which the dividend is proposed to be paid, generate a rate of return in excess of the annual preferred rate

("Annual Preferred Rate") payable on the relevant Series of Preferred Shares. The Preferred Rate Dividend shall be paid on a quarterly basis.

Pursuant to the foregoing, dividends on the Series 2 Shares through Series 7 Shares may be paid only from profits available for the purpose and attributable to the relevant Series of Shares in respect of which the dividend is proposed to be paid. From the profits available, the preferred rate dividend payable to the holders of Preferred Shares shall be paid in priority over and to any payments to holders of the Common Shares. To the extent that profits available are exhausted by the Preferred Shares, the Common Shares shall not be entitled to any dividends. Holders of the Common Shares should note that it is not anticipated that regular dividends shall be paid on the Common Shares.

For the Initial Offer and for any further issues, Preferred Shares are subject as set forth hereto in Exhibit "A".

1.15 REDEMPTION OPTION OF SHARES

Preferred Shares have a minimum investment term ("**the Investment Term**"). Shares in the Fund may be redeemed and the end of the Investment Term ("**the Redemption Date**"), at the option of the relevant Shareholder, upon not less than 60 days' prior written notice to the Company. It is understood and acknowledged that if no prior written notice is given to the company, the Investment Term will be automatically renewed.

If a Redemption option occurs prior to the end of the Investment Term, a penalty rate will apply, instead of the Annual Preferred Rate for each correspondent Series. The penalty rate is calculated as set forth below:

$$\text{Penalty Rate} = \text{Annual Preferred Rate} / 2$$

Subject to the prior receipt of the correct original documentation, the net redemption proceeds will normally be dispatched in the denominated currency of the Fund within forty (40) days after the Redemption Date on which the redemption is effected, by telegraphic transfer to the bank account designated by the Shareholder.

Exhibit "A": Annual Preferred Rate Schedule

Series	Investment Term (months)	Annual Preferred Rate
2	6	7.75%
3	9	8.25%
4	12	9.00%
5	18	10.50%
6	24	11.00%
7	36	11.50%