

**CONFIDENTIAL**

**FORTRESS GLOBAL FUNDS SPC INC.**

*An Exempted Segregated Portfolio Company Incorporated in the  
Cayman Islands with Limited Liability*

Offering of Redeemable Shares

**OFFERING MEMORANDUM**

March 2024

Minimum Initial Subscription: US\$100,000

THE SECURITIES OFFERED HEREBY HAVE NOT BEEN FILED WITH OR APPROVED OR DISAPPROVED BY ANY REGULATORY AUTHORITY OF ANY COUNTRY OR OTHER JURISDICTION, NOR HAS ANY SUCH REGULATORY AUTHORITY PASSED UPON OR ENDORSED THE MERITS OF THIS OFFERING OR THE ACCURACY OR ADEQUACY OF THIS OFFERING MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

PERSONS INTERESTED IN SUBSCRIBING FOR THE SHARES SHOULD INFORM THEMSELVES AS TO THE (1) THE LEGAL REQUIREMENTS WITHIN THEIR OWN COUNTRIES FOR THE PURCHASE OF THE SHARES, (2) ANY FOREIGN EXCHANGE RESTRICTIONS THAT THEY MIGHT ENCOUNTER AND (3) THE INCOME TAX OR OTHER TAX CONSEQUENCES, IF ANY, THAT MIGHT BE RELEVANT TO THE PURCHASE, HOLDING OR SALE OF THE SHARES.

NO PERSON HAS BEEN AUTHORISED IN CONNECTION WITH THIS OFFERING TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATIONS OTHER THAN AS CONTAINED IN THIS OFFERING MEMORANDUM.

A MUTUAL FUND LICENCE ISSUED OR A FUND REGISTERED BY THE CAYMAN ISLANDS MONETARY AUTHORITY DOES NOT CONSTITUTE AN OBLIGATION OF THE CAYMAN ISLANDS MONETARY AUTHORITY TO ANY INVESTOR AS TO THE PERFORMANCE OR CREDITWORTHINESS OF THE FUND.

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

## NOTICES

If you are in any doubt about the contents of this document you should consult your stockbroker, bank manager, lawyer, accountant or other professional advisor.

Neither the Fund nor the shares of the Fund described in this Offering Memorandum have been or will be registered or qualified under the securities laws of any jurisdiction. The shares are not for sale to US Persons except as specifically provided in this Offering Memorandum.

This Offering Memorandum does not constitute an offer to sell or a solicitation of an offer to buy shares, nor shall there be any sale of shares in any jurisdiction in which such offer, solicitation or sale is not authorised or to any person to whom it is unlawful to make such offer, solicitation or sale. It is the responsibility of every person wishing to make a subscription in connection herewith to satisfy himself as to full observance of the laws of the relevant jurisdiction in connection therewith, including any governmental or other consent which may be required, or to observe any other formalities needing to be observed in such jurisdiction. The direct or indirect ownership of shares by Restricted Persons is prohibited except in accordance herewith.

No person has been authorised to make any representations concerning the Fund or the shares that are inconsistent with those contained in this Offering Memorandum, and accordingly any such representations should be treated as unauthorised and may not be relied upon by the party to whom such representations are made.

Prospective investors should not construe the contents of this Offering Memorandum as legal, tax or financial advice. All prospective investors should consult their own professional advisors as to the legal, tax, financial or other matters relevant to the suitability of an investment in the shares for such investor.

The purchase of shares is speculative and involves a high degree of risk. There is no assurance that the Fund will be profitable. See the section entitled "CERTAIN RISK FACTORS" within this Offering Memorandum for a description of certain risks involved in the purchase of shares.

No listing or other dealing facility is at present being sought for any part of the Fund's shares, although the directors of the Fund (the "**Directors**") may seek a listing in the future.

This Offering Memorandum is intended solely for the use of the person to whom it has been delivered by the Fund for the purpose of evaluating a possible investment by the recipient in the shares, and it is not to be reproduced or distributed to any other persons (other than professional advisors of the prospective investor receiving this Offering Memorandum from the Fund).

The Fund has been registered as a mutual fund with the Cayman Islands Monetary Authority pursuant to section 4(3) of the Cayman Islands Mutual Funds Act (as amended). Such registration was effected by filing with the

Cayman Islands Monetary Authority the prescribed details in respect of this Offering Memorandum and by paying the prescribed registration fee. Such registration does not imply that the Cayman Islands Monetary Authority or any other regulatory authority in the Cayman Islands has passed or approved or will pass upon or approve this Offering Memorandum or the offering of shares hereunder nor is it intended that they will.

The Fund is prohibited from making an offer or invitation to the public of the Cayman Islands to subscribe for the shares. Non-resident or exempted companies and certain other non-resident or exempted entities established in the Cayman Islands and engaged in offshore business may however be permitted to subscribe.

There are restrictions on the offer and sale of securities in the United Kingdom. Any person who is engaged in any activity with respect to securities that are in any way associated with the United Kingdom must comply with all applicable laws and regulations.

As the Fund's net asset value will be calculated in US dollars, each holder of shares, and not the Fund, will bear the risk of any foreign currency exposure resulting from differences, if any, in the value of the US dollar relative to the currency of the country in which such shareholder resides or maintains its net worth.

To the best of the knowledge and belief of the Directors, who have taken all reasonable care in reviewing this Offering Memorandum, as at the date of this Offering Memorandum the information contained in this Offering Memorandum is accurate and does not omit anything likely to affect the import of such information. Neither the delivery of this Offering Memorandum nor the issue of shares of the Fund shall be taken to imply that any information herein is correct as of any subsequent date.

Unless otherwise noted, all monetary amounts set forth herein are expressed in US dollars.

## Table of Contents

<b>SUMMARY .....</b>	<b>6</b>
<b>THE FUND .....</b>	<b>15</b>
<i>DISTRIBUTIONS AND REINVESTMENT .....</i>	<i>17</i>
<b>INVESTMENT POLICY.....</b>	<b>17</b>
<i>INVESTMENT OBJECTIVES, STRATEGIES AND RESTRICTIONS .....</i>	<i>17</i>
<i>BORROWING OF CASH AND COMMISSIONS.....</i>	<i>18</i>
<i>PLAN OF DISTRIBUTION AND USE OF PROCEEDS; CASH EQUIVALENTS .....</i>	<i>18</i>
<b>CAYMAN ISLANDS REGULATIONS.....</b>	<b>18</b>
<b>MANAGEMENT .....</b>	<b>22</b>
<i>THE DIRECTORS .....</i>	<i>22</i>
<i>THE INVESTMENT MANAGER .....</i>	<i>23</i>
<i>THE ADMINISTRATOR.....</i>	<i>24</i>
<i>PRIME BROKER .....</i>	<i>25</i>
<b>FEES AND EXPENSES.....</b>	<b>27</b>
<i>ORGANISATIONAL, ONGOING AND OTHER COSTS .....</i>	<i>27</i>
<i>FEES OF THE INVESTMENT MANAGER.....</i>	<i>27</i>
<i>FEES OF THE ADMINISTRATOR .....</i>	<i>27</i>
<i>DIRECTORS' FEES .....</i>	<i>28</i>
<i>OTHER FEES AND OPERATING EXPENSES .....</i>	<i>28</i>
<b>SHARES OF THE FUND .....</b>	<b>29</b>
<i>THE FUND'S SHARE CAPITAL.....</i>	<i>29</i>
<i>SUBSCRIPTION AND REDEMPTION PRICES .....</i>	<i>29</i>
<i>PROCEDURE FOR SUBSCRIPTIONS .....</i>	<i>30</i>
<i>ELIGIBLE INVESTORS .....</i>	<i>31</i>
<i>PROCEDURE FOR REDEMPTIONS.....</i>	<i>33</i>
<i>SUSPENSION OF DEALINGS AND DETERMINATION OF NET ASSET VALUE .....</i>	<i>36</i>
<i>REGISTRATION AND TRANSFER OF SHARES.....</i>	<i>36</i>
<i>SELLING RESTRICTIONS.....</i>	<i>37</i>
<i>DETERMINATION OF NET ASSET VALUE .....</i>	<i>37</i>
<b>CERTAIN RISK FACTORS.....</b>	<b>40</b>
<b>POTENTIAL CONFLICTS OF INTEREST .....</b>	<b>45</b>
<i>OTHER ACTIVITIES.....</i>	<i>46</i>
<b>TAXATION.....</b>	<b>47</b>

INTRODUCTION ..... 47

THE FUND ..... 47

SHAREHOLDERS OF THE FUND ..... 48

CHANGES IN LAW ..... 48

ADDITIONAL INFORMATION..... 50

MATERIAL CONTRACTS..... 50

REPORTS TO THE SHAREHOLDERS..... 51

AVAILABLE DOCUMENTS ..... 51

COUNSEL..... 52

INQUIRIES AND COMMUNICATION WITH THE FUND..... 52

GENERAL INFORMATION ..... 52

## FORTRESS GLOBAL FUNDS SPC INC.

### SUMMARY

The information set out below should be read in conjunction with, and is qualified in its entirety by, the full text of this Offering Memorandum (“**Memorandum**”), which term shall include any Supplements (as defined below) unless the context otherwise requires, the Memorandum and Articles of Association of Fortress Global Funds SPC Inc., any Supplements and the documents and agreements referred to herein, copies of which are available from the Administrator (as defined herein) upon request.

#### The Fund

Fortress Global Funds SPC Inc. (the “**Fund**”) is an exempted segregated portfolio company that was incorporated with limited liability under the Companies Act (Revised) of the Cayman Islands, as amended from time to time.

The Fund has an authorised share capital of US\$50,000 divided into 100 voting, non-redeemable shares of US\$1.00 par value each (“**Ordinary Shares**”) and 4,990,000 non-voting, redeemable shares (“**Redeemable Shares**” or “**Shares**”) of US\$0.01 par value each, which may be issued in Classes (each a “**Class**” which may include a sub-Class).

Each Class of Shares is or will be linked to a segregated portfolio (“**Segregated Portfolio**”). The terms of each Segregated Portfolio and the corresponding Class are set out herein and in a supplement (“**Supplement**”) to this Memorandum which relates to that Segregated Portfolio. The relevant Supplement must be read in conjunction with this Memorandum. In the event that the descriptions or terms in this Memorandum conflict with the terms and descriptions in a Supplement, the terms in the Supplement will prevail in relation to the relevant Segregated Portfolio.

As a matter of Cayman Islands law assets attributable to each Segregated Portfolio of the Fund shall only be available to creditors in respect of that Segregated Portfolio and the assets of that Segregated Portfolio shall be protected from creditors of the Fund who are not creditors in respect of that Segregated Portfolio. The Fund will establish a separate account for each Segregated Portfolio and each Class of Shares comprised in each Segregated Portfolio. Each Segregated Portfolio is a separate individually managed pool of assets constituting, in effect, a separate fund with its own investment objective and strategy and overseen by the Investment Manager (as defined below). In addition to the information set out herein, further details of the investment objective and strategy of each Segregated Portfolio will be set out in the relevant Supplement.

The Fund may establish additional Segregated Portfolios and Classes of Shares (and

more than one Class of Shares may be established in relation to each Segregated Portfolio) in the sole discretion of the Directors and as circumstances dictate. The Directors may establish additional Segregated Portfolios and Classes in currencies other than that of the US dollar. Shares of a Class linked to a Segregated Portfolio may be subject to terms and conditions that differ from the terms and conditions applicable to the Shares of other Classes linked to that Segregated Portfolio or to such other Segregated Portfolios. Such additional Classes of Shares linked to such additional Segregated Portfolios may be issued without the consent of or notice to the shareholders (“**Shareholders**”) holding Shares of the existing Classes and the rights attached to any existing Class of Shares will not be deemed to be varied by the issue of such additional Classes of Shares.

**Investment Objectives,  
Strategies and  
Restrictions**

The overall investment objective of the Fund is long term capital appreciation. The Investment Manager will focus on diversification across industries and asset classes, as the case may be, in order to minimize overall portfolio risk. The investment objectives, strategies and restrictions in respect of each Segregated Portfolio are set out in the relevant Supplement.

There can be no assurance that the Investment Manager will be successful in pursuing the Fund’s investment objective or that the strategies set forth herein will be successful for each Segregated Portfolio. The results of the Investment Manager or its principals are not necessarily indicative of the future performance of each Segregated Portfolio of the Fund.

**Directors**

The Board of Directors of the Fund consists of the following individuals: Roger Maurice Cave; John Michael Howard; Maria Michelle Nicholls (the “**Directors**”), who exercise primary authority over the Fund and each Segregated Portfolio.

**Investment Manager**

Fortress Fund Managers Limited (“**Investment Manager**”), a company incorporated in Barbados, with its registered office at Radley Court, Upper Collymore Rock, St. Michael, Barbados has been retained by the Fund on behalf of each of the Segregated Portfolios to manage and invest the capital of the Segregated Portfolios, pursuant to an investment management agreement (“**Investment Management Agreement**”).

**Administrator**

The Fund, acting for and on behalf of each of the Segregated Portfolios, has entered into a contract (“**Administration Agreement**”) with Fortress Fund Managers Limited (“**Administrator**”), which is regulated by the Barbados Financial Services Commission, of Radley Court, Upper Collymore Rock, St. Michael, Barbados to provide administration services for the Segregated Portfolios. The Administrator will perform various administrative and registrar and transfer agency services for each Segregated Portfolio and its corresponding Class of Shares, including calculation of



the Net Asset Value (as defined herein) of the Shares of each Class of the Fund. The Fund is not obligated to maintain its relationship with the Administrator for any minimum period of time and may discontinue such relationship and engage a new Administrator without further notice to the Shareholders.

#### **Custodian**

The Fund, acting for and on behalf of each of the Segregated Portfolios, has retained The Northern Trust Company, which is regulated by the U.S. Federal Reserve System, to serve as the Fund's custodian ("**Custodian**") for the Segregated Portfolios pursuant to an agreement for the provision of such services (the "**Custody Agreement**"). The Fund is not obligated to maintain its relationship with the Custodian for any minimum period of time and may discontinue such relationship and engage new or additional custodians without further notice to the Shareholders.

#### **Minimum Investment**

The minimum initial investment per subscriber and the minimum additional investment for an existing Shareholder in relation to each Class are set out in the relevant Supplement, provided that the minimum initial investment per subscriber in the Fund will not be less than US\$100,000 or its equivalent. The minimum initial and additional investments may be waived, increased or reduced at the discretion of the Directors generally or on a case by case basis except on initial subscription which must always be for at least US\$100,000 or its equivalent or such other minimum as may be relevant under applicable law.

#### **Subscriptions for Shares**

The initial offering period in respect of the Shares of each Class is described in the relevant Supplement ("**Initial Offering Period**"). The Shares of each Class will be offered at an initial subscription price of US\$100 per Share or such other amount as may be set out in the relevant Supplement. Following the end of the Initial Offering Period, such Shares may be purchased on each Subscription Day for the relevant Class (as defined in the relevant Supplement) at the Net Asset Value per Share of the relevant Class as at the Business Day preceding the Subscription Day (or as at such other day as may be set out in the relevant Supplement). The Directors may modify the frequency of permitted subscriptions.

If purchased through authorised agents, subscriptions may be subject to a charge of up to 2% calculated as a percentage of the total amount subscribed by a Shareholder for Shares. The charge will be deducted from the applicant's subscription payment for purposes of determining the net amount available for investment in the Shares of the Fund's relevant Segregated Portfolio. Waivers of this charge are at the sole discretion of the Directors. The charge is in place to cover distribution costs.

The monies to be paid for the Shares subscribed are payable in full upon subscription. Payment for the Shares may be made by wire transfer only.

Subscription fees may be payable in relation to the Shares of a Class, if so specified in the relevant Supplement.

Additionally, the Directors may close the offering of Shares of any Class by refusing to issue any additional Shares of that Class, without notice to, or the consent of, the Shareholders. Notwithstanding the foregoing, the Directors may, in their sole discretion, reopen the Class as of any date.

The term “Business Day” refers to any day other than a Saturday or Sunday on which banks are open for business in New York, the Cayman Islands, and Barbados and/or such other place as may be determined by the Directors in relation to any Class.

**Special Situation Shares** The Fund intends to maintain a highly liquid portfolio. However, given extreme circumstances, the Directors may, in their absolute discretion, allocate investments that they deem illiquid or otherwise not freely tradable to special Classes of Shares called Special Situation Shares.

**Eligible Investors** The Shares may be purchased only by “Eligible Investors”, as described herein, except in a limited number of cases and then only after supplementary offering materials have been distributed to such potential investors (such as, without limitation, US tax-exempt investors). Persons interested in purchasing Shares should inform themselves as to the legal requirements applicable to such persons for the purchase of Shares and any foreign exchange restrictions with which they must comply.

The Fund reserves the right to reject, either in whole or in part, subscriptions for Shares, in its absolute discretion.

**Net Asset Value** The net asset value of each Segregated Portfolio of the Fund (“**Net Asset Value**”) is equal to the relevant Segregated Portfolio’s assets less the relevant Segregated Portfolio’s liabilities, each valued pursuant to International Financial Reporting Standards. Each relevant Segregated Portfolio will have its Net Asset Value determined as provided by the Articles of Association of the Fund. The Net Asset Value for each Segregated Portfolio will be calculated as of the close of business 5:00 p.m. Barbados time on each Valuation Day (as defined in the relevant Supplement) and as of such other day or days as the Directors may select in their discretion.

**Redemptions** Except as provided herein or in any relevant Supplement, a Shareholder may request redemption of all or some of his Shares of a particular Class as of each Redemption Day (as defined in the relevant Supplement). Shareholders wishing to redeem Shares as of the particular Redemption Day must provide the Administrator with prior

written notice as may be specified in the relevant Supplement, of their intention to redeem such Shares. A redemption request, once made, may only be withdrawn with the consent of the Directors.

The Fund may suspend redemptions when the Directors in their sole discretion deem it to be in the interests of the Fund to do so, including in circumstances in which the determination of the Net Asset Value of the relevant Class has not been suspended.

The redemption price is equal to the relevant Net Asset Value per Share of the relevant Class on the Valuation Day immediately preceding the relevant Redemption Day less any applicable fees. Cayman Islands law imposes some restrictions on redemptions being funded other than out of profits.

The Fund intends to maintain a highly liquid portfolio. Accordingly, the Fund does not anticipate that redemptions will be settled in kind. However, the Directors of the Fund may use their discretion in certain situations to settle redemptions in kind (in whole or in part) and may extend the duration of the redemption notice period if the Directors deem such form of redemption and/or such an extension as being in the best interest of the Fund and the non-redeeming Shareholders.

In the event that the Fund receives any request for redemption in respect of any one Redemption Day, either singly or when aggregated with other redemption requests, representing more than 20% of the number of Redeemable Shares of any Class outstanding and the Directors determine that the redemption of such volume of Redeemable Shares of that Class would materially prejudice the interests of the other Shareholders of that class or otherwise materially and adversely affect the Fund, the Directors may scale down, on a pro-rata basis, each request for redemption with respect to such Redemption Day so that not more than 20% of the issued and outstanding Redeemable Shares of the relevant class shall be redeemed on such relevant Redemption Day. Each such redemption request shall be treated with respect to the unsatisfied balance as if a further request has been made by the redeeming Shareholder in respect of the next following Redemption Day until the request for redemption is satisfied in full.

The Directors have the right to require a compulsory redemption of all or some of the Shares of any Class held by a Shareholder at the redemption price per Share equal to the then prevailing Net Asset Value per Share of the relevant Class without assigning any reason therefore.

The investment strategy of the Fund caters to medium to long term investors.

In some instances, the imposition of a redemption fee payable to a Segregated

Portfolio of the Fund may be imposed. Redemption fees, if applicable, are set out in the relevant Supplement to the Segregated Portfolios. In these instances, the Fund believes that it is in the best interest of the Fund and its shareholders in such Segregated Portfolio to impose such redemption fees. The Directors of the Fund have the discretion to waive, rebate or modify redemption fees in their sole discretion.

#### Transfers

No transfer of Shares may be made other than with the consent of the Directors, which consent may be withheld at the discretion of the Directors without the need for assigning any reason therefore.

#### Distributions

It is the present intention of the Directors not to distribute net income by way of dividends. Accordingly, net income effectively will be represented in the value of the Shares. The Directors reserve the right to change such policy.

#### Fees and Expenses

**Management Fee.** The Investment Manager receives a management fee (“**Management Fee**”) in relation to each Class as specified in the relevant Supplement. Unless otherwise specified in the relevant Supplement, the Management Fee will be calculated on the 15th and last day of each month and paid monthly in arrears. The Management Fee will be prorated based upon a Shareholder’s actual period of ownership of its Shares. The Investment Manager may, in its discretion, effectively waive all or part of the Management Fee with respect to any Shareholder by rebate or otherwise.

**Administration Fees.** For its administrative duties, (including but not limited to its registrar and transfer agent duties) the Fund on behalf of each Segregated Portfolio pays the Administrator an administration fee in accordance with the Administration Agreement (the “**Administration Fee**”).

**Directors’ Fee.** Each Director who is not an officer or employee of the Investment Manager receives a flat annual fee for serving in such capacity. The total directors’ fee will be in accordance with reasonable and customary director’s fees and shall not be greater than US\$30,000 per annum.

**Other Expenses.** The Investment Manager shall pay all costs and expenses associated with the Fund’s establishment. The Fund does not have to reimburse the Investment Manager for these costs associated with the establishment of the Fund.

The Fund will be responsible for all of the necessary expenses of its operation, including, without limitation, the cost of maintaining the Fund’s registered office in the Cayman Islands, the Fund’s annual registration fees, brokerage commissions, legal and auditing expenses, accounting, fund administration, investment related

consultants and other service provider expenses, expenses incurred with respect to the preparation, duplication and distribution to Shareholders and prospective Shareholders of offering documents, annual or other reports and other financial information and similar on-going operational expenses. The Administrator, the Investment Manager and any affiliate retained by the Investment Manager will be reimbursed for all out-of-pocket expenses incurred on behalf of the Fund.

Fees and expenses that are identifiable with a particular Class will be charged against the relevant Segregated Portfolio corresponding to that Class in computing its Net Asset Value. Other fees and expenses that are not so identifiable will be allocated to the relevant Segregated Portfolio based on their respective Net Asset Values or otherwise in the discretion of the Directors.

### Risk Factors

Investment in the Fund involves a substantial degree of risk. Past performance of the Investment Manager or any of its principals is no guarantee of future performance. There is no assurance that any Segregated Portfolio of the Fund will be profitable. See the risk factors described under “CERTAIN RISK FACTORS” and in the relevant Supplement.

The Fund is also subject to certain conflicts of interest, as described in more detail under “POTENTIAL CONFLICTS OF INTEREST”. The Investment Manager may directly or indirectly manage the assets of funds that in some respects compete with the relevant Segregated Portfolio of the Fund for certain investments.

### Regulatory Matters

The Fund is not registered as an investment company and therefore is not required to adhere to certain investment policies under the US Investment Company Act of 1940, as amended.

The Fund is a mutual fund as defined in the Cayman Islands Mutual Funds Act, as amended (“**Mutual Funds Act**”). Because the minimum initial investment required of each investor in the Fund is not less than US\$100,000 (or its equivalent or such other minimum as may be relevant under applicable law), the Fund complies with the Mutual Funds Act by a simple registration with the Cayman Islands Monetary Authority (“**Monetary Authority**”). Such registration does not imply that the Monetary Authority or any other regulatory authority in the Cayman Islands has passed upon or approved this Memorandum or the offering of the Shares hereunder. The required registration was effected by filing with the Monetary Authority a summary of the terms of the offering of the Shares of each Class and providing details of the various agents of the Fund along with a copy of this Memorandum. The Fund is also required to file audited financial statements for each Class annually. The Fund must notify the Monetary Authority of any changes in the details of the summary of

the terms of the offering and any change in the Fund's agents as filed on initial registration and supply copies of any supplements to or revision of this Memorandum.

**Reporting**

Shareholders will receive from the Fund annual audited financial statements for the relevant Segregated Portfolio and Class within a reasonable time after the Fund's fiscal year-end. In addition, Shareholders will receive from the Administrator periodic reports relating to the performance of the relevant Segregated Portfolio and Class.

**Fiscal Year**

The Fund's fiscal year-end is 30 September for all Segregated Portfolios.

**Functional Currency**

The Fund's functional currency for each Segregated Portfolio, i.e., the currency in which it maintains its books and records and its financial statements for each Segregated Portfolio, is the US Dollar. However, the Directors reserve the right to offer shares in currencies other than that of the US dollar.

## DIRECTORY

<b>Fund's Registered Office</b>	Ocorian Trust (Cayman) Limited Windward 3, Regatta Office Park PO Box 1350 George Town, Grand Cayman Cayman Islands, KY1-1108
<b>Investment Manager</b>	Fortress Fund Managers Limited Radley Court, Upper Collymore Rock St. Michael, Barbados
<b>Administrator</b>	Fortress Fund Managers Limited Radley Court, Upper Collymore Rock St. Michael, Barbados Tel: (246) 431-2198 Fax: (246)431-0514 Email: invest@fortressfund.com
<b>Directors</b>	Roger Maurice Cave John Michael Howard Maria Michelle Nicholls
<b>Custodian</b>	The Northern Trust Company 50 S. LaSalle Street Chicago, IL 60603
<b>Auditors</b>	Ernst & Young Ltd Camana Bay, P.O. Box 510 Grand Cayman KY1-1106  Ernst & Young Ltd P.O. Box 261, Worthing Christ Church Barbados
<b>Legal Advisors</b>	<i>In the Cayman Islands:</i> Ocorian Law (Cayman) Limited Windward 3, Regatta Office Park PO Box 1350, Grand Cayman KY1-1108 Cayman Islands

## FORTRESS GLOBAL FUNDS SPC INC.

### THE FUND

Fortress Global Funds SPC Inc. (“**Fund**”) was incorporated in the Cayman Islands on October 15, 2012 as an exempted segregated portfolio company with limited liability under the Cayman Islands Companies Act (Revised), as amended from time to time.

### SEGREGATED PORTFOLIOS

As an exempted segregated portfolio company established under the Cayman Islands Companies Act (Revised), the Fund may establish and operate any number of Segregated Portfolios (each a “**Segregated Portfolio**”). Segregated Portfolios have the benefit of statutory segregation under Cayman Islands law so that the assets and liabilities of each Segregated Portfolio of the Fund are entirely segregated from the assets and liabilities of any other Segregated Portfolios of the Fund. The principal advantage of this is that the assets of one Segregated Portfolio are protected from the liabilities of the others. Where a liability of the Fund to a person arises from a matter, or is otherwise imposed, in respect of or attributable to a particular Segregated Portfolio such liability shall extend only to, and that person shall, in respect of that liability, be entitled to have recourse only to the assets of the Fund attributable to that Segregated Portfolio. Each Class of Shares corresponds to a particular Segregated Portfolio established and designated by the Directors from time to time.

The terms of each Segregated Portfolio and the corresponding Class are set out herein and in a supplement (“**Supplement**”) to this Memorandum which relates to that Segregated Portfolio. The relevant Supplement must be read in conjunction with this Memorandum. In the event that the descriptions or terms in this Memorandum conflict with the terms and descriptions in a Supplement, the terms in the Supplement will prevail in relation to the relevant Segregated Portfolio.

As a matter of Cayman Islands law assets attributable to each Segregated Portfolio of the Fund shall only be available to creditors in respect of that Segregated Portfolio and the assets of that Segregated Portfolio shall be protected from creditors of the Fund who are not creditors in respect of that Segregated Portfolio. The Fund will establish a separate account for each Segregated Portfolio and each Class of Shares comprised in each Segregated Portfolio. Each Segregated Portfolio is a separate individually managed pool of assets constituting, in effect, a separate fund with its own investment objective and strategy and overseen by the Investment Manager (as defined below). In addition to the information set out herein, further details of the investment objective and strategy of each Segregated Portfolio will be set out in the relevant Supplement.

The Fund may establish additional Segregated Portfolios and Classes of Shares (and more than one Class of Shares may be established in relation to each Segregated Portfolio) in the sole discretion of the Directors and as circumstances dictate. Shares of a Class linked to a Segregated Portfolio may be subject to terms and conditions that differ from the terms and conditions applicable to the Shares of other Classes linked to that Segregated



Portfolio or to such other Segregated Portfolios. Such additional Classes of Shares linked to such additional Segregated Portfolios may be issued without the consent of or notice to the shareholders (“**Shareholders**”) holding Shares of the existing Classes and the rights attached to any existing Class of Shares will not be deemed to be varied by the issue of such additional Classes of Shares.

## **AUTHORISED SHARE CAPITAL**

The Fund has an authorised share capital of US\$50,000 divided into 100 voting, non-redeemable shares of US\$1.00 par value each (“**Ordinary Shares**”) and 4,990,000 non-voting, redeemable shares of US\$0.01 par value each (“**Redeemable Shares**”), which may be issued in Classes (each a “**Class**”). The Ordinary Shares of the Fund are owned by the Investment Manager.

## **OFFERING OF SHARES**

The initial offering period in respect of the Shares of each Class is described in the relevant Supplement (“**Initial Offering Period**”). The Shares of each Class will be offered at an initial subscription price of US\$100 per Share or such other amount as may be set out in the relevant Supplement. Following the end of the Initial Offering Period, such Shares may be purchased on each Subscription Day for the relevant Class (as defined in the relevant Supplement) at the Net Asset Value per Share of the relevant Class as at the Business Day preceding the Subscription Day (or as at such other day as may be set out in the relevant Supplement). The Directors may modify the frequency of permitted subscriptions.

There is no minimum amount, which in the opinion of the Directors, must be raised by the issue of the Shares during the Initial Offering Period.

## **SPECIAL SITUATION SHARES**

The Fund intends to maintain a highly liquid portfolio. However, given extreme circumstances, the Directors may, in their absolute discretion, allocate investments that they deem illiquid or otherwise not freely tradable to special Classes of Shares, Special Situation Shares. The Directors will designate a separate Class, consisting solely of Special Situation Shares for each such investment and such Special Situation Shares will be issued pro-rata to the holders of the Redeemable Shares in the Classes that were previously participating in such investment, subject to the limitations described in each Supplement as the case may be. Once a Class of Special Situation Shares is issued, the investment relating to that Class of Shares will not be considered as assets attributable to any other Class and will be ignored in the calculation of the Net Asset Value of any other Class.

The Directors, in their absolute discretion, may determine that an investment should no longer be allocated to a Class of Special Situation Shares. Upon such determination or on any sale, liquidation, distribution to Members or other disposition of such investment, all Special Situation Shares in the applicable Class will be automatically converted into Shares of the Class into which the holders of such Special Situation Shares initially invested (or, in the event that such Members are no longer holding Shares of that initial Class, into such Classes as may be

determined by the Directors in their discretion), to be held by such Members pro- rata to their holding in the Special Situation Shares. If any such Member has previously redeemed all of its Shares (other than its Special Situation Shares) from the Company, the Company may compulsorily redeem such Member's Special Situation Shares in accordance with these Articles rather than convert those Shares into Shares of another Class.

## DISTRIBUTIONS AND REINVESTMENT

The Fund does not expect to make any distributions to Shareholders out of the Fund's current earnings and profits for any Segregated Portfolio. Rather, the Fund will reinvest such income for the relevant Segregated Portfolio. Potential investors should keep this limitation in mind when determining whether or not an investment in the Fund is suitable for their particular purposes. The Fund reserves the right to change such policy.

*The information in this Memorandum, which term shall include any Supplements unless the context otherwise requires), the Memorandum and Articles of Association of the Fund, any Supplements and the documents and agreements referred to herein, copies of which are available from the Administrator (as defined herein) upon request.*

## INVESTMENT POLICY

### INVESTMENT OBJECTIVES, STRATEGIES AND RESTRICTIONS

The overall investment objective of the Fund is long term capital appreciation. Specific investment objectives, strategies and restrictions may vary in respect of each Segregated Portfolio and accordingly Shareholders should review the objectives, strategies and restrictions as set out in the relevant Supplement.

**There can be no assurance that the Fund will achieve its investment objective in relation to each Segregated Portfolio. Investments in the Fund entail risk. See "CERTAIN RISK FACTORS" and the risk factors described in the relevant Supplement.**

\* \* \*

The foregoing description is general and is not intended to be exhaustive. Investors must recognise that there are inherent limitations on all descriptions of investment processes due to the complexity, confidentiality and subjectivity of such processes. In addition, the description of virtually every strategy must be qualified by the fact that investment approaches are continually changing, as are the markets invested in by the Fund for each Segregated Portfolio. Finally, the Fund may pursue additional strategies for each Segregated Portfolio, in its sole discretion, in its pursuit of the investment objective for each Segregated Portfolio.

## BORROWING OF CASH AND COMMISSIONS

*Borrowings.* While the Fund is authorised to borrow on behalf of each Segregated Portfolio for investment purposes or to fund redemption requests, the Fund does not intend to borrow monies or take loans and will not do so unless specified in the relevant Supplement. In the event that loans were ever to be taken, such loans will be secured by securities or other capital of the relevant Segregated Portfolio of the Fund pledged to such brokers or financial institutions.

## PLAN OF DISTRIBUTION AND USE OF PROCEEDS; CASH EQUIVALENTS

The net proceeds of the offering contemplated herein will be invested in accordance with the policies set forth under “INVESTMENT POLICY”. The Fund, without limitation, may hold cash or invest in cash equivalents for short-term investments for the relevant Segregated Portfolio. In the event the Investment Manager determines that there is not sufficiently good value in any securities suitable for investment of the Fund’s capital for the relevant Segregated Portfolio, all such capital may be held in cash and cash equivalents.

In making investment decisions, the Fund will rely on the advice of the Investment Manager rather than any specific objective criteria.

## CAYMAN ISLANDS REGULATIONS

### MUTUAL FUNDS ACT

The Fund is regulated as a mutual fund under the Cayman Islands Mutual Funds Act (Revised), as amended from time to time (“**Mutual Funds Act**”). Because the minimum initial investment required of each investor in the Fund is not less than US\$100,000 (or its equivalent), the Fund complies with the Mutual Funds Act by a simple registration with the Cayman Islands Monetary Authority (“**Monetary Authority**”). Such registration does not imply that the Monetary Authority or any other regulatory authority in the Cayman Islands has passed upon or approved this Memorandum or the offering of the Shares hereunder. The required registration was effected by filing with the Monetary Authority a summary of the terms of the Offering of the Shares of each Class and providing details of the various agents of the Fund along with a copy of this Memorandum. The Fund is also required to file audited financial statements for each Segregated Portfolio and Class annually. The Fund must notify the Monetary Authority of any changes in the details of the summary of the terms of the offering and any change in the Fund’s agents as filed on initial registration and supply copies of any supplements to or revision of this Memorandum.

As a regulated mutual fund, the Monetary Authority may at any time instruct the Fund to have its accounts specially audited and to submit such accounts to the Monetary Authority within such time as the Monetary Authority may specify. In addition, the Monetary Authority may require such information or such explanation in respect of the Fund as the Monetary Authority may reasonably require to enable the Monetary Authority to carry out its duties under

the Mutual Funds Act. The Fund must give the Monetary Authority access to or provide at any reasonable time all records relating to the Fund and the Monetary Authority may copy or take an extract of a record to which the Monetary Authority is given access. The Mutual Funds Act provides for substantial fines for failure to comply with any such requests by the Monetary Authority and the Monetary Authority may apply to the court to have the Fund wound up in accordance with the Cayman Islands Companies Act (Revised).

The Monetary Authority is prohibited by the Mutual Funds Act from disclosing any information relating to the affairs of a mutual fund other than disclosure required for the effective regulation of a mutual fund or when required to by law or by the court or any provision under the Mutual Funds Act.

The Fund will not, however, be subject to supervision in respect of its investment activities or the constitution of the Fund's portfolio by the Authority or any other governmental authority in the Cayman Islands, although the Authority does have power to investigate the activities of the Fund in certain circumstances. Neither the Authority nor any other governmental authority in the Cayman Islands has commented upon or approved the terms or merits of this document. There is no investment compensation scheme available to investors in the Cayman Islands.

The Cayman Islands Monetary Authority may take certain actions if the Cayman Islands Monetary Authority is satisfied that a regulated mutual fund 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 Monetary Authority include, inter alia, the power to terminate the Fund, require the substitution of the Directors of the Fund, 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 Monetary Authority including the ability to apply to the court for approval of other actions.

## **ANTI-MONEY LAUNDERING**

In order to comply with legislation or regulations aimed at the prevention of money laundering the Fund is required to adopt and maintain anti-money laundering procedures, and may require subscribers to provide evidence to verify their identity and source of funds. Where permitted, and subject to certain conditions, the Fund may also delegate the maintenance of its anti-money laundering procedures (including the acquisition of due diligence information) to a suitable person.

The Fund, and the Administrator on the Fund's behalf, reserve the right to request such information as is necessary to verify the identity of a Shareholder (i.e. a subscriber or a transferee). Where the circumstances permit, the Fund, or the Administrator on the Fund's behalf, may be satisfied that full due diligence may not be required where an exemption applies under the Anti-Money Laundering Regulations (Revised) of the Cayman Islands, as amended and revised from time to time or any other applicable law.

In the event of delay or failure on the part of the subscriber in producing any information required for verification purposes, the Fund, or the Administrator on the Fund's behalf, may refuse to accept the application, in which case any funds received will be returned without interest to the account from which they were originally debited.

The Fund, and the Administrator on the Fund's behalf, also reserve the right to refuse to make any redemption or dividend payment to a Shareholder if the Directors or the Administrator suspect or are advised that the payment of redemption or dividend proceeds to such Shareholder may be non-compliant with applicable laws or regulations, or if such refusal is considered necessary or appropriate to ensure the compliance by the Fund or the Administrator with any applicable laws or regulations.

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 money laundering or is involved with terrorism or terrorist financing and property and the information for that knowledge or suspicion came to their attention in the course of business in the regulated sector, or other trade, profession, business or employment, 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 Act (Revised) of the Cayman Islands if the disclosure relates to criminal conduct or money laundering, or (ii) a police officer of the rank of constable or higher, or the Financial Reporting Authority, pursuant to the Terrorism Act (Revised) 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.

## SANCTIONS

The Fund is subject to laws which restrict it from dealing with persons that are located or domiciled in sanctioned jurisdictions. Accordingly, the Fund will require the subscribers to represent that they are not named on a list of prohibited entities and individuals maintained by the US Treasury Department's Office of Foreign Assets Control ("OFAC") or under the European Union ("EU") and the United Kingdom ("UK") Regulations (as extended to the Cayman Islands by Statutory Instrument), and is not operationally based or domiciled in a country or territory in relation to which sanctions have been issued by the United Nations, EU or UK (collectively the "**Sanctions Lists**"). Where the subscriber is on a Sanctions List, the Fund may be required to cease any further dealings with the subscriber, freeze any of the subscriber's monies held by the Fund and report the subscriber to the relevant authority, until such sanctions are lifted or a licence is sought under the applicable law to continue dealings.

## BENEFICIAL OWNERSHIP REGIME

The Fund is regulated as a mutual fund under the Mutual Funds Act (Revised), which is a regulatory law under the Cayman Islands beneficial ownership regime, and therefore the Fund does not fall within scope of the primary obligations to report beneficial ownership information under the Companies Act (Revised) (the "**Beneficial Ownership Regime**"). The Fund is therefore not required to maintain a beneficial ownership register. The Fund

may, however, be required from time to time to provide, on request, certain particulars to other Cayman Islands entities which are within the scope of the Beneficial Ownership Regime.

## REQUESTS FOR INFORMATION

The Fund or any Directors or agents domiciled in the Cayman Islands, may be compelled to provide information, subject to a request for information made by a regulatory or governmental authority or agency under applicable law; e.g. by the Cayman Islands Monetary Authority Act (Revised), or by the Tax Information Authority Act (Revised) and associated regulations, agreements, arrangements and memoranda of understanding. Disclosure of confidential information under such laws shall not be regarded as a breach of any duty of confidentiality and, in certain circumstances, the Fund, Director or agent, may be prohibited from disclosing that the request has been made.

## DATA PROTECTION ACT

The Cayman Islands Government enacted the Data Protection Act, 2017 (“DPL”) on 18 May 2017. The DPL introduces legal requirements for the Fund based on internationally accepted principles of data privacy. The Fund has prepared a document outlining the Fund’s data protection obligations and the data protection rights of investors (and individuals connected with investors) under the DPL (“**Fund Privacy Notice**”). The Fund Privacy Notice is available to existing investors by contacting the Investment Manager.

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

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

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

## MANAGEMENT

### THE DIRECTORS

The Fund has three Directors, each of whom serves in accordance with the laws of the Cayman Islands and in accordance with the Fund's Articles of Association. The Directors' primary function is to supervise the general conduct of the affairs of the Fund. The Directors have appointed the Investment Manager (as defined herein) to perform and/or delegate certain management and administrative tasks on behalf of the Fund. A brief biographical description of each of the Directors follows:

#### *Roger Cave*

Mr. Cave of Cottage 3, Rowans Park, St. George, Barbados founded Fortress Fund Managers Limited in 1996 and successfully launched several funds in the last 25 years. He is Chief Executive Officer of Cave Shepherd & Co. Ltd., a listed Barbados company, and serves as a director on several company boards. Mr. Cave holds the CFA designation and is a Chartered Accountant.

#### *John Howard*

Mr. Howard of 7 Lancaster Heights, Lancaster, St. James, Barbados holds the position of President of Summit Asset Management (including its predecessor Summit International Bank from 2006 to 2014), and Chief Investment Officer. For the bank he has also served as an executive board director and member of the investment committee since its inception in 2006. Prior to this John was Finance Director with Barrick International Bank Corp., the global treasury operation for Barrick Gold, and previously Vice President Business Advisory Services for PwC in the region. John is also a past President of the Barbados International Business Association and a past Director of Invest Barbados, an economic development agency of the government of Barbados. John qualified as a Chartered Accountant in the UK before relocating to Barbados in 1996. He holds the CFA Charter.

#### *Maria Michelle Nicholls*

Maria Nicholls of 30E Imani Drive, Rowans Park North, St. George, Barbados is a Chartered Accountant with over 25 years of experience in auditing, accounting, financial management and general management. She has worked primarily in the financial services industry and is currently the Chief Financial Officer of London Life and Casualty (Barbados) Corporation, a composite reinsurer writing life, annuity, mortgage and property and casualty reinsurance business. Maria started her career in Canada and has held various positions including Audit Manager at Coopers & Lybrand (now PwC); Vice President of Century Property and Casualty Insurance Corporation and General Manager of Imagine Insurance Company Limited and Wentworth Insurance Company Limited.

## THE INVESTMENT MANAGER

The Fund, on behalf of each Segregated Portfolio, has engaged Fortress Fund Managers Limited as the investment manager (“**Investment Manager**”) of the Fund’s capital on behalf of the Segregated Portfolios under an agreement with effect from 1 July 2021 (“**Investment Management Agreement**”). The Investment Manager will manage and invest the Fund’s assets for the Segregated Portfolios and may also manage the assets of new Segregated Portfolios established by the Fund from time to time.

The background and experience of the principals of the Investment Manager are set forth below. In addition to serving as the Fund’s Investment Manager for its Segregated Portfolios, it and its affiliates manage other accounts and as of 1 February 2024, had net assets of approximately US\$420 million under management.

The biographies of the principals of the Investment Manager are as follows:

### *Roger Cave - Chairman*

Roger Cave CFA of Cottage 3, Rowans Park, St. George, Barbados, founded Fortress Fund Managers Limited in 1996 and successfully launched several funds over the last 25 years. He is Chief Executive Officer of Cave Shepherd & Co. Ltd., a listed Barbados company, and serves as a director on several company boards in Barbados and the Cayman Islands. Mr. Cave holds the CFA designation and is a Chartered Accountant.

### *Peter Arender – Chief Executive Officer*

Peter Arender CFA of 93 Bakers Woods, St. Peter, Barbados, has 25 years’ varied experience in financial markets and joined Fortress in 2009. He was previously Chief Investment Officer of a privately held offshore bank in Barbados. Before moving to Barbados, he was portfolio manager at Acker Finley Asset Management in Toronto for five years, and a Vice President of Institutional Bond Sales at Toronto Dominion securities for six years. His focus is on developing and applying highly disciplined strategies to the portfolio management process. He is a CFA charter holder, the past vice-president of the Barbados CFA society and a past-president of the Toronto CFA Society.

*The Investment Management Agreement.* Pursuant to the terms of the Investment Management Agreement, the Investment Manager has agreed, *inter alia*, to manage all aspects of the Fund’s investment operations for each Segregated Portfolio in accordance with the investment parameters adopted by the Fund for such Segregated Portfolio. The Investment Manager may delegate any or all of its duties pursuant to the Investment Management Agreement.

The Investment Management Agreement provides that the Investment Manager shall not be liable to the Fund, any Segregated Portfolio or its Shareholders for any error of judgement or for any loss suffered by the Fund, any



Segregated Portfolio or its Shareholders in connection with its services in the absence of gross negligence (as this term is defined in the Investment Management Agreement), wilful default, or fraud in the performance or non-performance of its obligations or duties. The Investment Management Agreement contains provisions for the indemnification of the Investment Manager by the Fund on behalf each Segregated Portfolio against liabilities to third parties arising in connection with the performance of its services, except under certain circumstances specified as per the Investment Management Agreement. Notwithstanding any of the foregoing to the contrary, the liability provisions of the Investment Management Agreement should not be construed so as to relieve (or attempt to relieve) the Investment Manager of any liability to the extent (but only to the extent) that such liability may not be waived, modified or limited under applicable law (including liability under applicable securities laws which, under certain circumstances, impose liability even on persons acting in good faith), but should be construed so as to make the liability provisions effective to the fullest extent permitted by law.

The Investment Management Agreement shall commence with effect from 01 July 2021 and subject to termination by either party (i) at any time upon not less than three months' prior written notice to the other, (ii) in the event of any breach of obligations under the Investment Management Agreement and failure within thirty days of receipt of notice requiring it so to do, to make good such breach or (iii) upon liquidation or appointment of a receiver of the Fund's assets.

The Investment Manager will devote as much time to the investment activities of the Fund for each Segregated Portfolio as it shall determine to be necessary for the efficient operation of the relevant Segregated Portfolio of the Fund.

The Investment Manager and its affiliates, principals and employees may engage or participate in other activities or ventures, whether or not of the same nature as the Fund. No Shareholder shall be entitled to any profits that the Investment Manager or any of its affiliates, principals or employees may derive from any activities or ventures other than those derived from the relevant Segregated Portfolio of the Fund, whether or not such businesses or ventures are of the same nature as, and/or compete with the relevant Segregated Portfolio of the Fund. The Investment Manager, its affiliates, principals and employees shall not be prohibited from buying or selling securities for their own account, including securities that are the same as those held by the relevant Segregated Portfolio of the Fund. As a result of its other activities, the Investment Manager may have conflicts of interest in allocating time, services and functions among the relevant Segregated Portfolio of the Fund and other business ventures. See "CERTAIN RISK FACTORS".

Shareholders should consult the Supplement of the relevant Segregated Portfolio to review the fees payable to the Investment Manager in respect of that Segregated Portfolio.

## THE ADMINISTRATOR

The Fund, on behalf of each Segregated Portfolio, has entered into a contract ("**Administration Agreement**") with Fortress Fund Managers Limited ("**Administrator**") pursuant to which the Administrator has agreed to provide

administrative services to the Segregated Portfolios of the Fund and may provide such services to other Segregated Portfolios established by the Fund from time to time. The Administrator will perform various administrative services for each Segregated Portfolio of the Fund and its corresponding Class of Shares, including the supervision of share issue and redemption services, and will calculate the Net Asset Value of each Segregated Portfolio and the Net Asset Value per Share for each Class on the 15th and the last day of each month, unless otherwise specified in the relevant Supplement.

The Administration Agreement provides that the Administrator shall not be liable to the Fund, any Segregated Portfolio or its Shareholders for any error of judgement, mistake of law or for any loss suffered by the Fund, any Segregated Portfolio or its Shareholders in connection with its services in the absence of a material breach of the Administration Agreement or as a result of gross negligence, bad faith, fraud or dishonesty of the Administrator. The Administration Agreement contains provisions for the indemnification of the Administrator by the Fund on behalf of each Segregated Portfolio against liabilities to third parties arising in connection with the performance of its services, except as per the Administration Agreement.

The Administrator will be responsible for, among other things: (i) maintaining the register of Shareholders of the Fund for each Class of Shares and generally performing all actions related to the issuance and transfer of Shares; (ii) performing all acts related to the redemption and/or purchase of the Shares; (iii) maintaining a record of dividends declared, if any, and dividends paid; (iv) on behalf of the Fund, dealing with and replying to all correspondence and other communications addressed to the Fund in relation to the transfers of Shares; and (v) performing all other incidental services necessary to its duties.

## CUSTODIAN

The Fund, on behalf of each Segregated Portfolio, has retained The Northern Trust Company to serve as the Fund's custodian ("**Custodian**") for the Segregated Portfolios pursuant to separate documents and agreements for the provision of such services (the "**Custody Agreement**"). The Fund on behalf of the relevant Segregated Portfolios is not obligated to maintain its relationship with the Custodian for any minimum period of time and may discontinue such relationship and engage a new or additional custodians without further notice to the Shareholders.

## SOFT DOLLAR ITEMS

Research or investment management related services and equipment provided by brokers through which portfolio transactions for the relevant Segregated Portfolio of the Fund are executed, settled and cleared may include research reports on particular industries and companies, economic surveys and analyses, recommendations as to specific securities, on-line quotations, news and research services and other services (e.g., computer and telecommunications equipment) providing lawful and appropriate assistance to the Investment Manager in the performance of its investment decision-making responsibilities on behalf of the relevant Segregated Portfolio of the Fund (collectively, "**soft dollar items**").

Soft dollar items may be provided directly by brokers, by third parties at the direction of brokers or purchased by the Fund on behalf of the relevant Segregated Portfolio with credits or rebates provided by brokers. Soft dollar items may arise from over-the-counter principal or agency transactions, as well as exchange traded agency transactions. Brokers sometimes suggest a level of business that they would like to receive in return for the various services that they provide. Actual brokerage business received by any broker may be less than the suggested allocations, but can (and often does) exceed the suggestions because total brokerage is allocated on the basis of all the considerations described above. A broker will not be excluded from executing transactions for the relevant Segregated Portfolio of the Fund because it has not been identified as providing soft dollar items.

Section 28(e) of the U. S. Securities Exchange Act of 1934, as amended, permits the use of soft dollar items in certain circumstances, provided that the Fund does not pay a rate of commission in excess of what is competitively available from comparable brokerage firms for comparable services, taking into account various factors, including commission rates, financial responsibility and the strength and ability of the broker to efficiently execute transactions. Non-research products and “soft dollars” which are not generated through agency transactions in securities are outside the parameters of Section 28(e)’s “safe harbour”, as are transactions effected in futures, currencies or certain derivatives.

Soft dollar items, whether provided directly or indirectly, may be utilised for the benefit of the Investment Manager’s and its affiliates’ other accounts. The Investment Manager may use soft dollars to acquire soft dollar items that the Investment Manager or its affiliates would otherwise be obligated to provide to, or acquire at their own expense for, the relevant Segregated Portfolio of the Fund. Nonetheless, the Investment Manager believes that such soft dollar items may provide the relevant Segregated Portfolio of the Fund with benefits by supplementing the research and services otherwise available to the Fund.

Certain brokers utilised by the Investment Manager or its affiliates may refer investors to the Fund or other investment vehicles managed by the Investment Manager or its affiliates. Unless a broker is retained specifically for such purpose (in which case it will not be compensated for such purpose using commissions of the Fund’s account), brokers will not be compensated for the referral of investors to the Fund or any other investment vehicle managed by the Investment Manager or its affiliates and the ability to make such referrals will in no way be a consideration in the Investment Manager’s selection of brokers or decision to maintain relationships with brokers for the relevant Segregated Portfolio of the Fund.

Lastly, the Investment Manager may enter into directed brokerage arrangements in its discretion. Pursuant to resolutions of the Directors, the Directors have delegated to the Investment Manager signing authority regarding transfers and withdrawals from all of the Fund’s brokerage accounts, including deliveries of securities free of payment.

## FEES AND EXPENSES

### ORGANISATIONAL, ONGOING AND OTHER COSTS

The Investment Manager has paid for the organisational costs associated with the establishment of the Fund. The Fund is not required to reimburse the Investment Manager for such costs on behalf of the relevant Segregated Portfolios.

The Fund will treat its on-going expenses in accordance with International Financial Reporting Standards. The relevant Segregated Portfolio of the Fund will be responsible for all of the necessary expenses of its operation including, without limitation, the cost of maintaining the Fund's registered office in the Cayman Islands, the Fund's annual Cayman Islands registration fees, brokerage commissions, research expenses, legal and auditing expenses, accounting, fund administration, investment related consultants and other service provider expenses, expenses incurred with respect to the preparation, duplication and distribution to the Shareholders and prospective Shareholders of offering documents, annual reports and other financial information and similar on-going operational expenses.

Fees and expenses that are identifiable with a particular Class will be charged against the relevant Segregated Portfolio corresponding to that Class in computing its Net Asset Value. Other fees and expenses that are not so identifiable will be allocated to the relevant Segregated Portfolios based on their respective Net Asset Values or otherwise in the discretion of the Directors. The Investment Manager is responsible for providing all office personnel, space and facilities required for the performance of its services.

### FEES OF THE INVESTMENT MANAGER

*Management Fee.* Pursuant to the Investment Management Agreement, the Investment Manager receives a certain management fee of the Net Asset Value attributable to the Shares of each Class calculated the 15<sup>th</sup> and last day of the month and payable monthly in arrears ("**Management Fee**") as specified in the relevant Supplement. The Management Fee will be prorated based upon a Shareholder's actual period of ownership of its Shares. The Investment Manager may, in its discretion, effectively waive all or part of the Management Fee with respect to any Shareholder by rebate or otherwise.

*Payment of Management Fee.* The Management Fee is payable by the Fund to the Investment Manager within three days after each becomes due. Payment of the Management Fee however, will be subject to adjustment upon completion of the audit of the Fund's financial statements for the fiscal year in which such fees accrue.

### FEES OF THE ADMINISTRATOR

For performing and supervising the performance of corporate and administrative and registrar services necessary for the operation and administration of the relevant Segregated Portfolio of the Fund, the Administrator will

receive its customary fees for its services. The Administrator will also be reimbursed for all out-of-pocket expenses.

#### **DIRECTORS' FEES**

Each Director who is not an officer or employee of the Investment Manager receives a flat annual fee for serving in such capacity. The fee will be in accordance with reasonable and customary directors' fees. The Directors shall also be entitled to reimbursement from the Fund for all reasonable out-of-pocket expenses incurred by them on behalf of the Fund.

#### **OTHER FEES AND OPERATING EXPENSES**

The Investment Manager is responsible for providing all personnel, office space and facilities required for the performance of its services. The Fund bears all other expenses incidental to its operations and business, including (i) fees and charges of the custodian, (ii) interest and commitment fees on loans and debit balances, (iii) income taxes, withholding taxes, transfer taxes and other governmental charges and duties, (iv) fees of the Administrator, legal advisors and independent auditors, (v) Directors' fees, (vi) the cost of maintaining the Fund's registered office in the Cayman Islands, (vii) the cost of printing and distributing this Memorandum and any subsequent information memorandum or other literature concerning the Fund, and subscription materials and any reports and notices to Shareholders, (viii) consultant and other services provider expenses deemed desirable in the sole discretion of the Directors, , (x) the annual fee payable by the Fund to the Cayman Islands Registrar of Companies, which is based on its authorised capital, (xi) the annual fee payable by the Fund to the Cayman Islands Monetary Authority and (xii) all similar on-going operational expenses. Fees and expenses that are identifiable with a particular Segregated Portfolio and Class will be charged against that Class in computing its Net Asset Value. Other fees and expenses that are not so identifiable will be allocated to the relevant Segregated Portfolio based on their respective Net Asset Values or otherwise in the discretion of the Directors.

## SHARES OF THE FUND

### THE FUND'S SHARE CAPITAL

*Generally.* The Fund has an authorised share capital of US\$50,000 divided into 100 Ordinary Shares of US\$1.00 par value each and 4,990,000 Redeemable Shares of US\$0.01 par value each. The Ordinary Shares of the Fund are owned by the Investment Manager, and, save as provided for in the Articles of Association of the Fund or in the Cayman Islands Companies Act (Revised) (as amended), are the only shares of the Fund with voting rights.

The Fund may, in its sole discretion, establish additional Classes of Shares on terms determined upon their issuance without the consent of or notice to the Shareholders where the rights attached to any existing Class of Shares will not be deemed to be varied by the issue of such other Classes of Shares ranking *pari passu* therewith – see “ADDITIONAL INFORMATION – General Information”. In addition, the Fund may, insofar as it is permitted by applicable law, redeem or purchase any of the Shares and increase or reduce its authorised share capital pursuant to its Memorandum and Articles of Association.

The net proceeds from the sale of Shares of each Class are invested by the Fund as described herein. The relevant Segregated Portfolio of the Fund will pay the expenses of offering the Shares of the corresponding Class. See “FEES AND EXPENSES”. The rights and restrictions attaching to the Ordinary Shares and the Redeemable Shares are more particularly set forth under “ADDITIONAL INFORMATION – General Information”.

### SUBSCRIPTION AND REDEMPTION PRICES

The Initial Offering Period in respect of the Shares of each Class is described in the relevant Supplement. During the Initial Offering Period, investors may subscribe for Shares at a price per Share of US\$100 or such other amount as may be set out in the relevant Supplement. Thereafter, Shares may be purchased as of each Subscription Day for the relevant Class (as defined in the relevant Supplement) at a subscription price equal to the Net Asset Value per Share for the relevant Class of Shares as of the close of business on the immediately preceding Valuation Day (or as of such other day as may be set out in the relevant Supplement). The Directors may modify the frequency of permitted subscriptions.

Subscriptions may be subject to a charge of up to 2% calculated as a percentage of the total amount subscribed by a Shareholder for Shares. The charge will be deducted from the applicant's subscription payment for purposes of determining the net amount available for investment in the Shares of the relevant Segregated Portfolio. Waivers of this charge are at the sole discretion of the Directors. The charge is in place to cover distribution costs.

The minimum initial investment for each investor and the minimum additional investment for an existing Shareholder in relation to each Class are set out in the relevant Supplement, provided that the minimum initial investment for each investor in the Fund will not be less than US\$100,000 or its equivalent. The minimum initial and additional investments may be waived, increased or reduced at the discretion of the Directors generally or on a case by case basis except on initial subscription which must always be for at least US\$100,000 or its

equivalent or such other minimum as may be relevant under applicable law. Subscriptions are payable in US Dollars or in such other currency as may be specified in the relevant Supplement.

The Fund's Articles of Association provide that the redemption price of each Share is equal to the Net Asset Value per Share of the relevant Class as of the close of business in Barbados on the Valuation Day immediately prior to the relevant Redemption Day rounded to the nearest whole cent or, in the case of a half cent, rounded up to the nearest whole cent. Cayman Islands law imposes some restrictions on redemptions being funded other than out of profits. The redemption price is subject to review by the Fund's auditors at the time of the Fund's year-end audit. The investment strategy of the Fund caters to medium to long term investors.

The Fund may implement certain other redemption fees applicable to certain Segregated Portfolios if the Directors believe that it would be in the overall interest of the Fund as a whole and the Shareholders of the Segregated Portfolio. Shareholders should review the redemption terms of the applicable Segregated Portfolio Supplement.

The Fund's Articles of Association provide that the determination of the Net Asset Value is binding on all parties once such Net Asset Value has been determined in respect of the redemption price per Share and stated in good faith by or on behalf of the Directors.

#### **PROCEDURE FOR SUBSCRIPTIONS**

Applications for Shares of any Class will be accepted during the Initial Offering Period for the Shares of that Class, as specified in the relevant Supplement. After the Initial Offering Period has expired, applications for such Shares may be made on each Subscription Day for the relevant Class (as defined in the relevant Supplement) or at such other time may be determined by the Directors in their sole discretion.

Application for Shares should be made by completing and signing the Subscription Agreement enclosed with this Memorandum and mailing the same to the Administrator at the address listed in the Directory. Alternatively, application may be made by facsimile by completing and signing the Subscription Agreement and returning the same to the Administrator at (246) 431-0514 or by email to [invest@fortressfund.com](mailto:invest@fortressfund.com).

In the event that application is made by facsimile or email, the applicant must send the signed original application to the Administrator immediately thereafter. Payment for Shares shall be made by wire transfer. The Fund has the right to accept or reject (in whole or part) any subscription application for Shares. Applicants should be aware of the risks associated with sending faxed applications and that the Administrator accepts no responsibility for any loss caused due to the non-receipt of any fax or email. Unless otherwise agreed to, applications for the issuance of Shares on a particular Subscription Day must be received by 5:00 p.m. (Barbados time) at least one Business Day immediately preceding the relevant Subscription Day with cleared funds to be received by the relevant Subscription Day. Unless certificates are specifically requested, Shares will be held in book entry form and in such cases, a contract note only will be sent to the applicant upon receipt of cleared funds and the properly completed subscription form and acceptance of such funds by the Fund. Applications received after this time will be held in an account and treated as an application for the next Subscription Day. Payment may also be made in

cash equivalents and securities, subject to the approval of the Investment Manager.

Applicants subscribing for Shares are advised that the Shares are issued subject to the provisions of the Fund's Memorandum and Articles of Association.

As part of the Fund's and the Administrator's responsibility for the prevention of money laundering, they may require a detailed verification of the applicant's identity and the source of payment for the Shares. Depending on the circumstances of each application, a detailed verification might not be required when:

(a) the applicant is a recognised financial institution which is regulated by a recognised regulatory authority and carries on business in a country assessed by the Administrator as having a low degree of risk of money laundering and terrorist financing; or

(b) the application is made through a recognised intermediary or payment is made through a banking institution, which in either case is regulated by a recognised regulatory authority and carries on business in an approved country.

The Fund and the Administrator reserve the right to request such information as they consider to be necessary to verify the identity of the applicant. In the event of delay or failure by the applicant to produce any information required for verification purposes, the Fund or the Administrator may refuse to accept the application and all subscription monies relating thereto or may refuse to process a redemption request until proper information has been provided.

If a person who is resident in the Cayman Islands has a suspicion that a payment to the Fund (by way of subscription or otherwise) contains the proceeds of criminal conduct, that person is required to report such suspicion pursuant to the Proceeds of Crime Act (Revised).

## ELIGIBLE INVESTORS

Unless otherwise agreed to by the Fund, each prospective investor is required to certify that the Shares are not being acquired directly or indirectly for the account or benefit of a Restricted Person. The term "**Restricted Person**" as used in this Memorandum means any US Person as defined below and other persons from time to time designated as such by the Fund.

Any prospective investor acting in any fiduciary capacity is required to certify the number of beneficial owners for whom Shares are being purchased. Furthermore, it is the responsibility of each investor to verify that the purchase and payment for the Shares is in compliance with all relevant laws of the investor's jurisdiction or residence.

The Fund reserves the right to offer Shares to Restricted Persons upon compliance with applicable rules and regulations. The Fund reserves the right to reject subscriptions for Shares, in whole or in part, in its absolute



discretion for any reason or for no reason.

*US Selling Restrictions.* For the purposes of this Memorandum, “**US Person**” means:

- (a) any natural person resident in the United States;
- (b) A US citizen
- (c) any partnership or corporation organised or incorporated under the laws of the United States;
- (d) any estate of which any executor or administrator is a US Person;
- (e) any trust of which any trustee is a US Person;
- (f) any agency or branch of a foreign entity located in the United States;
- (g) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a US Person;
- (h) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated or, if an individual, resident in the United States; or
- (i) any partnership or corporation if (i) organised or incorporated under the laws of any foreign jurisdiction and (ii) formed by a US Person principally for the purpose of investing in securities not registered under the United States Securities Act of 1933, as amended (“**Securities Act**”), unless it is organised or incorporated, and owned, by accredited investors (as defined in Rule 501(a) under the Securities Act) who are not natural persons, estates or trusts.

“US Person” does not include:

- (a) any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-US Person by a dealer or other professional fiduciary organised, incorporated or, if an individual, resident in the United States;
- (b) any estate of which any professional fiduciary acting as executor or administrator is a US Person if (i) an executor or administrator of the estate who is not a US Person has sole or shared investment discretion with respect to the assets of the estate and (ii) the estate is governed by foreign law;
- (c) any trust of which any professional fiduciary acting as trustee is a US Person if a trustee who is not a US Person has sole or shared investment discretion with respect to the trust assets, and no beneficiary of the trust (and no settlor if the trust is revocable) is a US Person;
- (d) an employee benefit plan established and administered in accordance with the law of a country other

than the United States and customary practices and documentation of such country;

- (e) any agency or branch of a US Person located outside the United States if (i) the agency or branch operates for valid business reasons and (ii) the agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located; or
- (f) The International Monetary Fund, the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the United Nations and their agencies, affiliates and pension plans.

*Other Selling Restrictions.* The Fund's Articles of Association provide that the Directors have the power to impose such restrictions as they may deem necessary for the purpose of ensuring that no Shares in the Fund are acquired or held by any person or persons (a "**Non-Qualified Person**") in circumstances (whether directly or indirectly affecting such person or persons) which, in the opinion of the Directors, might result in the Fund incurring any tax liability or suffering any other pecuniary, regulatory, material administrative or commercial disadvantages that the Fund might not otherwise have incurred or suffered. In the event that the Fund incurs any such tax liability or suffers any other pecuniary, regulatory, material administrative or commercial disadvantages resulting from a Non-Qualified Person being a Shareholder, the Fund may require such person to reimburse the Fund for such liability, suffering or disadvantages.

The distribution of this Offering Memorandum and the offering of the Shares of the Fund may be restricted in certain jurisdictions. This Offering Memorandum does not constitute an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. It is the responsibility of every person wishing to make application in connection herewith to satisfy himself as to full observance of the laws of the relevant jurisdiction in connection therewith, including any governmental or other consents which may be required, or to observe any other formalities needing to be observed in such jurisdiction and to pay all transfer and other taxes required to be paid in such jurisdiction.

The Fund's Articles of Association provide that if it comes to the notice of the Directors that any Shares are held by any such Non-Qualified Person, the Directors may give notice to such Non-Qualified Person requiring the redemption or transfer of such Non-Qualified Person's Shares in accordance with the provisions of the Articles of Association of the Fund. A person who becomes aware that he or she is holding Shares under circumstances that render such person a Non-Qualified Person is required either to deliver to the Fund a written request for redemption of such Shares in accordance with the Articles of Association of the Fund or to transfer the same to a person who would not thereby be a Non-Qualified Person.

## PROCEDURE FOR REDEMPTIONS

Except as provided herein, a Shareholder may request redemption of all or some of its Shares as of each Redemption Day (as defined in the relevant Supplement). Shareholders wishing to redeem Shares as of a

particular Redemption Day must provide the Administrator with one Day prior written notice, or such other period of notice as may be specified in the relevant Supplement, of their intention to redeem such Shares as of that Redemption Day. A redemption request, once made will require the consent of the Directors to be withdrawn. A request for redemption received after 5:00 p.m. (Barbados time) will be treated as a request for redemption as of the next Redemption Day.

The redemption price is equal to the relevant Net Asset Value per Share of the relevant Class on the Valuation Day immediately prior to the relevant Redemption Day less any applicable accrued charges and expenses referred to herein.

Cayman Islands law imposes certain restrictions on redemptions of shares, particularly when the Fund or any Class may have sustained losses and does not have profits available to fund the redemption. In these circumstances, the Fund will have to satisfy a solvency test in order to fund the redemption out of share premium or capital or the redemption will be prohibited.

Redemption requests may initially be sent by fax or email. However, Shareholders should be aware of the risks associated with sending documentation in this manner and that the Administrator will not be responsible in the event of non-receipt of any redemption request sent by fax or email. In any event, the original redemption request must be sent to the Administrator. Redemption payments will be made in US Dollars, or the currency specified by the Shareholder at the time of subscription (unless made in kind) and will be remitted by wire transfer within 5 business days to an account designated by the Shareholder at the bank from which the subscription price was paid. If Shares are held in certificated form, the redemption payment will not be remitted until certificates have been tendered to the Administrator. A request for redemption received after 5:00 p.m. (Barbados time) will be treated as a request for redemption as of the next Redemption Day.

The Fund may also suspend redemptions of the Shares of any Class in such other circumstances in which the Directors, deem it to be in the interests of the Fund to do so, including in circumstances in which the determination of the Net Asset Value of the relevant Class has not been suspended.

In the discretion of the Directors, the Fund may extend the length of the redemption notice period if the Directors deem such an extension as being in the best interest of the Fund and the non-redeeming Shareholders.

Although the Fund is intended to be invested in highly liquid securities, the Directors have an absolute discretion to effect a redemption payment to any or all redeeming Shareholders in kind rather than in cash. The circumstances in which the Directors may exercise this discretion include, but are not limited to, a situation where substantial redemptions are received by the Fund which will make it impracticable to realise the underlying assets in order to fund the redemption payments.

In making redemption payments in kind, the Directors will use the same valuation procedures used in determining the Net Asset Value in determining the value to be attributed to the relevant assets to be transferred or assigned or otherwise made available to the redeeming Shareholders.

Redeeming Shareholders will receive assets of a value equal to the redemption payment to which they would otherwise be entitled as at the relevant Redemption Date. Such assets may include securities in special purpose vehicles or trusts specifically created to allow the Fund to effect redemptions in kind.

Furthermore, redeeming Shareholders receiving the redemption payment in kind will be responsible for all custody and other costs involved in changing the ownership of the relevant assets from the Fund to the redeeming shareholder and all on-going custody costs in respect of such securities or assets.

The Fund may withhold a portion of any proceeds of redemption if necessary to comply with applicable legal or regulatory requirements.

Moreover, the Directors have the right to require a compulsory redemption of all or some of the Shares of a Class held by a Shareholder at the price per Share equal to the then prevailing Net Asset Value per Share of the relevant Class without assigning any reason therefore. The Directors may compulsorily redeem a Shareholder's Shares for any or for no reason, including, without limitation, if such Shareholder is either a Restricted Person that has acquired Shares otherwise than in compliance with applicable rules and regulations or is a Non-Qualified Person or if such Shareholder has requested a partial redemption which would cause the aggregate Net Asset Value of the Shares of the relevant Class owned by such Shareholder following such redemption to decline below the minimum initial investment as the same was applicable to such Shareholder. See "Eligible Investors". Compulsory redemptions will be made at the relevant Net Asset Value per Share of the relevant Class as of the last Business Day of the month in which such notice of redemption is issued to the Shareholder.

If the Administrator receives any request for redemption in respect of any one Redemption Day, either singly or when aggregated with other redemption requests so received which represents more than 20% of the number of Shares of any Class outstanding and the Directors determine that the settlement of redemptions of such volume of Shares of that Class would materially prejudice the interests of the other Shareholders of that Class or otherwise materially and adversely affect the Fund, the Directors may scale down, on a pro-rata basis, each settlement so that not more than 20% of the issued and outstanding Shares of the relevant Class shall be settled on such relevant Redemption Day by virtue of the exercise of this power. Each such redemption request shall (unless the redeeming Shareholder requests otherwise and the Directors consent to the request) be treated with respect to the unsatisfied balance thereof as if a further request had been made by the redeeming Shareholder in respect of the next following Redemption Day and, if necessary, any subsequent Redemption Day until such request for redemption has been satisfied in full. With respect to any redemption request postponed as aforesaid, to the extent that subsequent redemption requests are received in respect of the following Redemption Day, such later redemption requests shall be postponed in priority to the earlier unsatisfied redemption requests.

If the Fund has restricted the number of Shares which may be redeemed on any Redemption Day or suspended or delayed the payment of redemption proceeds, the Articles prevent a Shareholder which has submitted a redemption request from presenting a petition to wind up the Fund or bringing similar proceedings in any jurisdiction where the right to bring such a petition or similar proceedings results from the Shareholder's position

as a contingent creditor of the Fund pending completion of such redemption process.

The Investment Manager may elect to purchase or to procure the purchase of Shares offered for redemption at a price equal to their Net Asset Value rather than requiring the Fund to redeem them.

### **SUSPENSION OF DEALINGS AND DETERMINATION OF NET ASSET VALUE**

The Fund's Articles of Association provide that the Directors may declare a suspension of the determination of the Net Asset Value of a Segregated Portfolio and the sale, allotment, issue or redemption of the Shares of the corresponding Class during:

- (i) any period when any securities exchange or organised over-the-counter market on which a significant portion of the Fund's assets held for a Segregated Portfolio are regularly quoted or traded is closed (other than for holidays) or trading thereon has been restricted or suspended; or
- (ii) any period when, as a result of events, conditions or circumstances beyond the control or responsibility of the Fund, disposal of the assets of the relevant Segregated Portfolio of the Fund or other transactions in the ordinary course of the Fund's business involving the sale, transfer, delivery or withdrawal of securities is not reasonably practicable without being detrimental to the interests of the relevant Shareholders; or
- (iii) any period when there is a breakdown in the means of communication normally employed in determining the price of a significant portion of the investments held by the Fund for the relevant Segregated Portfolio or when for any other reason the value of a significant portion of the investments or other assets of the relevant Segregated Portfolio cannot reasonably or fairly be ascertained; or
- (iv) any period when the Fund or its agents are unable to repatriate funds required for the purpose of making payments on redemption or during which any transfer of funds involved in the realisation or acquisition of assets or when payments due on redemption cannot in the opinion of the Directors or their agents be effected at normal rates of exchange; or
- (v) any period when proceeds of any sale or redemption of the Shares of the relevant Class cannot be transmitted to or from the Fund's account.

### **REGISTRATION AND TRANSFER OF SHARES**

Shares are issued only in registered form and the Fund does not issue bearer shares. The Administrator maintains a current register of the names and addresses of the Shareholders, and the Administrator's entry in the share register is conclusive evidence of ownership of such Shares. Certificates representing Shares will not be issued save in exceptional circumstances and then only at the discretion of the Directors.

Transfers of Shares by instruments in writing in the usual common form are permitted only with the prior consent of the Directors, which consent may be withheld in the absolute discretion of the Directors. Any transferee of Shares is required to furnish the same information and complete the same documents that would be required in connection with a direct subscription, including without limitation being required to complete a subscription agreement, in order for a transfer application to be considered by the Directors. Violation of applicable ownership and transfer restrictions may result in a compulsory redemption.

## **SELLING RESTRICTIONS**

The distribution of this Memorandum and the offering of the Shares of the Fund may be restricted in certain jurisdictions. This Memorandum does not constitute an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. It is the responsibility of every person wishing to make application in connection herewith to satisfy himself as to full observance of the laws of the relevant jurisdiction in connection therewith, including any governmental or other consents which may be required, or to observe any other formalities needing to be observed in such jurisdiction and to pay all transfer and other taxes required to be paid in such jurisdiction.

## **DETERMINATION OF NET ASSET VALUE**

In accordance with the provisions of the Fund's Articles of Association, as summarised herein, and under the overall supervision and direction of the Directors, in conjunction with the Investment Manager, the Administrator will calculate the Net Asset Value of each Segregated Portfolio and per Share of the corresponding Class as of each Valuation Day (as defined in the relevant Supplement) and as of such other day or days as the Directors may select in their discretion. The Net Asset Value of each Segregated Portfolio is equal to the Segregated Portfolio's assets less the Segregated Portfolio's liabilities, each valued pursuant to International Financial Reporting Standards. The Net Asset Value per Share of each Class will be calculated by dividing the corresponding Class' Net Asset Value by the number of Shares of that Class then outstanding. The number of Redeemable Shares of any relevant Class in issue and outstanding for these purposes shall include Redeemable Shares of that Class presented for redemption as at the next succeeding Redemption Day and shall not include Redeemable Shares of the relevant Class to be issued as at the next succeeding Subscription Day. Such calculation will be made by the Administrator acting in good faith, after consulting with the Investment Manager. In no event shall the Directors, the Administrator or the Investment Manager incur any individual liability or responsibility for any determination made or action taken or omitted by them in the absence of wilful neglect or default. In general, investments are valued as follows:

1. Cash and other liquid assets, deposits, certificates of deposit and interest-bearing securities acquired at their nominal value shall be valued at their principal amount plus accrued interest from the date of acquisition and certificates of deposit and interest bearing securities acquired at a discount or a premium shall be valued in accordance with the normal practice relating thereto.

2. The Fund's investments are valued in accordance with International Financial Reporting Standards.
3. Units or shares in open-ended investment schemes will be valued at the latest available net asset value as quoted by such collective investment scheme as adjusted from time to time in good faith by the Directors. The latest available net asset value will be the latest reported net asset value or, if unavailable or not available for the timely calculation of the valuation of the assets of the Fund, the latest estimated net asset value. Units or shares in closed-ended collective investment schemes will, if listed, quoted or traded on a regulated market, be valued at the latest trade price, or, if unavailable or unrepresentative, the probable realisation value as at the Valuation Day estimated with care and in good faith by the Directors or their agents.
4. Exchange-traded derivative instruments will be valued on each relevant Valuation Day at the settlement price for such instruments on such market as at the relevant Valuation Day. If such price is not available such value shall be the probable realisation value estimated with care and in good faith by the Directors. Over-the-counter derivative instruments will be valued by the counterparty, which valuation will be verified monthly by the Directors or their agents as persons independent of the counterparty. Forward foreign exchange contracts will be valued with reference to the prevailing market maker quotations, namely, the price at which a new forward contract of the same maturity could be undertaken or, if unavailable, they will be valued by the counterparty at least monthly, which valuation will be verified by the Directors or their agents as persons independent of the counterparty.
5. In the event of it being impossible or incorrect to carry out a valuation of a specific investment in accordance with the valuation rules set out above, or if such valuation is not representative of the fair market value, the Directors or their agents are entitled to use other generally recognised valuation methods in order to reach a proper valuation of that specific investment.
6. The Net Asset Value per Redeemable Share will take into account hedging transactions (if any) entered into and the costs associated with such hedging transactions.
7. There will be deducted from the assets of the Segregated Portfolio all accrued debts and liabilities of the Segregated Portfolio, including but not limited to (i) any applicable advisory and other fees and disbursements of any advisor or manager earned but not yet paid, (ii) any allowance for the estimated annual audit, legal and other fees, (iii) any applicable prime broker and brokerage fees, (iv) any applicable fees and charges of the administrator, (v) investments contracted to be sold, (vi) the gross acquisition consideration of investments or other property contracted to be purchased for the Segregated Portfolio, (vii) reserves authorised or approved by any administrator for duties and charges or taxes or contingencies (accrued where appropriate on a day-to-day basis), (viii) the aggregate amount of all borrowings and interest, commitment fees and other charges arising in connection therewith (accrued where appropriate on a day-to-day basis) and (ix) other liabilities of the Segregated Portfolio of whatever nature (which shall, where appropriate, be deemed to accrue from day-to-day) including outstanding payments on any

Shares previously redeemed and, as from the record date in respect thereof, any distributions declared and not paid (contingent liabilities (if any) being valued in such manner as the Directors or their agents may determine from time to time or in any particular case).

8. Where no method of calculation is specified herein, or where, in the opinion of the Directors or their agents, the method of calculation is unfair or impracticable, the Directors or their agents shall use a method of calculation that the Directors or their agents consider fair and reasonable and otherwise in accordance with the relevant accounting principles or standards applied by the Fund.

All debts, liabilities and Net Asset Valuations will be determined in accordance with International Financial Reporting Standards.

Prospective investors should be aware that situations involving uncertainties as to the valuation of portfolio positions could have an adverse effect on the Net Asset Value determination if judgments regarding appropriate valuations should prove incorrect. Absent bad faith or manifest error, the Directors' determination of Net Asset Value is conclusive and binding on all Shareholders and prospective investors.

Fees and expenses that are identifiable with a particular Segregated Portfolio and Class will be charged against that Segregated Portfolio in computing its Net Asset Value. Other fees and expenses will be charged to the relevant Segregated Portfolio based on their respective Net Asset Values or otherwise in the discretion of the Directors.



## CERTAIN RISK FACTORS

Prospective investors should give careful consideration to the following risk factors and any risk factors that may be set out in the relevant Supplement in evaluating the merits and suitability of an investment in the Fund. Such risk factors are not purported to be a comprehensive summary of all of the risks associated with an investment in the Fund. Rather, they are only certain risks to which the Fund is subject and that the Investment Manager wishes to encourage prospective investors to discuss in detail with their professional advisors.

*1. Reliance on Key Personnel.* All decisions with respect to the investment of the Fund's capital will be made by the Investment Manager, which relies on the services of key personnel. Shareholders will have no right or power to take part in the management of the Fund. As a result, the success of the Fund for the foreseeable future will depend largely upon the ability of the key individuals and should any of them terminate his relationship with the Investment Manager, die or become otherwise incapacitated for any period of time, and should the replacement (if any) for any of them not equal his or her predecessor's performance, the profitability of the Fund's investments may suffer. In addition, should the Investment Manager terminate its relationship with any Segregated Portfolio of the Fund, the profitability of the Fund's investments for that Segregated Portfolio may suffer. There can be no assurance that the Investment Manager will be successful in managing the Fund's assets.

*2. No Current Income.* As there can be no assurance that the Investment Manager's assessments of the short-term or long-term prospects of investments will generate a profit, the Fund's investment policies should be considered speculative. In view of the fact that the Fund will likely not pay dividends, an investment in the Fund is not suitable for investors seeking current income for financial or tax planning purposes.

*3. Trading Risks.* The success of the Fund's investment activities will depend on the Investment Manager's ability to identify and exploit price discrepancies in corporate events. Identification and exploitation of such opportunities involves uncertainty. No assurance can be given that the Investment Manager will be able to locate investment opportunities or to correctly exploit price discrepancies in corporate events. A reduction in the pricing inefficiency of corporate events in which the Fund will seek to invest for a Segregated Portfolio will reduce the scope for the Fund's investment strategies. In the event that the perceived mispricings underlying the Fund's positions for a Segregated Portfolio were to fail to converge toward, or were to diverge further from, relationships expected by the Investment Manager, the Fund may incur a loss for that Segregated Portfolio. The Fund's investment strategies for each Segregated Portfolio will be designed to be relatively less volatile than equity markets in general. However, depending upon the investment strategies employed and market conditions, the Fund may be adversely affected for a Segregated Portfolio by unforeseen events involving such matters as political crises, changes in currency exchange rates, interest rates, forced redemptions of securities or acquisition proposals. The Investment Manager believes that the Fund's investment programme and risk management techniques for each Segregated Portfolio moderate these risks.

*4. Competition.* The securities industry is extremely competitive. The Fund competes with firms, including many of the larger investment banking firms, which have substantially greater financial resources than does the

Investment Manager and substantially greater research staffs and more securities traders than does the Investment Manager.

*5. Risks of Special Techniques Used by the Investment Manager.* The Fund may invest for a Segregated Portfolio using special investment techniques that may subject the Fund's investments for that Segregated Portfolio to certain risks. Certain, but not all, of these techniques and the risks that they entail are summarised herein. The Fund, in any event, is not designed to precisely correlate to the broad equity market, and should be viewed as an alternative to instead of a substitute for equity investments.

*6. Reliance on Certain Information.* The Investment Manager may elect to invest in securities on the basis of information and data filed by the issuers of such securities with the US Securities and Exchange Commission or other regulatory bodies or made directly available to the Investment Manager by the issuers of the securities and other instruments or through sources other than the issuers. Although the Investment Manager evaluates all such information and data and seeks independent corroboration when it considers it appropriate and when it is reasonably available, the Investment Manager is not in a position to confirm the completeness, genuineness or accuracy of all such information and data.

*7. Concentration of Investments.* From time to time a significant portion of the Fund's capital attributable to a Segregated Portfolio may be concentrated in a particular security, industry, market or country. Should such security, industry, market or country become subject to adverse financial conditions, the Fund's capital shall not be afforded the protection otherwise available through greater diversification of its investments.

*8. Exchange Rules.* Each securities exchange typically has the right to suspend or limit trading in all securities that it lists. Such a suspension would render it impossible for the Fund to liquidate positions and, accordingly, could expose the Fund to losses for a Segregated Portfolio. Similarly, the Directors have the right to suspend or limit redemptions when, in their opinion, a Segregated Portfolio's net assets are not sufficiently liquid to fund redemptions.

*9. Option Trading.* In seeking to enhance performance or hedge capital, the Fund may purchase and sell call and put options for a Segregated Portfolio on both securities and stock indexes. A stock index measures the movement of a certain group of stocks by assigning relative values to the common stocks included in the index. Examples of well-known stock indexes are the S&P 500 and the MSCI EAFE Index. Both the purchasing and the selling of call and put options contain risks. Although an option buyer's risk is limited to the amount of the purchase price of the option, an investment in an option may be subject to greater fluctuation than an investment in the underlying securities. In theory, the exposure to loss is potentially unlimited in the case of an uncovered call writer (i.e. a call writer who does not have and maintain during the term of the call an equivalent long position in the stock or other security underlying the call), but in practice the loss is limited by the term of existence of the call. The risk for a writer of an uncovered put option (i.e., a put option written by a writer that does not have and maintain an offsetting short position in the underlying stock or other security) is that the price of the underlying security may fall below the exercise price. The effectiveness of purchasing or selling stock

index options as a hedging technique may depend upon the extent to which price movements in investments that are hedged to correlate with price movements of the stock index selected. Because the value of an index option depends upon movement in the level of the index rather than the price of a particular stock, whether a gain or loss will be realised from the purchase or writing of options on an index depends upon movements in the level of stock prices in the stock market generally, rather than movements in the price of a particular stock.

*10. Illiquidity of Shares.* Transfers of Shares are restricted; there is no market for Shares and, accordingly, Shares may be disposed of only through the redemption procedures described elsewhere in this Offering Memorandum. Under certain circumstances redemptions may be suspended, or the payment of redemption proceeds may be delayed, as described elsewhere in this Offering Memorandum. While the Fund does not intend to invest in illiquid assets, the Fund reserves the right to designate certain assets into a category of Special Situation Shares if such securities are in the best interests of the Fund to be held for a specified period of time. Special Situation Shares may not be redeemed by a Shareholder.

*11. Compulsory Redemptions.* The Directors have the right to compulsorily redeem all or some of the Shares held by a Shareholder as described elsewhere in this Offering Memorandum. If the Directors were to compulsorily redeem all or some of the Shares held by a Shareholder this could result in adverse tax and/or economic consequences to such Shareholder.

*12. Dividends/Redemptions in Cash or Kind.* The Fund intends to maintain a highly liquid portfolio. The Fund is not required to distribute cash or other property to the Shareholders on a regular basis, and the Directors do not currently intend to declare and pay any dividends. Notwithstanding the foregoing, the Directors may settle redemptions in kind. The Directors, in consultation with the Investment Manager, will determine which assets of the Fund will be used to settle redemptions in kind and these assets will be either distributed to redeeming Shareholders or transferred to a special purpose vehicle set up specifically for that purpose and securities in that vehicle will be transferred to redeeming Shareholders. By investing in the Fund, prospective investors will be deemed to have agreed to be registered as the holder of securities in these special purpose vehicles. Redeeming Shareholders receiving their redemption payment in kind will be responsible for all custody and other costs involved in changing the ownership of the relevant assets from the Fund to the redeeming shareholder and all on-going custody costs in respect of such securities or assets.

*13. Notice Required.* A Shareholder must give prior written notice to the Administrator to make a partial or total redemption of its Shares. During such notice period, the Shareholder's investment remains at risk and may decrease in value from the date that notice of redemption is first given to the Administrator until the effective date of redemption.

*14. Reserves.* Under certain circumstances, the Fund may find it necessary to establish a reserve for contingent liabilities for a Segregated Portfolio or withhold a portion of the Shareholder's settlement proceeds at the time of redemption, in which case the reserved portion would remain at the risk of the Fund's activities for that Segregated

Portfolio.

*15. Forced Liquidation.* Substantial redemptions by Shareholders within a short period of time could require the Investment Manager to liquidate positions more rapidly than would otherwise be desirable, which could adversely affect the value of the Segregated Portfolio. The resulting reduction in the Segregated Portfolio's value could make it more difficult to generate a positive rate of return or to recoup losses due to a reduced equity base. Additionally, such substantial redemptions may increase the share of the fees and expenses payable by the remaining Shareholders.

*16. Litigation and Claims.* The Fund and the Investment Manager, as independent legal entities, may be subject to lawsuits or proceedings by government entities or private parties. Except in the event of a lawsuit or proceeding arising from a Director's or the Investment Manager's wilful neglect or default in the performance of its duties, expenses or liabilities of a Segregated Portfolio arising from any suit shall be borne by that Segregated Portfolio.

*17. Conflicts of Interest.* The Fund and the Investment Manager are subject to various conflicts of interest as set forth in the section of this Memorandum entitled "POTENTIAL CONFLICTS OF INTEREST".

*18. Need for Independent Advice.* The Investment Manager has consulted with counsel, accountants and other experts regarding the formation of the Fund. Each prospective investor should consult his own legal, tax and financial advisors regarding the desirability of an investment in the Fund.

*19. Registration.* The Fund is not registered as an investment company under the US Investment Company Act of 1940, as amended (or any similar state laws). Investors, therefore, will not be accorded the protective measures provided by such legislation.

*20. Side Letters.* The Fund or the Investment Manager may enter into side letters with prospective investors with a view to inducing those investors to invest in the Fund. It is possible that the terms offered to these investors in the relevant side letter would differ substantially from those offered to investors by way of this Offering Memorandum and related Supplements in respect of the Offered Shares. Where required under Cayman Islands law, investors who enter into side letters will be given their own Class of Shares in the Fund.

*21. Segregated Portfolio Companies.* The Fund is established as an exempted segregated portfolio company under Cayman Islands law. As a matter of Cayman Islands law, the assets of one segregated portfolio company will not be available to meet the liabilities of another Segregated Portfolio. Although not judicially tested, the principal advantage of a segregated portfolio company is that it protects the assets of one segregated portfolio from the liabilities of the other segregated portfolios under the law of the Cayman Islands. However, the Fund is a single legal entity that may operate or have assets held on its behalf or be subject to claims in other jurisdictions which may not necessarily recognise such segregation. There is no guarantee that the courts of any jurisdiction outside of the Cayman Islands will respect the limitations of liability associated with segregated

portfolio companies and if such a situation should arise, it may be the case that the assets of one Segregated Portfolio may be exposed to the liabilities of another Segregated Portfolio within the Fund. However, the Directors are not aware of any circumstances in which such segregation have been upset or not recognised.

*22. Cross-Class Liability within Segregated Portfolios.* Separate Classes of Shares within a Segregated Portfolio are not separate legal entities. The assets attributable to any one Class of Shares within a Segregated Portfolio will not be isolated from the liabilities attributable to other Classes of Shares within such Segregated Portfolio under Cayman Islands law. To the extent that the assets of one particular Class of Shares are insufficient to satisfy the liabilities attributable to such Class of Shares, then the assets of other Classes of Shares within such Segregated Portfolio may be charged with such liabilities.

*23. Shareholder Loss.* No Shareholder will be liable for losses or debts of the Fund beyond that Shareholder's investment in Shares nor may any Shareholder be assessed or otherwise required to invest more than its initial investment.

*24. Legal Requirements.* The Fund must comply with various legal requirements, including requirements imposed by applicable securities laws, tax laws and pension laws in various jurisdictions. Should any of those laws change over the scheduled term of the Fund, the legal requirements to which the Fund and the Shareholders may be subject could differ materially from current requirements.

*25. Economic and Business Conditions.* General economic and business conditions may affect the Fund's activities. Interest rates, the prices of securities and participation by other investors in the financial markets may affect the value of securities purchased by the Fund for a Segregated Portfolio. Unexpected volatility or liquidity in the markets in which the Fund directly or indirectly holds positions for a Segregated Portfolio could impair the Fund's ability to carry out its business and could cause it to incur losses.

*26. Handling of mail.* Mail addressed to the Fund and received at its registered office will be forwarded unopened to the forwarding address supplied by the Fund to be dealt with. None of the Fund, its directors, officers, advisors or service providers (including the organisation which provides registered office services in the Cayman Islands) will bear any responsibility for any delay howsoever caused in mail reaching the forwarding address. In particular the Directors will only receive, open or deal directly with mail which is addressed to them personally (as opposed to mail which is addressed just to the Fund).

*27. Access to Information; Enhanced Liquidity.* The Fund will generally provide Shareholders with quarterly unaudited information regarding the Fund's performance. To the extent permitted by applicable laws, the Fund, however, may give one or more Shareholders access to more frequent and/ or more detailed information regarding the Fund's securities positions, performance and finances than it provides to all Shareholders generally. In addition, the Fund may give certain Shareholders (including those given such additional information) the right to

redeem all or a portion of their Shares on shorter notice and/or with more frequency than the terms described in this Offering Memorandum. As a result, certain Shareholders may be better able to assess the prospects and performance of the Fund than other Shareholders, and may be able to redeem their Shares at times when other Shareholders may not. The Fund may enter into separate letter agreements with particular Shareholders in respect of any such matters.

**28. Data Protection.** There is a risk that the data protection measures will not be implemented correctly by the Fund or its service providers. If there are breaches of these measures by the Fund or any of its service providers, the Fund or its service providers could face significant administrative fines and/or be required to compensate any data subject who has suffered material or non-material damage as a result as well as the Fund suffering reputational damage which may have a material adverse effect on its operations and financial conditions.

## POTENTIAL CONFLICTS OF INTEREST

The Investment Manager and the Administrator and their respective affiliates, which shall be deemed to include, in each case, their respective officers, directors, employees and entities owned by any of the aforementioned parties ("**Related Parties**") may face certain conflicts of interests in relation to the Fund. These conflicts include, but are not limited to, the following:

- The Investment Manager and each of its directors presently and will in the future, directly or indirectly, direct, sponsor or manage other investment funds or managed accounts in addition to the Fund. The Investment Manager and each of its directors may have financial or other incentives to favour some such funds or accounts over the Fund. The Investment Manager will make its own decisions for the Fund, which may differ from time to time from those recommended by analysts of the Investment Manager for its other advisory clients.
- The Investment Manager believes that it will continue to have sufficient staff, personnel and resources to perform all of its duties with respect to the Fund. However, because some of the officers of the Investment Manager may have duties in connection with other investment funds and other matters, such officers may have conflicts of interest in the allocation of responsibilities, services and functions among the Fund and other entities similar to the Fund.
- The Fund may invest the Fund's capital for each Segregated Portfolio in investment funds and/ or with other accounts managed by the Investment Manager and/or its affiliates. As a result, the Investment Manager may receive fees based on these investments directly from the Fund and, directly or indirectly, from the other investment funds or accounts. Notwithstanding such circumstances, the Investment Manager will act in accordance with its fiduciary duties to the Shareholders and shall not be entitled to duplicative fees.
- Some or all of the Related Parties may be involved with other entities utilising investment strategies similar to those of the Fund for the Segregated Portfolios and with other business in general. The Investment Manager may

cause the Fund to invest in securities for a Segregated Portfolio in which some or all of the Related Parties have a financial interest, or to engage in transactions with brokers or others with whom some or all of the Related Parties have financial or other relationships.

- The Related Parties may engage for their own accounts, or for the accounts of others, in other business ventures of any nature, and the Fund has no right to participate in or benefit from the other management activities of the Investment Manager described above and the Related Parties shall not be obliged to account to the Fund for any profits or benefits made or derived therefrom, nor shall they have any obligation to disclose or refer to the Fund any of the investment or service opportunities obtained through such activities. Related Parties may own Shares in the Fund, deal as principals with the Fund in the sale or purchase of investments of the Fund or act as brokers, whether to the Fund or to third parties, in the purchase or sale of the Fund's investments for the Segregated Portfolios and shall be entitled to retain any profits or customary commissions resulting from such dealings.

- The Investment Manager and/or its affiliates and/or its employees may from time to time have an interest, direct or indirect, in a security, the purchase or sale of which by the Fund for a Segregated Portfolio is recommended, or which in fact is purchased or sold by or otherwise traded for the Fund on behalf of a Segregated Portfolio. Moreover, such recommendation, purchase, sale or trading may occur in connection with a transaction involving another investment fund or account managed by the Investment Manager. Accordingly, the Investment Manager may sell or recommend the sale of a particular security for certain accounts, including accounts in which it has an interest, and it or others may buy or recommend the purchase of such security for other accounts, including accounts in which it has an interest, and, thus, transactions in particular accounts may not be consistent with transactions in other accounts or with the Investment Manager's investment recommendations. For example, the Investment Manager may recommend that the Fund sell a security for a Segregated Portfolio, while not recommending such sale for other accounts in order to enable the Fund to have sufficient liquidity to honour Shareholders' redemption requests. When there is a limited supply of investments, the Investment Manager will use its reasonable efforts to allocate or rotate investment opportunities, but the Investment Manager cannot assure absolute equality among all of its accounts and clients.

## OTHER ACTIVITIES

The Investment Manager, each of its affiliates and the Directors may engage in other business activities and manage the accounts of clients other than the Fund including those of other collective investment vehicles. The investment strategy for such other clients may vary from that of the Fund and its Segregated Portfolios. The Investment Manager, each of its affiliates and the Directors are not required to refrain from any other activity, nor must they disgorge any profits from any such activity, including acting as general partner, investment manager or managing agent for investment vehicles with objectives similar to those of the Fund and its Segregated Portfolios.



## TAXATION

### INTRODUCTION

This summary of the principal tax consequences applicable to the Fund and its Shareholders is based upon advice received from the Fund's US and Cayman Islands legal and tax advisors. Such advice is based upon factual representations made by the Investment Manager and Administrator concerning the proposed conduct of the activities to be carried out by them on behalf of the Fund. The conclusions summarised herein could be adversely affected if any of the material factual representations on which they are based should prove to be inaccurate. Moreover, while this summary is considered to be a correct interpretation of existing laws in force on the date of this Memorandum, no assurance can be given that courts or fiscal authorities responsible for the administration of such laws will agree with such interpretations or that changes in such laws will not occur.

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

THIS SUMMARY IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, FOR THE PURPOSE OF AVOIDING UNITED STATES FEDERAL TAX PENALTIES. THIS SUMMARY WAS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN, AND ANY TAXPAYER TO WHOM THE TRANSACTIONS OR MATTERS ARE BEING PROMOTED, MARKETING OR RECOMMENDED SHOULD SEEK ADVICE BASED ON ITS PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

### THE FUND

*Cayman Islands Taxation.* 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 tax treaty with any country that is applicable to any payments made to or by the Fund.

The Fund has applied for and can expect to receive an undertaking from the Financial Secretary of the Cayman Islands that, in accordance with section 6 of the Tax Concessions Act (Revised) 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 or in respect of 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.



*Other Jurisdictions.* Capital gains and other revenues received by the Fund may be subject to withholding or similar taxes imposed on foreign corporations by the country in which such gains or other revenues originate. In jurisdictions other than the United States, non-US taxes may be withheld at source on dividend and other income derived by the Fund at rates generally ranging up to thirty percent (30%). Capital gains derived by the Fund in such jurisdictions may often be exempt from non-US income or withholding taxes at source, although the treatment of capital gains varies among jurisdictions.

## SHAREHOLDERS OF THE FUND

*The EU Savings Directive.* On November 10, 2015, the European Council repealed the EU Savings Directive (2003/48/EC) (“**EUSD**”) with effect from January 1, 2016 (January 1, 2017 in the case of Austria) in order to avoid overlap with the requirements of the CRS (as explained below) and other tax information reporting regimes. The Cayman Islands subsequently repealed their EUSD-equivalent legislation in the light of the introduction of the CRS regime.

## CHANGES IN LAW

All laws, including laws relating to taxation in the Cayman Islands and the US (and in other jurisdictions as well), are subject to change without notice.

\* \* \* \*

The foregoing summary does not address tax considerations that may be applicable to certain Shareholders under the laws of jurisdictions other than the Cayman Islands and the US. The Fund has no present plans to apply for any certifications or registrations, or to take any other actions under the laws of any jurisdictions that would afford the relief to local investors therein from the normal tax regime otherwise applicable to an investment in the Shares. It is the responsibility of all persons interested in purchasing the Shares to inform themselves as to any income or other tax consequences arising in the jurisdictions in which they are resident or domiciled for tax purposes, as well as any foreign exchange or other fiscal or legal restrictions relevant to their particular circumstances in connection with the acquisition, holding, or disposition of the Shares. The value of the Fund’s investments may also be affected by repatriation and exchange control regulations.

## CAYMAN ISLANDS TAX REPORTING

The Cayman Islands have entered into a Model 1(b) (non-reciprocal) intergovernmental agreement (“**US IGA**”) with the United States to give effect to the United States Foreign Account Tax Compliance Act (“**FATCA**”) and have made amendments to the Tax Information Authority Act (Revised) (“**TIA Act**”) and enacted the Tax Information Authority (International Tax Compliance) (United States of America) Regulations (“**US Regulations**”, together with the TIA Act, the “**Enabling Legislation**”) to give effect to the US IGA. Cayman Islands financial institutions (“**FIs**”) that comply with the US IGA and the Enabling Legislation will be treated as satisfying the due diligence and reporting requirements of FATCA and accordingly will be treated as participating foreign financial institutions (“**Participating FIs**”) for the purposes of FATCA. Participating FIs will be ‘deemed compliant’ with FATCA and will not be subject to withholding tax and will not be required to close recalcitrant accounts. The US IGA categorises FIs as either ‘Reporting’ or ‘Non-Reporting FIs’. By default, all Cayman FIs are Reporting FIs, unless they qualify as Non-Reporting FIs. The categories of Non-Reporting FIs are set out in an annex to the US IGA. A Reporting FI is not required to enter into a separate agreement directly with the United States Internal Revenue Service (“**IRS**”), but must (i) register with the IRS to obtain a Global Intermediary Identification Number, (ii) register with the Cayman Islands Tax Information Authority (“**TIA**”), (iii) conduct due diligence on its investors to identify whether accounts are held directly or indirectly by ‘Specified US Persons’ (as defined in the US IGA) and (iv) make annual filings with the TIA. The TIA will automatically exchange such information with the IRS annually. While a Non-Reporting FI will not be subject to the registration and reporting requirements, it will need to self-certify its FATCA status to withholding agents to avoid the imposition of a 30% withholding tax.

Under the terms of the US IGA and the relevant regulations, FATCA withholding tax will not be imposed on payments made to the Fund, or on payments made by the Fund to an account holder, except to the extent the Fund fails to comply with its obligations under FATCA or the US IGA, or its investors or account holders otherwise fail to comply with any other obligations they may have to the Fund with respect to the Fund’s obligations under FATCA and/or the US IGA, as applicable. FATCA withholding tax, if any, is generally at the rate of 30% of the relevant payment. Shareholders will be required to furnish appropriate documentation certifying as to their US or non-US tax status and the identity of their controlling persons, together with such additional tax information as the Fund may from time to time request to enable the Fund to comply with the US Regulations.

In February 2014, the OECD announced the ‘Common Reporting Standard’ (“**CRS**”), intended to become an international standard for financial account reporting, and in October 2014, the Cayman Islands Government signed up to the multi-lateral competent authority agreement (“**MCAA**”) that is being adopted by all jurisdictions committing to the CRS, in order to implement the CRS. The Cayman Islands Government and other governments that have signed up to the CRS and the MCAA (“**Future Reporting Jurisdictions**”) implemented local legislation and the first exchanges of information under this regime began in 2017.

Details of the CRS and the jurisdictions in respect of which reporting will be required can be found at

<http://www.oecd.org/tax/transparency/automaticexchangeofinformation.htm>.

By investing (or continuing to invest) in the Fund, investors shall be deemed to acknowledge that:

1. the Fund (or its agent) may be required to disclose to the TIA certain confidential information in relation to the investor, including but not limited to the investor's name, address, tax identification number (if any), social security number (if any) and certain information relating to the investor's investment;
2. the TIA may be required to automatically exchange information as outlined above with the IRS and other foreign fiscal authorities located in Future Reporting Jurisdictions;
3. the Fund (or its agent) may be required to disclose to the IRS and other foreign fiscal authorities located in Future Reporting Jurisdictions certain confidential information when registering with such authorities and if such authorities contact the Fund (or its agent directly) with further enquiries;
4. the Fund may require the investor to provide additional information and/or documentation that the Fund may be required to disclose to the TIA, IRS or other foreign fiscal authorities located in Future Reporting Jurisdictions;
5. in the event an investor fails to provide the requested information and/or documentation, whether or not such failure actually leads to compliance failures by the Fund, or a risk of the Fund or its investors being subject to withholding tax under the relevant legislative or inter-governmental regime, the Fund reserves the right to take any action and/or pursue all remedies at its disposal including, without limitation, compulsory redemption or withdrawal of the investor concerned;
6. to the extent the Fund incurs any costs or suffers any withholding as a result of an investor's failure, or is required by law to apply a withholding against the investor, it may set off such amount against any payment otherwise due from the Fund to the investor or may allocate such amount to the Shares held by such investor; and
7. no investor affected by any such action or remedy shall have any claim against the Fund (or its agent) for any form of damages or liability as a result of actions taken or remedies pursued by or on behalf of the Fund in order to comply with any of the US IGA or the MCAA, or any of the relevant underlying legislation.

Shareholders are encouraged to consult with their own tax advisers regarding their tax status and the applicability of this legislation on their investment in the Fund.

## **ADDITIONAL INFORMATION**

## **MATERIAL CONTRACTS**

The Fund has entered into the following contracts (not being contracts in the ordinary course of business) which may be material:

(A) the Investment Management Agreement between the Fund, acting on behalf of each Segregated Portfolio, and the Investment Manager pursuant to which the Fund has appointed the Investment Manager as the investment manager of each Segregated Portfolio;

(B) the Custody Agreement between the Fund, acting on behalf of each Segregated Portfolio, and the Custodian, pursuant to which the Fund has appointed the Custodian for safekeeping and settlement of securities transactions for each Segregated Portfolio; and

(C) the Administration Agreement between the Fund, acting on behalf of each Segregated Portfolio, and the Administrator pursuant to which the Fund has appointed the Administrator as the administrator of each Segregated Portfolio.

#### **REPORTS TO THE SHAREHOLDERS**

Shareholders will be sent copies of the audited financial statements for their relevant Segregated Portfolio each year prepared in accordance with International Financial Reporting Standards. In addition, Shareholders will receive from the Administrator unaudited quarterly reports relating to the Fund's performance for their relevant Segregated Portfolio.

#### **AVAILABLE DOCUMENTS**

This Memorandum is not intended to provide a complete description of the Fund's Memorandum and Articles of Association or the agreements with the Investment Manager, the Administrator and the Custodian are summarised herein. Copies of the following documents are available for inspection by Shareholders and prospective investors during normal business hours at the Administrator's office:

(A) The Companies Act (Revised) (as amended) of the Cayman Islands;

(B) The Mutual Funds Act (Revised) (as amended) of the Cayman Islands;

(C) The Memorandum and Articles of Association of the Fund;

(D) The material contracts referred to above; and

(E) The latest audited annual financial statements of the Fund for each Segregated Portfolio, as and when available.

## COUNSEL

Ocorian Law (Cayman) Limited ("**Ocorian Law**"), Windward 3, Regatta Office Park, Grand Cayman KY1-1108, Cayman Islands, acts as Cayman Islands legal counsel to the Fund. In connection with the Fund's offering of Shares and subsequent advice to the Fund, Ocorian Law will not be representing Shareholders. No independent legal counsel has been retained to represent the Shareholders. Ocorian Law's representation of the Fund is limited to specific matters as to which it has been consulted by the Fund. There may exist other matters that could have a bearing on the Fund as to which Ocorian Law has not been consulted. In addition, Ocorian Law does not undertake to monitor compliance by the Investment Manager and its affiliates with the investment program, valuation procedures and other guidelines set forth herein, nor does Ocorian Law monitor ongoing compliance with applicable laws.

In connection with the preparation of this Memorandum, Ocorian Law'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 Memorandum. In the course of advising the Fund, there are times when the interests of Shareholders may differ from those of the Fund. Ocorian Law does not represent the Shareholders' interests in resolving these issues. In reviewing this Memorandum, Ocorian Law has relied upon information furnished to it by the Fund and has not investigated or verified the accuracy and completeness of information set forth herein concerning the Fund.

## INQUIRIES AND COMMUNICATION WITH THE FUND

All communications and correspondence with the Fund and inquiries concerning the Fund and the Shares, including information concerning subscription and redemption procedures and current Net Asset Value, should be directed to the Administrator at the address set forth in the "DIRECTORY" appearing elsewhere in this Memorandum.

## GENERAL INFORMATION

1. The Fund was incorporated in the Cayman Islands as an exempted segregated portfolio company with limited liability on 15 October 2012 under the Cayman Islands Companies Act (Revised), as amended.
2. The Memorandum and Articles of Association of the Fund comprise its constitution. The Memorandum of Association provides various objectives of the Fund, including the carrying on of the businesses described in this Memorandum. The Articles of Association of the Fund include the provisions summarised below and elsewhere in this Memorandum:

*(A) Share Rights*

The authorised share capital of the Fund is divided into Ordinary Shares and Redeemable Shares. The holders of such shares shall have the following rights:

(i) Rights of the Ordinary Shares. The holders of Ordinary Shares are entitled to receive notice of and attend and vote at general meetings of the Fund. The holders of Ordinary Shares shall not be entitled to any dividend or other distribution nor to any payment in a winding up in excess of the amount paid for such Ordinary Shares.

(ii) Rights of Redeemable Shares. In the event of a winding up or dissolution of the Fund (whether voluntary or involuntary or for the reorganisation of the Fund or otherwise) or upon distribution of the Fund's capital, the holders of Redeemable Shares are entitled to all surplus assets of the Fund after payment of the par value of the Ordinary Shares. In addition, the holders of such Redeemable Shares are entitled to such dividends as the Directors may from time to time declare. Details of the voting rights of Redeemable Shares are set out under "Voting Rights" below.

*(B) Variations of Class Rights*

Some or all of the special rights that for the time being are attached to any class of shares for the time being issued (of which there are none at present save as referred to herein) may (unless otherwise provided by the terms of issue of the shares of that class) from time to time (whether or not the Fund is being wound up) be altered or abrogated with the consent in writing of the holders of not less than 75% of the issued shares of that class or with the sanction of a resolution passed by the holders of not less than 75% of the issued shares of that class as may be present in person or by proxy at a separate general meeting of the holders of such shares. To any such separate general meeting, all of the provisions of the Articles of Association as to general meetings shall *mutatis mutandis* apply, but so that the necessary quorum shall be one or more persons holding or representing by proxy not less than one-third of the issued shares of the class, and that any holder of shares of the class present in person or by proxy may demand a poll.

The special rights attached to any class of shares having preferential or other special rights shall (unless otherwise expressly provided by the conditions of issue of such shares) not be deemed to be varied or abrogated by the creation, allotment or issue of further shares or classes ranking *pari passu* therewith.

*(C) Voting Rights*

(i) Shareholders are not entitled to receive notice of, or to attend and vote at, general meetings of the Fund save for general meetings called for the purpose of altering the rights attached to the Shares, or any class thereof. In the foregoing scenario, the provisions of paragraph (iv) below shall apply to such Shareholders so entitled to receive notice of, or to attend and vote at, a general meeting of the Fund. Notwithstanding anything to

the contrary, the Fund has the right to issue new Classes of Shares without the consent of the Shareholders.

(ii) At any general meeting, every holder of Ordinary Shares who (being an individual) is present in person or (being a corporation) by a duly authorised representative shall have one vote which shall be cast on a show of hands. On a poll, every such holder present as aforesaid or by proxy shall have one vote for each share held.

(iii) To pass an ordinary resolution of the Fund at a general meeting, a majority of the shareholders entitled to vote and attending such meeting in person or by proxy must vote to pass such resolution.

(iv) Save for any amendment to the Memorandum and Articles of Association which alters the rights attaching to the Shares which requires the consent of the Shareholders in accordance with paragraph (B) above (Variation by Class Rights), a special resolution of a general meeting passed by a two thirds majority of the holders of the Ordinary Shares who are present in person or by proxy and entitled to vote or a written resolution signed by all the holders of the Ordinary Shares is required in order to amend the Articles of Association.

(v) If a proxy sent with a notice of a meeting is not completed and returned prior to the meeting and the Shareholder receiving such proxy and notice does not appear personally at such meeting, such Shareholder's Shares will be voted in the discretion of the proxy and the attorney-in-fact designated in the Subscription Agreement executed by such Shareholder.

#### *(D) Directors*

(i) Each Director who is not an employee of the Investment Manager or related companies receives a flat annual fee that accords with customary directors' fees for service in such capacity.

(ii) 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 for the Fund on such terms as the Directors may determine. No Director shall be disqualified by his office from contracting with the Fund in any capacity, nor shall any such contract or arrangement entered into by the Fund in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Fund for any profit realised by any such contract or arrangement by reason of such Director holding that office if he shall declare the nature of his interest.

(iii) A Director, notwithstanding his interest, may be counted in the quorum present at any meeting at which he or any other Director is appointed to hold any such office or place of profit under the Fund or at which the terms of any such appointment are arranged, and he may vote on any such appointment or arrangement other than his own appointment or the arrangement of terms thereof.

(iv) There is no provision in the Articles of Association requiring a Director to retire by reason of any age limit and there is no share qualification for Directors.

*(E) Indemnities*

The Articles of Association of the Fund provide that, every Director, officer or member of a committee constituted under the Articles of Association of the Fund and any liquidator, manager or trustee for the time being acting in relation to the affairs of the Fund, and their respective heirs, executors, administrators, personal representatives, successors or assigns, shall be indemnified by the Fund against, and it shall be the duty of the Directors to pay out of the funds of the Fund, all liabilities, damage, costs, losses, and expenses that any such person may incur or become liable for by reason of any contract entered into, or act or thing done by him in any way in the discharge of his duties, except in relation to an act, omission, conduct, or activity in respect of the Fund that is found to have constituted wilful neglect or default.

Each Shareholder has agreed in the Subscription Agreement executed by such Shareholder that if the Shareholder is asked to consent to any proposed amendment of the offering terms in this Offering Memorandum and written notice of such proposed amendment is given to the Shareholder in accordance with the notice provisions of the Articles, the Shareholder shall be deemed to have consented to the proposed amendment if the Shareholder does not affirmatively object in writing to such proposed amendment within twenty (20) days (or such shorter time as may be determined by the Directors in their discretion) after such notice is received or deemed to have been received in accordance with the notice provisions of the Articles.

The Fund shall have the right to make variations to the offering terms in this Offering Memorandum without having to obtain the consent of the Shareholders, provided the Fund gives advance notice of each such variation and the Shareholders are provided with an opportunity to redeem their Shares before the variation comes into effect. Notwithstanding the foregoing, the Fund shall have the right to make variations to the offering terms in this Offering Memorandum without having to give advance notice to, or obtain the consent of, the Shareholders, provided that each such variation does not adversely affect the Shareholders.

Save as disclosed in this Memorandum, no commissions, discounts, brokerages or other special terms have been granted by the Fund in connection with the issue or sale of any Shares.

Notices convening each general meeting are sent to Shareholders holding Ordinary Shares not later than five days before the date fixed for the meeting.

The Fund is not engaged in any litigation or arbitration proceedings and is not aware of any litigation or claim pending or threatened by or against it.

No person has, or is entitled to be given, an option to subscribe for any share or loan capital of the Fund.