

CRYPTO CURRENCY FUND

INFORMATION MEMORANDUM

OFFERING OF CLASS B COMMON SHARES

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THIS INFORMATION MEMORANDUM IS SUBMITTED TO THE RECIPIENT ON A CONFIDENTIAL BASIS SOLELY IN CONNECTION WITH YOUR CONSIDERATION OF AN INVESTMENT IN CLASS A COMMON SHARES OF CRYPTO CURRENCY FUND. BECAUSE OF THE CONFIDENTIAL NATURE OF THIS INFORMATION MEMORANDUM ITS USE FOR ANY OTHER PURPOSE MIGHT INVOLVE SERIOUS LEGAL CONSEQUENCES. EXCEPT AS OTHERWISE NOTED HEREIN, THIS INFORMATION MEMORANDUM MAY NOT BE REPRODUCED IN WHOLE OR IN PART, AND IT MAY NOT BE DELIVERED TO ANY PERSON WITHOUT THE PRIOR WRITTEN CONSENT OF CRYPTO CURRENCY FUND.

The Fund is designed for investors seeking to achieve medium-term gains through investments in “crypto currencies,” who do not require regular current income and who can accept a high degree of risk in their investments. In view of, among other things, the Fund’s effective concentration in a single investment, the Fund is speculative in nature and is not intended to be a comprehensive investment program. The Fund is intended for investment solely by sophisticated investors who are accustomed to and fully understand the risks of such investments.

Information Memorandum

CRYPTO CURRENCY FUND

Offering of Class B Common Shares

Crypto Currency Fund (the “Fund”) is an open-end investment company organized as an exempted company limited by shares, with limited liability, under the laws of the Cayman Islands. The Fund was initially incorporated on January 17, 2005 under the name Tera Capital Fund and made its first investment on April 28, 2005. The Fund traded successfully under the name Tera Capital Fund from 2005 until 2014, as a fund of hedge funds (FoHF) focused on Russian investments spread across both debt and equity. The strategy proved a tremendous success, with the Fund performing very well in up markets and outperforming all indices and almost all other funds with a similar profile in down markets. As a result, its Sharpe Ratio was among the highest of all similar funds, and was significantly higher than every major Russian fund. Consequently, the Fund was frequently ranked among the top ten FoHF in the world by Eurekahedge. In early 2014 however, the Board of Directors, in consultation with the Investment Manager, determined that the time was right to exit that investment strategy in light of the potential for a slowdown in growth in the Russian economy due to its dependence on its oil industry at a time when the price of energy has begun falling. The Fund subsequently changed its name and investment strategy in early 2014 in order to focus on the investment opportunities presented by new market opportunities identified by the Investment Manager. The investment manager to the Fund is Enneking Asset Management (formerly known as Altima Asset Management), an asset management company incorporated as an exempted company limited by shares, with limited liability, under the laws of the Cayman Islands (the “Investment Manager”). The Investment Manager has acted as discretionary investment manager to the Fund since incorporation and has been granted full discretionary authority and responsibility to implement the investment objectives of the Fund as set out herein and to manage the assets of the Fund pursuant to an amended and restated management agreement, dated 31 March 2014, by and between the Fund and the Investment Manager (the “Investment Manager Agreement”). Timothy Enneking serves as the principal of the Investment Manager, and he and Alexander Polykovskiy are the only members of the Board of Directors of the Fund. Timothy Enneking is the individual primarily responsible for directing the investment of the Fund’s assets.

The Fund has since inception offered Class A common shares, par value U.S.\$0.01. Subscriptions for Class A common shares closed on 31 March 2014 and the Fund has ceased offering Class A common shares. The Fund is now offering Class B common shares, par value U.S.\$0.01 in accordance with the terms and conditions of this Information Memorandum, on a private basis only to a select number of institutional and individual investors that meet applicable regulatory requirements. Any investor who is a U.S. Person must be an “accredited investor”, as defined in SEC Regulation D promulgated under the U.S. Securities Act of 1933, as amended (the “Securities Act”) and a “qualified purchaser” as defined in the U.S. Investment Company Act of 1940, as amended (the “Investment Company Act”). See “*Eligible Investors?*” herein.

In the period from 2005 to 2014, the Investment Objective and Strategy of the Fund focused primarily on achieving long-term capital growth through investments in funds based in, or invested in assets located in, primarily Russia and the Ukraine. but also other member countries of the Commonwealth of Independent States (consisting of Azerbaijan, Armenia, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Tajikistan, Turkmenistan and Uzbekistan, all member nations, collectively, the “CIS Countries”) and Eastern Europe (including Bosnia-Herzegovina, Bulgaria, Croatia, the Czech Republic, Hungary, Montenegro, Poland, Romania, Slovakia, Slovenia, and Serbia), with the Fund frequently outperforming performance benchmarks. The Directors of the Fund believe that the investment experience and discipline of the Investment Manager can be successfully employed to produce similar performance with respect to the Investment Objective and Strategy of the Fund.

The Fund now operates as an open-end investment company with the investment objective of investing in crypto currencies (primarily, bitcoin, but also litecoin, namecoin, mastercoin and other present and future crypto currencies) and similar items, both directly and through other vehicles, as well as other investments in the crypto currency space. The strategy will be implemented using three main approaches: (1) long-term buy-and-hold, (2) mid-term trading on fundamental information and technical trends, and (3) short-term trading, up to and including day trading. Implementation will take place on established crypto currency exchanges, aggregators, OTC, through other funds and any other current or future mechanisms. The Fund may utilize leverage on a moderate to extensive basis for the purpose of increasing the amount of capital available for investment or for liquidity purposes. For the purposes of this Memorandum, the term “trading” shall include (but not be limited to) any investment in, divestment of, exchange for value or other commercial transaction for or with crypto currencies with third parties. The Fund may, from time to time, utilize the services of one or more consulting firms to provide research, investment data and portfolio management services to the Fund. See “*Investment Objective and Strategy*”. An investment in the Fund involves significant risks. There is no assurance that the Fund will achieve its investment objective or be profitable. See “*Risk Factors*”.

The Investment Manager, any of its principals, and their respective affiliates may serve as investment managers or advisors to other investment funds and managed accounts in the future, certain of which may employ investment strategies that are substantially similar to the investment strategy employed by the Fund. See “*Risk Factors – Conflicts of Interest*”.

Class B common shares are being offered pursuant to this Information Memorandum. Class B common shares may be subscribed for as of the first Business Day (as defined below) of a calendar month (or at such other time as the Fund may determine), at a price per Share equal to the Net Asset Value per Share as of the last Business Day of the prior calendar month, subject to any sales or subscription charges. The minimum initial subscription by a shareholder is U.S.\$10,000. As used herein, the term “Business Day” means any day on which the Federal Reserve Bank of New York is open for business.

Fund shareholders will have the right to redeem any or all of their Common Shares on the last Business Day of any calendar month or such other Business Day as the Board of Directors of the Fund may determine in their sole discretion (a “Redemption Date”), on not less than thirty (30) days’ prior written notice, at a redemption price per Common Share equal to the Net Asset Value per Share as of the close of business on the Redemption Date, subject to certain conditions. Redemptions within the first six months of a shareholder’s initial investment, however, are subject to a 5% early redemption fee. See “*Redemption of Common Shares*”.

The Fund is as an administered mutual fund under Section 4(1) of the Mutual Funds Law (Revised) of the Cayman Islands (the “Funds Law”). As a mutual fund under the Funds Law, the Fund is subject to the supervision of the Cayman Islands Monetary Authority (“CIMA”), which is authorized by the Funds Law to direct the Fund to provide it with audited financial statements and other information that CIMA reasonably requires. Such regulation and supervision will not involve an examination of the merits of an investment in the Fund, will not entail supervision of the investment performance or portfolio constitution of the Fund by the Cayman Islands Government or CIMA and does not mean that the Fund is guaranteed, insured or approved by the Cayman Islands Government or CIMA, or any other entity or governmental agency.

The distribution of the Information Memorandum and the offering of Shares in certain jurisdictions may be restricted and accordingly persons into whose possession the Information Memorandum may come are required by the Fund to inform themselves of and to observe any such restrictions. Any offering restrictions set out in the Information Memorandum are for indicative purposes only. The Information Memorandum does not constitute an offer or solicitation to any person in any jurisdiction in

which such offer or solicitation is not authorised or to any person to whom it would be unlawful to make such offer or solicitation.

Prospective investors, together with their advisors, should review carefully this entire Information Memorandum and should discuss the Fund and its contemplated activities with the Investment Manager prior to any decision to purchase Common Shares.

THE OFFERING OF SHARES MADE HEREBY HAS NOT BEEN REGISTERED WITH THE U.S. SECURITIES AND EXCHANGE COMMISSION (THE “SEC”) OR ANY OTHER REGULATORY AUTHORITY OF ANY COUNTRY AND IS NOT BEING MADE IN ANY JURISDICTION WHERE SUCH OFFERING WOULD BE UNLAWFUL. INVESTORS SHOULD NOT CONSTRUE THE CONTENTS OF THIS INFORMATION MEMORANDUM AS TAX OR LEGAL ADVICE. PRIOR TO PURCHASING SHARES, A PROSPECTIVE PURCHASER SHOULD CONSULT WITH HIS OWN LEGAL, BUSINESS AND TAX ADVISORS TO DETERMINE THE APPROPRIATENESS AND CONSEQUENCES OF AN INVESTMENT IN THE FUND BY SUCH PURCHASER, INCLUDING MATTERS CONCERNING THE LAWS AND REGULATIONS IN THE COUNTRIES OF HIS CITIZENSHIP, RESIDENCE AND DOMICILE.

THIS INFORMATION MEMORANDUM HAS BEEN PREPARED ON BEHALF OF THE FUND AND EACH RECIPIENT HEREOF ACKNOWLEDGES THAT NO PERSON OR PARTY OTHER THAN THE FUND SHALL HAVE ANY RESPONSIBILITY OR LIABILITY FOR THE ACCURACY AND COMPLETENESS OF THE CONTENTS HEREOF. THE INFORMATION IN THIS INFORMATION MEMORANDUM IS AS OF THE DATE HEREOF AND IS SUBJECT TO CHANGE OR AMENDMENT. THE DELIVERY OF THIS INFORMATION MEMORANDUM AS OF ANY SUBSEQUENT DATE DOES NOT IMPLY THAT THERE HAS BEEN NO CHANGE OR AMENDMENT IN THE CONTENTS HEREOF.

THE SHARES OFFERED HEREBY WILL BE ILLIQUID. NO PUBLIC MARKET FOR SUCH SHARES EXISTS AND NONE IS EXPECTED TO DEVELOP. THERE WILL BE SIGNIFICANT RESTRICTIONS ON THE TRANSFERABILITY OF FUND SHARES. REDEMPTION OF SHARES WILL BE SUBJECT TO A VARIETY OF TERMS AND CONDITIONS AND THE FUND WILL HAVE THE RIGHT TO SUSPEND REDEMPTIONS UNDER CERTAIN CIRCUMSTANCES.

NO OFFERING LITERATURE OR ADVERTISING IN ANY FORM SHALL BE EMPLOYED IN THIS OFFERING OF SHARES IN THE FUND EXCEPT FOR THIS INFORMATION MEMORANDUM AND SUMMARY INFORMATION, IF ANY, WHICH SHALL BE QUALIFIED IN ITS ENTIRETY BY THE APPENDICES ATTACHED HERETO. NO PERSON OTHER THAN THE INVESTMENT MANAGER HAS BEEN AUTHORIZED TO MAKE REPRESENTATIONS, OR GIVE ANY INFORMATION, WITH RESPECT TO THE FUND SHARES, EXCEPT THE INFORMATION CONTAINED HEREIN, AND ANY INFORMATION OR REPRESENTATION NOT CONTAINED HEREIN OR OTHERWISE SUPPLIED BY THE INVESTMENT MANAGER MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE FUND, THE INVESTMENT MANAGER OR ANY OF ITS PRINCIPALS.

THIS INFORMATION MEMORANDUM MAY CONTAIN CERTAIN FORWARD LOOKING INFORMATION ABOUT THE FUND AND ITS PROPOSED ACTIVITIES IN RELIANCE UPON THE “SAFE HARBOR” PROVISIONS OF THE U.S. FEDERAL SECURITIES LAWS. THIS INFORMATION IS SUBJECT TO VARIOUS RISKS AND UNCERTAINTIES, INCLUDING, BUT NOT LIMITED TO, THOSE DESCRIBED UNDER “RISK FACTORS” HEREIN. ALL INVESTMENT PERFORMANCE IS INHERENTLY SUBJECT TO SIGNIFICANT UNCERTAINTIES AND CONTINGENCIES, MANY OF WHICH ARE BEYOND THE CONTROL OF THE INVESTMENT MANAGER. ANY SIGNIFICANT CHANGE THEREIN CAN MATERIALLY AFFECT FUTURE RESULTS. ACCORDINGLY, THERE CAN BE NO ASSURANCE THAT THE FUND’S INVESTMENT OBJECTIVE WILL BE ACHIEVED OR THAT THE FUND WILL NOT INCUR LOSSES.

THIS INFORMATION MEMORANDUM IS SUBMITTED TO A LIMITED NUMBER OF RECIPIENTS ON A CONFIDENTIAL BASIS SOLELY IN CONNECTION WITH THEIR CONSIDERATION OF AN INVESTMENT IN SHARES OF THE FUND. IT MAY NOT BE REPRODUCED IN WHOLE OR IN PART AND MAY NOT BE DELIVERED TO ANY PERSON WITHOUT THE PRIOR WRITTEN CONSENT OF THE FUND. EACH PERSON ACCEPTING THIS INFORMATION MEMORANDUM THEREBY AGREES TO RETURN IT TO THE FUND UPON REQUEST.

CERTAIN PROVISIONS OF THE MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE FUND AND OTHER DOCUMENTS ARE SUMMARIZED IN THIS INFORMATION MEMORANDUM, BUT IT SHOULD NOT BE ASSUMED THAT THE SUMMARIES ARE COMPLETE AND SUCH SUMMARIES ARE QUALIFIED IN THEIR ENTIRETY BY THE CONTENTS OF THE DOCUMENTS WHICH THEY PURPORT TO SUMMARIZE. MATERIAL DOCUMENTS ARE AVAILABLE FOR INSPECTION AS INDICATED IN THE SECTION ENTITLED "DOCUMENTS AVAILABLE FOR INSPECTION" HEREIN. THE INVESTMENT MANAGER EXTENDS TO EACH INVESTOR AND ITS ADVISERS THE OPPORTUNITY TO DISCUSS THE OFFERING AND THE FUND WITH REPRESENTATIVES OF THE INVESTMENT MANAGER AND TO RECEIVE ADDITIONAL INFORMATION TO THE EXTENT SUCH INFORMATION MAY BE READILY AVAILABLE.

EACH INVESTOR SHOULD NOT CONSTRUE THE CONTENTS OF THIS INFORMATION MEMORANDUM AS LEGAL, TAX OR FINANCIAL ADVICE. EACH INVESTOR SHOULD CONSULT ITS OWN PROFESSIONAL ADVISERS AS TO THE LEGAL, TAX OR FINANCIAL CONSEQUENCES OR OTHER MATTERS RELEVANT TO THE SUITABILITY OF AN INVESTMENT IN THE SHARES.

RESTRICTIONS ON SALES IN CERTAIN JURISDICTIONS:

AUSTRALIA: THIS MEMORANDUM AND ANY OTHER DOCUMENT OR MATERIAL IN CONNECTION WITH THE OFFER OR SALE, OR INVITATION FOR SUBSCRIPTION OR PURCHASE, OF SHARES MAY NOT BE CIRCULATED OR DISTRIBUTED, NOR MAY SHARES BE OFFERED OR SOLD, OR BE MADE THE SUBJECT OF AN INVITATION FOR SUBSCRIPTION OR PURCHASE, WHETHER DIRECTLY OR INDIRECTLY, TO THE PUBLIC OR ANY MEMBER OF THE PUBLIC IN AUSTRALIA OR TO AUSTRALIAN DOMICILED PERSONS EXCEPT WHERE SUCH PERSONS ARE "WHOLESALE CLIENTS" AS DEFINED IN SECTION 761G OF THE CORPORATIONS ACT 2001 (CTH) AND WHERE DISCLOSURE WOULD NOT BE REQUIRED UNDER CHAPTER 6D OR PART 7.9 OF THE CORPORATIONS ACT 2001 (CTH).

AUSTRIA: THIS MEMORANDUM HAS BEEN PRODUCED FOR THE PURPOSE OF PROVIDING INFORMATION ABOUT THE SHARES AND WILL BE PROVIDED ONLY TO QUALIFIED INVESTORS AS DEFINED IN S1 PARA 1 SUBPARA 5A OF THE AUSTRIAN CAPITAL MARKET ACT 1991 (*KAPITALMARKTGESETZ*) IN THE COURSE OF A PRIVATE PLACEMENT IN AUSTRIA. ALL THESE QUALIFIED INVESTORS WILL BE INDIVIDUALLY KNOWN IN ADVANCE AND INDIVIDUALLY SELECTED BY, OR ON BEHALF OF, THE FUND IN AUSTRIA. THIS MEMORANDUM IS MADE AVAILABLE ON THE CONDITION THAT IT IS FOR THE USE ONLY BY THE RECIPIENT AND MAY NOT BE PASSED ON TO ANY OTHER PERSON OR BE REPRODUCED IN ANY PART. THE SHARES HAVE NOT BEEN AND WILL NOT BE OFFERED IN THE COURSE OF A PUBLIC OFFERING OR OF EQUIVALENT MARKETING IN AUSTRIA AND THEREFORE, THE PROVISIONS OF THE AUSTRIAN INVESTMENT FUND ACT 1993 (*INVESTMENTFONDSGESETZ 1993*), AS AMENDED, AND THE PROVISIONS OF THE AUSTRIAN CAPITAL MARKET ACT 1991, AS AMENDED, RELATING TO REGISTRATION

REQUIREMENTS AND TO PROSPECTUS REQUIREMENTS DO NOT APPLY. THE SHARES HAVE THUS NEITHER BEEN REGISTERED FOR PUBLIC DISTRIBUTION IN AUSTRIA WITH THE AUSTRIAN FINANCIAL MARKET AUTHORITY NOR BEEN THE SUBJECT MATTER OF A PROSPECTUS COMPLIANT WITH THE AUSTRIAN INVESTMENT FUND ACT OR THE AUSTRIAN CAPITAL MARKET ACT. ANY SUBSCRIPTION APPLICATION BY ANY PERSON OTHER THAN THE INITIAL RECIPIENT OF THE MEMORANDUM WILL BE REJECTED.

BELGIUM: THE OFFERING OF SHARES HAS NOT BEEN AND WILL NOT BE NOTIFIED TO THE BELGIAN BANKING, FINANCE AND INSURANCE COMMISSION (*COMMISSIE VOOR HET BANK, FINANCIE-EN ASSURANTIEWEZEN / COMMISSION BANCAIRE, FINANCIÈRE ET DES ASSURANCES*) NOR HAS THIS MEMORANDUM BEEN, NOR WILL IT BE, APPROVED BY THE BELGIAN BANKING, FINANCE AND INSURANCE COMMISSION. THE SHARES MAY BE OFFERED IN BELGIUM ONLY TO A MAXIMUM OF 99 INVESTORS OR TO INVESTORS INVESTING A MINIMUM OF €250,000 OR TO INSTITUTIONAL OR PROFESSIONAL INVESTORS, IN RELIANCE ON ARTICLE 5 OF THE LAW OF JULY 20, 2004. THIS MEMORANDUM MAY BE DISTRIBUTED IN BELGIUM ONLY TO SUCH INVESTORS FOR THEIR PERSONAL USE AND EXCLUSIVELY FOR THE PURPOSES OF THIS OFFERING OF SHARES. ACCORDINGLY, THIS MEMORANDUM MAY NOT BE USED FOR ANY OTHER PURPOSE NOR PASSED ON TO ANY OTHER INVESTOR IN BELGIUM.

CAYMAN ISLANDS: NO INVITATION MAY BE MADE TO THE PUBLIC IN THE CAYMAN ISLANDS TO SUBSCRIBE FOR THE SHARES.

DENMARK: THE FUND HAS NOT APPLIED FOR OR OBTAINED A LICENCE UNDER THE DANISH ACT ON INVESTMENT ASSOCIATIONS AND SPECIAL-PURPOSE ASSOCIATIONS AS WELL AS OTHER COLLECTIVE INVESTMENT SCHEMES ETC. (ACT NO. 1499 OF 12 DECEMBER 2007) (THE **ACT**) AND THE EXECUTIVE ORDER ON FOREIGN COLLECTIVE INVESTMENT INSTITUTIONS' MARKETING IN DENMARK (EXECUTIVE ORDER NO. 1445 OF 21 DECEMBER 2005) (THE **ORDER**) FROM THE DANISH FINANCIAL SUPERVISORY AUTHORITY. THE SHARES IN THE FUND MAY ONLY BE OFFERED OR MARKETED IN DENMARK IN COMPLIANCE WITH THE ACT AND THE ORDER AS WELL AS ANY OTHER PROVISIONS OF DANISH LAW APPLICABLE TO THE OFFERING OR MARKETING OF INVESTMENT PRODUCTS TO INVESTORS LOCATED IN DENMARK. THIS IMPLIES, INTER ALIA, THAT THE SHARES IN THE FUND MAY NOT BE OFFERED OR MARKETED TO POTENTIAL INVESTORS IN DENMARK UNLESS AN APPROVAL FROM THE DANISH FINANCIAL SUPERVISORY AUTHORITIES IN ACCORDANCE WITH SECTION 16, SUBSECTION 1 OF THE ACT HAS BEEN OBTAINED, OR UNLESS THE GROUP OF POTENTIAL INVESTORS LOCATED IN DENMARK TO WHOM THE SHARES IN THE FUND SHALL BE OFFERED OR MARKETED IS OF SUCH CHARACTER THAT IT DOES NOT FALL WITHIN THE SCOPE OF THE ACT.

FINLAND: THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO THE PUBLIC IN FINLAND. THE SHARES CANNOT BE OFFERED OR SOLD IN FINLAND BY MEANS OF ANY DOCUMENT TO ANY PERSONS OTHER THAN "PROFESSIONAL INVESTORS" AS DEFINED BY THE FINNISH MUTUAL FUNDS ACT (*SIIJOITUSRAHASTOLAKI 29.1.1999/48*), AS AMENDED. NO ACTION HAS BEEN TAKEN TO AUTHORIZE AN OFFERING OF THE SHARES TO THE PUBLIC IN FINLAND AND THE DISTRIBUTION OF THIS MEMORANDUM IS NOT AUTHORIZED BY THE FINANCIAL SUPERVISION AUTHORITY IN FINLAND. THIS MEMORANDUM IS STRICTLY FOR PRIVATE USE BY ITS HOLDER AND MAY NOT BE PASSED ON TO THIRD PARTIES OR OTHERWISE PUBLICLY DISTRIBUTED. SUBSCRIPTIONS WILL NOT BE ACCEPTED FROM ANY PERSONS OTHER THAN THE PERSON TO WHOM THIS MEMORANDUM HAS BEEN DELIVERED BY THE FUND OR ITS REPRESENTATIVE. THIS

MEMORANDUM MAY NOT INCLUDE ALL THE INFORMATION THAT IS REQUIRED TO BE INCLUDED IN A PROSPECTUS IN CONNECTION WITH AN OFFERING TO THE PUBLIC.

FRANCE: THE SHARES MAY NOT BE OFFERED OR SOLD DIRECTLY OR INDIRECTLY IN THE REPUBLIC OF FRANCE AND NEITHER THIS PRIVATE PLACEMENT MEMORANDUM, WHICH HAS NOT BEEN SUBMITTED TO THE *AUTORITÉ DES MARCHÉS FINANCIERS*, NOR ANY OFFERING MATERIAL OR INFORMATION CONTAINED THEREIN RELATING TO THE FUND, MAY BE SUPPLIED IN THE REPUBLIC OF FRANCE NOR USED IN CONNECTION WITH ANY OFFER FOR SUBSCRIPTION OR SALE OF THE SHARES TO THE PUBLIC IN THE REPUBLIC OF FRANCE.

GERMANY: EACH PURCHASER OF SHARES ACKNOWLEDGES THAT THE FUND IS NOT AND WILL NOT BE REGISTERED FOR PUBLIC DISTRIBUTION IN GERMANY. ACCORDINGLY, NO OFFER OF THE SHARES MAY BE MADE TO THE PUBLIC IN GERMANY EXCEPT PURSUANT TO ANY OF THE EXEMPTIONS SET OUT IN SECTION 2 PARAGRAPH 11 OF THE GERMAN INVESTMENT ACT INCLUDING BUT NOT LIMITED TO IF THE SHARES ARE DISTRIBUTED EXCLUSIVELY TO CREDIT INSTITUTIONS AND FINANCIAL SERVICES PROVIDERS AS DEFINED IN THE GERMAN BANKING ACT, PRIVATE OR PUBLIC INSURANCE COMPANIES, INVESTMENT COMPANIES AND THEIR INVESTMENT MANAGERS AS WELL AS PENSION FUNDS AND THEIR ADMINISTRATORS.

HONG KONG: WARNING: THE CONTENTS OF THIS MEMORANDUM HAVE NOT BEEN REVIEWED BY ANY REGULATORY AUTHORITY IN HONG KONG. YOU ARE ADVISED TO EXERCISE CAUTION IN RELATION TO THE OFFER. IF YOU ARE IN ANY DOUBT ABOUT ANY OF THE CONTENTS OF THIS DOCUMENT YOU SHOULD OBTAIN INDEPENDENT PROFESSIONAL ADVICE. THIS MEMORANDUM HAS NOT BEEN REGISTERED BY THE REGISTRAR OF COMPANIES IN HONG KONG. THE FUND IS A COLLECTIVE INVESTMENT SCHEME AS DEFINED IN THE SECURITIES AND FUTURES ORDINANCE OF HONG KONG (THE **ORDINANCE**) BUT HAS NOT BEEN AUTHORISED BY THE SECURITIES AND FUTURES COMMISSION PURSUANT TO THE ORDINANCE. ACCORDINGLY, THE SHARES MAY ONLY BE OFFERED OR SOLD IN HONG KONG TO PERSONS WHO ARE “PROFESSIONAL INVESTORS” WITHIN THE MEANING OF THE ORDINANCE OR IN CIRCUMSTANCES WHICH ARE PERMITTED UNDER THE COMPANIES ORDINANCE OF HONG KONG AND THE ORDINANCE. IN ADDITION, THIS MEMORANDUM MAY NOT BE ISSUED OR POSSESSED FOR THE PURPOSES OF ISSUE, WHETHER IN HONG KONG OR ELSEWHERE, AND THE SHARES MAY NOT BE DISPOSED OF TO ANY PERSON UNLESS SUCH PERSON IS OUTSIDE HONG KONG, SUCH PERSON IS A “PROFESSIONAL INVESTOR” WITHIN THE MEANING OF THE ORDINANCE OR AS OTHERWISE MAY BE PERMITTED BY THE ORDINANCE.

ITALY: THE SHARES MAY NOT BE OFFERED, SOLD OR DELIVERED AND THIS MEMORANDUM, OR ANY CIRCULAR, ADVERTISEMENT OR OTHER DOCUMENT OR OFFERING MATERIAL RELATING TO THE SHARES, MAY NOT BE PUBLISHED, DISTRIBUTED OR MADE AVAILABLE IN THE REPUBLIC OF ITALY UNLESS: (I) THE SHARES HAVE BEEN PREVIOUSLY REGISTERED WITH THE BANK OF ITALY AND, AS APPROPRIATE, WITH THE ITALIAN SECURITIES AND EXCHANGE COMMISSION; AND (II) THE OFFERING, SALE OR DELIVERY OF THE SHARES AND PUBLICATION OR DISTRIBUTION OF THIS MEMORANDUM OR OF ANY OTHER DOCUMENT OR OFFERING MATERIAL IS MADE IN ACCORDANCE WITH RELEVANT ITALIAN LAWS AND REGULATIONS.

JAPAN: THE SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED PURSUANT TO ARTICLE 4, PARAGRAPH 1 OF THE FINANCIAL INSTRUMENTS AND EXCHANGE LAW OF

JAPAN (LAW NO. 25 OF 1948, AS AMENDED) AND, ACCORDINGLY, NONE OF THE SHARES NOR ANY INTEREST IN THEM MAY BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, IN JAPAN OR TO, OR FOR THE BENEFIT, OF ANY JAPANESE PERSON OR TO OTHERS FOR RE-OFFERING OR RESALE, DIRECTLY OR INDIRECTLY, IN JAPAN OR TO ANY JAPANESE PERSON EXCEPT UNDER CIRCUMSTANCES WHICH WILL RESULT IN COMPLIANCE WITH ALL APPLICABLE LAWS, REGULATIONS AND GUIDELINES PROMULGATED BY THE RELEVANT JAPANESE GOVERNMENTAL AND REGULATORY AUTHORITIES AND IN EFFECT AT THE RELEVANT TIME. FOR THIS PURPOSE, A “JAPANESE PERSON” MEANS ANY PERSON RESIDENT IN JAPAN, INCLUDING ANY CORPORATION OR OTHER ENTITY ORGANISED UNDER THE LAWS OF JAPAN.

KOREA: THE SHARES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES AND EXCHANGE ACT OF KOREA AND NONE OF THE SHARES MAY BE OFFERED, SOLD OR DELIVERED, DIRECTLY OR INDIRECTLY, OR OFFERED OR SOLD TO ANY PERSON FOR RE-OFFERING OR RESALE, DIRECTLY OR INDIRECTLY, IN KOREA OR TO ANY RESIDENT OF KOREA EXCEPT PURSUANT TO APPLICABLE LAWS AND REGULATIONS OF KOREA.

NETHERLANDS: THIS DOCUMENT IS NOT ADDRESSED TO OR INTENDED FOR ANY INDIVIDUAL OR LEGAL ENTITY IN THE NETHERLANDS EXCEPT (A) INDIVIDUALS OR LEGAL ENTITIES WHO QUALIFY AS QUALIFIED INVESTORS AS DEFINED BY ARTICLE 2 PARAGRAPH 1(E) OF THE PROSPECTUS DIRECTIVE (2003/71/EC), AS AMENDED OR (B) OTHER PERSONS TO WHOM, OR IN CIRCUMSTANCES WHERE, AN EXEMPTION OR EXCEPTION TO THE OFFERING OF INTERESTS IN COLLECTIVE INVESTMENT SCHEMES (*BELEGGINGSINSTELLINGEN*) APPLIES PURSUANT TO THE ACT ON FINANCIAL SUPERVISION (*WET OP HET FINANCIEEL TOEZICHT*), AND THE RULES AND REGULATIONS PROMULGATED PURSUANT THERETO, AS AMENDED. DISTRIBUTION OF THIS DOCUMENT DOES NOT TRIGGER A LICENCE REQUIREMENT FOR THE FUND IN THE NETHERLANDS AND CONSEQUENTLY NO SUPERVISION WILL BE EXERCISED OVER THE FUND BY THE NETHERLANDS AUTHORITY FOR THE FINANCIAL MARKETS (*AUTORITEIT FINANCIËLE MARKTEN*).

PEOPLE’S REPUBLIC OF CHINA: THE MEMORANDUM DOES NOT CONSTITUTE A PUBLIC OFFER OF THE SHARES, WHETHER BY SALE OR SUBSCRIPTION, IN THE PEOPLE’S REPUBLIC OF CHINA. THE SHARES ARE NOT BEING OFFERED OR SOLD DIRECTLY OR INDIRECTLY IN THE PEOPLE’S REPUBLIC OF CHINA TO OR FOR THE BENEFIT OF, LEGAL OR NATURAL PERSONS OF THE PEOPLE’S REPUBLIC OF CHINA.

PORTUGAL: THE FUND HAS NOT BEEN REGISTERED WITH THE *COMISSÃO DO MERCADO DOS VALORES MOBILIÁRIOS* (THE **CMVM**) AS A FOREIGN COLLECTIVE INVESTMENT SCHEME AND THIS MEMORANDUM (OR ANY OTHER AGREEMENT, DOCUMENT OR MATERIAL IN RELATION TO THE FUND) HAS NOT BEEN APPROVED BY THE CMVM PURSUANT TO DECREE-LAW 252/2003 OF 17 OCTOBER, AS AMENDED FROM TIME TO TIME (THE **DECREE-LAW**). THEREFORE: (I) THE SHARES MAY NOT BE ADVERTISED, OFFERED OR SOLD; AND (II) THIS MEMORANDUM OR ANY OTHER OFFERING MATERIAL, MAY NOT BE DISTRIBUTED OR CAUSED TO BE DISTRIBUTED TO THE PUBLIC IN CIRCUMSTANCES WHICH COULD QUALIFY AS THE MARKETING OF SHARES IN THE REPUBLIC OF PORTUGAL PURSUANT TO THE DECREE-LAW AND THE PORTUGUESE SECURITIES CODE WITHOUT PRIOR REGISTRATION OF THE FUND WITH THE CMVM AND ALL SUCH DOCUMENTATION AND MARKETING MATERIAL BEING APPROVED BY THE CMVM.

REPUBLIC OF CHINA (TAIWAN): THE SHARES MAY NOT BE SOLD, ISSUED OR OFFERED IN TAIWAN. NO PERSON OR ENTITY IN TAIWAN HAS BEEN AUTHORISED TO OFFER,

SELL, GIVE ADVICE REGARDING OR OTHERWISE INTERMEDIATE THE OFFERING AND SALE OF THE SHARES.

REPUBLIC OF IRELAND: THE DISTRIBUTION OF THIS MEMORANDUM AND THE OFFERING OR PURCHASE OF SHARES IS RESTRICTED TO THE INDIVIDUAL TO WHOM THIS MEMORANDUM IS ADDRESSED. ACCORDINGLY, IT MAY NOT BE REPRODUCED IN WHOLE OR IN PART, NOR MAY ITS CONTENTS BE DISTRIBUTED IN WRITING OR ORALLY TO ANY THIRD PARTY AND IT MAY BE READ SOLELY BY THE PERSON TO WHOM IT IS ADDRESSED AND HIS/HER PROFESSIONAL ADVISERS. THE SHARES WILL NOT BE OFFERED OR SOLD OTHERWISE THAN IN CONFORMITY WITH THE PROVISIONS OF THE EUROPEAN COMMUNITIES (MARKETS IN FINANCIAL INSTRUMENTS) REGULATIONS 2007 (AS AMENDED). SHARES IN THE FUND WILL NOT IN ANY EVENT BE PUBLICLY MARKETED IN IRELAND EXCEPT IN ACCORDANCE WITH THE REQUIREMENTS OF THE IRISH FINANCIAL SERVICES REGULATORY AUTHORITY.

SINGAPORE: THE OFFER OR INVITATION WHICH IS THE SUBJECT OF THIS MEMORANDUM DOES NOT RELATE TO A COLLECTIVE INVESTMENT SCHEME WHICH IS AUTHORISED UNDER SECTION 286 OF THE SECURITIES AND FUTURES ACT, CHAPTER 289 OF SINGAPORE (THE **SFA**) OR RECOGNISED UNDER SECTION 287 OF THE SFA. THE FUND IS NOT AUTHORISED OR RECOGNISED BY THE MONETARY AUTHORITY OF SINGAPORE (**MAS**) AND SHARES ARE NOT ALLOWED TO BE OFFERED TO THE RETAIL PUBLIC. EACH OF THIS MEMORANDUM AND ANY OTHER DOCUMENT OR MATERIAL ISSUED IN CONNECTION WITH THE OFFER OR SALE IS NOT A PROSPECTUS AS DEFINED IN THE SFA. ACCORDINGLY, STATUTORY LIABILITY UNDER THAT ACT IN RELATION TO THE CONTENT OF PROSPECTUSES WOULD NOT APPLY. YOU SHOULD CONSIDER CAREFULLY WHETHER THE INVESTMENT IS SUITABLE FOR YOU.

THIS MEMORANDUM HAS NOT BEEN REGISTERED AS A PROSPECTUS WITH MAS. ACCORDINGLY, THIS MEMORANDUM AND ANY OTHER DOCUMENT OR MATERIAL IN CONNECTION WITH THE OFFER OR SALE, OR INVITATION FOR SUBSCRIPTION OR PURCHASE, OF SHARES MAY NOT BE CIRCULATED OR DISTRIBUTED, NOR MAY SHARES BE OFFERED OR SOLD, OR BE MADE THE SUBJECT OF AN INVITATION FOR SUBSCRIPTION OR PURCHASE, WHETHER DIRECTLY OR INDIRECTLY, TO PERSONS IN SINGAPORE OTHER THAN (I) TO AN INSTITUTIONAL INVESTOR UNDER SECTION 304 OF THE SFA, (II) TO A RELEVANT PERSON PURSUANT TO SECTION 305(1), OR ANY PERSON PURSUANT TO SECTION 305(2), AND IN ACCORDANCE WITH THE CONDITIONS, SPECIFIED IN SECTION 305 OF THE SFA OR (III) OTHERWISE PURSUANT TO, AND IN ACCORDANCE WITH THE CONDITIONS OF, ANY OTHER APPLICABLE PROVISION OF THE SFA.

SPAIN: THE FUND HAS NOT BEEN AUTHORISED BY OR REGISTERED WITH THE SPANISH SECURITIES MARKET COMMISSION AS A FOREIGN COLLECTIVE INVESTMENT SCHEME IN ACCORDANCE WITH SECTION 15.2 OF LAW 35/2003 OF 4 NOVEMBER 2003 ON COLLECTIVE INVESTMENT SCHEMES. ACCORDINGLY, THE SHARES MAY NOT BE OFFERED OR SOLD IN SPAIN BY MEANS OF ANY MARKETING ACTIVITIES AS DEFINED IN SECTION 2 OF LAW 35/2003, AS AMENDED BY LAW 25/2005, OF 24 NOVEMBER 2005.

SWEDEN: THIS MEMORANDUM HAS NOT BEEN APPROVED BY OR REGISTERED WITH THE SWEDISH FINANCIAL SUPERVISORY AUTHORITY (*FINANSINSPEKTIONEN*) PURSUANT TO THE SWEDISH FINANCIAL INSTRUMENTS TRADING ACT (*LAGEN (1991:980) OM HANDEL MED FINANSIELLA INSTRUMENT*). ACCORDINGLY, THE SHARES MAY ONLY BE OFFERED IN SWEDEN IN CIRCUMSTANCES THAT WILL NOT RESULT IN A REQUIREMENT TO PREPARE A PROSPECTUS PURSUANT TO THE SWEDISH FINANCIAL INSTRUMENTS

TRADING ACT. THE FUND IS NOT AN INVESTMENT FUND (*FONDFÖRETAG*) FOR THE PURPOSE OF THE SWEDISH INVESTMENT FUNDS ACT (*LAG (2004:46) OM INVESTERINGSFONDER*) AND HAS THEREFORE NOT BEEN, NOR WILL IT BE, APPROVED OR REGISTERED BY THE SWEDISH FINANCIAL SUPERVISORY AUTHORITY PURSUANT TO THE SWEDISH INVESTMENT FUNDS ACT.

SWITZERLAND: THE FUND HAS NOT BEEN AUTHORISED FOR PUBLIC DISTRIBUTION IN OR FROM SWITZERLAND PURSUANT TO THE SWISS COLLECTIVE INVESTMENT SCHEMES ACT OF 23 JUNE 2006 (THE *CISA*) AND ITS IMPLEMENTING REGULATIONS. ACCORDINGLY, THE SHARES MAY ONLY BE OFFERED AND THIS MEMORANDUM MAY ONLY BE DISTRIBUTED IN OR FROM SWITZERLAND TO “QUALIFIED INVESTORS” (AS THIS TERM IS DEFINED IN THE CISA AND ITS IMPLEMENTING REGULATIONS).

UNITED KINGDOM: THE FUND IS AN UNRECOGNISED COLLECTIVE INVESTMENT SCHEME FOR THE PURPOSES OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 OF THE UNITED KINGDOM (THE *ACT*). THE PROMOTION OF THE FUND AND THE DISTRIBUTION OF THIS MEMORANDUM IN THE UNITED KINGDOM IS ACCORDINGLY RESTRICTED BY LAW.

THIS MEMORANDUM IS BEING ISSUED IN THE UNITED KINGDOM BY THE FUND TO, AND/OR IS DIRECTED AT, PERSONS TO WHOM IT MAY LAWFULLY BE ISSUED OR DIRECTED AT UNDER THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005 INCLUDING PERSONS WHO ARE AUTHORISED UNDER THE ACT (***AUTHORISED PERSONS***), CERTAIN PERSONS HAVING PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS, HIGH NET WORTH COMPANIES, HIGH NET WORTH UNINCORPORATED ASSOCIATIONS OR PARTNERSHIPS, TRUSTEES OF HIGH VALUE TRUSTS AND PERSONS WHO QUALIFY AS CERTIFIED SOPHISTICATED INVESTORS. THE SHARES ARE ONLY AVAILABLE TO SUCH PERSONS IN THE UNITED KINGDOM AND THIS MEMORANDUM MUST NOT BE RELIED OR ACTED UPON BY ANY OTHER PERSONS IN THE UNITED KINGDOM. IN ORDER TO QUALIFY AS A CERTIFIED SOPHISTICATED INVESTOR A PERSON MUST (A) HAVE A CERTIFICATE IN WRITING OR OTHER LEGIBLE FORM SIGNED BY AN AUTHORISED PERSON TO THE EFFECT THAT HE IS SUFFICIENTLY KNOWLEDGEABLE TO UNDERSTAND THE RISKS ASSOCIATED WITH PARTICIPATING IN UNRECOGNISED COLLECTIVE INVESTMENT SCHEMES AND (B) HAVE SIGNED, WITHIN THE LAST 12 MONTHS, A STATEMENT IN A PRESCRIBED FORM DECLARING, AMONGST OTHER THINGS, THAT HE QUALIFIES AS A SOPHISTICATED INVESTOR IN RELATION TO SUCH INVESTMENTS. THIS MEMORANDUM IS EXEMPT FROM THE GENERAL RESTRICTION IN SECTION 21 OF THE ACT ON THE COMMUNICATION OF INVITATIONS OR INDUCEMENTS TO ENGAGE IN INVESTMENT ACTIVITY ON THE GROUNDS THAT IT IS BEING ISSUED TO AND/OR DIRECTED AT ONLY THE TYPES OF PERSON REFERRED TO ABOVE.

THE CONTENT OF THIS MEMORANDUM HAS NOT BEEN APPROVED BY AN AUTHORISED PERSON AND SUCH APPROVAL IS, SAVE WHERE THIS MEMORANDUM IS DIRECTED AT OR ISSUED TO THE TYPES OF PERSON REFERRED TO ABOVE, REQUIRED BY SECTION 21 OF THE ACT. ACQUIRING SHARES MAY EXPOSE AN INVESTOR TO A SIGNIFICANT RISK OF LOSING THE ENTIRE AMOUNT INVESTED. ANY PERSON WHO IS IN ANY DOUBT ABOUT INVESTING IN THE FUND SHOULD CONSULT AN AUTHORISED PERSON SPECIALISING IN ADVISING ON SUCH INVESTMENTS.

UNITED STATES: THE SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE ***1933 ACT***) OR THE

SECURITIES LAWS OF ANY OF THE STATES OF THE UNITED STATES. THE SHARES MAY NOT BE OFFERED, SOLD OR DELIVERED DIRECTLY OR INDIRECTLY IN THE UNITED STATES OR TO OR FOR THE ACCOUNT OR BENEFIT OF ANY “US PERSON” EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE 1933 ACT AND ANY APPLICABLE STATE LAWS. THE SHARES ARE BEING OFFERED OUTSIDE THE UNITED STATES PURSUANT TO THE EXEMPTION FROM REGISTRATION UNDER REGULATION S UNDER THE 1933 ACT AND INSIDE THE UNITED STATES IN RELIANCE ON REGULATION D PROMULGATED UNDER THE 1933 ACT AND SECTION 4(2) THEREOF.

THE FUND HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE **1940 ACT**) SINCE SHARES WILL ONLY BE SOLD TO US PERSONS WHO ARE “QUALIFIED PURCHASERS”, AS DEFINED IN THE 1940 ACT. EACH SUBSCRIBER FOR SHARES THAT IS A US PERSON WILL BE REQUIRED TO CERTIFY THAT IT IS AN “ACCREDITED INVESTOR” AND A “QUALIFIED PURCHASER”, IN EACH CASE AS DEFINED UNDER APPLICABLE US FEDERAL SECURITIES LAWS, THEREBY ALSO QUALIFYING AS A “QUALIFIED ELIGIBLE PERSON” AS DEFINED IN RULE 4.7 UNDER THE UNITED STATES COMMODITY EXCHANGE ACT, AS AMENDED (THE **CEA**).

PURSUANT TO AN EXEMPTION FROM REGISTRATION AS A COMMODITY POOL OPERATOR SET FORTH IN UNITED STATES COMMODITY FUTURES TRADING COMMISSION (THE **CFTC**) RULE 4.13(A)(4), NEITHER THE MANAGER NOR THE INVESTMENT MANAGER IS REQUIRED TO REGISTER, AND IS NOT REGISTERED, AS A COMMODITY POOL OPERATOR UNDER THE CEA. CONSEQUENTLY, UNLIKE A REGISTERED COMMODITY POOL OPERATOR, NEITHER THE MANAGER NOR THE INVESTMENT MANAGER IS REQUIRED TO PROVIDE SUBSCRIBERS FOR SHARES WITH A DISCLOSURE DOCUMENT OR CERTIFIED ANNUAL REPORT MEETING THE REQUIREMENTS OF THE CFTC RULES OTHERWISE APPLICABLE TO REGISTERED COMMODITY POOL OPERATORS. THIS MEMORANDUM HAS NOT BEEN, AND IS NOT REQUIRED TO BE, FILED WITH THE CFTC, AND THE CFTC HAS NOT REVIEWED OR APPROVED THIS MEMORANDUM OR THE OFFERING OF SHARES.

THE SHARES ARE SUITABLE ONLY FOR SOPHISTICATED INVESTORS WHO DO NOT REQUIRE IMMEDIATE LIQUIDITY FOR THEIR INVESTMENTS, FOR WHOM AN INVESTMENT IN THE FUND DOES NOT CONSTITUTE A COMPLETE INVESTMENT PROGRAM AND WHO FULLY UNDERSTAND AND ARE WILLING TO ASSUME THE RISKS INVOLVED IN THE FUND’S INVESTMENT PROGRAM. THE FUND’S INVESTMENT PRACTICES, BY THEIR NATURE, MAY BE CONSIDERED TO INVOLVE A SUBSTANTIAL DEGREE OF RISK. SUBSCRIBERS FOR SHARES MUST REPRESENT THAT THEY ARE ACQUIRING THE SHARES FOR INVESTMENT.

THE SHARES HAVE NOT BEEN FILED WITH OR APPROVED OR DISAPPROVED BY ANY REGULATORY AUTHORITY OF THE UNITED STATES OR ANY STATE THEREOF, NOR HAS ANY SUCH REGULATORY AUTHORITY PASSED UPON OR ENDORSED THE MERITS OF THIS OFFERING OR THE ACCURACY OR ADEQUACY OF THIS PRIVATE PLACEMENT MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL. THERE WILL BE NO PUBLIC OFFERING OF THE SHARES IN THE UNITED STATES.

THIS MEMORANDUM HAS BEEN PREPARED SOLELY FOR THE INFORMATION OF THE PERSON TO WHOM IT HAS BEEN DELIVERED BY OR ON BEHALF OF THE FUND, AND SHOULD NOT BE REPRODUCED OR USED FOR ANY OTHER PURPOSE.

THE FUND MAY ACCEPT INVESTMENTS FROM EMPLOYEE BENEFIT PLANS SUBJECT TO PART 4 OF TITLE I OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (**ERISA**), PLANS OR ACCOUNTS SUBJECT TO SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE **CODE**), INSURANCE COMPANY GENERAL AND SEPARATE ACCOUNTS AND ENTITIES THE UNDERLYING ASSETS OF WHICH INCLUDE PLAN ASSETS (I.E. “BENEFIT PLAN INVESTORS” AS DEFINED UNDER ERISA). HOWEVER, THE FUND DOES NOT ANTICIPATE THAT ITS ASSETS WILL BE SUBJECT TO TITLE I OF ERISA OR SECTION 4975 OF THE CODE, BECAUSE IT INTENDS TO LIMIT INVESTMENTS IN THE FUND BY BENEFIT PLAN INVESTORS. GENERALLY, ASSETS OF AN ENTITY LIKE THE FUND WILL NOT BE SUBJECT TO TITLE I OF ERISA OR SECTION 4975 OF THE CODE, IF BENEFIT PLAN INVESTORS OWN LESS THAN 25 PER CENT OF THE VALUE OF ANY CLASS OF EQUITY INTERESTS IN THE FUND, EXCLUDING FROM THIS CALCULATION ANY NON-BENEFIT PLAN INVESTOR INTERESTS HELD BY THE INVESTMENT MANAGER AND CERTAIN AFFILIATED PERSONS OR ENTITIES. NO SUBSCRIPTIONS FOR SHARES MADE BY BENEFIT PLAN INVESTORS WILL BE ACCEPTED AND NO TRANSFERS OF SHARES WILL BE PERMITTED TO THE EXTENT THAT THE INVESTMENT OR TRANSFER WOULD RESULT IN THE FUND’S ASSETS BECOMING SUBJECT TO TITLE I OF ERISA OR SECTION 4975 OF THE CODE. IN ADDITION, BECAUSE THE 25 PER CENT LIMIT IS TO BE CALCULATED UPON EVERY SUBSCRIPTION TO OR REDEMPTION FROM THE FUND, THE FUND HAS THE AUTHORITY TO REQUIRE THE COMPULSORY REDEMPTION OF SHARES OF ANY CLASS TO ENSURE THAT THE FUND IS NOT SUBJECT TO TITLE I OF ERISA OR SECTION 4975 OF THE CODE.

GENERALLY: THE DISTRIBUTION OF THIS MEMORANDUM AND THE OFFERING OF SHARES MAY BE RESTRICTED IN CERTAIN JURISDICTIONS. THE ABOVE INFORMATION IS FOR GENERAL GUIDANCE ONLY, AND IT IS THE RESPONSIBILITY OF ANY PERSON OR PERSONS IN POSSESSION OF THIS MEMORANDUM AND WISHING TO MAKE APPLICATION FOR SHARES TO INFORM THEMSELVES OF, AND TO OBSERVE, ALL APPLICABLE LAWS AND REGULATIONS OF ANY RELEVANT JURISDICTION. PROSPECTIVE APPLICANTS FOR SHARES SHOULD INFORM THEMSELVES AS TO LEGAL REQUIREMENTS ALSO APPLYING AND ANY APPLICABLE EXCHANGE CONTROL REGULATIONS AND APPLICABLE TAXES IN THE COUNTRIES OF THEIR RESPECTIVE CITIZENSHIP, RESIDENCE OR DOMICILE.

THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER OR SOLICITATION TO ANY PERSON IN ANY JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION IS NOT AUTHORISED OR TO ANY PERSON TO WHOM IT WOULD BE UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION.

NOTICE TO FLORIDA PURCHASERS:

THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE FLORIDA SECURITIES ACT IN RELIANCE UPON AN EXEMPTION THEREFROM. ANY SALE MADE PURSUANT TO SUCH EXEMPTION IS VOIDABLE BY A FLORIDA PURCHASER WITHIN THREE (3) DAYS AFTER THE FIRST TENDER OF CONSIDERATION IS MADE BY SUCH PURCHASER TO THE ISSUER, AN AGENT OF THE ISSUER OR AN ESCROW AGENT, OR WITHIN THREE (3) DAYS AFTER THE AVAILABILITY OF THAT PRIVILEGE IS COMMUNICATED TO THE PURCHASER, WHICHEVER OCCURS LATER.

ALL REFERENCES HEREIN TO “DOLLARS” AND “\$” ARE TO UNITED STATES DOLLARS.

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Ref: Crypto Currency Fund -
609709/RZJ

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SUMMARY

This summary of certain provisions of this Information Memorandum (“Memorandum”) is intended only for quick reference, is neither complete nor exact and is qualified in its entirety by reference to the more detailed information appearing elsewhere in this Memorandum and the documents attached hereto. Certain provisions of the Memorandum and Articles of Association of the Fund and other documents are summarized in this Memorandum, but it should not be assumed that the summaries are complete and such summaries are qualified in their entirety by the contents of the documents which they purport to summarize.

The Fund

Crypto Currency Fund is an open-end investment company organized as an exempted company limited by shares, with limited liability, under the laws of the Cayman Islands. The Fund was initially incorporated on January 17, 2005 under the name Tera Capital Fund and made its first investment on April 28, 2005.

Investment Manager

Enneking Asset Management (formerly known as Altima Asset Management), an asset management company incorporated as an exempted company limited by shares, with limited liability, under the laws of the Cayman Islands, with its registered office at the offices of Harneys Services (Cayman) Ltd. 4th Floor, Harbour Place, 103 South Church Street, George Town, PO Box 10240, Grand Cayman, KY1-1502, Cayman Islands, serves as investment manager to the Fund. The Investment Manager has been granted full discretionary authority and responsibility to implement the investment objectives of the Fund and to manage the assets of the Fund pursuant to the Investment Manager Agreement. Timothy Enneking serves as the sole director and investment principal of the Investment Manager; in addition, Timothy Enneking, along with Alexander Polykovskiy serves as a member of the Board of Directors of the Fund. As such, Mr. Enneking is the individual primarily responsible for directing the investment of the Fund’s assets.

Other Managed Funds and Accounts

The Investment Manager, any of its principals, and their respective affiliates may serve as investment managers or advisors to other investment funds and managed accounts in the future, certain of which may employ investment strategies that are substantially similar to the investment strategy employed by the Fund. See “*Risk Factors – Conflicts of Interest*”.

The Offering

The Fund is authorized to issue 5,000,000 common shares, which are divided into 100 non-participating voting common shares, U.S.\$0.01 par value (each, a “Management Share”) and 4,999,900 Redeemable, Participating, Non-Voting undesignated Common Shares, U.S.\$0.01 par value, to be issued in such classes or series as the Board of Directors of the Fund may determine. Shares of a class issued from time to time may be denominated as separate series of such class for purposes of accruing the Performance Fee (as defined herein) applicable to such Shares (or for other purposes in the Fund’s discretion). The Fund may issue fractional Shares under certain circumstances. See “*Description of Common Shares*”.

All Class A Common Shares in issue as at 31 March 2014 were compulsorily redeemed and the redemption proceeds otherwise payable in respect of the redemption applied in-specie to the subscription for Class B Common Shares (hereinafter, the “Shares” or “Common Shares”) at a price per Share equal to the Net Asset Value per Share of the Class A Common Shares at 31 March 2014 (the “**Commencement Date**”). The Class A Common Shares were therefore consolidated into and redesignated as the Class B Common Shares issued on the Commencement Date.

The Directors have determined that no subscription charge shall be payable in respect of any in-specie subscription for Class B Common Shares in such circumstances.

In addition, the Directors have also determined that as from the Commencement Date the Fund shall issue Class B Common Shares (hereinafter, the “Shares” or “Common Shares”) in series. The first series of Class B Common Shares will be issued on the Commencement Date and thereafter, subject to the provisions of this Memorandum, a new series of Class B Common Shares will be issued at each subsequent subscription.

Offering Price

Subscriptions for Shares may be made on the first Business Day of a calendar month (or at such other time as the Fund may determine), at each issue date, at a price per Share equal to the Net Asset Value per Share as of the last Business Day of the prior calendar month, subject to any sales or subscription charges. See “*Offering Price*”.

The Directors have further determined that, in respect of the initial offering of Class B Common Shares, the price per share at which Class B Common Shares are issued on the Commencement Date, will for the purposes of calculating the Performance Fee be deemed the Net Asset Value per Share at the time of subscription, against which any increase in Net Asset Value per Share shall be assessed. By doing so the Directors intend to “reset” performance of the Class B Common Shares, enabling them to better track the performance of the revised investment strategy.

Following the Commencement Date, Class B Common Shares will be issued as of the first Business Day of a calendar month (or at other times, in the discretion of the Fund), at a price per Share equal to the Net Asset Value (as defined herein).

Subscription for Common Shares

The minimum initial subscription by a shareholder is U.S.\$10,000. A sales charge of two percent (2%) of the subscription amount may be payable upon subscription of the Shares. An existing shareholder may purchase additional Common Shares on the first Business Day of any month (or at other times, in the discretion of the Fund). See “*Offering Price*”. The Fund reserves the right to reject a subscription, or any portion thereof, or to terminate the

offering of Common Shares at any time. See “*Subscription for Common Shares*”.

A duly completed Subscription Agreement must be received by the Administrator (as defined below) not less than five (5) business days prior to the desired purchase date for Common Shares, first by facsimile with the original to follow by courier, together with subscription funds delivered by wire transfer received by the Administrator not less than two (2) business days prior to the desired purchase date for Common Shares, unless other payment arrangements are expressly accepted by the Fund. See “*Subscription for Common Shares*”.

Eligible Investors

The Common Shares will be offered from time to time on a private basis only to a select number of institutional and individual investors that meet applicable regulatory requirements. Any investor who is a U.S. Person must be an “accredited investor”, as defined in SEC Regulation D promulgated under the Securities Act; and a “qualified purchaser” as defined in the Investment Company Act. See “*Eligible Investors*”.

Investment Objective and Strategy

The Fund operates as an open-end investment company with the investment objective of investing in crypto currencies (primarily, bitcoin, but also litecoin, namecoin, mastercoin and other present and future crypto currencies) and similar items, both directly and through other vehicles, as well as other investments in the crypto currency space. The strategy will be implemented using three main approaches: (1) long-term buy-and-hold, (2) mid-term trading on fundamental information and technical trends, and (3) short-term trading, up to and including day trading. Implementation will take place on established crypto currency exchanges, aggregators, OTC, through other funds and any other current or future mechanisms. For the purposes of this Memorandum, the term “trading” shall include (but not be limited to) any investment in, divestment of, exchange for value or other commercial transaction for or with crypto currencies with third parties. See “*Investment Objective and Strategy*”. An investment in the Fund involves significant risks. There is no assurance that the Fund will achieve its investment objective or be profitable. See “*Risk Factors*”.

Risk Factors

An investment in the Common Shares is subject to various risks, including, without limitation, the Fund’s investment strategy, the use of certain investment techniques, certain conflicts of interest and the illiquid nature of the Common Shares. There can be no assurance that the Fund will be profitable or that it will not incur losses. See “*Risk Factors*”.

Performance Fee

The Investment Manager will receive a quarterly Performance Fee equal to twenty percent (20%) of the increase in the Net Asset Value of each Share over the Net Asset Value per Share of the Fund during each quarter. No Performance Fee with respect to a Share will be due, however, as to a Net Asset Value increase with

respect to such Share unless, and only to the extent that, such increase in Net Asset Value on the date of valuation exceeds the lesser of the Net Asset Value per Share at the time of subscription for such Share (which, in respect of the initial offering of Class B Common Shares, shall be the price per share of the Class B Common Shares issued at the Commencement Date; and thereafter the Net Asset Value per Share of Class B Common Shares) or the Net Asset Value per Share at the time the last Performance Fee was assessed against such Share. See “*Fees and Expenses – Performance Fee*”.

Management Fee

The Investment Manager will receive a separate management fee for the management and administrative services it provides to the Fund.

Redemption of Common Shares

A holder of Common Shares has the right to redeem each month all or any part of such Common Shares on a Redemption Date, at a redemption price equal to the Net Asset Value per Share as of the close of business on the Redemption Date, after giving effect to certain adjustments. A redemption request, specifying the desired Redemption Date, must be received in writing by the Administrator at least thirty (30) days prior to the Redemption Date. Subject to the receipt of the original redemption request by the Administrator, payment for Common Shares so redeemed shall be made not later than thirty (30) days following the Redemption Date; except that the Board of Directors may elect in their sole discretion to make payment with respect to 90% of the value of the Common Shares so redeemed no later than thirty (30) days following such Redemption Date, with the balance paid within ninety (90) days after the Redemption Date. No interest will be paid on any redemption amounts from the Redemption Date to the date of full payment. The Fund may settle any redemptions in kind.

Redemptions by a shareholder prior to six months from the date of his initial purchase of Common Shares will be subject to an early redemption fee equal to 5% of the amount redeemed, which fee shall be deducted from the redemption payment and shall be payable to the Fund.

A redemption of a portion of a holder’s Common Shares will only be permitted if (i) such Common Shares being redeemed have a total net asset value of not less than U.S. \$5,000; and (ii) immediately after such redemption, the aggregate Net Asset Value of the remaining Common Shares owned by the holder is at least equal to the lesser of the total Net Asset Value of the holder’s Common Shares at the time of purchase or U.S.\$10,000, unless such restrictions are waived by the Fund’s directors in their discretion.

The Fund has the right to redeem Common Shares at any time, for any reason. See “*Redemption of Common Shares*”.

Administrator

Maples Fund Services (Cayman) Limited, a licensed trust company and mutual fund administrator headquartered in the Cayman Islands, is the administrator of the Fund (the “Administrator”). Maples Fund Services (Cayman) Limited also provides principal office services to the Fund in accordance with section 4(1)(b) of the Mutual Funds Law (revised) of the Cayman Islands. The Fund may change administrators to another administrator licensed under Cayman law or discontinue the use of an administrator, if permitted by Cayman law. See “*Agents of the Fund – Administrator*”.

Dividends

In view of the investment objective of the Fund, it is the present policy of the Fund to reinvest any dividends or other income it receives. Accordingly, shareholders are unlikely to receive current income on their Common Shares.

Valuation of Assets

The Fund calculates the value of the Fund’s assets no less frequently than monthly, in accordance with the guidelines set forth in “*Calculation of Net Asset Value Per Share*”.

Tax Considerations

The Fund has been advised by its Cayman Islands counsel, Harney Westwood & Riegels, that there are at present no corporation, income, capital gains, profits or other income taxes in the Cayman Islands that would apply to the Fund or its shareholders. Based on the Fund’s organizational structure, anticipated methods of operation and features as described herein, the Fund generally should not be subject to U.S. federal income tax (other than a 30% tax on certain types of income from U.S. sources, including, primarily, dividends and certain interest income, which tax is generally withheld by the U.S. payor of such income). Shareholders of the Fund who are not otherwise subject to U.S. taxation should not become subject to any such taxation by reason of their investment in Shares of the Fund. Distributions made by the Fund (including distributions made in redemption of Shares) to U.S. tax-exempt investors should not constitute unrelated business taxable income to such investors provided that they have not incurred indebtedness to acquire Shares of the Fund.

US investors that are subject to U.S. federal income taxation will be subject to the so-called “excess distribution” regime that is applicable to passive foreign investment companies, with the result that such persons may have serious and unusual tax consequences by reason of an investment in the Fund.

Potential shareholders should consult their own advisors regarding tax treatment by the jurisdiction applicable to them. Shareholders should rely only upon advice received from their own tax advisors based upon their own individual circumstances and the laws applicable to them.

Operating Expenses

All fees and expenses (including, without limitation, any brokerage costs payable on the purchase or sale of investments, interest on borrowings and fees in respect thereof, statutory or government fees, annual registration fees, service provider fees, costs associated with the preparation and distribution of the financial statements of the Fund and any other general operating and administrative costs and expenses) will be borne by the Fund.

Fiscal Year

The fiscal year of the Fund is the calendar year, subject to change in the discretion of the directors of the Fund.

Auditors

The Fund has retained McGladrey & Pullen, Cayman to serve as the Fund's independent certified public accountants. Such firm will audit the financial statements of the Fund, in accordance with generally accepted accounting principles, for each fiscal year of the Fund. The Directors of the Fund have the right to change the auditing and accounting firms for the Fund.

Distribution Arrangements

The Investment Manager may utilize third parties to assist in the solicitation of new investors in the Fund. Unless a selling commission is expressly agreed to by an investor, any fees paid to such parties for such services will be borne by the Investment Manager and will not reduce the investment of any purchaser of Shares. All subscribed funds will be invested in the Fund.

Additional Information

Prospective shareholders are invited to meet with representatives of the Investment Manager for a further explanation of the terms and conditions of this offering of Common Shares and to obtain any additional information necessary to verify the information contained in this Memorandum, to the extent the Investment Manager possesses such information or can acquire it without unreasonable effort or expense.

THE FUND

Crypto Currency Fund (the “Fund”) has been organized under the laws of the Cayman Islands as an exempted company limited by shares, with limited liability. The Fund is as an administered mutual fund under Section 4(1) of the Mutual Funds Law (revised) of the Cayman Islands (the “Funds Law”). The Fund is constituted for an indefinite period. The Fund’s registered office in the Cayman Islands is situate at the offices of Harneys Services (Cayman) Ltd. 4th Floor, Harbour Place, 103 South Church Street, George Town, PO Box 10240, Grand Cayman, KY1-1502, Cayman Islands. The Fund’s principal office is at the offices of the Administrator. The rights and obligations of shareholders of the Fund are determined by its Memorandum of Association and Articles of Association, as filed with the Registrar of Companies, Cayman Islands. The Fund’s Board of Directors has the authority to create new classes, series or sub-series of Common Shares of the Fund with different rights and restrictions than those currently offered by the Fund.

The investment manager to the Fund is Enneking Asset Management (formerly known as Altima Asset Management) (the “Investment Manager”). The Investment Manager has been granted full discretionary authority and responsibility to implement the investment objectives of the Fund and to manage the assets of the Fund pursuant to an amended and restated management agreement, dated 31 March 2014, by and between the Fund and the Investment Manager as it was formerly known (the “Investment Manager Agreement”). Timothy Enneking serves as the principal of the Investment Manager as well as on the Board of Directors of the Fund, together with Alexander Polykovskiy. As such, Messrs. Polykovskiy and Enneking are the individuals primarily responsible for directing the investment of the Fund’s assets. See “*The Investment Manager*”.

INVESTMENT OBJECTIVE AND STRATEGY

General

The Fund operates as an open-end investment company. The investment objective of the Fund is to achieve higher annual growth through exposure to crypto currencies than that generated by the currencies' appreciation versus the US Dollar. The investment objective of the Fund shall be deemed to include the management and/or disposal of assets of the Fund in any wind down situation of the Fund.

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

The Fund will seek to achieve the investment objective by investing in crypto currencies (primarily, bitcoin, but also litecoin, namecoin, mastercoin and other present and future crypto currencies) and similar items, both directly and through other vehicles, as well as other investments in the crypto currency space. The strategy will be implemented using three main approaches: (1) long-term buy-and-hold, (2) mid-term trading on fundamental information and technical trends, and (3) short-term trading, up to and including day trading. Implementation will take place on established crypto currency exchanges, aggregators, OTC, through other funds and any other current or future mechanism. The Fund may, from time to time, utilize the services of one or more consulting firms to provide research, investment data and portfolio management services to the Fund. For the purposes of this Memorandum, the term “trading” shall include (but not be limited to) any investment in, divestment of, exchange for value or other commercial transaction for or with crypto currencies with third parties.

The Fund may periodically maintain all or a portion of its assets in money market instruments and other cash equivalents and may not be fully invested at all times.

The Fund has not adopted fixed guidelines for diversification of its investments and may be heavily concentrated, at any time, in a limited number of investments or strategies. It is anticipated that most of the Fund (80-90% initially) will be buy and hold. Given the market for trading of crypto

currencies is still relatively new and underdeveloped, the Investment Manager intends to adopt a more conservative approach and, initially, investment is expected to be heavily concentrated in bitcoins as opposed to other form of crypto currency, since bitcoins are by comparison to other forms generally more liquid. However, investors should be aware that such concentration necessarily increases the degree of the Fund's exposure to a variety of issuer-related and market risks. By concentrating investments in a single issuer and, indirectly, in a single underlying investment, any losses in respect of such investment can be expected to materially reduce the value of the Fund's asset base and will not be offset by other gains. Use of Leverage by the Fund

Leverage generally involves the use of borrowed funds to increase the amount of capital available for investment purposes. The Fund may utilize leverage to increase the amount of capital available for investment purposes. In addition, the Fund may borrow on a temporary basis to facilitate redemptions.

Through the utilization of leverage, the Fund may obtain additional (borrowed) capital in an amount significantly greater than the Fund's existing capital. The actual amount of leverage to be utilized by the Fund, which is likely to vary over time, shall be determined by the Investment Manager in its discretion (subject to any credit limitations imposed by lenders and/or counterparties). Such varying amounts of leverage may be expected to have a material impact on the Fund's performance, as well as its risk of loss.

Leverage may be obtained through borrowings directly from lenders or through swap agreements, options or other derivative instruments (or through a combination of such methods). The lender or counterparty on any swap, option or other derivative instrument may be any entity or institution that the Investment Manager determines to be creditworthy.

As a condition to providing the Fund with additional capital, the Fund's lenders ("Lenders") may require the Fund to pledge all or a substantial portion of the Fund's assets as collateral. In addition, Lenders may impose various covenants and restrictions on the Fund as a result of which they may exercise a substantial degree of control over the Fund's investment activities and the Fund's assets. Such covenants and restrictions may, among other things, have the effect of: restricting the ability of the Investment Manager to fully implement the Fund's investment strategy in the manner that it deems appropriate; restricting the ability of the Fund to transfer and dispose of its assets; restricting the ability of the Investment Manager to take other actions to protect the Fund's assets; restricting the ability of the Fund to declare or make distributions of its assets to shareholders; restricting the ability of the Fund's Board of Directors and shareholders to adopt and implement changes to the Fund's investment activities and organizational documents. The failure of the Fund to satisfy such covenants and restrictions could result in an event of default under a loan arrangement. Upon an event of default, a Lender may require the Fund to liquidate certain investment positions in an untimely or otherwise adverse manner, and may be entitled to take possession of all or a portion of the Fund's assets, and/or may have the right to take other actions which could have an adverse impact on the Fund or its assets.

The Fund would be charged interest by Lenders for borrowings and required to pay or reimburse Lenders for various expenses.

The Board of Directors may, from time to time without the consent of the Fund's shareholders, enter into, and modify the terms of, loan arrangements on behalf of the Fund. Furthermore, the Board of Directors, in its discretion, may terminate the Fund's current loan arrangement or obtain additional or alternative credit facilities or other loan arrangements on behalf of the Fund from the Fund's current lender or from other lenders.

Direct Investments

Cash Positions. As a defensive strategy, the Fund may invest in a variety of cash equivalents or money market instruments. Accordingly, the Fund may not be fully invested at all times.

Holding Periods. The holding periods for the Fund's direct positions may vary substantially, with periods ranging from one day to more than several years.

Direct Investment Technique

The Investment Manager may choose to employ a broad variety of direct investment techniques in furtherance of its investment strategy. These could include the use of short selling, leverage, options and hedging. The Investment Manager may also employ other techniques and instruments in furtherance of the Fund's investment strategy.

Short Selling. Short positions may involve both investment and trading situations, where the Investment Manager, on the basis of its methodology, believes the security sold short is likely to decline in price, and hedging situations, where the position is intended to wholly or partially offset another position in a related security or to limit portfolio exposure to a particular risk or risks. Selling securities short involves selling securities that the Fund does not own. In order to make delivery to its purchaser, the Fund must borrow securities from a third party lender. The Fund subsequently returns the borrowed securities to the lender by delivering to the lender securities purchased in the open market. The Fund must generally pledge cash with the lender equal to the sales proceeds of the borrowed securities as well as any additional cash or securities required as collateral under applicable margin regulations. The Fund will generally realize a profit (or a loss) as a result of a short sale if the price of the security decreases (or increases) between the date of the short sale and the date on which the Fund covers its short position, *i.e.*, purchases the security to replace the borrowed security, at a cost less than (or greater than) its cost of establishing and maintaining its short position.

Options and Other Instruments. The Fund may engage in various types of options transactions, including hedging positions in options on securities, indices and other investments, including both put and call options. In certain situations, the Fund may purchase put options as an alternative (in whole or in part) to establishing a short position. The Fund may write or sell options on securities and other instruments, whether or not such options are covered. An option written by the Fund is "covered" if (in the case of a call option) the Fund owns the security, currency or other instrument underlying the option or has a right to acquire such underlying instrument without additional cash consideration (or for additional cash consideration held in a segregated account) or (in the case of a put option) the Fund has an equivalent short position, or offsetting long put position, in the underlying instrument.

Although there is no absolute prohibition against uncovered options transactions by the Fund, the Investment Manager is fully cognizant of the risks associated with such transactions. Accordingly, uncovered options transactions will be engaged in on a limited basis and not as an integral or major part of the Investment Manager's investment strategy.

Forwards, Swaps, Other Derivatives and Securities Lending. The Investment Manager may utilize forwards, swaps and a broad variety of derivatives and other financial instruments, and may engage in securities lending transactions, in furtherance of the Fund's investment objective. One or more of these instruments and transactions may be employed in order to increase return, as a partial or complete hedge against other Fund positions or against certain market or interest rate risks or as part of arbitrage or other trading strategies. Such instruments and transactions will generally be established through a negotiated contract entered into by the Fund with a financial counterparty. Such instruments are generally illiquid with no trading market.

In connection with such instruments and transactions (other than those where the Fund is lending its portfolio securities to a counterparty), the Fund will generally be required to deliver eligible collateral to the counterparty, typically consisting of cash, securities or other instruments held in the Fund's portfolio. In the event of a default by the Fund or other prescribed events, the counterparty may use, assign and/or liquidate the collateral and/or require the Fund to provide additional collateral.

With respect to those transactions where the Fund is lending its portfolio securities to a counterparty, the counterparty, rather than the Fund, is required to deliver eligible collateral, typically in cash or U.S. government securities, maintained on a current basis at an amount at least equal to the market value of the securities loaned by the Fund. In the event the counterparty encounters financial difficulties, or breaches its agreement with the Fund, there may be a loss, or a delay in the recovery, of the portfolio securities loaned by the Fund.

Other Investment Techniques. The Investment Manager Agreement authorizes the Investment Manager to utilize a broad variety of investment techniques in furtherance of the Fund's investment strategy. Accordingly, such possible investment techniques to be utilized by the Fund will not necessarily be limited to those described above.

Risk Management

The Investment Manager applies risk controls in the management of the Fund's portfolio. The Investment Manager uses a variety of ongoing risk management policies and practices, including monitoring and adjustment of portfolio exposure and diversification; and real-time portfolio evaluation. Notwithstanding these risk management practices, the Fund's investment strategy inherently involves certain significant risks. See "*Risk Factors*" below. Moreover, there can be no assurance that the above practices will necessarily be applied in all cases, or if applied, will successfully limit risk to acceptable levels.

There is no assurance that the Fund's investment objective will be realized or that the Fund will be profitable.

RISK FACTORS

All securities investments risk the loss of capital. There can be no assurance that the Fund will be profitable or that it will not incur losses. Prospective investors should, among other matters, consider the risks summarized below before investing in Common Shares. An investment in the Fund is speculative, involves a high degree of risk, and is suitable only for persons who are willing and able to assume the risk of losing their entire investment.

General Risks

Dependence on Principal of Investment Manager. The success of the Fund critically depends upon the efforts of Tim Enneking as the principal of the Investment Manager and Directors of the Fund. In the event that Mr. Enneking ceases to be responsible for Fund investments for any reason, and although other personnel of the Investment Manager may be available to continue operations, the operations of the Fund could be adversely affected. See "*The Investment Manager*". The principal of the Investment Manager may have significant business responsibilities in addition to those of the Fund. See "*Conflicts of Interest*".

Alternative Investing. The Fund is designed for investors seeking potential long-term growth from a variety of investment strategies, who do not require regular current income and who can accept a high degree of risk in their investments. The Fund may be deemed both speculative in nature and not a complete or totally diversified investment program. The Fund is intended for investment solely by sophisticated investors who are accustomed to, and fully understand the risks of, such investments and who are able to bear a substantial or complete loss of their investment in the Fund (including any appreciation thereto).

No assurance can be given that the Fund will achieve its goals or investment objectives.

Economic Conditions. The success of any investment activity, including the Fund, will be affected by general economic conditions, that may affect the level and volatility of interest rates and the extent and timing of participation in the equity markets. Unexpected volatility or illiquidity in the markets in which the Fund holds positions could impair the Fund's ability to carry out its business or cause it to incur losses. None of these conditions is within the control of the Investment Manager and no assurances can be given that the Investment Manager will anticipate these developments.

Substantial Withdrawals. Substantial withdrawals by investors in the Fund within a short period of time could require the Investment Manager to arrange for the securities positions of the Fund to be liquidated at an inappropriate time or on unfavorable terms, which could adversely affect the Net Asset Value of the Shares.

Institutional Risk. The institutions, including brokerage firms and banks, with which the Fund (directly or indirectly) does business, or to which securities have been entrusted for custodial and prime brokerage purposes, may encounter financial difficulties that impair the operational capabilities or the capital position of the Fund. Brokers may trade with an exchange as a principal on behalf of the Fund, in a "debtor-creditor" relationship, unlike other clearing broker relationships where the broker is merely a facilitator of the transaction. Such broker could, therefore, have title to all of the assets of the Fund (for example, the transactions which the broker has entered into on behalf of the Fund as principal as well as the margin payments which the Fund provides). In the event of such broker's insolvency, the transactions which the broker has entered into as principal could default and the Fund assets could become part of the insolvent broker's assets, to the detriment of the Fund. In this regard, the Fund's assets may be held in "street name" such that a default by the broker may cause the Fund's rights to be limited to that of an unsecured creditor.

FATCA. Sections 1471 through 1474 of the US Internal Revenue Code (referred to as "FATCA") generally will impose a withholding tax of 30 per cent. on certain gross amounts not effectively connected with a US trade or business paid to certain non-US entities, such as the Fund, unless various information reporting requirements are satisfied. Amounts subject to withholding under these rules generally include gross US-source dividend and interest income paid on or after January 1, 2014, gross proceeds from the sale of property that produces US-source dividend or interest income paid on or after January 1, 2017 and certain other payments made by "participating foreign financial institutions" to "recalcitrant account holders" on or after January 1, 2017 (so called "foreign pass thru payments"). To avoid withholding under FATCA, the Fund will be required to comply with certain information reporting and disclosure requirements including, among other things, entering into an agreement with the IRS and requesting additional information from each investor and its beneficial owners that may be disclosed to the IRS. The Fund cannot guarantee that they will be able to satisfy such requirements. If the Fund is not able to comply with such reporting and disclosure requirements (whether due to a failure of one or more investors to provide adequate information or otherwise), the 30 per cent. withholding tax under FATCA could apply to the Fund.

In addition, certain Non-US Shareholders will also be required to enter into an agreement with the IRS and disclose certain information regarding their beneficial owners to the IRS. If such Non-US Shareholders fail to provide such information or enter into such an agreement with the IRS as required under FATCA, the Fund may be required to impose a withholding tax of 30 per cent. on certain payments made to such Non-US Shareholders and also may be required to terminate such Non-US Shareholder's investment in the Fund.

Shareholders are encouraged to consult their own advisors regarding the possible application of FATCA, and the proposed regulations issued thereunder, to the Fund, and regarding the potential impact of FATCA, and the proposed regulations issued thereunder, on the shareholders' investment in the Fund]

Risks Relating to Investment Strategy

Investments by the Investment Manager

There are risks inherent in the direct investments that may be made by, and other strategies that may be employed by, the Investment Manager and the Fund. Such risks include, but are not limited to, the following, all of which apply to direct investments by the Investment Manager (the Investment Manager is sometimes referred to herein as “Manager”):

Virtual currency risks. Cryptocurrency is a peer-to-peer, decentralized, digital currency whose implementation relies on the principles of cryptography to validate the transactions and generation of the currency itself. As such the creation and usage of crypto currency is not regulated or licensed and is subject to high levels of volatility and market abuse. Crypto currency exists entirely in electronic form. Crypto currencies are held on personal hard drives or third-party servers, and as such are susceptible to all of the risks inherent in holding any electronic data, such as power failure, data corruption, security breach, communication failure and user error. As such crypto currencies are subject to theft, destruction or loss of value from hackers, corruption or technology specific factors such as viruses that do not affect traditional currency, which is underwritten by central banks and monetary authorities.

Further, there can be no assurance that the computer code underlying crypto currencies and their generation will not turn out to be flawed, resulting in unanticipated gluts of new crypto currencies or the corruption of existing holdings of crypto currencies.

Transactions in crypto currencies are recorded and authenticated not by a central repository, but by a peer-to-peer network. While decentralization avoids certain common threats to computer networks (*e.g.*, denial of service attacks), the use of a peer-to-peer system relies on participants in the crypto currency network having greater numbers and computing power than coordinated attackers. This authentication strategy necessitates investment in substantial amounts of computing power, which in turn increases the burdens on participants in the crypto currency network to stay ahead of attackers. Prospective investors should be aware that, if and as the popularity of crypto currency increases, the burdens on participants in the crypto currency network (which are defrayed by transactional costs) can be expected to increase, reducing the value of the Fund’s investments.

Transactions in crypto currencies also provide a high degree of anonymity, meaning they may be misused for criminal activities, including money laundering. This misuse could lead law enforcement agencies to close exchange platforms at short notice and prevent consumers from accessing or retrieving any funds that the platforms may be holding for them.

Volatility in value. The prices of crypto currencies have been subject to periods of excessive volatility in the recent past, and such periods can be expected to recur. Price movements may be influenced by many unpredictable factors, such as government regulation of crypto currencies and the persons and entities that transact in crypto currencies, market sentiment, inflation rates, interest rate movements, crises in government-backed currencies and general economic and political conditions. Such volatility may not only impact the value an investor receives upon withdrawal from the Fund, but may also adversely affect the widespread adoption of crypto currencies as a currency, which in turn could adversely affect the value and liquidity of the Fund’s investments. *Limited or non-existent consumer/user rights.* Currently, there are no specific regulatory protections in place that would protect consumers from financial losses if a platform that exchanges or holds virtual currencies fails or goes out of business. Such a situation could result in a total and complete loss of the consumer’s store of value, with no right of recovery or recompense. Whilst consumers can require banks to refund and reverse transactions that they did not authorise, crypto currency transactions are inherently irreversible.

Limited liquidity of crypto currency. As of the date hereof, crypto currencies are not legal tender in any jurisdiction. This means that crypto currencies may only be used in transactions with counterparties that are willing to accept crypto currencies or must be converted into legal tender. The value of the Fund's investments will be adversely affected to the extent the -Fund or its brokers are unable to locate a buyer or exchanger for the crypto currencies held by the Fund.

Lack of recognition. Crypto currencies are a digital asset with a monetary value but which is currently not recognised as an official currency anywhere in the world. Some retailers accept payment by crypto currencies for goods and services, but most traders, have not yet put systems in place (or are reluctant) to accept crypto currency transactions. For example, the People's Bank of China, the country's central bank, recently banned financial and payment institutions from providing or accepting bitcoins.

The trading of crypto currencies is not regulated within the UK or broadly across the EU currently. Proposed new EU laws on payment services leave open the possibility of crypto currencies being regulated in future. The significant fluctuation in value of crypto currencies is acting to constrain the widespread acceptance of the digital currency by online retailers, according to some commentators. The high volatility of its value is hindering its general acceptance as a means of payments for online commerce.

Regulation risk. Regulators are currently thinking about how crypto currencies will fit into the broader payment and tax system, and what makes sense in terms of regulation. Ultimately any new regulation will raise transaction costs, potentially offsetting and/or eliminating many of the key benefits of crypto currencies. International coordination raises the risk of an uneven regulatory landscape for crypto currencies. , The development of the market for crypto currencies globally is in relative "limbo" due to regulatory uncertainty. The regulation of crypto currencies would give payment and settlement vendors greater legal certainty and allow them to invest in building payment systems that facilitate transactions made using crypto currencies. Currently because of the lack of understanding on exactly how crypto currencies should be treated, payment services incorporating crypto currencies are available only at the margins in the retail sector and predominantly so in the US only. Adoption of crypto currencies -enabled payment channels is likely to increase if the assets are recognised as currency and regulated as such.

The regulation of crypto currencies may be expected to evolve and develop. For example, although the United States Department of the Treasury does not currently regulate crypto currencies directly, it does regulate persons that accept and transmit crypto currencies on behalf of others and persons that buy or sell crypto currencies for any reason. As a result, many websites that specialized in trading crypto currencies and crypto currency trading counterparties have ceased to transact with U.S. persons. Other governments may also seek to regulate crypto currencies or those that accept and transmit crypto currencies as currency. Increasing regulation of crypto currencies and persons that transact in crypto currencies may have an adverse effect on the Fund.

The fact that crypto currencies themselves are not subject to government regulation means that some of the protections that apply to other currencies do not apply to crypto currencies. For instance, no government can be expected to bolster the value of crypto currencies in case of a crash in the value of a crypto currency.

Reclassification risk. The reclassification of crypto currencies to a private currency would mean owners may become liable for taxes, and potentially value-added or consumption tax when buying goods.

In addition, there are risks inherent in other strategies that may be employed by, the Investment Manager and the Fund from time to time.

Debt Instruments. From time to time, the Manager may invest in debt securities. Debt instruments held by the Fund will, in general, be affected by changes in interest rates that will in turn result in

increases or decreases in the market value of those instruments. The market value of debt instruments held by the Fund can be expected to vary inversely to changes in prevailing interest rates. The Manager may invest in securities rated lower than investment grade. Low-rated and comparable unrated securities likely have quality and protective characteristics that, in the judgment of a rating organization, are outweighed by large uncertainties or major risk exposures to adverse conditions, and may be predominantly speculative.

Futures. From time to time, the Manager may invest in futures. In the futures markets, initial margin deposits are typically low relative to the value of the futures contracts purchased or sold. Such low margin deposits are indicative of the fact that any futures contract trading is typically accompanied by a high degree of leverage. Low margin deposits mean that a relatively small price movement in a futures contract may result in immediate and substantial losses to the investor. For example, if at the time of purchase 10% of the price of a futures contract is deposited as margin, a 10% 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 and other transaction costs. Thus, like other leveraged investments, any purchase or sale of a commodity contract may result in losses in excess of the amount invested.

Futures positions may be illiquid because, for example, a commodity exchange may limit fluctuations in certain futures contract prices during a single day by regulations referred to as “daily price fluctuation limits” or “daily limits”. When such rules are invoked, once the price of a particular futures contract has increased or decreased by an amount equal to the daily limit, positions in such futures contract can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. Futures contract prices in various commodities occasionally have moved the daily limit for several consecutive days with little or no trading. Similar occurrences could prevent the Fund from promptly liquidating unfavorable positions and subject the Fund to substantial losses. In addition, the Fund may not be able to execute futures contract trades at favorable prices if trading volume in such contracts is low. It is also possible that an exchange or regulatory agency may suspend trading in a particular contract, order immediate liquidation and settlement of a particular contract or order that trading in a particular contract be conducted for liquidation only.

Certain commodity exchanges and regulatory agencies have established limits referred to as speculative position limits or position limits on the maximum net long or net short position which any person or group of persons may hold or control in particular futures and options. Limits on trading in options contracts also have been established by the various options exchanges. Such limits could adversely affect the operations and profitability of the Fund.

Forwards, Swaps, Repos and Other Derivatives. The Manager may utilize forwards, swap contracts repurchase agreements (“repos”) and other over-the-counter derivative instruments. Principal risks relating to the use of forwards and other such derivatives include, in the case of hedging strategies, the possible imperfect correlation between the derivative and the market value of the securities, currencies or other commodity position intended to be hedged; losses magnified by the degree of leverage (exposure) represented by the derivative; lack of a liquid secondary market for closing out the position; losses resulting from interest rate or currency movements not anticipated by the Manager; and the risk of counterparty default.

The derivatives markets are frequently characterized by limited liquidity, which can make it difficult as well as costly to close out open positions in order to either realize gains or to limit losses. Additionally, many derivatives are valued on the basis of dealers’ pricing of these instruments. However, the price at which dealers value a particular derivative and the price which the same dealers would actually be willing to pay for such derivative should the Manager require to sell such position may be materially different. Such differences can result in an overstatement of the net asset value of the Fund, and may have a materially adverse effect on the Fund, if required to sell derivative instruments in order to raise funds for margin purposes or to pay withdrawals.

The pricing relationships between derivatives and the underlying instruments on which they are based may not conform to anticipated or historical patterns, resulting in unanticipated losses.

The stability and liquidity of forwards, swaps, repurchase agreements, and other over-the-counter derivative transactions depend in large part on the creditworthiness of the parties to the transaction. If there is a default by the counterparty to a transaction, the Fund may have contractual remedies pursuant to the agreements related to the transaction; however, exercising such contractual rights may involve delays or costs, or may not be successful, which could adversely affect the Fund. It is possible that in the event of a counterparty credit default, the Fund may not be able to recover all or a portion of their investment in such derivative instrument and may be exposed to additional liability (i.e., the obligations associated with what has become an unhedged position).

Currencies. The market for a particular forward currency contract held by the Fund may be limited. Trading in the foreign currency exchange market is speculative and volatile; should interest or exchange rates move in an unexpected manner, the Fund may not achieve the anticipated benefits of forward currency contracts or could realize losses. Forward currency contracts are generally not subject to daily price fluctuation limits so that adverse market movements could continue with respect to those contracts to an unlimited extent over a period of time.

The Fund's ability to dispose of positions in forward currency contracts will depend on the availability of active markets in those instruments. As a result, no assurance can be given that the Fund will be able to utilize these contracts effectively for the purposes described above. Forward currency contracts can expose the Fund to unlimited liability due to the volatility of the currency markets and the leverage factors associated with the contracts.

The Investment Manager may invest on behalf of the Fund in contracts denominated in one currency while distributions, if any, and withdrawals will be made in another currency. A change in the value of one currency with respect to another currency such as the U.S. Dollar, for example, will result in a corresponding change in the U.S. Dollar value of the Fund's assets denominated in those currencies. Foreign currency exchange rates are determined by forces of supply and demand in foreign exchange markets. These forces are, in turn, affected by international balance of payments and other economic and financial conditions, government intervention, speculation and other factors. Foreign currency exchange rates may also be affected by affirmative government policies of intervention in the foreign exchange markets, and certain currencies may be affirmatively supported relative to the dollar by their or other governments. Changes in government policy, including a cessation of currency support intervention, may result in abrupt devaluations of such currencies.

Statistical Arbitrage. In statistical trading systems, historical analysis may indicate probabilities of price movements which are not necessary or inevitable or which may not necessarily recur in the future in a manner which will support a profitable trading strategy. Moreover, under the so-called efficient market hypothesis, if and as the securities markets disseminate and absorb relevant information more rapidly, periods of temporary stock mispricings, such as those endeavored to be exploited by statistical arbitrage strategies, may become shorter, less frequent and of lesser quantitative significance. Managers employing such systems may effectively be competing in the marketplace with numerous institutional investors for the timely identification of such opportunities and the favorable execution of resultant transactions.

Overall Investment Risk. All securities investments risk the loss of capital. The nature of the crypto-currency instruments to be purchased and traded by the Fund and the investment strategies and techniques to be employed by the Fund may increase this risk. There can be no assurance that the Fund will not incur losses. Many unforeseeable events, including, but not limited to, actions by various government agencies, and domestic and international economic and political developments, may cause sharp market fluctuations which could adversely affect the Fund's portfolio or performance.

There can be no assurance that the investments or investment techniques employed by the Fund will achieve the Fund's investment objective or that the Fund will be profitable.

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

Conflicts of Interest

There are several likely conflicts of interest between the Investment Manager, including its principal, Messrs. Enneking, and the Fund, including certain conflicts that could develop if the Investment Manager, or its affiliates, manage additional investment vehicles or accounts in the future. Among those which should be considered by each prospective shareholder are the following:

Possible Conflicts with Other Investment Vehicles or Clients. The Investment Manager and Mr. Enneking may determine to form additional investment funds or accounts employing investment strategies similar to, or different from, that of the Fund. In addition to the Fund, the Investment Manager also currently manages Altima Universal Fund, a private equity fund. Furthermore, the Investment Manager and Mr. Enneking may determine to engage in other businesses. The existence of such multiple entities, clients and accounts and businesses necessarily creates certain conflicts of interest.

The existence of multiple investment vehicles or clients may also create conflicts as to time and resource commitments on the part of the Investment Manager's personnel, including Mr. Enneking. While such persons intend to devote such time to the business of the Fund as they deem necessary, they may have other ongoing investment and business responsibilities which could have the effect of reducing the time they will devote to the investment activities of the Fund. The Investment Manager may retain additional personnel as it deems necessary.

New Investment Strategies and Related Products. From time to time, the Investment Manager or its affiliates may determine to develop new investment strategies, with a view toward offering new investment fund products to investors. Such new investment strategies may be similar in certain or many respects to the investment strategies employed by the Investment Manager's existing clients, including the Fund, and may involve the purchase and sale of some or all of the instruments and investments which comprise the portfolio of the Fund. Such new investment strategies may be "tested" by means of one or more newly established accounts or investment funds that are initially funded by capital of the Investment Manager and/or its affiliates. At all times, the Investment Manager intends to monitor the investment activities and allocations with respect to the new investment fund and the Fund and intends to operate the new investment fund in a manner that will not negatively impact the Fund.

Possible Conflicting Positions Among Strategies. There may be significant differences between the investment strategies employed by the Fund and the investment strategies employed by new investment funds established by the Investment Manager. As a result of such differences, there may be times when the Fund maintains contrary positions in the same securities as such investment fund (i.e., such investment fund may be long in a particular security position and at the same time the Fund may be short the same security position, or vice versa). There may also be times when the Fund and such investment fund may engage in contrary trades in the same security (i.e., such investment fund may purchase securities and the Fund may sell the same securities, or vice versa). The Investment Manager intends to engage in such contrary investment activities only for legitimate investment reasons deemed consistent with the investment objectives and strategies of the Fund and any such other investment funds. It is also the intention of the Investment Manager to engage in such contrary investment activities in a fair and equitable manner so as to minimize, to the extent possible, the effect on the Fund.

Valuations and Other Matters. The Fund's Administrator, under the direction of the Board of Directors and in consultation with the Investment Manager, calculates the value of the Fund's assets and the net asset value per share of each series of each class of the Shares. With respect to any investments in securities and instruments, the Administrator will rely on values reported to it by third parties including the Investment Manager. Such valuations will affect both reported investment performance of the Shares as well as the calculation of the Performance Fee payable to the Investment Manager with respect to the Shares. Under the Fund's Articles of Association, certain investments held by the Fund, such as securities that are not readily marketable or securities that lack a quoted value, are to be valued by the Board of Directors, which will afford the Board of Directors considerable discretion in determining the valuation methodology applicable to such securities.

Notwithstanding a good faith valuation estimate by the Investment Manager or other third party, the actual value of an investment by the Fund or any other asset held by the Fund may prove significantly different and such event may materially affect the Net Asset Value per Share. Prospective investors should be aware that situations involving uncertainties as to the valuation of portfolio positions could have an adverse effect on the assets of the Fund. In no event and under no circumstances shall the Administrator, the directors or officers of the Fund, the Investment Manager, or their respective agents and employees, incur any individual liability or responsibility for any determination made or other action taken or omitted to be taken by them so long as they act in good faith.

Conflicts Regarding Fees Payable to Investment Manager. The quarterly Performance Fee payable to the Investment Manager is determined and paid quarterly, based upon the increase, if any, in the Net Asset Value of each Share over the Net Asset Value per Share of the Fund during each quarter. See "*Fees and Expenses – Performance Fee*". Since the Performance Fee is determined on both realized and unrealized gains, the Investment Manager may receive a fee reflecting unrealized gains at the end of a quarter that are not subsequently recognized by the Fund. In general, the fact that the Performance Fee is based on capital appreciation of the Fund's Shares may create an incentive for the Investment Manager to make investments that are more speculative than would be the case in the absence of such a performance-based incentive fee. The Investment Manager will have the right to agree to reductions in the Performance Fee chargeable to particular shareholders, for such consideration (if any) as it deems appropriate, without notice or offering any similar opportunity to other shareholders. See "*The Investment Manager Agreement*".

New Issues. Under the Fund's current policy, shareholders that are "restricted persons", within the meaning of FINRA Rule 2790 (the "New Issue Rule"), generally do not participate in profits and losses resulting from the Fund's investment in any underwritten initial public offerings of equity securities ("New Issues"). The Fund may modify its policy with respect to New Issues, in its sole discretion. As permitted by the New Issue Rule, the Investment Manager is entitled to receive its 20% Performance Fee on any profits derived in connection with the Fund's New Issue purchases. Such an arrangement may be regarded as creating a financial conflict of interest between the Investment Manager and the shareholders. In particular, non-restricted shareholders bear the risk of possibly speculative investments in New Issues, in which the Investment Manager would have no portion of its own capital at risk but receives a Performance Fee as to any profits derived from such investments.

Possible Conflicts Regarding Brokerage Allocations. In the event that the Fund engages in direct investments, the Investment Manager may allocate brokerage on the basis of the broker's agreement to pay all or part of certain research-related expenses of the Fund, the Investment Manager and/or their respective affiliates, provided such expenses qualify for a "safe harbor" provision under Section 28(e) of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"). Accordingly, to the extent such allocations resulted in the payment by such brokers of expenses that would otherwise be borne by the Investment Manager or its affiliates, the Investment Manager would realize an economic benefit from such allocations and might be deemed to have a financial conflict of interest with the Fund.

Possible Agreements with Certain Shareholders and Other Investors. The Fund and the Investment Manager may from time to time enter into agreements with one or more shareholders whereby in consideration for agreeing to invest certain amounts in the Fund and other consideration deemed material by the Investment Manager, such shareholders may be granted favorable rights not afforded to other shareholders or investors, generally. Such rights may include one or more of the following: special rights to make future investments in the Fund, the other investment funds or managed accounts, as appropriate; special liquidity terms relating to frequency, notice and/or other terms of redemption (subject to the fiduciary obligations of the Board of Directors to act in the best interests of all shareholders and to treat all shareholders fairly and to any provisions regarding the modification of shareholder rights in the Articles of Association of the Fund); rights to receive reports from the Fund on a more frequent basis or that include information not provided to other shareholders (including, without limitation, more detailed information regarding positions); rights to receive reduced rates of the Performance Fee; rights to receive a share of the Performance Fee, or other amounts earned by the Investment Manager or its affiliates; and such other rights as may be negotiated between the Fund and such shareholders. The Fund and the Investment Manager may enter into such agreements without the consent of or notice to the other shareholders.

Information Provided by the Investment Manager. Factual information contained in this Memorandum, including without limitation, the investment strategy and policies, biographical and certain other information, has been furnished largely by the Investment Manager and its affiliates and in general has not been independently confirmed or verified. Therefore, shareholders should seek to confirm such information, seek additional information or conduct further investigation as they deem appropriate in connection with a decision to invest in the Fund.

Board Participation. Messrs. Polykovskiy and Enneking are the only members of the Board of Directors of the Fund. The Board of Directors of the Fund is responsible for a variety of important matters affecting the Fund. The approval of the calculation of value of the securities and other investments held by the Fund is determined by the Board of Directors. Valuation of securities affects both Fund performance and the calculation of fee compensation payable to the Investment Manager. See “-- *Valuations and Other Matters?*”.

Conflicts Regarding Role of Counsel. U.S. counsel to the Fund has represented, and continues to represent, the Investment Manager in certain matters. Such counsel does not purport to represent the separate interests of the shareholders of the Fund and has assumed no obligation to do so. Accordingly, such shareholders will not have had the benefit of independent counsel in the structuring of the Fund or determination of the relative interests of the shareholders and the Investment Manager and directors of the Fund.

Limited Liquidity

Common Shares of the Fund are significantly less liquid than many other securities investments, as there is highly unlikely to be an active secondary trading market for the Common Shares. A shareholder has the right to cause the Fund to redeem his Common Shares, but only as of the end of a calendar month and upon at least thirty (30) days' prior written notice. In addition, any redemptions of Common Shares during the first six months following the initial subscription of such Common Shares are subject to a 5% early redemption fee, which is payable to the Fund. In the case of a partial redemption, the Net Asset Value of the Common Shares redeemed must be at least U.S.\$5,000 and the redeeming shareholder's remaining Common Shares must have an aggregate Net Asset Value as of the date of redemption equal to or greater than the lesser of the amount of his initial investment or U.S.\$10,000. The Fund has the right to suspend redemptions under certain conditions. See “*Redemption of Common Shares?*”. There are certain limitations on transfer of the Common Shares, including those involving transferees who may be “U.S. Persons”. See “*Description of Common Shares – Restrictions on Ownership and Transfer?*”.

No Distributions

The Fund does not anticipate paying dividends or making other distributions to its shareholders. To the extent gains and income are realized by the Fund, the Investment Manager is likely to reinvest the same on behalf of the Fund.

Lack of Participation by Shareholders

Fund shareholders have no right to participate in the day-to-day operations of the Fund and some of their actions as shareholders are subject to extraordinary voting requirements for approval. In addition, the Subscription Agreement provides for the grant by the subscriber of a revocable proxy to the Administrator for voting the Common Shares, except for certain limited corporate transactions. See “*Description of Common Shares*”.

Currency Fluctuations

There is no way to reliably predict future currency fluctuations involving the U.S. dollar or other foreign currencies and the effect of such fluctuations on the financial situation of each shareholder. There is no intended policy at the Fund level to protect against currency fluctuations relative to the home currency of each shareholder and prospective investors are urged accordingly to seek such protection to the extent they deem appropriate.

Certain U.S. Tax Risks

The Fund is a passive foreign investment company (a “**PFIC**”) as defined in Section 1297 of the Internal Revenue Code of 1986, as amended (the “Code”). Accordingly, U.S. Persons who are investors in the Fund, other than tax-exempt entities, will, as a general matter, be subject to taxation pursuant to a so-called “excess distribution” regime, under which (a) the entire gain realized upon a sale or redemption of Participating Shares of the Fund will be allocated ratably to all days in the investor’s holding period and subjected to taxation as ordinary income at the highest rate of tax for the year to which such gain is allocated, without regard to any otherwise available offsets deductions, losses and expenses, and (b) the resulting amount of taxes will be subject to an interest charge at the rates applicable to an underpayment of taxes. The Fund does not presently intend to provide any U.S. Person that is an investor in the Fund with a PFIC Annual Information Statement that would enable such investor to make an election to treat the Fund as a “qualifying electing fund.” See “*Certain Tax Considerations -- Certain U.S. Income Tax Considerations – Taxation of U.S. Taxable Investors – Passive Foreign Investment Company.*”

Prospective investors in the Fund should recognize that certain categories of income (the broadest and most important of which is “fixed or determinable annual or periodical gains, profits, and income” received by the Fund from a U.S. source), are subject to tax at a flat rate of 30% imposed on a gross basis. See “*Certain Tax Considerations -- Certain U.S. Income Tax Considerations -- Taxation of the Fund – FDAP Income.*”

A U.S. tax-exempt entity should be aware that income received by it from the Fund will be deemed to be “unrelated business taxable income” if and to the extent that such entity incurs indebtedness to acquire Participating Shares of the Fund.

The summary of certain U.S. federal income tax principles applicable to an investment in the Fund that is set forth in this Memorandum, see “*Certain Tax Considerations -- Certain U.S. Income Tax Considerations,*” is considered to be a correct interpretation of existing laws and regulations in force as of the date of this Memorandum; however, no assurance can be given that courts or fiscal authorities responsible for the administration of such laws will agree with such interpretations or that changes in such laws and

regulations will not occur. Any such changes may or may not be retroactive with respect to transactions consummated prior to the date such changes are announced. This summary is not intended as a substitute for careful tax planning, and prospective investors in the Fund are urged to contact their own tax advisors with respect to the tax consequences to them of an investment in the Fund.

Other Tax Risks

The summary of certain of the material tax principles applicable to an investment in the Fund that is set forth in this Memorandum, see "*Certain Tax Considerations*," is considered to be a correct interpretation of existing laws and regulations in force as of the date of this Memorandum; however, no assurance can be given that courts or fiscal authorities responsible for the administration of such laws will agree with such interpretations or that changes in such laws and regulations will not occur. Any such changes may or may not be retroactive with respect to transactions consummated prior to the date such changes are announced. This summary is not intended as a substitute for careful tax planning, and prospective investors in the Fund are urged to contact their own tax advisors with respect to the tax consequences to them of an investment in the Fund.

Prospective investors in the Fund should recognize that certain categories of income (the broadest and most important of which is "fixed or determinable annual or periodical gains, profits, and income" received by the Fund from a U.S. source), are subject to tax at a flat rate of 30% imposed on a gross basis. See "*Certain Tax Considerations – Certain U.S. Income Tax Considerations – Taxation of the Fund*".

A Qualified U.S. Tax-Exempt Entity should be aware that income received by it from the Fund will be deemed to be "unrelated business taxable income" if and to the extent that such entity incurs indebtedness to acquire shares of the Fund.

Limited U.S. Regulation

The Fund and the Investment Manager are subject in certain respects to regulation by the U.S. Securities and Exchange Commission (the "SEC"). However, the Fund has not registered under the U.S. Investment Company Act of 1940, as amended (the "Investment Company Act") or the U.S. Investment Advisers Act of 1940, as amended, and the Shares are not registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") or any similar state law, all in reliance upon various exemptions. Accordingly, shareholders do not have the benefit of certain regulatory protections of such laws afforded by such registration.

In the event the Fund were to invest in futures contracts or options thereon, the Investment Manager may be required to register as a commodity pool operator under the U.S. Commodity Exchange Act, as amended. The Investment Manager does not intend to engage in any such investments unless and until it is so registered, or an exemption from registration is available.

Although the Fund may be subject to securities laws of certain jurisdictions in which Common Shares may be offered for sale, there can be no assurance that the Fund will be subject to significant regulation under the securities laws of any particular jurisdiction. In general, there may be other aspects of current or future regulation of investment funds, investment advisers and their affiliates or associated persons which could have an impact upon the Fund's investment activities or operations.

In recent periods both the SEC and the U.S. Congress have devoted increased attention to the issue of whether hedge funds and other private investment vehicles should be subject to increased or different modes of regulation. It is not currently practicable to predict the form or extent of such future regulation. Changes in applicable securities laws or regulations could impose additional compliance or financial burdens upon the Fund or affect its operations in other respects.

Limitation of Liability of the Investment Manager, the Administrator and Directors; Indemnification

The Investment Manager Agreement and Administration Agreement (as defined herein) provide for certain limitations respectively on the liability of the Investment Manager, in connection with the performance of its duties under the Investment Manager Agreement, and on the liability of the Administrator, in connection with the performance of its duties under the Administration Agreement. In addition, pursuant to the Investment Manager Agreement, the Administration Agreement and the Articles of Association of the Fund, the Fund has agreed to indemnify the Investment Manager, the Administrator and the directors and officers of the Fund, respectively, from and against certain losses, damages, liabilities and expenses incurred by such parties in the course of performing their duties for the Fund.

THE INVESTMENT MANAGER

Pursuant to the terms of the Investment Manager Agreement, the Fund has retained Enneking Asset Management (formerly known as Altima Asset Management), an asset management company organized as an exempted company limited by shares, with limited liability, under the laws of the Cayman Islands (the “Investment Manager”), as investment manager for the Fund, with full discretionary authority and responsibility to implement the investment objectives of the Fund and to manage the assets of the Fund. Timothy Enneking serves as the sole director and investment principal of the Investment Manager. As such Timothy Enneking is the individual primarily responsible for directing the investment of the Fund’s assets.

The Investment Manager or certain of its affiliates may serve as general partner, investment adviser and/or investment manager to a number of other investment funds and managed accounts, certain of which may employ investment strategies that are substantially similar to the investment strategy employed by the Fund. The Investment Manager and its affiliates, including Timothy Enneking, may participate in or sponsor other investment vehicles, and possibly have additional advisory clients and managed accounts, in the future. In addition to the Fund, the Investment Manager also currently manages Altima Universal Fund, a private equity fund. The Investment Manager, including Timothy Enneking and his affiliates may also determine to engage in other businesses. See “*Risk Factors – Conflicts of Interest*”.

The following is a summary of the business and educational background of Timothy Enneking, who, as principal of the Investment Manager, is responsible for all Fund investment decisions on behalf of the Investment Manager.

Alexander Polykovskiy, 49, is a co-founder of the Fund and currently serves as a Director of the Fund. Mr. Polykovskiy also currently serves as a principal and the managing director of the Investment Manager. Mr. Polykovskiy has been managing investments and business in Russia since 1992. Mr. Polykovskiy is a graduate of the Moscow Production Technology Institute and has a DBA in Business Administration from the American University. In 1993, Mr. Polykovskiy co-founded the Alan Group of companies; which includes logistics and construction companies. He sold the companies in 2005 and currently serves as a director of the Alan Group.

Mr. Timothy Enneking, 49, is a co-founder of the Fund and currently serves as a Director of the Fund. Mr. Enneking is also the founder, chairman of the board of directors, and a principal of the Investment Manager. Prior to founding the Fund, Mr. Enneking was the Director of Corporate Development for Optim Advisors, which manages over U.S.\$50 million in assets of the Diversified Property Fund (“DPF”), a fund focused on Russia, as well as the president of Optim Advisors’ Metals Group and the president of Magnesium.com, which include all of DPF’s metal production and trading activities. Since 2005, he has served as the chairman of the board of directors of Amerim. Prior to joining Optim Advisors in 2004, Mr. Enneking was the president of Tera Finance, a financial consulting firm, and the chief executive officer of Baytree International, a B2B internet company. From 1997 to 2001, he worked for Global TeleSystems, Inc. (GTS), as the Vice President, M&A. While with GTS, he was one of the principal executives who took GTS,

and its major subsidiary (now Golden Telecom, Inc.), public on the Nasdaq Stock Market in the U.S. Mr. Enneking has been the principal executive in charge of over 50 M&A transactions throughout Europe and the CIS Countries, with an aggregate transaction value of over U.S.\$10 billion and has extensive analysis and transactional experience in Russia. He speaks near-native Russian and French. He has four advanced degrees: a M.B.A. in international business from the University of Baltimore, a J.D. and LL.M. in international law from Georgetown University, and a B.A. in Soviet Area Studies from the University of Maryland.

In addition to the principals, the Investment Manager may hire additional full-time and/or part-time personnel, including portfolio research personnel. The number of personnel may change from time to time in the discretion of the Investment Manager. All personnel and related expenses are the responsibility of the Investment Manager.

The Investment Manager is an “excluded person” under The Fourth Schedule of the Securities Investment Business Law (revised) of the Cayman Islands and has registered with the Cayman Islands Monetary Authority (“CIMA”) as such under Part III of the Securities Investment Business Law (revised) of the Cayman Islands.

THE INVESTMENT MANAGER AGREEMENT

Services

Pursuant to the terms of the Amended and Restated Investment Manager Agreement, dated 31 March 2014, by and between the Fund and the Investment Manager (the “Investment Management Agreement”), the Investment Manager has full investment discretion and authority to implement the investment objectives of the Fund and to manage the assets of the Fund. The Investment Manager will also furnish the Administrator with appropriate information for purposes of preparing reports to shareholders regarding the Fund’s performance.

Term

The initial term of the Investment Manager Agreement ended on December 31, 2012, and was automatically renewed for a further period of two (2) years thereafter. The Investment Management Agreement shall be terminable as of the end of a calendar month by either party upon one (1) year’s written notice to the other party, provided that any such termination by the Fund shall be effective only if, prior thereto, such termination shall have been approved by the affirmative vote of the holders of at least two-thirds (2/3) of the issued and outstanding voting Management Shares.

The Investment Manager, in its discretion, may delegate as appropriate any of its duties and obligations pursuant to the Investment Manager Agreement, at any time, to one or more persons or entities.

Liability

The Investment Manager shall not be liable to the Fund or its shareholders for any losses, damages, expenses or claims occasioned by any act or omission of the Investment Manager in connection with the performance of its services under the Investment Management Agreement taken in good faith, other than as a result of the Investment Manager’s negligence, willful default, fraud or dishonesty in the performance or non-performance of any of its obligations or duties under the Investment Management Agreement or as otherwise required by applicable law.

The Fund has agreed to indemnify and hold harmless the Investment Manager, and its directors, officers, employees and shareholders (the “Indemnitees”) against any and all losses, damages, expenses and liabilities arising out of or connected with any services or transactions contemplated by the

Investment Manager Agreement, provided, however, that the Fund shall not be obligated to indemnify or hold harmless the Investment Manager or the Indemnitees insofar as the losses, damages, expenses or liabilities incurred by the Investment Manager or the Indemnitees in any action have arisen out of negligence, bad faith, willful or feckless misfeasance, breach of fiduciary duty by, or on, the part of the Investment Manager or the Indemnitees or the disregard of any of obligations of the Investment Manager under the Investment Management Agreement. To the extent permitted by law, the Fund may advance the expenses of defending any such claim.

The Investment Manager has also agreed to indemnify the Fund under certain circumstances.

FEES AND EXPENSES

The following is a summary of the fees and expenses which are borne by the Fund.

Performance Fee

Pursuant to the Investment Management Agreement, the Fund will pay to the Investment Manager a performance fee (the "Performance Fee"), determined and payable for each calendar quarter (or partial quarter) of the Fund, in an amount, determined separately as to each series of Shares outstanding during the quarter, equal to twenty percent (20%) of the increase in the Net Asset Value of each Share over the Net Asset Value per Share of the Fund during each quarter. The Performance Fee will be payable at the end of each calendar quarter in cash or Shares, at the election of the Investment Manager. No Performance Fee with respect to a Share will be due, however, as to a Net Asset Value increase with respect to such Share unless, and only to the extent that, such increase in Net Asset Value on the date of valuation exceeds the lesser of the Net Asset Value per Share at the time of subscription for such Share (which, in respect of the initial offering of Class B Common Shares, shall be the price per share of the Class B Common Shares issued at the Commencement Date; and thereafter the Net Asset Value per Share of the Class B Common Shares) or the Net Asset Value per Share at the time the last Performance Fee was assessed against such Share. The Investment Manager will have no obligation to restore to the Fund any Performance Fee previously earned and paid, notwithstanding a loss in a subsequent period.

The Investment Manager will be paid its Performance Fee within 10 days after the end of each quarter for which such Performance Fee was earned, or, if applicable, within 10 days after each redemption of Shares, if other than the last day of a quarter. Payment of the Performance Fees is subject to adjustment upon completion of the audit of the Fund's annual financial statements for the fiscal year in which a Performance Fee accrues and/or is paid. If the audit shows that the Performance Fees previously paid to the Investment Manager were lower than the Performance Fees that actually were due, the Fund will pay the shortfall to the Investment Manager. If the audit shows that the Performance Fees paid to the Investment Manager were higher than the Performance Fees that actually were due, the Investment Manager will refund the excess to the Fund, with payment being made within 10 days after completion of the audit. The Investment Manager will be paid the Performance Fees in cash or in Shares of the Fund, at a price per share equal to the then current Net Asset Value per Share, at the election of the Investment Manager.

The Investment Manager has the right, in its discretion, to charge differing Performance Fees to different Shares or series of Shares or to reduce, rebate, waive or eliminate all or any part of the Performance Fees chargeable to any Shares or series of Shares; provided, however, that in no event shall the Performance Fee charged to any Share exceed a rate of twenty percent (20%) of the increase in Net Asset Value thereof without the express consent of the holder of such Share.

Management Fee

The Fund will pay the Investment Manager a Management Fee of 0.5% per quarter of the Net Asset Value of each Class of Common Shares, before deduction of that quarter's Management Fee and before making any deduction for any accrued Performance Fee, as at the relevant Valuation Date (as defined herein) in each quarter. The Investment Manager has the right, in its discretion, to charge differing Management Fees to different Classes of Common Shares or series of Common Shares or to reduce, rebate, waive or eliminate all or any part of the Management Fees chargeable to any Class of Common Shares or series of Common Shares; provided, however, that in no event shall the Management Fee charged to any Class of Common Share exceed a rate of two percent (2%) per annum of the Net Asset Value of any Class of Common Shares without the express consent of the holder of such Shares.

The Investment Manager will be paid its Management Fee within 10 days after the end of each quarter for which such Management Fee was earned, or, if applicable, within 10 days after each redemption of Shares, if other than the last day of a quarter.

Administrator's Fees

The Administrator is entitled to remuneration from the Fund, which will be commensurate with its customary fees for the performance of such services, as a percentage of the Net Asset Value of the Fund (subject to a minimum monthly fee) at rates set out in the Administration Agreement. Fees of the Administrator are payable quarterly in arrears. The Administrator is also entitled to reimbursement of its out-of-pocket expenses and to additional remuneration in respect of exceptional matters in such amounts as may be agreed between the Fund and the Administrator.

Organizational Expenses

All business expenses incurred in the organization and formation of the Fund have been borne by the Investment Manager.

Other Fund Expenses

The Fund will bear the Operating Expenses.

AGENTS OF THE FUND

Administrator

Maples Fund Services (Cayman) Limited, a licensed trust company and mutual fund administrator headquartered in the Cayman Islands, is the administrator of the Fund (the "Administrator").

The Administrator has been appointed pursuant to an Administration Agreement, dated November 14, 2007, between the Administrator and the Fund (the "Administration Agreement"). In accordance with the Administration Agreement, the Administrator is responsible (under the ultimate supervision of the Fund) for a range of administrative functions, including: (i) processing of the issue, transfer and redemption of Shares, (ii) maintenance of the Fund's Register of Members, (iii) calculating the Net Asset Value of the Fund and Net Asset Value per Share; (iv) performing Cayman Islands anti-money laundering procedures in respect of shareholders and prospective shareholders in the Fund (provided that the Fund shall ultimately be responsible for ensuring appropriate compliance with all relevant anti-money laundering obligations); (v) sending notices of meetings, reports, financial statements and other materials to shareholders and responding to shareholder inquiries; and (vi) performing such other services as may be agreed in connection with the administration of the Fund.

Under the terms of the Administration Agreement, the Administrator shall not be liable for any damage, loss, claims, proceedings, demands, liabilities, costs or expenses whatsoever ("Losses") suffered or incurred by the Fund at any time from any cause whatsoever unless arising directly as a result of the Administrator's actual fraud or willful default, or that of any of its directors, officers or employees, as the case may be. The Administrator shall be entitled to appoint such agents or delegates to perform its services under the Administration Agreement, provided that the Administrator may not delegate or subcontract any of its services to any person who is not an affiliate of the Administrator without the prior consent of the Fund. The Administrator shall not be liable for any loss occasioned by any agent or delegate appointed pursuant to the Administration Agreement provided that the Administrator has exercised reasonable skill and care in the selection of that agent or delegate. However, where the Administrator delegates or sub-contracts the services provided under the terms of the Administration Agreement to an affiliate (as defined in the Administration Agreement), the Administrator shall remain liable for any loss caused by such affiliate but only to the extent that it would have been liable for such loss under the Administration Agreement if such loss were caused by the Administrator itself. The Administrator is not responsible in any circumstances for the appointment of the Investment Manager.

For the purpose of calculating the Net Asset Value of the Fund, the Administrator may rely (without further inquiry) on information supplied to it by or on behalf of the Fund, the Investment Manager, or another service provider, including brokers used by the Investment Manager. The Administrator shall not (in the absence of actual fraud or willful 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 Net Asset Value resulting from any inaccuracy in any such information.

The Administrator is not responsible or liable in any circumstances for: (i) any trading decisions of the Fund (all of which will be made by the Investment Manager); (ii) monitoring the investment objectives and restrictions of the Fund; (iii) monitoring any of the functions carried out by the board of directors of the Fund, the Investment Manager, or any other service provider appointed by the Fund; or (iv) the Fund's investment performance.

The Administrator is a service provider to the Fund and is not responsible for the preparation of this Information Memorandum and, other than the information contained in this Information Memorandum with respect to the Administrator, accepts no responsibility for any information contained in this Information Memorandum.

The Fund has agreed to indemnify and hold harmless the Administrator, for itself and as trustee for each of its directors, officers, employees and agents, against all Losses which they or any of them may incur or be subject to in consequence of the Administration Agreement or as a result of the performance of the services to be provided thereunder, except to the extent that the same arise as a result of the actual fraud or willful default of the party seeking such indemnity.

The Administration Agreement can be terminated by either party on not less than ninety days' written notice or in the other circumstances detailed in the Administration Agreement.

The Administrator is licensed in the Cayman Islands as a Mutual Fund Administrator under the Funds Law and as a Trust Company under the Banks and Trust Companies Law (revised) of the Cayman Islands.

Board of Directors

The Board of Directors of the Fund has overall responsibility for the business and affairs of the Fund, to the extent provided by the laws of the Cayman Islands. The directors of the Fund are Mr.

Polykovskiy and Mr. Enneking. All directors receive reimbursement from the Investment Manager for travel and other costs incurred in connection with their services as directors.

The Articles of Association of the Fund provide that no director or officer of the Fund shall be liable for any loss, damage or misfortune that may happen to be incurred by the Fund in the execution of such director's duties or in relation thereto, provided that any such liability did not arise from such director's willful default or actual fraud.

Registered Office

Harneys Services (Cayman) Ltd. (the "Registered Office"), with a mailing address of 4th Floor, Harbour Place, 103 South Church Street, George Town, PO Box 10240, Grand Cayman, KY1-1502 Cayman Islands, serves as the registered office for the Fund in the Cayman Islands with such responsibilities as are prescribed under the laws of the Cayman Islands.

OFFERING PRICE

In respect of the initial offering of Class B Common Shares, Class B Common Shares were issued at a price per Share equal to the Net Asset Value per Share of the Class A Common Shares at the Commencement Date.

Following the Commencement Date, Shares may be subscribed at a price per Share equal to the Net Asset Value (as defined herein) per Share (the "Offering Price"). Shares may be subscribed for as of the first Business Day of a calendar month (or at other times, in the discretion of the Fund), in separate series at each issue date, at the Offering Price, subject to any sales or subscription charges. Shares will be offered in a separate series for each purchase date. The primary purpose for such separate series is to assure that the Investment Manager's Performance Fee attributable to such Shares will be based solely upon appreciation in such Shares from the time of purchase to the applicable date of calculation. However, separate series may be issued for other purposes in the Fund's discretion. The number of Shares to be purchased will be the amount of the purchaser's subscription funds, divided by the Offering Price per Share. The minimum initial subscription by a shareholder is U.S.\$10,000. The Fund reserves the right to reject a subscription, or any portion thereof, or to terminate the offering of Common Shares at any time. See "*Description of Common Shares*".

REDEMPTION OF COMMON SHARES

A holder of Common Shares has the right to redeem all or, if the Directors consent, any part of such Common Shares on the last Business Day of any calendar month or such other Business Day as the Board of Directors may determine in their sole discretion (a "Redemption Date"), at a redemption price per Common Share equal to the Net Asset Value per Share as of the close of business on the redemption date after deduction of any Performance Fee accrued for the calendar quarter in which the redemption takes place ("Redemption Price"). In the case of redemptions as of a date other than the last Business Day of a calendar quarter, a Performance Fee accrual will be determined in the same manner as that in which the quarterly Performance Fee is computed at the end of each calendar quarter and will be deducted from the Net Asset Value of the Common Shares redeemed in determining the redemption price.

A redemption request, specifying the desired Redemption Date, must be received in writing by the Administrator at least thirty (30) days prior to such Redemption Date together with the Share certificate(s) (if issued to the shareholder) representing the Common Shares to be redeemed. The Fund may, in its discretion, reduce or waive the prior notice required for any redemption request. Subject to the receipt of the original redemption request by the Administrator, payment for Common Shares so redeemed shall be made not later than thirty (30) days following such Redemption Date; except that the Board of Directors may

elect in their sole discretion to make payment with respect to 90% of the value of the Common Shares so redeemed no later than thirty (30) days following such Redemption Date, with the balance paid within ninety (90) days after the Redemption Date. No interest will be paid on any redemption amounts from the Redemption Date to the date of full payment.

The Fund will redeem Shares by a shareholder prior to six months from the date of his initial purchase of Common Shares, but such redemptions will be subject to an early redemption fee equal to 5% of the amount redeemed, which fee will be deducted from the redemption payment. All redemption fees shall be paid to the Fund. Except as aforesaid, no redemption penalty or administrative fee will be charged for a redemption on a Redemption Date. In the event of a partial redemption of Shares by a holder who has purchased his or her Shares at different times, the Fund will deem Shares purchased first as the Shares to be redeemed first for the purposes of assessing the redemption fee.

A redemption of a portion of a holder's Common Shares will only be permitted if (i) such Common Shares being redeemed have a total Net Asset Value of not less than U.S.\$5,000; and (ii) immediately after such redemption, the aggregate Net Asset Value of the remaining Common Shares owned by the holder is at least equal to the lesser of the total Net Asset Value of the holder's Common Shares at the time of purchase or U.S.\$10,000, unless such restrictions are waived by the Fund's directors in their discretion.

Common Shares are subject to mandatory redemption at any time for any reason that the Board of Directors may determine at a Redemption Price equal to the Net Asset Value Per Share upon thirty (30) days' notice from the Fund. See "*Description of Common Shares – Restrictions on Ownership and Transfer*". The Redemption Price for Common Shares subject to mandatory redemption will be payable within twenty (20) days of the effective date of redemption.

The Fund has the right to make payment of the Redemption Price in cash, or (if deemed by the directors of the Fund to be in the best interest of the Fund) partially in cash or in securities held by the Fund or wholly in such securities, as such securities may be selected by the Investment Manager and valued in the same manner as in determining Net Asset Value.

The Fund has the right to suspend redemptions. See "*Calculation of Net Asset Value Per Share – Suspension of Redemptions and Calculation of Net Asset Value Per Share*".

From the relevant Redemption Date, a redeeming Shareholder will be treated as a creditor for the redemption proceeds of the Shares being redeemed (rather than a Shareholder) and will rank accordingly in the priority of the Fund's creditors. After the relevant Redemption Date, the redeeming Shareholder will have no rights as a Shareholder in respect of the Shares being redeemed save for the right to receive the redemption proceeds and any dividend which has been declared in respect of the relevant Shares prior to the relevant Redemption Date.

CALCULATION OF NET ASSET VALUE PER SHARE

Method of Calculation

General. The Administrator calculates the Net Asset Value of the Fund in U.S. dollars as of the last Business Day of each calendar month or, at the discretion of the Directors, any other date (each a "**Valuation Date**").

The Net Asset Value per Share is determined by calculating the total Net Asset Value of the Fund allocable to each class or series of Shares as of a Valuation Date, adjusting the amount so calculated to reflect any adjustments that are properly attributable to a specific class or series, and dividing that total by the

total number of Shares in each class or series outstanding at such Valuation Date. From and after the date of issuance of any series of Shares, the Net Asset Value per Share will be calculated separately for each series to reflect the separate Performance Fee accrual, if any, for such series.

“Net Asset Value” of the Fund means the value of all assets of the Fund (including accrued interest and dividends), reduced by the amount of all liabilities of the Fund (including but not limited to accrued expenses and the Operating Expenses) and estimated costs of realization determined as of the Valuation Date, with such adjustments as are described below. In determining the value of other instruments held by the Fund, such value will generally be determined by the Administrator in accordance with the Fund’s governing documents, as described below:

(a) Direct Investments. To the extent that the Fund’s assets are managed directly by the Investment Manager, such assets shall be valued as follows:

(i) Listed Portfolio Securities. Listed portfolio securities will be valued (i) at the last reported sale price of the security on the primary exchange on which such security is traded on the date of determination, or in case there has been no sale of such security on such date, then at the mean between the last reported “bid” and “ask” price for such security.

(ii) Securities that are not Readily Marketable. Securities that are not readily marketable or securities for which there is no quoted value will be valued as the Board of Directors of the Fund in their sole discretion may determine.

(iii) Other Securities. All other securities will be assigned a value that the Board of Directors of the Fund, in good faith, determines to reflect the fair market value thereof.

(iv) Liabilities Generally. All liabilities of the Fund, including appropriate accruals for the Performance Fee, the Administrator’s fees and, to the extent not borne by the Investment Manager pursuant to the Investment Management Agreement, other expenses, the monthly amortization of organization costs, audit and legal fees, and any reserve or reserves deemed appropriate by the Administrator, in consultation with the Investment Manager, for any contingent liabilities, will be subtracted from total assets to determine net assets.

The Board of Directors of the Fund may use methods of valuing investments other than those set forth above if the Board believes the alternate methods are preferable in determining the fair market value of such investments. In connection with each determination of the Net Asset Value per Share, the Administrator may consult with and is entitled to rely in good faith upon any determination of the Fund’s directors and/or recommendations of the Investment Manager. In no event and under no circumstances will the Administrator, the directors or officers of the Fund, the Investment Manager, or their respective agents and employees, incur any individual liability or responsibility for any determination made or other action taken or omitted to be taken by them so long as they act in good faith.

Suspension of Redemptions and Calculation of Net Asset Value Per Share

The Fund may suspend the redemption of Shares and/or the calculation of Net Asset Value per Share during the following circumstances: (i) one or more exchanges or other markets on which a significant amount of the Fund’s investments are traded or quoted are closed for any reason other than that of an ordinary holiday, or transactions at these exchanges are restricted or suspended; (ii) the existence of any state of affairs that constitutes an emergency as a result of which the determination of the price, value or disposition by the Fund of investments owned by it is not reasonably practicable or would be seriously prejudicial to shareholders; (iii) any breakdown in the means of communication normally employed in determining the price or value of any of the Fund’s investments, or of current prices in any market, or when

for any other reason the prices or values of any investments owned by the Fund cannot reasonably be promptly and accurately ascertained; (iv) in the opinion of the Directors, the effect of redemption would be to seriously impair the Fund's ability to operate or result in the violation of any provision of applicable law or the rules of any regulatory organization; or (v) the exercise of the Fund's rights to withdraw from any investment fund may be suspended or restricted, or payment of the proceeds of such withdrawal may be delayed or cannot be effected at normal rates of exchange, or when there is any continuing default or delay in obtaining payments due to the Fund from banks, brokers or other persons who may have custody or control of the assets of the Fund, or when remittance of money that will or may be involved in the realization of, or in the payment of, any of the Fund's investments is not possible.

The Fund will take all reasonable measures to notify the Fund's shareholders of any such suspension of redemptions or calculation of Net Asset Value per Share.

DESCRIPTION OF COMMON SHARES

General

The Fund is authorized to issue 5,000,000 common shares, which are divided into 100 non-participating voting common shares, U.S.\$0.01 par value (each, a "Management Share") and 4,999,900 Redeemable, Participating, Non-Voting undesignated Common Shares, U.S.\$0.01 par value. Each class of Shares may be issued in an unlimited number of series, with each class designated alphabetically and each series designated as Series numerically (unless the context otherwise indicates, the use of the terms "Shares" and "Common Shares" in this Memorandum includes Shares of all classes and series). On the Commencement Date, the Fund will offer Class B Common Shares, with the initial offering being designated as Series 1 Class B Common Shares. The remaining series may be issued on a monthly (or other basis) during a fiscal year. The primary reason for use of different series is to equitably reflect any differing Performance Fees attributable to each series (whether by reason of differing issue dates during the fiscal year, and any agreed reduction or waiver of such fees or otherwise). The Fund may issue additional series if needed in connection with additional issuance dates or for any other reason, in the discretion of the Directors.

If at the end of a particular fiscal year Shares of more than one series of a Class are outstanding which are or have been subject to Performance Fees during such year and bear the same rate of Performance Fee, such series of Shares will be converted automatically immediately after the close of business on the last day of such fiscal year into Series 1 Shares of such Class, on the basis of the relative Net Asset Value per Share of the particular series being converted and of the Series 1 Shares. Any such conversion will be deemed effected by the Fund acquiring the Shares of the series to be converted from the holder of such Shares at their Net Asset Value and applying the proceeds of such acquisition to purchase new Shares of Series 1 (or another applicable series) without any required action on the part of such holder. Shares of the series so converted will revert to the status of authorized and unissued Shares and may be reissued.

By subscribing for Shares, a subscriber will be deemed to have irrevocably authorized and directed the Fund to convert such Shares (if not previously redeemed) into Series 1 (or another series) Shares as hereinabove provided. Other than such automatic conversions, there are no conversions or pre-emptive rights in connection with any Shares. All Shares of the Fund, when duly issued and paid for as provided in the Memorandum and Articles of Association of the Fund, will be deemed fully paid and non-assessable.

The net profits or net losses of the Fund for any fiscal period will be allocated to the Shares and to each respective series thereof in accordance with their relative Net Asset Values at the end of each fiscal period.

The Fund's Board of Directors has the authority to designate different rights and restrictions for different classes or series of Shares of the Fund. Each series of Shares will generally have equal dividend,

distribution and liquidation rights with other Shares of the same series, with Shares of different series having dividend, distribution and liquidation rights in proportion to their relative Net Asset Values.

Voting Rights

The Class B Common Shares do not carry the right the vote, except in limited circumstances. Each holder of Management Shares is entitled to one vote for each Management Share held.

Amendments to the Fund's Memorandum or Articles of Association generally require approval by special resolution of the holders of Shares entitled to receive notice of, and vote, at meetings of the Fund. The Board of Directors has the authority to create new classes or series of Shares without seeking the consent of the shareholders, provided that the rights attaching to the new Shares do not affect the rights of the existing issued shares of the Fund.

New Issues

To enable the Fund to purchase securities that meet the definition of a "new issue" ("New Issue Securities") set forth in Rule 2790 (the "New Issue Rule") of the Rules of Conduct of the Financial Industry Regulatory Authority, formerly the National Association of Securities Dealers, Inc. ("FINRA"), the Board of Directors, in its discretion, may allocate any item of cost, expense, profit, gain, income or loss with respect to such New Issue Securities (a "New Issue Item") to shareholders in a manner that is consistent with the New Issue Rule.

Notwithstanding the foregoing, pursuant to the Fund's current policy with respect to New Issue Securities, shareholders that are "restricted persons" under the New Issue Rule ("Restricted Persons") will not be allocated, except as set forth below, any New Issue Items. Furthermore, the Fund may treat shareholders that are organized as private investment funds, such as so-called "fund of funds," as Restricted Persons if those investment entities have beneficial owners who are Restricted Persons. The Fund expects to allocate New Issue Items to: (a) all shareholders that are not Restricted Persons; and (b) certain shareholders that are Restricted Persons if the Fund determines that those shareholders can be allocated New Issue Items under the New Issues Rule without imposing significant administrative or other burdens on the Fund and the Investment Manager. In connection with the foregoing, the Fund intends to allocate New Issue Items to any shareholder that is a private investment funds (or other collective investment account) that represents to the Fund and the Investment Manager that such shareholder allocates no more than 10% of New Issue Items to such shareholder's beneficial owners who are Restricted Persons. The Fund reserves the right to modify its policy with respect to New Issue Securities, in its sole discretion.

In order to comply with the New Issue Rule and the foregoing policy, the Board of Directors has the power and authority to establish a "new issues account" ("New Issues Account") on the books of the Fund, as well as a separate brokerage account or accounts reflecting the same, to which New Issue Items will be allocated. In order to implement the New Issues Account and to comply with the New Issue Rule, the Board of Directors has the further power and authority to (i) issue, and/or subdivide, the Common Shares of the Fund into two further sub-series, to be denominated Sub-series X and Sub-series Y Shares; (ii) make effective provision whereby the Sub-series X Shares will be held solely by Persons who are not Restricted Persons; (iii) allocate New Issue Items from the New Issues Account and the securities held therein, solely to the holders of the Sub-series X Shares; (iv) provide for the debiting and crediting of such sums, as between the Sub-series X and Sub-series Y Shares, if any, as is deemed equitable by the Board of Directors to reflect the benefit of use of funds to purchase New Issues; and (v) take such other action as may be deemed necessary or appropriate to comply with the New Issue Rule.

Shares Issued in Book-Entry Form

Unless a holder requests a share certificate, Shares will be registered on the books of the Fund and held in book-entry form. If the Board of Directors resolves to issue share certificates, share certificates will be issued to shareholders only upon written request. Shares for which a certificate has been issued may be redeemed only after the Fund, as transfer agent for the Shares, receives the certificate, duly executed for transfer or with an executed stock power attached, and proper payment instructions duly signed. In light of the above, shareholders may wish to consider the same before requesting certificates.

Liquidation and Dissolution

The Fund has been formed for an unlimited period. However, the Fund may be dissolved and liquidated at any time upon a special resolution of the holders of Shares entitled to receive notice of, and vote at, meetings of the Fund.

The Investment Manager or other appointed liquidator of the Fund will, upon the dissolution of the Fund, endeavor to realize the Fund assets in the best interests of the shareholders and, upon instructions given by the Investment Manager or liquidators, as the case may be, the Fund will distribute the net liquidation proceeds to the shareholders in each series pro rata in proportion to the number of Shares held by each of them in that series, after deduction of liquidation fees and expenses, all subject to and in accordance with applicable law.

Restrictions on Ownership and Transfer

The Shares have not been registered under the Securities Act nor has the Fund been registered under the Investment Company Act, in reliance upon exemptions from such registration. Except in a transaction which does not violate such laws, the Shares may not be offered or sold directly or indirectly in the U.S. or any of its territories or possessions or areas subject to its jurisdiction. Benefit Plan Investors are further limited to owning less than 25% of any outstanding class of Shares of the Fund. For the definition of a Benefit Plan Investor, see "*Certain ERISA Considerations*" below.

The Memorandum and Articles of Association of the Fund provide, in substance, that the Fund may refuse to issue or transfer Shares for any reason. Such reasons may include, but are not limited to the following: (i) the transferor and/or the transferee does not provide the Fund with the documentation requested for the transfer; (ii) the transferee is a U.S. Person who is not an "accredited investor", as defined in Rule 501 of Regulation D promulgated under the Securities Act; (iii) such transfer would result in Benefit Plan Investors holding in the aggregate 25% or more of any outstanding class of Shares of the Fund; (iv) such transfer would require the Fund to register under the Investment Company Act or to register the Shares under the Securities Act, or to register or take other action under the laws of any other jurisdiction deemed unduly burdensome by the Board of Directors of the Fund; (v) the transferee would not qualify as a "qualified purchaser" as defined under the Investment Company Act; or (vi) the ownership of the Shares by the intended transferee would be unlawful or may adversely affect, in the sole discretion of the Board of Directors of the Fund, the Fund, its shareholders or the Investment Manager. In addition, transferees must complete a subscription agreement and provide all documentation that would be required were the transferee to be subscribing for shares in the Fund.

CERTAIN TAX CONSIDERATIONS

The following is a summary of certain of the material tax principles applicable to an investment in the Fund. While this summary is considered to be a correct interpretation of existing laws and regulations in force as of the date of this Memorandum, no assurance can be given that courts or fiscal authorities responsible for the administration of such laws will agree with such interpretations or that changes

in such laws and regulations will not occur. Any such changes may or may not be retroactive with respect to transactions consummated prior to the date such changes are announced.

The following summary is not intended as a substitute for careful tax planning, and prospective investors in the Fund are urged to contact their own tax advisors with respect to the tax consequences to them of an investment in the Fund.

Cayman Islands Taxation

Taxation of the Fund.

The Fund has been advised by its Cayman Islands counsel, Harney Westwood & Riegels, that the Fund will not be subject to any income, withholding or capital gains taxes in the Cayman Islands. The Fund applied for and obtained on February 1, 2005 an undertaking from the Governor-in-Cabinet of the Cayman Islands pursuant to the Tax Concessions Law (revised) of the Cayman Islands that for a period of twenty years from the date of the grant of the undertaking, no law which is thereafter enacted in the Cayman Islands imposing any tax to be levied on profits or income or gains or appreciations will apply to the Fund or its operations; and, in addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax will be payable on or in respect of the shares, debentures or other obligations of the Fund, or by way of the withholding in whole or in part of any relevant payment as defined in Section 6(3) of The Tax Concessions Law (revised). No capital or stamp duties are levied in the Cayman Islands on the issue, transfer or redemption of Common Shares.

Certain U.S. Income Tax Considerations

The following is a summary of certain U.S. federal income tax principles applicable to the Fund. To the extent such summary discusses matters of law, it is based upon the Code, rules and regulations promulgated thereunder, published rulings and court decisions, as in effect on the date of this Memorandum. No assurance can be given that future legislative changes or administrative interpretations or court decisions will not significantly modify the statements, opinions or analyses expressed herein. Any such changes may or may not be retroactive with respect to transactions consummated prior to the date such changes are announced. The Fund has not sought a ruling from the U.S. Internal Revenue Service (the “**Service**”) or any other federal, state or local agency with respect to any of the tax issues affecting the Fund.

Taxation of the Fund

Tax Status. The Fund will be treated as an association taxable as a corporation for U.S. federal income tax purposes. However, the Fund does not expect to be subject to taxation by the United States, except with respect to so-called FDAP Income, which is subject to tax at a flat rate of 30% imposed on a gross basis. See “ — *FDAP Income.*”

FDAP Income. When a non-U.S. corporation such as the Fund receives income from a U.S. source that is not connected with the conduct of a trade or business in the United States, certain categories of such income (the broadest and most important of which is “fixed or determinable annual or periodical gains, profits, and income” from a U.S. source (“**FDAP Income**”)) are subject to tax at a flat rate of 30% (or lower tax treaty rate) imposed on a gross basis. FDAP Income is generally defined as income of a fixed or determinable annual or periodical nature, such as dividends and certain interest income.¹ There is presently no tax treaty between the United States and the Cayman Islands which would eliminate or reduce this tax.

¹ Although FDAP Income is generally defined as income of a fixed or determinable annual or periodical nature, it includes many types of income, such as certain gains from notional principal contracts, that one might not normally consider to be “fixed or

Certain types of income are specifically exempted from the 30% tax and thus withholding is not required on payments of such income to a non-U.S. corporation. The 30% tax is not imposed on U.S. source capital gains (whether long- or short-term), on interest paid to a non-U.S. corporation on its deposits with U.S. banks or on interest which qualifies as portfolio interest. The term “portfolio interest” generally includes interest on an obligation in registered form which has been issued after July 18, 1984 and with respect to which the person who would otherwise be required to deduct and withhold the 30% tax receives the required statement that the beneficial owner of the obligation is not a U.S. person within the meaning of the Code. Under certain circumstances, interest on bearer obligations may also be considered portfolio interest.

Effectively Connected Income. Income of the Fund that was deemed to be “effectively connected with the conduct of a trade or business” within the United States (“**ECI**”), including FDAP Income if and to the extent that it was deemed to be ECI, would be taxed by the United States, first, on a net basis at regular U.S. corporate rates and, second, on the basis of an additional “branch profits” tax. If the Fund were deemed to be engaged in a U.S. trade or business, all of the Fund’s income that was deemed to be “effectively connected” with such trade or business would be subject to U.S. income and branch profits taxes as ECI.

In order to avoid earning ECI, the Fund expects to take advantage of a safe harbor provided by Section 864(b)(2) of the Code (the “**Safe Harbor**”). Under the Safe Harbor, a non-U.S. company (other than a dealer in securities) will not be deemed to be engaged in a U.S. trade or business solely because it trades in stock or securities (including contracts or options to buy or sell securities) for its own account. In addition, under the Safe Harbor, a non-U.S. company (other than a dealer in commodities) will not be deemed to be engaged in a U.S. trade or business solely because it trades in commodities for its own account provided that “the commodities are of a kind customarily dealt in on an organized commodity exchange and the transactions are of a kind customarily consummated at such place.”

The Fund expects that it will conduct its activities in a manner that does not constitute the conduct of a trade or business in the United States, whether through application of the Safe Harbor or otherwise, and that the Fund will not invest in securities the income of which is treated, for U.S. federal tax purposes, as arising from the conduct of trade or business in the U.S.

Taxation of U.S. Taxable Investors

Passive Foreign Investment Company. The Fund is a passive foreign investment company (a “**PFIC**”) as defined in Section 1297 of the Code. Accordingly, U.S. Persons who are investors in the Fund, other than tax-exempt entities, will, as a general matter, be subject to taxation, under Sections 1291 through 1298 of the Code, pursuant to a so-called “excess distribution” regime, under which (a) the entire gain realized upon a sale or redemption of Shares of the Fund will be allocated ratably to all days in the investor’s holding period and subjected to taxation as ordinary income at the highest rate of tax for the year to which such gain is allocated, without regard to any otherwise available offsets deductions, losses and expenses, and (b) the resulting amount of taxes will be subject to an interest charge at the rates applicable to an underpayment of taxes.² As a general matter, in order to avoid being taxed pursuant to the excess distribution regime, an investor in a PFIC may elect to treat the PFIC as a “qualifying electing fund,” in which event, provided that the PFIC has provided the investor with a “PFIC Annual Information Statement” that satisfies the requirements of Treasury Regulation 1.1295-1(g), the investor will, regardless of whether it has received any distributions from the PFIC, be obligated to include in its taxable income each year (a) as

determinable annual or periodical.” In addition to FDAP Income, the 30% tax is imposed on other types of U.S. source income, such as payments on the sale or retirement of original discount obligations that do not constitute portfolio interest.

² Actual distributions received by the investor from the Company during a year would also be subject to taxation pursuant to the excess distribution regime if and to the extent that they exceeded 125% of the average amount of distributions received by the investor from the Company during the lesser of the investor’s holding period or the three preceding years.

ordinary income, its pro rata share of the PFIC's ordinary income and (b) as long-term capital gains, its pro rata share of the PFIC's net capital gain. The Fund does not presently intend to provide any U.S. Person that is an investor in the Fund with a PFIC Annual Information Statement that satisfies the requirements of Treasury Regulation 1.1295-1(g). Accordingly, U.S. persons subject to U.S. federal income tax should assume that they will be subject to the excess distribution regime.

Controlled Foreign Corporations. As a general matter, a non-U.S. corporation, such as the Fund, will be a "controlled foreign corporation" as defined in Section 957 of the Code (a "**CFC**") if "United States shareholders" collectively own more than 50% of the total combined voting power or total value of the corporation's stock. A U.S. shareholder (a "**U.S. Shareholder**") is defined by the Code as meaning a U.S. person (which includes a U.S. trust) who owns, directly or indirectly (applying certain attribution rules), 10% or more of the total combined voting power of all classes of stock of a CFC. A U.S. Shareholder of a CFC must currently include in income its *pro-rata* share of certain income of the CFC ("**Subpart F Income**"), even if such income has not been distributed by the CFC. The Fund is not currently a CFC, and it does not expect to be a CFC in the future. However, if the Fund were to become a CFC, a U.S. Shareholder of the Fund would be required to include in income its pro-rata share of the Fund's Subpart F Income. U.S. investors in the Fund, other than U.S. Shareholders and tax-exempt entities, would not be subject to the CFC rules, but rather would still be subject to the "excess distribution" regime that is applicable to PFICs. See "*– Passive Foreign Investment Company.*"

U.S. Tax-Exempt Investors

General. U.S. shareholders of the Fund that are tax-exempt organizations generally will not directly be subject to U.S. income tax unless such shareholders incur "unrelated business taxable income" ("**UBTI**"). As discussed immediately below, income distributed from the Fund to non-leveraged tax-exempt investors should not constitute UBTI. However, as discussed above (see "*–Taxation of the Fund*"), the Fund may be subject to U.S. taxation. Therefore, the returns received by U.S. tax-exempt shareholders may be indirectly reduced due to such U.S. taxation.

UBTI generally includes (1) income derived by a tax-exempt organization from an "unrelated trade or business" regularly carried on (less allowable deductions and subject to certain modifications) and (2) certain income derived from property ("**Debt-Financed Property**") with respect to which the investor holds "acquisition indebtedness" (as such term is defined in Section 514(c) of the Code). An "unrelated trade or business" is defined in the Code as any trade or business, the conduct of which is not substantially related to the performance of a tax-exempt entity's purpose or function. By definition, UBTI does not include dividends and gains derived from the sale, exchange or other disposition of securities held by a tax-exempt entity for investment, provided such dividends and gains are not attributable to securities that constitute Debt-Financed Property in the hands of such entity.

Generally, where a tax-exempt entity holds an interest in a corporation (such as the Fund), the character of the corporation's income for UBTI purposes does not flow through to its shareholders. Therefore, even if the Fund's income would constitute UBTI if received directly by a tax-exempt investor in the Fund, the income will not constitute UBTI when it is effectively realized by a tax-exempt investor through a dividend or gain from the sale, exchange or other disposition of the investor's unleveraged interest in the Fund, because such dividends and gains will not constitute UBTI.

As discussed above, a U.S. Shareholder of a CFC must currently include in income its *pro-rata* share of the CFC's Subpart F Income, even if such income has not been distributed by the CFC. See "*–Taxation of U.S. Taxable Investors—Controlled Foreign Corporations.*" The Fund is not currently a CFC, and it does not expect to be a CFC in the future. However, the Fund believes, based upon the advice of its U.S. counsel, that if the Fund were to become a CFC, the character of the income deemed to be received by a tax-exempt

entity that was a U.S. Shareholder of the Fund should be determined for UBTI purposes as if such income were a dividend which, as discussed above, does not, by definition, constitute UBTI.³

Accordingly, the Fund believes that, regardless of whether the Fund is or is not deemed to be a CFC, a U.S. tax-exempt investor that makes an unleveraged investment in shares of the Fund should not be deemed to have received UBTI for federal income tax purposes by reason of its investment, whether by reason of a receipt by the Fund of income attributable to its investments that would constitute UBTI if received directly by such U.S. tax-exempt investor or a receipt by such U.S. tax-exempt investor of distributions from the Fund (including distributions made in redemption of shares of the Fund), including distributions that might be deemed to have been paid, in whole or in part, out of income received by the Fund that would constitute UBTI if received directly by such U.S. tax-exempt investor. Nonetheless, U.S. tax-exempt persons are urged to consult their own tax advisors concerning the U.S. tax consequences of an investment in the Fund.

Passive Foreign Investment Companies. As discussed above (see “ – *Taxation of U.S. Taxable Investors – Passive Foreign Investment Company*”), an investment in a foreign corporation that is classified as a PFIC will cause U.S. taxable investors to be subject to taxation under Sections 1291 through 1298 of the Code. However, because the PFIC provisions of the Code do not, by regulation, apply to U.S. tax-exempt organizations, these provisions of the Code should not be relevant to a U.S. tax-exempt organization that makes an investment in the Fund.

Reporting Requirements for Certain U.S. Investors

A U.S. investor in the Fund may be required to file an information return with the Service concerning its investment in the Fund. The requirement to file an information return applies in several circumstances. For example, as a general matter, any U.S. person within the meaning of the Code owning 10% or more (directly, indirectly or by attribution) of either the total combined voting power or total value of all classes of the shares of a non-U.S. corporation such as the Fund is required to file an information return with the Service (see Form 5471). In addition, a U.S. person within the meaning of the Code that transfers cash to a non-U.S. corporation may be required to report the transfer to the Service if (i) immediately after the transfer, such person holds (directly, indirectly or by attribution) at least 10% of the total voting power or total value of such corporation or (ii) the amount of cash transferred by such person (or any related person) to such corporation during the twelve-month period ending on the date of the transfer exceeds U.S.\$100,000 (see Form 926).

Taxation of Non-U.S. Investors

General. Because the Fund will be treated as a non-U.S. corporation, distributions (including distributions made in connection with the redemption of shares) by the Fund to shareholders who are not U.S. persons within the meaning of the Code (“**non-U.S. shareholders**”) should not be directly subject to U.S. income tax (and such non-U.S. shareholders should not have to file any U.S. tax returns) unless such non-U.S. shareholders are otherwise engaged, directly or by attribution, in the conduct of a trade or business in the U.S.. However, as discussed above (see “ – *Taxation of the Fund*”), the Fund may be subject to U.S. income taxation. Therefore, the financial returns received by non-U.S. shareholders may be indirectly reduced due to such U.S. taxation.

³ In this connection, it is noteworthy that, in 1996, the U.S. Congress amended the Code so as to add Section 512(b)(17), which expressly provides that certain insurance income that is earned by a CFC and included in the income of a U.S. Shareholder under the CFC rules, is to be treated by the U.S. Shareholder as UBTI. In its Report on the Small Business Job Protection Income Act, of 1996, the House Ways and Means Committee took the position that, except as provided in Section 512(b)(17), income inclusions under the CFC rules generally should be characterized as dividends for UBTI purposes. H. Rep. No. 586, 104th Cong., 2d Sess. 136 (1996), n. 14.

Nonresident Alien Individuals. It should be noted that any non-U.S. investor who is present in the U.S. for 183 days or more during the taxable year may be subject to U.S. federal income taxation on his or her worldwide income or, alternatively, may be subject to a flat tax of 30% (or lower tax treaty rate) on his or her net capital gains deemed to be from U.S. sources. Each potential individual shareholder who anticipates being present in the U.S. for 183 days or more (in any taxable year) should consult his or her tax advisor with respect to the possible application of this rule.

Foreign Account Tax Compliance Act

Certain amendments to the US Internal Revenue Code (referred to as “FATCA”) may have an effect on the Fund. These provisions may impose a withholding tax of 30 per cent on certain gross amounts paid to certain non-US entities, such as the Fund, unless various information reporting requirements are satisfied. Amounts subject to withholding under these rules generally include gross US-source dividend and interest income paid on or after January 1, 2014, gross proceeds from the sale of property that produces US-source dividend or interest income paid on or after January 1, 2017 and certain other payments made by “participating foreign financial institutions” to “recalcitrant account holders” on or after January 1, 2017 (so called “foreign pass thru payments”).

The Cayman Islands' Government has elected to adopt a Model 1 intergovernmental agreement (IGA) with the United States to facilitate compliance with FATCA. The IGA terms have not yet been finalised and adopted but once the IGA is adopted, it is expected that the Fund will be required to report FATCA information to the Cayman Islands Tax Information Authority which in turn will report relevant information to the United States Internal Revenue Service (IRS). To avoid withholding under FATCA, the Fund may request additional information from each investor and its beneficial owners that may be disclosed to the Cayman Islands Tax Information Authority and the IRS demonstrating that such investor is not a US Person. If the Fund is not able to comply with reporting requirements under the IGA (whether due to a failure of one or more Shareholders to provide adequate information or otherwise), the 30 per cent withholding tax under FATCA could apply to the Fund. In addition, certain non-US Shareholders will also be required to enter into an agreement with the IRS and disclose certain information regarding their beneficial owners to the IRS. If such non-US Shareholders fail to provide such information or enter into such an agreement with the IRS as required under FATCA, the Fund may be required to impose a withholding tax of 30 per cent on certain payments made to such non-US Shareholders and also may be required to terminate such non-US Shareholder's investment in the Fund.

Shareholders are encouraged to consult their own advisors regarding the possible application of FATCA, and the proposed regulations issued thereunder, to the Fund, and regarding the potential impact of FATCA, and the proposed regulations issued thereunder, on the shareholders' investment in the Fund.

Taxation of the Fund by Other Jurisdictions.

Interest, dividend and other income realized by the Fund from non-U.S. sources, and capital gains realized on the sale of securities of non-U.S. issuers, may be subject to withholding and other taxes levied by the jurisdiction in which the income is sourced. It is impossible to predict the rate of foreign tax the Fund will pay since the amount of the assets to be invested in various countries and the ability of the Fund to reduce such taxes, are not known.

European Directive on Alternative Investment Fund Managers

The Member States of the European Union (the “EU”) were required to implement the European Directive on Alternative Investment Fund Managers (the “AIFMD”) by 22 July 2013. The AIFMD will impose significant new regulatory requirements on alternative investment fund managers domiciled in the

EU (“EU AIFMs”) including with respect to required regulatory authorizations, conduct of business, regulatory capital, valuations, disclosures and marketing.

Although AIFMs domiciled outside the EU (“non-EU AIFMs”) will not be required to comply with the AIFMD requirements, any marketing of their funds to investors domiciled in the EU will be subject to requirements and limitations imposed by the AIFMD. In particular, between 2013 and 2018, Member States of the EU may (but are not required to) permit the marketing of funds managed by non-EU AIFMs to professional investors in their territory provided that, at least, certain requirements relating to regulatory and investor disclosure and transparency prescribed by the AIFMD are met (the “national private placement regimes”). In addition, the jurisdiction of domicile of the non-EU AIFM and of the fund it is marketing in the EU (if the fund is not itself domiciled in the EU) must have in place certain cooperation agreements with the EU Member State in which the fund is being marketed.

From 2015, non-EU AIFMs will be permitted to choose to “opt-in” to the AIFMD and comply with its requirements as though it were an EU AIFM. A non-EU AIFM that has opted-in will be permitted to market its funds on a passported basis across the EU and will not be required to comply with the national private placement regimes.

The national private placement regimes may be phased out after July 2018, following which full compliance with the AIFMD may be mandatory in order to market an investment fund within the EU. It is anticipated that, between July 2013 and 2018, the impact of the AIFMD on the ability to market the Shares within the EU will be limited although it is possible that national private placement regimes in certain EU Member States may become increasingly restrictive during this period. The AIFMD rules could, if fully applicable to the Investment Manager and/or the Fund, significantly increase operational costs, limit operating flexibility and limit the ability of relevant parties to market the Shares within the EU.

IRS CIRCULAR 230 DISCLOSURE: TO ENSURE COMPLIANCE WITH REQUIREMENTS IMPOSED BY THE SERVICE, WE INFORM YOU THAT (I) ANY U.S. FEDERAL TAX ADVICE CONTAINED IN THIS COMMUNICATION (INCLUDING ANY ATTACHMENTS) IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, FOR THE PURPOSE OF AVOIDING PENALTIES UNDER THE CODE AND (II) ANY SUCH TAX ADVICE IS WRITTEN IN CONNECTION WITH THE PROMOTION OR MARKETING OF THE MATTERS ADDRESSED HEREIN. PROSPECTIVE INVESTORS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT ADVISOR.

CERTAIN ERISA CONSIDERATIONS

Fiduciaries of benefit plan investors, as defined in Section 3(42) of ERISA (“**Benefit Plan Investors**”)⁴, in consultation with their advisors, should carefully consider the impact of ERISA, the Code and the regulations, rules, procedures and judicial decisions thereunder on an investment in the Fund. Among other matters, a fiduciary of a Benefit Plan Investor should consider (a) whether the investment is prudent and in accordance with the documents and instruments governing such Benefit Plan Investor; (b) the composition of the Benefit Plan Investor’s portfolio with respect to diversification; (c) the cash flow needs of

⁴ For purposes of Section 3(42), the term “benefit plan investor” means “an employee benefit plan subject to part 4 of ERISA, any plan to which section 4975 of the Code applies, and any entity whose underlying assets include plan assets by reason of a plan’s investment in such entity.” The term “benefit plan investor” includes, therefore, but is not limited to, employee pension benefit plans and employee welfare plans maintained by United States domestic companies, 401(k) plans, individual retirement accounts, medical benefit plans and education savings accounts. The term does not include (a) a government plan (as defined in Section 3(32) of ERISA), (b) a foreign employee benefit plan, but only if such plan is maintained outside of the United States primarily for the benefit of persons substantially all of whom are neither citizens of nor residents in the United States, and (c) a church plan (as defined in Section 3(33) of ERISA), but only if no election has been made under Code Section 410(d).

the Benefit Plan Investor and the effect thereon of the illiquidity of the investment; (d) the Benefit Plan Investor's funding objectives; (e) the tax effects of the investment described in this Memorandum under "*Certain Tax Considerations -- Certain U.S. Income Tax Considerations*"; (f) the fact that the investors may consist of a diverse group of investors and that the Fund will not take the particular objectives of any investor or class of investors into account; (g) the risks of an investment in the Fund discussed in this Memorandum under "*Risk Factors*"; and (h) the fact that, as discussed below, it is expected that Benefit Plan Investors will not be permitted to invest in the Fund if such investment would cause the Fund to be deemed to be holding plan assets and, therefore, that none of the Fund, the Investment Manager or any of their respective principals, employees, affiliates, agents or consultants will be acting as a fiduciary under ERISA or the Code with respect to the Benefit Plan Investor, either with respect to the Benefit Plan Investor's purchase or retention of its investment or with respect to the management of the business and investments of the Fund. None of the Fund, the Investment Manager or any of their respective principals, employees, affiliates, agents or consultants makes any representation with respect to whether an investment in Shares would be a suitable investment for any Benefit Plan Investor.

As discussed below, it is expected that, following the issuance of Shares pursuant to this offering, the Fund will not be deemed to hold plan assets. If, however, the Fund were deemed to hold plan assets, ERISA's prudence and other fiduciary standards (and/or comparable provisions of the Code) would apply to, and might materially affect, the operations of the Fund. Furthermore, any transaction involving the Fund would be deemed to be a transaction with each Benefit Plan Investor that was an investor in the Fund, and the Investment Manager would be a fiduciary of each such Benefit Plan Investor under ERISA and/or the Code. Such treatment would subject the actions of the Fund to the conflict of interest and other restrictions applicable to fiduciaries under ERISA and/or the Code. In addition, unless a statutory or an administrative exemption were available, such treatment would generally prohibit the Fund from entering into transactions with parties in interest to any of the Benefit Plan Investors.

If the Fund were deemed to hold plan assets and any actions of the Fund were deemed to constitute a breach of fiduciary duty, then other fiduciaries, including fiduciaries of the Benefit Plan Investors which purchase Shares, could be held liable, either directly or as co-fiduciaries of the Fund, if, for example, such fiduciaries had knowledge of the breach or failed to act in accordance with the standards of care applicable to fiduciaries under ERISA and/or the Code in causing the Benefit Plan Investor to invest in the Fund. In addition, if the Fund were deemed to hold plan assets, individual retirement account investors could lose their tax-exempt status under Section 408(e)(2) of the Code if the Fund engaged in certain transactions with the individual retirement account beneficiaries.

Pursuant to Section 3(42) of ERISA and U.S. Department of Labor Regulations Section 2510.3-101, none of the assets of the Fund will be treated as plan assets for purposes of ERISA and/or the Code if less than 25% of the total value of each class of equity interest in the Fund is held by Benefit Plan Investors (excluding, for purposes of calculating such 25% threshold, the value of any equity interest held by a person (other than such a Benefit Plan Investor) who has discretionary authority or control with respect to the assets of the entity or any person who provides investment advice for a fee (direct or indirect) with respect to such assets, or any affiliate of such a person).

No Benefit Plan Investor may acquire Shares if after giving effect thereto the assets of the Fund would be plan assets for the purposes of ERISA and/or the Code. In addition, if the Fund concludes that it is probable that the continuation of any Benefit Plan Investor as an investor in the Fund would result in all or any portion of the assets of the Fund being deemed to constitute plan assets of such investors for the purposes of ERISA and/or the Code, the Fund will take such actions as it deems necessary or appropriate to mitigate, prevent or cure such adverse consequences, taking into account the interests of all investors and of the Fund as a whole. Such actions may include, in the Fund's discretion, causing an immediate redemption of some or all of any Benefit Plan Investor's Shares.

REPORTS, FINANCIAL STATEMENTS AND REGULATION

The Fund will cause the Administrator to provide each shareholder with reports that will include net asset value information per Share, on a monthly basis, or more often at the Fund's discretion.

An audited financial statement will be sent to all shareholders as promptly as practicable following the end of each fiscal year of the Fund, which has been determined to be the calendar year ending December 31. The Board of Directors of the Fund has the authority to change such fiscal year and to request audited financial statements as of different dates or periods.

The Investment Manager or the Administrator may furnish such other reports to shareholders when an event occurs about which in their judgment shareholders should be informed.

The Fund falls within the definition of a "mutual fund" under the Funds Law and, accordingly, is regulated under the Funds Law. The Fund is required to be licensed or to employ a licensed mutual fund administrator because the minimum initial subscription is less than U.S.\$100,000 or its equivalent in any other currency. The Fund is registered with CIMA as an administered fund in accordance with Section 4(1) of the Mutual Funds Law. Accordingly, the Fund is subject to continuing obligations to (i) file with CIMA prescribed details of any changes to this Memorandum; (ii) file annually (within 6 months of the end of each fiscal year) with CIMA accounts audited by an approved auditor and a financial annual return; and (iii) pay a prescribed annual fee.

The Fund is subject to the supervision of CIMA and CIMA has wide supervisory powers under the Funds Law in that regard, including the power to instruct the Fund to have its accounts audited and to submit them to CIMA within such time as CIMA specifies. Failure to comply with any supervisory requests by CIMA may result in substantial fines. In addition, CIMA has wide powers to take action if certain events occur, such as the Fund not being able to meet its obligations when they come due or the Fund carrying on its business in a manner that is prejudicial to its shareholders or creditors. The powers of CIMA in these circumstances include the power to require the substitution of a member of the Board of Directors and, at the expense of the Fund, to appoint a person to advise the Fund on the proper conduct of its affairs; and, at the expense of the Fund, to appoint a person to assume control of the affairs of the Fund including, but not limited to, having the ability to terminate the business of the Fund. There are other remedies available to CIMA including the ability to apply to the courts of the Cayman Islands for approval of other actions or requiring the Fund to reorganize its affairs in a manner specified by CIMA.

AUDITORS

The Board of Directors has retained McGladrey & Pullen, Cayman to serve as the Fund's independent certified public accountants. Such firm will audit the annual financial statements of the Fund, in accordance with generally accepted accounting principles as applied in the U.S. The auditor has given, and has not withdrawn prior to the delivery of a copy of this Memorandum for filing with CIMA, its written consent to act as the auditor to the Fund. The Board of Directors of the Fund has the right to change its selection of accounting firms, provided that any new auditor selected be an auditor approved under Cayman law.

COUNSEL

Finn Dixon & Herling LLP, Stamford, Connecticut, serves as U.S. counsel to the Fund and to the Investment Manager in connection with certain post-organizational U.S. legal matters. Harney Westwood & Riegels LLP, Cayman Islands, has acted as Cayman Islands counsel to the Fund in connection with certain organizational matters with respect to Cayman Islands law. Such firms are not representing, nor purporting to represent, any prospective shareholder in regard to the offering of Shares made hereby and

prospective investors must rely accordingly upon their own legal advisors, as to tax matters and otherwise, in connection with their investment decision.

ELIGIBLE INVESTORS

The Shares are being offered from time to time on a private basis only to a select number of institutional and individual investors which meet certain eligibility requirements. Any investor who is a “U.S. Person” must be an “accredited investor”, as defined in Securities and Exchange Commission (the “SEC”) Regulation D promulgated under the Securities Act, and a “qualified purchaser”, as defined in Section 2(a)(51) of the Investment Company Act. In addition, every investor must meet certain Standards of Suitability requirements, as defined below. The Fund reserves the right to determine conclusively whether any person meets the Fund’s investor eligibility requirements. The Fund may determine to limit or restrict ownership by a non-qualifying shareholder after an investment in the Fund is made and to redeem Shares held by such a shareholder.

As used herein, the term “U.S. Person” means: (i) Any United States citizen or a resident of the United States of America (as defined for purposes of the federal income tax laws of the United States); (ii) any corporation, partnership, trust or other legal entity organized or created under the laws of any United States jurisdiction; (iii) any organization or entity controlled, directly or indirectly, by a person or persons described in (i) or (ii) or of which such person or persons described are known to be the owners, directly or indirectly, of a majority of the beneficial interests therein; or (iv) any other person or entity which is a “U.S. Person” within the meaning of the U.S. Internal Revenue Code of 1986, as amended (the “Code”); Regulation S, or any successor provision, as in effect at the time under the Securities Act.

The offer and sale of Shares will not be registered under the Securities Act in reliance upon exemptions provided by SEC Regulation S (with respect to non-U.S. Persons) and Regulation D (with respect to U.S. Persons). As such, subscribers who are U.S. Persons must qualify as “accredited investors”, as defined in SEC Rule 501 of Regulation D, the definition of which is summarized in Annex A of the Subscription Agreement which accompanies this Memorandum.

The Fund will not be registered as an investment company under the Investment Company Act in reliance upon an exemption provided in Section 3(c)(7) thereof. As such, subscribers who are U.S. Persons must qualify as “qualified purchasers”, as that term is defined in Section 2(a)(51) of the Investment Company Act. In order to be a “qualified purchaser” under the Investment Company Act, Qualified U.S. Tax-Exempt Entities must generally own not less than U.S.\$25 million in “investments” at the time of purchase of Shares and natural persons must generally own not less than \$5,000,000 or more in net investments. The definition of “qualified purchaser” (including a description of the term “investments”) is summarized in Annex B of the Subscription Agreement which accompanies this Memorandum.

In addition every investor (and their adviser, if applicable) must meet the Fund’s standards of suitability (“Standards of Suitability”). In general an investor meeting the Fund’s Standards of Suitability will have: (i) such knowledge and experience in financial matters that the investor is capable of evaluating the relative risks and merits of an investment in the Fund; (ii) it can bear the economic risk of losing its entire investment in the Fund; and (iii) had extensive experience in investments of the type represented by the Shares.

SUBSCRIPTION FOR COMMON SHARES

Subscriptions for Common Shares will be made pursuant to the Subscription Agreement in the form accompanying this Memorandum. All subscriptions must be irrevocable, must be made upon and subject to the terms and conditions of this Memorandum, and must specify the following information:

- (i) the total amount (in U.S. Dollars) of the subscription (which must be a minimum of U.S.\$10,000), and
- (ii) the name and address of the subscriber and, if appropriate, the name and title of the person making the subscription on the subscriber's behalf.

Together with each subscription, the subscriber must pay the full amount of the subscription amount, by wire transfer in U.S. dollars, by bank telegraphic transfer, pursuant to wire transfer instructions set forth in the attached Subscription Agreement. A sales charge of two percent (2%) of the subscription amount will normally be payable upon subscription of the Shares. This sales charge may be paid to introducing agents and may be waived at the sole discretion of the Investment Manager.

A duly completed Subscription Agreement must be received by the Administrator not less than five (5) business days prior to the desired purchase date for Shares, first by facsimile with the original to follow by courier, together with subscription funds delivered by wire transfer received by the Administrator not less than two (2) business days prior to the desired purchase date for Shares, unless other payment arrangements are expressly accepted by the Fund. In connection with subscriptions the Administrator may require certain information from subscribers for purposes of complying with "anti-money laundering" regulations. See "*Anti-Money Laundering Laws and Procedures*" below.

Subscribers should review carefully the Subscription Agreement, which contains certain representations and warranties required of each Subscriber.

All subscriptions for Shares will be subject to acceptance by the Board of Directors of the Fund, in its absolute discretion. The Board of Directors may reject a subscription, including that of an existing holder of Shares, for any reason.

The Investment Manager may utilize third parties to assist in the solicitation of new investors in the Fund. Unless a selling commission is expressly agreed to by an investor, any fees paid to such parties for such services will be borne by the Investment Manager and will not reduce the investment of any purchaser of Shares. All subscribed funds will be invested in the Fund.

ANTI-MONEY LAUNDERING LAWS AND PROCEDURES

Cayman Islands

In order to comply with regulations aimed at the prevention of money laundering, the Fund and/or the Administrator will require verification of identity from all prospective investors (unless in any case the Fund and/or the Administrator is satisfied that an exemption under the Money Laundering Regulations (as amended) of the Cayman Islands and the Guidance Notes issued pursuant thereto (the "Regulations") applies).

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

The Fund and the Administrator also each reserve the right to refuse to make any redemption payment or distribution to a Shareholder if any of the Directors of the Fund or the Administrator

suspects or is advised that the payment of any redemption or distribution monies to such Shareholder might result in a breach or violation of any applicable anti-money laundering or other laws or regulations by any person in any relevant jurisdiction, or such refusal is considered necessary or appropriate to ensure the compliance by the Fund, its Directors or the Administrator with any such laws or regulations in any relevant jurisdiction.

If, as a result of any information or other matter which comes to his attention, any person resident in the Cayman Islands or elsewhere (including the Fund, its Directors and the Administrator) knows or suspects that another person is engaged in money laundering, such person is required to report such information or other matter pursuant to The Proceeds of Crime Law (as amended) of the Cayman Islands and such report shall not be treated as a breach of any restriction upon the disclosure of information imposed by law or otherwise.

The Fund and its agents (including the Administrator and Investment Manager) will not incur any liability for adhering to the Fund's responsibilities under its anti-money laundering program, and will be indemnified by each subscriber for any losses which the Fund or its principals or agents may incur for doing so.

United States

As a result of anti-money laundering legislation enacted by the U.S. federal government (known as the "PATRIOT Act"), and any future amendments to such legislation, the Investment Manager and/or the Fund may be required to establish an anti-money laundering program which, among other things, may require the Investment Manager and/or the Fund, as applicable, to take measures to verify the identities of existing and prospective Fund shareholders and to identify the source of funds invested in the Fund. In the event that the Investment Manager, the Administrator or the Fund determines, in its discretion, that verification of identity of an existing or prospective shareholder or identification of the source of funds is required, the applicable shareholder will be required to provide the Fund with all requested information and documentation. By way of example, an individual may be required to produce, among other things, a copy of a passport or identification card duly certified by a public authority such as a notary public, the police or the ambassador in his or her country of residence, together with evidence of his or her address such as a utility bill or bank statement. In the case of corporate applicants, production of a certified copy of charter documentation, as well as the names and addresses of all directors, officers and/or beneficial owners may be required.

The Administrator, the Investment Manager and the Fund each reserves the right to request any documentation and information that is deemed by it to be necessary in order for it to comply with applicable anti-money laundering laws and any anti-money laundering program established by it. This may result in Shares being issued on a date subsequent to the issuance date on which an investor initially wished to have Shares issued to him or her. Furthermore, the Administrator or the Fund may, in its discretion, effect a mandatory redemption of a shareholder, or reject a subscription for Shares or process a redemption request by a shareholder, in the event that the Administrator or the Fund does not receive satisfactory information or documentation, or if the Administrator or the Fund believes that it would be a violation of applicable anti-money laundering laws or an established anti-money laundering program for such person to remain a shareholder or be admitted to the Fund, as applicable.

It is further acknowledged that the Administrator, the Fund and the Investment Manager, including their affiliates, agents and employees, in the performance of their respective duties, will be held harmless by the subscriber against any loss arising as a result of a failure to process any subscription or redemption request if such information as has been requested by the Administrator, the Fund or the Investment Manager, as the case may be, has not been timely furnished or is inaccurate or incomplete in any respect.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents of the Fund, which may be amended from time to time, may be inspected during usual business hours on any Business Day at the office of the Administrator, at Boundary Hall, Cricket Square, PO Box 1093, Grand Cayman, Cayman Islands.

1. Memorandum and Articles of Association
2. Administration Agreement
3. Amended and Restated Investment Manager Agreement

Investors or their representatives may contact the Administrator and/or the Investment Manager to discuss the operations of the Fund.
