

Hythe Strategic Opportunities Fund PLC

(an open-ended investment company established under the laws of the Isle of Man)

OFFERING DOCUMENT

24th September 2007

Hythe Strategic Opportunities Fund PLC is not subject to approval in the Isle of Man and investors are not protected by any statutory compensation arrangements in the event of the Fund's failure.

The Isle of Man Financial Supervision Commission does not vouch for the financial soundness of the Fund or for the correctness of any statements made or opinions expressed with regard to it.

Administrator's Approval

The Administrator has approved this Offering Document being the offering document for the purposes of the Financial Supervision (Experienced Investor Fund)(Exemption) Order 1999 as containing sufficient information to enable an informed investment decision to be made.

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I INTRODUCTION

Important Notice to All Readers

The Fund is an Experienced Investor Fund as defined in the Financial Supervision (Experienced Investor Fund)(Exemption) Order 1999.

The Directors are the persons responsible for all the information contained in this Offering Document. To the best of the knowledge and belief of such Directors (who have taken all reasonable care to ensure that such is the case) such information is in accordance with the facts and does not omit anything which is likely to affect the import of such information. The Directors accept responsibility accordingly.

No person has been authorised to give any information or to make any representations, other than those contained in this Offering Document, in connection with the participating redeemable preference shares in the capital of the Fund and, if given or made, such information or representations must not be relied on as having been authorised by the Fund. Neither the delivery of this Offering Document nor the issue of Shares shall, under any circumstances, create any implication that there has been no change in the circumstances affecting the Fund since the date hereof.

No action has been taken to permit the distribution of this Offering Document in any jurisdiction where action would be required for such purpose. This Offering Document does not constitute an offer to or solicitation by anyone in any jurisdiction in which such an offer or solicitation is not authorised, or to any person to whom it is unlawful to make such an offer or solicitation. In particular: (i) none of the Shares has been or will be registered under the United States Securities Act of 1933, as amended (the "1933 Act"), and none of the Shares may be offered or sold, directly or indirectly, in the United States of America, its territories or possessions and all areas subject to its jurisdiction ("United States") or to or for the benefit of any national or resident thereof (including any corporation, partnership or other entity created or organised in or under the laws of the United States or any political subdivision thereof) and any estate or trust which is subject to United States federal income taxation regardless of the source of its income, and (ii) this Offering Document may be issued in the United Kingdom of Great Britain and Northern Ireland (the "United Kingdom") and the Fund may be promoted in the United Kingdom only in accordance with section 21 of the Financial Services and Markets Act 2000 (an Act of Parliament) and the Financial Services and Markets Act 2000 (Financial Promotion) Order 2001.

Investors should inform themselves as to: (i) the legal requirements within their own countries for purchase and holding of the Shares, (ii) any foreign exchange restrictions to which they might be subject, and (iii) the income and other taxation consequences which might apply in their own countries relevant to the purchase, holding or disposal of the Shares.

Copies of this Offering Document, application forms and information regarding purchases or redemptions of Shares may be obtained from Blue Sea International Limited, 31-37 North Quay, Douglas, Isle of Man, IM1 4LB.

Risk Factors

Investment in the Fund carries substantial risk. There can be no assurance that the Fund's investment objective will be achieved and investment results may vary substantially over time. Investment in the Fund is not intended to be a complete investment programme for any investor. Prospective investors should carefully consider whether an investment in the Fund is suitable for them in light of their circumstances and financial resources (see further under "Risk Factors").

Investment in the Fund is only appropriate for those whose business and investment experience is such that they are capable, in conjunction with their professional advisers, of evaluating the merits of their prospective investment, can afford the loss of the whole of their investment and have no need for their investment to be liquid. Prospective investors should accordingly consult a suitably qualified professional adviser before committing to an investment in the Fund.

Summary of Directors, Officers and Advisers

The Fund

Directors:

Pritesh R Desai
34 North Quay
Douglas
Isle of Man
IM1 4LB

Jayne M Evett
34 North Quay
Douglas
Isle of Man
IM1 4LB

Meenaz P Mehta
Hythe House
337 City Road
London
EC1V 1LJ

Registered Office:

34 North Quay
Douglas
Isle of Man
IM1 4LB

Company Secretary:

Nigel McFarlane
31-37 North Quay
Douglas
Isle of Man
IM1 4LB

Administrator:

Blue Sea International
Limited
31-37 North Quay
Douglas
Isle of Man
IM1 4LB

Investment Manager:

Hythe Securities Limited
Hythe House
337 City Road
London
EC1V 1LJ

Custodian:

Hythe Securities Limited
Hythe House
337 City Road
London
EC1V 1LJ

Legal Adviser as to Isle of

Man law:

June O'Neill Advocate
Mercury Chambers
5 Goldie Terrace
Douglas
Isle of Man
IM1 1EB

Auditors:

Moore Stephens Chartered
Accountants
26-28 Athol Street
Douglas
Isle of Man
IM99 1BD

Definitions

The following definitions apply throughout this Offering Document unless the context otherwise requires.

Administrator	Blue Sea International Limited
Articles	the Articles of Association of the Fund
Base Currency	the base currency of the Fund shall be Sterling
Business Day	any day on which banks are normally open for business in both the Isle of Man and London
Collective Investment Scheme	arrangements with respect to investments enabling those holding units or shares in such a scheme to participate in or receive profits or income (if any) from the acquisition, disposal, holding or management of such investments
Custodian	Hythe Securities Limited
Dealing Day(s)	for subscriptions and for the redemption of Shares shall generally be the first Business Day of each calendar month or such other day as the Directors may determine from time to time
Directors	the members of the board of directors of the Fund for the time being and any duly constituted committee thereof and any alternates or successors to such members as may be appointed from time to time
Exit Charge	an Exit Charge levied on a redemption of Shares as set out on page 30
Experienced Investor	a person who in relation to any experienced investor fund is sufficiently experienced to understand the risks associated with an investment in that fund
Fund	Hythe Strategic Opportunities Fund PLC
Initial Charge	a charge levied on all subscriptions as set out on page 30
Initial Offer	the period during which Shares are offered for a fixed price as set out on page 29
Investment Manager	Hythe Securities Limited
Laws	the Companies Acts 1931 to 2004, the Financial Supervision Act 1988 and the Investment Business Act

1991 of the Isle of Man and any regulations made thereunder

Management Shares	ordinary shares of £1 each in the Fund
Minimum Holding	£10,000
Net Asset Value	the net asset value of the Fund determined in accordance with the Articles
Net Asset Value per Share	the Net Asset Value divided by the number of Shares in issue or deemed to be in issue
Nominal Shares	participating redeemable preference shares of £0.01 each in the Fund issued at par to the Administrator for the purpose of providing funds for the redemption of the nominal amount of Shares
Redemption Price	the price per Share at which Shares are redeemed calculated in the manner described on page 26
Shares	participating redeemable preference shares of £0.01 in the Fund with limited voting rights
Shareholder	a holder of Shares
Subscription Price	the price per Share at which Shares are issued calculated in the manner described on page 25
Unclassified Shares	participating redeemable preference Shares of £0.01 each available for issue as Shares or as Nominal Shares
Valuation Day(s)	generally, the last Business Day of each calendar month, or such other day as the Directors may determine from time to time.

II THE PARTIES

The Directors

The Directors are responsible for the overall management and control of the Fund. The Directors will review the operations of the Fund at regular meetings and it is the current intention of the Directors to meet at least quarterly. For this purpose, the Directors receive periodic reports from the Investment Manager detailing the Fund's performance and providing an analysis of its investment portfolio. The Investment Manager will provide such other information as may from time to time be reasonably required by the Directors for the purposes of such meetings.

Pritesh Desai

Mr Desai graduated in Economics from the University of East Anglia and is a Fellow of the Association of Chartered Certified Accountants and a Member of the Securities and Investment Institute. Mr Desai is a founding member and director of Cavendish Trust Company Limited in the Isle of Man, licensed as a corporate service provider by the Isle of Man Financial Supervision Commission. Mr Desai is a director of the Administrator and is involved with the structuring, management and administration of collective investment schemes.

Jayne Evett

Jayne Evett is a director of the Administrator. Ms Evett has had many years' experience in the investment field. Prior to her employment by the Administrator, Ms Evett was employed for 5 years by Caledonian Trust (IOM) Limited as manager of the fund services department and for 11 years by MeesPierson (Isle of Man) Limited as a manager in the fund services department and as an investment adviser in the investment management department where her clients were high net worth individuals. Ms Evett currently assists promoters and sponsors to set up offshore fund companies and manages the fund services operation for the Administrator.

Meenaz Mehta

Meenaz Mehta has over 15 year's experience in capital markets trading and management. He has been Managing Director and Chief Investment Officer of the Investment Manager, Hythe Securities Limited, for over 9 years. He is one of the pioneers of the investment strategy that will be employed by the Fund. He has global investment experience and a track record of advisory asset management stemming from before 2000. His investment experience and approach are not just defined by the great equity boom of the last few years, but also by the experience of actively trading and managing the risks that materialised in the Russian Min-Fin and Ruble crisis, the Asian Financial Crisis, the collapse of Long Term Capital Management, September 11 and the grinding recession that followed. Having successfully navigated these events and market fractures, he is well placed to manage the risks of the uncertain economic and geo-political times to come and has devised strategic approaches for such scenarios. He has been advising on portfolios with cross-asset exposure for a number of years and has developed a medium term strategy that optimises exposure to, and diversification across, a full range of global asset classes. He frequently appears on CNBC Europe and Sky News as a commentator on investment strategy and market events, and contributes to Bloomberg.

The Administrator

The Fund has entered into an exclusive agreement (the “Administration Agreement”) with Blue Sea International Limited to provide services to the Fund as administrator, registrar and transfer agent.

The Administrator was incorporated in the Isle of Man on 22nd July 2004 and is owned by Pritesh Desai, a Director of the Administrator and the Fund, and Anthony Preece, a marketing executive. The Administrator is the holder of a category 3(b) investment business licence issued on 12th October 2004 under section 3 of the Investment Business Act 1991 of the Isle of Man and as such is authorised to act as Administrator of the Fund.

The Administrators’s registered office is 31-37 North Quay, Douglas, Isle of Man. Its principal activity is the provision of a range of mutual fund administration services.

The Administrator shall administer the Fund’s day-to-day activities in coordination with the Directors, which includes the responsibility for accounting, administration, reporting, and calculation and publication of the Net Asset Value per Share, based on information provided by the Investment Manager and/or brokers, and monitoring of all payments and receipt of money. The Administrator receives all applications for subscriptions and notifications for redemptions.

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

The Fund and the Administrator have entered into the Administration Agreement in respect of the functions set out above. The Administrator will be entitled to be compensated by the Fund as set out below in the section headed “Charges and Expenses”.

Under the Administration Agreement, it is anticipated that the Administrator will not, in the absence of gross negligence or wilful misfeasance or any act or omission not performed in good faith on its part or on the part of any of its agents or employees, be liable for any loss or damage sustained or suffered by the Fund as the result of or in the course of the discharge by the Administrator of its duties. The Fund intends to indemnify the Administrator and any of its controlling persons, shareholders, directors, officers, agents and employees from and against any and all claims, liabilities, losses, damages and expenses whatsoever arising from, or incurred in connection with, the Administrator performing its obligations or duties under its agreements, other than any such claims, liabilities, losses, damages and expenses resulting from the Administrator’s gross negligence or wilful misfeasance, or any act of omission not performed in good faith by the Administrator or its agents or employees.

The Administration Agreement may be terminated by the Fund or the Administrator for cause at any time and otherwise upon 90 days’ prior written notice

In calculating the value of any security the Administrator may rely upon such automatic pricing services as it shall determine or it may use information provided by particular pricing

services, brokers, market makers or other intermediaries. In such circumstances, the Administrator shall not, in the absence of negligence or wilful default on its part, be liable for any loss suffered by the Fund or any Shareholder by reason of any error in the calculation of the value of any security resulting from any inaccuracy in the information provided by any such pricing service, broker, market maker or other intermediary.

The Investment Manager

Hythe Securities Limited has been appointed by the Fund to provide discretionary investment management services to the Fund in relation to the investment and reinvestment of the Fund's assets within the investment policy laid down from time to time by the Directors in pursuit of the investment objective, process and methodology set out in this Offering Document.

The Investment Manager was incorporated in England and Wales on 7th August 1985 as a company with limited liability under company number 01936728 and its registered office is at Hythe House, 337 City Road, London EC1V 1LJ. The Investment Manager is owned by Hythe Investment Limited, formed in 1985 and based in London. The Investment Manager is an authorised person under the Financial Services and Markets Act 2000 of the United Kingdom and is regulated by the Financial Services Authority in the conduct of its regulated activities.

The Investment Manager was appointed pursuant to an agreement between the Fund and the Investment Manager (the "Investment Management Agreement"). Pursuant to the Investment Management Agreement, the Investment Manager will manage the investment and reinvestment of the assets of the Fund in pursuit of the investment objective, process and methodology set out in this Offering Document. The Investment Manager has also been appointed by the Fund to act as Distributor to solicit subscriptions for Shares with power to appoint sales agents.

Custodian

The Fund has appointed Hythe Securities Limited as Custodian of the Fund in addition to being the Investment Manager. The Custodian is an Eligible Custodian for the purposes of the Financial Supervision Commission Clients Investments Regulatory Code, by virtue of being a person not resident in the Isle of Man whom the Administrator reasonably believes to be a person whose business includes the provision of investment custodial services and who, in providing those services is subject to regulation and supervision by a regulatory body or agency of government in the country in which that person carries on that business.

Pursuant to an agreement between the Fund and the Custodian (the "Custodian Agreement"), the Custodian will be responsible for all assets of the Fund other than assets deposited as margin with brokers. Such assets will be held by the Custodian in a separate client account and will be separately designated in the books of the Custodian. Assets deposited as margin need not be segregated and may become available to the creditors of brokers. The Custodian is not responsible for the selection or performance of the underlying investments of the Fund nor is it responsible in a fiduciary capacity for the administration of the Fund.

The Fund's assets will be held on its behalf either directly by or in the name of the Custodian or its associate company, Hythe Nominees Limited, or sub custodian(s), nominee(s), agent(s) or delegate(s) (together the "Sub-Custodians") of the Custodian. The Custodian will be responsible for implementing banking and financial transactions for the account of the Fund. Sub-custodians may be appointed by the Custodian, provided that the Custodian shall exercise reasonable skill, care and diligence in the selection of a suitable Sub-Custodian and shall be responsible to the Fund for the duration of any sub-custody agreement for satisfying itself as to the ongoing suitability of the Sub-Custodians to provide custodial services to the Fund. The Custodian will also maintain an appropriate level of supervision over the Sub-Custodians and will make appropriate inquiries periodically to confirm that the obligations of the Sub-Custodians continue to be competently discharged. Any Sub-Custodian appointed will be paid normal commercial rates. The Custodian shall not be liable in the event of the loss of any assets held by a Sub-Custodian provided that such Sub-Custodian exercised reasonable care and acted without gross negligence or wilful misconduct.

Auditors

The Auditors of the Fund are Moore Stephens Chartered Accountants of 26-28 Athol Street, Douglas, Isle of Man, IM99 1BD.

III THE FUND

Constitution of the Fund

- (a) The name of the Fund is Hythe Strategic Opportunities Fund PLC.
- (b) The Fund was incorporated in the Isle of Man on 18th September 2007 as a public company limited by shares. The registered number of the Fund is 120812C and its registered office is at 34 North Quay, Douglas, Isle of Man, IM1 4LB.
- (c) The Fund is considered to be an Experienced Investor Fund under the terms of the Financial Supervision (Experienced Investor Fund)(Exemption) Order 1999 of the Isle of Man.
- (d) The authorised capital of the Fund is £10,100 divided into 100 ordinary shares of £1.00 par value each (the “Management Shares”) and 1,000,000 Unclassified Shares of £0.01 par value each. All of the Management Shares have been issued fully paid at par to the Investment Manager.
- (e) The Fund may by resolution of members amend its Memorandum and Articles of Association to create additional classes of shares. Subject to the provisions of the Articles of Association of the Fund and the Companies Acts 1931 to 2004, the Fund may, by resolution of members amend its Memorandum of Association to increase or reduce its authorised capital.
- (f) If at any time the authorised capital of the Fund is to be divided into different classes of or series of shares from those then existing, the rights attached to any class or series (unless otherwise provided by the terms of the issue of the shares of that class or series) may, whether or not the Fund is being wound up, be varied with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or series and of the holders of not less than three-fourths of the issued shares of any other class or series of shares which may be affected by such variation.
- (g) The financial year end of the Fund is such date as the Directors determine from time to time and, in default of such determination, shall be 30th June in each year.

Characteristics of Shares

- (a) Share rights

Holders of shares in the capital of the Fund have the rights as set out in the Articles, and, in particular, the voting rights and the right to participate in the profits as set out therein, both of which are summarised below.

- (b) Management Shares

On a show of hands every holder of a Management Share who is present in person shall have one vote, and on a poll every holder of Management Shares present in

person or by proxy shall be entitled to one vote for every share of which he is the holder. Management Shares do not entitle their holders to any distribution rights.

(c) Shares

Shares entitle their holders to participate in the profits of the Fund as set out in the Articles, may be redeemed as described on page 26 below and, on a winding up, have the rights set out on page 36. Shares do not carry the right to vote at general meetings save where a special resolution is proposed to wind up the Fund or to amend the investment policy of the Fund or to issue shares other than as Management Shares, Shares or Nominal Shares, in which last event the consent of a separate class meeting of holders of Shares is also required.

(d) Unclassified Shares

Unclassified Shares are available for issue as Shares or as Nominal Shares.

(e) Nominal Shares

Nominal Shares will only be issued at par to the Administrator for the purpose of providing funds for the redemption of the nominal amount of Shares. Nominal Shares may be redeemed at par. For the rights of the holder on a winding up see page 36. Nominal Shares may be converted into Shares, but carry no rights other than those herein described.

(f) Share Register

A holding of shares in the capital of the Fund will be evidenced by entries on the register of Shareholders, and every Shareholder shall be entitled to receive a statement setting out the details of his holding; share certificates will only be issued upon written request. The register of Shareholders is maintained by the Administrator and may be inspected there.

Investment Objectives

The Fund was incorporated as an open-ended investment company in the Isle of Man to provide investors with absolute returns and capital growth through the diversification of assets across a number of lowly inter-correlated investment themes that combine to result in lower volatility.

Investment Process and Methodology

The Investment Manager will place strong emphasis on its ability to generate ideas through combining internal research with quantitative screening for the best investment opportunities. The quantitative screening process uses a proprietary technology platform integrated with third party financial models for pricing financial instruments and ascertaining fair values. The Investment Manager will use fundamental analysis for determining a source of relative value, including analysis of companies and sectors, macro-economic data, prospectuses, market flows and technical dynamics, psychology and motivation of investors.

In addition to internal idea generation, the Investment Manager will also use a more traditional approach giving attention to brokers' and analysts' recommendations and securities affected by news flow.

The Fund intends to achieve its investment objective by investing across a range of investment programmes, a summary of which is set out below (with indicative weightings in brackets):-

Bottom up long-short equity programme (55%)

Using primarily fundamental screening techniques, the Investment Manager will aim to identify equities that are significantly over and under-valued, relative to their fair value. From this output, the Investment Manager will aim to structure long-short positions to best capitalise on these disparate valuations. Equities and contracts for differences will be used in this programme.

Yield enhancement programme (10%)

For assets in the Fund that are deemed core or medium to long term, derivatives such as options will be used in order to enhance the yield on the long term holdings. The most commonly used strategy within this programme will be covered call options.

Foreign exchange, commodity and index technical trading programme (10%)

Using mainly technical and quantitative decision support tools, momentum based transactions in the above instruments will be undertaken in order to best capitalise on the volatility in these instruments. Futures contracts and exchange traded futures will be used in this strategy,

Global macro programme (15%)

Thematic in principle, positions will be taken based on the medium term global economic and political environment. The Investment Manager would strive to take into account the geo-political risks in the current investment environment as well as more traditional economic benchmarks. Again, the main products used to execute this strategy will be exchange traded futures and futures contracts.

Event driven programme (10%)

It is anticipated that the Investment Manager would set aside some liquidity for investment into special situations such as mergers and acquisitions activity, commodity and currency shocks and sharp commercial events that may present investment opportunities. This programme will make use of all available liquid financial instruments.

To benefit from a global multi-strategy approach, capital will be allocated on an opportunistic basis across different strategies and geographic regions where the Investment Manager has strong ties while ensuring that sufficient theme diversification is maintained. The Investment Manager intends to use leverage prudently as part of the investment decision process depending on market opportunities.

The above is an indication of the intended investment strategy. The relative weightings between the various programmes and the exposure to individual markets and asset classes will vary from time to time according to market conditions.

Investment Restrictions

Subject as set out above, there are no restrictions on the investments which may be made by the Fund.

Use of Leverage

The Fund may employ leverage up to a gross maximum market exposure of 2 times the Net Asset Value. This is a predetermined limit set by the Directors and is calculated with a view to allowing sufficient liquidity within the portfolio in order to achieve the necessary exposure to the market whilst avoiding additional calls for cash if margin requirements are to change suddenly. Market exposure is calculated by summing the contractual value of all of the open futures, short option positions and long underlying securities. It should be noted that, whilst the Directors will aim to limit leverage as set out above, market conditions may from time to time result in the above limit being breached. The Fund, acting on the advice of the Investment Manager, will use its best endeavours to correct any such breach within a reasonable time after its occurrence.

Borrowing Powers

Pursuant to the Articles, the Directors may exercise all of the powers of the Fund to borrow and to give security therefor. At present it is envisaged that borrowings will only be incurred to meet redemptions which would otherwise result in the Fund having prematurely to realise investments or to meet timing differences arising on the settlement of investments within the Fund and that such borrowings will be limited to an amount equal to 25% of the Net Asset Value at the time of borrowing.

Currency Hedging Policy

It is not anticipated that the Fund will adopt a currency hedging policy for the purposes of mitigating the Fund's exposure to foreign exchange risk. However, the Investment Manager may use hedging ("portfolio hedging") for the purposes of portfolio enhancement.

Risk Factors

The nature of the Fund's investments involves certain risks and the Fund employs investment techniques (such as leverage, short selling and the use of derivatives) which may carry additional risks. An investment in Shares therefore carries certain substantial risk and is suitable only for those persons who can assume the risk of losing their entire investment. The following risk factors do not purport to be a complete explanation of all of the risks involved in subscribing for Shares. Prospective investors should read this Offering Document in its entirety before determining whether to subscribe for Shares.

Operating Risks

The Fund is recently incorporated and has no operating history upon which potential investors may base an evaluation of its likely performance. There can be no guarantee that the stated investment objectives of the Fund will be achieved. The Net Asset Value per

Share can fall as well as rise. An investment in Shares should be considered high risk; therefore a holding of Shares should not be considered a complete investment programme.

Strategy Risks

ECONOMIC CONDITIONS

Changes in economic conditions, including, for example, interest rates, inflation rates, employment conditions, competition, technological developments, political and diplomatic events and trends, and tax laws can affect substantially and adversely the business and prospects of the Fund. None of these conditions is within the control of the Directors and no assurances can be given that they will anticipate these developments and respond effectively.

SECURITIES OF UNSEASONED ISSUERS

Securities in which the Fund may invest may have limited marketability and, therefore, may be subject to wide fluctuations in market value. In addition, certain securities may lack a significant operating history and be dependent on products or services without an established market share.

GLOBAL MARKET EXPOSURE

A major strength of the Fund is that it will hold and invest in securities, which may not be denominated in the currency of the Fund. Investors should understand that in a fund which is spread across several markets, sectors and currencies, that there is exposure to change, which would not exist in a fund restricted to a single economy, sector and/or currency.

USE OF DERIVATIVES

Potential Illiquidity of Exchange-traded Instruments. It may not always be possible for the Fund to execute a buy or sell order on exchanges at the desired price or to liquidate an open position due to market conditions, including the operation of price fluctuation limits. If trading on an exchange is suspended or restricted, the Fund may not be able to execute trades or close out positions on terms that the Investment Manager believes are desirable.

Most futures exchanges limit fluctuations in futures contract prices during a single day by regulations referred to as “price limits”. Once the price of a futures contract has increased or decreased to the limit point, it may be impossible to exit a position at an advantageous price. Futures prices have occasionally moved the limit down for several consecutive days with little or no trading. Similar occurrences could prevent the Fund from promptly liquidating unfavourable positions and subject the Fund to substantial losses. Also, the exchange regulator or exchanges may suspend or limit trading. While price limits reduce liquidity, they do not reduce ultimate losses. Futures contracts which expire into cash settlement such as stock indices, interest rate futures and currencies do not operate a daily price limit system, but instigate a system of circuit breakers where the market will be closed for a few minutes.

Exchange-Traded Futures Contracts and Options on Futures Contracts - The Fund will use exchange-traded futures contracts and options on futures contracts. Use by the Fund of such instruments will present the same types of volatility and leverage risks associated with transactions in derivative instruments generally (see below). In addition, such transactions present a number of risks which might not be associated with the purchase and sale of other types of investment products.

Futures contracts are highly leveraged instruments and the low margin deposits normally required in futures transactions allow for an extremely high degree of leverage in comparison with investments in other assets. Because of the leverage associated with trading futures, a relatively small movement in the market price of traded instruments may result in a disproportionately large profit or loss and may result in a loss of a substantial amount or even all of the assets of the Fund.

Due to the nature of futures, cash to meet margin money will be held by a broker with whom the Fund has an open position. In the event of the insolvency or bankruptcy of the broker, there can be no guarantee that such money will be returned to the Fund. On execution of an option the Fund may pay a premium to or receive a premium from the Clearing House. In the event of the insolvency or bankruptcy of the Clearing House, the option premium may be lost in addition to any unrealised gains where the contract is in the money. Trading in derivative instruments is not always subject to governmental regulation or control. In addition the Fund is exposed to the risk of counterparties defaulting on contractual obligations and substantial losses may occur on such default, if as a result of such losses the solvency of the Clearing House is affected. However, all Clearing Houses operate large, but not unlimited, insurance policies against such defaults.

The Fund may invest in financial futures and related options to the extent such trading does not require registration with the United States Commodity Futures Commission (“CFTC”). In the future, the Fund may engage in such activities provided all necessary registrations have been obtained. Such registration would not include review or approval by the CFTC of any Offering Document or the trading strategies of the Fund. Certain transactions and strategies particularly trading on U.S. contract markets, will not be available to the Fund unless and until certain registrations are obtained. The Fund and the Investment Manager may not pursue or obtain any such registration. Inability to trade futures on U.S. contract markets may decrease the Fund’s total return.

Prior to exercise or expiration, a futures or option position can be terminated only by entering into an offsetting transaction. This requires a liquid market on the exchange on which the original position was established. While the Fund will enter into futures and option positions only if, in its judgement, there appears to be a liquid market for such instruments, there can be no assurance that such a market will exist for any particular contract at any point in time. In that event, it might not be possible to establish or liquidate a position.

The liquidity of a market in futures contracts and options on futures contracts is also subject to the risk of trading halts, suspensions, exchange or clearing house equipment failures, government intervention, insolvency of a brokerage firm, clearing house or exchange or other disruptions of normal trading activity. Default or insolvency of a broker may result in positions being liquidated or closed out.

To the extent that the Fund trades in derivatives contracts and any broker with whom the Fund maintains accounts fails to segregate the Fund’s assets, the Fund may be subject to a risk of loss in the event of the bankruptcy of the broker.

OTC Derivative Instrument Transactions - The Fund may invest in futures and options and other investments which are not traded on organised exchanges and as such are not

standardised. Such transactions are known as over-the-counter or (“OTC”) transactions and may include forward contracts or options. Whilst some OTC markets are highly liquid, transactions in OTC derivatives may involve greater risk than investing in exchange traded derivatives because there is no exchange market on which to close out an open position. It may be impossible to liquidate an existing position, to assess the value of the position arising from an off-exchange transaction or to assess the exposure to risk. Bid and offer prices need not be quoted and, even where they are, they will be established by dealers in these instruments and consequently it may be difficult to establish what is a fair price. In respect of such trading, the Fund is subject to the risk of counter-party failure or the inability or refusal by a counter-party to perform with respect to such contracts. Market illiquidity or disruption could result in major losses to the Fund.

The instruments, indices and rates underlying derivative transactions expected to be entered into by the Fund may be extremely volatile in the sense that they are subject to sudden fluctuations of varying magnitude, and may be influenced by, among other things, government trade, fiscal, monetary and exchange control programmes and policies; national and international political and economic events; and changes in interest rates. The volatility of such instruments, indices or rates, which may render it difficult or impossible to predict or anticipate fluctuations in the value of instruments traded by the Fund could result in losses.

Short Selling. To the extent that the Fund invests directly in equity securities, the establishment and maintenance of a short position in equities can involve greater risks than would be the case with a long position. These include the possibility of unlimited loss due to potentially unlimited price appreciation in the securities concerned, problems associated with the cost or availability of stock to borrow for the purposes of short selling and possible difficulties in purchasing stock to cover short positions in certain market conditions.

Short Option Strategies. The establishment and maintenance of a short position in options can involve greater risks than would be the case with a long position. These include the possibility of unlimited loss due to potentially unlimited price appreciation in the options concerned. It must be stressed that the use of short option strategies by the Fund may involve risks that other options investors would prefer to lay-off or avoid taking and that short option strategies are not suitable for all investors.

Leverage, Interest Rates and Margin. The Fund may leverage its investment return with such instruments as futures, options and other derivative contracts traded on recognised exchanges. The interest rates imputed in the prices of such instruments may affect the operating results of the Fund in a similar way to other forms of borrowing. It must be stressed that at all times the Fund will seek to operate within the pre-determined maximum exposure limit. The Investment Manager will closely supervise margin/equity ratios in case a larger than normal move in the market unexpectedly increases margin levels.

The Fund's use of leverage results in certain additional risks. For example, should the securities pledged to brokers to secure the Fund's margin accounts decline in value, the Fund could be subject to a "margin call" and need to deposit additional funds with the broker or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. In the event of a sudden drop in the value of the Fund's assets, the Fund might not be able to liquidate assets quickly enough to pay off its margin debt. In addition, leverage can increase the loss to investors. In the futures markets, margin deposits are typically low. Low margin

deposits mean that a relatively small price movement in a futures contract may result in immediate and substantial losses. For example, if at the time of purchase 10 per cent. of the price of a futures contract is deposited as margin, a 10 per cent. decrease in the price of the futures contract would, if the contract is then closed out, result in a total loss of the margin deposit before any deduction for the brokerage commission.

Possible Effects of Speculative Position Limits. Most futures exchanges have established limits referred to as “speculative position limits” on the maximum net long or net short speculative positions that any person may hold or control in any particular futures or options contracts traded on futures exchanges. All accounts owned or managed by the Investment Manager will be combined for speculative position limit purposes. The Investment Manager could be required to liquidate positions held for the Fund in order to comply with such limits. Any such liquidation could result in substantial costs to the Fund.

INVESTMENTS IN OFFSHORE INVESTMENT FUNDS

Since the Fund may invest in other funds, the Fund’s assets so invested will be valued based upon the net asset value of the Fund’s interest in such funds. Accordingly, the Fund may experience a delay in receiving net asset value calculations for such assets if the dealing day of such funds is similar to that of the Fund, or such valuations may be based on net asset values calculated on a dealing day which occurs at a different time of the month than that of the Fund. Therefore, the calculation of the Fund’s Net Asset Value may be delayed while the net asset value of the Fund’s investment in other funds is calculated and reported to the Fund. The Fund may have to bear the cost of any charges, including initial charges, imposed by the managers of any target funds.

CURRENCY EXCHANGE RATES

The Fund may invest in a variety of currencies and, thus, will not be currency neutral. Investors should understand that assets of the Fund may from time to time fluctuate in value against their chosen currency. In addition, where investors subscribe in a currency other than the currency of the Share Class, the Administrator will convert subscription monies into the Base Currency prior to investment and redemption proceeds will be paid in the Base Currency. Investors shall bear the cost of conversion and the associated currency risk.

ABSENCE OF SECONDARY MARKET

Currently there is no public market for the Shares, and it is likely that no active secondary market will develop. Shares are not being registered to permit a public offering under the securities laws of any jurisdiction. The Administrator must first approve transfers of Shares, but its approval may not be unreasonably withheld. The Shareholders may be able to dispose of their Shares only by means of redemptions on the relevant Dealing Day at the Redemption Price. The risk of any decline in the Net Asset Value during the period from the date of notice of redemption until the redemption date will be borne by the Shareholder(s) requesting redemption. The Directors have the power to suspend and compel redemptions subject to the limitations outlined under the heading “Compulsory Redemptions”.

SUSPENSION OF REDEMPTION AND ILLIQUIDITY OF SHARES

As noted below, the right of Shareholders to redeem their Shares may be suspended upon the occurrence of certain events determined by the Directors to be an emergency. The suspension of a Shareholder’s right of redemption in response to such an event would result in the Shares being an illiquid investment until such suspension can be, and effectively is,

lifted. Furthermore, since the repurchase price upon redemption can be paid in kind, an investment in the Fund can, as a result, be considered illiquid.

PASSIVE INVESTMENT

Shareholders have no opportunity to participate in the Fund's daily management or to select or evaluate any of the Fund's investments or strategies. The likelihood that Shareholders will realise gain depends on the skill and expertise of the Investment Manager.

CALCULATION OF NET ASSET VALUE

Investments may be valued at the stated net asset value per share, in the case of collective investment schemes, and in the case of all other securities at the last traded price, acquisition price, a bid quotation from a broker or a price determined to represent fair value by a competent professional which may include the Administrator. There is no guarantee that the prices resulting from the valuation process will reflect the actual sales prices of the securities, even when such sales occur very shortly after the Valuation Day. If sales of investments result in fewer proceeds than estimated, the remaining Shareholders of the Fund will have the Net Asset Value of their Shares adjusted to reflect the reality of sale.

DIVIDENDS AND DISTRIBUTIONS

The Fund does not intend to pay dividends or distribute interest income, but intends to reinvest all of the Fund's interest income and gains. Accordingly, an investment in the Fund may not be suitable for investors seeking current returns for financial or tax planning purposes.

KEY SERVICE PROVIDERS AND PERSONNEL

There can be no assurance that the Directors will remain as directors of the Fund. In addition, since the Investment Management Agreement and the Administration Agreement may be terminated with prior written notice to the Fund as specified in the respective agreement, there can be no assurance that the Investment Manager or the Administrator will remain employed by the Fund for the term of their respective agreements, or thereafter.

BORROWING

The Fund will be empowered to utilise borrowing to meet cash requirements for redemptions. The Fund will also invest in derivative instruments which involve an element of leverage or gearing and carry a high degree of risk.

CONFLICTS OF INTEREST

The Directors and the service providers may have conflicts of interest in relation to their duties to the Fund. However, each shall, at all times, pay regard to its obligation to act in the best interest of the Fund and the Directors will ensure that all such potential conflicts of interest are resolved fairly and in the interests of Shareholders.

The 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. An Interested Party may provide professional services to the Fund (provided that no Interested Party will act as auditor to the Fund) or hold Shares and buy, hold and deal in any investments for their own accounts notwithstanding that similar investments may be held by the Fund. An 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 the Fund, or be

interested in any such contract or transaction. Furthermore, any Interested Party may receive commissions to which it or he is contractually entitled in relation to any sale or purchase of any investments of the Fund effected by it for the account of the Fund, provided that in each case the terms are no less beneficial to the Fund than a transaction involving a disinterested party and any commission is in line with market practice.

Return to Investors

It is not intended to distribute to holders of Shares any income by way of dividend. All the Fund's income, including all dividends, interest and investment gains will be accumulated.

Eligible Investors

Shares in the Fund may only be issued to Experienced Investors, defined in the Financial Supervision (Experienced Investor Fund)(Exemption) Order 1999 as being "a person who, in relation to any experienced investor fund, is sufficiently experienced to understand the risks associated with an investment in that fund" and who has signed a declaration to that effect found in the attached Application Form.

Each investor must represent and warrant to the Fund that, amongst other things, he is able to acquire or hold Shares without violating applicable laws, including the 1933 Act. The Fund will not knowingly offer or sell Shares to any investor to whom such offer or sale would be unlawful.

Shares may not, directly or indirectly, be offered, sold, transferred, assigned or delivered to, or held by, any United States Person ("U.S. Person") as defined below, at any time or any person in the United States or any person in circumstances which might result in the Fund incurring any liability to taxation or suffering any other pecuniary disadvantages which the Fund might not otherwise incur or suffer, or would result in the Fund being required to register under the United States Investment Company Act of 1940 or the Investment Manager or any affiliate being required to register under the United States Commodity Exchange Act, as amended, and Shares may not be offered, sold, transferred, assigned, delivered to or held by, any person whose holding may be in breach of the law or requirement of any country or governmental authority including, without limitation, exchange control regulations.

The Fund reserves, and intends to exercise, the right at its sole discretion compulsorily to redeem any shares offered, sold, transferred assigned, delivered or held in contravention of these prohibitions or in circumstances where Shareholdings would have adverse legal, fiscal or pecuniary consequences on the Fund or its remaining Shareholders.

A person who applies for Shares and a transferee of Shares (other than an existing Shareholder) will be required to represent that he is not a U.S. Person.

An applicant for Shares or transferee may also be required to produce evidence of his identity satisfactory to the Administrator and the Fund.

No application shall be accepted, and no such subscription or transfer shall be effected unless and until such person has signed a statement acknowledging that the new participant or transferee is an Experienced Investor.

Definition of “U.S. Person”

For the purposes of this Offering Document, but subject to applicable law and to such changes as may be notified by the Fund to applicants for shares and transferees, “US Person”, as defined by Rule 902 of Regulation S under the 1933 Act, generally includes the following: (a) any natural person who is a resident of the United States; (b) any partnership or corporation organised or incorporated under the laws of the United States; (c) any estate of which any executor or administrator is a US Person as defined in sub-paragraphs (a) and (b) herein; (d) any trust of which any trustee is a US Person as defined in sub-paragraphs (a) and (b) herein; (e) any agency or branch of a foreign entity located in the United States; (f) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or fiduciary for the benefit or account of a US Person; (g) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated, or, if an individual, resident in the United States; (h) any partnership or corporation if (i) organised or incorporated under the laws of any foreign jurisdiction and (ii) formed by a US Person principally for the purpose of investing in securities not registered under the 1933 Act unless it is organised or incorporated and owned, by accredited investors (as defined in Rule 301 (a) under the 1933 Act) who are not natural persons, estates or trusts; or (iii) any entity organised principally for passive investment such as a commodity pool, investment Fund or other similar entity (other than a pension plan for the employees, officers or principals of an entity organised and with its principal place of business outside the United States) (1) in which US Persons hold units of participation representing in the aggregate 10 percent or more of the beneficial interest in the entity; or (2) which has as a principal purpose the facilitating of investment by a US Person in a commodity pool with respect to which the operator is exempt from certain requirements under the United States Commodity Exchange Act regulations by virtue of its participants being non-US Persons. “US Person” does not include: (a) a discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-US Person by a dealer or other professional fiduciary organised, incorporated or, if an individual, resident in the United States; (b) any estate of which any professional fiduciary acting as executor or administrator is a US Person if (i) an executor or administrator of the estate who is not a US Person has sole or shared investment discretion with respect to the assets of the estate and (ii) the estate is governed by foreign law; (c) any trust of which any professional fiduciary acting as trustee is a US person if a trustee who is not a US Person has sole or shared investment discretion with respect to the trust assets, and no beneficiary of the trust (and no settlor if the trust is revocable) is a US Person; (d) an employee benefit plan established and administered in accordance with the law of a country other than the United States and customary practices and documentation of such country; or (e) any agency or branch of a US Person located outside the United States if (i) the agency or branch operates for valid business reasons and (ii) the agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively in the jurisdiction where located.

The above definition is provided for guidance only. It is not a statement of the present legal definition of U.S. Person and has not been verified by a United States attorney. Investors should seek independent legal advice if they are unsure of their status.

IV VALUATIONS, DEALINGS AND DISTRIBUTIONS

Valuation of Shares

The Articles provide that the value of the net assets in the Fund shall be determined by the Directors on each Valuation Day (except when determination of such value has been suspended under the provisions of the Articles) and shall be the value as at such Valuation Day of all the assets of the Fund less all the liabilities of the Fund calculated in accordance with the provisions of the Articles.

The assets of the Fund shall be deemed to comprise:

- (a) all cash on hand and on deposit, including any interest accrued thereon;
- (b) all bills and demand notes and accounts receivable;
- (c) all investments owned or contracted for by the Fund;
- (d) all stock and cash dividends and cash distributions to be received by the Fund and not yet received by it, when the Net Asset Value is being determined as at the record date (or the ex-dividend date if different from the record date) or a date subsequent thereto;
- (e) all interest accrued on any interest-bearing investments owned by the Fund (except interest accrued on investments in default and interest which is included in the quoted price); and
- (f) all other property of every kind and nature including prepaid expenses as defined from time to time by the Directors.

The value of the assets of the Fund shall be determined as follows.

- (a) The value of any cash on hand or on deposit, bills, demand and promissory notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received shall be deemed to be the full amount thereof unless the Directors shall have determined that any such deposit, bill, demand or promissory note or account receivable or other amount is not worth the full amount thereof, in which event the value thereof shall be deemed to be such value as the Directors with the approval of the Auditors shall deem to be the reasonable value thereof.
- (b) Certificates of deposit, treasury bills, bank acceptances, trade bills and any other monetary instruments not otherwise provided for hereunder shall each be valued (on the basis of notification to the Directors by a person approved by the Directors and the Auditors, whose business includes dealing in or effecting transactions in such investments) according to the normal dealing practice therein.
- (c) Save as otherwise herein provided all investments shall be valued:

- (i) in the case of an investment which is an investment of any description other than units or shares in a collective investment scheme, at the bid dealing price of that investment;
 - (ii) in the case of investments which are units or shares in a collective investment scheme, at the most recent net asset value per unit or share for units or shares of the kind in question following the most recent valuation of the relevant scheme;
 - (iii) if there is no price for the investment in question under (i) or (ii) above, at a reasonable estimate of the amount which would be paid to a seller by way of consideration for an immediate transfer or assignment to him at arm's length plus any fiscal charges or other charges payable.
- (d) In the case of any investment for which no price quotations are available as above provided, the value thereof shall be the fair value thereof as shall be determined from time to time in such manner as the Directors or any manager appointed by the Directors shall from time to time determine.
 - (e) In the case of any investment realised or contracted to be realised at a known value the net proceeds of such realisation shall be taken into account in lieu of any other method of determining the value of the asset concerned subject to such allowance as the Directors consider appropriate if such net proceeds are receivable at some future date subsequent to the Valuation Day.
 - (f) If, in valuing any asset of the Fund, the Directors at any time consider that any of the above mentioned bases of valuation are inapplicable or give rise to an unfair value they shall be entitled to substitute what in their opinion is a fair value therefor.

The liabilities of the Fund shall be deemed to comprise:

- (a) all bills and accounts payable;
- (b) all administrative expenses payable and/or accrued, including an appropriate provision for monthly and annual management or other fees;
- (c) all contractual obligations for the payment of money or property, including the amount of any unpaid dividends declared upon the shares of the Fund;
- (d) all provisions authorised or approved by the Directors for taxes or contingencies; and
- (e) all other liabilities of the Fund of whatsoever kind and nature except liabilities represented by share capital share premium account and reserves of the Fund.

For the purposes of the Articles:

- (a) Shares for which application has been made shall be deemed to be in issue on the Business Day next following the day as at which the Issue Price therefor shall be determined and after such time the Issue Price thereof payable to the Fund if not

received shall be deemed to be an asset of the Fund and any liabilities in connection with the issue thereof shall be deemed to be liabilities of the Fund;

- (b) Shares to be redeemed under the Articles shall be deemed to be in issue only until the time as at which the Redemption Price is determined and from such time until paid the price thereof shall be deemed to be a liability of the Fund;
- (c) For the purpose of calculating the Net Asset Value the value of the assets and liabilities of the Fund denominated in a currency other than the Base Currency shall be converted into the Base Currency at such rates of exchange and at such times as the Directors shall consider appropriate and equitable.

The value of the assets of the Fund may be specially valued at the discretion of the Directors in the following circumstances:-

- (a) if the Administrator receives an application for subscription or redemption the value of which the Directors at their absolute discretion determine is such that a special valuation is appropriate; and /or
- (b) where the Directors in their absolute discretion determine it is in the best interests of the Fund to do so.

Issue and Redemption of Shares

- (a) Issue

Shares may only be issued to investors who have satisfied the Administrator that they are Experienced Investors. Pursuant to the Articles, Shares are available for issue at the discretion of the Directors.

Shares may be purchased on any Dealing Day at the relevant subscription price representing the aggregate of the Net Asset Value per Share on the Valuation Day immediately preceding the relevant Dealing Day, adjusted for fiscal and other charges, if any, in accordance with the Articles and any adjustment for rounding or handling charges (the "Subscription Price"). Any Initial Charge shall be deducted from the amount of any subscription before calculating the number of Shares to be issued.

The minimum initial subscription will be £10,000 and thereafter additional subscriptions of not less than £10,000 may be made.

Contract notes will normally be sent to investors by the Fund within 5 Business Days of the determination of Net Asset Value. If a written request is made for a share certificate, certificates representing Shares will normally be posted to an investor within two months of the relevant written request at the investor's own risk.

The Fund is permitted to invest in other funds. In some cases, such funds may deal infrequently in their units and may release their unit prices only after those funds have, in turn, received valuations of their underlying investments. This means that

the Fund, when calculating the Net Asset Value in order to determine the Subscription Price and thus the number of Shares to be issued to an investor, must either base those valuations on historic prices or continue to hold the investor's subscription monies in the subscription account until current prices become available.

The Directors wish to ensure that Shares track as closely as possible the value of the underlying funds and that applicants' monies are invested as promptly as possible, so that the investors will receive the benefit (if any) of the performance of the underlying funds as quickly as possible. Accordingly, the Directors have rejected the option of using historic prices. However, the Directors are reluctant to leave applicants subscription monies in the subscription account while the current prices become available; this may have the effect of the Fund missing the opportunity to invest in underlying funds. Therefore, notwithstanding that the applicant will not be a member of the Fund, the Fund will use that applicant's subscription monies for investment during the period between the Dealing Day and the date when the current prices of the underlying funds become available and Shares are actually issued.

In these circumstances, the applicant is deemed to have made an irrevocable loan of the subscription monies to the Fund for these purposes. As soon as current prices become available the Fund will redeem the loan and apply the proceeds in the purchase or subscription of the appropriate number of Shares to which his original subscription monies entitle him, based on the current prices available. The applicant will not receive any interest on the loan, but will be treated as participating in the profits of the Fund from the relevant Dealing Day. In the event that the Fund is wound up before the investor is issued with Shares, the investor's claim against the Fund under the loan shall rank *pari passu* with the claims of other unsecured creditors. However, if the Fund is so wound up, the sole entitlement of such investors will be to repayment of their subscription monies.

Purchasers of Shares may be required to pay stamp duty and other charges in accordance with the laws and practices of the country of purchase.

If a share certificate is mutilated, defaced, destroyed or lost it may be replaced on application to the Administrator on payment of such costs as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Fund and the Administrator may require. Mutilated or defaced share certificates must be surrendered before new ones will be issued.

(b) Redemption

Shares may be redeemed by the Fund, at the option of the holder of such Shares, on a Dealing Day at a price representing the Net Asset Value per Share on the Valuation Day immediately preceding the relevant Dealing Day, less the Exit Charge (if any) and adjusted for fiscal and other charges, if any, in the Isle of Man in accordance with the Articles (the "Redemption Price").

The minimum value of any redemption is £10,000. If the redemption results in the total holding falling below the Minimum Holding, or the currency equivalent, the entire holding shall be redeemed.

Notice of redemption (which, once given may only be withdrawn in exceptional circumstances at the discretion of and with the written approval of the Directors) in writing or by facsimile must be given to, and received by, the Administrator at 31-37 North Quay, Douglas, Isle of Man, IM1 4LB not less than one month prior to the Dealing Day on which the investor wishes to redeem his shares; any share certificate(s) issued in respect of the Shares to be redeemed should be received by the Administrator at 31-37 North Quay, Douglas, Isle of Man, IM1 4LB by 5 pm (London time) on the Business Day preceding the relevant Dealing Day; the Directors are not bound to make any payment to any holders in respect of a redemption of Shares unless and until any relevant share certificate(s) has/have been received by the Administrator. Where a holding is not represented by a certificate the Directors will require an original instruction signed by the person or persons authorised by the holder and payment will only be made to an account in the name of the holder and not to any third party unless the Directors in their absolute discretion are satisfied that such third party payment is justified and has been suitably authorised. The holder must supply appropriate signature lists, suitably certified as originals where copies have been provided.

Payment on the redemption of Shares will generally be dispatched by the Fund within ten Business Days after the determination of Net Asset Value and will be made by telegraphic transfer at the expense of the investor to the bank nominated by the investor in the redemption request. The Exit Charge shall be deducted from the value of the redemption proceeds before payment is made to Shareholders.

The redemption price paid by the Fund for any Shares, depending on the Net Asset Value per Share applicable on the relevant Dealing Day, may be higher or lower than the price paid at the time of purchase of such Shares.

(c) Deferral of redemptions

The Fund shall not be bound to redeem as at any Dealing Day more than one-fifth of the number of Shares then in issue. If the Fund shall receive requests for the redemption as at any Dealing Day of a greater number of Participating Shares, it may scale down the number to be redeemed in response to each request to such extent as may be necessary to ensure that the foregoing limit is not exceeded and shall carry forward for redemption as at the next following Dealing Day the balance of each request and so on to each succeeding Dealing Day until each request has been complied with in full, provided that requests for redemption which have been carried forward from an earlier Dealing Day shall subject always to the foregoing limits be complied with in priority to later requests.

(d) Suspension of dealing

In certain circumstances, including, but not limited to, the inability of the Fund reasonably to determine Net Asset Value by reason of the suspension of trading on

any established market where interests of the Fund or the funds are traded, or default or delay in payments due to the Fund from banks or other persons, the Fund may in turn suspend subscriptions and redemptions of Shares as of the applicable Dealing Day or delay payment to persons requesting redemption of Shares.

In such cases, the Fund shall as soon as practicable thereafter effect such subscriptions or cause such Shares to be redeemed or such redemption payment to be made. Potential investors and Shareholders will be notified immediately of any period of suspension and the Directors will take all reasonable steps to bring such a period of suspension to an end as quickly as possible.

(e) Compulsory redemption

The Directors have the right to require the compulsory redemption of all Shares held by or for the benefit of a Shareholder if the Directors determine that the Shares are held by or for the benefit of any Shareholder who fails to comply with the conditions required to be an eligible investor (as set out on page 21) or if the Net Asset Value of the Shares held by the Shareholder is less than the Minimum Holding.

(f) Closure of the Fund

If either: (i) the Net Asset Value per Share is less than £75 for any consecutive three-month period occurring after the first anniversary of the Fund's incorporation; or (ii) the Net Asset Value is less than £5,000,000 for any consecutive three-month period occurring after the first anniversary of the Fund's incorporation; or (iii) if the Directors consider it advisable or prudent in the interests of Shareholders as a result of any enactment, legislation or otherwise, the Fund may, in any such case, at its option, cause all Shares then outstanding to be redeemed.

Procedure for Application

Applications, which must be for a minimum of £10,000 inclusive of the Initial Charge (if any) and must be made on and in accordance with the accompanying Application Form. Subsequent investments must also be for a minimum of £10,000.

Applications should be sent to the Administrator at 31-37 North Quay, Douglas, Isle of Man, IM1 4LB. All applications, whenever made, should be accompanied by a copy of the telegraphic transfer form providing for payment before the relevant Dealing Day to the bank account set out in the application form.

After the Initial Offer of Shares, the number of Shares issued in respect of any application will depend on the relevant Subscription Price.

Any Initial Charge shall be deducted from the amount of any subscription before calculating the number of Shares to be issued.

A right is reserved to accept in part only or to reject or scale down applications for Shares, and to make any acceptance in whole or in part subject to the prior provision of information sufficient to satisfy the Directors that the receipt of such application and/or any subsequent

issue of Shares is not made in consequence of or will not constitute a breach of the Laws or any applicable legislation in the country of origin of the applicant.

If any application is not accepted in full, application monies will be returned in part or in full (as the case may require) to the applicant by mail at the applicant's risk, or by telegraphic transfer to the remitting account at the applicant's expense.

A receipt will be issued by the Administrator on receipt of any payment on application. Interest will not be paid on subscription monies received prior to the Dealing Day.

All cheques and other documents sent or returned to applicants will be sent by mail at the risk of the person(s) entitled thereto.

Where payment in respect of a purchase or redemption of Shares is tendered or requested in a freely transferable currency, the necessary foreign exchange transaction will be arranged for the account of, and at the expense of, the applicant at the time the application is received and accepted.

Shares will only be issued on receipt of cleared funds.

Initial Offer

During the Initial Offer period commencing at 9.00 a.m. on Tuesday 25th September 2007 and ending at 5.00 p.m. on Friday 26th October 2007 (both dates inclusive) Shares will be available at a price of £100 each, inclusive of premium and any Initial Charge.

V CHARGES AND EXPENSES

The Fund bears all expenses incurred in connection with its establishment and the initial placement of Shares including all out of pocket expenses incurred on its behalf such as legal and accounting fees, and other incidental costs. These costs are not expected to exceed £50,000 and will be paid in the first instance by the Investment Manager and recovered from the Fund over a period of 36 months from the close of the initial offer period. Current applicable accounting practice requires the establishment costs to be written off in the first accounting period. However, amortisation will be used for the purposes of determining the Net Asset Value and a reconciliation note made in the financial statements.

Initial and Exit Charge

An Initial Charge of up to 5% of the initial subscription and every subsequent subscription will be levied. The Fund reserves the right to pay the full amount of the Initial Charge to introducers by way of commission. Redemptions within one year of subscription will be subject to an Exit Charge of 3% of the value of the redemption proceeds.

Fees of Service Providers

(i) Administrator

The Administrator shall be paid a fee of 0.25% per annum of the Net Asset Value up to £30 million, 0.20% per annum on that part of the Net Asset Value between £30 million and £60 million and 0.15% per annum on that part of the Net Asset Value which exceeds £60 million, subject to a minimum annual fee of £20,000 which shall accrue and be payable monthly in arrears on the last Business Day of each month. Additionally, the Administrator shall be reimbursed all out of pocket expenses.

(ii) Investment Manager

The Investment Manager shall be paid a fee not exceeding 2% of the Net Asset Value which shall accrue daily and be paid monthly in arrears on the last Business Day of each month.

The Investment Manager will also be paid a fee of 20% of the increase in Net Asset Value in excess of 5% per annum (the "Performance Fee") calculated as follows:-

The Performance Fee is calculated so that each Share is effectively charged a fee which equates precisely with that Share's performance. This method of calculation ensures that (i) any Performance Fee paid to the Investment Manager is charged only to those Shares which have appreciated in value; (ii) all Shareholders have the same amount of capital per Share at risk in the Fund; and (iii) Shareholders have the same Net Asset Value per Share.

The Performance Fee is payable quarterly in arrears in respect of each performance period. The performance period will be calculated as at the quarters ended 31st January, 30th April, 31st July and 31st October (the "Performance Period"). The

Performance Fee will be paid to the Manager as soon as practicable after the end of each quarter date as set out above

The Performance Fee will be equal to 20 per cent. of the increase in the Net Asset Value per Share of each Class (after adding back any distributions made) outstanding in respect of each Performance Period over and above a 5% benchmark per annum (equivalent to 1.25% per quarter) and subject to a high water mark. The use of a high water mark (as described below) ensures that investors will not be charged a Performance Fee until any previous losses are recovered.

The Performance Fee will be accrued weekly and taken into account in the calculation of the Net Asset Value per Share on each Valuation Day. In the event that a Shareholder redeems Shares prior to the end of a Performance Period, any accrued but unpaid Performance Fee in respect of such Shares will be deducted from the redemption proceeds and paid to the Manager promptly thereafter. The Performance Fee in respect of each Performance Period will be calculated by reference to the Net Asset Value per Share before the deduction of any accrued Performance Fees but after the deduction of accrued management fees and other expenses.

Adjustment Due to Deficit and Premium Subscriptions

(a) Deficit Subscriptions

Where an investor subscribes for Shares at a time when the Net Asset Value per Share is less than the high water mark then an adjustment is required to reduce inequalities that may otherwise result to the respective subscriber or to the Manager. The high water mark is the greater of:-

- (i) the highest Net Asset Value per Share on the last day of any Performance Period; and
- (ii) the initial issue price per Share.

Where Shares are subscribed at a time when the Net Asset Value per Share is less than the high water mark, such new Shareholders will in effect, be required to pay an equivalent Performance Fee with respect to any subsequent appreciation in the Net Asset Value per Share of those Shares until the high water mark has been reached. This will be achieved by the Fund having the power to redeem a portion of that Shareholder's holding for a consideration equivalent to the Performance Fee at the end of each Performance Period which amount shall be paid directly to the Manager and not to the respective Shareholder. After the high water mark has been achieved, the Performance Fee will be calculated and levied in the same manner as for all other Shares. No Performance Fee will be accrued for existing Shareholders until the high water mark has been recovered.

(b) Premium Subscriptions

Where Shares (“Premium Shares”) are purchased at a time when the Net Asset Value per Share is greater than the high water mark (a “Premium Subscription”), the prospective investor is required to pay an additional sum equal to the accrual then in place per Share in respect of the Performance Fee (an “Equalisation Credit”). The Equalisation Credit is designed to ensure that all Shareholders have the same amount of capital at risk per Share.

The Equalisation Credit will be at risk in the Fund and will therefore appreciate or depreciate based on the performance of the Fund subsequent to the subscription. In the event of a decline in the Net Asset Value per Share, the Equalisation Credit due to the Shareholder will reduce in line with the Performance Fee accrual for other Shares namely by an amount equal to 20 per cent. of the amount of the loss on a per Share basis until the Equalisation Credit is exhausted. Subsequent appreciation in the value of the Premium Shares will result in a recapture of any Equalisation Credit lost due to such reductions, but only to the extent of the previously lost Equalisation Credit up to the amount paid at subscription.

At the end of the Performance Period, an amount equal to the lower of the Equalisation Credit paid at the time of the Premium Subscription (less any Equalisation Credit previously applied) or 20 per cent. of the excess of the Net Asset Value per Share over the high water mark and the 5 per cent. benchmark is applied in the subscription for additional Shares for the Shareholder.

If a Shareholder redeems Shares between high water marks the redemption proceeds will be increased or decreased to reflect the relevant Performance Fee calculation.

Performance Fees paid on previous unrealised gains that subsequently become realised losses are non-refundable. Any decrease in the Net Asset Value subsequent to the most recent month in which Performance Fees were earned will be carried forward until future increases exceed the amount of loss carried forward. The amount of the decrease in the value carried forward will be reduced in an amount proportionate to any redemptions.

The Performance Fee will be paid to the Investment Manager as soon as practicable after the end of each month.

Risks associated with Performance Fees: Under the fee arrangement described above, the Investment Manager will be compensated for unrealised gains which may never be reassessed. The fee arrangement may also create an incentive for the Investment Manager to cause the Fund to make investments that are riskier or more speculative than would be the case in the absence of a performance fee arrangement.

(iii) Custodian

The Custodian shall be paid a fee not exceeding 0.1% per annum of the Net Asset Value which shall only apply once the Net Asset Value has reached £5,000,000 and which shall accrue daily and be payable monthly in arrears on the last Business Day of each month. However, should the Net Asset Value subsequently fall below

£5,000,000, the fee will continue to be paid. Additionally, the Custodian shall recover all counter-party charges and be reimbursed all out of pocket expenses.

(iv) Directors' Fees

Mr Desai and Ms Evett shall each be paid £2,500 per annum. Mr Mehta will waive his Director's fee.

(v) Registered Office and Company Secretarial Fee

The Administrator shall be paid a fee of £2,000 per annum for the provision of a company secretary and registered office to the Fund.

Other Costs and Expenses

The following additional costs shall be borne by the Fund:-

(a) expenses of and incidental to the convening and holding of meetings of Shareholders, Directors and committees of Directors, of the Fund including without limitation the expenses of and incidental to producing, printing and posting or otherwise despatching notices of meetings and any documents enclosed therewith or designed to be read in conjunction therewith;

(b) expenses of and incidental to producing, printing and posting or otherwise despatching yearly accounts of the Fund and any report of the Directors and/or Auditors therewith;

(c) expenses of and incidental to printing and posting or otherwise despatching advice or contract notes, share certificates and dividend warrants of the Fund;

(d) the cost of maintaining the Fund's share register, minute books and other documentation required by law to be maintained by the Fund;

(e) stamp and other duties, taxes, governmental charges, brokerage, transfer fees, registration fees and other charges payable in respect of or in conjunction with the acquisition, holding or realisation of any investment by the Fund;

(f) corporate and other fees payable by the Fund to any Government or other authority or to any agency of such Government or authority whether in the Isle of Man or elsewhere; and

(g) audit fees of the Fund and legal expenses in connection with the Fund's corporate existence, corporate and financial structure and relations with its Shareholders and third parties and all other professional and other charges in respect of services rendered to the Fund;

(h) the cost of directors and officers liability insurance; and

- (i) other costs incurred by the Fund in connection with its operation as a collective investment scheme.

Where appropriate the above fees will bear value added tax.

Taxation, Exchange Control and Duty

The following is intended only as a summary of current law and practice in the Isle of Man and the United Kingdom, is subject to change and does not constitute legal, tax or exchange control advice. Prospective investors should consult their own professional advisers on the implications in the relevant jurisdiction(s) of buying, holding, disposing of or redeeming Shares, including the provisions of the laws of the jurisdiction in which they reside or are otherwise subject to tax.

Isle of Man

With effect from 6th April 2006, the Isle of Man Government introduced a zero rate tax regime for Isle of Man companies. The Fund will, therefore, be liable for tax at 0% on its income. However, if the Fund has Isle of Man resident Shareholders, it will be required to account for a charge, known as the Distributable Profits Charge (“DPC”), in respect of such Shareholders. A person shall be treated as an Isle of Man resident Shareholder only where ultimate beneficial ownership of the Shares is vested in an individual or company which is resident in the Isle of Man. The DPC is payable by the Fund on the amount of distributable profits attributable to Manx resident Shareholders, currently at the rate of 18%. All potential investors will be required to make a declaration in the application form as to the residence of the ultimate beneficial owner of the Shares.

The Isle of Man does not levy taxes on capital inheritances, capital gains, gifts or sales. No Isle of Man tax will be withheld in respect of the payment of redemption proceeds.

It is intended that the Fund will be so organised as to be fiscally resident in the Isle of Man. The Fund may invest in various jurisdictions and, in consequence, certain of its income and gains may be liable to taxation in those jurisdictions. However, the Fund will aim to minimise taxation on its income and gains to the extent to which the Directors and Administrator consider reasonable.

There are no current exchange control restrictions applicable in the Isle of Man.

Isle of Man capital duty is payable at the rate of 1.5% of the Fund's authorised share capital from time to time, subject to an aggregate maximum duty payable of £5,000.

EU Savings Tax Directive

The EU Savings Tax Directive (Council Directive 2003/48/EC) (the “Directive”) came into force on 1st July 2005. The Isle of Man has entered into Agreements with the EU Member States. These Agreements effectively require the Island to comply with the requirements of the Directive, subject to certain other jurisdictions also complying. Once the provisions of the Directive are implemented by the Island, then certain distributions and redemption proceeds paid by collective investment schemes established in the Isle of Man to Shareholders who are individuals resident in the EU may be subject to withholding tax.

However, the Isle of Man Government has determined that only one category of collective investment scheme, namely Authorised Schemes, will fall within the Directive and that all other types of collective investment scheme, including the experienced investor fund do not fall within the Directive. Accordingly, as the Fund is an experienced investor fund, there will be no requirement to deduct withholding tax from any such distributions or redemption proceeds paid to Shareholders by the Fund.

VI WINDING UP

Share rights on a winding up

On a winding up of the Fund, the liquidator of the Fund shall, so far as is possible, apply the assets available for distribution in the following manner:

- (i) firstly, in payment pari passu to holders of Shares of the nominal amount paid up thereon, which payment may be made from the available assets of the Fund;
- (ii) secondly, in repayment pari passu to holders of Nominal Shares of the nominal amount paid up thereon, which payment may be made from the remaining assets of the Fund;
- (iii) thirdly, in repayment pari passu to holders of Management Shares of the nominal amount paid up thereon, which payment may be made from the remaining assets of the Fund; and
- (iv) fourthly, any surplus assets then remaining shall be distributed among the holders of the Shares in accordance with regulation 7 of the Articles.

VII MISCELLANEOUS

Reporting to Investors

The annual general meeting of all Shareholders of the Fund will be held in the Isle of Man for the purpose, inter alia, of considering the annual audited financial statements of the Fund. The year end of the Fund will be 30th June in each year. Notices convening the annual general meeting, together with the annual report and accounts of the Fund will be sent, within six months of the financial year end (and at least twenty-one days before the date fixed for the meeting), to Shareholders at their registered address.

The annual financial statements shall be prepared in accordance with international or United Kingdom accounting standards. Shareholders should note that the Net Asset Value in the financial statements will, therefore, be calculated on a different basis from the Net Asset Value used for the purposes of determining the price at which Shares are issued and redeemed.

Shareholders will also be sent, within two months of 31st March, 30th June, 30th September and 31st December in each year commencing in 2008, copies of the quarterly investment report on the Fund.

Other general meetings and class meetings of the Fund may be convened from time to time by the Directors on the giving of twenty-one days' notice to all Shareholders.

Shareholders will receive one month's written notice of the following:-

- (i) any change in the investment policy, limits and restrictions of the Fund;
- (ii) any change in the Administrator, Manager, Investment Manager or Custodian;
- (iii) any increase in the costs and expenses incurred by the Fund; and
- (iv) any other amendment to the Fund considered by the Directors to be material.

It is envisaged that prices of Shares may in the future be published in the *Financial Times* and on *Bloomberg*.

The Material Contracts

The following contracts, not being contracts entered into in the normal course of business, have been entered into by the Fund prior to the date of this Offering Document and are, or may be, material:-

- (i) An Administration Agreement between the Fund and the Administrator made the 24th day of September 2007 whereby the Fund appointed the Administrator to provide certain company secretarial, registrar and transfer agency, accounting and other administrative services to the Fund. The Administration Agreement shall continue in force until terminated by either party on 60 days' notice in writing to the other party and may be terminated forthwith if (a) a secured party takes possession or a receiver, manager or other similar officer is appointed, of the whole or any part of the undertaking, assets and revenues of the Administrator, (b) the Administrator admits in writing its insolvency or inability to pay its debts as they fall due, (c) an administrator

or liquidator of the Administrator or the whole or any part of the undertaking, assets and revenues of the Administrator is appointed (or application for any such appointment is made), (d) the Administrator takes any action for a readjustment or deferment of any of its obligations or makes a general assignment, or an arrangement, or composition, with, or for the benefit of, its creditors or declares a moratorium in respect of any of its indebtedness, (e) an order is made or an effective resolution is passed for the winding up of the Administrator or (f) any event occurs which has an analogous effect of any of the foregoing; whereupon the Fund shall appoint a successor as Administrator acceptable to it to take effect immediately upon such termination. The Administration Agreement provides that in the absence of fraud, wilful default or negligence, the Administrator will not be liable for any loss incurred by the Fund as a result of any act or omission of the Administrator in the performance of its services and duties under the Administration Agreement and the Fund agrees to indemnify the Administrator against any loss suffered by the Administrator in the performance of its obligations and duties under the Administration Agreement, save where such loss arises as a result of a breach of the terms of the Administration Agreement, negligence, wilful default or fraud on the part of the Administrator.

- (ii) An Investment Management Agreement between the Fund and the Investment Manager dated the 24th day of September 2007 whereby the Fund appointed the Investment Manager, subject to the control and review of the Directors, to manage the investments of the Fund. The Investment Management Agreement shall continue in force until terminated by either party on 90 days' notice in writing to the other party. It may be terminated forthwith by either party on immediate written notice if the other party commits any material breach of its obligations and fails to remedy such breach within 30 days of receipt of written notice requiring the same, or if the other party is dissolved or otherwise enters into insolvency proceedings. The Fund may terminate the Investment Management Agreement forthwith if the Investment Manager ceases to be an authorised person for the purposes of the Financial Services and Markets Act 2000 (or any successor legislation). The Investment Manager will not be liable for any loss suffered by the Fund in connection with the performance by the Investment Manager of its obligations under the Investment Management Agreement in the absence of fraud, wilful default or negligence on the part of the Investment Manager in the performance or non-performance of its obligations and duties under the Investment Management Agreement. The Fund agrees to indemnify the Investment Manager against all liabilities incurred by it in the performance of its obligations and duties under the Investment Management Agreement other than liabilities arising out of the fraud, wilful default or negligence on the part of the Investment Manager in the performance or non-performance of its obligations and duties.
- (iii) A Custodian Agreement between the Fund and the Custodian dated the 24th day of September 2007 whereby the Fund has appointed the Custodian as custodian of the assets of the Fund. The Custodian Agreement shall continue in force until terminated by either party on 60 days' notice in writing to the other party and may be terminated immediately upon one party giving the other ("the Defaulting Party") notice of immediate termination in the event of (a) the Defaulting Party being insolvent or going into liquidation (other than voluntary liquidation for the purpose of reconstructing or amalgamation forthwith to be carried into effect) or a Receiver

being appointed of any of its assets; or (b) the Defaulting Party committing a serious breach of this Agreement or being guilty of serious misconduct or negligence in the performance of its duties hereunder; or (c) the Custodian being prohibited by statute or by any rules, regulations, orders or directives made or issues by any person, body or organisation, which pursuant to any relevant legislation has or is recognised as having supervisory authority in respect of the Custodian, from being the Custodian of the assets; or (d) if all the Shares of the Fund are redeemed. The Custodian Agreement provides that in the absence of fraud, wilful default or negligence, the Custodian will not be liable for any loss incurred by the Fund as a result of any act or omission of the Custodian in the performance of its services and duties under the Custodian Agreement and the Fund agrees to indemnify the Custodian against any loss suffered by the Custodian in the performance of its obligations and duties under the Custodian Agreement, save where such loss arises as a result of a breach of the terms of the Custodian Agreement, negligence, wilful default or fraud on the part of the Custodian.

Documents Available for Inspection

Copies of this Offering Document, the Fund's Memorandum and Articles of Association, the Material Contracts, any amending documents and (in due course) copies of the most recent annual and interim reports (when compiled), may be inspected at and copies may be obtained from the offices of the Administrator.

Miscellaneous

- (a) Save as disclosed herein, no commission or other payment will be made by the Fund in respect of application for Shares. The Fund may make such payments of commission or otherwise as it thinks fit in respect of each such application.
- (b) Save as disclosed herein, no Director of the Fund has any interest, direct or indirect, in any assets which have been acquired or disposed of by or leased to the Fund or are proposed to be acquired, disposed of by or leased to the Fund or in any transaction which is subsisting at the date of this Offering Document and which is unusual in its nature or conditions or significant in relation to the business of the Fund.
- (c) The Fund does not have any subsidiaries.
- (d) Save as disclosed herein no share or loan capital of the Fund is under option or agreed to be put under option conditionally or unconditionally and, save as disclosed herein, no commission, discounts, brokerages or other special terms have been granted by the Fund prior to the date of this Offering Document in connection with the issue or sale of any share or loan capital of the Fund.
- (e) Save as disclosed herein, no share or loan capital of the Fund has been issued or agreed to be issued prior to the date of this Offering Document or is proposed to be issued, fully or partly paid, either for cash or for a consideration other than cash.
- (f) The Fund has not purchased or agreed to purchase or acquire any real property.

- (g) Save as disclosed herein, no amount or benefit has been paid or given (or is intended to be paid or given) to any promoter.
- (h) Save for the entering into the Material Contracts and opening a bank account, the Fund has not commenced business.
- (i) There are no legal, arbitration or other proceedings pending or threatened against the Fund, nor have there been since the incorporation of the Fund.
- (j) As of the date of this Offering Document the Fund has no loan capital (including term loans) outstanding or created but unissued, and no outstanding mortgages, charges, debentures or other borrowings, including bank and overdraft and liabilities under acceptance or acceptance credits, hire purchase or finance lease commitments, guarantees or other contingent liabilities.
- (k) Neither the Directors, nor any connected person, the existence of which is known to or could with reasonable diligence be ascertained by the Director, whether or not through another party, have any interest in the Shares of the Fund nor have they been granted any options in respect of the Shares of the Fund.
- (l) No loan or guarantee has been granted or provided by the Fund to any Director.
- (m) None of the Directors have a service contract, existing or proposed, with the Fund.
- (n) The Directors may vote on any transaction in which they have a material interest if they first disclose the nature of their interest to the Fund.
- (o) The Directors may fix the emoluments of Directors with respect to services to be rendered in any capacity to the Fund.
- (p) The Directors may exercise all the powers of the Fund to borrow money and to mortgage or charge its undertakings property and uncalled capital or any part thereof, to issue debentures, debenture stock and offer securities whenever money is borrowed as security for any debt, liability or obligation of the Fund.
- (q) The Articles of Association contain no provision requiring Directors to retire on attaining a particular age.
- (r) Shares are freely transferable and may not be subject to any transfer restrictions or compulsory redemption save where the holdings of such Shares may result in regulatory, pecuniary, legal taxation or material administrative disadvantage for the Fund or its shareholders as a whole, or whether such transfer would result in the value of a Shareholder's Shares falling below the value of the Minimum Holding.