

RIVERPLUS FUND

(incorporated as an exempted company
with limited liability in the Cayman Islands)

OFFERING MEMORANDUM

1 September 2009

for an offering of up to 4,990,000 Class A Shares of US\$0.01 par value each of Riverplus Fund at an initial subscription price of CHF100 per Class A Share and then at the Net Asset Value per Class A Share (adjusted for equalisation), payable in full upon application

This Offering Memorandum is distributed in connection with a private offering of Shares, none of which will be issued to any person other than a person to whom a copy of this Offering Memorandum is sent. No person receiving a copy of this Offering Memorandum in any territory may treat it as constituting an offer, unless in the relevant territory such an offer could lawfully be made to such person without compliance with any registration or other legal requirements.

The contents of this Offering Memorandum are not to be construed as a recommendation or advice to any prospective investor in relation to the subscription, purchase, holding or disposition of Shares. **Prospective investors should consult their professional advisers accordingly.**

Riverplus Management Company
PO Box 309, Ugland House
Grand Cayman, KY1-1104
Cayman Islands

This Offering Memorandum has been prepared in connection with a preliminary offer of redeemable participating shares of US\$0.01 par value each (the “**Shares**”) in Riverplus Fund (the “**Fund**”) and contains specific information in relation to Class A Shares (the “**Class A Shares**”). The closing date in relation to the Class A Shares is 30 September 2009 (or such later date as the Directors may agree) (the “**Initial Closing Date**”) with the intention that following the Initial Closing Date, Class A Shares may be issued on any Subscription Day at the Subscription Price and may be redeemed on any Redemption Day at the Redemption Price in the manner described below under the section headed “Issue, Redemption and Transfer of Shares”.

The attention of investors in the Fund is drawn to the general risk factors which appear under the section headed “Risk Factors”. Accordingly, an investment should only be made by persons in a position to take on such a risk.

Investors should note that because investments in securities can be volatile and that their value may decline as well as appreciate, there can be no assurance that the Fund will be able to attain its objective. The price of Shares as well as the income therefrom may fall as well as rise to reflect changes in the Net Asset Value of the Fund. An investment should only be made by those persons who are able to absorb a loss on their investment.

The Directors of the Fund, whose names appear under the section headed “Management and Administration of the Fund” in the Offering Memorandum, accept responsibility for the information contained in this Offering Memorandum. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) such information is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

No action has been taken to permit the distribution of this Offering Memorandum in any jurisdiction where action would be required for such purpose. Accordingly, no person receiving a copy of this Offering Memorandum and/or an Application Form in any territory may treat it as constituting an invitation to purchase or subscribe for Shares nor should such person in any event use such an Application Form unless in the relevant territory such an invitation could lawfully be used without compliance with any registration or other legal requirement.

The Directors have the right to compulsorily redeem any or all of the Shares held by any Shareholder where the holding of the Shares may result in regulatory, pecuniary, legal, taxation or material administrative disadvantage for the Fund or its Shareholders as a whole.

Any information given or representation made by any dealer, salesman or other person and (in either case) not contained herein should be regarded as un-authorised and, accordingly, should not be relied upon. Neither the delivery of this Offering Memorandum nor the offer, issue or sale of Shares shall, under any circumstances, constitute a representation that the information contained in this Offering Memorandum is correct at any time subsequent to the date of this Offering Memorandum.

Potential subscribers of Shares should inform themselves as to (a) the possible tax consequences, (b) the legal requirements and (c) any foreign exchange restrictions or exchange control requirements which they might encounter under the laws of the countries of their citizenship, residence, incorporation or domicile and which might be relevant to the subscription, holding, or disposal of Shares.

Maples and Calder's responsibility is limited to disclosures of Cayman Islands law in this Offering Memorandum. They accept no responsibility for omissions or in relation to the veracity or otherwise of any other matters referred to or disclosed in this Offering Memorandum as to which independent onshore counsel have not been engaged.

This Offering Memorandum may be translated into other languages provided that any such translation shall only contain the same information and shall have the same meaning as in this Offering Memorandum.

There is no prohibition on dealings in the assets of the Fund by the Administrator, the Prime Broker, the Investment Manager, Investment Advisor or entities related to the Administrator, the Prime Broker, the Investment Manager or the Investment Advisor provided the transaction is carried out as if effected on normal commercial terms negotiated at arm's length and is in the best interests of Shareholders.

Restrictions on Distribution

The distribution of this Offering Memorandum and the offering of Shares in certain jurisdictions is restricted. There will be no public offering of Shares and no offer to sell (or solicitation of an offer to buy) is being made in any jurisdiction in which such offer or solicitation would be unlawful. It is the responsibility of any recipient of this Offering Memorandum to confirm and observe all applicable laws and regulations. The following information is provided as a general guide only and does not purport to be a complete description and explanation of such restrictions:

Austria: This Offering 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 Offering 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, 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 this Offering Memorandum will be rejected.

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

Germany: Shares may not be offered in Germany and this Offering Memorandum does not constitute or form part of any offer or invitation to the public in Germany to subscribe for or purchase Shares in the Fund.

Hong Kong: The Fund is not authorised by the Securities and Futures Commission in Hong Kong pursuant to Section 104 of the Securities and Futures Ordinance of Hong Kong and a copy of this Offering Memorandum has not been registered by the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies Ordinance of Hong Kong. This Offering Memorandum must not, therefore, be circulated, distributed or otherwise made available, and Shares may not be offered or sold, to persons in Hong Kong other than (1) those whose ordinary business it is to buy or sell shares or debentures (whether

as principal or as agent) or (2) in circumstances which would not constitute an offer to the public or any section thereof.

Italy: Shares may not be offered or sold and the Offering 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 or to any Italian resident investor in circumstances which would be in breach of relevant Italian law and regulations.

Russia: The Shares described in this Offering Memorandum will not be registered in the Russian Federation and cannot be marketed or sold in the Russian Federation.

Switzerland: No person or entity may engage in any promotional activities with respect to the Fund and/or the Shares or publicly offer or sell the Shares in or from Switzerland, and no person is authorised to publicly offer or sell the Shares or distribute this Offering Memorandum or any Supplement in or from Switzerland. Activities which do not constitute a public distribution, sale or offer are limited to (hereinafter collectively "Swiss Private Placement"):

- (i) the subscription/purchase of Shares on behalf of investors based on orders given by investors upon their own initiative; and
- (ii) the offering and distribution to qualified investors (provided customary advertising methods for this market are used).

The following are deemed to be qualified investors:

- (a) supervised financial intermediaries such as banks, securities dealers, fund management companies and asset managers of collective investment schemes;
- (b) supervised insurance institutions;
- (c) public law corporations and benefit plans with professional treasury management;
- (d) enterprises with professional treasury management;
- (e) high net worth individuals (i.e. individuals who confirm in writing that they own a minimum of CHF two million of financial assets);
- (f) investors who have entered into a written discretionary investment management agreement with a supervised financial intermediary pursuant to clause (a); and
- (g) investors who have entered into a written discretionary investment management agreement with an independent asset manager provided that such independent asset manager is subject (i) to the Swiss Money Laundering Act of October 10, 1997, and (ii) to the code of conduct of an industry organisation which has been recognised by the Swiss Financial Market Supervisory Authority ("**FINMA**") as meeting a minimum standard and that the written management agreement satisfies the recognised guidelines of industry organisation.

This Offering Memorandum and any accompanying Supplement is confidential and personal to the addressee and may be used in a Swiss Private Placement only, it shall not be copied, used by, distributed or disclosed by the addressee to any other person than his professional advisers. The Fund is open ended

and incorporated as an exempted company with limited liability in the Cayman Islands pursuant to the Companies Law (2007 Revision) of Cayman Islands and accordingly the Shares represent units of a foreign fund in the sense of article 119 of the Swiss Collective Investment Scheme Act of June 2006 ("**CISA**"). No action has been taken or application made to the FINMA under the CISA for authorisation of public promotion, offer, sale or distribution of the Shares in or from Switzerland. Accordingly, the Shares are not registered with the FINMA under the CISA and the FINMA has not authorised the public promotion, solicitation, offer, distribution or sale of the Shares. As a result, an investor in the Fund does not have the benefit of the specific investor protection and/or supervision by the FINMA afforded under the CISA.

United States: This Offering Memorandum has not been approved by any regulatory authority in the United States and, accordingly, Shares may not be offered or sold in the United States by means of this Offering Memorandum or any other document other than to persons whose ordinary business it is to buy or sell shares or debentures, whether as principal or agent, or in other circumstances which do not constitute an offer to the public for the purposes of the securities laws of the United States.

The Shares have not been registered under the United States Securities Act of 1933 and are not being offered in the United States of America, nor may they be directly or indirectly offered or sold in the United States of America or in its territories or possessions or areas subject to its jurisdiction or to or for the benefit of nationals, citizens or residents thereof or persons who are normally resident therein (including the estate of such person and corporations or partnerships created or organised therein) except pursuant to an exemption available under the United States Securities Act of 1933.

Generally: The distribution of this Offering 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 Offering 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 Offering 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.

DEFINITIONS

For the purposes of this Offering Memorandum, the following expressions have the following meanings:

“Administration Agreement”	means the administration and accounting services agreement by which the Fund has appointed the Administrator to provide administrative services to the Fund.
“Administrator”	means PNC Global Investment Servicing (Europe) Ltd. or such person, firm or corporation appointed, and from time to time acting, as administrator of the Fund.
“Application Form”	means the application form to be used for subscribing for Shares.
“Articles”	means the articles of association of the Fund as amended or restated from time to time.
“Business Day”	means any day normally treated as a business day in Ireland and/or such other day or days as the Directors may from time to time determine.
“Calculation Period”	means the period of three months beginning on the first Business Day of each calendar quarter and ending on the last Business Day of each calendar quarter, save that the first Calculation Period with respect to the Class A Shares shall begin on the date of the first issue of Class A Shares and shall end on 31 December 2009, and or such other period or periods as the Directors may from time to time determine.
“Cayman Islands”	means the British Overseas Territory of the Cayman Islands.
“CHF”	means the currency of Switzerland.
“Class A Share”	means a Share in the Fund designated as a Class A Share and having the rights provided for under the Articles and this Offering Memorandum.
“Directors”	means the directors for the time being of the Fund.
“Dollars”, “USD” and “US\$”	refers to the currency of the United States of America.
“EUR”	refers to the Euro, the lawful currency of all member states of the European Monetary Union.
“Fund”	means Riverplus Fund.
“Gate”	means the limitation on the ability of Shareholders to redeem the Class A Shares as described under the section headed “The Gate”.

“Initial Offer Period”	means the period commencing on the date of this Offering Memorandum and ending on 30 September 2009 (or such later date as the Directors may determine).
“Initial Subscription Price”	means CHF100 per Class A Share.
“Investment Advisor”	means lambda CAPITAL GROUP AG or such other person, firm or corporation appointed, and from time to time acting, as investment advisor to the Investment Manager in relation to the Fund.
“Investment Management Agreement”	means the agreement by which the Fund has appointed the Investment Manager to manage the Fund’s investments.
“Investment Manager”	means Riverplus Management Company, a Cayman Islands exempted company, or such other person, firm or corporation appointed, and from time to time acting, as investment manager of the Fund.
“Management Fee”	means the management fee payable by the Fund to the Investment Manager, calculated in the manner described under the section headed “Fees and Expenses”.
“Management Share”	means a voting non-participating share in the capital of the Fund of US\$1.00 par value designated as a Management Share and having the rights provided for under the Articles.
“Memorandum”	means the memorandum of association of the Fund as amended or restated from time to time.
“Minimum Holding”	means US\$100,000 or its equivalent in CHF or such other amount as may be determined by the Directors from time to time in relation to the Class A Shares.
“Net Asset Value”	means the value of the assets less the liabilities of the Fund or a class of Shares or per Share of the relevant class, as the context may require, calculated in accordance with the Articles and this Offering Memorandum.
“Non-Eligible Investor”	means those persons who are not eligible to hold Shares, as determined from time to time by the Directors.
“Offering Memorandum”	means this offering memorandum, as amended or supplemented from time to time.
“Ordinary Resolution”	means a resolution passed by a simple majority of such Shareholders as, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting, and includes a unanimous written resolution.

“Performance Fee”	means the performance fee payable by the Fund to the Investment Manager in respect of the appreciation in value of the Class A Shares, as described under the section headed “Fees and Expenses”.
“Prime Broker”	means Credit Suisse Securities (Europe) Limited or such other person, firm or corporation appointed and from time to time acting as prime broker and custodian of the Fund’s assets.
“Recognised Clearing House”	means the following clearing houses: The CME Clearing House; The Clearing Corporation; LCH.Clearnet; Eurex Clearing AG; and any other clearing house which the applicant demonstrates affords to its members a level of protection which is commensurate with that afforded to their members by the clearing houses listed above.
“Recognised Regulatory Authority”	means any regulatory authority which is charged with the regulation and supervision of financial services firms under the law of any EU Member State and of the following countries: Australia; Canada; Hong Kong; Japan; Singapore; Switzerland; United States; and any other jurisdiction specified for these purposes by the Irish Stock Exchange from time to time.
“Redemption Day”	means the first Business Day of each month and/or such other day or days as the Directors may from time to time determine.
“Redemption Price”	means the price, calculated in the manner described below under the section headed “Redemption of Shares”, at which Class A Shares will normally be redeemed.
“Register of Members”	means the register of Shareholders, which shall be maintained in accordance with the Companies Law (2007 Revision) and includes (except where otherwise stated) any duplicate Register of Members.
“Registered Office”	means the person, firm or corporation appointed and from time to time acting as the registered office of the Fund.
“Separate Account”	means a separate internal account of the Fund established with respect to a class of Shares and which shall be maintained in accordance with the Articles.
“Share”	means a non-voting participating redeemable share in the capital of the Fund of US\$0.01 par value designated as a participating share, including the Class A Shares, and having the rights provided for under the Articles and as described herein.

“Shareholder”	means a person who is registered on the Register of Members of the Fund as the holder of a Share.
“Special Resolution”	means a resolution passed by a majority of not less than two-thirds of the holders of the Management Shares as being entitled to do so, vote in person, or where proxies are allowed, by proxy at a general meeting of which notice specifying the intention to propose the resolution as a special resolution has been duly given, and includes a unanimous written resolution.
“Subscription Day”	means the first Business Day of each month and/or such other day or days as the Directors may from time to time determine.
“Subscription Price”	means the price, calculated in the manner described below under the section headed “Further Issues of Shares”, at which Class A Shares will be issued following the Initial Offer Period.
“United States” or “US”	means the United States of America (including the States and the District of Columbia), its territories, its possessions and other areas subject to its jurisdiction.
“Valuation Day”	means the last Business Day of each month or such other Business Day or Business Days, determined from time to time by the Directors, to be the day or days upon which the Net Asset Value and Net Asset Value per Share is calculated.
“Valuation Point”	means with respect to any Valuation Day the time or times on such Valuation Day that the Directors determine to calculate the Net Asset Value and Net Asset Value per Share.

DIRECTORY

Riverplus Fund

Registered Office:

Maples Corporate Services Limited
PO Box 309, Ugland House
Grand Cayman, KY1-1104
Cayman Islands

Directors of the Fund:

Sean Flynn
Patrick Harrigan
Dr. Hans Baumgartner

Investment Manager:

Riverplus Management Company
PO Box 309, Ugland House,
Grand Cayman KY1-1104
Cayman Islands

Investment Advisor:

lambda CAPITAL GROUP AG
Rämistrasse 2
8001 Zürich
Switzerland

Administrator:

PNC Global Investment Servicing
(Europe) Ltd.
Riverside Two
Sir John Rogerson's Quay
Grand Canal Dock, Dublin 2
Ireland

Prime Broker:

Credit Suisse Securities (Europe) Limited
One Cabot Square
London E14 4QA
England

Listing Agent:

Maples and Calder
75 St. Stephen's Green
Dublin 2
Ireland

Auditors:

KPMG
P.O. Box 493
Century Yard, Cricket Square
Grand Cayman, KY1-1106
Cayman Islands

Legal Advisers:

to the Fund as to matters of Cayman Islands law:

Maples and Calder
PO Box 309, Ugland House
Grand Cayman, KY1-1104
Cayman Islands

SUMMARY

The following is a summary only and is qualified in its entirety by the more detailed information appearing elsewhere in this Offering Memorandum, and should be read in conjunction with the Memorandum and Articles and other agreements referred to herein.

The Fund	Riverplus Fund (the “ Fund ”) is an exempted company incorporated with limited liability in the Cayman Islands on 30 April 2009 under the Companies Law (2007 Revision) of the Cayman Islands. The Fund has not commenced business and no accounts have been made up as at the date of this Offering Memorandum.
The Offering	<p>The Fund is currently offering Shares in one class, the “Class A Shares”.</p> <p>The Fund may determine to offer Shares in other classes with different terms, preferences, privileges or special rights including, without limitation, with respect to investment strategy and/or policy, participation in assets, profits and losses of the Fund, voting, fees charged (including management fees and performance fees), redemption privileges, allocation of costs and expenses (including, without limitation, the costs and expenses incurred in any hedging activities and any profits and losses arising therefrom) as the Directors may, in their absolute discretion, determine. New classes of Shares may be offered pursuant to an updated Offering Memorandum or supplement to this Offering Memorandum or pursuant to a separate offering memorandum.</p> <p>Pursuant to this Offering Memorandum, Class A Shares are being offered at a price of CHF100 per Share (the “Initial Subscription Price”) during the Initial Offer Period and thereafter at the relevant Subscription Price on each Subscription Day.</p>
Minimum Investment	<p>The minimum initial investment for Class A Shares both during the Initial Offer Period and thereafter is US\$100,000 or its equivalent in CHF or other currencies at the time of subscription.</p> <p>The minimum subsequent investment for Class A Shares is CHF25,000.</p>
Investment Objective	The investment objective of the Fund is to generate absolute returns over the medium term in all market environments with low correlation to most major market indices through active trading of financial instruments. The Fund operates primarily as an absolute return long/short equity, long/short volatility and long/short dividends investment company. Initially the geographical focus will be on Switzerland and Germany but the Fund may also invest substantial parts of its assets outside its core markets.
Subscriptions	Following the close of the Initial Offer Period, Class A Shares will be available for issue on any Subscription Day (generally the first Business Day of each month) at the Subscription Price then prevailing for such class of Shares. Applications (including all required documents) must be received no

later than 5:00 p.m. (Dublin time) on a Business Day which is at least five (5) Business Days prior to the relevant Subscription Day. Applications received after such time will be dealt with on the next following Subscription Day. The Subscription Price will be based on the Net Asset Value per Class A Share calculated on the Valuation Point in the relevant market or markets as at the relevant Valuation Day (adjusted for equalisation).

Redemptions

Shareholders will have the right to request the redemption of all or, subject to a CHF25,000 minimum redemption amount and the Minimum Holding, a portion of their Class A Shares on any Redemption Day (the first Business Day of each month) at the Redemption Price then prevailing, subject to the limitations described in this Offering Memorandum, including the Gate.

Redemption requests must be received no later than 5:00 p.m. (Dublin time) on the Business Day falling at least 30 calendar days before the relevant Redemption Day.

The Redemption Price will be based on the Net Asset Value per Class A Share calculated as at the Valuation Point in the relevant market or markets on the relevant Valuation Day. Redemption proceeds shall be paid in cash in CHF, being the currency in which the Class A Shares were offered for subscription, and the Administrator will endeavour to pay redemption proceeds within five (5) Business Days after the Net Asset Value has been finalised for the relevant Redemption Day, provided that cash are available and that the payment of redemption proceeds has not been suspended.

The Directors (or the Investment Manager on their behalf) shall have the right, in their absolute discretion, to waive any notice periods or other limitations on redemptions, including the Gate.

Transfers of Shares

The Class A Shares are not subject to any transfer restrictions except where the holding of the Class A Shares may result in regulatory, pecuniary, legal, taxation or material administrative disadvantage for the Fund or its Shareholders as a whole, or to comply with the Minimum Holding requirement.

Dividend Policy

It is the present intention of the Directors not to declare or pay any dividend on the Class A Shares. Income earned by the Fund will be reinvested and reflected in the Net Asset Value of the Class A Shares. If the Directors decide to declare dividends, such dividends may be distributed from accumulated net income plus the net of accumulated net realised and unrealised capital gains and accumulated realised and unrealised capital losses.

Management Fees

Under the terms of the Investment Management Agreement, the Investment Manager is entitled to receive, in addition to any other amounts to which it may be entitled, a management fee (the “**Management Fee**”) equal to 1/12 of 2.0% of the Net Asset Value of the Class A Shares (calculated before deduction for any accrued Management Fees and Performance Fees) as of

the last Business Day of each month, calculated and payable monthly in arrears.

Performance Fees

The Investment Manager is also entitled to receive a performance fee (the “**Performance Fee**”) equal to 20% of the appreciation in the Net Asset Value per Class A Share above the Peak NAV per Share (as defined below) of that class, such fee to be calculated and paid quarterly as of the end of each Calculation Period in the manner described in the section headed “Performance Fees”.

**Conflicts of Interest
and Risk Factors**

Prospective investors should note certain special risks associated with investing in the Fund, which are set out under the section headed “Risk Factors” and certain potential conflicts of interest which are set out under the section headed “Conflicts of Interest”.

THE FUND

Establishment and Duration

The Fund is an exempted company and was incorporated with limited liability in the Cayman Islands on 30 April 2009 with incorporation number MC-225780. The Fund is empowered under its Memorandum and Articles and the laws of the Cayman Islands to issue and redeem its own Shares and to carry on investment activities. The Fund is currently offering Shares in one class, the "Class A Shares" but the Directors have power from time to time to establish additional classes of Shares with different terms. New classes may be offered pursuant to an updated Offering Memorandum or a supplement to this Offering Memorandum or pursuant to a separate offering memorandum.

The Directors are non-executive Directors of the Fund and are not required to devote their full time and attention to the business of the Fund. They may be engaged in any other business and/or be concerned or interested in or act as directors or officers of any other company or entity. The Directors are responsible for the overall management, control and investment policies of the Fund in accordance with the Articles. The Directors review the operations of the Fund. The Directors have delegated the day-to-day investment, management and administration of the Fund to the Investment Manager and the Administrator and will review the activities of the Investment Manager, the Administrator and the Prime Broker. For this purpose, the Directors will receive periodic reports from the Investment Manager detailing the performance of the Fund and providing an analysis of the Fund's investment portfolio.

None of the Directors are responsible for (i) the commercial structuring of the Fund or its investment strategy, (ii) the purchase or sale of any investment on behalf of the Fund (which is the responsibility of the Investment Manager), (iii) the valuation of the assets of the Fund, or (iv) any loss or damage caused by the acts or omissions of the Investment Manager, the Investment Advisor, the Administrator or any of their delegates or sub-delegates unless any such loss or damage is actually occasioned by the actual fraud or wilful default of the Directors.

INVESTMENT OBJECTIVE, POLICIES AND RESTRICTIONS

Investment Objective and Policies

Investment Objective

The investment objective of the Fund is to generate absolute returns over the medium term in all market environments with low correlation to most major market indices through active trading of financial instruments. The Fund operates primarily as an absolute return long/short equity, long/short volatility and long/short dividends investment company. Initially the geographical focus will be on Switzerland and Germany but the Fund may also invest substantial parts of its assets outside its core markets.

Investment Philosophy

The investment strategy of the Fund is based on four pillars, all of which include mainly liquid instruments such as equities, index futures, and equity and index options. The four pillars include a) delta strategies, b) volatility arbitrage, c) dividend strategies, and d) special situations. These four pillars differ in terms of their risk profile as well as in terms of their investment horizon. Delta strategies are based on short-term trading in index futures, stocks and to a lesser extent in derivatives (warrants) with a short-term holding period. Volatility arbitrage strategies are based on long/short equity and long/short vega positions, including skew and term structure exposures, minor investments in variance swaps and other derivative products. Dividend

strategies are based on long and short dividends, relative value in dividends on stock indices and single stocks. The strategies within the special situation portfolio depend on corporate actions and dividend events. They include mostly positions in equities and equity derivatives with a short-to-medium term holding period.

Position and risk limits are set at strategy level and at the individual instrument level. Since the Investment Advisor runs a very actively managed portfolio, position and risk limits are monitored quantitatively in real time through front-end trading systems and verbal communication with the traders. Furthermore, at least on a weekly basis, the Investment Advisor has regular meetings to define total risk exposure, strategy allocation, major portfolio decisions, review of P&L, review of risk allocation policy, strategy definitions, margin requirements, position sizing, P&L estimates on portfolio level, management of exposures and hedging at trade and portfolio level, trade and portfolio liquidity as well as definition of stop-loss numbers.

The Fund will invest primarily in listed securities but may also invest in unlisted securities.

The investment policy and objectives of the Fund may not be changed during the first three years of the Fund other than in exceptional circumstances and then only with the consent of a majority of the holders of Shares. Thereafter, any material change to the investment policy, objectives, and/or strategies shall require an amendment to this Offering Memorandum and the notification of such amendments to the Shareholders. The Investment Manager is not required to seek the approval of the Shareholders to such amendments unless there is a material change to the investment objectives and/or strategies and/or philosophy.

IT MUST BE EMPHASISED, THAT THE PORTFOLIO OF THE FUND WILL BE SUBJECT TO NORMAL MARKET RISKS AND NO ASSURANCE CAN BE GIVEN THAT THE INVESTMENT OBJECTIVES OF THE FUND WILL BE ACHIEVED.

Investment Restrictions

The Articles contain no restrictions on the investment powers of the Fund.

Since the Fund is listed on the Irish Stock Exchange ("**ISE**"), the Fund has adopted the following investment restrictions (the "**Investment Restrictions**") in accordance with the ISE listing rules, whereby the meaning of the terms is consistent with the meanings defined in the ISE listing rules:

- (a) No more than 20% of the value of the gross assets of the Fund may be lent to or invested in the securities of any one issuer, other than the government, government agency or instrumentality of any member state of the European Union or Organisation for Economic Co-Operation and Development; further, no more than 20% of the total amount of gross assets of the Fund may be invested in the securities of any one "new issues" issuer or exposed to the creditworthiness of any one counterparty to a "new issues" transactions.
- (b) No more than 20% of the value of the net assets of the Fund may be exposed to the creditworthiness or solvency of any one counterparty. However, this restriction shall not apply to (i) securities issued or guaranteed by a government, government agency or instrumentality of any European Union or OECD Member States or by any supranational authority of which one or more European Union or OECD Member States are members, (ii) any exchange-traded derivative contract entered into by the applicant directly with a clearing member of the exchange on which such contracts are listed or traded, provided that the clearing member's matching contract is cleared by a Recognised Clearing House, (iii) transactions effected with any counterparty, which advances full and appropriate collateral in respect of such transactions, (iv) transactions where the counterparty

has a minimum credit rating of A2 for long term debt from the credit agency of Moody's or AA from Standard & Poor's or Fitch and a minimum of P1 or A1 or F1 respectively, for short term debt from those same agencies, is regulated by a Recognised Regulatory Authority and has financial resources of EUR 200 million (or its equivalent in another currency), and (v) the Prime Broker.

- (c) The Fund may not take or seek to take legal or management control over the issuers of securities in which it invests.
- (d) The Fund will adhere to the general principle of diversification in relation to its derivative investments.

The limits on investments in the above Investment Restrictions are deemed to apply at the time of purchase of the investments other than Investment Restriction (c) which applies at all times. Where any restriction is breached, the Investment Manager will ensure that immediate corrective action is taken except where the breach is due to appreciations or depreciations, changes in exchange rates, or by reason of the receipt of rights, bonuses, benefits in the nature of capital or by reason of any other action affecting every other holder of that investment. However, the Investment Manager must have regard to the Investment Restrictions when considering changes in the investment portfolio of the Fund.

The Investment Manager shall check compliance by the target investments with the Investment Restrictions exclusively on the basis of the regulations, prospectuses, reports and other written information made available.

The Investment Manager shall make investment decisions in compliance with the investment objectives and philosophy and Investment Restrictions as outlined above.

Borrowings and Leverage

The Directors may exercise all powers of the Fund to borrow money (including the power to borrow for the purpose of meeting redemption requests) and to charge or pledge any of the Fund's assets to secure such borrowings in any manner and to issue debentures and other securities whether outright or as collateral security for any debt, liability or obligation of the Fund or of any third party.

The Fund may leverage its capital by borrowing, including (but not limited to) margin lending agreements, and through the use of futures, forward contracts, options and other derivative instruments. The leverage due to borrowing will not exceed 2.5 times the Net Asset Value of the Fund as of the relevant Valuation Day.

Listing

Application has been made to the Irish Stock Exchange (the "ISE") for the Class A Shares issued and to be issued to be admitted to the Official List and to trading on the Main Market of the ISE. This Offering Memorandum constitutes Listing Particulars for the purpose of such application. It is expected that the Class A Shares will be admitted to the Official List and trading on the Main Market on or about 1 October 2009. The Directors do not anticipate that an active secondary market will develop in the Class A Shares. No application has been made to list the Class A Shares on any other stock exchange.

Neither the admission of the Class A Shares to listing on the Official List and trading on the Main Market of the ISE nor the approval of the Listing Particulars pursuant to the listing requirements of the ISE shall constitute a warranty or representation by the ISE as to the competence of the service providers to or any

other party connected with the Fund, the adequacy of information contained in the Listing Particulars or the suitability of the Fund for investment purposes.

ISSUE, REDEMPTION AND TRANSFER OF SHARES

Issue of Shares

Offering

The Fund is offering Class A Shares at the Initial Subscription Price during the Initial Offer Period and thereafter at the Subscription Price on each Subscription Day. The ISIN number for the Class A Shares is KYG759421053.

The Fund may determine to offer Shares in other classes with different terms, preferences, privileges or special rights including, without limitation, with respect to investment strategy and/or policy, participation in assets, profits and losses of the Fund, voting, fees charged (including management fees and performance fees), redemption privileges, allocation of costs and expenses (including, without limitation, the costs and expenses incurred in any hedging activities and any profits and losses arising therefrom) as the Directors may, in their absolute discretion, determine. New classes of Shares may be offered pursuant to an updated Offering Memorandum or supplement to this Offering Memorandum or pursuant to a separate offering memorandum.

Subscriptions

Applications for Shares should be made by completing and signing the Application Form and sending it together with all other required documents, including documents required for anti-money laundering purposes (collectively, the “**Subscription Documents**”), to the Administrator at:

PNC Global Investment Servicing (Europe) Ltd.

Riverside Two
Sir John Rogerson’s Quay
Grand Canal Dock,
Dublin 2, Ireland

Tel: +353 1-790-3555

Fax: +353 1-790-3510

Documents may be sent via facsimile in order to meet delivery deadlines with the originals to follow by post to the Administrator. Copies of the Application Form are available from the Administrator.

The Initial Offering

Class A Shares in the Fund are being offered to investors during the Initial Offer Period at CHF100 per Class A Share. Class A Shares will be issued on the last Business Day of the Initial Offer Period in respect of completed Subscription Documents which are received by the Administrator no later than 5:00 p.m. (Dublin time) on the Business Day which is at least five (5) Business Days prior to the last Business Day of the Initial Offer Period, provided that subscription monies are received in cleared funds by 5:00 p.m. (Dublin time) on the Business Day preceding the last Business Day of the Initial Offer Period and subject to the ISE

agreeing to list the Class A Shares. Subscriptions in respect of Subscription Documents and cleared funds not received by these deadlines will be processed on the next Subscription Day.

Further Issues of Shares

Following the close of the Initial Offer Period, Class A Shares may be issued by the Fund on any Subscription Day provided that (i) Subscription Documents are received by the Administrator no later than 5:00 p.m. (Dublin time) on the Business Day which is at least five (5) Business Days prior to the relevant Subscription Day and (ii) subscription monies are received in cleared funds by 5:00 p.m. (Dublin time) on the Business Day preceding the relevant Subscription Day. Subscriptions in respect of Subscription Documents and cleared funds not received by these deadlines will be processed on the next Subscription Day.

Subscription Days are generally the first Business Day of each month and/or such other day or days as the Directors may from time to time determine. The Subscription Price at which Class A Shares will be issued on any particular Subscription Day following the Initial Offer Period will be the Net Asset Value per Class A Share calculated as at the Valuation Point on the preceding Valuation Day adjusted for any applicable equalisation.

General Provisions Relating to all Subscriptions

The minimum initial subscription amount is US\$100,000 or its equivalent in CHF or other currencies at the time of subscription. The minimum subsequent subscription amount for the Class A Shares is CHF25,000.

Subscription monies must be paid in cash. Payment must be made in the relevant currency of the class by wire transfer to the Fund's bank account. Payment for Class A Shares must be made in CHF.

Shares may be issued in fractions of a Share provided that the minimum fraction is not less than one-hundredth of a Share. Subscription monies representing smaller fractions of a Share will be retained by the Fund.

No Shares will, unless the Directors determine otherwise, be issued unless and until the relevant Subscription Documents and subscription monies in cleared funds have been received by the Administrator within the time frame specified above. Subject thereto, Shares are deemed to be issued on the relevant Subscription Day. Subscription monies will be at risk in the Fund from the relevant Subscription Day.

Once completed applications have been received by the Administrator, they are irrevocable. Shares shall be treated as having been issued with effect from the relevant Subscription Day notwithstanding that the applicant for those Shares may not be entered in the Register of Members until after the Subscription Day.

Shares may not be issued during the period of any suspension of the determination of the Net Asset Value (for details see the section headed "Suspension of Calculation of Net Asset Value").

Shares will be in registered form. Share certificates will not be issued. A confirmation notice will be sent as soon as practicable to successful applicants on acceptance of their application and receipt in cleared funds of their subscription monies.

The Fund, the Investment Manager, the Investment Advisor and the Administrator reserve the right to reject any application for Shares in whole or in part. If any application is not accepted in whole or in part, the subscription monies or (where an application is accepted in part only) the balance thereof will be returned

(without interest) by wire transfer to the applicant (or, in the case of joint applicants, the first named) to the bank account from which the subscription monies were wired. Subscription Documents will be returned to investors if their subscription is not completed.

Non-Eligible Investors

The Application Form requires each prospective applicant for Shares to represent and warrant to the Fund that, among other things, such applicant is able to acquire and hold Shares without violating applicable laws.

The Shares may not be offered, issued or transferred to any person who, in the opinion of the Directors, is a Non-Eligible Investor. For example, the Shares may not be offered, issued or transferred to any person in circumstances which, in the opinion of the Directors, might result in the Fund incurring any liability to taxation or suffering any other pecuniary disadvantage which the Fund might not otherwise incur or suffer, or would result in the Fund being required to register under any applicable US securities laws or other applicable laws in other jurisdictions in which a prospective applicant for Shares may seek to acquire Shares.

Shares may generally not be issued or transferred to any US Person, except that the Directors may authorise the issue or transfer of Shares to or for the account of a US Person provided that:

- (a) such US Person is a US Tax-Exempt Investor which certifies that it is an “accredited investor” and a “qualified purchaser”, in each case as defined under applicable US federal securities laws;
- (b) such issue or transfer does not result in a violation of the 1933 Act or the securities laws of any of the states of the United States;
- (c) such issue or transfer will not require the Fund to register under the 1940 Act or to file a prospectus with the CFTC or the National Futures Association pursuant to regulations under the CEA;
- (d) such issue or transfer will not cause any assets of the Fund to be “plan assets” for the purposes of ERISA; and
- (e) such issue or transfer will not result in any adverse regulatory or tax consequences to the Fund or its Shareholders as a whole.

Each applicant for, and transferee of, Shares who is a US Person and a US Tax-Exempt Investor will be required to provide such representations, warranties or documentation as may be required to ensure that these requirements are met prior to the issue or the registration of any transfer of Shares. If the transferee is not already a Shareholder, such transferee will be required to complete the appropriate Application Form.

Each applicant for Shares must warrant in its Application Form that its ordinary business or professional activity includes the buying and selling of investments, whether as principal or agent or, in the case of a natural person, such applicant’s individual net worth or joint net worth with that person’s spouse exceeds US\$1million; or it is an institution with a minimum amount of assets under discretionary management of US\$5million; and must warrant expressly to the Fund that it has the knowledge, expertise and experience in financial matters to evaluate the risks of investing in the Fund, is aware of the risks inherent in investing in the securities and the method by which the assets of the Fund are held and/or traded, and, can bear the risk of loss of its entire investment.

Anti-Money Laundering

In order to comply with legislation or regulations aimed at the prevention of money laundering, the Fund and the Administrator are required to adopt and maintain anti-money laundering procedures, and may require subscribers to provide evidence to verify their identity and source of subscription monies. The Fund has delegated the maintenance of its anti-money laundering procedures (including the acquisition of due diligence information) to the Administrator.

Applicants will be required to provide proof of identity to the Administrator in accordance with the instructions set out in the Application Form (subject to Swiss Banking Secrecy Laws or on foot of a competent Swiss court order, if applicable). By way of example, an applicant may be required to produce a copy of a passport or identification card duly certified by a police officer, chartered and certified public accountant, notaries public, solicitor embassy and consular staff, the investment manager, provided it is registered under the laws of the Republic of France and is regulated by the AMF, and the applicant's bank or Investment Product Advisor if authorised and regulated in the Member States of the EU (Austria, Belgium, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Slovakia, Slovenia, Spain, Sweden, United Kingdom), Argentina, Australia, Brazil, Canada, Channel Islands, Hong Kong, Iceland, Isle of Man, Japan, New Zealand, Mexico, Norway, Principality of Liechtenstein, Russia, Singapore, South Africa, Switzerland, Turkey and the United States of America, together with two forms of evidence of his address such as a utility bill or bank statement dated within the last three (3) months. In the case of corporate applicants this may require production of a certified copy of the Certificate of Incorporation (and on any change of name) and of the Memorandum and Articles of Association (or equivalent), and of the names and residential and business addresses of all directors and beneficial owners.

The details given above are by way of example only and the Administrator, on behalf of the Fund, will request such information and documentation as it considers necessary to verify the identity or source of funds of an applicant (subject to Swiss Banking Secrecy Laws or on foot of a competent Swiss court order, if applicable). In the event of delay or failure by the applicant to produce any information required for verification purposes, the Administrator will refuse to accept the application and the subscription monies relating thereto or will refuse to process a redemption request until proper information has been provided and none of the Fund, the Directors, the Investment Manager or the Administrator shall be liable to an investor or Shareholder where an application for Shares is not processed or Shares are compulsorily redeemed in such circumstances. Investors should note specifically that where redemption proceeds are requested to be remitted to an account which is not in the name of the Shareholder, the Administrator reserves the right to request such information as may be reasonably necessary in order to verify the identity of the investor and the owner of the account to which the redemption proceeds will be paid. The redemption proceeds will not be paid to a third party account if the Shareholder and/or owner of the account fails to provide such information.

Each applicant for Shares acknowledges that the Administrator shall be held harmless against any loss arising as a result of a failure to process his application for Shares if such information and documentation as has been requested by the Administrator has not been provided by the applicant.

Each applicant for Shares will be required to make such representations as may be required by the Directors in connection with anti-money laundering programmes, including, without limitation, representations that such applicant is not a prohibited country, territory, individual or entity listed on the United States Department of Treasury's Office of Foreign Assets Control ("**OFAC**") website and that it is not directly or indirectly affiliated with any country, territory, individual or entity named on an OFAC list or prohibited by any OFAC sanctions programmes. Each applicant will also be required to represent that subscription monies are not directly or indirectly derived from activities that may contravene applicable laws and regulations, including anti-money laundering laws and regulations.

The Fund, and the Administrator on the Fund's behalf, also reserve the right to refuse to make any redemption payment to a Shareholder if the Directors, the Investment Manager or the Administrator suspect or are advised that the payment of redemption proceeds to such Shareholder might result in a breach of applicable anti-money laundering or other laws or regulations by any person in any relevant jurisdiction, or if such refusal is considered necessary or appropriate to ensure the compliance by the Fund, the Investment Manager or the Administrator with any such laws or regulations in any applicable jurisdiction.

If any person resident in the Cayman Islands knows or suspects or has reasonable grounds for knowing or suspecting that another person is engaged in criminal conduct or is involved with terrorism or terrorist property and the information for that knowledge or suspicion came to their attention in the course of business in the regulated sector, the person will be required to report such knowledge or suspicion to (i) the Financial Reporting Authority of the Cayman Islands, pursuant to the Proceeds of Crime Law, 2008 of the Cayman Islands if the disclosure relates to criminal conduct or money laundering, or (ii) to a police officer of the rank of constable or higher pursuant to the Terrorism Law (2009 Revision) of the Cayman Islands if the disclosure relates to involvement with terrorism or terrorist financing and property. Such a report shall not be treated as a breach of confidence or of any restriction upon the disclosure of information imposed by any enactment or otherwise.

Redemption of Shares

Subject to the limitations described in this Offering Memorandum (including under the section headed "Limitations on Redemptions"), Class A Shares may be redeemed at the request of Shareholders on any Redemption Day. Redemption Days are the first Business Day in each month and/or such other day or days as the Directors may from time to time determine.

Each redemption request should be sent to the Administrator in writing (by facsimile with the original to follow by mail) and must specify the number or a CHF figure of Shares to be redeemed. Redemption proceeds will be paid to the bank account specified on the Shareholder's Application Form. No third party payments are permitted. In order for a redemption request to take effect on a particular Redemption Day, the redemption request must be received no later than 5:00 p.m. (Dublin time) on the Business Day falling at least 30 calendar days before the relevant Redemption Day or such later day as the Directors and/or the Investment Manager in their absolute discretion may decide. Redemption requests received after such time will be processed on the next Redemption Day at the Redemption Price applicable on that Redemption Day.

The minimum redemption amount for Class A Shares is CHF25,000.

No redemption of part of a holding of Class A Shares may be made which, following the processing of the redemption request, would result in the Shareholder retaining Class A Shares which have a value of less than US\$100,000 (or its equivalent in CHF as of the relevant Redemption Day) (the "**Minimum Holding**") in the Fund unless the Investment Manager in its sole discretion determines to permit the redemption. The Directors may require the compulsory redemption of all Shares in a class of Shares held by a Shareholder if

the Net Asset Value of such Shares is less than the Minimum Holding. Where the Net Asset Value of the Shares held by the Shareholder is less than the Minimum Holding and the Fund decides to exercise its right to compulsorily redeem, the Administrator, on behalf of the Fund, will notify the Shareholder in writing and allow such Shareholder thirty (30) days to purchase additional Shares of the relevant class to meet the Minimum Holding.

A Shareholder redeeming Class A Shares will, except as referred to below, be paid an amount equal to the Redemption Price. The "Redemption Price" is the Net Asset Value per Class A Share calculated as at the Valuation Point on the Valuation Day immediately preceding the relevant Redemption Day minus applicable fees and expenses. Redemption proceeds for Class A Shares will be paid in cash in CHF. The Administrator will endeavour to pay redemption proceeds within five (5) Business Days after the Net Asset Value has been finalised for the relevant Redemption Day, provided that cash is available, the payment of redemption proceeds has not been suspended and that all requested documentation has been received by the Administrator. Except where the redeeming Shareholder gives alternative payment instructions (which have been approved the Fund and/or the Administrator), the cash redemption proceeds will be paid by wire transfer at the cost and risk of the redeeming Shareholder to the bank account from which the subscription proceeds were wired, unless the Fund and the Administrator agree otherwise.

Redemption proceeds will not be paid until the Administrator has received (i) the Shareholder's original Application Form, (ii) the original form of redemption request and (iii) any anti-money laundering documentation requested by the Administrator and/or the Fund. Each Shareholder acknowledges that each of the Fund and the Administrator shall not be liable for any loss arising from any delays resulting from the Shareholder's failure to provide any information requested by the Fund and/or Administrator.

No redemption of Shares may be effected during the period of any suspension of the determination of the Net Asset Value (for details see the section headed "Suspension of Calculation of Net Asset Value").

A Shareholder's redemption request, once submitted to and received by the Administrator, is irrevocable, unless the Board of Directors shall in its sole discretion permit such redemption request to be withdrawn.

Once a Share is redeemed the Shareholder shall cease to be entitled to any rights in respect of it (except the right to receive the redemption proceeds in respect thereof and any dividends which have been declared but not paid prior to the relevant Redemption Day) and the Shareholder's name shall be removed from the Register of Members in respect of that Share. A Share will be treated as redeemed on the relevant Redemption Day irrespective of whether the relevant entry relating to the redemption of such Share has been made on the Register of Members or the redemption proceeds in respect of such Share have been paid.

Limitations on Redemptions

The Gate

In the event that redemption requests received for a Redemption Day represent in aggregate more than 25% (or such higher percentage as the Directors determine) of the Net Asset Value of the Fund as of that Redemption Day, the Directors are entitled to reduce all the requested redemptions pro rata based on the amount requested to be redeemed, and to carry out only sufficient redemptions which, in aggregate, amount to 25% (or such higher percentage as the Directors may determine) of the Net Asset Value of the Fund (the "Gate"). Redemption requests in respect of all Shares not redeemed but which would otherwise have been redeemed on that Redemption Day together with all redemption requests subsequently received will be carried forward to the next Redemption Day (or such earlier day as the Directors may determine), subject to

any further deferral if the resulting value of redemption requests exceeds in aggregate 25% (or such higher percentage as the Directors may determine) of the Shares then in issue as at that next Redemption Day. If redemption requests are deferred and carried forward, the Investment Manager will inform the Shareholders who are affected. On any subsequent Redemption Day, priority will not be given to redemption requests which have been carried forward.

Suspension of Redemptions and Payment of Redemption Proceeds

The right of any Shareholder to require the redemption of Shares of any class will be suspended during any period when the calculation of the Net Asset Value of the Fund and/or of such class of Shares has been suspended by the Directors in the circumstances set out under the section headed "Suspension of Calculation of Net Asset Value". The Directors may also suspend the right to require redemptions of Shares and/or the payment of redemption proceeds in the circumstances set out under the section headed "Suspension of Calculation of Net Asset Value" without suspending the calculation of Net Asset Value. If the Fund issues new classes of Shares, the Fund may suspend the right to require a redemption of Shares of a particular class.

On a suspension of redemptions, a Shareholder may withdraw its redemption request provided that notice is actually received by the Administrator before the suspension is terminated. Unless withdrawn, redemption requests will be processed, subject to the Gate, on the first Redemption Day after the suspension is lifted at the relevant Redemption Price calculated for that Redemption Day.

Notice of any such suspension and the termination of any such suspension shall be notified to the Irish Stock Exchange immediately and to all affected Shareholders as soon as reasonably practicable. Where possible, all reasonable steps will be taken to bring any period of suspension to an end as soon as possible.

Compulsory Redemptions

The Directors have the right to compulsorily redeem any or all of the Shares held by any Shareholder where the holding of the Shares may result in regulatory, pecuniary, legal, taxation or material administrative disadvantage for the Fund or its Shareholders as a whole. The limitations on redemptions do not apply to compulsory redemptions.

The Directors may also require the compulsory redemption of all Shares held by a Shareholder if the value of such Shares following a redemption is or would be less than the Minimum Holding.

The Directors may compulsorily redeem Shares during any period for which a suspension of the right of Shareholders to require redemption of their Shares has been declared.

Transfer of Shares

All Shares will be issued in registered form, meaning that a Shareholder's entitlement will be evidenced by an entry in the Fund's Register of Members and not by share certificates.

Shares are transferable by written instrument of transfer signed by (or in the case of a transfer by a body corporate, signed on behalf of or sealed by) the transferor and containing the name and address of the transferor and the transferee. The instrument of transfer shall be in such form as the Directors approve.

In the case of the death of any one of joint Shareholders, the survivor(s) will be the only person or persons recognised by the Fund as having any title to the interest of the deceased joint Shareholder in the Shares registered in the names of such joint Shareholders.

Shareholders wishing to transfer Shares must sign the instrument of transfer in the exact name or names in which the Shares are registered, indicate any special capacity in which they are signing and supply all other required details. The completed form of transfer, duly stamped if applicable, together with such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer, must be sent to the Administrator. The transfer shall take effect upon the registration of the transferee in the Register of Members. If the transferee is not already a Shareholder, he will be required to complete an Application Form and be subject to all terms and conditions a new applicant must satisfy before an application for Shares can be processed.

No transfer may be made which would result in either the transferor or the transferee remaining or being registered, as the case may be, as the holder of Shares valued at less than the Minimum Holding (as the case may be) at the time of such intended transfer, unless the Directors determine otherwise.

All transfer requests involving changes of the beneficial owner will be subject to Performance Fees, if any, due, unless the Directors determine otherwise.

All share transfers must be approved by or on behalf of the Directors in writing. Transferees are subject to the same criteria for approval as subscribers. Permission will be generally withheld if the intended transferee would not be eligible for direct subscription or where the holding of the Shares may result in regulatory, pecuniary, legal, taxation or material administrative disadvantage for the Fund or its Shareholders as a whole.

The original signed instrument of transfer, together with all required documentation i.e. completed Application Form and any documents required to verify identity, should be received by the Administrator on or before the effective date of the transfer.

NET ASSET VALUE

Calculation of Net Asset Value

The Articles provide for the Directors to calculate the Net Asset Value of the Fund and the Net Asset Value per Share as at each Valuation Day. The Directors have delegated the calculation of the Net Asset Value of the Fund and the Net Asset Value per Share to the Administrator.

The Administrator will calculate the Net Asset Value of the Fund and the Net Asset Value per Share as at the Valuation Point on each Valuation Day. The Net Asset Value of the Class A Shares and the Net Asset Value per Class A Share will be calculated by the Administrator in CHF and sent immediately to the Irish Stock Exchange. The Net Asset Value per Share of a class is calculated as at each Valuation Day by dividing the Net Asset Value of that class by the number of Shares of such class in issue on the relevant Valuation Day and rounding the result to the nearest cent in the currency of the relevant class.

Unless the Directors determine otherwise, the method of calculating the value of the assets of the Fund shall be as follows:

- (a) notes, accounts receivable, prepaid expenses, cash dividends and interest declared or accrued and not yet received shall be deemed to be the full amount thereof unless the Directors shall have determined that any such deposit, bill, demand note or account receivable is not worth the full amount thereof in which event the value shall be deemed to be such value as the Directors consider to be the reasonable value;

- (b) any security which is quoted, listed, traded or dealt in on any recognised securities exchange or similar electronic system and regularly traded thereon will be valued at its last official price at the close of business of the appropriate local time on the Valuation Day or, lacking such official price on such day, at the last available official price on the principal exchange for such investments, or at a price as adjusted in such a manner as the Directors, in their sole discretion, think fit, having regard to the size of the bid-asked spread;
- (c) any security which is not quoted, listed, traded or dealt in on any recognised securities exchange or similar electronic system or if, being so listed or quoted, is not regularly traded thereon or in respect of which no prices as described above are available, will be valued at its probable realisation value on the Valuation Day based on a price quoted by any person, firm or institution making a market in that investment (and if there shall be more than one such market maker then such particular market maker or market makers as the Directors may designate) made by reference to the mean of the latest bid and asked price quoted thereon by such market maker or such market makers on the Valuation Day;
- (d) investments, other than securities, which are dealt in or traded through a clearing firm or an exchange or through a financial institution will be valued as at the Valuation Day by reference to the most recent official settlement price quoted by that clearing house, exchange or financial institution. If there is no such price, then the average will be taken between the lowest offer price and the highest bid price as at the Valuation Point on any market on which such investments are or can be dealt in or traded, provided that where such investments are dealt in or traded on more than one market, the Directors may determine at their discretion which market shall prevail;
- (e) investments, other than securities, including over-the-counter derivative contracts, which are not dealt in or traded through a clearing firm or an exchange or through a financial institution may be valued by pricing vendor companies or at their fair value, which may or may not be determined by an independently verifiable pricing model that the Directors, in their sole discretion, deem acceptable for valuation of such investments;
- (f) notwithstanding the foregoing, the Directors may, at their absolute discretion, permit any other method of valuation to be used if they consider that such valuation better reflects the fair value and is in accordance with good accounting practice; and
- (g) any value (whether of an investment or cash) denominated in a currency other than the reference currency of a given class of Shares shall be converted into the currency of the relevant class of Shares holding such investments or cash at the rate of exchange (whether official or otherwise) which the Directors in their absolute discretion deem applicable as at the relevant Valuation Day, having regard, among other things, to any premium or discount which they consider may be relevant and to costs of exchange.

Any increase or decrease in the Net Asset Value of the Fund attributable to a class of Shares (disregarding for these purposes any increases in the Net Asset Value due to new subscriptions or decreases due to redemptions or any designated Class Adjustments (as defined below)) will be allocated to the relevant Separate Account established on the books of the Fund in respect of such class based on the previous relative Net Asset Value of each such Separate Account. There will then be allocated to each Separate Account the "designated Class Adjustments", being those costs, pre-paid expenses, losses, dividends, profits, gains and income which the Directors determine in their sole discretion relate to the relevant class of Shares. The costs and any benefit of hedging the foreign currency exposure of the assets attributable to the class of Shares, as the case may be, will be allocated solely to such class of Shares.

If the Directors resolve that the Fund shall issue new classes of Shares it is possible that the method of calculating the Net Asset Value may differ for those other classes of Shares.

Suspension of Calculation of Net Asset Value

The Directors may at any time and from time to time declare a suspension of the calculation of the Net Asset Value of the Fund and/or any class of Shares in their absolute discretion and for any reason including, without limitation, for the whole or any part of a period:

- (a) during which any principal stock exchange on which a substantial portion of the investments of the Fund and/or the relevant class, as appropriate is listed, quoted, traded or dealt in is closed (other than customary weekend and ordinary holiday closings) or trading on any stock exchange or market is substantially restricted or suspended; or
- (b) when circumstances exist as a result of which, in the opinion of the Directors, it is not reasonably practicable for the Fund to dispose of investments or as a result of which any such disposal would not be in the best interests of the Shareholders; or
- (c) when for any reason the prices of a material portion of the investments of the Fund cannot be reasonably, promptly or accurately ascertained by any of the means normally employed in ascertaining the value of investments or the price of investments on any market or stock exchange on which the investments are listed, traded, or dealt in; or
- (d) when remittance or transfer of monies upon the redemption of Shares is not reasonably practicable; or
- (e) in which the repurchase or redemption of Shares would, in the opinion of the Directors, result in a violation of any provisions of applicable law or regulation.

If the Fund issues other classes of Shares, the Fund may suspend the calculation of the Net Asset Value of one or more of such classes in the circumstances listed above.

On the suspension of the calculation of Net Asset Value of any class of Shares, no Shares of that class may be issued, exchanged or redeemed on any Subscription Day or Redemption Day.

The Directors may also suspend issues of Shares and/or redemptions of Shares and/or the payment of redemption proceeds independently of each other and of the suspension of the calculation of Net Asset Value in the circumstances described above.

On a suspension, a Shareholder may withdraw his application for Shares or redemption request provided that applicable notice is actually received by the Administrator before the suspension is terminated. Unless withdrawn, subscriptions and redemption requests will be processed on the first Subscription Day or Redemption Day (as the case may be) after the suspension is lifted at the relevant Subscription Price or Redemption Price (as the case may be) calculated as of that Subscription Day or Redemption Day (as the case may be).

Notice of any such suspension and the termination of any such suspension shall be notified to the Irish Stock Exchange immediately and to all affected Shareholders as soon as reasonably practicable. Where possible, all reasonable steps will be taken to bring any period of suspension to an end as soon as possible.

MANAGEMENT AND ADMINISTRATION OF THE FUND

The Directors

The Directors are responsible for the overall management, control and investment policies of the Fund in accordance with the Articles. The Directors review the operations of the Fund. The Directors have delegated the day-to-day investment, management and administration of the Fund to the Investment Manager and the Administrator. For this purpose, the Directors will receive periodic reports from the Investment Manager detailing the performance of the Fund and providing an analysis of the investment portfolio of the Fund.

At the date of this Offering Memorandum, the Directors, each of whom acts in a non-executive capacity, are:

Sean Flynn

In January 2007, Sean co-founded HF Fund Services Ltd. (“HF”), a Cayman Islands-based company licensed in the Cayman Islands to provide independent directors to alternative investment funds and investment management companies. He currently serves as an independent director on several Cayman Islands-based alternative investment funds and investment management companies. In April 2007, he co-founded a representative office based in Singapore, HF Fund Services Singapore Private Limited, to serve HF’s Asian clients. Previously, Sean was a Managing Director at UBS with global responsibility for all of its hedge fund administration business. He started the hedge fund administration business for UBS in the Cayman Islands in 1992 and built it to over US\$130 billion in assets under administration, establishing offices in Dublin, Toronto, New York and London. He has served as a director for the past 20 years on Cayman Islands licensed banks, hedge funds, venture capital, real estate and private equity funds. He has been a member of various private sector and Government committees promoting Cayman as the leading hedge fund domicile. He is a founding member and former president of the Cayman Islands Fund Administrators Association. He currently serves as a member of the Cayman Government’s Financial Service Counsel. Prior to joining UBS in 1986, he was employed with Deloitte in Cayman and KPMG in Dublin. He is a fellow of the Institute of Chartered accountants of Ireland and holds a bachelor of commerce degree from University College Dublin.

Patrick Harrigan

In January 2007, Patrick co-founded HF Fund Services Ltd. (“HF”), a Cayman Islands-based company licensed in the Cayman Islands to provide independent directors to alternative investment funds and investment management companies. He currently serves as an independent director on several Cayman Islands-based alternative investment funds and investment management companies. In April 2007, he co-founded a representative office based in Singapore, HF Fund Services Singapore Private Limited, to serve HF’s Asian clients. In 1996, Patrick founded Oxford Advisors Ltd, a Cayman Islands-based mutual fund management company. From 1996 to 2006, he was responsible for the creation of a family of 11 funds, including a multi-manager fixed income fund, a market neutral fund of funds, and several alternative fund of funds. He served on the board of directors of each of these companies. He increased Oxford’s assets under management from US\$25 million in 1996 to US\$4.5 billion in 2006. In November 2006, he sold the funds’ management shares to a large financial institution. He now provides consultative services to large financial institutions, alternative investment funds and their management companies, as well as provides directorships to them.

Dr. Hans Baumgartner LL.M.

Dr. Hans Baumgartner is an experienced Swiss attorney-at-law and founding partner of the Zurich based law office Baumgartner Mächler which was established in July 1994. Previously, Hans has, *inter alia*, acted as District Attorney (Public Prosecutor's Office, Zurich, from 1981 to 1991) and Judge (Military Court of Appeal in Berne, District Court of Zurich, from 1988 to 1994).

Hans has in-depth knowledge and represents his clients in the fields of finance, capital markets, general business law and white collar crime prevention. His main practice areas are various financial products, in particular Swiss, foreign, and onshore and offshore collective investment schemes. Core activities include the structuring, establishing and registrations of domestic and foreign collective investment schemes as well as investment and financial services companies. Hans has, due to his longstanding involvement in this field, a particular affection for investment funds.

Hans serves on the board of directors of several Swiss and Liechtenstein companies; he is, *inter alia*, chairman of the listed Private Equity Holding AG in Zurich. He also serves as a director of a British Virgin Islands fund.

Hans holds a doctor's degree of the Zurich University and has completed his master studies in International Business Law at the Europe Institute/University of Zurich.

Each Director and officer of the Fund shall be indemnified out of the assets of the Fund against any liability incurred by such Director or officer as a result of any act or failure to act in carrying out such Director's or officer's functions other than such liability (if any) that such Director or officer may incur by reason of such Director's or officer's own actual fraud or wilful default. No such Director or officer shall be liable to the Fund for any loss or damage incurred by the Fund as a result (whether direct or indirect) of the carrying out of such Director's or officer's functions as a Director or officer, unless that liability arises through the actual fraud or wilful default of such Director or officer.

The Directors, on behalf of the Fund, may purchase and maintain insurance for the benefit of any Director or other officer of the Fund against any liability which, by virtue of any rule of law, would otherwise attach to such person in respect of any negligence, default, breach of duty or breach of trust of which such person may be guilty in relation to the Fund.

Pursuant to the Articles, the Directors are authorised to delegate the exercise of certain powers/duties/discretions to service providers, including to an investment manager and an administrator.

The Investment Manager

Pursuant to the Investment Management Agreement between the Fund and the Investment Manager, the Fund has appointed Riverplus Management Company as its sole investment manager, with responsibility for the selection of investments and management of assets of the Fund in accordance with the investment objectives, philosophy, guidelines and Investment Restrictions described in this Offering Memorandum. Subject to the investment objectives, philosophy, guidelines and Investment Restrictions and the terms of the Investment Management Agreement, the Investment Manager has complete discretion in the investment and reinvestment of the assets of the Fund. The Investment Manager will also be responsible for supervising the day-to-day management of the Fund and the conduct of the administration of the Fund by the Administrator. The Investment Manager was incorporated in the Cayman Islands on 30 April 2009.

The sole director of the Investment Manager is Patrick Harrigan. Patrick Harrigan's biography is set out above under the section headed "The Directors".

The Investment Manager will be entitled to receive the fees described below under the section headed "Fees and Expenses".

Pursuant to the Investment Management Agreement, the Fund has agreed to indemnify the Investment Manager against actions, costs, claims, damages, expenses or demands to which it may be put as a result of its performance of its obligations under the Investment Management Agreement, save in respect of any actions, costs, claims, damages, expenses or demands which result from any act or omission occasioned by the wilful default, fraud or negligence of the Investment Manager.

The Investment Management Agreement may be terminated by either party on not less than ninety (90) days' notice and by the Fund in other circumstances set out in the Investment Management Agreement.

The Investment Manager may delegate responsibility for the investment of the Fund's assets, in whole or in part, to one or more investment managers or investment advisors provided always that such persons are subject to risk oversight by the Investment Manager and to the prior approval of the Irish Stock Exchange.

The Investment Manager shall exercise due care and diligence when relying on any information and/or advice provided by any such delegate. Shareholders will be notified as soon as practicable of any such delegation. The Investment Manager will be responsible for the payment of the fees of any such delegates.

The Investment Manager does not currently provide investment management services to any other investment vehicles.

The Investment Manager is registered as an excluded person under the Securities Investment Business Law (2004 Revision) of the Cayman Islands. Although the Investment Manager is registered with the Cayman Islands Monetary Authority pursuant to such Law, its activities are not subject to ongoing regulation by the Cayman Islands Monetary Authority.

The Investment Advisor

As at the date of this Offering Memorandum, the Investment Manager has appointed lambda CAPITAL GROUP AG (the "**Investment Advisor**") pursuant to an Investment Advisory Agreement to assist the Investment Manager in the management of, and to provide advisory services to the Investment Manager in relation to, the Fund and the investment and reinvestment of the Fund's assets. Subject to the general oversight of the Investment Manager, the Investment Advisor has been delegated day-to-day management of the Fund and, acting on behalf of the Investment Manager shall, subject to the provisions of the Investment Advisory Agreement and this Offering Memorandum, have complete discretion in the investment and reinvestment of the assets of the Fund. The Investment Manager and Investment Advisor will meet (in person or by telephone) on a quarterly basis to discuss among other things the performance of the Fund in the previous three (3) months and to consider, discuss, and, if agreed by the Investment Manager, approve the proposed investment objectives, policies and guidelines to be pursued by the Investment Advisor for the next three (3) months with respect to the management of the Fund and the investment and reinvestment of the Fund's assets.

The Investment Advisor is regulated by PolyReg Allg. Selbstregulierungs-Verein ("**PolyReg**") a self-regulatory body recognised by the Swiss Federal Money Laundering Control Authority.

The Investment Advisor does not currently provide investment management or advisory services to any other investment vehicles or managers.

The principals of the Investment Advisor are Daniel Baltensperger, Simon Biner, Lorenzo Grosso, Gregor Klomp and Markus Leippold. Their biographical details are set out below:

Daniel Baltensperger

Daniel Baltensperger started his professional career as a trader in 1995 at Citibank in Zurich. In 1997 he moved to Bank Julius Baer, specialising in convertible bond strategies. From 2000 to 2004, Daniel worked as an equity derivatives trader for Merrill Lynch Zurich and London. He also helped to build up Merrill's small-cap and mid-cap equity derivative business in both locations. In 2004, he joined the equity derivatives team at Zurich Cantonalbank (ZKB). In 2006, Daniel moved with the team as a director to build up the derivatives platform for Deutsche Bank in Zurich. Prior to becoming a founding partner of lambda Capital Group, he was responsible for the derivative flow business at Deutsche Bank.

Simon Biner

Simon Biner started as an equity derivatives trader in 1990 at UBS Zurich, where from 1995 to 1998 he headed the trading team for exchange-traded warrants. In 1998, Simon became a member of the senior management at Zurich Cantonalbank (ZKB) with the responsibility to build up the trading platform for equity derivatives from scratch. Within a short time period, Simon and his team became market leader in the Swiss equity derivatives market. In 2006, Simon and his team joined forces with Deutsche Bank. As managing director and head of GME Switzerland, he was responsible for building up Deutsche Bank's business in cash equity, equity derivatives, exotic options, and structured products. Again, they became market leader in the Swiss market within a few months. In 2008, Simon and his colleagues decided to build up lambda Capital Group to start their own business.

Lorenzo Grosso

Lorenzo Grosso serves as Chief Operations Officer of the lambda Capital Group. He holds a degree from KV Business School, Zurich. From 2000 to 2006, he has been working in the Sales Equity Derivatives department at Zurich Cantonalbank (ZKB). Prior to joining lambda Capital group as founding partner, Lorenzo has been working in the Sales Equity Derivatives department at Deutsche Bank in Zurich from 2006 to February 2009.

Gregor Klomp

Gregor Klomp joined UBS Zurich in 1992 and began trading equity derivatives in 1994. In 1998, Gregor and Simon moved to Zurich Cantonalbank (ZKB) to build up and manage the equity derivatives trading business. While working at ZKB, Gregor was responsible for an equity portfolio exceeding CHF 1 billion during one and a half years. In September 2006, Gregor moved to Deutsche Bank as a managing director to build up and manage together with Simon the Swiss equity derivatives trading business. Prior to becoming a founding partner of lambda Capital Group, Gregor was responsible for the Swiss equity and equity derivative trading business at Deutsche Bank.

Markus Leippold

Markus Leippold is a professor at the University of Zurich, where he holds the Chair in Financial Engineering. Before moving back to Zurich, Markus was an associate professor in quantitative finance at

Imperial College Business School, London, and at the London Graduate School in Mathematical Finance. In 2005, he was a visiting professor at the Federal Reserve Bank in New York. Prior to going back to academia in 2002 as assistant professor at the Swiss Banking Institute of the University of Zurich, Markus spent three years in industry, working for Sungard, Trading and Risk Management Systems, and Zurich Cantonalbank. He obtained his PhD in economics from the University of St.Gallen, Switzerland, in 1999. Markus has published in top academic journals and some of his work was awarded with best paper prizes from the European Financial Management Association, Inquire Europe, RISK Magazine, and the German Finance Association.

The Investment Manager shall be responsible for the payment of the Investment Advisor's fees.

Pursuant to the terms of the Investment Advisory Agreement, the Investment Manager has agreed to indemnify and hold harmless the Investment Advisor against all losses, liabilities, actions, costs, claims, damages, proceedings, expenses and demands (other than out-of-pocket expenses and taxes and duties but including legal costs and expenses arising therefrom or incidental thereto) which may be suffered or sustained by or made against the Investment Advisor resulting or arising out of the Investment Advisor's proper performance of its obligations in accordance with this Agreement, except for losses, liabilities, actions, costs, claims, damages, proceedings, expenses and demands resulting from any act or omission occasioned by the Investment Advisor's wilful default, fraud or negligence.

The Investment Advisory Agreement may be terminated by either party on not less than ninety days' notice in writing to the other party and shall automatically terminate on the termination of the Investment Management Agreement between the Investment Manager and the Fund.

The Investment Advisor may not delegate any of its functions, powers, discretions, privileges, duties and obligations to any person without the consent of the Investment Manager.

The Administrator

The Fund has appointed PNC Global Investment Servicing (Europe) Limited (the "**Administrator**") to act as its administrator, registrar and transfer agent, pursuant to the administration and accounting services agreement between the Fund and the Administrator (the "**Administration Agreement**").

The Administrator is a private limited liability company incorporated in Ireland on 19th August 1993 under registration number 206361. The Administrator is an indirect wholly-owned subsidiary of PNC Global Investment Servicing Inc., with an authorised share capital of US\$100,000,000 of which US\$1,500,000 is issued and fully paid up. As at 31 December 2008, the Administrator had assets under administration of US\$75 billion. The Administrator's registered office is at Riverside Two, Sir John Rogerson's Quay, Grand Canal Dock, Dublin 2, Ireland. The Administrator's main business activity is the provision of administrative services to collective investment schemes and other portfolios.

The Administrator has been appointed to administer the day to day operations and business of the Fund, including processing subscriptions, redemptions, computing the Net Asset Value and the Net Asset Value per Share, maintaining books and records, disbursing payments, establishing and maintaining accounts on behalf of the Fund and any other matters usually performed for the administration of a fund, including the calculation of the Performance Fee. The Administrator will keep the accounts of the Fund in accordance with international financial reporting standards. The Administrator will also maintain the Register of Members.

The Administration Agreement may be terminated by either party on sixty (60) days prior written notice.

Pursuant to the terms of the Administration Agreement, the Fund has agreed to indemnify the Administrator and its affiliates from all taxes, charges, expenses, assessments, claims and liabilities arising directly or indirectly from any action or omission to act which PNC takes in connection with the provision of services to the Fund, provided that neither the Administrator nor its affiliates will be indemnified against any liability caused by the Administrator's or its affiliates' own wilful misfeasance, bad faith, negligence or disregard in the performance of the Administrator's services.

The Administrator is a service provider to the Fund and will not have any responsibility or authority to make investment decisions, nor render investment advice, with respect to the assets of the Fund. The Administrator has no responsibility for monitoring compliance by the Fund or the Investment Manager with any investment policies or restrictions to which they are subject. The Administrator is responsible and liable only for the administration services that it provides to the Fund pursuant to the Administration Agreement. The Administrator accepts no responsibility or liability for any losses suffered by the Fund as a result of any breach of such policies or restrictions by the Fund or the Investment Manager.

The Prime Broker

Credit Suisse Securities (Europe) Limited (the "**Prime Broker**"), a subsidiary of the Credit Suisse Group and based in London, will provide prime brokerage services to the Fund.

These services may include the provision to the Fund of margin financing, clearing, settlement, stock lending and foreign exchange facilities. The Fund may also utilise the Prime Broker, other members of the Credit Suisse Group ("**Affiliates**") and other brokers and dealers for the purposes of executing transactions for the Fund.

The Prime Broker:

- (a) is authorised and regulated by the Financial Services Authority in the United Kingdom ("**FSA**") in the conduct of its investment business; and
- (b) has financial resources in excess of US\$200 million (or its equivalent in another currency).

The Prime Broker's ultimate parent company, Credit Suisse Group, has been assigned a credit rating as at the date of this Offering Memorandum, of Aa3 for the long term credit rating by the credit agency Moody's Investor Services and A+ for the long term credit rating and A-1 for the short term credit rating by the credit agency Standard & Poor's.

As security for the payment and discharge of all liabilities of the Fund to the Prime Broker all investments of the Fund held by the Prime Broker ("**Collateral**") will be subject to a security interest in favour of the Prime Broker (which the Prime Broker will also hold as trustee for the benefit of its Affiliates). The Prime Broker may, at its option and instead of holding Collateral in custody also take full legal and beneficial ownership of investments transferred to it by the Fund ("**Specified Assets**") in which case any such Specified Assets will be held by the Prime Broker absolutely as its property pursuant to the prime brokerage agreement between the Prime Broker and the Fund (the "**PB Agreement**"), in order to collateralise the Fund's obligations to the Prime Broker. Any such Specified Assets transferred to the Prime Broker in this manner will not be segregated from other investments belonging to the Prime Broker and may be available to the creditors of the Prime Broker in the event of its insolvency.

Any Collateral may be sold, lent or otherwise used by the Prime Broker for its own purposes in which event the Fund will have a right against the Prime Broker for the return of assets equivalent to the Collateral so

used. To the extent so used, any such Collateral will not be segregated from other assets belonging to the Prime Broker and may be available to creditors of the Prime Broker in the event of its insolvency.

To the extent that the Prime Broker holds any investments in custody, the Prime Broker may appoint sub-custodians (which may include Affiliates) ("**Sub-Custodians**") of such investments and the Prime Broker will, in accordance with the FSA rules, identify, record and hold the Fund's investments held by it in its capacity as custodian in such a manner that the identity and location of the investments can be identified at any time and that such investments are readily identifiable as belonging to a customer of the Prime Broker and are separately identifiable from the Prime Broker's own investments, and should therefore be unavailable to the creditors of the Prime Broker in the event of its default. However, where, due to the nature of the law or market practice of jurisdictions outside the United Kingdom, it is in the Fund's best interests so to do or it is not feasible to do otherwise, any such investments may be registered in the name of the Prime Broker and will not be segregated from the Prime Broker's own investments and in the event of the Prime Broker's insolvency may not be as well protected.

The Prime Broker will, for the duration of the PB Agreement, exercise reasonable skill, care and diligence in the selection of any Sub-Custodian; will be responsible to the Fund for satisfying itself as to the ongoing suitability of any Sub-Custodian to provide custodial services to the Fund; will maintain what it considers to be an appropriate level of supervision over such Sub-Custodian and will make appropriate enquiries periodically to confirm that the obligations of the Sub-Custodian continue to be completely discharged.

Any cash which the Prime Broker holds or receives on the Fund's behalf will not be treated by the Prime Broker as client money and will not be subject to the protections conferred by the FSA Client Money Rules. As a consequence, the Fund's cash will not be segregated from the Prime Broker's own cash and will be used by the Prime Broker in the course of its investment business, and the Fund will therefore rank as one of the Prime Broker's general creditors in relation thereto.

The Prime Broker will not be liable for any loss to the Fund resulting from any act or omission in relation to the services provided under the terms of the PB Agreement unless such loss results directly from the negligence or wilful default of the Prime Broker. The Prime Broker will not be liable for the solvency, acts or omissions of any Sub-Custodians or other third party by whom or in whose control any of the Fund's investments or cash may be held. The Fund has indemnified the Prime Broker, its Affiliates, directors, officers, employees and agents against any loss, claim, damage or expense (including taxation) incurred or suffered by, or asserted against them or any third person.

The appointment of the Prime Broker will continue unless and until terminated by either party upon 7 business days written notice. Upon such notice becoming effective, the Prime Broker may refuse to settle any transactions for the Fund and the Fund shall, subject to the discharge of its obligations to the Prime Broker, instruct the Prime Broker to transfer its assets elsewhere.

The Prime Broker is a service provider to the Fund and is not responsible for the preparation of this document or the activities of the Fund and therefore accepts no responsibility for any information contained in this document. The Prime Broker is not an investment or other adviser to the Fund and will not participate in the investment decision-making process.

The Fund reserves the right to change the arrangements described above by agreement with the Prime Broker and/or, in its discretion, to appoint additional or alternative prime broker(s) and custodian(s).

Alternative Service Providers

If the Directors consider it appropriate, they may appoint alternative investment managers, advisors, prime brokers, custodians, accounting agents and administrators subject to the approval of the Irish Stock Exchange.

CONFLICTS OF INTEREST

Investors' attention is drawn to the following potential conflicts of interest:

The Directors, the Investment Manager and the Investment Advisor and their holding companies, the holding companies' shareholders, any subsidiaries of the holding companies, Credit Suisse Securities (Europe) Limited and any of their directors, officers, employees, agents or affiliates (each an **"Interested Party"**) may from time to time act as investment manager, investment advisor, distributor broker, custodian, administrator, registrar, dealer or director in relation to, or be otherwise involved in, other financial, investment or other professional activities required by parties other than the Fund, as the case may be, which have similar or different objectives to those of the Fund. It is, therefore, possible that any of them may, in the course of business, on occasion have potential conflicts of interest with the Fund. These include management of other funds, purchases and sales of securities, investment and management advisory services, brokerage services, and serving as directors, officers, advisers, or agents of other funds or other companies. In addition, it is envisaged that the Investment Manager, the Investment Advisor or any of their affiliates or any person connected with them may invest in, directly or indirectly, or may be involved in advising other investment funds which may have similar or overlapping investment objectives to the Fund. The Investment Manager may provide services to third parties similar to those provided to the Fund and shall not be liable to account for any profit earned from any such services. Where a conflict arises the Investment Manager will endeavour to ensure that it is resolved fairly. In relation to the allocation of investment opportunities to different clients, including the Fund, the Investment Manager may be faced with potential conflicts of interest with regard to such duties but will ensure that investment opportunities in those circumstances will be allocated fairly. In relation to the allocation of investment opportunities to different clients, including the Fund, the Investment Manager may be faced with conflicts of interest with regard to such duties but will ensure that investment opportunities in those circumstances will be allocated fairly.

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

The Fund may acquire securities from, or dispose of securities to, any Interested Party or any investment fund or account advised or managed by any such person, but only with the prior approval of the Directors. Any Interested Party may hold Shares and deal with them as it thinks fit. An Interested Party may buy, hold

and deal in any investments for its own account notwithstanding that similar investments may be held by the Fund or any subsidiary for the account of the Fund.

Any Interested Party may contract or enter into any financial or other transaction with any Shareholder or with any entity any of whose securities are held by or for the account of the Fund, or be interested in any such contract or transaction. Furthermore, any Interested Party may receive commissions and benefits which it may negotiate in relation to any sale or purchase of any investments of the Fund.

The Administrator may from time to time act as administrator or registrar in relation to, or be otherwise involved in, other financial, investment or other professional activities required by parties other than the Fund, as the case may be, which have similar or different objectives to those of the Fund. It is, therefore, possible that the Administrator may, in the course of business, on occasion have potential conflicts of interest with the Fund.

Only the Directors may terminate the services of the Investment Manager and other agents of the Fund. One of the Directors is also the director of the Investment Manager.

In evaluating the foregoing conflicts of interest, prospective investors should be aware that the Directors of the Fund have a fiduciary duty to act in good faith and in the best interests of the Fund. This fiduciary duty applies to all transactions between the Fund and any affiliated parties. Investors should be aware that the Fund's Articles provide that the Directors and officers of the Fund will not be liable for any loss or damage incurred by the Fund as a result of the carrying out of such Director's or officer's functions, unless that liability arises through the actual fraud or wilful default of such Director or officer.

FEES AND EXPENSES

Management Fees

Under the terms of the Investment Management Agreement, the Investment Manager is entitled to receive, in addition to any other amounts to which it may be entitled, a management fee (a "**Management Fee**") equal to 1/12 of 2.0% of the Net Asset Value of the Class A Shares (calculated before deduction for any accrued Management Fees and Performance Fees) as of the last Business Day of each month, calculated and payable monthly in arrears. In addition, the Investment Manager shall be compensated for costs and out-of-pocket expenses as specified under the Investment Management Agreement.

The Investment Manager may, in its sole discretion, rebate Management Fees to Shareholders and any such rebate may be used to subscribe for additional Shares (the minimum subsequent investment amount not applying in these circumstances). The Investment Manager may also in its discretion waive any or all of the Management Fee in respect of any Shareholder, without thereby entitling any other Shareholder to such a waiver and the Fund will issue any such Shareholder with a separate class of Shares in respect thereof.

Performance Fees

Under the terms of the Investment Management Agreement, the Investment Manager is entitled to receive from the Fund a quarterly performance fee (the "**Performance Fee**") calculated by reference to the performance of the Net Asset Value per Share of the Class A Shares. Where the Net Asset Value per Class A Share has increased over the Peak NAV per Share (as defined below) of that class, the Investment Manager will receive a Performance Fee equal to 20% of the amount of the increase over the Peak NAV per Share. The accrued Performance Fee can never become negative, i.e. the Investment Manager is not required to pay Shareholders in the event the Net Asset Value per Share of the Class A Shares has

decreased. The increase in the Net Asset Value per Share of the Class A Shares upon which the calculation is based represents the profits earned in respect of each Class A Share during the relevant period from the trading and investment of the assets of the Fund referable to the Class A Shares and related income and dividends, less the costs of operating the Fund referable to the Class A Shares, which costs include the Management Fee. Profits include both realised and unrealised gains. No Performance Fee is paid in respect of the Class A Shares unless the increase in the Net Asset Value per Share of the Class A Shares exceeds the previous Peak NAV per Share for such class save in the circumstances where an applicant makes a Deficit Subscription (as defined below) in which case a Performance Fee may be payable by such applicant. As described below, in implementing the Performance Fee, certain adjustments are made to the subscription and redemption prices of Class A Shares to ensure that (a) only Shares of that class that have had a net increase in Net Asset Value in a relevant period bear Performance Fees, (b) all Shares in the same class have the same Net Asset Value per Share, and (c) all Shareholders in the same class have the same amount of capital at risk per Share. The following section headed "Equalisation Calculations" contains an explanation of the calculation of the Performance Fee and, in particular, of the adjustments which will be made to the Subscription Price and Redemption Price per Class A Share. Subject to the paragraphs below, the Performance Fee is calculated and paid quarterly as of the end of each Calculation Period, but accrues monthly for the purposes of determining Net Asset Value. Where a Shareholder redeems Class A Shares part way through a Calculation Period, any Performance Fee which is accrued in respect of the redeemed Shares will be paid to the Investment Manager as if that Redemption Day were the end of the Calculation Period. The first Performance Fee will be calculated and paid as of 31 December 2009. The Investment Manager will be paid within 30 days after the end of the Calculation Period. In the event that the Investment Management Agreement is terminated prior to the end of the Calculation Period, the Performance Fee will be computed as though the termination date were the end of the Calculation Period.

Equalisation Calculations

Peak NAV per Share and Deficit Subscriptions

If an applicant subscribes for Shares at a time when the Net Asset Value per Share of the Class A Shares is less than the greater of (a) the Net Asset Value per Share of such class in effect immediately after the end of the last Calculation Period in respect of which a Performance Fee, other than a Performance Fee Redemption (as defined below), was charged, or (b) the initial offering price per Share of that class (the "**Peak NAV per Share**"), certain adjustments are made to reduce inequities that may otherwise result to the applicant or to the Investment Manager. Where Class A Shares are purchased at a time when the Net Asset Value per Share of the Class A Shares is less than the Peak NAV per Share of that class (a "**Deficit Subscription**"), the applicant is required to pay an equivalent Performance Fee for each Calculation Period with respect to any subsequent appreciation of those Shares until the Peak NAV per Share for those Shares has been reached. This will be achieved by the Fund redeeming an amount of such Shareholder's Class A Shares having an aggregate value (based on Net Asset Value per Share of the Class A Shares) equal to 20% of any such appreciation (a "**Performance Fee Redemption**"). The proceeds attributable to any Performance Fee Redemption are paid to the Investment Manager as a Performance Fee and not to the Shareholder. After the Peak NAV per Share has been achieved for such Shareholder, the Performance Fee is calculated and levied in the same manner as all other Shares of the same class. No Performance Fee will be accrued for existing Shareholders until the Peak NAV per Share has been recovered. Performance Fee Redemptions are employed to ensure that the Shares of each class maintain a uniform Net Asset Value per Share and to ensure that only Shares that have had a net increase in Net Asset Value in a relevant period bear Performance Fee.

Premium Subscriptions

Where Class A Shares ("**Premium Shares**") are subscribed for at a time when the Net Asset Value per Share of that class is more than the Peak NAV per Share of that class (a "**Premium Subscription**"), the applicant is required to pay an additional amount in excess of the then current Net Asset Value per Share of that class (before accrual of the Performance Fee) (an "**Equalisation Credit**"). The Equalisation Credit ensures that all Shareholders in the same class have the same amount of capital at risk per Share. At the date of a Premium Subscription, the Equalisation Credit equals the accrued Performance Fee per Share in place with respect to the other Shares of that class that were outstanding at the beginning of that Calculation Period (the "**Maximum Equalisation Credit**"). The additional amount invested as the Equalisation Credit is at risk in the Fund and, therefore, depreciates or appreciates based on the performance of the class subsequent to the Premium Subscription but will never exceed the Maximum Equalisation Credit. In the event of a decline in the value of the Premium Shares, the Equalisation Credit due to the Shareholder is also reduced by an amount equal to 20% of the difference between the Net Asset Value per Share of the Class A Shares (before accrual of the Performance Fee) at the date of the original issue and the Net Asset Value per Share of that class at the current date. Subsequent appreciation in the value of the Premium Shares will result in a recapture of any Equalisation Credit lost due to such reductions, but only to the extent of the previously lost Equalisation Credit up to the Maximum Equalisation Credit less any reduction in the Equalisation Credit as a result of it being previously applied to purchase Shares of that class. After a Premium Subscription is made, at the end of the next Calculation Period on which a Performance Fee calculation occurs, if the Net Asset Value per Share (before accrual of the Performance Fee) exceeds the prior Peak NAV per Share, that portion of the Equalisation Credit equal to 20% of the appreciation, multiplied by the number of Premium Shares, is applied to purchase additional Shares of the relevant class for the Shareholder. Additional Shares of the relevant class will continue to be so purchased at the end of each Calculation Period until the Equalisation Credit, as it may have depreciated or appreciated after the Premium Subscription is made, has been fully applied. If the Shareholder redeems Class A Shares before the Equalisation Credit has been fully applied, the Shareholder will receive additional redemption proceeds equal to the Equalisation Credit, or part thereof, then remaining multiplied by a fraction, the numerator of which is the number of Class A Shares being redeemed and the denominator of which is the number of Class A Shares owned by the Shareholder immediately prior to the redemption.

Shares which are acquired via a transfer or in the secondary market (or where there is a change in beneficial ownership notified to the Administrator) will be treated as if they were issued on the date of the acquisition (or change in beneficial ownership) at the most recent Subscription Price for these purposes. The Performance Fee in respect of each Calculation Period will be calculated by reference to the Net Asset Value before deduction for any accrued Performance Fee.

The Investment Manager may, at its sole discretion, rebate Performance Fees to Shareholders and any such rebate may be used to subscribe for additional Shares (the minimum subsequent investment amount not applying in these circumstances). The Investment Manager may also in its discretion waive any or all of the Performance Fee in respect of any Shareholder, without thereby entitling any other Shareholder to such a waiver and the Fund will issue any such Shareholder with a separate class of Shares in respect thereof.

The Investment Manager may, at its sole discretion, pay a portion of the Management Fee and/or the Performance Fee to intermediaries or placement agents, or to other third parties (including the Investment Advisor and the Directors).

Administrator Fees

The Administrator shall be entitled to receive out of the net assets of the Fund an annual fee, accrued and calculated on each Valuation Day and payable monthly in arrears at an annual rate not to exceed 0.10% of the Net Asset Value of the Fund (plus VAT, if any) subject to a monthly minimum fee of CHF7,500 per month. The Administrator is also entitled to receive out of the net assets of the Fund a fee for transfer

agency services of CHF500 per share class per month (plus VAT thereon if any) subject to a maximum monthly fee of CHF10,000 per month. The Administrator is entitled to be repaid all of its reasonable agreed upon transaction and other charges (which will be at normal commercial rates) and other out-of-pocket expenses out of the assets of the Fund (plus VAT thereon, if any).

Prime Broker Fees

The Prime Broker shall receive such fees as may be agreed with the Fund from time to time at normal commercial rates.

General Expenses

The preliminary expenses of the Fund (including fees in connection with the incorporation and registration of the Fund in the Cayman Islands), the costs incurred in connection with the preparation and execution of the material contracts referred to below under the section headed "General Information", the preparation of this Offering Memorandum and all initial legal and printing costs are estimated to amount to approximately US\$100,000 and will be borne by the Fund and amortised over the first five (5) financial years of the Fund commencing from the close of the Initial Offer Period.

In addition (to the extent not already addressed above), the Fund will pay certain other costs and expenses incurred in its formation and operation, including, without limitation, (i) all transactions carried out by it or on its behalf and (ii) the administration of the Fund, including (a) the charges and expenses for legal, auditing and consulting services, (b) brokers' commissions (if any), borrowing charges on securities sold short and any issue or transfer taxes chargeable in connection with any securities transactions, (c) all taxes and corporate fees payable to governments or agencies as well as all fees in connection with obtaining advance treaty clearances from tax authorities in any jurisdiction for the Fund and other expenses due to supervisory authorities in various jurisdictions, (d) Directors' fees (if any) and reasonable incidental expenses incurred due to acting for or on behalf of the Fund, (e) interest on borrowings, (f) promotional, marketing and communication expenses with respect to investor services and the cost of the publication of the Net Asset Value and Net Asset Value per Share and all expenses of meetings of Shareholders and of preparing, printing and distributing financial and other reports, proxy forms, prospectuses and similar documents, (g) the cost of acquiring and maintaining membership of the Irish Stock Exchange and the fees and charges relating thereto, (h) the cost of insurance (if any) for the benefit of the Directors, (i) litigation and indemnification expenses and extraordinary expenses not incurred in the ordinary course of business, and (j) all other organisational and operating expenses.

All or part of any amount payable to the Investment Manager may be paid, at the discretion of the Investment Manager, to dealers in securities or other intermediaries through whom applications for Shares are received.

REPORTS, STATEMENTS AND MEETINGS

The financial year end of the Fund is 30 September and the annual audited financial statements of the Fund will be made up to such date in each year and sent to Shareholders at their registered addresses and to the Irish Stock Exchange within six (6) months of the financial year end. The first audited accounts will be made up to 30 September 2010. The accounts will be prepared in accordance with International Financial Reporting Standards. Interim accounts will be sent to Shareholders at their registered addresses and to the Irish Stock Exchange within four (4) months of the financial half year.

Monthly Net Asset Values will be published on Bloomberg and Reuters.

All financial statements, notices and other documents will be sent, in the case of joint holders of Shares, to the holder who is named first in the Register of Members of the Fund by email or at its registered address.

Taxation

Investors should consult their professional advisers on the potential tax consequences of subscribing for, purchasing, holding or redeeming Shares under the laws of their country of citizenship, domicile or residence.

As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment in the Fund is made will endure indefinitely. The following is based on the law and practice currently in force in the Cayman Islands and accordingly, is subject to change.

Cayman Islands

The Government of the Cayman Islands, will not, under existing legislation, impose any income, corporate or capital gains tax, estate duty, inheritance tax, gift tax or withholding tax upon the Fund or the Shareholders. The Cayman Islands are not party to a double taxation treaty with any country other than the United Kingdom.

The Fund has received an undertaking from the Governor-in-Cabinet of the Cayman Islands that, in accordance with section 6 of the Tax Concessions Law (1999 Revision) of the Cayman Islands, for a period of 20 years from the date of the undertaking, no law which is enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciations shall 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 shall be payable (i) on the shares, debentures or other obligations of the Fund or (ii) by way of the withholding in whole or in part of a payment of dividend or other distribution of income or capital by the Fund to its members or a payment of principal or interest or other sums due under a debenture or other obligation of the Fund.

Although the Fund is not subject to tax in the Cayman Islands, the Fund may be liable for any taxes which may be withheld at source in other countries in respect of income or gains derived from their investments.

In view of the number of jurisdictions the laws of which may be applied to Shareholders, no attempt is made in this Offering Memorandum to summarise the possible local tax consequences of the acquisition, holding or disposal of Shares. Investors should consult their professional advisers on the possible tax, exchange control or other consequences of buying, holding, selling or redeeming Shares under the laws of their country of citizenship, residence or domicile.

European Union Savings Directive

Dividends and other distributions of income made by the Administrator on behalf of the Fund, together with payment of the proceeds of sale and/or redemption of Shares ("**Payments**") should not be subject to any reporting requirements that may arise as a result of the applicable legislation which implements the EU Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments (the "**EUSD**"). As the Fund will be deemed to be a non-UCITS equivalent fund, payments by the Fund will be deemed to be "out of scope".

If an investor is based in the European Union or certain states which have similar or equivalent measures to the EUSD (including Switzerland, Channel Islands, Monaco and the Cayman Islands) and is making

investments on behalf of other underlying investors who are individuals or certain unincorporated entities resident in the European Union or certain of the states which have similar equivalent measures to the EUSD, then the provisions of the EUSD or similar or equivalent measures may apply. In such circumstances the investor may become a “**paying agent**” and may be required to obtain all relevant documentation relating to its underlying investors and make returns to the appropriate tax authorities or withhold tax at applicable rates from any redemption proceeds in accordance with the applicable legalisation that implements the EUSD or similar or equivalent measures.

RISK FACTORS

There can be no assurance that the Fund will achieve its investment objective or not lose capital. An investment in the Fund involves investment considerations and risk factors which prospective investors should consider before subscribing. Each investment in the securities and other instruments to be purchased and traded, and the investment techniques and strategies to be employed by the Investment Manager and the Investment Advisor may increase this risk.

There are substantial risks of investing that prospective Shareholders should consider carefully. An investment includes risk of the loss of capital. Certain of the characteristics and risks of the portfolio instruments and investment techniques which the Investment Manager or Investment Advisor may utilise in managing the Fund's investments are set forth below. Potential Shareholders must make their own evaluation of the risks of investing in the Fund. The following discussion of risk factors does not purport to be a complete description or enumeration of the risks of investing in the Fund. There is no assurance that the Investment Manager's or Investment Advisor's judgment will result in profitable investments by the Fund nor is there any assurance that the Fund will not incur losses. The Fund may also invest in instruments other than those described below, including instruments that are not in existence as of the date of this Offering Memorandum.

Investors should be aware that the value of Shares may fall as well as rise.

Whilst it is the intention of the Investment Manager and Investment Advisor to implement strategies which are designed to minimise potential losses, there can be no assurance that these strategies will be successful. It is possible that an investor may lose a substantial proportion or all of its investment in the Fund. As a result, each investor should carefully consider whether it can afford to bear the risks of losing its entire investment in the Fund.

The risks of investing in the Fund include, but are not necessarily limited to the following:

No Operating History or Track Record

The Fund is a newly established entity with no track record and will be relying on the expertise and experience of the Investment Manager and the Investment Advisor, each of which are also newly established, and accordingly there is no operating history by which to evaluate future performance. No assurance can be given that the Investment Manager and the Investment Advisor will succeed in enabling the Fund to meet its investment objectives.

Reliance on Management and Key Personnel

Although the Directors have the ultimate authority and responsibility for the management of the Fund, all decisions relating to the investment of the Fund's assets have been delegated to, and will be made by, the Investment Manager and/or the Investment Advisor (on its behalf). The Fund's expertise in trading is

therefore largely dependent on the continuation of an agreement with the Investment Manager and Investment Advisor and the services and skills of its key employees and external advisors. The loss of the Investment Manager's and/or Investment Advisor's services (or that of one of their key employees or external advisors) could materially and negatively impact the value of the Fund as it may lead to the loss of the use of any proprietary investment methodology developed by the Investment Manager and Investment Advisor.

The investment performance of the Fund is substantially dependent on the services of persons stated in this Offering Memorandum. These persons are primarily responsible for managing the investment of the assets of the Fund. In the event of the death, incapacity, departure, insolvency or withdrawal of said persons, the performance of the Fund may be adversely affected.

Investment Risks

The price of the Shares may fall as well as rise. There can be no assurance that the Fund will achieve its investment objective or that a Shareholder will recover the full amount invested. The capital return and income of the Fund is based on the capital appreciation and income on the investments it holds, less expenses incurred. Therefore, the Fund's return may be expected to fluctuate in response to changes in such capital appreciation or income.

An investment in the Fund involves substantial risk common to all investments in international financial markets. The prices of many of the listed securities in which the Fund may invest are volatile and market movements are difficult to predict. Moreover, many of the Fund's investments may be speculative, and short-term performance of the Fund's investments may fluctuate despite the Investment Advisor's risk control measures. No assurance can be given that an investment in the Fund will result in a profitable investment or that the Fund will not incur substantial loss.

Absence of an Active Secondary Market

Although the Class A Shares are listed on the Irish Stock Exchange, it is unlikely that an active secondary market for any of the Shares will develop. The Shareholders may only be able to dispose of their Shares by means of redemption on the relevant Redemption Day at the Redemption Price, in the absence of an active secondary market.

Availability of Investment Opportunities

The success of the Fund's investment activities depends on the Investment Manager's and Investment Advisor's ability to identify overvalued and undervalued investment opportunities and to exploit price discrepancies in the financial markets, as well as to assess the import of news and events that may affect the financial markets. Identification and exploitation of the investment strategies to be pursued by the Fund involves a high degree of uncertainty. No assurance can be given that the Investment Manager or Investment Advisor will be able to locate suitable investment opportunities in which to deploy all of the Fund's assets. A reduction in market liquidity or the pricing inefficiency of the markets in which the Fund seeks to invest, as well as other market factors, will reduce the scope for the investment strategies pursued by the Fund.

The Fund may be adversely affected by unforeseen events involving such matters as changes in interest rates or the credit status of an issuer, forced redemptions of securities or acquisition proposals, break-up of planned mergers, unexpected changes in relative value, short squeezes, inability to short stock or changes in tax treatment.

Borrowing

Notwithstanding that borrowing by the Fund may be limited to margin lending agreements and through the use of futures, forward contracts, options and other derivative instruments as contemplated by the investment objectives and philosophy of the Fund as set out herein, the use of borrowing creates special risks and may significantly increase the Fund's investment risk. Borrowing creates an opportunity for greater total return but, at the same time, may significantly increase the Fund's risk exposure as more specifically described below.

Calculation of Net Asset Value

There is no assurance that the determination of the Net Asset Value as described in this Offering Memorandum will reflect the actual realisation prices of the Fund's investments even when such realisation occurs very shortly after the Valuation Day. If realisation of investments results in less proceeds than estimated, the remaining Shareholders will see the Net Asset Value reduced.

Concentration and Diversification of Investments

Although it is the policy of the Fund to diversify its investment portfolio, the Fund may at certain times hold relatively few investments. The Fund could be subject to significant losses if it holds a large position in a particular investment that declines in value or is otherwise adversely affected, including default of the issuer.

Although the Fund will adhere to the general principle of diversification, there is no requirement to diversify the investment portfolio in terms of country or different types of investments and hence the investment portfolio may, from time to time, become concentrated in investments of particular countries and/or types of investments. This increases the risk of an investment in the Fund by increasing the relative impact which changes in the market, economic or political environment of countries or the relevant market in which the Fund invests may have on the overall performance of the Fund.

Conflicts of Interest

The Investment Manager, the Investment Advisor, the Directors and the Administrator may from time to time act in a similar capacity to, or otherwise be involved in, other funds or collective investment schemes, some of which may have similar investment objectives to those of the Fund. Thus, each may be subject to conflicting demands in respect of allocating management time, services and other functions between the activities each has undertaken with respect to the Fund and the activities each has undertaken or will undertake with respect to other investors, commodity pools, managed accounts and/or trading advisors. It is therefore possible that any of them may, in the course of their respective businesses, have potential conflicts of interest with the Fund or the Shareholders. Each will at all times have regard to its obligations to the Fund and/or the Shareholders and, in the event that a conflict of interest arises they will endeavour to ensure that such conflicts are resolved fairly. Additionally one or more of the Shareholders may be connected or associated with the Investment Manager and/or Investment Advisor resulting in those Shareholders having access to, or knowledge of, information relating to the Fund and its investments that will not be available to, or known by, other Shareholders.

Contagion Risk Factor

The Fund has the power to issue Shares in classes or series. The Articles provide for the manner in which the liabilities are to be attributed across the classes and/or series (liabilities are to be attributed to the specific class or series in respect of which the liability was incurred). However, the Fund is a single legal entity. Shareholders of one or more classes or series of Shares may be compelled to bear the liabilities incurred in respect of other classes or series which such Shareholders do not themselves own if there are insufficient assets in that other class or series to satisfy those liabilities. Accordingly, there is a risk that

liabilities of one class or series may not be limited to that particular class or series and may be required to be paid out of one or more other classes or series.

Counterparty Risk

The Fund is subject to the risk of the inability of any counterparty with whom it trades (including the Prime Broker and/or any other brokers or custodians) to perform with respect to transactions, whether due to insolvency, bankruptcy or other causes. The Fund also bears the risk of settlement default. Market practices in relation to the settlement of certain securities transactions and the custody of assets could provide increased risks.

Currency Exposure

The par value of the Shares is USD and Shares are issued and redeemed at subscription and redemption prices in CHF. Certain of the assets may, however, be invested in securities and other investments which are denominated in other currencies. Accordingly, the value of such assets may be affected favourably or unfavourably by fluctuations in currency rates. The Fund may seek to hedge its respective foreign currency exposure but will be subject to foreign exchange risks. However, the Investment Manager or the Investment Advisor on its behalf may also take speculative positions in currencies for the benefit of the Fund as a whole. In addition, the Investment Manager or the Investment Advisor on its behalf, seeks to hedge the foreign exchange exposure of the assets in order to neutralise, so far as possible, the impact of fluctuations of the currencies of assets in relation to the relevant exchange rates. Prospective investors whose assets and liabilities are predominantly in other currencies should take into account the potential risk of loss arising from fluctuations in value between CHF and such other currencies.

Custodians, Leverage and Credit Providers and Prime Brokers

The Fund's right to the return of assets held by any prime broker and/or custodian may be subject to set-off, margin calls or other rights or recourse which may sub-ordinate or delay the rights to and the return of these assets to the Fund. The Fund will rank as one of the prime broker's and/ or custodian's unsecured creditors and, in the event of the insolvency of the prime broker and or custodian, the Fund might not be able to recover such equivalent assets in full. The realisation, return of or access to any assets of the Fund (or the balance of any assets) which are pledged, charged or hypothecated to any credit or leverage provider may be delayed.

Dividends and Distributions

The Fund does not currently intend to pay dividends or other distributions, but intends instead to reinvest all of the Fund's income and gain. Accordingly, an investment may not be suitable for investors seeking current returns for financial or tax planning purposes. The Directors do however reserve the right to declare and pay dividends.

Economic Conditions

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

Handling of mail

Mail addressed to the Fund and received at its Registered Office will be forwarded unopened to the Investment Advisor to be dealt with. None of the Fund, its directors, officers or service providers will bear

any responsibility for any delay howsoever caused in mail reaching the Investment Advisor In particular the Directors will not receive, open or deal directly with mail addressed to the Fund.

Initial Expenses

The expenses and other outgoings of the Fund are likely, at least in the short term, to exceed its income resulting in a reduction of the assets of the Fund to the extent of that excess. There is no limitation on the amount of expenses which may be borne by the Fund.

Lack of Separate Representation

Maples and Calder served as Cayman Islands legal counsel to the Fund in connection with the organisation of the Fund and the preparation of this Offering Memorandum. Maples and Calder may continue to serve in such capacity in the future, but has not assumed any obligation to update this Offering Memorandum. Maples and Calder may advise the Fund in matters relating to the operation of the Fund on an ongoing basis. Maples and Calder has not represented or considered the interests of the prospective investors in the course of the establishment of the Fund, the determination of its business terms reflected in the constituent documents of the Fund and the terms of the offering of the Shares or in respect of the Fund's ongoing operations. Prospective investors must recognise that, as they have had no representation in the establishment process, the terms of the Fund which relate to themselves and the Shares have not been negotiated at arm's length.

Maples and Calder's engagement by the Fund is limited to the specific matters as to which it is consulted by the Fund and, therefore, there may exist facts or circumstances which could have a bearing on the Fund's financial condition or operations with respect to which Maples and Calder has not been consulted and for which Maples and Calder expressly disclaims any responsibility. More specifically, Maples and Calder does not undertake to monitor the compliance of the Fund or the Investment Manager or the Investment Advisor with the investment programme, valuation procedures and other guidelines set forth herein, nor does it monitor compliance with applicable laws. In connection with the preparation of this Offering Memorandum, Maples and Calder's responsibility is limited to matters of Cayman Islands law and it does not accept responsibility in relation to any other matters referred to or disclosed in this Offering Memorandum. In the preparation of this Offering Memorandum, Maples and Calder has relied on the information furnished to it by the Fund, and did not investigate or verify the accuracy or completeness of information set forth herein concerning the Fund, the Fund's service providers and their affiliates and personnel. In the course of advising the Fund, there are times when the interests of Shareholders may differ from those of the Fund. Maples and Calder does not represent the Shareholders' interests in resolving these issues.

Liquidity, Settlement Risks and Leverage

In some circumstances, investments may be relatively illiquid making it difficult to acquire or dispose of them at the prices quoted on the various exchanges. Accordingly, the Fund's ability to respond to market movements may be impaired and the Fund may experience adverse price movements upon liquidation of its investments. The Fund will be exposed to a credit risk on parties with whom it trades and will also bear the risk of settlement default. Settlement of transactions may be subject to delay and administrative uncertainties. Market practices in relation to the settlement of certain securities transactions and the custody of assets could provide increased risks.

In addition, the Fund may be adversely affected by a decrease in market liquidity for the instruments in which it invests which may impair the Fund's ability to adjust its positions. The size of the Fund's positions may magnify the effect of a decrease in market liquidity for such instruments. Changes in overall market leverage, deleveraging as a consequence of a decision by the counterparties with which the Fund enters into derivative transactions, to reduce the level of leverage available, or the liquidation by other market participants of the same or similar positions, may also adversely affect the Fund's portfolio.

Market Risk

Any investment made in a specific group of securities is exposed to the universal risks of the securities market. However, there can be no guarantee that losses equivalent to or greater than the overall market will not be incurred as a result of investing in such securities.

Management of the Fund and its Advisers - Lack of Shareholder Control

Shareholders will have no opportunity to control day to day operations of the Fund or the Investment Manager or Investment Advisor, or to identify or evaluate potential investment opportunities, monitor the progress of existing investments or arrange realisations. Shareholders must depend on the investment judgment of the Investment Manager and Investment Advisor with respect to the selection and acquisition of investments by the Fund.

The Fund has no full time employees and will be relying on other service providers.

Operating Deficits

The expenses of operating the Fund (including any fees payable from time to time to the Investment Manager, Administrator and other service providers) may exceed the Fund's income, thereby requiring that the difference be paid out of the Fund's capital, reducing the value of the Fund's investments and potential for profitability.

The Fund's investments may generate substantial transaction costs.

Past Performance and Future Investments

Past investment performance is no indication of future performance. There is no certainty that the investments in which the Fund invests will be successful nor that the Investment Manager and Investment Advisor will be successful in sourcing investments to the Fund, and no assurance can be given as to the performance of any such investments.

Performance Fee

The Investment Manager is entitled to the Performance Fee. This may encourage the Investment Manager and the Investment Advisor to invest in investments which have a higher risk profile than would have otherwise been the case if the Investment Manager was not entitled to such a Performance Fee.

Potential Action Against Tax Havens

At their meeting in London in April 2009 the G20 countries agreed to take action against jurisdictions which do not meet international standards in relation to tax transparency ("**non-cooperative jurisdictions**") in order to protect their public finances and financial systems. At the same time the Organisation for Economic Co-Operation and Development ("**OECD**") published a report on progress made by jurisdictions in implementing the internationally agreed tax standard. The internationally agreed tax standard, which was developed by the OECD in co-operation with non-OECD countries and which was endorsed by G20 Finance Ministers in 2004 and by the United Nations Committee of Experts on International Cooperation in Tax Matters in October 2008, requires exchange of information on request in all tax matters for the administration and enforcement of domestic tax law without regard to a domestic tax interest requirement or bank secrecy for tax purposes. The OECD report lists those jurisdictions, which includes the Cayman Islands, that as of 2 April 2009 have committed to the internationally agreed tax standard but have not yet substantially implemented it. The report notes that the Cayman Islands have enacted legislation that allows it to exchange information unilaterally and has identified 11 countries with which it is prepared to do so. On

14 May 2009 the legislation was cleared by the Harmful Tax Practices Sub-committee of the OECD for review by the Committee on Fiscal Affairs of the OECD. The Committee on Fiscal Affairs will review the legislation in late June 2009 to determine whether it will be recognised. If recognised, it is expected that the Cayman Islands will then be moved onto the list of jurisdictions that will have substantially implemented the internationally agreed tax standard, the so called "White List ". The Cayman Islands are also currently negotiating bilateral agreements with Australia, Canada, the Czech Republic, France, the Netherlands, Spain and the UK.

Redemption Limitations and Risks

Redemptions are subject to the limitations described in this Offering Memorandum. The risk of any decline in the Net Asset Value during the period from the date of the redemption request until the Redemption Day will be borne by the Shareholder(s) requesting redemption. Redemptions are subject to the limitations described herein, including the Gate and the Directors' power to suspend and compel redemptions. Shares may only be transferred with the prior written consent of the Directors. It may not be possible to realise the Fund's investments at the time such redemptions are requested or it may only be possible to do so at prices which the Directors believe do not reflect the true value of such investments, resulting in an adverse effect on the return to the Shareholders. In addition, although it is expected on termination of the Fund to reduce all of the Fund's investments to cash and distribute only cash to the Shareholders, there can be no assurance that this objective will be attained.

Regulations

The Fund is not registered pursuant to any applicable law, rule or regulation, other than with respect to the listing of the Class A Shares on the Irish Stock Exchange and the Fund's registration under the Mutual Funds Law (2009 Revision) of the Cayman Islands. Consequently, Shareholders may not benefit from certain of the protections afforded by such other laws, rules or regulations.

Regulatory Risks of Hedge Funds

The regulatory environment for hedge funds is evolving and changes therein may adversely affect the ability of the Fund to obtain the leverage it might otherwise obtain or to pursue its investment strategies. In addition, the regulatory or tax environment for derivative and related instruments is evolving and may be subject to modification by government or judicial action which may adversely affect the value of the investments held by the Fund. It is impossible to predict what, if any, changes in regulation applicable to the Fund, the Investment Manager, the Investment Advisor the markets to which the Fund has exposure or the counterparties with which the Fund does business may be instituted in the future. Any such regulation could have a material adverse impact on the profit potential of the Fund.

Short Selling

The Fund may sell securities short. Short selling involves borrowing securities from a third party lender and pledging deposits of cash equal to or exceeding the market price of the securities borrowed and accordingly can involve greater risk than investments based on a long position. A short sale of a security involves the risk of a theoretically unlimited increase in the market price of the security, which could result in an inability to cover the short position and a theoretically unlimited loss. There can be no guarantee that securities necessary to cover a short position will be available for purchase.

Tax Considerations

Where the Fund invests in securities that are not subject to withholding tax at the time of acquisition, there can be no assurance that tax may not be withheld in the future as a result of any change in applicable laws, treaties, rules or regulations or the interpretation thereof. The Fund will not be able to recover such withheld

tax and so any such change would have an adverse effect on the Net Asset Value of the Shares. Where the Fund sells securities short that are subject to withholding tax at the time of sale, the price obtained will reflect the withholding tax liability of the purchaser. In the event that in the future such securities cease to be subject to withholding tax, the benefit thereof will accrue to the purchaser and not to the Fund.

Use of Certain Investment Techniques and Instruments: Forwards, Options, Derivatives, Swaps and Contracts for Differences

Investment techniques and instruments used may include spot and currency forwards, options on securities, futures contracts and options on futures contracts and other instruments, derivatives, swaps, and contracts for differences. A contract for difference is a contract whereby one party agrees to pay to the counterparty the difference in price of a security between two points in time. Such instruments involve certain special risks and may expose investors to a high risk of loss. The low initial margin deposits normally required to establish a position permit a high degree of leverage. As a result, a relatively small movement in the price of the underlying securities may result in a profit or loss which is high in proportion to the amount of funds actually placed as initial margin and may result in a further loss exceeding any margin deposited. In addition, daily limits on price fluctuations and speculative position limits on exchanges may prevent prompt liquidation of positions resulting in potentially greater losses.

Transactions in over-the-counter contracts may involve additional risk as there is no exchange market on which to close out an open position. It may be impossible to liquidate an existing position, to assess the value of a position or to assess the exposure to risk. Contractual asymmetries and inefficiencies can also increase risk, such as break clauses, whereby a counterparty can terminate a transaction on the basis of a certain reduction in Net Asset Value, incorrect collateral calls or delays in collateral recovery.

The price and other terms on which the Fund will enter into derivative contracts, swaps and contract for differences with a counterparty are individually negotiated and, therefore, may not necessarily represent the best price or terms available to the Fund from other sources.

Forward Foreign Exchange Contracts

A forward foreign exchange contract is a contractually binding obligation to purchase or sell a particular currency at a specified date in the future. Forward foreign exchange contracts are not uniform as to the quantity or time at which a currency is to be delivered and are not traded on exchanges. Rather, they are individually negotiated transactions. Forward foreign exchange contracts are effected through a trading system known as the interbank market. It is not a market with a specific location but rather a network of participants electronically linked. Documentation of transactions generally consists of an exchange of telex or facsimile messages. There is no limitation as to daily price movements on this market and in exceptional circumstances there have been periods during which certain banks have refused to quote prices for forward foreign exchange contracts or have quoted prices with an unusually wide spread between the price at which the bank is prepared to buy and that at which it is prepared to sell. Transactions in forward foreign exchange contracts are not regulated by any regulatory authority nor are they guaranteed by an exchange or clearing house. The Fund will be subject to the risk of the inability or refusal of its counterparties to perform with respect to such contracts. Any such default would eliminate any profit potential and compel the Fund to cover its commitments for resale or repurchase, if any, at the then current market price. These events could result in significant losses.

Over-the-counter Options Transactions

Trading options in the over-the-counter market is subject to counter-party risk and is without the protections afforded by transactions effected through a registered options exchange.

Call Options

There are risks associated with the sale and purchase of call options. The seller (writer) of a call option which is covered (e.g., the writer holds the underlying security) assumes the risk of a decline in the market price of the underlying security below the purchase price of the underlying security less the premium received, and gives up the opportunity for gain on the underlying security above the exercise price of the option. The seller of an uncovered call option assumes the risk of a theoretically unlimited increase in the market price of the underlying security above the exercise price of the option.

The buyer of a call option assumes the risk of losing his entire investment in the call option. If the buyer of the call sells short the underlying security, the loss on the call will be offset in whole or in part by any gain on the short sale of the underlying security (if the market price of the underlying security declines).

Put Options

There are risks associated with the sale and purchase of put options. The seller (writer) of a put option which is covered (e.g., the writer has a short position in underlying security) assumes the risk of an increase in the market price of the underlying security above the sales price (in establishing the short position) of the underlying security plus the premium received, and gives up the opportunity for gain on the underlying security below the exercise price of the option. If the seller of the put option owns a put option covering an equivalent number of shares with an exercise price equal to no greater than the exercise price of the put written, the position is "fully hedged" if the option owned expires at the same time or later than the option written. The seller of an uncovered put option assumes the risk of a decline in the market price of the underlying security below the exercise price of the option.

The buyer of a put option assumes the risk of losing his entire investment in the put option. If the buyer of the put holds the underlying security, the loss on the put will be offset in whole or in part by any gain on the underlying security.

THE FOREGOING RISK FACTORS DO NOT PURPORT TO BE A COMPLETE EXPLANATION OF THE RISKS INVOLVED IN THIS OFFERING. POTENTIAL INVESTORS MUST READ THE ENTIRE OFFERING MEMORANDUM INCLUDING ALL ATTACHMENTS AND MUST CONSULT THEIR OWN PROFESSIONAL ADVISERS, BEFORE DECIDING WHETHER TO INVEST IN THE FUND.

MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE FUND

The information in this section includes a summary of some of the provisions of the Memorandum and Articles of the Fund not otherwise described herein and is provided subject to the full provisions of the Articles which should be read in their entirety. The Memorandum and the Articles comprise the constitution of the Fund.

Memorandum of Association

The Memorandum of Association provides that the Fund's objects are unrestricted and that the Fund shall have full power and authority to carry out any object not prohibited by law.

The liability of the Shareholders is limited to the amount, if any, unpaid on such Shareholder's Shares.

Articles of Association

The Articles provide, inter alia, as follows:

Share Capital

The authorised share capital of the Fund is US\$50,000.00 divided into 100 Management Shares of US\$1.00 each and 4,990,000 Shares of a nominal or par value US\$0.01 each.

A Management Share was allotted and issued to the subscriber to the Memorandum of Association and has been transferred to the Investment Manager. The remaining 99 Management Shares have been allotted and issued to the Investment Manager at par and are fully paid. The Investment Manager as the holder of the Management Shares shall have the right to receive notice of, attend and vote as a shareholder at every general meeting of the Fund.

Save for the Management Shares, no share or loan capital of the Fund has been issued or agreed conditionally or unconditionally to be issued or put under option.

Prospective investors should note that there are no provisions under the laws of the Cayman Islands or under the Articles conferring pre-emption rights on Shareholders.

The Fund may by Ordinary Resolution increase its share capital, consolidate its shares or subdivide any of them into shares of a smaller amount or cancel authorised but unissued shares. The Directors may in their absolute discretion determine to re-designate any Share as part of another class and/or series.

Subject to the provisions of Cayman Islands law and the rights of any holders of any class of shares, the Fund may by Special Resolution reduce its share capital or any capital redemption reserve or share premium account.

The Directors may allot, issue, grant options or warrants over, or otherwise dispose of Shares in separate classes and/or series with different terms, preferences, privileges or special rights including, without limitation, with respect to investment strategy and/or policy, participation in assets, profits and losses of the Fund, voting, fees charged (including management fees and performance fees), redemption privileges, allocation of costs and expenses (including, without limitation, the costs and expenses incurred in any hedging activities and any profits and losses arising therefrom) as the Directors may, in their absolute discretion, determine. New classes may be offered pursuant to an updated

Offering Memorandum or supplement to this Offering Memorandum or pursuant to a separate offering memorandum.

Variation of Class Rights

All or any of the special rights for the time being attached to any class of Shares of the Fund in issue (unless otherwise provided by the terms of issue of those Shares) may from time to time (whether or not the Fund is being wound up) be varied without the consent of the holders of Shares of such class where such variation would not be materially adverse to such Shareholders. Where, in the opinion of the Directors, such variation would be materially adverse to the holders of Shares of that class, such variation may only be made with the consent in writing of the holders of not less than two-thirds by Net Asset Value of the issued Shares of that class, or with the sanction of a resolution passed by at least two-thirds of the votes cast at a separate meeting of the holders of such Shares. To any such meeting the provisions of the Articles as to general meetings apply *mutatis mutandis*, but so that any holder of a Share present in person or by proxy may demand a poll, and the quorum for any such meeting shall be Shareholders holding not less than twenty per cent (20%) by Net Asset Value of the issued Shares of the relevant class. At any class meeting, the voting rights attributable to each Share shall be calculated by reference to the Net Asset Value per Share (calculated as at the most recent Valuation Date) and not on the basis of one Share, one vote.

For the purposes of a separate class meeting, the Directors may treat two or more or all the classes of Shares as forming one class if the Directors consider that such classes would be affected in the same way by the proposals under consideration, but in any other case shall treat them as separate classes.

The special rights attached to each class of Share shall be deemed to be varied by the creation or issue of any Shares ranking in priority to them with respect to participation in the profits or assets of the Fund, except where the Shares so created or issued are Shares in relation to which a Separate Account is established, and the priority granted to the holders of such Shares in relation to the profits or assets of such Separate Account (or any other assets of the Fund) is no greater than the priority granted to the holders of the Shares of each other class then in issue in respect of the profits and assets of the Separate Accounts to which such last mentioned Shares relate.

Subject to the foregoing, the special rights conferred upon the holders of Shares issued with preferred or other special rights shall not (unless otherwise expressly provided by the conditions of issue of such Shares) be deemed to be varied by:

- the creation, allotment or issue of further Shares ranking *pari passu* therewith;
- the repurchase or redemption of any Shares;
- the exercise of the powers to allocate assets and charge liabilities to the various Separate Accounts or any of them and to transfer the same to and from the various Separate Accounts or any of them, as provided for in the Articles; or
- any waiver or modification to the business terms applicable to a Shareholder's subscription for Shares as described below under the section headed "Variation of Terms".

Variation of Terms

The Directors, with the consent of the Investment Manager, shall have the absolute discretion to agree with a Shareholder to waive or modify the business terms applicable to such Shareholder's subscription for Shares (including those relating to Management Fees and Performance Fees and redemption terms) without obtaining the consent of any other Shareholder.

Termination

The Fund may be wound up by a Special Resolution of the holder(s) of the Management Shares. On a winding up, after payment of the liabilities of the Fund and the return of the par value paid up on the Management Shares, the balance shall be paid to the holders of Shares in proportion to the Net Asset Value of Shares held.

The Fund may also redeem compulsorily all the Shares effectively terminating the Fund.

Quorum and Voting Rights

Shares carry only limited voting rights at class meetings as described above under the section headed "Variation of Class Rights".

As noted above, the holder(s) of the Management Shares have the right to receive notice of, attend and vote as a member at any general meeting of the Fund.

Dividends

It is not envisaged that the Directors will declare dividends or distributions on Shares. It is the present intention of the Directors not to declare or pay any dividend. Income earned by the Fund will be reinvested and reflected in the value of the Shares. If the Directors decide to declare dividends, such dividends shall payable out of the funds of the Fund lawfully available therefor including the share premium account. Any dividend unclaimed after a period of six years from the date of declaration of such dividend shall be forfeited and shall revert to the Fund.

Directors

At the date of this Offering Memorandum, with respect to each Director it provides, HF Fund Services Ltd. will be paid an annual fee of US\$8,000, subject to a one-time set-up fee of US\$3,000. Dr. Baumgartner will receive an annual fee calculated on the basis of assets under management as follows: (i) up to CHF 50 million – CHF 16,000, (ii) from CHF 50 million up to CHF 100 million – CHF 32,000 and (iii) over CHF 100 million – CHF 48,000.

The Directors shall also be entitled to be paid all reasonable travelling, hotel and other expenses properly incurred by them in connection with their attendance at meetings of Directors or committees of Directors, or general meetings of the Fund, or separate meetings of the holders of any class of Shares or debentures of the Fund, or otherwise in connection with the business of the Fund. The Directors may by resolution approve additional remuneration to any Director for any services other than such Director's ordinary routine work as a Director.

A Director may hold any other office or place of profit under the Fund (other than the office of auditor) in conjunction with his office of Director, or may act in a professional capacity to the Fund, on such terms as to remuneration and otherwise as the Directors may determine.

No person shall be disqualified from the office of Director or alternate Director or prevented by such office from contracting with the Fund, either as vendor, purchaser or otherwise, nor shall any such contract or any contract or transaction entered into by or on behalf of the Fund in which any Director or alternate Director shall be in any way interested or be liable to be avoided, nor shall any Director or alternate Director so contracting or being so interested be liable to account to the Fund for any profit realised by any such contract or transaction by reason of such Director holding office or of the fiduciary relationship thereby established. A Director (or such Director's alternate Director in such Director's absence) shall be at liberty to vote in respect of any contract or transaction in which such Director is interested provided that the nature of the interest of any Director or alternate Director in any such contract or transaction shall be disclosed by such Director at or prior to such Director's consideration and any vote thereon.

No Director has (i) any unspent convictions in relation to indictable offences; or (ii) been bankrupt or the subject of a voluntary arrangement, or has had a receiver appointed to any of his assets; or (iii) been a director of any company which, while he was a director with an executive function or within twelve (12) months after he ceased to be a director with an executive function, had a receiver appointed or went into compulsory liquidation, creditors' voluntary liquidation, administration or company voluntary arrangements, or made any composition or arrangement with its creditors generally or with any class of its creditors; or (iv) been a partner of any partnership, which while he was a partner or within twelve (12) months after he ceased to be a partner, went into compulsory liquidation, administration or partnership voluntary arrangement, or had a receiver appointed to any partnership asset; or (v) had any public criticism by statutory or regulatory authorities (including recognised professional bodies); or (vi) been disqualified by a court from acting as a director or from acting in the management or conduct of affairs of any company.

The chairman of a Directors' meeting shall not have a casting vote at any meetings of the Directors.

The Directors may exercise the Fund's powers to borrow and to charge its assets.

The business address of Sean Flynn and Patrick Harrigan is 45 Market Street, Gardenia Court, Camana Bay, Grand Cayman, Cayman Islands and the business address of Dr. Hans Baumgartner is Sihlporte 3 / Talstrasse, P.O. Box 8022 Zurich.

Alteration of the Articles

The Articles may at any time be amended by Special Resolution of the holder(s) of the Management Shares, subject to any consents required in respect of any variation of class rights.

GENERAL INFORMATION

Material Contracts

The following contracts (not being contracts in the ordinary course of business) have been entered into by the Fund and are, or may be, material:

- a) the Investment Management Agreement dated 10 July 2009 between the Fund and the Investment Manager pursuant to which the Investment Manager was appointed, subject to the overall supervision of the Directors, to manage the Fund's investments and affairs;
- b) the Investment Advisory Agreement dated 14 July 2009 between the Investment Manager and the Investment Advisor pursuant to which the Investment Manager has appointed the Investment Advisor to assist the Investment Manager in the management of, and to provide advisory services to the Investment Manager in relation to, the Fund and the investment and reinvestment of the Fund's assets;
- c) the Administration and Accounting Services Agreement made as of 1 September 2009 between the Fund and the Administrator, pursuant to which the Administrator was appointed to provide certain administrative services to the Fund;
- d) the Master Prime Brokerage Terms dated 24 July 2009 between the Fund and the Prime Broker;
- e) the Listed Derivatives Transactions Clearing Agreement dated 24 July 2009 between the Company and Credit Suisse Securities (Europe) Limited;
- f) the Director Services Agreement dated 10 July 2009 between the Fund and HF Fund Services Ltd.; and
- g) a Mandate Agreement (as amended) dated 17 July 2009 between the Fund and Dr. Hans Baumgartner.

Auditor

The Fund has entered into an engagement letter with KPMG, the Fund's statutory auditors, containing provisions limiting the liability of KPMG. The engagement letter is also expected to contain provisions indemnifying KPMG in certain circumstances.

The Fund reserves the right to change the auditor if it determines that it is in the best interests of the Fund to do so. Any successor auditor will be an internationally recognised accounting firm.

Place of business

The Fund has not established and does not intend to establish a place of business in the United Kingdom or the United States of America.

Litigation

The Fund is not engaged in any litigation or arbitration and the Directors do not know of any litigation or claim pending or threatened by or against the Fund.

Directors' Interests

There are no service contracts in existence between the Fund and any of its Directors, although there is a contract between HF Fund Services Ltd. and the Fund.

Since incorporation of the Fund, save as disclosed in this Offering Memorandum, no remuneration has been paid and no benefits in kind or loans have been granted to the Directors, and the Fund has not provided any guarantee for the benefit of any Director.

Except as disclosed in each Director's biography under the section headed "Management and Administration", no Director has any interest, direct or indirect, in the promotion of or in any assets which have been or are proposed to be acquired or disposed of by, or issued to, the Fund.

No Director is materially interested in any contract or arrangement subsisting at the date hereof which is unusual in its nature or significant in relation to the business of the Fund.

No Director (nor any spouse or child under 18 of a Director nor any connected person of a Director) has any interest, direct or indirect, in the share capital of the Fund. Such persons may acquire Shares on the same terms as other investors.

Disclosure of Interests

Save as may result from the entry by the Fund into the agreements listed under the section headed "Material Contracts" above or any other fees, commissions or expenses discharged, reimbursed or paid as disclosed elsewhere in this document, no amount or benefit has been paid or given or is intended to be paid or given to any promoter of the Fund.

Mutual Funds Law

The Fund is regulated as a mutual fund under the Mutual Funds Law (2009 Revision) of the Cayman Islands ("**Mutual Funds Law**"). Regulation under the Mutual Funds Law entails the filing of prescribed details and audited accounts annually with the Cayman Islands Monetary Authority. However, the Fund will not be subject to supervision in respect of its investment activities or the constitution of the Fund's portfolio by the Cayman Islands Monetary Authority or any other governmental authority in the Cayman Islands, although the Cayman Islands Monetary Authority does have power to investigate the activities of the Fund in certain circumstances. Neither the Cayman Islands Monetary Authority nor any other governmental authority in the Cayman Islands has passed upon or approved the terms or merits of this document. There is no investment compensation scheme available to investors in the Cayman Islands.

As a regulated mutual fund the Fund is subject to the supervision of the Cayman Islands Monetary Authority (the "**Authority**") and the Authority may at any time instruct the Fund to have its accounts audited and to submit them to the Authority within such time as the Authority specifies. Failure to comply with these requests by the Authority may result in substantial fines on the part of the Directors and may result in the Authority applying to the court to have the Fund wound up.

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

Documents for Inspection

The following documents are available for inspection for a period of fourteen days from the date of this document during normal business hours at the registered office of the Fund and the office of the Administrator:

- (a) the Memorandum and Articles of Association of the Fund;
- (b) the material contracts referred to herein;
- (c) the Companies Law (2007 Revision) of the Cayman Islands; and
- (d) a list of past and current directorships and partnerships held by each Director over the last five years.

Miscellaneous

As at the date of this document, the Fund has no loan capital (including term loans) outstanding or created but unissued, and no outstanding mortgages, charges, debentures or other borrowings, including bank overdrafts and liabilities under acceptances or acceptance credits, hire purchase or finance lease commitments, guarantees or other contingent liabilities.

Confidential Information

The Fund shall be entitled to retain any information it receives, whether within or without the Cayman Islands, in such manner as it shall, in its absolute discretion, consider appropriate. The Fund reserves the right to engage such agents, whether within or without the Cayman Islands, as, in its absolute discretion, it shall consider appropriate for the purpose of complying with its obligations pursuant to applicable laws and regulations.

The Fund, the Administrator and the Investment Manager will treat information received from investors as confidential and will not disclose such information other than:

- a) to their professional advisers or other service providers, whether within or outside the Cayman Islands, where the Fund, the Administrator or the Investment Manager (as applicable) considers such disclosure necessary or appropriate in the normal course of business or to enable them to conduct their affairs; or
- b) where such disclosure is required by any applicable law or order of any court of competent jurisdiction or pursuant to any direction, request or requirement (whether or not having the force of law) of any central bank or any regulatory, tax or other government agency or authority.

By subscribing for Shares, an investor is deemed to consent to any such disclosure.

FURTHER INFORMATION

Any prospective subscriber may request additional information regarding the Fund and copies of the Articles, the agreements with the Administrator, Investment Manager, the Investment Advisor and any other service providers appointed from time to time, by contacting the Administrator.