Final Form

MASON HAYES & CURRAN

ETPCAP DESIGNATED ACTIVITY COMPANY

SERIES MEMORANDUM

CORE VEGA LONG VOLATILITY MULTI MANAGER FUND (SERIES 183) NOTES DUE 2028

ISSUED UNDER ITS ETPCAP PROGRAMME

DATED 25 JULY 2018

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1 GENERAL

This Series Memorandum (as used herein, this "**Series Memorandum**") is prepared in connection with the EUR 5,000,000,000 Secured Note Programme (the "**ETPCAP Programme**") of ETPCAP Designated Activity Company (the "**Issuer**") and is issued in conjunction with, and incorporates by reference the contents of, the Programme Memorandum dated 13 July 2018 relating to the ETPCAP Programme (the "**Programme Memorandum**").

Neither this Series Memorandum nor the Programme Memorandum constitutes a prospectus for the purposes of the Prospectus Directive.

This document should be read in conjunction with the Programme Memorandum and the Master Conditions (2018 Edition). Save where the context otherwise requires, terms defined in the Programme Memorandum have the same meaning when used in this Series Memorandum.

Subject as set out below the Issuer accepts responsibility for the information contained in this Series Memorandum other than the information in sections:

1. Information relating to the Portfolio Management Agreement;

2. Information relating to the Arranger, Charged Assets Realisation Agent and Calculation Agent; and

3. Information relating to the Placing Agent;

4. Information relating to the Charged Assets; and

5. The Private Placement Memorandum.

To the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case), such information for which it accepts responsibility contained in this Series Memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information. The Issuer confirms that the information in the sections referred to in 1 to 5 above has been accurately reproduced from information provided by (a) the Portfolio Manager (in respect of 1.), (b) the Arranger, Charged Assets Realisation Agent and Calculation Agent (in respect of 2.), (c) the Placing Agent (in respect of 3.) and (d) the Company (in respect of 4. and 5.), and as far as the Issuer is able to ascertain, no facts have been omitted which would render the reproduced information inaccurate or misleading.

This Series Memorandum does not constitute, and may not be used for the purposes of, an offer or solicitation by 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, and no action is being taken to permit an offering of the Notes or the distribution of this Series Memorandum in any jurisdiction where such action is required.

No person has been authorised to give any information or to make representations other than those contained in this Series Memorandum in connection with the issue or sale of the Notes and, if given or made, such information or representations must not be relied upon as having been authorised by the Issuer, the Arranger, the Trustee or any of them or any other person. Neither the delivery of this Series Memorandum nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof.

The Trustee has not independently verified the information contained herein. Accordingly, no representation, warranty or undertaking is made, whether express or implied, and no responsibility or liability is accepted by the Trustee as to the accuracy, completeness or nature of the information contained in this Series Memorandum, the Private Placement Memorandum or with respect to the legality of investment in the Notes by any prospective investor or purchaser under applicable legal investment or similar laws or regulations.

Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of the provisions set out within this Series Memorandum and the Programme Memorandum.

For as long as the Notes remain outstanding, copies of the following documents will be available to Noteholders for inspection in physical form during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the registered office of the Issuer:

1. This Series Memorandum and the Programme Memorandum;

2. The Master Documents;

3. The Constituting Instrument dated the Issue Date; and

4. The Certificate of Incorporation and the Constitution of the Issuer.

The Notes, which are described in this Series Memorandum, have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "Securities Act") or the securities laws of any of the States of the United States. Accordingly, the Notes are being offered and sold only in bearer form pursuant to the exemption afforded by Regulation S promulgated under the Securities Act solely outside of the United States and solely to non-US persons and in specific reliance upon the representations by each Noteholder that (1) at the time of the offer and sale of the Notes to the Noteholder, the Noteholder was not a US Person as defined in Regulation S promulgated under the Securities Act, and (2) at the time of the offer and sale of the Notes to the Noteholder and, as of the date of the execution and delivery of the purchasing or subscription agreement by the Noteholder, the Noteholder was outside of the United States. The Notes may not be offered or sold in the United States or to US Persons (as defined in Regulation S) unless the securities are registered under the Securities Act, or an exemption from the registration requirements of the Securities Act is available. The Notes are subject to certain United States tax law requirements.

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), an offer of Notes to the public has not and may not be made in that Relevant Member State.

The Notes are illiquid investments, the purchase of which involves substantial risks. Any investor investing in the Notes should fully consider, understand and appreciate those risks.

Purchasers of Notes should conduct such independent investigation and analysis regarding the Issuer, the Charged Assets and the Notes as they deem appropriate to evaluate the merits and risks of an investment in the Notes, as the Notes described in this Series Memorandum may not be suitable for all purchasers of Notes. Purchasers of Notes should have sufficient knowledge and experience in financial, taxation, accounting, capital treatment and business matters, and access to, and knowledge of, appropriate analytical resources, to evaluate the information contained in this Series

Memorandum and the merits and risks of investing in the Notes in the context of their financial and regulatory position and circumstances. This Series Memorandum does not describe all of the risks and investment considerations applicable to an investment in the Notes. The risks and investment considerations identified in this Series Memorandum are provided as general information only and the Issuer disclaims any responsibility to advise purchasers of Notes of the risks and investment considerations associated with the purchase of the Notes as they may exist at the date hereof or as they may from time to time alter.

PARTICULAR ATTENTION IS DRAWN TO THE SECTION OF THIS SERIES MEMORANDUM HEADED "RISK FACTORS".

2 DOCUMENTS INCORPORATED BY REFERENCE

The Programme Memorandum is incorporated in, and shall be taken to form part of this Series Memorandum. This Series Memorandum must be read and construed in conjunction with the Programme Memorandum and shall be deemed to modify and supersede the contents of such document to the extent that a statement contained herein is inconsistent with such contents.

3 RISK FACTORS

3.1 General

The purchase of the Notes involves substantial risks. Each prospective purchaser of the Notes should be familiar with instruments having characteristics similar to the Notes and should fully understand the terms of the Notes and the nature and extent of its exposure to risk of loss.

Before making an investment decision prospective purchasers of the Notes should conduct such independent investigation and analysis regarding the Issuer, the Portfolio Manager, the Charged Assets, the Notes and all other relevant persons and such market and economic factors as they deem appropriate to evaluate the merits and risks of an investment in the Notes. As part of such independent investigation and analysis, prospective purchasers of Notes should consider carefully all the information set forth in this Series Memorandum and in the Programme Memorandum and the considerations set out below.

Investment in the Notes is only suitable for investors who have the knowledge and experience in financial and business matters necessary to enable them to evaluate the information contained in this Series Memorandum and in the Programme Memorandum and the merits and risks of an investment in the Notes in the context of the investor's own financial circumstances and investment objectives.

Investment in the Notes (or a participation therein) is only suitable for investors who:

1. are capable of bearing the economic risk of an investment in the Notes (or a participation therein) for a period up to and until the redemption of the Notes;

2. are acquiring an interest in the Notes (or a participation therein) for their own account for investment, not with a view to resale, distribution or other disposition of such interest (subject to any applicable law requiring that the disposition of the investor's property be within its control); and

3. recognise that it may not be possible to make any transfer of the Notes (or a participation therein) for a substantial period of time, if at all.

Each of the Issuer and the Arranger may, in its discretion, disregard interest shown by a prospective investor even though that investor satisfies the foregoing suitability standards.

Each prospective investor should ensure that it fully understands the nature of the transaction into which it is entering and the nature and extent of its exposure to the risk of loss of all or a substantial part of its investment. Attention is drawn, in particular, to the Conditions in the Master Conditions (2018 Edition) entitled 'Security' and 'Enforcement and Limited Recourse' and the sections in this Series Memorandum entitled 'Information relating to the Portfolio Management Agreement' and 'Information relating to the Charged Assets'.

3.2 Risks relating to the Issuer and Transaction Parties

Special purpose company

The Issuer is a special purpose company and has been established for the purpose of issuing multiple Series of secured Notes under the ETPCAP Programme. The Issuer has issued share capital only in the amount of EUR 1 (one euro). Should any unforeseen expenses or liabilities (which have not been provided for) arise, the Issuer may be unable to meet them, leading to an Event of Default under the Notes.

There is no certainty that Noteholders will recover any amounts payable under the Notes. Due to the limited recourse nature of the Notes (see 'Limited recourse' below), claims in respect of the Notes are limited to the proceeds of enforcement of the Mortgaged Property after the deduction of any applicable expenses. In addition, if a claim is brought against the Issuer (whether under statute, common law or otherwise) which is not subject to such contractual limited recourse provisions, the only assets available to meet such claim would be the proceeds of the issuance of the Issuer's ordinary shares and any transaction fees (see 'Fees' below), to the extent any remain as at the date of such claim and are available to meet such claim. The only other assets of the Issuer will be the assets on which each Series is secured, which will be subject to the prior security interests of the relevant Noteholders, any other secured parties under that Series.

Limited recourse

The Notes will be limited recourse obligations of the Issuer secured on the Charged Assets and are not or will not (as the case may be) be obligations or responsibilities of, or guaranteed by, any other person or entity. **For the avoidance of doubt, none of the Trustee, the Arranger, the Portfolio Manager, any other Agent appointed by the Issuer or any other person has any obligation to any Noteholder for payment of any amount by the Issuer in respect of the Notes. There is no person that guarantees to Noteholders that they will recover any amounts payable under the Notes.**

The ability of the Issuer to meet its obligations in respect of the Notes will be dependent on the receipt by the Issuer of moneys due to it under the Charged Assets. The Noteholders shall have no recourse to the Issuer beyond the moneys derived by or on behalf of the Issuer in respect of the Charged Assets. To the extent that investment by the Issuer in the Charged Assets held by the Issuer results in such investment being less than the obligations of the Issuer under the Notes, the Issuer will have insufficient funds available to meet its obligations in respect of the Notes. In such event, any shortfall would be borne by the Noteholders in accordance with the priorities specified in the Conditions. See 'Nature of the investment' below.

For the avoidance of doubt, Notes are not, and do not represent or convey any interest in the Charged Assets nor do they confer on the Noteholder any right (whether in respect of voting,

dividend or other distribution) which a holder of any Charged Assets may have had. The Issuer is not an agent of the Noteholder for any purpose.

Liability for the obligations of other Series

The Issuer has undertaken not to incur any obligations with respect to any other Series of Notes unless recourse in respect of such obligations is limited to the proceeds of enforcement of the Security over the assets of the Issuer on which such obligations are secured (which assets shall exclude the Mortgaged Property securing any other Series of Notes). Nevertheless, to the extent there are any creditors with respect to a Series of Notes whose recourse is not so limited Noteholders may be exposed to risks incurred for the account of other Series.

3.3 Risks relating to the Notes

Nature of the investment

These Notes are not principal protected and are a high-risk investment in the form of a debt instrument. The Noteholders are neither assured of repayment of the capital invested nor are they assured of payment of a stated rate of interest or of any interest at all. The Notes give Noteholders exposure to the Series Assets, see "*Information relating to the Charged Assets*" below.

Any payments to be made on the Notes depend on the value of the Charged Assets held by the Issuer, which is the value of the amounts received by the Issuer in respect of the Charged Assets. Should the Charged Assets decrease in value, Noteholders will incur a partial or total loss of their investment. Even if the Charged Assets increase in value, Noteholders may incur a partial or total loss of their investment to the extent that the appreciation of the Charged Assets is not sufficient to account for fees, costs and expenses of the Issuer.

In certain circumstances, described in the Conditions of the Notes, the Notes will be redeemed early pursuant to a Mandatory Redemption Event, or an Additional Mandatory Redemption Event or Optional Redemption and Noteholders shall be entitled to receive only such amount as is available following the sale, redemption or other means of realisation of the Charged Assets, subject to the provisions of the Notes described under 'Limited recourse' above.

In general, redemption payments to be made on the Notes are calculated with reference to the value of the Charged Assets. However, if and to the extent that the amount payable by the Issuer in accordance with the Notes to the Noteholders is greater than the amount received by the Issuer in respect of the redemption of the Charged Assets, the Noteholder shall be entitled to receive only its pro rata share of such amount as is received by the Issuer under the Charged Assets after deduction of any applicable costs and expenses.

Change of law, tax and administrative practice

The structure of the transaction and, *inter alia*, the issue of the Notes are based on law, tax and administrative practice in effect at the date hereof, and having due regard to the expected tax treatment of all relevant entities under such law and practice. No assurance can be given that law, tax or administrative practice will not change after the Issue Date or that such change will not adversely impact the structure of the transaction and the treatment of the Notes.

Fees

In addition to the fees due to the Trustee and any Agents, and any other transaction related fees incurred by the Issuer in respect of the issuance of the Notes, the amounts payable under the Notes are based on the performance of the Charged Assets after deduction of certain fees, which is further described in Special Condition 5.7.5 of the Notes. The fees may be applied in calculating the value of the Portfolio and therefore may result in a reduction in the value of the Notes.

In connection with the offer and sale of the Notes, the Arranger or any of its associated companies may, directly or indirectly, pay fees in varying amounts to third parties or, as the case may be, receive fees (including but not limited to distribution fees and retrocessions) in varying amounts, including, from third parties (which may include any Transaction Participants as defined below). Each Noteholder acknowledges that the Arranger or any of its associated companies may retain all or part of such fees.

Foreign exchange risk

The Notes are denominated in USD. The Charged Assets may be denominated in US dollars, euros, or any other currencies. The Issuer will effect foreign exchange transactions to convert amounts received in respect of the Charged Assets into USD in order to meet its payment obligations under the Notes. In order to mitigate the foreign exchange risk the Portfolio Manager may on behalf of the Issuer enter into foreign exchange hedging transactions with such banks and other providers of treasury products ("**Derivatives Counterparties**") as may in the sole discretion of the Issuer or the Portfolio Manager be appropriate given the Charged Assets and the obligations of the Issuer under the Notes. Accordingly, the Issuer and the Noteholders may be exposed to credit risk of such Derivatives Counterparties providing foreign exchange hedging to the Issuer.

Optional Redemption by the Issuer

Investors in the Notes should be aware that the Issuer has the option to, and shall if given notice by the Arranger, redeem any amount of the Notes at their Early Redemption Amount on the Optional Redemption Payment Date, subject to the notice requirements set out in the Conditions. Such notice may only be revoked by the Issuer at any time prior to the Optional Redemption Date with the consent of the Trustee in accordance with the Conditions.

Restrictions on Transfer

The Notes are subject to restrictions on transfer, as described in the 'Subscription and Sale" section of the Programme Memorandum and 'Selling Restrictions" section of this Series Memorandum. In particular, the Notes have not been registered under the Securities Act, under any US state securities or 'Blue Sky' laws or under the securities laws of any other jurisdiction and are being issued and sold in reliance upon exemptions from registration provided by such laws. No Note may be sold, assigned, participated, pledged or transferred unless such sale, assignment, participation, pledge or transfer (a) is exempt from the registration requirements of the Securities Act (for example, the exemption provided by Rule 144A under the Securities Act or the exemption provided by Regulation S under the Securities Act and applicable state securities laws) and (b) is in compliance with the transfer restrictions and certification requirements described in the "Subscription and Sale" section of the Programme Memorandum and the "Selling Restrictions" section of this Series Memorandum.

Arranger default

The Notes will be redeemed if the Arranger is dissolved or becomes unable to perform its obligations in relation to the Notes unless a substitute arranger (the "**Substitute Arranger**") is appointed by the Issuer within 90 days of such event.

Payments

Payments under the Notes will only be made after receipt of the Realisable Value by the Issuer. The date of payment of the redemption amount under the Notes is therefore not fixed. Payment of redemption amounts under the Notes depends on the realisation of or the liquidation of the Charged Assets. It may take a considerable period of time to redeem the Charged Assets, in particular in the case of a redemption pursuant to an Early Redemption. Noteholders may only receive payment of the relevant redemption amount under the Notes significantly later than the specified redemption date of the Notes.

Liquidity

No secondary market for the Notes currently exists. Prospective purchasers of the Notes should therefore recognise that they may not be able to liquidate their investment in the Notes. Investment in the Notes is therefore only suitable for investors who are capable of bearing the economic risk of an investment in the Notes for an indefinite period of time and are not acquiring the Notes with a view to a potential resale, distribution or other disposition at some future date.

Application has been made to list the Notes on the Third Market of the Vienna Stock Exchange. Listing is expected to take place on or about the Issue Date but no assurance can be given that such application will be granted. Even if the Notes are listed, there is no assurance that a secondary trading market or liquidity will develop.

Extended Maturity Date

The term of the Notes may be extended for further periods of up to ten (10) years, provided that, at the request of the Issuer, the Calculation Agent, on behalf of the Issuer, has given a notice (the "**Extension Notice**") to the Trustee, the Principal Paying Agent and the Noteholders not less than one (1) calendar month prior to the Maturity Date or the Extended Maturity Date if applicable, stating that such extension shall take place in respect of the Notes. If no Extension Notice, or no further Extension Notices (if applicable) are delivered by the Calculation Agent, the Notes shall be redeemed on the Maturity Date or on the date stated in the final Extension Notice (such date being the "**Extended Maturity Date**").

Market and legal risk

The Notes will constitute secured, limited recourse obligations of the Issuer, recourse in respect of which will, in effect, be limited to the proceeds of the Mortgaged Property (which principally comprises the Charged Assets) relating to the Notes and no other assets of the Issuer will be available to satisfy claims of Noteholders. The Issuer's obligations to the Noteholders are solely funded by, and primarily secured on, the Charged Assets. Therefore, to the extent that the value of the Charged Assets falls, payment under the Charged Assets is not made, the Charged Assets cannot be sold or if the relevant security arrangements would not be enforceable, a loss of principal or interest or both under the Notes will result. Noteholders therefore assume the market and legal risk of the Charged Assets.

None of the Transaction Participants (as defined below but excluding the Portfolio Manager) nor any affiliate of any of them or other person on their behalf has made any investigation of, or makes any representation or warranty, express or implied, as to the standing or suitability of the Portfolio Manager or the financial or other condition of the Charged Assets.

None of the Issuer, the Arranger, the Trustee, the Principal Paying Agent, the Administration Agent, the Charged Assets Realisation Agent, the Calculation Agent, the Placing Agent, the Portfolio Manager or any other Agent (together, the "**Transaction Participants**") nor any affiliate of any of them (or any person on their behalf) assume any responsibility vis-à-vis the Noteholders for the economic success or lack of success of an investment in the Notes, or the performance, the value or terms of the Charged Assets. No Transaction Participant will have any responsibility or duty to make any such investigations, to keep any such matters under review, to provide the Noteholders, or prospective purchasers of the Notes, with any information in relation to such matters or to advise as to the attendant risks.

Independent review and advice

Each prospective purchaser of Notes must determine, based on its own independent review and such legal, financial and tax advice as it deems appropriate under the circumstances, that its acquisition of the Notes (i) is fully consistent with its financial needs, objectives and condition, (ii) complies and is fully consistent with all investment policies, guidelines, authorisations and restrictions (including as to its capacity) applicable to it, (iii) has been duly approved in accordance with all applicable laws and procedures and (iv) is a fit, proper and suitable investment for it, undertaken for a proper purpose.

Legality of purchase

None of the Transaction Participants or any affiliate of any of them or other person on their behalf has or assumes responsibility for the lawfulness of the acquisition of the Notes by a prospective purchaser of the Notes, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective purchaser with any law, regulation or regulatory policy applicable to it.

No reliance

The Transaction Participants and all affiliates of any of them disclaim any responsibility to advise purchasers of the Notes of the risks and investment considerations associated with the purchase of the Notes as they may exist at the date hereof or from time to time hereafter.

No restrictions on activities

Any of the Transaction Participants and any affiliate of any of them or other person on their behalf may have existing or future business relationships (including depository, lending, advisory or any other kind of commercial or investment banking activities or other business) with any of the other Transaction Participants and any affiliate of any of them or other person on their behalf and may purchase, sell or otherwise deal in any assets or obligations of, or relating to, any such party. Any of the Transaction Participants and any affiliate of any of them or other person on their behalf may act with respect to any such business, assets or obligations without regard to any possible consequences for the Issuer, the Notes or any Noteholder (or the impact of any such dealing on the interests of any Noteholder) or otherwise.

Provision of information

Any of the Transaction Participants or any affiliate of any of them or any other person acting on their behalf may at the date hereof or at any time hereafter be in possession of information in relation to the other Transaction Participants or any affiliate of any of them or any other person acting on their behalf or on behalf of the Charged Assets (which may or may not be publicly available or confidential). None of such persons shall be under any

obligation to make any such information available to Noteholders or any other party other than as provided in the Conditions of the Notes.

Taxation

Each Noteholder will assume and be solely responsible for any and all taxes of any jurisdiction or governmental or regulatory authority, including, without limitation, any state or local taxes or other like assessment or charges that may be applicable to any payment to it in respect of the Notes. Neither the Issuer nor any other person will pay any additional amounts to the Noteholders to reimburse them for any tax, assessment or charge required to be withheld or deducted from payments in respect of the Notes by the Issuer or by the Principal Paying Agent (or any other Paying Agent).

Legal opinions

No legal opinions will be obtained with respect to any applicable laws, including the laws applicable to the Portfolio Manager, the laws governing the Charged Assets or as to the validity, enforceability or binding nature of the Charged Assets.

Conflict of interests

Any of the Transaction Participants or any affiliate of any of them or any other person acting on their behalf may from time to time, as principal or agent, have positions in, or may buy or sell, or make a market in any securities (including shares in a Transaction Participant), currencies, financial instruments or other assets owned by a Transaction Participant. Any trading and / or hedging activities of Transaction Participants or any affiliate of any of them or any other person acting on their behalf related to this transaction may have an impact on the price of the underlying assets.

Clearing systems

The Notes will be represented by one or more Temporary Global Notes and Permanent Global Notes. Such Global Notes will be deposited with a common depositary for Euroclear and Clearstream, Luxembourg. Except in the limited circumstances described in the relevant Global Note, investors will not be entitled to receive definitive Notes. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by one or more Global Notes, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg.

While the Notes are represented by one or more Global Notes the Issuer will discharge its payment obligations under the Notes by making payments through the Principal Paying Agent to the common depositary for Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in a Global Note must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes.

Holders of beneficial interests in the Global Notes will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg to appoint appropriate proxies.

Limitations of the ability to grant security over Notes while in global form

Because transactions in the Notes will be effected only through Euroclear or Clearstream, Luxembourg, direct or indirect participants in their respective book-entry-systems and certain banks, the ability of a Noteholder to pledge such interest to persons or entities that do not participate in the Euroclear or Clearstream systems, or otherwise to take actions in respect of such interests, may be limited due to the lack of physical security representing such interest.

3.4 Risks relating to the Charged Assets

3.4.1 Investment in the Series Assets

The Issuer intends to use the proceeds of the issuance of the Notes to invest, on or as soon as practicable following the Issue Date, in Class F1 shares (the "**Shares**") of Core Vega Fund Ltd. (the "**Company**"), a Cayman Islands exempted company incorporated on 21 December 2017 whose investment objectives are to (i) generate strong stand-alone returns and (ii) protect traditional equity, fixed-income, multi-strategy or alternative portfolios, acting as a complement to an existing portfolio.

Core Capital Management, LLC, an Illinois limited liability company, was organized on 20 November 2003 and has been appointed as the investment manager of the Fund pursuant to an investment management agreement and, in that capacity, provides investment management services to the Fund (the "**Investment Manager**"). The Investment Manager is registered as an investment adviser with the Securities and Exchange Commission (the "**SEC**"), as a commodity pool operator ("**CPO**") with the U.S. Commodity Futures Trading Commission (the "**CFTC**") and is a member of the U.S. National Futures Association (the "**NFA**").

Potential investors should note that investing in the Notes does not provide any assurance as to the nature of the Company or the Shares. For example, no assurance is provided as to (i) the constitutional documentation of the Company, (ii) any shareholders agreement or subscription agreement in place as of the Issue Date or thereafter, (iii) any ability of the Company to issue further shares (in either the same or a different class to that of the Shares; (iv) the transferability of the Shares, (v) any right to refuse registration of the Shares or (vii) any pre-emption rights in respect of the Shares. Such issues may affect the ability of the Trustee to enforce the Security and realise the Series Assets and Related Rights. Potential investors should carry out their own due diligence in this regard.

3.4.2 No Operating History of the Company

The Company has limited performance history. Noteholders may not have sufficient historical information to serve as a basis for making a more informed investment decision.

3.4.3 Redemption and Transfer of the Charged Assets

Realisation or transfer of the Charged Assets may in certain circumstances be deferred in accordance with their relevant terms. The period of deferral may be significant. Therefore in certain circumstances, including where the Security for the Notes becomes enforceable, there may be a significant delay in payments under the Notes and/or it may be impossible to transfer the Charged Assets, whether as a means of realising their value or otherwise.

Potential investors should note that the Company's directors' consent may be required to register a transfer of the Shares. Such consent requirements may affect the ability of the Trustee to enforce the Security and realise the Series Assets and Related Rights. Potential investors should carry out their own due diligence in this regard.

3.4.4 Security may be declared invalid

The Issuer will grant security interests in favour of the Trustee for itself and for the benefit of the Noteholders in the Mortgaged Property pursuant to the Trust Deed and the Charging Instrument (as defined below). However, if the security interest of the Trustee in the Mortgaged Property was determined to be invalid or unperfected, Noteholders would be unsecured creditors and would rank on a pari passu basis with other unsecured creditors (if any) of the Issuer. Each of the foregoing factors may delay or reduce investors' return on their Notes and investors may suffer a loss (including a total loss) on their investment.

3.4.5 Not a bank deposit

Any investment in the Notes does not have the status of a bank deposit in Ireland and is not within the scope of the deposit protection scheme operated by the Central Bank of Ireland. The Issuer is not regulated by the Central Bank of Ireland by virtue of the issue of the Notes.

3.4.6 Lack of diversification

The Issuer may only invest in one asset, being the Shares. To the extent all the assets relating to the Notes are represented by one type or class of asset, such asset or class of asset may be more susceptible to a single adverse economic or regulatory occurrence, and lead to greater fluctuations in the value of Notes than may have been the case when investing in a diversified pool of assets.

3.4.7 Partial Interest in the Company

Please note that the Series Assets do not comprise 100% of the issued share capital of the Company nor is the Company prohibited from issuing further shares.

3.4.8 Security for the Notes

The Issuer has granted security over the Account Bank Agreement, Unwind Account Custody Agreement and any accounts held pursuant thereto in favour of the Trustee, as security for itself and the Secured Parties, pursuant to the Programme Accounts Security Agreement in respect of the Issuer's obligations to the Trustee in respect of all Series under the ETPCAP Programme. Pursuant to a deed of confirmation, the Issuer will confirm to the Trustee that the Programme Accounts Security Agreement charges the Account Bank Agreement, Unwind

Account Custody Agreement and any accounts held pursuant thereto in favour of the Trustee in respect of the Issuer's obligations under the Series.

Monies may be held by The Bank of New York Mellon, London Branch, pursuant to the Account Bank Agreement or Unwind Account Custody Agreement to facilitate the transfer of the proceeds of the issuance of Notes to the Company for the purchase of Shares and / or payment of any Interest Amount or Redemption Amount to Noteholders. It is intended that such transfers will happen promptly however this may not always be possible and there may be a delay in respect of such transfers. Such monies may be temporarily commingled with monies attributable to other Series. While the Issuer has granted security over such monies pursuant to both the Constituting Instrument and the Programme Accounts Security Agreement in favour of the Trustee (for itself and the other Secured Parties), Noteholders should note that the commingling of such monies may have a negative effect on the Trustee's ability to enforce security over such monies.

Certain of the charges in respect of the Notes are stated to be fixed charges in nature. The essence of a fixed charge is that the person creating the charge does not have liberty to deal with the assets which are the subject matter of the security in the sense of disposing of such assets or expending or appropriating the moneys or claims constituting such assets and accordingly, if and to the extent that such liberty is given to the Issuer or any other party (for example the Portfolio Manager) any such charge may operate as a floating, rather than a fixed, charge.

3.5 Summary of Principal Underlying Investment Risks

As with any investment, you could lose all or part of your investment in the Notes, and the Notes' performance could trail that of other investments. The Notes are subject to one or more of the principal risks noted below (either directly or through its investments in Series Assets), any of which may adversely affect the Notes' Net Asset Value, trading price, yield, total return and ability to meet its investment objective.

3.5.1 Counterparty Risk

The Issuer bears the risk that the Company may default on its obligations (if any) or otherwise fail to honour its obligations to holders of Shares or under the Private Placement Memorandum. In such case the Issuer will lose money and the value of an investment in the Notes may decrease.

3.5.2 Credit Risk

The financial condition of an issuer of securities may cause it to default or become unable to pay interest or principal due or otherwise fail to perform. The Issuer cannot collect interest and principal payments on securities if the issuer defaults. While the Issuer attempts to limit credit exposure in a manner consistent with its investment objective, the value of an investment in the Notes may change quickly and without warning in response to issuer defaults and changes in the credit ratings of the Issuer's portfolio investments.

3.5.3 Emerging Markets Risk

Investing in emerging market assets involves certain risks and special considerations not typically associated with investing in other more established economies or securities markets. Such risks may include (i) the risk of nationalization or expropriation of assets or confiscatory taxation; (ii) social, economic and political uncertainty including war; (iii) dependence on exports and the corresponding importance of international trade; (iv) price

fluctuations, less liquidity and smaller capitalization of securities markets; (v) currency exchange rate fluctuations; (vi) rates of inflation (including hyperinflation); (vii) controls on foreign investment and limitations on repatriation of invested capital and on the Issuer's ability to exchange local currencies for U.S. dollars; (viii) governmental involvement in and control over the economies; (ix) governmental decisions to discontinue support of economic reform programs generally and to impose centrally planned economies; (x) differences in auditing and financial reporting standards which may result in the unavailability of material information about issuers; (xi) less extensive regulation of the securities markets; (xii) longer settlement periods for securities transactions in emerging markets; (xiii) less developed corporate laws regarding fiduciary duties of officers and directors and the protection of investors; (xiv) certain considerations regarding the maintenance of portfolio securities and cash with non-U.S. subcustodians and securities depositories; and (xv) overall greater volatility. See also 9.1.1 below.

3.5.4 Investment Risk

As with all investments, an investment in the Notes is subject to investment risk. Noteholders could lose money, including the possible loss of the entire principal amount of an investment, over short or long periods of time.

3.5.5 Liquidity Risk

The Shares are an illiquid investment. In the event that the Issuer defaults or the Notes are subject to redemption there is no assurance that the Shares can be sold such that value can be realised for investors.

3.5.6 Management Risk

The Portfolio is actively managed by the Portfolio Manager using proprietary investment strategies and processes. There can be no guarantee that these strategies and processes will be successful or that the Portfolio Manager will achieve its investment objective.

3.5.7 Market Trading Risk

The Issuer faces numerous market trading risks, including the potential lack of an active market for the Notes, losses from trading in secondary markets and periods of high volatility. ANY OF THESE FACTORS, AMONG OTHERS, MAY LEAD TO THE NOTES TRADING AT A PREMIUM OR DISCOUNT TO NET ASSET VALUE.

AS WITH ANY INVESTMENT YOU COULD LOSE ALL OR PART OF YOUR INVESTMENT IN THE NOTES AND THE NOTES' PERFORMANCE COULD TRAIL THAT OF OTHER INVESTMENTS. YOUR ATTENTION IS DRAWN TO THE PRIVATE PLACEMENT MEMORANDUM AS DEFINED BELOW AND ATTACHED AS APPENDIX OR APPENDIXES TO THIS SERIES MEMORANDUM. IN PARTICULAR PROSPECTIVE INVESTORS SHOULD NOTE THE SECTION OF THE PRIVATE PLACEMENT MEMORANDUM ENTITLED "CERTAIN RISK FACTORS". PROSPECTIVE INVESTORS SHOULD NOT INVEST IN THE NOTES WITHOUT TAKING INDEPENDENT ADVICE ON THE RISKS SET OUT THEREIN.

THE CONSIDERATIONS SET OUT ABOVE ARE NOT, AND ARE NOT INTENDED TO BE, A COMPREHENSIVE LIST OF ALL CONSIDERATIONS RELEVANT TO A DECISION TO PURCHASE OR HOLD ANY NOTES. THE ATTENTION OF INVESTORS IS ALSO DRAWN TO THE SECTIONS HEADED 'RISK FACTORS' IN THE PROGRAMME MEMORANDUM.

4 CONDITIONS OF THE NOTES

The Noteholders should note that words and expressions not otherwise defined below shall have the meanings respectively ascribed to them by Special Condition 5.1 (Definitions). The Master Definitions (2018 Edition) will apply for the purposes of interpretation of these terms and conditions and the Conditions except as expressly provided therein or the context otherwise requires.

The Notes shall have the following terms and conditions which shall complete, modify and amend the Master Conditions (2018 Edition), which shall apply to the Notes as so completed, modified and amended. References to "**Conditions**" or "**Condition**" shall mean references to the Conditions of the Notes as modified herein.

The Issuer intends that any Further Notes (as defined herein) shall (save in respect of the relevant issue date) have the same Conditions as, and form a single Series with, the Notes of this Series.

Programme:	ETPCAP Programme
Series:	Core Vega Long Volatility Multi Manager Fund (Series 183) Notes due 2028
Series Number:	183
Tranche Number:	1
ISIN Code:	XS1825894386
Common Code:	182589438
Delivery:	Issue Agent shall deliver notes to the Issuer in free of payment form prior to the subscription by Noteholders.

Issue Date:	25 July 2018
Maturity Date:	24 July 2028
Extended Maturity Date:	See Special Condition 5.10 (Extended Maturity Date)
Principal Amount:	USD 20,000,000
Currency:	USD
Authorised Denomination:	USD 1,000, provided that the minimum principal amount of Notes which an investor may subscribe for is USD 50,000.
Initial Subscription Price:	100%
Subscription Price:	NAV per Note or such other price as may be determined by the Calculation Agent

Issuer:	ETPCAP Designated Activity Company
Arranger:	FlexFunds LTD
Placing Agents:	GWM Group, Inc. and GWM LTD
Issuer:	ETPCAP Designated Activity Company
Trustee:	Intertrust Trustees Limited

Portfolio Manager:	Harbor Ithaka WM, LLC
Calculation Agent:	FlexFunds ETP, LLC
Charged Assets Realisation Agent:	FlexFunds LTD
Issue Agent:	The Bank of New York Mellon, London branch
Principal Paying Agent:	The Bank of New York Mellon, London branch

Status of the Notes:	Secured and limited recourse obligations of the Issuer ranking pari passu without any preferences amongst themselves secured as set out under "Security" below and subject to the priority set out under "Priority" below.
Priority:	Counterparty Priority applies.
Type of Note:	Variable Coupon Note
Interest Period:	As regards the first interest period, the period from and including the Issue Date to and excluding the first Interest Determination Date and as regards all subsequent interest periods the period from and including an Interest Determination Date to and excluding the next Interest Determination Date or to and including, as applicable, the Maturity Date, the Extended Maturity Date or any Early Redemption Date, as applicable.
Interest Determination Date:	Any Business Day at the discretion of the Portfolio Manager, Calculation Agent, or the Issuer following receipt of a dividend, distribution or similar payment in respect of the Series Assets.
Interest Rate:	The Notes shall receive a total return based on the performance of the Portfolio during the Interest Period.
Interest Amount:	The amount determined by the Calculation Agent being: 1. the Distribution Proceeds; less 2. any costs, expenses, taxes and duties incurred in connection with the receipt of such revenue; and 3. subject to deduction of any outstanding fees pursuant to Special Condition 5.7.5 (Fees).
Interest Payment Dates:	Any Business Day not less than 5 but no later than 10 Business Days following an Interest Determination Date.
Listing:	An application has been made for admission of the Notes to the official list of the Third Market of the Vienna Stock Exchange. Such listing is expected to take place on or about the Issue Date however no assurance is given that approval of such application will be granted.
Selling Restrictions:	The Notes will not be offered to the public in any jurisdiction. See *'Selling Restrictions'* below and in the Programme Memorandum.

Form of Notes:	Bearer Notes
The Notes will initially be represented by:	Temporary Global Note.
Applicable TEFRA exemption:	D Rules
Exchange of Temporary Global Note or Permanent Global Note:	The Temporary Global Note or, as the case may be, Permanent Global Note will be exchangeable, in whole but not in part, for a definitive Bearer Note if: 1. Euroclear or Clearstream, Luxembourg or any other clearing system in which the Permanent Global Note or, as the case may be, Temporary Global Note is for the time being deposited terminates its business and no alternative clearing system, satisfactory to the Trustee and the Principal Paying Agent is available; or 2. the Notes become due and payable in accordance with Condition 4 (Events of Default) and payment is not made on due presentation of the Temporary Global Note or, as the case may be, Permanent Global Note for payment.
Business Day Convention:	Following Business Day Convention applies.
Redemption Amount:	Unless previously redeemed the Notes will be redeemed by a payment in respect of each Note on the Final Maturity Payment Date of an amount in USD equal to the Redemption Amount. The Final Maturity Payment Date may be significantly later than the Maturity Date or Extended Maturity Date. See Special Condition 5.3 (Redemption Amount)
Early Redemption Amount:	See Special Condition 5.4 (Early Redemption Amount)
Optional Redemption and Purchase:	See Special Condition 5.5 (Optional Redemption and Purchase)
Mandatory Redemption:	See Special Condition 5.6 (Mandatory Redemption)
Reports, calculations, determinations and notifications:	The Arranger will publish a summary of the NAV Report received from the Calculation Agent on Bloomberg and will disseminate the NAV to SIX Financial Information USA Inc. and to the Vienna Stock Exchange. See Special Condition 5.6.1(A) (Reports, calculations, determinations and notifications)
Fees:	The amounts payable under the Notes are based on the performance of the Charged Assets after deduction of fees due to the Portfolio Manager. Such fees are in addition to the fees due to the Trustee, the Arranger and any Agents, and any other transaction related fees incurred by the Issuer

	in respect of the issuance of the Notes. All fees are payable prior to any amounts being payable in respect of the Notes to any Noteholders. The fees will be applied in calculating the value of the Portfolio and therefore will result in a reduction in the value of the Notes (unless otherwise satisfied). See Special Condition 5.7.5 (Fees)
Further Issues:	See Special Condition 5.9 (Further Issues)
Governing Law:	The Notes and any dispute or claim arising out of or in connection with them (including non-contractual obligations, disputes or claims) shall be governed by and construed in accordance with Irish law. The courts of Ireland shall have non-exclusive jurisdiction in respect of any dispute. The Cayman Islands Security is governed by Cayman Islands law and the Cayman Islands Courts may have jurisdiction over any dispute or enforcement proceedings relating thereto.

Portfolio Management	
Portfolio Manager:	Harbor Ithaka WM, LLC
Portfolio Management Agreement:	The terms and conditions of the appointment of the Portfolio Manager are set out in the Portfolio Management Agreement. *See "Information relating to the Portfolio Management Agreement" below.*
Investment Objective:	The Portfolio Manager, in accordance with the terms of the Portfolio Management Agreement, shall be obliged to use all reasonable endeavours, in the course of carrying out such obligations, to pursue any investment strategy that it deems fit to maximise the total returns achieved by the Portfolio.
Management Criteria:	The Portfolio Manager will seek to achieve the Investment Objective through the Investment Strategy and Management Criteria as set out in the Portfolio Management Agreement.

Series Assets:	
Series Assets:	(i) The Shares, (ii) the Cash Reserve Account and any sums standing to the credit thereof; and (iii) any and all investments, agreements, contracts, shareholder and/or partnership interests acquired by the Issuer in relation to the Notes and any and all related investments, monies, credit balances, assets or related contracts, trading positions, any sums standing to the credit of a deposit account (if any) or beneficial interests in any assets, to the extent any of the foregoing is: (i) held, carried and / or maintained by the Issuer, the

	Trustee and / or any of the Agents, in relation to the Notes, (ii) established, agreed or obtained by the Issuer in relation to the Notes; or (iii) established, agreed, obtained by or in possession or control of the Portfolio Manager in relation to the Notes, pursuant to the Portfolio Management Agreement, for any purpose, including for safekeeping.

Security	
Charged Assets:	The Charged Assets shall be (i) the Series Assets and (ii) the Related Rights.
Related Rights:	All rights of the Issuer derived from or connected to the Series Assets including, without limitation, any rights to receive additional shares or other securities, assets or rights or any offers in respect thereof (whether by way of bonus issue, option rights, exchange, substitution, conversion or otherwise) or to receive monies (whether by way of redemption, return of capital, interest, dividend, distribution, income or otherwise) in respect of the Series Assets.
Charging Instrument:	Pursuant to a pledge in respect of the Series Assets entered into between the Issuer and the Trustee dated on or about the date of the purchase of the relevant Charged Assets the Issuer will grant in favour of the Trustee, as security for itself, and the Secured Parties, a security interest governed under the laws of the Cayman Islands over the Issuer's interest in the Charged Assets from time to time (such security, the "**Supplemental Cayman Islands Security**" or the "**Charging Instrument**").

5 SPECIAL CONDITIONS OF THE NOTES

5.1 Definitions

Words set out in italics in these Conditions do not form part of the definitions for the purpose of the Constituting Instrument and the documents constituted thereby. In the event of a conflict between the Conditions and the Special Conditions, the Special Conditions shall prevail.

"**Account Bank Agreement**" means the account bank agreement dated 4 April 2018 as amended and restated on 13 July 2018 between the Issuer, the Trustee and The Bank of New York Mellon, London branch as the same may be amended, restated, amended and restated, novated, varied, supplemented, substituted, assigned, extended or otherwise replaced or redesignated from time to time;

"**Arranger Default**" means if any of the following events occur (in the sole discretion of the Issuer) in respect of the Arranger and a substitute arranger is not appointed (such appointment to be approved in writing by the Trustee provided that the approval shall not be unreasonably withheld or delayed) is not made within 90 days of the occurrence of the relevant event. If the Arranger:

1. is dissolved (other than pursuant to a consolidation, amalgamation or merger);

2. becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due;

3. makes a general assignment, arrangement or composition with or for the benefit of its creditors;

4. (A) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official, or (B) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in clause (A) above and either (I) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (II) is not dismissed, discharged, stayed or restrained in each case within 15 days of the institution or presentation thereof;

5. has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger);

6. seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets;

7. has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 15 days thereafter;

8. causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (i) to (vii) above (inclusive);

9. takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts; or

10. becomes unable to, or fails to within 10 days of receiving notice form the Trustee or the Issuer, perform its duties under the Notes;

"**Cash Reserve Account**" means a United States dollar denominated interest bearing account in the name of the Issuer with The Bank of New York Mellon, London branch;

"**Company**" means Core Vega Fund Ltd.

"**Distribution Proceeds**" means the proceeds of a dividend, interest payment or other distribution in respect of the Charged Assets or the proceeds from a winding up, redemption, buy-back or liquidation of less than all of the Shares provided that, for the avoidance of doubt any amount realised from liquidation of the Charged Assets pursuant to an optional redemption shall not form part of the Distribution Proceeds;

"**Early Redemption Date**" means, as applicable, the Optional Redemption Date or the date specified in the notice given pursuant to a Mandatory Redemption Event, Additional Mandatory Redemption Event or Event of Default;

"**Early Redemption Payment Date**" means five (5) Business Days following the day that the Issuer receives the aggregate Realisable Value pursuant to Special Condition 5.4 (Early Redemption Amount). The Early Redemption Payment Date may be significantly later than the Early Redemption Date. See "*Risk Factors – Payments*".

"**ETPCAP Programme**" means the EUR 5,000,000,000 Secured Note Programme of the Issuer;

"**Final Maturity Payment Date**" means five (5) Business Days following the day that the Issuer receives the aggregate Realisable Value pursuant to Special Condition 0 (Redemption Amount). The Final Maturity Payment Date may be significantly later than the Maturity Date or the Extended Maturity Date, as applicable. *See* '*Risk Factors – Payments*';

"**NAV per Note**" means the aggregate Net Asset Value of the Portfolio divided by the total number of Notes subscribed for;

"**NAV Report**" means a report provided to the Issuer and the Arranger by the Calculation Agent setting out the calculation of the Net Asset Value of the Portfolio (net of any fees as described under Special Condition 5.7.5 (Fees);

"**NAV Calculation Date**" means the last Business Day of each calendar month;

"**NAV Report Date**" means two Business Days after each NAV Calculation Date;

"**Net Asset Value**" means, in respect of the Notes, the value for each component of the Series Assets (net of any fees as described under Special Condition 5.7.5 (Fees)), as provided by the Calculation Agent to the Issuer and the Arranger, as the case may be, on or before the NAV Report Date;

"**Net Proceeds**" means an amount determined by the Calculation Agent being the pro rata share of the Realisable Value of the Charged Assets in respect of one Note; less the pro rata share in respect of one Note of any redemption and settlement costs and expenses in respect of the Charged Assets; less the pro rata share in respect of one Note of any fees, costs or expenses owing to the Trustee and the Agents in connection with the Notes; and less the pro rata share in respect of one Note of any fees payable to, the Portfolio Manager, and the Arranger pursuant to the Conditions of the Notes and any other outstanding fees costs or expenses pursuant to the Conditions of the Notes;

"**Optional Redemption**" means a redemption of the Notes pursuant to Condition 2.5 as amended by Special Condition 5.5;

"**Portfolio**" means the Series Assets;

"**Private Placement Memorandum**" means the Private Placement Memorandum of Core Vega Fund Ltd., dated 22 March 2018, appended to this Series Memorandum.

"**Programme Accounts Security Agreement**" means the security assignment of contractual rights and charge over bank accounts dated 4 April 2018 as amended and restated on 13 July 2018 between the Issuer and the Trustee as the same may be amended, restated, amended and restated, novated, varied, supplemented, substituted, assigned, extended or otherwise replaced or redesignated from time to time;

"**Realisable Value**" means an amount determined by the Calculation Agent being the proceeds of sale or other means of realisation of the Charged Assets less any costs, expenses, taxes and duties incurred in connection with the disposal or transfer of the Charged Assets by the Charged Assets Realisation Agent;

"**Redemption Amount**" means an amount equal to the greater of (i) zero and (ii) the Net Proceeds;

"**Security**" means (i) the security constituted by the Trust Deed entered into by the execution of the Constituting Instrument, (ii) the Charging Instrument and (iii) the Programme Accounts Security Agreement; and

"**Share Pledge**" means the equitable share mortgage in respect of the Class F1 shares of Core Vega Fund Ltd.; and

"**Unwind Account Custody Agreement**" means the unwind account custody agreement dated 4 April 2018 as amended and restated on 13 July 2018 between the Issuer, the Trustee and The Bank of New York Mellon, London branch as the same may be amended, restated, novated, varied, supplemented, substituted, assigned, extended or otherwise replaced or redesignated from time to time.

5.2 Interest

5.2.1 Condition 1 (Interest) shall apply to the Notes read with this Special Condition 5.2 (Interest).

5.2.2 The Calculation Agent will, on or as soon as practical after each Interest Determination Date, determine the Interest Rate and calculate the Interest Amount for the relevant Interest Period. The Calculation Agent shall inform the Trustee, the Issuer, the Portfolio Manager, the Principal Paying Agent and each of the Paying Agents of the amount payable and interest shall be paid in accordance with the Conditions and the Agency Agreement.

5.3 Redemption Amount

5.3.1 The Redemption Amount of the Notes shall be determined in accordance with Condition 2.4 (Redemption Amount of Notes) read with this Special Condition 5.3 (Redemption Amount).

5.3.2 Unless previously redeemed or purchased, each Note will be redeemed by a payment in respect of each Note of the Redemption Amount on the

Final Maturity Payment Date save where Notes are redeemed pursuant to Condition 2.4.6.

5.3.3 Any funds standing to the credit of the Cash Reserve Account after the deduction of any fees, costs or expenses owing to the Trustee, the Arranger and the Agents in connection with the Notes shall be payable on the Final Maturity Payment Date.

5.3.4 No interest or other amount shall accrue or be payable in respect of the Notes in respect of the period from and including the Maturity Date or, as applicable, the Extended Maturity Date, to and including the Final Maturity Payment Date.

5.4 Early Redemption Amount

5.4.1 The Early Redemption Amount of the Notes shall be determined in accordance with Condition 2.4 (Redemption Amount of Notes) read with this Special Condition 5.4 (Early Redemption Amount).

5.4.2 In the event of:

(A) the Notes becoming due and payable pursuant to Condition 2.2 (Mandatory Redemption) the Charged Assets Realisation Agent shall, on behalf of the Issuer sell or procure the sale or other means of realisation of the Charged Assets and the applicable amount payable in respect of each Note will be the pro rata share of the Net Proceeds of such sale or other means of realisation; or

(B) any Notes becoming due and payable pursuant to an Optional Redemption, the Charged Assets Realisation Agent shall, on behalf of the Issuer sell or procure the sale or other means of realisation of the applicable amount of Charged Assets and the applicable amount payable in respect of each Note will be the pro rata share of the Net Proceeds of such sale or other means of realisation (provided that the Early Redemption Amount payable to Noteholders following a redemption pursuant to Condition 2.5.1 (Optional Redemption by the Noteholder) shall be subject to deduction of the Noteholder Optional Redemption Deduction Amount specified in Special Condition 5.5.2 (Optional Redemption by the Noteholder); or

(C) redemption of the Notes pursuant to Condition 4 (Events of Default) the applicable amount payable in respect of each Note shall be the amount available by applying the portion available to the Noteholders pursuant to Condition 3.3 (Application) of the Net Proceeds of enforcement of the security in accordance with Condition 3 (Security) pari passu and rateably between the Notes,

(such amount being the "**Early Redemption Amount**" and the term "**Redemption Amount**" includes the Early Redemption Amount).

5.4.3 Redemption of the Notes at their Early Redemption Amount shall not constitute an Event of Default.

5.4.4 The Early Redemption Amount will be paid on the Early Redemption Payment Date.

5.4.5 No interest or other amount shall accrue or be payable in respect of the Notes in respect of the period from and including the Early Redemption Date to and including the Early Redemption Payment Date.

5.5 Optional Redemption and Purchase

5.5.1 Optional Redemption by the Issuer

Condition 2.5.2 (Optional Redemption by the Issuer) shall apply to the Notes read with this Special Condition 5.5.1 (Optional Redemption by the Issuer). The Issuer subject to compliance with all relevant laws, regulations and directives:

(A) may, on giving not more than 60 nor less than 15 Business Days' notice to the Trustee and the Noteholders in accordance with Condition 7; or

(B) shall, at any time after receipt of a notice from the Arranger,

(such notice an "**Optional Redemption Notice**") redeem any amount of the Notes at their Early Redemption Amount on the date specified in such notice (the "**Optional Redemption Date**") provided that the Early Redemption Amount shall be payable on the Optional Redemption Payment Date.

Notice given by the Issuer to redeem Note(s) pursuant to this Special Condition may not be withdrawn (save with the prior written consent of the Trustee) and the Issuer shall be bound to redeem the Note(s) in accordance with the notice, this Special Condition and the Constituting Instrument.

In the case of a partial redemption of Notes, when the Notes are represented by a Global Note, if a partial redemption is to be effected by selection of whole Notes, the Notes to be redeemed will be selected in accordance with the rules of the Clearing System or in accordance with the rules and procedures established from time-to-time by such person or, if a partial redemption of Notes is to be effected by pro rata payment a portion of each Note shall be redeemed in an amount equal to the amount of funds or value of Charged Assets for redemption, as applicable, then available divided by the number of Notes then outstanding which are represented by such Global Note.

5.5.2 Optional Redemption by the Noteholder

Condition 2.5.1 (Optional Redemption by the Noteholder) shall apply to the Notes read with this Special Condition 5.5.2 (Optional Redemption by the Noteholder).

The Issuer shall, subject to compliance with all relevant laws, regulations and directives, at the option of the holder of any Note, redeem such Note on the date or dates specified below at its Early Redemption Amount together with interest accrued to the date fixed for redemption, which shall be subject to deduction of the Noteholder Optional Redemption Deduction Amount.

The Early Redemption Amount in the case of any redemption pursuant to Condition 2.5.1 (Optional Redemption by the Noteholder) payable to Noteholders shall be reduced by the Noteholder Optional Redemption Deduction Amount. An amount equal to the Noteholder Optional Redemption Deduction Amount shall be deposited by the Issuer into the Cash Reserve Account within five Business Days of the date on which Notes are redeemed pursuant to Condition 2.5.1 (Optional Redemption by the Noteholder).

The Portfolio Manager may instruct the Issuer to use the Noteholder Optional Redemption Deduction Amount to invest in further Shares of the Company, provided the Calculation Agent is satisfied that the remaining balance is sufficient to cover payment of present and future fees in relation to the Notes as more particularly set out in Special Condition 5.8 below.

Any optional redemption shall be subject to sufficient liquidity in the Charged Assets to fund such redemption, as determined by the Calculation Agent.

To exercise such option the holder must deposit the relevant Note with any Paying Agent at their respective specified offices, together with a duly completed notice of Redemption ("**Redemption Notice**" which shall specify the Optional Redemption Date) in the form obtainable from any Principal Paying Agent not more than 360 nor less than 120 days prior to the Noteholder Redemption Date and provided that, in the case of any Note represented by a Global Note registered in the name of a nominee for a Clearing System, the Noteholder must deliver such Redemption Notice together with an authority to the Clearing System (in each case, as appropriate) to debit such Noteholder's account accordingly. No Note (or authority) so deposited may be withdrawn (except as provided in the Constituting Instrument) without the prior written consent of the Issuer.

For the purposes of this Special Condition 5.5.2:

"**Noteholder Optional Redemption Deduction Amount**" means an amount equal to 2.00% of the applicable Early Redemption Amount.

"**Noteholder Redemption Date**" means a date falling on the last Business Day of each calendar quarter of each year that the Notes remain outstanding, commencing on and from the first anniversary date of the Issue Date. For the avoidance of doubt, Noteholders shall have no right to exercise an optional redemption prior to 31 May 2019.

5.5.3 **Optional Purchase**

Condition 2.5.4 (Optional Purchase) shall apply to the Notes read with this Special Condition 5.5.2 (Optional Purchase). The Issuer at any time after receipt of a notice from the Arranger specifying the number of Notes to be purchased and details of the Noteholder(s) from whom the relevant Notes are to be purchased (such notice an "**Optional Purchase Notice**"), subject to compliance will all relevant laws, regulations and directives shall purchase such Notes in accordance with Condition 2.6 (Purchase).

In determining what proportion of Charged Assets corresponds to the proportion of Notes to be purchased, the Issuer shall be entitled to rely on advice given to it by the Calculation Agent. The Issuer has absolute discretion to designate which Series Assets to select in order to fulfil its obligations pursuant to Condition 2.5.4 (Optional Purchase) as hereby amended.

5.6 Mandatory Redemption

5.6.1 Condition 2.2. (Mandatory Redemption) shall apply to the Notes read with this Special Condition 5.6 (Mandatory Redemption). Each of the following shall be Additional Mandatory Redemption Events for the purposes of Condition 2.2.2:

(A) the Issuer (in its sole discretion) determines that an Arranger Default has occurred; or

(B) (i) a compulsory redemption (howsoever described) of the Charged Assets; or (ii) a distribution or return of capital and / or assets to holders of the Charged Assets following the winding up, redemption, buy-back or liquidation of all of the Shares; or

(C) Core Vega Fund Ltd. or the Portfolio Manager fail to comply in any material respect with the Private Placement Memorandum, including but not limited to the failure to provide when due any financial statement, impairment assessment report or independent audit confirmation**.**

5.7 Reports, calculations, determinations and notifications

5.7.1 Following receipt by the Arranger and the Issuer of the NAV Report from the Calculation Agent on the NAV Report Date, the Arranger will publish a summary of the NAV Report on Bloomberg and will disseminate the NAV to SIX Financial Information USA Inc. and to the Vienna Stock Exchange.

5.7.2 The NAV Report and the summary thereof will be an estimated valuation of the Series Assets and shall not be interpreted as an indication of expected redemption values of the Notes. The NAV Report and the summary thereof shall take account of any fees, expenses or charges that apply to the Notes, and is subject to amendments and / or corrections at any time without giving notice to any person.

5.7.3 Whenever any matter falls to be determined, considered or otherwise decided upon by the Calculation Agent or any other person (including where a matter is to be decided by reference to the Calculation Agent's or such other person's opinion), unless otherwise stated, that matter shall be determined, considered or otherwise decided upon by the Calculation Agent or such other person, as the case may be, in its sole and absolute discretion. The Calculation Agent has agreed in the Constituting Instrument to comply with its obligations set out in these Conditions.

5.7.4 Each Transaction Participant (other than the Calculation Agent) shall be entitled to rely on any certification, notification, calculation or determination of the Calculation Agent given or copied to it as being true and accurate for all purposes and none of them shall be obliged to make any investigation or enquiry into any such certification, notification, calculation or determination or into the basis on which such certification, notification, calculation or determination was prepared, given or made.

5.7.5 The Calculation Agent shall consider the value of Series Assets which do not have a valuation provided to remain either (i) at cost or (ii) at zero, in its sole discretion and shall not be required to modify the recorded value of such Series Assets until provided with supported valuation by Portfolio Manager and / or any agent of the Company or the Portfolio Manager. The Calculation Agent is entitled to rely on any certification, notification, calculation, determination or announcement made by or on behalf of the Portfolio Manager and / or any agent of the Company or the Portfolio Manager in connection with the Series Assets and shall not be obliged to make any investigation or enquiry into, and shall incur no liability to any person for relying on, any such certification, notification, calculation, determination or announcement reasonably believed by it to be genuine and made by or on behalf of the Portfolio Manager, the Company and/or any agent of Core Vega Fund Ltd.

5.8 Fees

In addition to the fees due to the Trustee and any Agents, and any other transaction related fees incurred by the Issuer in respect of the issuance of the Notes, as determined by the Calculation Agent, the Issuer has agreed to pay certain fees to the Portfolio Manager and the Arranger. The Portfolio Manager Fee shall be paid from the Cash Reserve Account or by the Company. In the event that such payment is not made from the Cash Reserve Account or the Company fails to make such payments the fees will be deducted from the Portfolio when determining the Redemption Amount and may also be deducted from any Interest payments made to Noteholders (if any). This may result in a decrease of (i) the Interest Amount and/or (ii) the Net Asset Value of the Portfolio.

The following fees shall be determined by the Calculation Agent as at the NAV Calculation Date and as at the date expected to be two Business Days immediately prior to the following: (i) the Final Maturity Payment Date, (ii) any Optional Redemption Payment Date or Early Redemption Payment Date or (iii) any other date on which Notes are to be redeemed (any such date, a "**Fees Determination Date**"):

(a) fees payable to the Arranger in the amount of 0.35% per annum of the Net Asset Value of the Portfolio, as at the most recent NAV Report Date, payable within ten Business Days of the end of each calendar quarter (the "**Arranger Fee**");

The Arranger Fee is subject to a minimum payment of EUR 2,000 per month.

(b) the fees payable to the Portfolio Manager pursuant to the Portfolio Management Agreement as follows ((i) and (ii) together, the "**Portfolio Management Fee**"):

(i) 0.55% per annum of the Net Asset Value of the Portfolio as at the most recent NAV Calculation Date (the "**Management Fee**"), payable within ten Business Days of the end of each calendar quarter; and

(ii) The Portfolio Manager shall receive a performance fee (the "**Performance Fee**") based on the performance of the Notes during a Performance Period (as defined below). The Performance Fee payable in respect of each Performance Period is an amount equal to 7.5% of the excess of the Adjusted NAV Per Note on the last day of the Performance Period over the High Watermark. The Performance Fee (if any) will be payable within 10 Business Days of the end of each Performance Period.

A Performance Fee may be paid on unrealised gains which may subsequently never be realised.

For the avoidance of doubt no equalisation methodology shall be employed in respect of the Performance Fee calculation.

For the purposes of the above:

"**Adjusted NAV Per Note**" means the NAV per Note before the deduction of any accrued Performance Fee.

"**High Water Mark**" means: (i) in respect of the first Performance Period the Adjusted NAV per Note on the Issue Date or (ii) in respect of all subsequent Performance Periods, the highest historical Adjusted NAV per Note on the last day of any prior Performance Period.

"**Performance Period**" means (i) in respect of the first calculation of the Performance Fee, the period beginning on the Issue Date and ending on the next following NAV Calculation Date and (ii) in respect of all subsequent calculations of the Performance Fee, the period beginning on the last day of the previous Performance Period and ending on the next following NAV Calculation Date or, in respect of the final Performance Period, the Maturity Date.

The Portfolio Manager is authorised to utilise the Management Fee in discharge of payments to third parties for services provided by such third parties to the Portfolio Manager from time to time with respect to matters identified in a fee schedule provided by the Portfolio Manager to the Calculation Agent.

The Portfolio Manager has advanced the payment of the Set-up Fee (as defined below) and will receive a monthly payment, equal to the value of the Set-up Fee amortized for six months. This will be deducted from the amount standing to the credit of the Cash Reserve Account.

The Issuer will incur fees in relation to the issuance of the Notes, which shall be paid from the Cash Reserve Account or met by the Company. In the event that the Company fails to make such payments or the payments are not paid from the Cash Reserve Account the fees will be deducted from the Portfolio when determining the Redemption Amount. Such fees will include, but shall not be limited to:

(A) any fees, costs and expenses payable by the Issuer which are directly attributable to the Notes, including:

(aa) costs incurred in connection with the issuance, listing, clearing of the Notes and / or the performance of obligations in relation thereto;

(bb) any commissions, fees, costs and expenses payable by the Issuer pursuant to the Constituting Instrument and the Series Documents as defined therein;

(cc) any fees, costs and expenses of the administrator of the Issuer payable by the Issuer or the Arranger in respect of the Notes; and

(dd) any legal fees and disbursements payable by the Issuer, the Arranger or the Trustee to Mason Hayes and Curran, A&L Goodbody or any other legal advisers to the Issuer, the Arranger or the Trustee in respect of the issuance of the Notes; and

(B) a total of USD 1,000 per annum shall be retained by the Issuer (the "**Annual Retained Amount**") in respect of all Series in issuance. A portion of the Annual Retained Amount will be attributed to this Series of Notes in an amount to be determined by the Calculation Agent acting in its sole and absolute discretion; and

(C) in relation to any realisation of the Charged Assets, all commissions, fees, charges and expenses (including, without limitation, any stamp duty, documentary or transfer or other taxes or duties payable in respect of the sale or other realisation of any such Charged Assets) incurred or payable by the Sale Agent in respect of such sale or other realisation, as certified by the Sale Agent to the Issuer and the Trustee.

Any amounts payable under the Notes are based on the performance of the Charged Assets net of the fees described above. The fees will be applied in calculating the value of the Portfolio and therefore will result in a reduction in value of the Notes.

Estimated fees include a set-up fee of €15,000 (euro).

(c) Fees payable in respect of the underlying investment

Investors in the Notes should take note of the fees payable to the Investment Manager (or its designee) and any other fees payable in respect of the underlying investment. Details of the fees payable to the Investment Manager are set out in the Core Vega Confidential Private Placement Memorandum (a copy (or copies) of which is appended to the Series Memorandum hereto).

On the Interest Determination Date, the Calculation Agent shall calculate the amount of Interest owing on the Notes and shall inform the Trustee, Principal Paying Agent and Issuer of the amount payable and interest shall be paid in accordance with the Conditions and the Agency Agreement.

5.9 Further Issues

Pursuant to Master Condition 15 (Further Issues) as amended and supplemented by this Special Condition 0 (Further Issues), the Issuer shall be at liberty to issue

Further Notes with the express intention that such Further Notes be consolidated and form a single series with the Notes (and with any subsequent Further Notes so issued) provided that the net proceeds of issue of such Further Notes shall be invested in the Shares as the Portfolio Manager may in its sole discretion determine, and such proceeds shall form part of the Portfolio the subject of management by the Portfolio Manager on or about the same date as the date on which the Further Notes are issued.

5.10 Extended Maturity Date

The term of the Notes may be extended for further periods of up to ten (10) years, provided that, at the request of the Issuer, the Calculation Agent, on behalf of the Issuer, has given a notice (the "**Extension Notice**") to the Trustee, the Principal Paying Agent and the Noteholders one (1) calendar month prior to the Maturity Date or any Extended Maturity Date, if applicable, stating that such extension shall take place in respect of the Notes. If no Extension Notice, or no further Extension Notices (if applicable) are delivered by the Calculation Agent, the Notes shall be redeemed on the Maturity Date or on the date stated in the final Extension Notice (such date being the "**Extended Maturity Date**").

5.11 Events of Default

An Event of Default under Condition 4.1.1 shall occur if (i) the Early Redemption Payment Date does not occur within 90 days of the relevant Early Redemption Date or (ii) the Final Maturity Payment Date does not occur within 90 days of the Maturity Date or Extended Maturity Date, as applicable.

5.12 Noteholder Direction

The Arranger may, in its absolute discretion, request direction to the Issuer and Trustee from the Noteholders by way of Noteholder Direction.

6 USE OF PROCEEDS

An amount equal to 97% of the net proceeds from the issue of the Notes and any Further Notes, will be invested by the Issuer in the Shares, subject to the management of the Portfolio Manager on or as soon as practical following the date on which Notes or Further Notes are subscribed for. 3% of the net proceeds from the issue of the Notes will be paid into the Cash Reserve Account.

7 INFORMATION RELATING TO THE CHARGED ASSETS

7.1.1 General

The Issuer intends to use the proceeds of the issuance of the Notes to invest, on or as soon as practicable following the Issue Date, in Class F1 shares (the "**Shares**") of Core Vega Fund Ltd. (the "**Company**"), a Cayman Islands exempted company incorporated on 21 December 2017 whose investment objectives are to (i) generate strong stand-alone returns and (ii) protect traditional equity, fixed-income, multi-strategy or alternative portfolios, acting as a complement to an existing portfolio.

The Issuer shall retain 3% of the Subscription Price, to be held in the Cash Reserve Account, and to be used to pay for any costs related to the issuance of

the Notes, and all applicable fees in relation to the Notes as more particularly set out in Special Condition 5.8.

On the Issue Date, the Original Charged Assets will consist of the interests of the Series Assets, and the Related Rights.

The Issuer may invest in new Shares from time to time from the proceeds of the Notes.

7.1.2 The Series Assets

For a detailed description of the Series Assets see the Private Placement Memorandum.

8 DESCRIPTION OF THE SECURITY ARRANGEMENTS IN RESPECT OF THE NOTES

8.1.1 Introduction

The Notes will be secured, limited recourse obligations of the Issuer. The purpose of this section is to provide further information in respect of these important features of the Notes, which are included in the Conditions. However, the following description is a summary only of certain aspects of the security arrangements and is subject in all respects to the terms of the Trust Deed and the Conditions of the Notes, of which Noteholders are deemed to have notice and by which they are bound.

The Issuer will, pursuant to the provisions of the Trust Deed, grant the security described below to the Trustee as continuing security for the payment of all sums due under the Trust Deed and the Notes. The Trustee shall hold such Security on behalf of itself, the Agents and the Noteholders.

8.1.2 Security arrangements

The Notes will be secured by a charge over the Series Assets and the Related Rights obtained with the entire net proceeds of the issue of the Notes in favour of the Trustee for itself and as trustee for the Secured Parties (which includes the Noteholders).

Under the Trust Deed, as amended by the terms of the Constituting Instrument, the Issuer, in favour of the Trustee for itself and as trustee for the Secured Parties, and as continuing Security, will:

(A) charge by way of fixed charge in favour of the Trustee for itself and as trustee for the Secured Parties the Charged Assets, and in respect of the Charged Assets all debts represented thereby, all rights and thereof and the right to payment of all interest and other moneys in respect thereof and all rights to the delivery thereof or to an equal number or nominal amount thereof as against any clearing system or its operator or any depository thereof;

(B) assign by way of fixed security in favour of the Trustee for itself and as trustee for the Secured Parties all its rights, title and interest in and to all rights in respect of the Charged Assets;

(C) assign by way of fixed security assignment in favour of the Trustee for itself and as trustee for the Secured Parties all of the Issuer's rights, title, benefit and interest in, to and under the Account Bank Agreement and the Unwind Account Custody Agreement, any accounts held pursuant thereto and all sums derived therefrom to the extent that the same relate to the Notes (and no other Series);

(D) charge by way of fixed charge and assign by way of fixed security assignment in favour of the Trustee for itself and as trustee for the Secured Parties all funds and any other assets now or hereafter standing to the credit of the account of the Principal Paying Agent in respect of the Notes and the debts represented by such moneys; and

(E) assign by way of fixed security assignment in favour of the Trustee for itself and as trustee for the Secured Parties all of the Issuer's rights, title, benefit and interest in, to and under the Agency Agreement, the Placing Agreement and the Arrangement Agreement and all sums derived therefrom;

(F) assign by way of fixed security assignment in favour of the Trustee for itself and as trustee for the Secured Parties (other than the Portfolio Manager, if any) all of the Issuer's rights, title, benefit and interest in, to and under the Portfolio Management Agreement and all sums derived therefrom; and

(G) assign by way of fixed security assignment in favour of the Trustee for itself and as trustee for the Secured Parties (other than the Portfolio Manager, if any) all of the Issuer's rights, title, benefit and interest in, to and under the Portfolio Management Agreement and all sums derived therefrom,

in each case on terms that the Trustee shall hold the proceeds of such security for itself and on trust for the Secured Parties and such other persons who may be specified in the Constituting Instrument and / or the Charging Instrument.

As continuing security for the due payment, performance and discharge of the Secured Obligations the Issuer as legal and beneficial owner will charge by way of floating charge in favour of the Trustee for itself and on trust for the Secured Parties all of the Mortgaged Property which are not effectually charged or assigned pursuant to sub-clauses 8.1.2(A) to (G) above.

As continuing security for the due payment, performance and discharge of the Notes the Issuer as legal and beneficial owner will charge by way of floating charge in favour of the Trustee for itself and on trust for the Secured Parties all of the Mortgaged Property which are not effectually charged or assigned as described above.

8.1.3 **Charging Instrument and Programme Accounts Security Agreement**

Pursuant to a pledge in respect of the Series Assets (excluding the Cash Reserve Account) entered into between the Issuer and the Trustee dated on the date of the Share Pledge the Issuer will grant in favour of the Trustee, as security for itself, and the Secured Parties, a security interest governed under the law of the Cayman Islands over the Issuer's interest in the Series Assets (excluding the Cash Reserve Account) (such security the "**Supplemental Cayman Islands Security**" or "**Charging Instrument**".

Pursuant to the Charging Instrument, Core Vega Fund Ltd. represents, amongst other things that:

1. the Class F1 shares of Core Vega Fund Ltd. are duly authorised, validly issued and fully paid;

2. there are no agreements in place which provide for the issue or allotment of, or grant to any person the right to call for the issue or allotment of, any share or loan capital of Core Vega Fund Ltd. (including any option or right of pre-emption or conversion);

3. no calls have been made in respect of the Class F1 shares of Core Vega Fund Ltd. and remain unpaid and no calls can be made in respect of such Class F1 shares of Core Vega Fund Ltd. in the future; and

4. the Class F1 shares of Core Vega Fund Ltd. constitute all of the Class F1 shares of Core Vega Fund Ltd.

Potential investors should note that the Issuer makes no representation as to the accuracy of the states at (1) to (4) above.

The Issuer has granted security over the Account Bank Agreement, Unwind Account Custody Agreement and any accounts held pursuant thereto (including the Cash Reserve Account) in favour of the Trustee, as security for itself and the Secured Parties, pursuant to the Programme Accounts Security Agreement in respect of the Issuer's obligations to the Trustee in respect of all Series under the ETPCAP Programme. Pursuant to a deed of confirmation, the Issuer will confirm to the Trustee that the Programme Accounts Security Agreement charges the Account Bank Agreement, Unwind Account Custody Agreement and any accounts held pursuant thereto in favour of the Trustee in respect of the Issuer's obligations under the Series.

8.1.4 **Enforcement**

The Mortgaged Property may become enforceable if the Notes or any of them have become due and repayable (for example, due to acceleration following the occurrence of an Event of Default) and have not been repaid.

In such circumstances the Trustee may at its discretion, and upon being indemnified, secured and/or prefunded to its satisfaction, and shall if so requested or directed by the relevant parties, realise the Charged Assets. In realising the Charged Assets the Trustee may, but shall not be obliged to, procure the sale of the Charged Assets or may request the redemption of the Charged Assets if the Charged Assets allow for such request.

8.1.5 **Priority of claims and potential for insufficient security on sale of Charged Assets and / or on enforcement**

In the event that any Charged Assets are required to be sold pursuant to the Conditions or the security constituted by the Trust Deed, the Constituting Instrument and / or the Charging Instrument becomes enforceable in accordance with the Conditions, the net sums realised could be insufficient to pay all the amounts due to the Noteholders under the Notes. The sums realised from any such sale of the Charged Assets will be subject to deduction of the costs and expenses associated with such sale. In addition, all costs and expenses incurred by the Trustee in enforcing the Security (including any costs of a receiver or similar official) and amounts due to the Agents, the Arranger and any fees and expenses will be deducted from the proceeds of such enforcement before such proceeds are paid to the Noteholders. After taking action to enforce the security as provided in the Conditions, the Trustee shall not be entitled to take any further steps against the Issuer to recover any sum still unpaid and no debt shall be owed by the Issuer in respect of such sum. In particular, no Agent, Noteholder or other Transaction Participant may petition or take any other step for the winding-up of the Issuer nor shall any of them have any claim in respect of any sum over or in respect of any assets of the Issuer which are security for any other liability of the Issuer.

8.1.6 **Limited recourse provisions**

The Trustee, the Agents and the Noteholders (in each case to the extent that their claims are secured) shall have recourse only to the Charged Assets. If, the Trustee having realised the Charged Assets, the proceeds thereof are insufficient for the Issuer to make all payments then due to all such parties, the obligations of the Issuer will be limited to such proceeds of realisation of the Charged Assets and no other assets of the Issuer will be available to meet such shortfall; the Trustee, the Agents, the Arranger, the Noteholders or anyone acting on behalf of any of them shall not be entitled to take any further steps against the Issuer to recover any further sum and no debt shall be owed to any such persons by the Issuer. The Trustee (including any costs of a receiver or similar official), the Arranger and the Agents shall rank prior to the Noteholders in the application of all moneys received in connection with the realisation or enforcement of the security. In particular, none of the Trustee, the Arranger and the Agents or any holder of the Notes may petition or take any other step for the winding-up of the Issuer, and none of them shall have any claim in respect of any sum arising in respect of the Charged Assets for any other Series.

9 INFORMATION RELATING TO THE PORTFOLIO MANAGEMENT AGREEMENT

The below summary is qualified in its entirety by the terms of the Portfolio Management Agreement, which will be available during business hours on any day (Saturdays, Sundays and public holidays excepted) for inspection at, and collection of copies from, the registered office of the Issuer for as long as the Notes are outstanding.

9.1.1 Portfolio Management Agreement

The Portfolio Management Agreement sets out the terms and conditions of the appointment of the Portfolio Manager.

The Portfolio Manager shall be obliged to perform its obligations under the Portfolio Management Agreement in accordance with the terms of the Portfolio Management Agreement and shall be obliged to use all reasonable endeavours, in the course of carrying out such obligations, to pursue any strategy that it deems fit to maximise the total returns achieved by the Portfolio.

The Portfolio Manager shall be obliged to manage the buying and / or selling of assets comprising the Portfolio pursuant to the Portfolio Management Agreement.

9.1.2 Portfolio Manager

The Issuer has appointed Harbor Ithaka WM, LLC as the Portfolio Manager in respect of the Notes pursuant to the Portfolio Management Agreement. The role of the Portfolio Manager is to actively manage the Portfolio by the buying and / or selling of the Series Assets pursuant to the Portfolio Management Agreement.

Harbor Ithaka WM, LLC is an integrated research and investment firm engineering and managing proprietary investment solutions for the groups' clients. It operates both a "wealth management" services division, which caters to single and multi family offices with work focused on risk management services, and an "asset management" group with a focus on short duration corporate credit strategies as well as alternative investments. It is registered with the US Securities and Exchange commission (firm number 170580).

The investment team first started working together back in 2006 as a small global macro research project with the goal of understanding the secular global transformations that have been shaping markets for the past decade. It started managing fixed income strategies late that same year.

The holder of the Notes will have claims against the Issuer only,and shall not have any rights directly against the Portfolio Manager.

9.1.3 Fees

The fees payable to the Portfolio Manager are described in Special Condition 5.7.5 (Fees) of the Notes.

10 INFORMATION RELATING TO THE ARRANGER, CHARGED ASSETS REALISATION AGENT AND CALCULATION AGENT

FlexFunds Ltd is the Arranger in respect of the Notes, and as such is responsible for certain management and administrative functions in relation to the Notes.

FlexFunds ETP, LLC is the Calculation Agent in respect of the Notes, and as such is responsible for certain management and administrative functions in relation to the Notes.

As Charged Assets Realisation Agent, FlexFunds Ltd is responsible to the Issuer for taking any steps in order to realise the Charged Assets as required for the purposes of the Notes. The Charged Assets Realisation Agent shall, on behalf of the Issuer, sell or procure the sale or other means of realisation of the Charged Assets and shall be entitled to deduct any costs, expenses, taxes and duties incurred in connection with any disposal, realisation or transfer of such Charged Assets.

The Charged Assets Realisation Agent may sell or procure the sale or other means of realisation of the Charged Assets in such manner and to and / or involving such person as it thinks fit and shall be entitled to sell and procure the sale or other means of realisation of the Charged Assets at such price in its sole discretion. The Charged Assets Realisation Agent shall not be responsible or liable for any failure to sell or realise the Charged Assets or any delay in doing so nor for any loss suffered or incurred by any person as a result of their sale or other means of realisation.

FlexFunds Ltd is an exempted company incorporated in the Cayman Islands with limited liability. The company administers the ETPCAP Programme with all participants and prepares the notes for issuance. FlexFunds Ltd. has a presence in the Cayman Islands.

FlexFunds ETP LLC is a Miami based investment services company, coordinating the relations and activities between the ETPCAP Programme participants and managers of the Charged Assets. FlexFunds ETP LLC has a presence in Miami.

The Calculation Agent may at any time resign and the Issuer may at any time terminate its appointment, subject to giving 60 days' prior written notice subject to and in accordance with the terms of the Agency Agreement. In such case the Issuer would, with the prior written consent of the Trustee, appoint a successor.

The holder of the Notes will have claims against the Issuer only, and shall not have any rights directly against the Arranger or any Agent of the Issuer.

The fees payable to FlexFunds Ltd. as the Arranger are described in Special Condition 5.7.5 (Fees) of the Notes.

11 INFORMATION RELATING TO THE PLACING AGENT

GWM Group, Inc. and GWM LTD have been appointed as Placing Agent, and as such are responsible for certain management and administrative functions in relation to the Notes.

GWM Group, Inc. is a full service broker dealer based in Greenwich, and a member of the Financial Industry Regulatory Authority and the Securities Investor

Protection Corporation. Its clients' accounts are introduced on a fully disclosed basis to Interactive Brokers LLC.

GWM Group, Inc. offers execution services to clients ranging from retail clients to institutional investment firms, and services ranging from wealth management services to custody and clearing services. The company also offers investment solutions, such as fee-based programs, retirement products and programs, asset management accounts, margin borrowing, mutual fund solutions, and wealth management.

GWM Group, Inc. has a presence in Connecticut.

GWM LTD was incorporated in Bermuda in December 2014 and is licensed to conduct investment business by the Bermuda Monetary Authority.

The Bermuda Monetary Authority granted approval to GWM LTD for a license under section 16 of the Investment Business Act 2003.

As Placing Agent, GWM Group, Inc. and GWM LTD have agreed to comply with all duties and responsibilities set out in the Conditions of the Notes, and to strictly adhere to the Selling Restrictions.

The holder of the Notes will have claims against the Issuer only, and shall not have any rights directly against the Placing Agent.

12 INFORMATION RELATING TO THE ISSUER

12.1.1 General

The Issuer was incorporated in Ireland as a designated activity company on 24 April 2017, with registration number 602926 under the name ETPCAP Designated Activity Company, under the Companies Acts 2014 as amended.

The registered office of the Issuer is at 1-2 Victoria Buildings, Haddington Road, Dublin 4. The e-mail address of the Issuer is crm-ie@intertrustgroup.com / Ireland.Directors@intertrustgroup.com . The authorised share capital of the Issuer is EUR 1,000 divided into 1,000 Ordinary Shares of EUR 1 (the "**Shares**"). The Issuer has issued 1 Share, which is fully paid. The issued Share is held by Intertrust Corporate Services 2 (Ireland) Limited (the "**Share Trustee**"). The Share Trustee owns the Issued Share under the terms of a declaration of trust (the "**Declaration of Trust**") dated 25 May 2017 as amended and restated on 13 July 2018, under which the Share Trustee holds the issued Share respectively of the Issuer on trust for charitable purposes.

The Issuer has been established as a special purpose vehicle. The principal objects of the Issuer are to raise finance through the issuance of debt securities or loan facilities and use the proceeds to enter into financial transactions including, without limitation, acquiring, holdings, selling and disposing of personal property and all related activities.

The Issuer is not, and will not be, regulated by the Central Bank of Ireland (the "**Central Bank**") by virtue of the issue of the Notes. Any investment in the Notes does not have the status of a bank deposit and

is not subject to the deposit protection scheme operated by the Central Bank.

The Issuer has not underwritten and will not underwrite the issue of, place, offer, or otherwise act in respect of the Notes, otherwise than in conformity with the provisions of all laws applicable in the jurisdiction in which the Notes are offered.

12.1.2 **Directors and company secretary**

The Directors of the Issuer are as follows:

- Robert Browne
- Gustavo Nicolosi

The Company Secretary is Intertrust Finance Management (Ireland) Limited.

Intertrust Finance Management (Ireland) Limited is the administrator of the Issuer. Its duties include the provision of certain administrative, accounting and related services. The appointment of the administrator may be terminated forthwith if the administrator commits any material breach of the corporate service agreement between the Issuer and the administrator, or if the administrator is unable to pay its debts as they fall due or if the administrator becomes subject to insolvency or other related proceedings. The administrator may retire upon 90 days' written notice subject to the appointment of an alternative administrator on similar terms to the existing administrator. The business address of the administrator is 1-2 Victoria Buildings, Haddington Road, Dublin 4.

The auditors of the Issuer are PricewaterhouseCoopers who are chartered accountants qualified to practice in Ireland.

12.1.3 **Financial statements**

At the date of this Series Memorandum, the Issuer has not published any financial statements. The Issuer's financial year-end is June 30th. Annual financial statements of the Issuer will be prepared within 28 days of the annual return date of the Issuer and will be filed with the Irish Companies Registration Office.

12.1.4 **Authorisation**

The issue of the Notes was authorised by a resolution of the board of directors of the Issuer passed prior to the Issue Date.

12.1.5 **Litigation**

There are no legal, governmental or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) which may have or have had a significant effect on the Issuer's financial position.

13 INFORMATION RELATING TO THE TRUSTEE

The Trustee shall not be responsible for, or be obliged to monitor or verify or investigate:

(A) the performance, operation or calculation of the Portfolio or other element of the calculation thereof but shall be entitled to rely absolutely on any calculation thereof by the Calculation Agent;

(B) the performance, operations or financial condition of the Portfolio or the terms of the Charged Assets or the calculation of amounts payable in respect thereof;

(C) the performance by the Issuer of any agreement relating to, or in connection with, the Portfolio and shall be entitled to assume that each of them is in compliance with the terms thereof unless and until expressly notified to the contrary in writing by the Issuer or the Calculation Agent;

(D) whether or not any Additional Mandatory Redemption Event or any Event of Default has occurred and shall be entitled to assume that no such event has occurred unless and until expressly notified to the contrary in writing by the Issuer or the Calculation Agent; or

(E) save to the extent caused by its own negligence or wilful default the Trustee shall not be responsible or liable for any failure to sell, realise or redeem the Charged Assets or any delay in doing so nor for any loss suffered or incurred by any person as a result of the Net Proceeds, the Realisable Value or any other proceeds of sale, realisation or redemption of the Charged Assets being insufficient to discharge any Redemption Amount or Early Redemption Amount in full.

14 SELLING RESTRICTIONS

In addition to the Selling Restrictions set out in the Programme Memorandum the restrictions set out below shall apply.

The Notes have not been and will not be registered under the U.S Securities Act of 1933, as amended, and may not be directly or indirectly offered or sold in the United States or to or for the benefit of any U.S person (as defined in Regulation S) unless the securities are registered under the Securities Act of 1933, or an exemption from the registration requirements of the Securities Act of 1933 is available.

Where:

"**U.S person**" means a "*US person*", as the term is defined in Regulation S under the Securities Act of 1933 (as amended from time to time) and more particularly are references to: (i) any natural person that resides in the U.S; (ii) any entity organised or incorporated under the laws of the U.S; (iii) any entity organised or incorporated outside the U.S that was formed by a U.S. person principally for the purpose of investing in securities not registered under the Securities Act of 1933, unless it is organised or incorporated, and owned, by accredited investors (as defined in Section 501 of Regulation D promulgated under the Securities Act of 1933) who are not natural persons, estates or trusts; (iv) any estate of which any executor or administrator is a US person ; (v) any trust of which any trustee is a U.S person; (vi) any agency or branch of a foreign entity located in the U.S; or (vii) 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 U.S. person; and (viii) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated, or resident in the U.S.. For the purposes hereof, the term "**U.S**

person" shall not include any discretionary or non-discretionary account (other than an estate or trust) held for the benefit or account of a non-U.S person by a dealer or other professional fiduciary organised or incorporated in the US. The term "**U.S person**" includes entities that are subject to the U.S Employee Retirement Income Securities Act of 1974, as amended, or other tax-exempt investors or entities in which substantially all of the ownership is held by U.S persons.

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), an offer of Notes to the public has not and may not be made in that Relevant Member State.

No action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of the Programme Memorandum, this Series Memorandum or any part thereof or any other offering material, in any country or jurisdiction where action for that purpose is required.

NO OFFER, SALE OR DELIVERY OF THE NOTES, OR DISTRIBUTION OR PUBLICATION OF ANY OFFERING MATERIAL RELATING TO THE NOTES, MAY BE MADE IN OR FROM ANY JURISDICTION EXCEPT IN CIRCUMSTANCES WHICH WILL RESULT IN COMPLIANCE WITH ANY APPLICABLE LAWS AND REGULATIONS. ANY OFFER OR SALE OF THE NOTES SHALL COMPLY WITH THE SELLING RESTRICTIONS AS SET OUT IN THE ISSUER'S OFFERING DOCUMENTS AND ALL APPLICABLE LAWS AND REGULATIONS.

15 GENERAL INFORMATION

For so long as the Notes remain outstanding, the following documents will be available in physical form from the date hereof during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) for inspection at the registered office of the issuer and the specified office of the Principal Paying Agent in London:

(a) the Master Documents which are incorporated by reference by the Constituting Instrument so as to constitute the Trust Deed, Agency Agreement, Arrangement Agreement, Placing Agreement and the Portfolio Management Agreement with respect to the Notes (to the extent not otherwise amended, modified and / or supplemented by the Constituting Instrument);

(b) any deed or agreement supplemental to the Master Documents;

(c) the Programme Memorandum;

(d) the Share Pledge;

(e) the Certificate of Incorporation and the Memorandum and Articles of Association of the Issuer;

(f) the Constituting Instrument; and

(g) the Charging Instrument.

APPENDIX 1

PRIVATE PLACEMENT MEMORANDUM

Copy No. _____ *Furnished to:* _____

CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

Relating to the Offering of

Redeemable, Non-Voting, Participating Shares

by

CORE VEGA FUND LTD.

(a Cayman Islands exempted company)

Investment Manager:

Core Capital Management, LLC
300 North LaSalle Street, Suite 2025
Chicago, Illinois 60654

NEITHER THE U.S. SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES REGULATORY AUTHORITY OF ANY U.S. STATE, NOR ANY OTHER REGULATORY OR SELF-REGULATORY AUTHORITY OR BODY, HAS PASSED UPON THE VALUE OF THE SHARES DESCRIBED HEREIN, MADE ANY RECOMMENDATION AS TO THEIR PURCHASE, APPROVED OR DISAPPROVED THIS OFFERING OR THE QUALIFICATIONS OF THE INVESTMENT MANAGER OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM.

PURSUANT TO AN EXEMPTION FROM THE U.S. COMMODITY FUTURES TRADING COMMISSION ("CFTC") IN CONNECTION WITH POOLS WHOSE PARTICIPANTS ARE LIMITED TO QUALIFIED ELIGIBLE PERSONS, AN OFFERING MEMORANDUM FOR THIS POOL IS NOT REQUIRED TO BE, AND HAS NOT BEEN, FILED WITH THE CFTC. THE CFTC DOES NOT PASS UPON THE MERITS OF PARTICIPATING IN A POOL OR UPON THE ADEQUACY OR ACCURACY OF AN OFFERING MEMORANDUM. CONSEQUENTLY, THE CFTC HAS NOT REVIEWED OR APPROVED THIS OFFERING OR ANY OFFERING MEMORANDUM FOR THIS POOL.

March 22, 2018

INTRODUCTION AND GENERAL INFORMATION

Core Vega Fund Ltd. (the "**Fund**") is a Cayman Islands exempted company incorporated on December 21, 2017 whose investment objectives are to (i) generate strong stand-alone returns and (ii) protect traditional equity, fixed-income, multi-strategy or alternative portfolios, acting as a complement to an existing portfolio.

Core Capital Management, LLC has been appointed as the investment manager of the Fund (the "**Investment Manager**") and, in that capacity, has responsibility for managing the investment and trading activities of the Fund.

The Fund executes its strategy by allocating substantially all of its assets to portfolio managers that pursue various alternative investment strategies (the "**Sub-Managers**"). The Fund allocates its assets to Sub-Managers by investing in pooled investment vehicles managed by Sub-Managers ("**Sub-Funds**") or by opening accounts managed by Sub-Managers ("**Managed Accounts**"). In addition, the Fund may elect to invest a portion of its assets directly under the management of the Investment Manager, rather than through Sub-Managers.

The Fund is currently offering four (4) classes (each, a "**Class**") of its redeemable, non-voting, participating shares (the "**Shares**") by way of this Confidential Private Placement Memorandum (which, together with its exhibits, is referred to as the "**Memorandum**"). You should not construe the contents of this Memorandum as legal, tax, financial or other advice or as a recommendation or advice in relation to the subscription, purchase, holding or disposition of Shares. **You should consult your independent professional advisers in assessing the merits and risks of investing in the Fund.** You and your advisers must rely on your own examination of the Fund, the Shares and the terms of this offering in assessing such merits and risks. In doing so, you should carefully review this Memorandum and consider the following:

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

The Fund and the Investment Manager urge you to carefully consider the special considerations and risk factors relating to an investment in the Fund, as described in §7, "RISK FACTORS," and in other sections of this Memorandum, as well as the actual and potential conflicts of interest to which the Investment Manager and its affiliates and principals will be subject in making investment and trading decisions for the Fund as described in §8, "CONFLICTS OF INTEREST," and in other sections of this Memorandum.

The Fund has not registered or qualified the Shares for offer or sale under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), or the securities laws of any U.S. state or any other jurisdiction. The Fund is offering and selling the Shares in the U.S. by way of a "private placement" exempt from the registration requirements of the Securities Act and applicable state securities laws pursuant to Rule 506 of Regulation D under the Securities Act ("**Regulation D**") and comparable state law exemptions and is offering and selling the Shares outside of the U.S. pursuant to Regulation S under

the Securities Act ("**Regulation S**"). Investors may not transfer their Shares except in transactions that are exempt from, or not subject to, the registration requirements of the Securities Act and other applicable securities laws. Investors who wish to transfer their Shares must also comply with the restrictions and conditions on transfer set forth in the Fund's Articles of Association. Among other things, an investor may transfer Shares only with the Fund's consent, which the Fund's Board of Directors (the "**Fund Board**" or the "**Directors**") may withhold in its discretion. The Shares will not be listed on any exchange, and no public market for the Shares otherwise exists or is likely to develop.

The Fund is not currently required to be regulated as a mutual fund for the purposes of the Mutual Funds Law (as amended) of the Cayman Islands (the "**Mutual Funds Law**").

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

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

This Memorandum summarizes certain provisions of the governing documents and contractual agreements relating to the Fund, as well as certain provisions of applicable statutes, rules and regulations. These summaries are intended to be brief and do not purport to provide detailed descriptions or explanations of the topics they cover. Moreover, this Memorandum does not summarize every provision of the governing documents and contractual agreements relating to the Fund, but only those provisions that the Investment Manager believes are likely to be of greatest interest to prospective investors. This Memorandum is therefore qualified in its entirety by the full text of those documents and agreements, which you should read in their entirety for a more complete understanding of the Fund and the Shares. Copies of the Subscription Agreements (each, a "**Subscription Agreement**") pursuant to which investors become shareholders of the Fund ("**Shareholders**") are attached as exhibits to this Memorandum. Copies of the Fund's other material agreements are available from the Investment Manager upon request. The Fund assumes that each prospective investor is familiar with applicable legal statutes, rules and regulations.

The Fund invites you and your representatives to review any materials that are available to it relating to the Fund, the Shares, the management and investment experience of the Investment Manager and its principals and any other matters relating to this offering. The Fund will afford you and your representatives the opportunity to ask it questions regarding those matters and to obtain any additional information necessary to verify the accuracy of any representations or information set forth in this Memorandum to the extent that the Fund possesses such information or can acquire it and provide it to you without unreasonable effort or expense. If you have any questions regarding this Memorandum, please direct them to Don DesPain at (312) 288-8237. The Fund has not authorized any person other than Mr. DesPain and other employees of the Investment Manager to give you any information concerning the Fund or the Investment Manager other than that contained in this Memorandum. Accordingly, any information given or representation made by any dealer, salesman or other person and (in either case) not contained in this Memorandum should not be relied upon in connection with an investment in the Fund.

No offer or invitation to subscribe for Shares may be made to the public in the Cayman Islands. All references to "**US$**," "**US dollar**" and "**dollar**" are to the lawful currency of the United States of America. All references to "**CI$**" are to the lawful currency of the Cayman Islands. "**Business Day**" as used in this Memorandum means any day that is not a Saturday or Sunday and is not a legal holiday or day on which banking institutions generally are authorized or obligated by law or regulation to remain closed in New York City or in the Cayman Islands.

FUND DIRECTORY

The Fund:

Core Vega Fund Ltd.
c/o Maples Corporate Services Limited
PO Box 309, Ugland House
Grand Cayman KY1-1104
Cayman Islands

Directors of the Fund:

Dr. Sorina Zahan
William J. Friend

The Investment Manager of the Fund:

Core Capital Management, LLC
300 North LaSalle Street. Suite 2025
Chicago, Illinois 60654
Telephone: (312) 288-8237
Fax: (312) 346-2556
Email: ddespain@corecap.com

Auditors of the Fund:

Deloitte & Touche, LLP
One Capital Place (OCP)
136 Shedden Road
George Town
P.O. Box 1787
Grand Cayman, KY1-1109
Cayman Islands

Administrator of the Fund:

NAV Fund Services (Cayman) Ltd.
Transfer Agency Services
5th Floor Harbour Place, 103 South Church Street
George Town, Grand Cayman KY1-1202
Cayman Islands

Cash Custodian for the Fund:

CIBC Bank USA
70 West Madison Street
Chicago, Illinois 60670

U.S. Counsel to the Investment Manager:

Faegre Baker Daniels, LLP
311 South Wacker Drive, Suite 4300
Chicago, Illinois 60606

Cayman Islands Counsel to the Fund:

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

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§1. SUMMARY OF PRINCIPAL TERMS

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

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

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

Copies of the forms of Subscription Agreement (the "**Subscription Agreements**") are attached to this Memorandum. Copies of the Fund's other contractual agreements and governing documents are available from the Fund upon request.

GENERAL

The Fund

Core Vega Fund Ltd. The Fund is an exempted company limited by shares and was incorporated on December 21, 2017 under the Companies Law (as amended) of the Cayman Islands (the "**Companies Law**").

The Fund's Board of Directors (the "**Fund Board**" or the "**Directors**"), whose members consist of Dr. Sorina Zahan and William J. Friend, has overall responsibility for managing the business and affairs of the Fund; however, the Fund Board has delegated the responsibility to make investment and trading decisions to the Investment Manager pursuant to an Investment Management Agreement between the Fund and the Investment Manager dated December 21, 2017 (the "**IMA**"). The Fund Board has also delegated certain administrative and accounting functions for the Fund to NAV Fund Services (Cayman) Ltd. (the "**Administrator**"), has appointed the Administrator as the Fund's Registrar and Transfer Agent and retained the Administrator to conduct anti-money laundering ("**AML**") reviews pursuant to a Service Agreement dated December 20, 2017 (the "**Administration Agreement**") between the Fund and the Administrator.

See §2, "MANAGEMENT – *The Fund*."

The Investment Manager

Core Capital Management, LLC (an Illinois limited liability company) was organized on November 20, 2003 and has been appointed as the investment manager of the Fund pursuant to the IMA and, in that capacity, provides investment management services to the Fund.

The Investment Manager is registered as a commodity pool operator ("**CPO**") with the U.S. Commodity Futures Trading Commission (the "**CFTC**") and is a member of the U.S. National Futures Association (the "**NFA**"). The Investment Manager is currently exempt from registration as an investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the "**Advisers Act**"), but is notice-filed with the U.S. Securities and Exchange Commission (the "**SEC**") as an "exempt reporting adviser."

See §2, "MANAGEMENT – *The Investment Manager*."

The Shares

The Fund is currently offering four (4) Classes of Shares by way of this Memorandum – Class A Shares, Class B Shares, Class F1 Shares and Class F2 Shares. All four Classes will participate in the same underlying portfolio on a *pro rata* basis. The only difference between the Classes are the various fees payable with respect to such Shares. All other terms of the Classes are substantially identical, and they will share in the Fund's portfolio on a *pro rata* basis. However, the Fund reserves the right to issue and offer additional Classes of Shares in the discretion of the Fund Board; provided, however, that the Fund will not issue a Class of Shares the terms of which would amount to a variation of the rights attaching to any other Class of Shares without the consent of the holders of the affected Class(es) of Shares in accordance with the Articles. Investors whose subscriptions are accepted will become Shareholders. The Fund's non-participating, non-redeemable, voting shares (the "**Management Shares**") are owned by the Investment Manager.

The Class F1 and F2 Shares are available only to the founding partners of the Fund and, where applicable, their respective clients.

INVESTMENT OBJECTIVE AND STRATEGY; RISK AND RISK MANAGEMENT

Investment Objective and Strategy

The Fund's investment objectives are to (i) generate strong long-term stand-alone returns and (ii) protect traditional equity, fixed-income. multi-strategy or alternative portfolios, acting as a complement to an existing portfolio.

The Investment Manager seeks to achieve the Fund's investment objective by allocating substantially all of its assets to Sub-Managers, investing in Sub-Funds or allocating assets by opening Managed Accounts. In addition, the Fund may elect to invest a portion of its assets directly under the management of the Investment Manager, rather than through Sub-Managers. There can be, of course, no assurance that the Fund will achieve its objectives.

See §3, "INVESTMENT OBJECTIVE AND STRATEGY."

Risk and Risk Management

The Investment Manager uses what it considers to be seasoned investment research techniques and risk management strategies in allocating and reallocating the Fund's assets. **There can be no**

guarantee that the Fund will achieve its investment objectives or not sustain losses. See §7, "RISK FACTORS."

THE OFFERING OF SHARES

General

The Fund's authorized share capital is US$50,000 divided into 100 Management Shares, par value US$0.01 each and 4,999,900 Shares, par value US$0.01 each. The Fund Board may create and issue the Shares in multiple Classes in its discretion, provided that no Class has a priority interest in the assets of the Fund on a winding up.

Eligible Investors

The Shares are generally available only to (i) non-"U.S. Persons" as defined in Rule 902 of Regulation S adopted under the Securities Act, or (ii) U.S. tax-exempt investors that are both (a) "accredited investors" as defined in Rule 501(a) of Regulation D of the Securities Act and (b) "qualified eligible persons" as defined in CFTC Rule 4.7 adopted under the U.S. Commodity Exchange Act.

The Subscription Agreement for Non-U.S. Investors, the form of which is attached to this Memorandum as **Exhibit A**, contains descriptions of the types of investors that qualify as non-"U.S. Persons." The Subscription Agreement for U.S. Tax-Exempt Investors and Other U.S. Persons under Regulation S, the form of which is attached to this Memorandum as **Exhibit B**, contains descriptions of the types of investors who qualify as "accredited investors" and "qualified eligible persons."

Minimum Initial Investment and Purchase Price per Share

If you wish to become a Shareholder, you must make an initial investment in the Fund of at least US$250,000. The Fund Board may raise or lower this minimum from time to time and accept initial subscriptions for Shares below the established minimum in its discretion, but in no event will the Fund Board accept an initial investment of less than the statutory minimum prescribed under Cayman Islands law, currently the U.S. dollar equivalent of CI$80,000 (US$100,000).

Shares are issued at a price of US$1,000 per Share during the Initial Offering Period (defined below) and whenever a new Series (defined below) of Shares is issued, and thereafter at the net asset value ("**NAV**") per Share as of the relevant Investment Date (defined below) when an investor purchases Shares of an existing Series. The Fund will generally issue a separate series (each, a "**Series**") of the relevant Class of Shares to each investor to allow the Fund to track the Incentive Fee (defined below) on a per investor basis.

Capital Sought

There is no minimum amount of subscriptions the Fund must receive to begin investing and no maximum amount of capital the Fund may accept from investors.

Initial Offering Period

The Investment Manager expects that the Fund's initial offering period (the "**Initial Offering Period**") will terminate on or about January 1, 2018, but may defer the termination of the Initial Offering Period

indefinitely in its discretion. The day on which the Fund first issues Shares pursuant to this Memorandum is referred to herein as the "**Initial Closing**."

Continuous Offering Period After the termination of the Initial Offering Period, the Fund may generally in its discretion accept subscriptions for Shares, and permit existing Shareholders to make additional investments in the Fund, on the first Business Day of each month or on such other day or days as the Fund Board may from time to time determine (each, an "**Investment Date**"). However, the Fund may suspend the offering of any Class of Shares from time to time or terminate the offering of any Class of Shares at any time in its discretion.

Use of Proceeds The Fund will use the proceeds of the continuous offering of the Shares to pursue the Fund's investment objectives and to pay certain Fund expenses. See §4, "EXPENSES; MANAGEMENT FEES – *Fund Expenses*." To the extent the Fund's assets are not used for these purposes, the Investment Manager will generally invest them in high quality short-term instruments, such as U.S. government securities, other high-quality securities, or shares of "money market" mutual funds that earn interest at competitive rates.

Subscription Procedures If you wish to become a Shareholder, you must complete and execute the relevant Subscription Agreement and deliver it to the Fund no less than fifteen (15) calendar days prior to the intended Investment Date, as described in such Subscription Agreement.

The form of Subscription Agreement for Non-U.S. Investors is attached to this Memorandum as **Exhibit A**, and the form of Subscription Agreement for U.S. Tax-Exempt Investors and Other U.S. Persons under Regulation S is attached to this Memorandum as **Exhibit B**.

If the Fund accepts your Subscription Agreement, whether in respect of the full subscription amount or only part thereof, you must generally transmit your subscription funds to the Fund by wire transfer in accordance with the Fund's instructions no later than five (5) Business Days before the relevant Investment Date (subject to waiver by the Fund Board in its discretion). Any interest earned on your subscription funds before the relevant Investment Date will generally be credited to the Fund; however, the Fund Board, in its discretion, may elect to credit such interest to the relevant Shareholder's subscription amount (thereby increasing the number of Shares issued to such Shareholder.

Your execution and submission of a Subscription Agreement and related materials constitute a binding offer to purchase the Shares subscribed for thereunder and an agreement to hold your offer open until your subscription is accepted (in whole or in part) or rejected by the Fund. Your execution of a Subscription Agreement, submission of the Subscription Agreement to the Fund (by fax or email with original by mail) and its acceptance by the Fund together constitute your agreement to be bound by the terms of this Memorandum, the Subscription

Agreement and the Fund's Memorandum of Association and Articles of Association (together, the "**Fund Charter**"). The Fund reserves the right to accept or reject your Subscription Agreement, and any additional investment in the Fund you may wish to make, in whole or in part, in its discretion.

Where a subscription for Shares is accepted, the Shares will be treated as having been issued with effect from the relevant Investment Date notwithstanding that the subscriber for those Shares may not be entered in the Fund's register of members until after the relevant Investment Date. The subscription monies paid by a subscriber for Shares will accordingly be subject to investment risk in the Fund from the relevant Investment Date

EXPENSES; MANAGEMENT FEES; SALES CHARGES

Expenses

The Fund generally bears all costs and expenses associated with its organization, the offering of Shares and its ongoing operations, except as otherwise described in this Memorandum.

The Fund's organizational costs and expenses, together with offering costs and expenses incurred in connection with the offer and sale of Shares issued at the Initial Closing, are expected to be approximately $35,000. The Investment Manager initially bore these expenses and is being reimbursed therefor by the Fund over the first twenty-four (24) months of the Fund's operation; provided, however, that the Investment Manager may defer the start of this reimbursement period for up to three (3) months after the Initial Closing in its absolute discretion. If the Fund ceases operations prior to the end of this twenty-four (24) month period, it will have no further reimbursement obligations to the Investment Manager.

The Fund's ongoing operational costs and expenses are expected to consist primarily of: (i) Management and Incentive Fees (discussed below); (ii) costs and expenses incurred by the Investment Manager in connection with conducting due diligence on the Sub-Managers (including subscription fees for market databases, third-party consulting services and travel costs relating to manager sourcing and due diligence); (iii) costs and expenses incurred in connection with the direct investment and reinvestment of the Fund's assets, including brokerage commissions, dealer mark-ups, mark-downs and spreads, and related clearing and settlement charges; (iv) borrowing charges and other costs and expenses associated with short sales; (v) interest expense and loan commitment fees relating to the Fund's borrowings and other leverage-related expenses (including margin debt and obligations under repurchase agreements); (vi) direct operating costs and expenses, including administrative, legal, accounting, auditing, record-keeping, compliance, information technology and consulting costs and expenses (including costs and expenses associated with obtaining systems and other information designed to facilitate Fund accounting, portfolio management, record-keeping and cyber-security, including related

hardware and software); fees, costs and expenses of third-party service providers that provide such services (including fees, costs and expenses of attorneys retained by the Investment Manager to represent the Investment Manager in connection with the business and affairs of the Fund, to the extent such fees, costs and expenses relate to advice provided to the Investment Manager by such attorneys with respect to such business and affairs); insurance costs and expenses (including premiums for cyber-security insurance and liability insurance covering the Fund and other persons); bank service fees; costs and expenses associated with preparing investor communications; and printing and mailing costs; (vii) fees and taxes imposed by any federal, state, local or foreign government, governmental agency or regulatory body or self-regulatory organization, including licensing, filing, registration and exemption fees and withholding, transfer and franchise taxes; (viii) the Fund's indemnification obligations under the Fund Charter or agreements to which it is a party; and (ix) extraordinary costs and expenses, if any.

To the extent the Fund invests in Sub-Funds, it will bear its allocable share of the costs and expenses of such vehicles, including their organizational, offering and operating costs and expenses and the management fees and incentive compensation payable to their Sub-Managers. Similarly, to the extent the Investment Manager makes direct investments or causes the Fund to open Managed Accounts with Sub-Managers, the Fund bears the expenses associated with the management of such accounts, including their administrative and transaction expenses and the management fees and incentive compensation charged by the Sub-Managers.

For a more complete description of the Fund's expenses, see §4, "EXPENSES; MANAGEMENT AND INCENTIVE FEES."

Management Fees

The Fund ordinarily pays the Investment Manager a monthly management fee (the "**Management Fee**"), in arrears, in an amount equal to $1/12^{th}$ of 1% of each Class A, Class F1 or Class F2 Share's NAV (approximately 1% per annum), determined as of the last Business Day of the calendar month.

The Fund ordinarily pays the Investment Manager a Management Fee, in arrears, in an amount equal to 0.125% of each Class B Share's NAV (approximately 1.5% per annum), determined as of the last Business Day of the calendar month.

For a more complete description of the Management Fees, see §4, "EXPENSES; MANAGEMENT AND INCENTIVE FEES– *Management Fees*."

Incentive Fees

As of the end of each calendar year and as of any date upon which a Class A Shareholder redeems or has its Class A Shares compulsorily redeemed or receives a dividend from the Fund, the Fund ordinarily pays the Investment Manager an incentive fee (the "**Incentive Fee**") equal to

ten (10%) percent of the Net New Profit in respect of each Series of Shares as of such date.

There is no Incentive Fee payable with respect to Class B Shares.

For Class F1 and Class F2 Shares, the Incentive Fee is seven and one-half percent (7.5%), but is otherwise the same as the Incentive Fee for the Class A Shares.

"**Net New Profit**" is the amount (if any) by which the aggregate NAV of a Series of Share as of the end of a calendar year exceeds the "**High Water Mark**" for such Series of Shares, which is the aggregate NAV of such Series of Shares immediately after the assessment of the most recent Incentive Fee or, if the Series has never been assessed an Incentive Fee, the total amount invested in such Series by the relevant Shareholder.

Although the High Water Mark for particular Series of Shares will carry forward from year to year until exceeded, the Investment Manager will not be required to "repay" any Incentive Fee paid to it in respect of such Series of Shares in the event such Series subsequently declines in value.

For a more complete explanation of the Incentive Fees, see §4, "EXPENSES; MANAGEMENT AND INCENTIVE FEES – *Incentive Fees*."

Sales Charges

Investors will not owe any sales charges to the Fund or the Investment Manager in connection with the purchase of Shares, and the Fund will not expend its own funds for the purpose of compensating placement agents. The Investment Manager, however, may enter into agreements with one or more placement agents and agree to compensate them at its own expense on a basis that is fully disclosed to affected investors. In addition, an investor that has engaged its own agent to identify potential investments for such investor may owe a sales charge to that agent in connection with such investor's purchase of a Share. Any such payment to an agent of an investor will be paid directly to such agent and will reduce the amount of the investor's subscription to the Fund.

LIQUIDITY: DISTRIBUTIONS, REDEMPTIONS AND TRANSFERS

Dividends

The Fund does not anticipate declaring and paying dividends to the Shareholders. Income earned by the Fund will generally be reinvested and reflected in the NAV of the Shares. If the Fund declares and pays dividends, it generally will make them to the Shareholders *pro rata* in accordance with the NAV of their Shares, and such dividends may be in cash, marketable securities or a combination of the two.

Redemptions

Voluntary Redemptions. A Shareholder may generally redeem all or any portion of its Shares as of the end of each calendar quarter (each, a

"**Redemption Date**") upon no less than ninety-five (95) calendar days' prior written notice to the Fund; provided, however, that any redemption of a Share prior to the one (1) year anniversary of the date such Share was issued will be subject to an early redemption fee payable to the Fund equal to three percent (3%) of the NAV of such Shares.

To the extent the aggregate NAV of a Shareholder's Shares would be reduced below the minimum initial investment amount as of any Redemption Date, the Fund may treat the corresponding request as a request for the redemption of all of a Shareholder's Shares.

Compulsory Redemptions. The Fund may compulsorily redeem all or any portion of the Shares held by any Shareholder for any reason as of any month-end by giving not less than five (5) calendar days' prior written notification to such Shareholder. The Fund may also compulsorily redeem Shares without notice for certain regulatory reasons. All distributions from a compulsory redemption will be paid in accordance with normal redemption procedures as described below.

Redemption Price. The redemption price for Shares being redeemed, whether voluntarily or compulsorily, shall be the NAV of such Shares as of the relevant Redemption Date.

Redemption Payments. If a Shareholder requests redemption of less than substantially all of its Shares, or the Fund compulsorily redeems less than substantially all of a Shareholder's Shares (in either case, as determined by the Investment Manager in its reasonable discretion), the Fund will generally distribute the Shareholder's estimated redemption proceeds within sixty (60) calendar days of the relevant Redemption Date.

If a Shareholder requests redemption of all or substantially all of its Shares, or the Fund compulsorily redeems all or substantially all of a Shareholder's Shares (in either case, as determined by the Investment Manager in its reasonable discretion), the Fund will generally distribute no less than ninety percent (90%) of the Shareholder's estimated redemption proceeds within sixty (60) calendar days of the relevant Redemption Date. Any outstanding balance will be paid as soon as is reasonably practicable following the completion of the Fund's annual audit for the year in which such redemption was effective, subject to the limitations on redemptions discussed in this Memorandum and in the Fund Charter. Any amounts withheld by the Fund will not bear interest.

Redemption proceeds may be paid in cash, securities or a combination of the two.

Suspensions of Redemptions. The Fund may temporarily suspend or delay redemptions and redemption payments in certain limited circumstances (in which case the Fund would generally also suspend subscriptions and the calculation of the Fund's NAV).

For a more complete description of the provisions governing redemptions, including the limited circumstances under which the Fund may temporarily suspend redemptions, redemption payments, subscriptions and NAV calculations and require Shareholders to redeem Shares without notice, see §6, "VALUATION AND REDEMPTION OF SHARES" and the Fund Charter.

Transfers

Because the Fund has not registered the Shares under the Securities Act or other applicable laws, investors may not resell, assign, pledge or otherwise transfer Shares except in transactions that are exempt from or not subject to the registration requirements of the Securities Act and other applicable securities laws. In addition, a Shareholder may not resell, assign, pledge or otherwise transfer its Shares, and transferees may not become Shareholders without the prior written consent of the Fund Board, which will not be unreasonably withheld. Shares will not be listed on any exchange, and no public market for the Shares otherwise exists or is likely to develop. As a result, an investor may not be able to liquidate its Shares in the event of a financial emergency or use its Shares as collateral for a loan. For a more complete description of the restrictions on and conditions applicable to transfers of Shares, see "Transfer of Shares" in the Fund Charter.

OTHER

Limited Liability

Shareholders will not be personally liable for the debts, liabilities or obligations of the Fund in their capacity as such.

Designated Investments

The Fund Board may "side pocket" (by the establishment of a separate Class of non-voting, non-redeemable, participating shares) a portion of the investments in the Fund (by value, determined according to the most recent reliable valuation of the Fund, or if there is no such valuation as reasonably determined by the Fund Board) that the Fund Board reasonably determines to be "illiquid" ("**Designated Investments**") (generally meaning that the Fund either does not have a current reliable valuation or cannot reasonably liquidate such investment) and allocate gains and losses attributable to such side pocketed investments only to those Shareholders who were investors in the Fund as of the date of such determination. A Shareholder's participation in a Designated Investment shall continue, for both financial and tax purposes, until the Designated Investment is liquidated or until the determination of the Fund Board, in its discretion, that such investment need not be treated as a Designated Investment any longer, which may occur after the Shareholder has completely redeemed its non-side pocket Shares. Expenses shall be accrued and assessed on a current basis in respect of Designated Investments, in such manner as the Fund Board deems equitable. Management Fees will be accrued and may be assessed currently (against the portion of the assets underlying the Shares that comprises the Designated Investment) or if the Fund Board deems it more equitable may be deferred until such time as the relevant Designated Investment is liquidated or until the determination of the Fund Board, in its discretion, that such investment need not be treated as

a Designated Investment any longer. The Fund Board will defer payment of Incentive Fees on Designated Investments until the Designated Investment is liquidated or until the determination by the Fund Board, in its discretion, that such investment not be treated as a Designated Investment any longer. To the extent the Fund establishes one or more Designated Investments, each Designated Investment will be tracked separately. At such time as the relevant Designated Investment is liquidated or until the determination of the Fund Board, in its discretion, that such investment need not be treated as a Designated Investment any longer, if the Shareholder has redeemed all of its Shares, such Shareholder will receive payment in cash, "in kind" or a combination of the two in respect of the assets attributable to such Designated Investment; provided, however, that "in kind" payments will be made only when all Shareholders participating in the Designated Investment are receiving a *pro rata* distribution of the relevant Designated Investment; however, any other restrictions or limitations on redemptions currently in effect will apply to the assets of such Shareholder's Shares.

New Issues

The U.S. Financial Industry Regulatory Authority, Inc. ("**FINRA**") potentially restricts the extent to which its broker-dealer members may sell certain new issues of equity securities ("**New Issues**") to private investment vehicles such as the Fund. In certain cases, FINRA Rules 5130 and 5131 may preclude some Shareholders from participating, in whole or in part, in the Fund's direct or indirect investments in New Issues.

Tax Considerations

The Fund does not expect to be subject to tax in the United States, the Cayman Islands or any other jurisdiction with the exception of possible U.S. withholding taxes imposed on the Fund's U.S. source business income (commonly called "effectively connected income"), dividend income and certain interest income. The Fund expects to be a passive foreign investment company ("**PFIC**") for U.S. federal income tax purposes with respect to any direct or indirect U.S. shareholder. However, the Fund may also be a controlled foreign corporation ("**CFC**") based on the composition of investors during each tax year of the Fund's operations. The tax laws and reporting requirements with respect to U.S. persons investing in a foreign corporation are complex. You should consult your own tax advisors before determining to invest. See §10, "TAXATION AND EXCHANGE CONTROL."

Reports

As soon as reasonably practicable after the end of each calendar quarter (or more frequently in the Investment Manager's discretion), the Fund will provide to each Shareholder a report reflecting the NAV of such Shareholder's Shares as of the end of such quarter as compared with the end of the previous quarter.

As soon as reasonably practicable after the end of each calendar year, the Fund will provide to each Shareholder an audited balance sheet of the Fund as of the end of such year and audited statements of income and changes in financial position of the Fund for such year.

Fiscal Year; Accounting Matters

The Fund's fiscal year will end each December 31st. The Fund keeps its financial books under the accrual method of accounting, and, as to matters not specifically described herein or in the Fund Charter, in accordance with U.S. generally accepted accounting principles consistently applied.

"Master/Feeder" Structure

The Fund reserves the right to restructure into a master-feeder structure whereby the Fund would become the "offshore feeder" of such structure and would contribute substantially all of its assets to a new "master fund" which would either be a new Cayman Islands exempted company or a new or existing Delaware (U.S.A.) limited partnership or limited liability company that, in either case, would be managed by the Investment Manager.

The Fund Board believes that the restructuring described above would not have any material adverse economic effect on the Fund or its Shareholders.

The Fund Board has the right to restructure the Fund to be part of such a "master-feeder" structure in its discretion without obtaining the consent of, but upon notice to, the Shareholders.

Administrator

The Fund Board has selected NAV Consulting, Inc. (the "**Administrator**") to provide certain administrative and accounting services to the Fund. The Administrator is responsible for certain of the Fund's non-investment activities, such as maintaining the Fund's accounting records and calculating the Fund's NAV. The Fund Board reserves the right to change its selection of administrator for the Fund without the consent of, but on notice to, the Shareholders.

Auditors

The Fund Board has selected Deloitte & Touche, LLP, Cayman Islands, to audit the Fund's financial records. The Fund Board may select a different audit firm to perform the relevant audit in its sole discretion, but will promptly notify the Shareholders of such change.

Counsel

Faegre Baker Daniels LLP ("**Faegre**"), Chicago, Illinois, served as legal counsel to the Investment Manager in connection with the preparation of this Memorandum and may continue to serve in such capacity in the future, but has not assumed any obligation to update this Memorandum. In preparing this Memorandum, Faegre relied upon information furnished to it by the Investment Manager and did not investigate or verify the accuracy and completeness of information in this Memorandum concerning the Investment Manager or the Fund's service providers or their affiliates and personnel. Faegre's engagement by the Investment Manager in respect of the Fund is limited to the specific matters as to which it is consulted by the Investment Manager and, therefore, facts or circumstances may exist which could have a bearing on the Fund's or the Investment Manager's financial condition or operations with respect to which Faegre has not been consulted and for which Faegre expressly disclaims any responsibility. Faegre does not undertake to monitor the compliance of the Investment Manager or its

affiliates with the investment program, valuation procedures and other guidelines set forth in this Memorandum, nor does it monitor compliance with applicable laws.

Faegre does not represent the Fund and does not represent and has not represented any prospective investor or the Fund in the negotiation of the Fund's business terms, the offering of the Interests or in respect of the Fund's ongoing operations.

The Fund does not anticipate that it will engage separate U.S. counsel in connection with the general operation of the Fund.

Maples and Calder, PO Box 309, Ugland House, Grand Cayman, KY1-1104, 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, Maples and Calder will not be representing Shareholders. No independent legal counsel has been retained to represent the Shareholders. Maples and Calder'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 Maples and Calder has not been consulted. In addition, Maples and Calder 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 Maples and Calder monitor ongoing compliance with applicable laws. In connection with the preparation of this Memorandum, Maples and Calder's responsibility is limited to matters of Cayman Islands law and it does not accept responsibility in relation to any other matters referred to or disclosed in this Memorandum. In the course of advising the Fund, there are times when the interests of Shareholders may differ from those of the Fund. Maples and Calder does not represent the Shareholders'' interests in resolving these issues. In reviewing this Memorandum, Maples and Calder 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.

§2. MANAGEMENT

The Fund Board

General

The Fund Board is responsible for managing the overall business and affairs of the Fund, subject to the provisions of Cayman Islands law and the Fund Charter; however, the Fund Board has delegated the responsibility to make investment and trading decisions for the Fund to the Investment Manager pursuant to the IMA and has delegated certain administrative and accounting functions to the Administrator pursuant to the Administration Agreement.

Current Members of the Fund Board

The current members of the Fund Board are Dr. Sorina Zahan and William J. Friend, whose biographies appear in "*The Investment Manager*" below.

Exculpation and Indemnification of Members of the Fund Board

Pursuant to the Fund's Articles of Association, every Director or other officer of the Fund (each an "**Indemnified Person**") shall, to the fullest extent permitted by applicable law, be indemnified and secured harmless out of the assets and funds of the Fund against all actions, proceedings, costs, charges, expenses, losses, damages or liabilities incurred or sustained by such Indemnified Person, other than by reason of such Indemnified Person's own dishonesty, willful default or actual fraud, in or about the conduct of the Fund's business or affairs (including as a result of any mistake or judgment) or in the execution or discharge of his duties, powers, authorities or discretions, including without prejudice to the generality of the foregoing, any costs, expenses, losses or liabilities incurred by such Indemnified Person in defending (whether successfully or otherwise) any civil proceedings concerning the Fund or its affairs in any court whether in the Cayman Islands or elsewhere. The Fund's Articles of Association also exculpate each Indemnified Person from any liability to the Fund or any Shareholder provided that his or her actions conformed to the same standard.

Notwithstanding the foregoing, no exculpation or indemnification of a Director shall be permitted to the extent such exculpation or indemnification would be inconsistent with the requirements of the U.S. Employee Retirement Income Security Act of 1974, as amended ("**ERISA**") or other federal or state securities laws or other applicable law.

The Investment Manager

Core Capital Management, LLC (the "**Investment Manager**") has been delegated day-to-day discretionary investment authority for the Fund pursuant to the IMA. The Investment Manager became registered as a CPO with the CFTC on March 24, 2004 and became a member of the NFA on October 15, 2004. The Investment Manager is currently exempt from registration as an investment adviser under the Advisers Act, but is notice-filed with the SEC as an "exempt reporting adviser."

The principals of the Investment Manager are Dr. Sorina Zahan and William J. Friend, whose biographies appear below.

Dr. Sorina Zahan is a Managing Partner and Chief Investment Officer of the Investment Manager. Dr. Zahan is primarily responsible for managing the Investment Manager's client portfolios, as well as firm's investment and research activities. Prior to helping establish the Investment Manager in 2004, Dr. Zahan spent fifteen years in academia. As a Professor at the Technical University of Cluj-Napoca, Romania, she specialized in artificial intelligence and uncertainty management. Dr. Zahan served on the Board of the Electrical Engineering school, has taught postgraduate and undergraduate courses in Romania and France and has published two books and sixty research papers. She has been a speaker and reviewer at various industry conferences. Her current research activity is focused on measuring and hedging liquidity risk, the correction of common biases in portfolio construction as well as optimality and risk sharing in pension plans. Dr. Zahan holds a B.S. degree with highest honors and a Ph.D. degree from the Technical University of Cluj-Napoca, Romania. She also received a MBA with honors and induction into the Beta Gamma Sigma society from the University of Chicago.

William J. Friend is the founder and a Managing Partner of the Investment Manager, responsible for overseeing all operations and management for the firm. Mr. Friend has over 25 years of professional

investing experience. Mr. Friend serves as Trustee and Investment Committee member of the Rush University Medical Center, Board member, Treasurer and Chair of the Finance, Audit and Investment Committees of the Ounce of Prevention Fund, Investment Committee member of the Francis W. Parker School and Advisory Board Member of the Sean N. Parker Center for Allergy Research at Stanford University. Prior to forming the Investment Manager, Mr. Friend served as President of William Harris Investors Ventures from 2001 thru 2003. Mr. Friend worked for Pittway Corporation (NYSE: PRY) in various operating and executive roles from 1992 until 2001 when the company was sold to Honeywell. Mr. Friend served as Assistant to the President and Vice President of Corporate Development from 1997-2001 with focus on due diligence and acquisitions in the United States, Europe and China. From 1985 until 1990, Mr. Friend worked at the IBM Corporation. Mr. Friend graduated Magna Cum Laude with a B.A. degree from Tufts University. He also holds a MBA with second year honors from Harvard University.

The Investment Management Agreement

The Fund has appointed the Investment Manager as the investment manager of the Fund pursuant to the IMA. The Fund has agreed that, in that capacity, the Investment Manager shall possess the right, power and authority to take such actions for and on behalf of the Fund as the Investment Manager may reasonably determine to be necessary, appropriate, advisable or convenient in connection with pursuing the Fund's investment strategies.

The IMA provides that, to the fullest extent permitted under applicable law, the Investment Manager will not be liable for monetary or other damages to the Fund or any Shareholder for the Investment Manager's good faith reliance on the provisions of the IMA or the governing documents of the Fund or for (a) losses sustained or liabilities incurred by any of them as a result of errors in judgment on the part of the Investment Manager, or any act or omission of the Investment Manager, if such losses or liabilities were not the result of the Investment Manager's willful malfeasance, bad faith, gross negligence or violation of ERISA in the performance of, or reckless disregard of, its duties under the IMA or the governing documents of the Fund; (b) errors in judgment on the part of any person, or any act or omission of any person, selected by the Investment Manager to perform services for or otherwise transact business with the Fund, provided that, in selecting such person, the Investment Manager acted without willful malfeasance, bad faith, gross negligence, or violation of ERISA; or (c) circumstances beyond the Investment Manager's control, including the bankruptcy, insolvency or suspension of normal business activities of any broker-dealer, bank or other financial institution holding assets of the Fund.

To the extent any affiliate of the Investment Manager, or any shareholder, partner, member, director, officer, employee or agent of the Investment Manager or of any of its affiliates, has duties (including fiduciary duties) and liabilities relating thereto to the Fund or any Shareholder in connection with the Investment Manager's role as the investment manager of the Fund, such person will not be liable for monetary or other damages to any of them for such person's good faith reliance on the provisions of the IMA or the governing documents of the Fund or for losses sustained or liabilities incurred by any of them as a result of errors in judgment on the part such person, or any act or omission of such person, if such losses or liabilities were not the result of such person's willful malfeasance, bad faith or violation of ERISA.

Pursuant to the IMA, the Fund will, to the fullest extent permitted by law, indemnify each Investment Manager Associate – *i.e.*, the Investment Manager, its affiliates and each shareholder, partner, member, director, officer, employee or agent of the Investment Manager or of any of its affiliates – from and against any and all losses, damages, liabilities, costs, expenses (including reasonable legal and expert witness fees and related costs and expenses), judgments, fines, amounts paid in settlement and other amounts (including costs and expenses associated with investigation or preparation), actually and

reasonably paid or incurred by such Investment Manager Associate in connection with any and all legal or similar proceedings that arise from or relate, directly or indirectly, to any act or omission (or alleged act or omission) of such Investment Manager Associate in connection with the IMA or the business or affairs of the Fund and in which such Investment Manager Associate may be involved, or is threatened to be involved, as a defendant, witness, deponent or otherwise (but not as a plaintiff, unless the Fund Board agrees otherwise in its sole and absolute discretion), whether or not the same shall proceed to judgment or be settled or otherwise be brought to a conclusion, except to the extent that it is Judicially Determined (defined below) that such Investment Manager Associate is not entitled to be exculpated in respect of such act or omission as described above. "**Judicially Determined**" means determined in a judgment or order, not subject to further appeal or discretionary review, by a court, governmental body or agency or self-regulatory organization having jurisdiction to render or issue such judgment or order.

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

The IMA shall have an indefinite term, but may be terminated by the Fund or the Investment Manager upon written notice to the other parties in the event of (i) a material breach by the other party, (ii) bankruptcy or insolvency of the other party, (iii) inability of the other party for regulatory reasons to perform its services or (iv) commencement of winding up of the Fund. In addition, the Fund or the Investment Manager may terminate the IMA upon not less than thirty (30) calendar days' advance written notice to the other parties.

The Administrator

NAV Fund Services (Cayman) Ltd. (the "**Administrator**") acts as the Administrator of the Fund pursuant to a Service Agreement entered into with the Fund (the "**Administration Agreement**"). The Administrator is responsible for, among other things: (i) maintaining the register of Shareholders of the Fund and processing the issuance and transfer of Shares of the Fund; (ii) disseminating financial information to Shareholders; (iii) processing requests for redemption of Shares; (iv) keeping books and records of the Fund; and (v) performing other services in connection with the administration of the Fund as described in the Administration Agreement.

The Administration Agreement provide that the Administrator shall not be liable to the Fund, any Shareholder or any other person in absence of finding of willful misconduct, gross negligence, or fraud on the part of NAV.

Furthermore, Fund shall indemnify and hold harmless the Administrator, its affiliates, officers, directors, shareholders, employees, agents and representatives (collectively, the "**NAV Parties**") from and against any liability, damages, claims, loss, cost or expense, including, without limitation, reasonable legal fees and expenses (individually, "**Loss**" and collectively, "**Losses**") arising from, related to, or in connection with the services provided to the Fund pursuant to the Administration Agreement, unless any such Losses are the direct result of the willful misconduct, gross negligence or fraud of the Administrator. In no event shall the Administrator have any liability to the Fund, any Shareholder or any other person or entity which seeks to recover alleged damages or losses in excess of the fees paid to the Administrator by the Fund in the one year preceding the occurrence of any loss, nor shall the Administrator be liable for any indirect, incidental, consequential, collateral, exemplary or punitive damages, including lost profits, revenue or data, regardless of the form of the action or the theory of recovery, even if the Administrator has been advised of the possibility of such damages or such damages were foreseeable. Any claim brought against the Administrator in connection with the Administration Agreement will be barred unless

it is initiated within one year of the earlier of the disclosure of the event which is the subject of such claim or the date that the party advancing such claim knew or could with due inquiry have known of such event.

The Administrator shall not be liable to the Fund, any Shareholder or any other person for the actions or omissions of any agent, contractor, consultant or other third party performing any portion of the services under the Administrator Agreement absent a finding of gross negligence or fraud on the part of the Administrator in appointing such agent, contractor, consultant or other third party.

The Administrator shall not be liable to the Fund, any Shareholder or any other person for actions or omissions made in reliance on instructions from the Fund or advice of legal counsel.

The services provided by the Administrator are purely administrative in nature. The Administrator has no responsibilities or obligations other than the services specifically listed in the Administration Agreement. No assumed or implied legal or fiduciary duties or services are accepted by or shall be asserted against the Administrator. The Administrator does not provide tax, legal or investment advice. The Administrator has no duty to communicate with Shareholders other than as set forth in Exhibit A of the Administration Agreement. The Administrator does not have custody of Fund's assets, it does not verify the existence of, nor does it perform any due diligence on the Fund's underlying investments. In connection with the payment processing functions, the Administrator shall not be responsible for performance of the due diligence on payment recipients other than in connection with payments for Investors' withdrawals from the Fund, which are subject to anti-money laundering review functions of the services.

The Administration Agreement also provide that it is the obligation of the Fund's management, and not of the Administrator, to review, monitor or otherwise ensure compliance by the Fund with the investment policies, restrictions or guidelines applicable to it or any other term or condition of the Fund's offering documents and with laws and regulations applicable to its activities. Moreover, the Fund's management's responsibility for the management of the Fund, including without limitation, the valuation of the Fund's assets and liabilities, the oversight of the services provided by the Administrator and the review of work product delivered by the Administrator shall not be affected by or limited by any of the services provided by the Administrator.

The Administrator is entitled to rely on any information, including valuation information, received by the Administrator from the Fund, the Fund's management or other parties, including without limitation, broker-dealers and data vendors, without independent verification, audit, review, inquiry, or performing other due diligence and the Administrator shall not be liable to the Fund, any Shareholder or any other persons for losses suffered as a result of the Administrator relying on incorrect information. The Administrator has no responsibility to review, independently value, verify, compare to other pricing sources or otherwise perform due diligence on the valuation information. The Administrator may accept such information as accurate and complete without independent verification. Furthermore, the Administrator shall not be liable to the Fund, any Shareholder or any other person for any loss incurred as a result of an error or inaccuracy from any pricing or valuation service or data service provider or delay, interruption in service or failure to perform of any pricing or valuation service or data service provider used by the Administrator.

The information on investor statements and other reports produced by the Administrator shall not be considered an offer to sell or a solicitation of an offer to purchase any Shares, nor may it be used to induce or recommend the purchase or holding of Shares.

The Administration Agreement bars non-parties from asserting third party beneficiary claims against the Administrator.

The Fund pays the Administrator fees out of the Fund's assets, generally based upon the size of the Fund, in accordance with the Administrator's standard schedule for providing similar services, subject to a monthly minimum.

Either party may terminate the Administration Agreement on 60 days' prior written notice as well as on the occurrence of certain events.

Shareholders may review the Administration Agreement by contacting the Fund; provided, that the Administrator reserves the right not to disclose the fees payable thereunder.

The Administrator is not responsible for the preparation of this Memorandum or the activities of the Fund and therefore accepts no responsibility for any information contained in any other section of this Memorandum.

§3. INVESTMENT OBJECTIVE AND STRATEGY

Investment Objectives

The Investment Manager is afforded flexibility to invest the Fund's capital in a wide range of Sub-Funds, Managed Accounts and instruments in order to achieve the objective of long-term appreciation from global investments. The Fund is designed to be an alternative or complement to an investor's existing portfolio. The Investment Manager focuses on the diversification side of the investment equation, using a multi-manager, multi-strategy approach in an attempt to generate strong stand-alone returns and protect traditional equity, fixed-income, multi-strategy or alternative portfolios. The Investment Manager uses a multi-dimensional methodology permitting it to shift exposure to those strategies and Sub-Managers which it believes offer the most attractive positive convexity. The Fund will tend to favor Sub-Managers investing in volatility strategies with positive convexity, as well as other uncorrelated strategies like global macro, proprietary trading, and CTA (commodity trading advisor).

The Fund is positioned to capture non-arbitraged volatility opportunities across all asset classes and geographies with a long convexity bias. It is designed to represent a strategic, permanent allocation as a diversifier in investors' portfolios.

The Fund's size will be constrained by the Investment Manager's ability to invest with a select group of Sub-Managers. The Investment Manager believes that maintaining a smaller investment vehicle, rather than a multi-billion dollar one, provides the Investment Manager with a competitive edge in identifying and securing capacity with certain Sub-Managers.

Investments with Sub-Managers will generally take one of the following forms:

- ***Sub-Funds*** – Investments in private investment partnerships, "hedge funds," "commodity pools" or other special purpose investment vehicles managed by Sub-Managers selected for their expertise either as direct investments or through private investment funds managed by the Investment Manager; or

- ***Managed Accounts*** – Individually-managed accounts managed pursuant to investment advisory agreements with selected Sub-Managers or trading accounts managed by the Investment Manager.

It is anticipated that the majority of the Fund's investments will be made through Sub-Funds.

The Sub-Managers to which the Fund allocates its assets generally will have complete discretion to purchase and sell securities and other instruments for their respective Sub-Funds or Managed Accounts consistent with the relevant investment advisory agreements, partnership agreements or other governing documents.

Principles and Goals

The Investment Manager embraces a number of fundamental principles and goals in its efforts to achieve the Fund's investment objectives. The Investment Manager strives to:

- Compound capital over time by investing with a diversified set of Sub-Managers which the Investment Manager believes to be superior investors and risk managers;
- Perform comprehensive due diligence: be disciplined, systematic and get inside the core of Sub-Funds from both a qualitative and quantitative perspective;
- Invest with Sub-Managers of all sizes who share the Investment Manager's values and have the highest levels of integrity and character;
- Build high conviction portfolios one brick (Sub-Manager) at a time by decisively adding to or redeeming from Sub-Funds or Managed Accounts;
- Understand and manage risk at the Fund and portfolio levels by vigorously implementing advanced risk management concepts and systems, and aggressively watching, listening and questioning both before and after investing;
- Align interests of the Investment Manager's executive employees and principals, Dr. Sorina Zahan and William J. Friend, with those of the Shareholders; and
- Earn the respect of the Shareholders and the hedge fund community.

Investment Strategies

The Investment Manager typically designs a high conviction portfolio of hedge funds that invest in U.S. and non-U.S. instruments. The Fund will typically invest in 4 to 10 Sub-Funds or Managed Accounts, although the actual number of Sub-Managers may be greater or fewer over time. The Investment Manager may allocate more than 25% of the Fund's net portfolio to any one Sub-Manager. The investment styles of the Sub-Managers may vary greatly. Some may use fundamental, macroeconomic "top-down" research and analysis. Others may invest based on technical analysis or trade based on bottom-up analysis. Some Sub-Managers may be broadly diversified, while others may be highly concentrated. The majority of the Sub-Managers are expected to be volatility arbitrage, global macro, proprietary trading or managed futures managers.

The Investment Manager assembles a "team" of Sub-Managers designed to achieve complementary diversification by style and strategy. This diversification is intended to reduce the volatility associated with any one investment approach and is believed likely to enhance returns over time on a total return basis. The Investment Manager may also allocate Fund capital to Sub-Funds or Managed Accounts that are managed by the Investment Manager, although in such circumstances the Investment Manager will ensure that the net fees charged against such assets are no higher than the fees charged against the relevant Shares.

The Investment Manager cannot guarantee that the Fund will meet the foregoing objectives. Further, as the Fund's portfolio is modified, the attributes and characteristics of the portfolio may vary significantly over time.

Sub-Manager Evaluation, Selection & Monitoring

The Investment Manager applies numerous criteria in the evaluation and selection of Sub-Managers. Particular focus is placed upon the following areas and characteristics of the Sub-Manager, although it is possible that some of the Sub-Managers selected for the Fund will not meet all of these criteria:

Strategy

- Has an explainable and understandable investment strategy; and
- Exhibits high intelligence and a definable edge in its investing activity.

Investment and Portfolio Management

- Has a strong record of superior prior performance on a risk-adjusted basis;
- Manages an amount of capital within its strategy consistent with available investment opportunities;
- May invest in a wide array of financial securities including futures, forwards, options, swaps, swaptions, credit default swaps, and other instruments;
- Identifies change and opportunity to develop thematic shifts likely to materially impact the valuation of various securities;
- Develops macroeconomic analyses and investment themes that often hinge upon identifying a catalyst for change;
- Constructs portfolios with securities where significant valuation anomalies are present but, more importantly, where a trigger is identified to close the valuation gap; and
- Identifies variables, tactically, that drive opportunities and hedges against variables which are value destroying. =

Risk Management

- Believes that risk management is an activity, a discipline and a culture – not a system;
- Emphasizes disciplined risk management; and
- Employs robust risk management controls and processes to ensure focus on alpha generation from security selection, independent of overall market direction.

Alignment of Interests and Character

- Is a significant investor along with outside investors in the Sub-Manager's Sub-Fund;
- Evidences stability and consistency in key management and analytical positions;
- Maintains the highest level of integrity and values; and
- Has outstanding references and, perhaps, is known personally to the Investment Manager, its principal or executive employees.

While past performance is deemed to be important, the Investment Manager emphasizes and focuses on how well a Sub-Manager is likely to perform in the future. The Investment Manager tends to focus the Fund's investments on Sub-Managers with demonstrated records of performance. Investment strategies and styles tend to be cyclical, and the Investment Manager endeavors to select Sub-Managers that are likely to meet our criteria for a long-term, consistently superior result. The Investment Manager strives to avoid chasing "yesterday's heroes" or style or strategy "fads" of the moment and attempts, instead, to anticipate intermediate and long-term trends and selects Sub-Managers accordingly. Turnover, or exits from existing investments, is generally not very high.

Multiple criteria, both quantitative and qualitative, contribute to Sub-Manager identification, due diligence, selection, monitoring and redemption processes. The Investment Manager completes thorough due diligence on Sub-Fund candidates and selects Sub-Managers that meet systematic investment management criteria. The Investment Manager utilizes a disciplined top-down and bottom-up process including:

Identification

- Initial research to identify first rate Sub-Managers. Resources include current Sub-Managers, prime brokers, other like-minded investors, hedge fund publications, business journals, industry databases, data filters, Sub-Fund investor reports including monthly/quarterly letters, industry conferences, professional recommendations and referrals.

Due Diligence

- Quantitative analysis and assessment of historical performance in both up and down markets, risk profile, volatility, style drifts, assets under management, maximum declines, length of recovery periods, tax efficiency, comparison with other Sub-Funds including risk adjusted performance, management and incentive compensation and Sub-Fund terms.
- Qualitative analysis and assessment of strengths and weaknesses of management and analytical teams, commitment of portfolio managers and their team, investment management process, systematic and disciplined risk controls, frequency and type of investor communications, transparency, outstanding litigation, reputation of professional services team including audit, tax, fund administration and legal representation.
- Operational review includes reviews of past financial data, tax returns, brokerage and custody relationships, audit reports, independent operational due diligence reports, pricing policies and independent fund administration services.
- Thorough background, reference and historical record checks.
- Multiple interviews of various members of both the general and portfolio management and analyst team over a period that usually lasts several months, via face to face meetings, site visits and conference calls.

Selection

- Getting inside the core of a Sub-Manager by building a record of personal interaction and performance results prior to investing.

- Assessing attractiveness of those Sub-Managers in "Focus" (due diligence ongoing prior to making an investment) and on our "Farm Team" (monitoring, not in "Focus" at the time) such that a new Sub-Manager provides diversification to the overall portfolio in terms of correlation, style and risk/reward impact.

Risk Monitoring and Adjustments

- Monitoring and re-evaluation of "Funded" (investment made) Sub-Managers to assess new information, performance, style drift, change in assets under management, changes in the use of leverage and liquidity, employee moves, Sub-Manager motivation and comparison with other Sub-Funds.
- Regular portfolio and financial reporting, including annual audits, is required from Sub-Funds.

The size, nature and timing of the selection of Sub-Managers is under the Investment Manager's exclusive control. Once selections are made, however, the Investment Manager is not able to influence or control the investments or the investment policies of the Sub-Managers with which the Fund has invested. Moreover, the Investment Manager is able to terminate the Fund's investments only in accordance with the operative agreements which govern them, which typically allow redemptions on only a periodic (*e.g.*, quarterly or annually) basis after notice.

The Investment Manager continuously monitors the Fund's portfolio of Sub-Managers and conducts periodic portfolio reviews throughout the year. The Investment Manager continuously assesses risk and attempts to optimize returns. In that respect, the Investment Manager ranks certain attributes of "Funded," "Focus" and "Farm Team" Sub-Managers to assess the risk/reward impact of the addition to current positions or substitution of new Sub-Managers relative to the Fund's overall portfolio.

Management of Unallocated Assets

From time to time, the Investment Manager will not have the Fund be fully invested and will retain cash balances in the Fund's account. This may occur, for example, where the Investment Manager has determined the Fund should maintain sufficient liquid assets to satisfy anticipated withdrawal requests or establish reserves for contingencies. Alternatively, the Investment Manager may believe that to achieve the Fund's objectives, it may be necessary to invest a portion of the Fund's assets in cash equivalent investments. The Investment Manager manages the Fund's investments in cash and cash equivalents including, for example, certificates of deposit, money market funds, short term government securities and other instruments commonly viewed as having substantially the same safety and liquidity of cash. The Investment Manager may employ Sub-Managers for cash management.

Leverage

Sub-Managers may use borrowing or other forms of leverage as permitted by law in investing the Fund's assets. In addition, the Investment Manager reserves the right to employ leverage directly in making investments with the Sub-Managers, although the Investment Manager intends to use leverage on only an isolated and infrequent basis. The use of leverage increases both investment opportunity and investment risk.

There is no assurance that the Fund will be successful in pursuing its investment objectives. You must be prepared to lose all or substantially all of your investment in the Fund.

§4. EXPENSES; MANAGEMENT AND INCENTIVE FEES

Organizational and Offering Costs and Expenses

The Fund's organizational costs and expenses, together with offering costs and expenses incurred in connection with the offer and sale of Shares issued at the Initial Closing, were approximately $35,000. The Investment Manager initially bore these expenses and is being reimbursed therefore by the Fund over the first twenty-four (24) months of the Fund's operation; provided, however, that the Investment Manager may defer the start of this reimbursement period for up to three (3) months after the Initial Closing in its absolute discretion. If the Fund ceases operations prior to the end of this twenty-four (24) month period, it will have no further reimbursement obligations to the Investment Manager.

Fund Expenses

Subject to the limitations described below, the Fund will bear such costs and expenses as the Fund Board shall reasonably determine to be necessary, appropriate, advisable, incidental or convenient to carry on the Fund's business and realize its objective, including without limitation: (i) Management and Incentive Fees (discussed below); (ii) costs and expenses incurred by the Investment Manager in connection with conducting due diligence on the Sub-Managers (including subscription fees for market databases and third-party consulting services, and travel costs relating to manager sourcing and due diligence); (iii) costs and expenses incurred in connection with the investment and reinvestment of the Fund's assets, including brokerage commissions, dealer mark-ups, mark-downs and spreads, and related clearing and settlement charges; (iv) borrowing charges and other costs and expenses associated with short sales; (v) interest expense and loan commitment fees relating to the Fund's borrowings and other leverage-related expenses (including margin debt and obligations under repurchase agreements); (vi) direct operating costs and expenses, including administrative, legal, accounting, auditing, record-keeping, compliance, information technology and consulting costs and expenses (including costs and expenses associated with obtaining systems and other information designed to facilitate Fund accounting, portfolio management, record-keeping and cyber-security, including related hardware and software); fees, costs and expenses of third-party service providers that provide such services (including fees, costs and expenses of attorneys retained by the Investment Manager to represent the Investment Manager in connection with the business and affairs of the Fund, to the extent such fees, costs and expenses relate to advice provided to the Investment Manager by such attorneys with respect to such business and affairs); insurance costs and expenses (including premiums for cyber-security insurance and liability insurance covering the Fund and other persons); bank service fees; costs and expenses associated with preparing investor communications; and printing and mailing costs (vii) fees and taxes imposed by any federal, state, local or foreign government, governmental agency or regulatory body or self-regulatory organization, including licensing, filing, registration and exemption fees and withholding, transfer and franchise taxes; (viii) the Fund's indemnification obligations under the Fund Charter or agreements to which it is a party; and (ix) extraordinary costs and expenses, if any.

To the extent the Fund invests in Sub-Funds, it will bear its allocable share of the costs and expenses of such vehicles, including their organizational, offering and operating costs and expenses and the management fees and incentive compensation payable to their Sub-Managers. Similarly, to the extent the Investment Manager makes direct investments or causes the Fund to open Managed Accounts with Sub-Managers, the Fund bears the expenses associated with the management of such accounts, including their administrative and transaction expenses and the management fees and incentive compensation charged by the Sub-Managers.

The Fund will not expend its own funds to compensate placement agents, finders or other persons for marketing Shares or otherwise introducing prospective investors to the Fund.

Management Fees

The Fund ordinarily pays the Investment Manager a Management Fee, in arrears, in an amount equal to $1/12^{th}$ of 1% of each Class A, Class F1 or Class F2 Share's NAV (approximately 1% per annum), determined as of the last Business Day of the calendar month.

The Fund ordinarily pays the Investment Manager a Management Fee, in arrears, in an amount equal to 0.125% of each Class B Share's NAV (approximately 1.5% per annum), determined as of the last Business Day of the calendar month

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

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

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

Incentive Fees

As of the end of each calendar year and as of any date upon which a Class A Shareholder redeems Class A Shares or receives a distribution from the Fund, the Fund ordinarily pays the Investment Manager an incentive fee (the "**Incentive Fee**") equal to ten (10%) percent of the Net New Profit in respect of each Series of Shares as of such date.

There is no Incentive Fee payable with respect to the Class B Shares.

For Class F1 and Class F2 Shares, the Incentive Fee is seven and one-half percent (7.5%), but is otherwise the same as the Incentive Fee for the Class A Shares.

"**Net New Profit**" is the amount (if any) by which the aggregate NAV of a Series of Share as of the end of a calendar year exceeds the "**High Water Mark**" for such Series of Shares, which is the aggregate NAV of such Series of Shares immediately after the assessment of the most recent Incentive Fee or, if the Series has never been assessed an Incentive Fee, the total amount invested in such Series by the relevant Shareholder.

If a Series of Shares does not have Net New Profit as of the end of a particular calendar year, no Incentive Fee is due in respect of such Series unless and until the Series experiences Net New Profit as of the end of a subsequent calendar year (or redemption date, as the case may be).

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

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

Although the High Water Mark for a particular Series of Shares will carry forward from year to year until exceeded, the Investment Manager will not be required to "repay" any Incentive Fee paid to it in respect of such Series in the event the value of such Series subsequently declines in value.

The Investment Manager may agree to a different Incentive Fee arrangement in respect of any Series of Shares, generally by rebating all or a portion of such Incentive Fees, in its discretion. This will not entitle the Shareholder that holds such Series of Shares, or any other Shareholder, to such a different arrangement in respect of any other Series of Shares.

§5. CAPITALIZATION

The Fund's authorized share capital is US$50,000 divided into 100 Management Shares, par value US$0.01, and 4,999,900 Shares, par value US$0.01, which may be divided and allotted into separate Classes, Sub-Classes and Series by the Fund Board in its absolute discretion. Among other reasons, the Directors may establish a new Class to facilitate the partial payment of redemption proceeds during periods when the Fund cannot immediately fund redemption requests and for other purposes. The Fund is currently offering the Shares in four (4) Classes pursuant to this Memorandum.

Fractional Shares (up to three decimal places) will be issued to represent the difference between the U.S. dollar amount subscribed and the number of full Shares issuable with that amount.

The Shares offered pursuant to this Memorandum are participating, redeemable, non-voting shares. The Investment Manager owns all of the Management Shares.

The Shareholders will be entitled to receive both dividends and other distributions as declared, and to their pro-rata share of the Fund's net assets on a winding up. When issued, all Shares will be fully paid and non-assessable. No Shares will have pre-emptive rights. The Directors may refuse to issue, register or consent to the transfer of Shares for any reason.

Share certificates will be issued only upon written request and with the consent of the Directors, which may be withheld in their absolute discretion. Shares may be issued only in registered form and not as bearer Shares.

For further information on the Shares, see "*Rights Attached to the Shares and the Management Shares*" under §11, "GENERAL INFORMATION."

§6. VALUATION AND REDEMPTION OF SHARES

Valuation

Subject to the overall supervision of the Fund Board and the considerations discussed below, the Administrator calculates the Fund's aggregate NAV and the NAV per Share as of the last Business Day of each calendar month for purposes of determining the redemption value of Shares. The Administrator also calculates the NAV per Share for purposes of determining the Management and Incentive Fees payable to the Investment Manager. The NAV of the Fund is determined in U.S. dollars and equals the sum of all cash and cash equivalents and the fair value of all other assets of the Fund, less all liabilities of

the Fund as determined on the basis of U.S. generally accepted accounting principles consistently applied under the accrual method of accounting.

The Administrator will generally calculate the value of the Fund's investments based on the valuation principals established by the Fund Board and the Investment Manager as follows:

- Interests in Sub-Funds shall generally be valued using the value provided to the Fund by the relevant Sub-Manager unless the Fund Board, in consultation with the Investment Manager, determines that the value reported by the Sub-Manager does not reflect the true value of such interest.

- Securities for which the primary market is a national securities exchange or the Nasdaq National Market of the Nasdaq Stock Market shall be valued at the last sale price on such exchange or market during regular trading hours on the day of valuation or, if there was no sale on such day, at the mean between the highest closing bid and lowest closing asked prices on such day on such exchange or market.

- Options on securities and securities indices that are listed on a national securities exchange shall be valued at the mean between the highest bid and lowest asked prices on the day of valuation as reported by the exchange reasonably determined by the Investment Manager to be the primary exchange for such option.

- U.S. Government securities for which market quotations are available shall be valued at a price provided by an independent pricing agent or broker-dealer.

- Short-term debt securities, including bonds, notes, debentures and other debt securities, and money market instruments such as certificates of deposit, commercial paper, bankers' acceptances and obligations of domestic and foreign banks, with remaining maturities of more than 60 days, for which reliable market quotations are readily available, shall each be valued at current market quotations as provided by an independent pricing agent or principal market maker.

- Quotations of foreign securities in a foreign currency shall be converted to U.S. dollar equivalents at the current rate obtained from a recognized bank or dealer.

- Forward currency exchange contracts shall be valued at the current cost of covering or offsetting such contracts.

- All assets not described in the categories above shall be valued in any fair and reasonable manner the Fund Board may determine.

- If on the relevant valuation date the exchange or market herein designated for the valuation of any given asset is not open for business on the relevant valuation date, the valuation of such asset shall be determined as of the last preceding date on which such exchange or market was open for business; if an instrument could not be liquidated on the relevant valuation date due to the operation of daily limits or other rules of the exchange or market designated for the valuation thereof or similar factors, the settlement price on the first subsequent day on which the instrument could be liquidated shall be the basis for determining the value thereof for that valuation date, or such other value as the Fund Board may determine to be fair and reasonable.

- If the Fund Board determines that it is advisable to modify any of the foregoing valuation principles in order to reflect restrictions upon marketability or other factors affecting the value of an asset, it shall value the asset in question on the basis of such factors as it reasonably determines to be pertinent.

- Absent bad faith or manifest error, the Fund Board's valuation determinations are conclusive and binding on all Shareholders.

The foregoing valuations may be modified by the Administrator (in consultation with the Fund Board and the Investment Manager) to reflect restrictions upon marketability or other factors affecting valuation. Without limiting the foregoing, the Administrator's valuation may reflect the amounts invested by the Fund in the asset, notwithstanding that the amounts may not represent the asset's market value. All determinations of values by the Administrator shall be final and conclusive as to all Shareholders.

Redemptions

Voluntary Redemptions

Voluntary Redemptions. A Shareholder may generally redeem all or any portion of its Shares as of any Redemption Date upon no less than ninety-five (95) calendar days' prior written notice to the Fund; provided, however, that any redemption of a Share prior to the one (1) year anniversary of the date such Share was issued will be subject to an early redemption fee payable to the Fund equal to three percent (3%) of the NAV of such Shares

To the extent the aggregate NAV of a Shareholder's Shares would be reduced below the minimum initial investment amount as of any Redemption Date, the Fund may treat the corresponding request as a request for the redemption of all of a Shareholder's Shares.

A redemption request must be in written form requesting the redemption of all or number of specified Shares of such Shareholder. In such notice, the Shareholder must represent and warrant that it is the true, lawful and beneficial owner of the relevant Shares with full power and authority to request the redemption and must further represent that such Shares are not subject to any encumbrances.

The Fund Board may, as a condition to effecting a redemption of Shares at the request of a Shareholder, require such Shareholder to: (a) make such representations and warranties to the Fund and the Investment Manager as the Fund Board may reasonably request regarding matters such as such Shareholder's status as the sole, true and lawful beneficial owner of such Shares, its authority to make such redemption, its ability to make such redemption without any legal or contractual restriction, and the lack of encumbrances on such Shares; and (b) obtain a signature guarantee from a recognized financial institution.

The Fund Board, in its sole discretion, may agree to a redemption arrangement in respect of any Shares that is a substitute for that described above. No such substitute arrangement in respect of particular Shares will entitle the Shareholder that holds such Shares, or any other Shareholder, to such a substitute arrangement in respect of any other Shares. The Fund Board also has the sole discretion to permit a Shareholder to redeem Shares at times that differ from, and/or upon notice periods that are shorter than, the time and notice periods described above. No such permission will entitle the Shareholder that holds such Shares, or any other Shareholder, to such permission in respect of any other Shares.

Designated Investments

The Fund Board may "side pocket" (generally by the establishment of a separate Class of non-voting, non-redeemable, participating shares) a portion of the investments in the Fund (by value, determined according to the most recent reliable valuation of the Fund, or if there is no such valuation as reasonably determined by the Fund Board) that the Fund Board reasonably determines to be "illiquid" ("**Designated Investments**") (generally meaning that the Fund either does not have a current reliable valuation or cannot reasonably liquidate such investment) and allocate gains and losses attributable to such side pocketed investments only to those Shareholders who were investors in the Fund as of the date of such determination. A Shareholder's participation in a Designated Investment shall continue, for both financial and tax purposes, until the Designated Investment is liquidated or until the determination of the Fund Board, in its discretion, that such investment need not be treated as a Designated Investment any longer, which may occur after the Shareholder has completely redeemed its Shares. Expenses shall be accrued and assessed on a current basis in respect of Designated Investments, in such manner as the Fund Board deems equitable. Management Fees will be accrued and may be assessed currently (against the portion of the assets underlying the Shares that comprises the Designated Investment) or if the Fund Board deems it more equitable may be deferred until such time as the relevant Designated Investment is liquidated or until the determination of the Fund Board, in its discretion, that such investment need not be treated as a Designated Investment any longer. The Fund Board will defer payment of Incentive Fees on Designated Investments until the Designated Investment is liquidated or until the determination by the Fund Board, in its discretion, that such investment not be treated as a Designated Investment any longer. To the extent the Fund establishes one or more Designated Investments, each Designated Investment will be tracked separately. At such time as the relevant Designated Investment is liquidated or until the determination of the Fund Board, in its discretion, that such investment need not be treated as a Designated Investment any longer, if the Shareholder has redeemed all of its Shares, such Shareholder will receive payment in cash, "in kind" or a combination of the two in respect of the assets attributable to such Designated Investment; provided, however, that "in kind" payments will be made only when all Shareholders participating in the Designated Investment are receiving a *pro rata* distribution of the relevant Designated Investment; however, any other restrictions or limitations on redemptions currently in effect will apply to the assets of such Shareholder's Shares.

Compulsory Redemptions

The Fund may at any time compulsorily redeem all or any portion of a Shareholder's Shares for any reason as of any month-end by giving not less than five (5) calendar days' written notification to such Shareholder. The Fund Board shall not be required to give such advance notice to a Shareholder if the Fund Board reasonably determines that: (a) such Shareholder made a material misrepresentation to the Fund in connection with acquiring its Shares; (b) a proceeding is commenced or threatened against the Fund or any other Shareholder arising out of, or relating to, such Shareholder's investment in the Fund; or (c) such Shareholder's continuing ownership of Shares would result in: (i) a violation by the Fund or the Investment Manager of any requirement, condition or guideline contained in any federal, state, local or foreign law or in any order, directive, opinion, ruling or regulation of a federal, state, local or foreign government or governmental agency or body or self-regulatory organization, (ii) the imposition of a requirement that the Fund or the Investment Manager comply with any requirement, condition or guideline contained in any federal, state, local or foreign law or in any order, directive, opinion, ruling or regulation of a federal, state, local or foreign government or governmental agency or body or self-regulatory organization, to which it is not subject as of the date of this Memorandum; (iii) the imposition of a requirement on the Fund to register as an investment company under the U.S. Investment Company Act of 1940, as amended (the "**ICA**"); (iv) the imposition of a requirement on the Fund to comply with any provision of the ICA (other than provisions applicable to a company that relies on Section 3(c)(1) of the ICA); or (v) the occurrence of any "prohibited transaction" (within the meaning of Section 406 of

ERISA or Section 4975(c) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**")) or other violation of ERISA.

All distributions from a compulsory redemption will be paid in accordance with normal redemption procedures as described below.

Effect of Redemptions

Where a redemption request is accepted, the Shares will be treated as having been redeemed with effect from the relevant Redemption Date, irrespective of whether or not such redeeming Shareholder has been removed from the Fund's register of members or the redemption price has been determined or remitted. Accordingly, on and from the relevant Redemption Date, Shareholders in their capacity as such will not be entitled to or be capable of exercising any rights arising under the Fund's Articles of Association with respect to Shares being redeemed (including any right to receive notice of, attend or vote at any meeting of the Fund) save the right to receive the redemption price and any dividend which has been declared prior to the relevant Redemption Date but not yet paid (in each case with respect to the Shares being redeemed). Such redeemed Shareholders will be creditors of the Fund with respect to the Redemption Price. In an insolvent liquidation, redeemed Shareholders will rank behind ordinary creditors but ahead of Shareholders.

Redemption Price

The redemption price for Shares being redeemed shall be the NAV of such Shares as of the relevant Redemption Date.

Payments on Redemptions

If a Shareholder requests redemption of less than substantially all of its Shares, or the Fund compulsorily redeems less than substantially all of a Shareholder's Shares (in either case, as determined by the Investment Manager in its reasonable discretion), the Fund will generally distribute the Shareholder's estimated redemption proceeds within sixty (60) calendar days of the relevant Redemption Date.

If a Shareholder requests redemption of all or substantially all of its Shares, or the Fund compulsorily redeems all or substantially all of a Shareholder's Shares (in either case, as determined by the Investment Manager in its reasonable discretion), the Fund will generally distribute no less than ninety percent (90%) of the Shareholder's estimated redemption proceeds within sixty (60) calendar days of the relevant Redemption Date. Any outstanding balance will be paid as soon as is reasonably practicable following the completion of the Fund's annual audit for the year in which such redemption was effective, subject to the limitations on redemptions discussed in this Memorandum and in the Fund Charter. Any amounts withheld by the Fund will not bear interest.

Redemption proceeds may be paid in cash, securities or a combination of the two.

All redemption proceeds must be paid to the Shareholder's account from which the monies were originally debited unless agreed upon by the Fund Board and the Administrator.

While the Fund expects to distribute cash to Shareholders in respect of their redemptions, there can be no assurance that the Fund will have sufficient cash to satisfy redemptions, or that it will be able to liquidate investments at the time of redemptions at favorable prices. Under the foregoing circumstances or the circumstances described below under "*Suspension of Redemptions and Redemption Payments*," the

Fund may make "in kind" distributions of its portfolio securities, or distributions consisting of a combination of cash and portfolio securities, to satisfy redemptions. To the extent the Fund makes "in kind" distributions, it will allocate such distributions among the Shareholders entitled thereto such that each such Shareholder shall, except for immaterial variances, receive a *pro rata* portion thereof. Securities distributed "in kind" may not be readily marketable or saleable and may have to be held by the Shareholders who receive them for an indefinite period of time.

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

Suspension of Redemptions and Redemption Payments

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

The Fund may also suspend or delay redemptions or redemption payments to the extent the Fund is unable to obtain sufficient funds to honor redemption requests because the Sub-Funds are limiting their withdrawals or redemptions or the Fund cannot otherwise liquidate a significant portion of its assets.

If the Fund suspends redemptions and/or payments payable to Shareholders in connection with redemptions due to the conditions under (ii) above, it will also suspend subscriptions for Shares and the determination of the Fund's NAV while such suspension is in effect.

If the Directors, in consultation with the Investment Manager, decide that the Fund's investment strategy is no longer viable, they may resolve that the Fund be managed with the objective of realizing assets in an orderly manner and distributing the proceeds to Shareholders in such manner as they determine to be in the best interests of the Fund, in accordance with the terms of the Articles and this Memorandum, including, without limitation, compulsorily redeeming Shares, paying any dividend proceeds in specie and/or declaring a suspension while assets are realized. This process is integral to the business of the Fund and may be carried out without recourse to a formal liquidation under the Companies Law or any other applicable bankruptcy or insolvency regime, but shall be without prejudice to the right of the holders of the Management Shares to place the Fund into liquidation.

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

§7. CERTAIN RISK FACTORS

In considering an investment in the Fund, prospective investors should be aware of certain special considerations and risk factors, which include, but are not limited to, the following:

- **General Investment or Market Risk, *i.e.*, the risk of deterioration in an entire market, such that all or most of the Sub-Managers concentrating in that market incur large losses;**

- **Strategy Risk, *i.e.*, the risk of deterioration in an entire strategy, such that all or most of the Sub-Managers concentrating in that strategy incur large losses;**

- **Sub-Manager Risk, *i.e.*, the risks associated with the Fund's use of third-party investment management firms, such as fraud, deviation from defined strategies, human or system error and poor judgment;**

- **Institutional Risk, *i.e.*, the risk that the Fund could incur losses due to: (i) the failure of counterparties to perform their contractual commitments to the Fund or to Sub-Funds in which the Fund invests; or (ii) the financial difficulty of brokerage firms, banks or other financial institutions that hold assets of the Fund or the Sub-Funds in which the Fund invests;**

- **Fund Structure Risk, *i.e.*, the special considerations and risks arising from the operation of certain provisions of the Fund Charter and the IMA; and**

- **Operational Risk, *i.e.*, the special considerations and risks arising from the day-to-day management of a fund-of-funds like the Fund.**

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

References to the Fund's use of a Sub-Manager should be understood to refer to both the indirect use of such Sub-Manager (through investing in a Sub-Fund managed by such Sub-Manager) and the direct use of such Sub-Manager (through establishing a Managed Account with such Sub-Manager).

GENERAL INVESTMENT OR MARKET RISK

All investments in securities and other financial instruments involves substantial risk of volatility (potentially resulting in rapid declines in market prices and significant losses) arising from any number of factors that are beyond the control of the Investment Manager and the Sub-Managers used by the Fund, such as: changing market sentiment; changes in industrial conditions, competition and technology; changes in inflation, exchange or interest rates; changing domestic or international economic or political conditions or events; changes in tax laws and governmental regulation; and changes in trade, fiscal, monetary or exchange control programs or policies of governments or their agencies (including their

central banks). Changes such as these, as well as innumerable other factors, are often unpredictable and unforeseeable, rendering it difficult or impossible to predict or foresee future market movements. Unexpected volatility or illiquidity in the markets in which the Fund holds positions could impair its ability to achieve its objective and cause it to incur losses.

The tragic events of September 11, 2001 had an immediate material and adverse effect on the financial markets in general and investment in securities in particular. If there are further such events, there are numerous ways in which they could have a substantial negative impact on any fund, including sharp adverse changes in volatility and liquidity.

Although the Investment Manager believes that the Fund's investment program should mitigate the risk of loss through a careful selection and monitoring of the Fund's investments, an investment in the Fund is nevertheless subject to loss, including possible loss of the entire amount invested. No guarantee or representation is made that the Fund's investments will be successful, and investment results may vary substantially over time.

Developments in Global Credit Markets

Declines in the market value of asset-backed securities, especially securities backed by subprime mortgages, have been concomitant with the occurrence of significant market events. Increasing credit and valuation problems in the subprime mortgage market have generated extreme volatility and illiquidity in the markets for securities directly or indirectly exposed to subprime mortgage loans. This volatility and illiquidity has extended to the global credit and equity markets generally, and, in particular, to the high-yield bond and loan markets, exacerbated, among other things, by growing uncertainty regarding the extent of the problems in the mortgage industry and the degree of exposure of financial institutions and others, decreased risk tolerance by investors and significantly tightened availability of credit. The U.S. Federal Reserve Board, U.S. Department of Treasury, U.S. Federal Deposit Insurance Corporation and other U.S. federal entities have financed the bailout of various private and public companies. The duration and ultimate effect of current market conditions cannot be predicted, nor is it known whether or the degree to which such conditions may worsen. However, the continuation of current market conditions, uncertainty or further deterioration could result in further declines in the market value of financial instruments and, potentially, the failure or insolvency of significant financial institutions, including banks, brokerages and clearing organizations utilized by the Fund and the Sub-Funds.

GENERAL STRATEGY RISK

The business of investing in securities is highly competitive and the identification of attractive investment opportunities is difficult and involves a high degree of uncertainty.

General Economic Conditions

The success of any investment activity is influenced by general economic conditions that may affect the level and volatility of equity prices, credit spreads, interest rates and the extent and timing of investor participation in the markets for both equity and interest-rate-sensitive securities. Unexpected volatility or illiquidity in the markets in which the Fund directly or indirectly holds positions could impair the Fund's ability to carry out its business and could cause the Fund to incur losses.

Not a Complete Investment Program

The Fund will pursue the investment strategy described in this Memorandum (as the Investment Manager may modify it from time to time); an investment in the Fund is not intended as a complete investment program for any investor.

Portfolio Concentration

Some Sub-Managers may have overlapping strategies or portfolios and thus could accumulate large positions in the same or related instruments at the same time. In many cases, however, the Investment Manager will not be given access to information regarding the actual investments made by the Sub-Funds, as such information is considered proprietary by the Sub-Managers of such Sub-Funds. As a result, the Investment Manager ordinarily will be unable to ascertain the degree of the Fund's overall hedged or directional positions, or the extent of concentration risk or exposure to specific markets or strategies. Even if it were able to ascertain these matters, the Investment Manager's ability to mitigate the associated risks would depend on its ability to reallocate capital among existing or new Sub-Managers. This might not be feasible for several months until withdrawals, redemptions, subscriptions and contributions are permitted by the relevant Sub-Funds.

Because each Sub-Manager will trade independently of the others, the trading losses of some Sub-Managers could offset trading profits achieved by the other Sub-Managers. Different Sub-Managers might compete for the same investment positions. Conversely, some Sub-Managers may take offsetting positions which would result in transaction costs for the Fund without the possibility of profits.

Use of Leverage

Some of the investment strategies of the Sub-Managers do not have any predetermined limits on the amount of leverage they may utilize. Such leverage may be achieved through, among other methods, borrowing funds, purchases of securities on margin and the use of options, futures, forward contracts, repurchase and reverse repurchase agreements and swaps. The Fund does not currently borrow to invest with Sub-Managers, but may do so in the future. The use of leverage magnifies the degree of risk as well as the opportunity for gain.

The Fund may open Managed Accounts with Sub-Managers. If a Sub-Manager uses leverage, its trading positions in a Managed Account may result in losses that exceed the assets committed to that Managed Account. In that event, the Fund may be required to liquidate some or all of its investments. The Investment Manager may seek to mitigate this risk by attempting to open Managed Accounts in the form of limited liability companies or similar limited liability vehicles of which the Fund is the sole owner.

Use of Derivatives

Sub-Managers are expected to use derivative instruments, including without limitation, option contracts, swap agreements and forward contracts, and derivative techniques, including without limitation, synthetic short sales, for various hedging and/or speculative purposes. The use of such instruments and techniques may result in leveraging the assets of a particular Sub-Fund or Managed Account, thereby exposing such Sub-Fund or Managed Account (and thus the Fund) to significant risks.

Among other things, the prices of derivative instruments can be highly volatile. Price movements of derivative instruments are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of

governments, and national and international political and economic events and policies. In addition, governments from time to time intervene, directly and by regulation, in certain markets, particularly those in currencies, financial futures and options. Such intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations.

Uncertainties remain as to how the markets for these instruments will perform during periods of unusual price volatility or instability, market illiquidity or credit distress. Market movements are difficult to predict and financing sources and related interest rates are subject to rapid change. One or more markets may move against the derivatives positions held by a trader, thereby causing substantial losses. Many of these instruments are not traded on exchanges but rather through an informal network of banks and dealers who have no obligation to make markets in them and can apply essentially discretionary margin and credit requirements (and thus in effect force a trader to close out its positions).

Futures. In the futures markets, margin deposits typically range between 2% and 15% of the notional value of the futures contract purchased or sold. Because of these low margin deposits, futures trading is inherently highly leveraged. As a result, a relatively small price movement in a futures contract may result in immediate and substantial losses to the trader. For example, if at the time of purchase 10% of the price of a futures contract is deposited as margin, a 10% decrease in the price of the contract would, if the contract is then closed out, result in a total loss of the margin deposit before any deduction for brokerage commissions. A decrease of more than 10% would result in a loss of more than the total margin deposit.

Futures positions may be illiquid because certain commodity exchanges limit fluctuations in certain futures contract prices during a single day by regulations referred to as "daily price fluctuation limits" or "daily limits." Under such limits, during a single trading day no trades may be executed at prices beyond the daily limits. Once the price of a particular futures contract has increased or decreased by an amount equal to the daily limit, positions in that contract can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. This could prevent a Sub-Manager or the Fund from promptly liquidating unfavorable positions and thus subject the Fund to substantial losses. In addition, a Sub-Manager or the Fund may not be able to execute futures contract trades at favorable prices if little trading in the contracts involved is taking place. It also is possible that an exchange or the CFTC may suspend trading in a particular contract, order immediate liquidation and settlement of a particular contract, or order that trading in a particular contract be conducted for liquidation only.

Certain commodity exchanges have also established limits, referred to as "position limits," on the maximum net long or net short positions which any person may hold or control in particular commodity futures contracts. A Sub-Manager or the Fund may have to modify its investment and trading decisions, and might have to liquidate positions, in order to avoid exceeding such limits. If this should occur, it could adversely affect the profitability of the Fund.

Options. There are various risks inherent in options trading. For example, the seller (writer) of a covered call option (*i.e.*, the writer holds the underlying security) assumes the risk of a decline in the market price of the underlying security to a level below the purchase price of the security, less the premium received by the writer for writing the option. The writer of a covered call option also gives up the opportunity for gain on the underlying security above the exercise price of the option. The buyer of a call option assumes the risk of losing the premium invested in the option. The seller (writer) of a covered put option (*e.g.*, the writer has a short position in the underlying security) assumes the risk of an increase in the market price of the underlying security above the sales price (in establishing the short position) of the underlying security plus the premium received, and gives up the opportunity for gain on

the underlying security below the exercise price of the option less the premium received on the put option. The buyer of a put option assumes the risk of losing the premium it paid to purchase the put option.

The options markets have the authority to prohibit the exercise of particular options, which if imposed when trading in the option has also been halted, would lock holders and writers of that option into their positions until the restriction has been lifted.

Combination Transactions. A Sub-Manager or the Fund may engage in spreads or other combination options transactions involving the purchase and sale of related options and futures contracts. These transactions are considerably more complex than the purchase or writing of a single option. They involve the risk that executing simultaneously two or more buy or sell orders at the desired prices may be difficult or impossible, the possibility that a loss could be incurred on both sides of a multiple options transaction, and the possibility of significantly increased risk exposure resulting from the hedge against loss inherent in most spread positions being lost as a result of the assignment of an exercise to the short leg of a spread while the long leg remains outstanding. Also, the transaction costs of combination options transactions can be especially significant because separate costs are incurred on each component of the combination.

Straddles. In straddle writing, where the investor writes both a put and a call on the same underlying interest at the same exercise price in exchange for a combined premium on the two writing transactions, the potential risk of loss is unlimited. To the extent the price of the underlying interest is either above or below the exercise price by more than the combined premium, the writer of a straddle will incur a loss when one of the options is exercised. If the writer is assigned an exercise on one option position in the straddle and fails to close out the other position, subsequent fluctuations in the price of the underlying interest could cause the other option to be exercised as well, causing a loss on both writing positions.

Forward Trading. A Sub-Manager or the Fund may utilize forward contracts and options thereon which, unlike futures contracts, are not traded on exchanges and are not standardized; rather banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward and "cash" trading is substantially unregulated; there is no limitation on daily price movements and speculative position limits are not applicable. The principals who deal in the forward markets are not required to continue to make markets in the currencies or commodities they trade and these markets can experience periods of illiquidity, sometimes of significant duration. There have been periods during which certain participants in these markets have refused to quote prices for certain currencies or commodities or have quoted prices with an unusually wide spread between the price at which they were prepared to buy and that at which they were prepared to sell. Disruptions can occur in any market in which a Sub-Fund or the Fund trades due to unusually high trading volume, political intervention or other factors. The imposition of controls by governmental authorities might also limit such forward trading to less than that which the Sub-Manager or the Investment Manager would otherwise recommend, to the possible detriment of the Fund. Market illiquidity or disruption could result in major losses to the Fund.

In the forward markets, margin deposits may be even lower than in other markets or may not be required at all. Such low or non-existent margin deposits are indicative of the fact that any trading in the forward markets typically is accompanied by a high degree of leverage.

New Strategies

Investment strategies used by the Sub-Managers may not have been in existence during periods of major market stress, disruption or decline of the type that may be experienced in the future. As a result, it is not known how these strategies will perform in adverse market conditions.

Hedged and Arbitrage Strategies

The use by some Sub-Managers of "hedged" or arbitrage strategies does not necessarily mean these strategies are relatively low risk. Substantial losses may be recognized on hedge or arbitrage positions, and illiquidity and default on one side of a position can effectively result in the position being transformed into an outright speculation. Every hedge or arbitrage strategy involves exposure to some second order risk of the markets, such as the implied volatility in convertible bonds or warrants, the yield spread between similar term government bonds or the price spread between different classes of stock for the same issuer. Further, there are few examples of "pure" hedge or arbitrage Sub-Managers. Many such Sub-Managers employ limited directional strategies which expose them to market risk. Among the risks of arbitrage transactions are that two or more buy or sell orders may not be able to be executed simultaneously at the desired prices, resulting in a loss being incurred on both sides of a multiple trade arbitrage transaction. Also, the transaction costs of arbitrage transactions can be especially significant because separate costs are incurred on each component of the combination. Consequently, a substantial favorable price movement may be required before a profit can be realized.

Securities Issued in Private Placements

The Sub-Managers may utilize private placement transactions. Securities of public companies issued in private placement transactions will have restrictions on resale and may not be marketable. Even where registration of the purchased securities is agreed upon, the issuer may fail or refuse to register the securities. The SEC may not declare a registration statement filed with respect to such securities effective. The absence of such registration could affect the ability of the Sub-Manager to dispose of such investments. In addition, the ability of the Sub-Manager to profit from its investments in private companies will depend upon the ability of those companies to progress in their development to the point where they become attractive merger or acquisition candidates or can effect a public offering. Numerous factors may impede or prevent a company from reaching this point, including inadequate capital, unfavorable competitive developments, inadequate management or loss of key persons, technology obsolescence, and lack of market acceptance. A company may face significant capital shortfalls for a wide variety of reasons. Product development, modernization of technology or acquisition and integration of a new unit or subsidiary may prove more expensive or take more time than anticipated and the growth in revenues may be slower than expected. In any such event, Sub-Managers with an investment in such company may be asked to provide additional capital. If the Sub-Manager is unable or refuses to provide the additional capital, the company may obtain the needed funds from another source, diluting the Sub-Manager's earlier investment. Alternatively, the inability of any such company to obtain the needed financing may result in its failure and a loss of the Sub-Manager's investment.

A Sub-Manager will bear a risk of loss if an issuer of securities in a private transaction defaults on its obligations and the Sub-Manager is delayed or prevented from exercising its rights to dispose of the underlying securities, including (i) the risk of a possible decline in the value of the underlying securities during the period in which the Sub-Fund seeks to assert its rights, (ii) the risk of incurring expenses associated with asserting those rights, (iii) the risk that those rights may be limited by bankruptcy or other legal considerations, (iv) the risk of losing all or a part of the income from the private transaction, and (v) the risk of carrying an underlying short position during such period of time.

Short Selling

Some Sub-Managers may engage in selling securities short**,** which involves the sale of borrowed securities. In order to sell a security short, the seller must borrow the security from a securities lender and deliver it to the buyer. The seller is then obligated to return the security to the lender at its request (although the seller remains free to return the security to the lender at any time prior to the lender's

request). The seller ordinarily fulfills its obligation to return a security previously sold short by acquiring it in the open market.

A short sale by a Sub-Manager ordinarily involves a judgment on its part that, subsequent to the sale, the price of the security will fall over time, resulting in profits equal to the difference between the net proceeds of the sale and the cost of acquiring the security (or a security exchangeable for or convertible into such security) at a later date to fulfill the obligation to return the security to the lender.

The principal risk in selling a particular security short is that, contrary to the Sub-Manager's expectation, the price of the security will rise, resulting in a loss equal to the difference between the cost of acquiring the security (for return to the lender) and the net proceeds of the short sale. (This risk of loss is theoretically unlimited, since there is theoretically no limit on the price to which the security sold short may rise.)

Another risk is that the short seller may be forced to unwind a short sale at a disadvantageous time for any number of reasons. For example, a lender may call back a stock at a time the market for such stock is illiquid or additional stock is not available to borrow. In addition, some traders may attempt to profit by making large purchases of a security that has been sold short. These traders hope that, by driving up the price of the security through their purchases, they will induce short sellers to seek to minimize their losses by buying the security in the open market for return to their lenders, thereby driving the price of the security even higher.

Below "Investment Grade" Securities

Some Sub-Managers may invest in bonds or other fixed income securities, including, "high yield" (and, therefore, high risk) debt securities. These securities may be below "investment grade" and are subject to uncertainties and exposure to adverse business, financial or market conditions which could lead to the issuer's inability to make timely interest and principal payments. The market values of these securities tend to be more sensitive to individual corporate developments and general economic conditions than do higher rated securities.

Distressed Investing

Sub-Managers may invest in securities and private claims and obligations of entities that are experiencing significant financial or business difficulties. The investing Sub-Fund may lose all or a substantial portion of its investment in such distressed companies or may be required to accept cash or securities with a market value of less than the initial investment. One of the risks of investing in distressed entities is the difficulty of obtaining information as to the true condition of such issuers. Distressed company investments may also be adversely affected by state and federal laws relating to fraudulent conveyances, voidable preferences, lender liability and a court's discretionary power to disallow, subordinate or disenfranchise particular claims. The market prices of such securities are also subject to erratic changes and above-average price volatility, and the spread between the bid and asked prices of such securities may be greater than normally expected.

Trading in Non-U.S. Companies and Markets

Some Sub-Managers may invest in non-U.S. companies and/or trade in non-U.S. markets. Trading in the securities of non-U.S. companies involves certain considerations not usually associated with trading in securities of U.S. companies, including political and economic considerations, such as greater risks of expropriation and nationalization, confiscatory taxation, the potential difficulty of repatriating funds, general social, political and economic instability and adverse diplomatic

developments; the possibility of imposition of withholding or other taxes on dividends, interest, capital gains or other income; the small size of some markets in foreign countries and the low volume of trading, resulting in potential lack of liquidity and in price volatility; fluctuations in the rate of exchange between currencies and costs associated with currency conversion; and certain government policies that may restrict investment opportunities. In addition, accounting and financial reporting standards that prevail in foreign countries generally are not equivalent to U.S. standards and, consequently, less information may be available to investors in companies located in foreign countries than is available to investors in companies located in the U.S.

There is also less regulation, generally, of the financial markets in foreign countries than there is in the U.S. For example, some foreign exchanges, in contrast to domestic exchanges, are "principals' markets" in which performance is the responsibility only of the individual member with whom the trader has entered into a contract and not of an exchange or clearing corporation. In such a case, an investor is subject to the risk of the inability of, or refusal by, the counterparty to perform with respect to such contracts.

Currency Risk

In trading on non-U.S. exchanges and markets, the Fund will be subject to the risk of fluctuations in the currency exchange rate between the local currency and the U.S. dollar and to the possibility of exchange controls. It is not anticipated that a Sub-Manager will hedge any international currency exposure that a Sub-Fund may have.

Illiquid Investments

Despite the generally heavy volume of trading in most of the instruments traded by the Sub-Managers, the markets for some of those instruments may have limited liquidity and depth. This lack of depth could be a disadvantage to the Fund, both in the realization of the prices which are quoted and in the execution of orders at desired prices.

Trading in OTC Markets

Certain Sub-Managers may engage in over the counter ("**OTC**") derivative transactions, such as currency forward contracts traded in the interbank market; options on currency forward contracts; and swap agreements.

In general, there is much less governmental regulation and supervision of transactions in the OTC markets than of transactions entered into on organized exchanges. Most of the protections afforded to participants on U.S. and certain non-U.S. exchanges, such as daily price fluctuation limits and the performance guarantee of an exchange clearinghouse, will not be available in connection with OTC transactions.

A Sub-Fund engaged in OTC transactions will be exposed to greater risk of loss through default than if it confined its trading to organized exchanges. The relevant Sub-Manager may not have any involvement in the selection of counterparties, and the Sub-Managers could enter into OTC transactions with counterparties that are not as established, well-capitalized and creditworthy as the Investment Manager may have selected.

Forex Trading

Certain Sub-Managers trade or may trade in the OTC foreign current exchange markets ("**Forex**"). There are no restrictions on the currency pairs traded by any Sub-Managers trading Forex.

The assets of the Fund allocated to Sub-Managers trading Forex are at risk for fluctuations in the exchange rate between the currencies in which they trade and U.S. dollars. There is no restriction on how much of a particular Sub-Manager's trading might be on foreign markets. Sub-Managers may also trade options on currencies. Although the currency market is not believed to be necessarily more volatile than the market in other commodities, there is less protection against defaults in Forex trading because such contracts are not effected on or through an exchange or clearinghouse. Therefore, with respect to this trading, assets of the Fund allocated to Sub-Managers trading Forex are not afforded the protections provided by trading on regulated exchanges, including segregation of funds. In any principal contract, the Sub-Managers must rely on the creditworthiness of their counterparty.

The trading of Forex subjects the assets of the Fund allocated to Sub-Managers trading Forex to a variety of risks including: 1) counterparty risk; 2) basis risk; 3) interest rate risk; 4) settlement risk; 5) legal risk; and 6) operational risk. Counterparty risk is the risk that the counterparties of Sub-Managers trading Forex might default on their obligation to pay or perform generally on their obligations. The OTC markets and some foreign markets are "principals' markets." That means that performance of the contract is the responsibility only of the individual firm or member on the other side of the trade and not any exchange or clearing corporation. Such "counterparty risk" is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where a Sub-Manager has concentrated its transactions with a single or small group of counterparties. Basis risk is the risk attributable to the movements in the spread between the derivative contract price and the future price of the underlying instrument. Interest rate risk is the general risk associated with movements in interest rates. Settlement risk is the risk that a settlement in a transfer system does not take place as expected. Legal risk is the risk that a transaction proves unenforceable in law or because it has been inadequately documented. Operational risk is the risk of unexpected losses arising from deficiencies in a firm's management information, support and control systems and procedures. Transactions in OTC derivatives may involve other risks as well, as there is no exchange market on which to close out an open position. It may be impossible to liquidate an existing position, to assess the value of a position or to assess the exposure to risk. Additionally, Forex trading is highly leveraged and a small movement in the relative value of the currencies traded may result in a large gain or loss for a Sub-Manager. The use of leverage magnifies the degree of risk as well as the opportunity for gain.

Trading Decisions Based on Fundamental Analysis

The trading decisions of certain Sub-Managers may be based on strategies that utilize fundamental analysis of underlying market forces. Fundamental analysis examines factors that affect the supply and demand for a particular market in an attempt to predict future prices. A Sub-Fund may incur substantial trading losses when a Sub-Manager does not have sufficient, correct information regarding the factors affecting the supply and demand for markets that are being traded; and when fundamental analysis does not enable a Sub-Manager to determine quickly that its previous trading decisions were incorrect.

Trading Decisions Based on Technical Analysis

The trading decisions of certain Sub-Managers may be based in part on a mathematical analysis of technical factors relating to past market performance to identify short-term, medium-term and long-term price trends. A Sub-Fund may incur substantial trading losses: during periods when markets are dominated by fundamental factors that are not reflected in the technical data analyzed; during prolonged

periods without sustained moves in one or more of the markets traded; or during "whipsaw" markets, in which potential price trends start to develop but reverse before actual trends are realized.

Trading Decisions Based on Contrarian Strategies

The trading decisions of certain Sub-Managers may be based in part on "counter-trend" or "contrarian" strategies that seek to identify future reversals in price trends for a particular market. A Sub-Fund may incur substantial losses if reversals anticipated by the Sub-Manager do not actually occur.

Risk Reduction Techniques May not be Effective

Certain Sub-Managers may use various hedging or other "risk-reduction" techniques in an attempt to minimize the risk of loss in portfolio positions. Such techniques may not always be available, and even when implemented may not always be effective in limiting losses. For example, the degree of correlation between an asset being hedged and the hedging instruments may vary from historical trends, resulting in less protection to the portfolio.

Some hedging techniques limit the opportunity for gain with respect to the position being hedged. In addition, risk-reduction techniques impose additional trading costs. During particularly volatile market conditions, the Sub-Managers may use risk-reduction techniques that provide no added protection, while possibly imposing significant transaction costs. Moreover, illiquidity or default on one side of a hedge can effectively result in the position being converted into one that is entirely speculative.

Correlated Markets or Positions

Different markets traded or individual positions held by the Fund may be highly correlated to one another at times. Accordingly, a significant change in one such market or position may affect other such markets or positions. Correlation may expose the Fund to both significant risk of loss and significant potential for profit.

SUB-MANAGER RISK

Sub-Manager Misconduct or Bad Judgment

The Fund ordinarily will not have custody or control over the assets it allocates to Sub-Managers. As a result, it will be difficult, and likely impossible, for the Investment Manager to protect the Fund from the risk of Sub-Manager fraud, misrepresentation or simple bad judgment. Among other things, a Sub-Manager could divert or abscond with the assets allocated to it, fail to follow its stated investment strategy and restrictions, issue false reports or engage in other misconduct. This could result in serious losses to the Fund.

Replacement of Sub-Managers or Sub-Funds

Except as set forth in this Memorandum, the Fund is not restricted in appointing or replacing Sub-Managers or Sub-Funds. The Fund's investments with a particular Sub-Manager or Sub-Fund may be replaced for a variety of reasons, such as a more favorable investment opportunity or other circumstances bearing on the desirability of a continued position with such Sub-Manager or Sub-Fund. Replacement of Sub-Managers or Sub-Funds may involve greater fees, which will be borne by the Fund.

Wide Investment Discretion

The governing documents of the Sub-Funds typically will not impose significant restrictions on the manner in which the Sub-Managers of such funds may invest and trade for such funds, and often will permit the Sub-Managers to invest and trade in a broad range of securities and other financial instruments. As a result, the Sub-Managers may from time to time modify their investment strategies in response to changing market conditions, in some cases without notice to the Fund. Any such modification could involve changes in the types of securities and other instruments a Sub-Manager uses to implement its strategy, as well as changes in the markets in which such securities and other instruments trade. There can be no assurance that any such modification would be successful or not result in losses to the Fund.

Lack of Information Concerning Sub-Managers

The Investment Manager may not learn of significant Sub-Manager structural events, such as personnel changes, major asset withdrawals or redemptions or substantial capital growth, until after the fact.

Sole Principal Sub-Managers

Some of the Sub-Managers may consist of only one or a limited number of principals and key employees. If the services of any of such principals or employees became unavailable (for example, by reason of death, disability, severance or retirement), the Sub-Funds or Managed Accounts they manage, and thus the Fund, could sustain losses.

Competition

The Sub-Managers will engage in investment and trading activities which are highly competitive with other investment and trading programs including those of mutual funds and other financial institutions, investment banks, broker/dealers, commercial banks, insurance companies and pension funds, as well as private investors, all of whom may have investment objectives similar to those of the Sub-Managers. These competitors may have substantially greater resources and substantially greater experience than the Sub-Managers.

New Managers

Some Sub-Managers may be new or relatively new ventures and have limited operating history upon which their performance can be evaluated; however, the individuals involved with such Sub-Managers will generally have significant industry experience.

Risk of Litigation

Sub-Managers might become involved in litigation as a result of investments made by Sub-Funds or Managed Accounts. Under such circumstances, such Sub-Funds and/or the Fund could be named as a defendant in a lawsuit or regulatory action.

Misuse of Confidential Information

In trading public securities, there are consequences for trading on insider information, and the Investment Manager expects that Sub-Managers will use only public information. Sub-Managers may be charged with misuse of confidential information. If that were the case, the performance records of these

Sub-Managers could be misleading. Furthermore, if a Sub-Manager has engaged in the past or engages in the future in such misuse, the Fund could be exposed to losses.

Increase in Amount of Assets Under Management

The Fund may invest with Sub-Managers that are experiencing a major increase in the assets they manage. It is not known what effect, if any, an increase in the amount of assets under management will have on their trading strategies or investment results, but it could impair the ability of their strategies and operations to perform up to historical levels.

Effect of Substantial Withdrawals or Redemptions

Substantial withdrawals or redemptions within a short period of time could require a Sub-Manager to liquidate positions more rapidly than would otherwise be desirable, which could adversely affect the value of the assets managed by such Sub-Manager. The resulting reduction in the Sub-Manager's assets under management could make it more difficult to generate a positive rate of return or to recoup losses due to a reduced equity base. Such a reduction could also impair a Sub-Manager's ability to take advantage of particular investment opportunities, and it would decrease the ratio of the Sub-Manager's income to its expenses. In addition, withdrawals or redemptions by investors in other investment vehicles or accounts managed by a Sub-Manager (or its affiliates), some of which may have more advantageous information and/or liquidity rights than those provided to the Sub-Manager, could adversely affect the value of the Sub-Manager's portfolio positions.

Other Clients of Sub-Managers

The Sub-Managers have responsibility for investing the funds allocated to them. The Sub-Managers also manage other accounts (including other accounts in which the Sub-Managers may have an interest) and may have financial and other incentives to favor such accounts over the Fund. In investing on behalf of other clients, as well as the Fund, Sub-Managers must allocate their resources, as well as limited market opportunities. Doing so not only could increase the level of competition for the same trades that otherwise might be made for the Fund, including the priorities of order entry, but also could make it difficult or impossible to take or liquidate a particular position at a price indicated by a Sub-Manager's strategy.

Delays in Investment

There may be a delay between the time the Fund or other investors subscribe to purchase interests in a Sub-Fund and the time the Sub-Manager calls capital from the Fund or other investors and/or invests the net proceeds to purchase securities. In addition, until the Sub-Manager acquires securities for a Sub-Fund, it may hold cash or invest funds temporarily in cash equivalents.

Modification of Terms/Side Letters

A Sub-Manager may grant/have granted one or more of its investors with additional and/or different rights than those provided to the Fund by such Sub-Manager (including, without limitation, with respect to management fees, performance allocations, minimum investment amounts and liquidity terms) via a "side letter" agreement, rebate, waiver, issuance of a separate class of interests or any other permissible means (collectively a "**Term Modification**"). Sub-Managers will generally not be required to notify any or all of its investors including the Fund of any Term Modifications or any of the rights and/or terms or provisions thereof, nor will the Sub-Manager generally be required to offer such additional and/or different rights and/or terms to any or all of its other investors including the Fund. The

Fund and other investors will generally have no recourse against the Sub-Manager, its investment manager and/or any of their respective affiliates in the event that certain investors in the Sub-Manager receive additional and/or different rights and/or terms as a result of such Term Modifications.

No Minimum Size of Sub-Manager

A Sub-Manager may continue operations without maintaining any particular level of capitalization. At low asset levels, a Sub-Manager may be unable to make its investments as fully as would otherwise be desirable or to take advantage of potential economies of scale. It is possible that even if the Sub-Manager operates for a period with substantial capital, investors' withdrawals or redemptions could diminish the Sub-Manager's assets to a level that does not permit the most efficient and effective implementation of the Sub-Manager's investment program. As a result of losses, withdrawals or redemptions, a Sub-Manager may not have sufficient capital to diversify its investments to the extent desired or currently contemplated by the Sub-Manager.

INSTITUTIONAL RISK

Suspensions of Trading

Securities and futures exchanges typically can suspend or limit trading in any instrument traded on the exchange. A suspension could render it impossible for a Sub-Manager to liquidate positions and thereby expose one or more Sub-Managers, and thus the Fund, to substantial losses.

Failure of Exchanges and Clearinghouses

The Sub-Funds and the Fund are subject to the risk of the failure of any of the exchanges on which their positions trade or of the clearinghouses for such exchanges.

Counterparty Risk

Some of the markets in which Sub-Managers invest and trade are over-the-counter or "interdealer" markets. The participants in these markets typically are not subject to the type of strict credit evaluation and regulatory oversight applicable to members of "exchange based" markets, and transactions in these markets typically are not settled through clearinghouses that guarantee the trades of their participants. This results in the risk that a counterparty may not be able to settle a transaction with a Sub-Fund or the Fund in accordance with its terms because of a credit or liquidity problem of the counterparty, thereby exposing the Fund to loss. In addition, in the case of a default by a counterparty, a Sub-Fund or the Fund could become subject to adverse market movements while it attempts to execute a substitute transaction.

"Counterparty risk" is accentuated in the case of contracts having longer maturities, where events may intervene to prevent settlement, or where an investor has concentrated its transactions with a single or small number of counterparties. The Sub-Managers used by the Fund generally are not restricted from dealing with any particular counterparties or from concentrating any or all of their transactions for a Sub-Fund or the Fund with one counterparty.

Failure of Custodians

Financial institutions such as broker-dealers and banks will have custody of the assets of the Sub-Funds and the Fund, including their margin deposits. Often these assets will not be registered in the name

of a Sub-Fund or the Fund. Financial difficulty, fraud or misrepresentation at one of these institutions could impair the operational capabilities or capital position of a Sub-Fund or the Fund.

FUND STRUCTURE RISK

Multiple Client Portfolios

The Investment Manager is the investment manager of the Fund and manages other private investment vehicles, which creates a potential conflict of interest in managing the separate portfolios. Among other risks, the Investment Manager must allocate investment opportunities among the various client portfolios. The Investment Manager will use its reasonable efforts to ensure that no particular portfolio is favored over any other portfolio.

Allocation of Expenses Among Portfolios

The various client portfolios and investment funds managed by the Investment Manager bear certain expenses relating to the Investment Manager's operations. These expenses are allocated among the portfolios based on the Investment Manager's determination of time and effort spent on each portfolio during the relevant time period and the relative asset levels of each portfolio.

Dependence on the Investment Manager and Key Personnel

The Investment Manager will make all investment decisions for the Fund. No Shareholder, in its capacity as such, may take part in the management or conduct of the business or affairs of the Fund or transact any business in the name of or otherwise for or on behalf of the Fund. As a result, the success of the Fund will depend to a great extent on the investment skills of the Investment Manager and its principals. The Fund could be adversely affected if, because of illness or other factors, their services were not available for any significant period of time.

Exculpation and Indemnification

As described above under §2, "MANAGEMENT," the Fund will broadly exculpate the members of the Fund Board and the Investment Manager and its related persons from certain liabilities to which they might otherwise be subject, and broadly indemnify them against certain losses incurred by them in connection with managing and conducting the business and affairs of the Fund and making investment and trading decisions for the Fund. It is not expected that the Fund will purchase insurance to cover its indemnification obligations.

Returns of Distributions

No Shareholder, in its capacity as such, will be personally liable for the debts, liabilities or obligations of the Fund, and each Share, when issued and fully paid for in accordance with the provisions of the related Subscription Agreement, will be fully paid and nonassessable. However, each Shareholder shall be required to return to the Fund amounts previously distributed (whether as a redemption or a dividend) to it by the Fund, together with reasonable interest on such amounts determined by the Fund Board in its reasonable discretion, under certain limited circumstances, such as where: (i) the amount previously distributed was distributed in violation of applicable law or was distributed in error due to a miscalculation of the Fund's NAV; (ii) the Fund Board determines that a particular liability or expenditure that becomes fixed or is incurred in an accounting period subsequent to the accounting period in which the distribution was made is properly chargeable to such prior accounting period; or (iii) the amount previously distributed is necessary to satisfy such Shareholder's *pro rata* share of the Fund's

obligation to indemnify the Fund Board or the Investment Manager and its related parties pursuant to the terms of the Fund Charter and the IMA.

Cross Class Liabilities

The Fund currently has four (4) Classes of Shares and may establish additional Classes of Shares in the future. Although the Classes are treated as separate for accounting purposes, they are all be part of a single entity and the assets attributable to each Class are available to meet the claims of creditors of the Fund generally. It is possible (although unlikely in the Fund Board's opinion given the likely character of the investments in such other Classes) that excess liabilities in one Class of Shares could affect the assets of the other Classes.

Confidentiality

Shareholders generally will be required to keep confidential all matters relating to the Fund and its business and affairs (including communications from the Investment Manager).

Term of the Fund

The term of the Fund is unlimited; however, under Cayman Islands law, the Fund may be voluntarily wound up following the passing of a special resolution to that effect by the Investment Manager as the holder of the Management Shares at a general meeting of the Fund. Any surplus assets available for distribution shall be distributed *pari passu* among the Shareholders. On a winding up (whether the liquidation is voluntary, under supervision or by the court), the liquidator may, with the authority of a special resolution of the Fund, distribute the assets of the Fund to the Shareholders in specie. Upon commencement of the Fund's liquidation, Shareholders will have no further redemption rights, but only the right to receive distributions from the Fund in connection with its winding up.

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 Investment Manager to be dealt with. None of the Fund, its directors, officers, advisors or service providers (including the organization 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 Board 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).

OPERATIONAL RISK

Lack of Operating History

The Fund has no operating history. The successful past performance of other funds and accounts managed by the Investment Manager or its affiliates does not necessarily indicate that the Fund will be successful.

Substantial Fees and Expenses

The Fund is subject to substantial fees, transaction costs and other costs and expenses, regardless of whether it realizes any profits. Among other things, Shareholders will bear Management and Incentive Fees. Further, as a "fund-of-funds," the Fund indirectly bears its allocable share of the costs and expenses of the Sub-Funds and Managed Accounts in which it invests (including its allocable share of the

management and incentive compensation payable to Sub-Managers other than the Investment Manager). This may cause the Fund to have higher expenses than other investment funds, and the Fund will have to earn substantial profits to avoid depletion of its assets due to such costs and expenses.

Incentive Fees

The Incentive Fees depend on, and reward the Investment Manager, continuing increases in the Fund's profitability, but do not directly penalize it for losses. This creates an incentive for the Investment Manager to allocate and reallocate the Fund's assets in a manner that is riskier or more speculative than would otherwise be the case.

Although the High Water Mark for each Share will carry forward from year to year until exceeded, the Investment Manager will not be required to "repay" any Incentive Fee paid to it in the event such Share subsequently experiences losses.

The Incentive Fees made to the Investment Manager will be determined on the basis of the value of the Fund's assets, including value attributable to unrealized appreciation. Thus, Incentive Fees may be paid to the Investment Manager based on positions that were profitable at the time such fees were paid but unprofitable when eventually liquidated.

Sub-Funds' Limitations on Withdrawals or Redemptions

While Shareholders will have certain redemption rights as described in this Memorandum, the Sub-Funds may not permit withdrawals or redemptions at the same intervals or on the same notice. For this reason, the Fund Board has authority to restrict Shareholders' redemption rights, on a *pari passu* basis among all Shareholders, if and to the extent the Fund is unable to obtain sufficient funds to honor redemption requests from Shareholders by having the Fund withdraw from Sub-Funds, through borrowing, or otherwise. Shareholders requesting redemptions thus may experience delays in receiving redemption payments.

Absence of Registrations

The Fund is offering Shares to investors pursuant to the exemption from registration under the Securities Act provided by Regulation D and Regulation S and will not register its securities or investment operations under the Securities Act. In addition, the Fund will rely on the "exclusion" from the definition of "investment company" for certain "private" investment companies provided by Section 3(c)(1) of the ICA. As a result, Shareholders will not be afforded the protections that registration under the Securities Act and the ICA might provide.

There is no market for the Shares and none is expected ever to develop. Consequently, the Shareholders may not be able to liquidate their investment or securities distributed to them "in kind" in the event of an emergency or for any other reason. Shares may not be pledged as collateral.

§8. CONFLICTS OF INTEREST

Because of the Investment Manager's role as a sponsor and organizer of the Fund, the terms of the Fund Charter and the IMA were not the result of arms-length negotiation between the Investment Manager, on the one hand, and the Fund, on the other hand.

In addition, the Investment Manager and its related persons will be subject to significant conflicts of interest in managing the investment activities of the Fund. Certain of these conflicts are described elsewhere in this Memorandum and will not be repeated here. Others are described below. While the conflicts described in this Memorandum are fairly typical of "hedge fund" managers, the Investment Manager wishes to call your attention to them.

The IMA does not require the Investment Manager or its related persons to devote their full time or any material portion of their time to the investment activities of the Fund. The Investment Manager and its related persons are currently involved in, and may in the future become involved in, other business ventures, including other investment funds whose investment objectives, strategies and policies are the same as or similar to those of the Fund. The Fund will not share in the risks or rewards of such other ventures, and such other ventures will compete with the Fund for the time and attention of the Investment Manager and its related persons and might create additional conflicts of interest, as described below.

The Investment Manager and its related persons invest and trade and may continue to invest and trade in securities, futures contracts and other financial instruments for the accounts of clients other than the Fund and for their own accounts, even if such securities, futures contracts and other financial instruments are the same as or similar to those in which the Fund invests and trades, and even if such trades compete with, occur ahead of or are opposite those of the Fund; however, they will not knowingly trade for the accounts of clients other than the Fund or for their own accounts in a manner that is detrimental to the Fund, nor will they seek to profit from their knowledge that the Fund intends to engage in particular transactions.

The Investment Manager might have an incentive to favor one or more of its other clients over the Fund or with regard to the allocation of investment opportunities to the Fund. The Investment Manager and its related persons will act in a fair and reasonable manner in allocating suitable investment opportunities among their client and proprietary accounts; however, no assurance can be given that (i) the Fund will participate in all investment opportunities in which other client or proprietary accounts of such persons participate, (ii) particular investment opportunities allocated to client or proprietary accounts other than the Fund will not outperform investment opportunities allocated to the Fund, or (iii) equality of treatment between the Fund, on the one hand, and other client and proprietary accounts, including other investment funds, on the other hand, will otherwise be assured.

Subject to the considerations set forth above, in investing and trading for client and proprietary accounts other than the Fund, the Investment Manager and its related persons may make use of information obtained by them in the course of investing and trading for the Fund, and they will have no obligation to compensate the Fund in any respect for their receipt of such information or to account to the Fund for any profits earned from their use of such information.

The Investment Manager is not required to combine or arrange the orders of the Fund with the orders of any other client or any proprietary account of any the Investment Manager or Investment Manager Associate.

Except as required by applicable law, the trading records of the Investment Manager and each of its related persons will not be available for inspection by Shareholders.

The Investment Manager selects broker-dealers ("**BDs**") that execute the Fund's direct securities transactions, and the Investment Manager determines the brokerage commission rate paid by the Fund to the BDs for these transactions. The rates paid by the Fund may not be the lowest rates the Fund could have obtained, but the Investment Manager believes they will be competitive with rates paid by similar customers. The Investment Manager may select the BDs based on various factors. The main factors are

generally the BD's quality of execution, commission rates, market knowledge and financial condition; however, the Investment Manager may also consider factors that benefit the Investment Manager, such as the BD's referral of prospective Fund investors to the Investment Manager, and the BD's agreement to pay certain expenses of the Investment Manager (sometimes referred to as "soft dollars"), such as research services or quotation equipment. The Investment Manager's receipt of such benefits (which is limited to the "safe harbor" in Sec. 28(e) of the U.S. Securities Exchange Act of 1934) may give it an incentive to select a BD that it would not otherwise use, but the Investment Manager intends to use only those BDs that provide the Fund with high-quality services and competitive commission rates.

The Investment Manager may retain placement agents to assist in marketing the Fund. If you acquire Shares through a placement agent retained by the Investment Manager, you should not view any recommendation of such agent as being disinterested, as the agent will generally be paid for the introduction out of the fees the Investment Manager receives from the Fund. Also, you should regard such a placement agent as having an incentive to recommend that you remain an investor in the Fund, since the agent will generally be paid a portion of the Investment Manager's fees for all periods during which you remain an investor.

The Investment Manager has fiduciary duties to the Fund to exercise good faith and fairness in all its dealings with them and will take such duties into account in dealing with all actual and potential conflicts of interest. If a Shareholder believes that the Investment Manager has violated its fiduciary duties, it may generally seek legal relief under applicable law, for itself and other similarly situated Shareholders, or on behalf of the Fund; however, it may be difficult for Shareholders to obtain relief because of the changing nature of the law in this area, the vagueness of standards defining required conduct, the broad discretion given the Investment Manager under the IMA, and the exculpatory and indemnification provisions therein.

Both of the Directors are affiliates of the Investment Manager. As such, they have a conflict of interest between their duties to act in the best interests of the Fund and their pecuniary interest in selecting and retaining the Investment Manager as the Fund's investment manager.

§9. SPECIAL CONSIDERATIONS FOR BENEFIT PLAN INVESTORS

This section summarizes certain consequences under ERISA and the Code that a fiduciary of an "employee benefit plan" as defined in and subject to ERISA or of a "plan" as defined in and subject to Section 4975 of the Code who has investment discretion should consider before deciding to invest the plan's assets in an Interest (such "employee benefit plans" and "plans" being referred to herein as "**Plans**," and such fiduciaries with investment discretion being referred to herein as "**Plan Fiduciaries**"). Generally, a "Plan Fiduciary" for these purposes includes any person who exercises discretionary authority or control respecting the management of the Plan, any authority or control respecting the disposition of Plan assets, and any person who provides investment advice with respect to such assets for a fee, whether received directly or indirectly from the Plan.

This summary is based upon the applicable (or potentially applicable) provisions of ERISA and the Code and the relevant regulations, rulings and opinions issued by the U.S. Department of Labor (the "**DOL**") and the IRS, and subsequently modified by the U.S. Pension Protection Act of 2006. No assurance can be given that legislative or administrative changes or court decisions that may significantly modify the statements made herein will not be forthcoming. Any such changes may or may not apply to transactions entered into prior to the date of their enactment. Further, this summary is not intended to be

complete, but only to address certain questions under ERISA and the Code that are likely to be raised by the Plan Fiduciary's own counsel. **Accordingly, each Plan Fiduciary considering an investment in the Fund should consult with its own counsel in order to understand the ERISA, Code and other issues affecting an investment by a Plan in the Fund. The Fund is not providing legal, ERISA or tax counsel or advice to prospective Shareholders.**

Considerations for Plan Fiduciaries

ERISA requires a Plan Fiduciary of a Plan subject to ERISA (an "**ERISA Plan**") to consider, among other things, whether: (i) the Plan's investment in Shares would be solely in the interest of the Plan's participants and beneficiaries and for the exclusive purpose of providing benefits to such participants and beneficiaries; (ii) would be a prudent investment for the Plan; (iii) the investments of the Plan, including the Plan's proposed investment in Shares, are diversified so as to minimize the risks of large losses; and (iv) an investment in Shares would comply with the documents of the Plan and related trust. Thus, a Plan Fiduciary of an ERISA Plan should give appropriate consideration to, among other things, the role that an investment in the Fund plays in the Plan's portfolio, taking into consideration whether the investment is designed reasonably to further the Plan's purposes, the investment's risk and return factors, the portfolio's composition with regard to diversification, the liquidity and current return of the total portfolio relative to the anticipated cash flow needs of the Plan, the projected return of the total portfolio relative to the Plan's objectives and the limited right of Shareholders to redeem all or any portion of their Shares or to transfer their Shares. A Plan Fiduciary of an ERISA Plan should also consider the reasonableness of the compensation being paid to the Investment Manager and other service providers (including, among other things, the level of each fee and the term of each relevant arrangement).

In the case of an ERISA Plan that is an individual account plan and is intended to constitute a Section 404(c) plan under ERISA, in which case a participant is permitted to, and in fact does, exercise independent control over the assets in his or her individual account, ERISA provides that such participant shall not thereby be deemed a fiduciary and that the Plan Fiduciaries are generally not liable for any investment loss that results from such exercise and control by the participant (although the Plan Fiduciaries may still be subject to the ERISA fiduciary standards with respect to the selection and monitoring of the investments made available under the Plan, and Section 404(c) of ERISA does not protect against excise tax liability under the Code as discussed below). Under such circumstances, the considerations and actions by a Plan Fiduciary in making an investment in the Fund should comply with the requirements of Section 404(c) of ERISA and the regulations thereunder.

In addition to fiduciary responsibility rules under ERISA, both ERISA and the Code prohibit Plans (ERISA Plans, individual retirement accounts ("**IRAs**") and other plans subject to Section 4975 of the Code) from engaging in certain transactions with specified parties ("parties in interest" under ERISA and "disqualified persons" under the Code), including the Plan Fiduciaries of such Plans. Such transactions include, but are not limited to, a sale or exchange of assets between a Plan and such party; the transfer to, or use by such party of the income or assets of a Plan; or an act by a Plan Fiduciary whereby he or she deals with the income or assets of a Plan in his or her own interest. The Code imposes an excise tax upon certain disqualified persons who engage in such prohibited transactions. The consequences of a prohibited transaction are discussed in more detail below. Accordingly, before investing in the Fund, Plan Fiduciaries should carefully consider whether such investment is consistent with their fiduciary responsibilities, to the extent applicable, and whether it could result in a prohibited transaction under ERISA or the Code.

Consequences of Investments by Benefit Plan Investors

The Fund may sell Shares to "**Benefit Plan Investors**," namely: (i) "employee benefit plans" as defined in ERISA and which are subject to the ERISA fiduciary requirements, (ii) "plans" as defined in Section 4975 of the Code which are subject to that Section, and (iii) entities deemed for any purpose of ERISA or Section 4975 of the Code to hold assets of any "employee benefit plan" or "plan" due to investments made in such entity by such "employee benefit plans" and "plans." Benefit Plan Investors include, by way of example and not of limitation, pension and profit sharing plans, "simplified employee pension plans," Keogh plans for self-employed individuals (including partners), IRAs, funded welfare benefit plans (such as a medical benefit plan funded from a Code Section 501(c)(9) trust) and bank commingled trust funds or insurance company separate accounts for such plans and accounts.

The Fund does not expect Benefit Plan Investors to hold 25% or more of the Shares of any class (generally excluding Shares of such class held by the Investment Manager and any of its affiliates, other than Shares held through Benefit Plan Investors); however, Benefit Plan Investors may hold 25% or more of the shares of the Fund. Note that the 25% level is measured each time Shares in a particular class are purchased or redeemed.

If, however, through inadvertence or other factors, Benefit Plan Investors should hold 25% or more of the Shares of any class, the Fund's underlying assets would become "plan assets" under ERISA with respect to those investors that are Benefit Plan Investors subject to ERISA or the Code. (The 25% level is measured each time Shares in a particular class are purchased or redeemed.) This would cause the Investment Manager to be a "fiduciary" within the meaning of ERISA and Section 4975 of the Code to the extent it manages or controls such "plan assets" and otherwise meets the definition of "fiduciary" under ERISA and Section 4975 of the Code. In addition, the Investment Manager, certain members, officers and employees of the Investment Manager, as well as certain affiliates would become "parties in interest" (under ERISA) and "disqualified persons" (under the Code) with respect to the investing Plans. Thus, a person considering investing in the Fund should evaluate the "plan asset" consequences of an investment in Shares, including the risk that unintended prohibited transaction or fiduciary duty delegation consequences may arise under ERISA or the Code. Some of the consequences of the Fund being deemed to hold "plan assets" are discussed in more detail below. Whether or not the Fund's underlying assets are "plan assets" under ERISA, these persons should consult with their counsel as to the ERISA consequences of an investment in Shares by a Benefit Plan Investor.

Adjustment or Termination of Ownership of Interests

The Investment Manager has retained the right to require any Shareholder to redeem all or any portion of its Shares or withdraw as a Shareholder, without notification, if the Investment Manager reasonably determines that the Shareholder's continuing ownership of Shares would result in reaching or exceeding the 25% limit at the Fund level. If the issue ever arises, the Investment Manager will determine, in its sole discretion, the appropriate action for it to take at that time.

Consequences of Becoming "Plan Assets"

If the assets of the Fund become "plan assets," then, as mentioned above, the Investment Manager would become a "fiduciary" with respect to the Plans invested in the Fund within the meaning of ERISA and Section 4975 of the Code to the extent it manages or controls such "plan assets" and otherwise meets the definition of "fiduciary" under ERISA and Section 4975 of the Code. Any other person with authority or control with respect to the assets of the Fund and any other person who provides investment advice for a fee (direct or indirect) with respect to such assets also will be a "fiduciary" provided such

person otherwise meets the definition of "fiduciary" under ERISA and Section 4975 of the Code. If at least one Benefit Plan Investor is subject to ERISA, then each of these fiduciaries would be subject to the ERISA fiduciary responsibility provisions discussed above, such as the requirements with respect to prudence and diversification.

In addition, Section 406 of ERISA prohibits Plan Fiduciaries from engaging in certain transactions with "parties in interest" and Section 4975(c)(1) of the Code prohibits certain similar transactions involving Plans and "disqualified persons." The definitions of the terms "party in interest" and "disqualified person" are substantially similar (but not identical) and include Plan Fiduciaries, persons providing services to Plans, Plan sponsors and other parties having certain relationships to such persons. As mentioned above, the Investment Manager, certain members, officers and employees of the Investment Manager, as well as certain affiliates would become "parties in interest" and "disqualified persons" with respect to the investing Plans. Among the transactions that are prohibited are sales or leasing of property, extensions of credit and the furnishing of services between a Plan and a party in interest or disqualified person. If the assets of the Fund are "plan assets," a prohibited transaction could occur if a party with whom the Fund enters into a transaction is a party in interest or a disqualified person with respect to a Plan that is a Shareholder. In addition, ERISA and the Code prohibit fiduciaries from engaging in acts of self-dealing in transactions involving Plan Assets. These provisions could be very broadly applied to restrict Fund actions which otherwise may be fully appropriate.

If the assets of the Fund are deemed to include "plan assets" and the DOL or the IRS determines that any transaction entered into by the Fund constitutes a non-exempt prohibited transaction, the Investment Manager could be liable under ERISA for any resulting losses to ERISA Plans (and would be required to disgorge profits made), the disqualified person involved in the transaction would be liable to pay an excise tax equal to 15 percent of the amount involved in the transaction for each year during which the transaction remains uncorrected, and certain additional penalties may be imposed under ERISA. In general, in order to correct a prohibited transaction, the parties must rescind the transaction and restore to the relevant Plan(s) any loss (and disgorge any profit) resulting from such prohibited transaction. In addition, if the transaction is not corrected prior to, or within a 90-day period after, the mailing of a notice of deficiency or assessment of the 15 percent excise tax by the IRS, the disqualified person could also be liable for an additional excise tax equal to 100 percent of the amount involved. Plan Fiduciaries who authorize Plan investment in the Fund could, if they knowingly participate in or undertake to conceal, or, by their failure to act in accordance with their own fiduciary duties, enable a prohibited transaction involving assets of the Fund, or fail to make reasonable efforts to remedy such a prohibited transaction of which they become aware, be liable under Section 405 of ERISA, including, but not limited to, financial liability for losses to the Plan resulting from the prohibited transaction. In the case of IRAs, any potential prohibited transaction involving the IRA could cause the entire value of the IRA to be taxable to the IRA owner.

ERISA permits an ERISA Plan's "named fiduciaries" (as such term is defined in Section 402(a)(2) of ERISA) to delegate their fiduciary duties (other than trustee duties) to "investment managers" which may be banks, insurance companies or investment advisers registered under the Advisers Act if the Plan's governing documents permit such a delegation, if proper delegation procedures are followed by the Plan, and if such parties acknowledge their fiduciary status under ERISA. Benefit Plan Investors are advised that the Investment Manager is not currently registered as an investment adviser and therefore does not qualify as an investment manager for ERISA purposes.

All ERISA Plans are required to file certain annual reports setting forth the fair market value of all Plan assets. If the assets of the Fund are deemed to include "plan assets," Plans would be required, under general reporting and disclosure rules, to include information regarding each asset held by the Fund. However, the DOL has published a regulation providing for an alternative method of compliance

with the reporting rules. Under this regulation, Plan Fiduciaries may include in their annual reports the value of the Plan's investment in the Fund, rather than the value of each asset of the Fund, provided that the Investment Manager files certain information with the DOL regarding the Fund's investments and expenses for the year. If the assets of the Fund are deemed to include "plan assets," the Investment Manager intends either to rely upon this alternative method of compliance, or, alternatively, provide sufficient timely information to ERISA Plan investors to allow them to include their share of Fund assets in their annual reports.

To protect Plans against loss as a result of fiduciary misconduct, Section 412 of ERISA requires that certain Plan Fiduciaries and other persons handling plan assets be bonded in an amount equal to the lesser of 10 percent of the funds handled by such fiduciaries or $500,000 ($1,000,000 in certain cases). If the assets of the Fund are deemed to include "plan assets," the Investment Manager intends to comply with the bonding requirements of ERISA.

Section 403(a) of ERISA generally requires that all Plan assets be held in trust; however, while the assets of the Fund may be deemed "plan assets," DOL regulations provide that the holding in trust requirement is satisfied for entities such as the Fund, if the indicia of a Plan's ownership of shares in the Fund is held in trust by the Plan's trustees. In addition, under Section 404(b) of ERISA, such indicia of a Plan's ownership of shares in the Fund must be held within the jurisdiction of the U.S. federal courts, subject to certain exceptions. Plans should consult their legal advisers regarding the ERISA considerations involved in an investment in the Fund.

Fee Disclosures under ERISA

The Fund may be required to disclose fees received from certain Plans, both directly and indirectly, as part of both the Form 5500 Schedule C reporting for certain Plans and the DOL regulations under Section 408(b)(2) of ERISA. The Fund intends to comply with any applicable fee disclosure obligations under ERISA.

Plans Not Subject to ERISA or Code Section 4975

As a general rule, certain plans, including but not limited to governmental plans, non-U.S. plans and "non-electing church plans," are not subject to the requirements of ERISA or Section 4975 of the Code. Accordingly, assets of such plans may be invested without regard to the fiduciary and prohibited transaction considerations described above. Notwithstanding the foregoing, these types of plans may be subject to other federal, state, local or foreign laws that regulate their investments (a "**Similar Law**"). A fiduciary of a governmental plan, a non-U.S. plan or a non-electing church plan should make its own determination, in consultation with its professional advisors, as to the requirements, if any, under a Similar Law applicable to the purchase of Shares.

If the Investment Manager determines in its sole discretion that because of the application of ERISA and/or Section 4975 of the Code or any Similar Law, the Fund, the Investment Manager or any Shareholder may be materially and adversely affected, the Investment Manager may dissolve the Fund, cause the redemption of all or any portion of the Shares of certain Shareholders, or make necessary amendments to this Memorandum and the Fund Charter.

The person having investment discretion over the assets of a Benefit Plan Investor should consult with its own legal counsel and other advisors as to the propriety of an investment in Shares in light of the circumstances of such Benefit Plan Investor. The Fund's acceptance of a subscription by a Benefit Plan Investor is in no respect a representation by the Fund or any other party that an

investment in Shares is appropriate for or meets the relevant legal requirements governing such Benefit Plan Investor.

§10. TAXATION AND EXCHANGE CONTROL

PLEASE NOTE THAT ANY TAX INFORMATION CONTAINED IN THIS MEMORANDUM WAS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, BY ANY TAXPAYER FOR THE PURPOSE OF AVOIDING TAX-RELATED PENALTIES UNDER THE CODE. TAX INFORMATION CONTAINED IN THIS MEMORANDUM WAS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE SHARES. EACH TAXPAYER SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

Introduction

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

Certain Cayman Islands Tax Considerations

The Government of the Cayman Islands, will not, under existing legislation, impose any income, corporate or capital gains tax, estate duty, inheritance tax, gift tax or withholding tax upon the Fund or the Shareholders. The Cayman Islands are not party to a double taxation treaty with any country that is applicable to any payments made to or by the Fund.

The Fund may apply for and expects to receive an undertaking from the Financial Secretary of the Cayman Islands that, in accordance with section 6 of the Tax Concessions Law (2011 Revision) of the Cayman Islands, for a period of 20 years from the date of the undertaking, no law which is enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciations will apply to the Fund or its operations and, in addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax 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.

Under current Cayman Islands law, distributions made by the Fund will not be subject to withholding tax in the Cayman Islands. The Cayman Islands currently imposes annual fees on all exempt companies, and any such fees will be borne by the Fund.

Cayman Islands – Automatic Exchange of Financial Account Information

The Cayman Islands has signed an inter-governmental agreement to improve international tax compliance and the exchange of information with the United States (the "**US IGA**"). The Cayman Islands has also signed, along with over 80 other countries, a multilateral competent authority agreement to implement the OECD Standard for Automatic Exchange of Financial Account Information – Common Reporting Standard ("**CRS**" and together with the US IGA, "**AEOI**").

Cayman Islands regulations have been issued to give effect to the US IGA and CRS (collectively, the "**AEOI Regulations**"). Pursuant to the AEOI Regulations, the Cayman Islands Tax Information Authority (the "**TIA**") has published guidance notes on the application of the US IGA and CRS.

All Cayman Islands "**Financial Institutions**" are required to comply with the registration, due diligence and reporting requirements of the AEOI Regulations, unless they are able to rely on an exemption that allows them to become a "**Non-Reporting Financial Institution**" (as defined in the relevant AEOI Regulations) with respect to one or more of the AEOI regimes, in which case only the registration requirement would apply under CRS. The Fund does not propose to rely on any Non-Reporting Financial Institution exemption and therefore intends to comply with all of the requirements of the AEOI Regulations.

The AEOI Regulations require the Fund to, amongst other things (i) register with the IRS to obtain a Global Intermediary Identification Number (in the context of the US IGA only), (ii) register with the TIA, and thereby notify the TIA of its status as a "Reporting Financial Institution", (iii) adopt and implement written policies and procedures setting out how it will address its obligations under CRS, (iv) conduct due diligence on its accounts to identify whether any such accounts are considered "**Reportable Accounts**", and (v) report information on such Reportable Accounts to the TIA. The TIA will transmit the information reported to it to the overseas fiscal authority relevant to a reportable account (*e.g.*, the IRS in the case of a US Reportable Account) annually on an automatic basis.

For more information on potential withholding taxes that may be levied against the Fund, see "*Certain FATCA Implications*" below.

Certain FATCA Implications

The US IGA will require the Fund to conduct due diligence on its Shareholders to identify whether accounts are held directly or indirectly by "Specified US Persons" and to report certain information on such persons to the Cayman TIA. As the US IGA is a Model 1 IGA, the Cayman TIA will exchange the information reported to it with the IRS annually on an automatic basis. It is possible that further inter-governmental agreements similar to the US IGA may be entered into with other third countries by the Cayman Islands government to introduce similar regimes for reporting to such third countries' fiscal authorities.

By investing (or continuing to invest) in the Fund, Shareholders will be deemed to acknowledge, and to have given their consent to, the following: (i) the Fund (or its agent) may be required to disclose to the Cayman TIA certain confidential information in relation to the Shareholder, including the Shareholder's name, address, tax identification number (if any), social security number (if any) and certain information relating to the Shareholder's investment; (ii) the Cayman TIA may be required to automatically exchange information as outlined above with the IRS and other foreign fiscal authorities; (iii) the Fund (or its agent) may be required to disclose to the IRS and other foreign fiscal authorities certain confidential information when registering with such authorities and if such authorities contact the Fund (or its agent directly) with further enquiries; (iv) the Fund may require the Shareholder to provide

additional information and/or documentation which the Fund may be required to disclose to the Cayman TIA; (v) in the event a Shareholder's failure to comply with the reporting requirements gives rise to a withholding tax, the Fund reserves the right to ensure that any such withholding tax is economically borne by the relevant Shareholder; (vi) in the event a Shareholder does not provide the requested information and/or documentation, whether or not that actually leads to compliance failures by the Fund, or a risk of the Fund or its Shareholders 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 to mitigate the consequences of the Shareholder's failure to comply with the requirement described above, mandatory redemption of the relevant Shares; and (vii) no Shareholder affected by any such action or remedy will 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 any future IGAs, or any of the relevant underlying legislation.

United States

Introduction

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

U.S. Taxation of the Fund

The Fund intends to be classified as a corporation for U.S. federal tax purposes. A non-U.S. corporation can be subject to U.S. federal income tax if it, or a partnership in which it is a partner, is engaged in the conduct of a trade or business within the United States ("**U.S. trade or business**"). Statutory "safe harbor" provisions can prevent a non-U.S. corporation engaged in certain stock and securities trading for its own account from being treated as engaged in the conduct of a U.S. trade or business whether such trading is conducted directly by the non-U.S. corporation or indirectly through a partnership (whether U.S. or non-U.S.). The Fund intends to conduct its affairs to the extent possible so that the Fund will not, for such purposes, be treated as engaged in a U.S. trade or business. However, the Investment Manager expects that some portion of the Fund's income will constitute income that is "effectively connected" to a U.S. trade or business which will subject the Fund itself to certain U.S. federal income taxes.

In addition, certain U.S. source dividends paid to or derived by the Fund will be (and certain other U.S. source income, such as certain interest income, may be) subject to U.S. federal withholding tax at a rate of 30%. Distributions made by the Fund in respect of Shares will not be subject to U.S. withholding tax.

In addition to the foregoing withholding provisions, U.S. FATCA, which was enacted in March 2010, imposes a thirty percent (30%) withholding beginning on January 1, 2014 on the Fund's proceeds realized from U.S. sources (including, dividends, interest and proceeds from capital transactions) unless the Fund identifies its direct and indirect owners that are "U.S. Tax Persons" (as defined below) and reports information regarding such U.S. owners' investment in the Fund annually to the IRS. IRS Regulations provide for a phased approach to the application of U.S. FATCA with certain withholding

and reporting requirement taking effect in 2014. Although the Fund will attempt to satisfy any obligations imposed on it by U.S. FATCA to avoid the imposition of this withholding tax, no assurance can be given that the Fund will be able to satisfy its obligations under U.S. FATCA. If the Fund becomes subject to a withholding tax as a result of U.S. FATCA, the returns of all Shareholders may be materially affected. As a condition to making an investment in the Fund, investors will be required to provide to the Fund any additional information requested by the Fund necessary for the Fund to comply with U.S. FATCA. Prospective investors are encouraged to consult with their own tax advisors regarding the possible implications of U.S. FATCA on their investments in the Fund.

The Fund expects to be treated, for U.S. federal income tax purposes, as a passive foreign investment company ("**PFIC**") within the meaning of Section 1297 of the Code. However, based on the composition of the Fund's investors during any tax year, the Fund may be treated as a controlled foreign corporation ("**CFC**") within the meaning of Section 957 of the Code. The Fund does not intend to provide investors with the information required to make a "qualified electing fund" election under the PFIC rules. As a result, the Fund is not intended for U.S. Tax Persons that are not exempt from U.S. federal income tax. See "U.S. Taxation of Investors" below.

U.S. Taxation of Investors

Non-U.S. Investors

An investor that is not a "United States person" within the meaning of Section 7701(a)(30) of the Code ("**U.S. Tax Person**") (generally a non-resident alien, foreign corporation, foreign partnership, foreign estate or foreign trust) should be exempt from U.S. federal income tax with respect to gains derived from the sale, exchange or redemption of, or dividends received in respect of, Shares, provided that such investor does not have certain present or former connections with the United States (*e.g.*, holding Shares in connection with the conduct of a U.S. trade or business or being present in the United States for 183 days or more during the applicable period), which connections will not exist solely by investing in the Fund.

U. S. Tax-Exempt Investors

A U.S. Tax Person that is exempt from U.S. federal income tax ("**U.S. Tax-Exempt Person**") should be exempt from U.S. federal income tax with respect to gains derived from the sale, exchange or redemption of, or dividends received in respect of, Shares, provided that such investor has not incurred "acquisition debt" to acquire the Shares so that the ownership of Shares constitutes "debt-financed property" within the meaning of Section 514 of the Code. If a U.S. Tax-Exempt Person's Shares constitute debt-financed property, then such gains and distributions, and any income inclusions required under the PFIC and other anti-deferral provisions of the Code, may constitute unrelated business taxable income and may be subject to U.S. federal income tax. You should consult your tax advisor as to the application of such rules. You should also consult your tax advisor with respect to any reporting requirements that may apply to your investment in the Fund; reporting requirements may apply regardless of whether you have use "acquisition debt" to acquire your Shares and regardless of whether you have any U.S. income tax liability.

If an investor were to become a U.S. Tax Person, or if a U.S. Tax Person (other than a U.S. Tax-Exempt Person) is a direct or indirect owner of an investor, such person should consult his or her own tax advisors as to the U.S. tax consequences and especially regarding the application of various U.S. anti-deferral provisions of the Code (*i.e.*, PFIC (including qualifying electing fund) and controlled foreign corporation) and any reporting requirements to such investor's ownership of Shares. You should consult your tax advisor as to the application of such rules to you as well as to any reporting requirements that

may apply to your investment in the Fund. Failure to properly apply these complex anti-deferral provisions and failure to comply with required reporting can result in significant U.S. income tax penalties as well as interest.

Other Countries

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

Accounting for Uncertainty in Income Taxes

Financial Accounting Standards Board Accounting Standards Codification Topic No. 740, "Income Taxes" ("**ASC 740**," in part formerly known as "**FIN 48**"), provides guidance on the recognition of uncertain tax positions. ASC 740 prescribes the minimum recognition threshold that a tax position is required to meet before being recognized in an entity's financial statements. It also provides guidance on recognition, measurement, classification, interest and penalties with respect to tax positions. A prospective investor should be aware that, among other things, ASC 740 could have a material adverse effect on the periodic calculations of the NAV of the Fund, including reducing the NAV of the Fund to reflect reserves for income taxes, such as withholding taxes, that may be payable by the Fund. This could cause benefits or detriments to certain Shareholders, depending upon the timing of their purchases and redemptions of Shares.

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

§11. GENERAL INFORMATION

Material Contracts

The following material contracts (as amended or supplemented from time to time, the "**Material Contracts**") relate to the operation of the Fund. Copies are available from the Administrator upon request. The disclosures in this Memorandum are subject to the terms of the Material Contracts, which are controlling. Prospective investors are urged to carefully review the Material Contracts in their entirety.

- Memorandum and Articles of Association of the Fund.
- Investment Management Agreement between the Investment Manager and the Fund.
- Administration Agreement between the Administrator and the Fund

The description and summaries of the Material Contracts in this Memorandum do not purport to be complete; investors should refer to the actual Material Contracts for a complete statement and to understand their terms and conditions. All Shareholders (including their beneficial owners) will be conclusively presumed to have consented to the Material Contracts by subscribing to the Fund.

Side Letters

The Investment Manager or the Fund may in the future enter into "side letters" with certain Shareholders which modify certain of the terms on which Shareholders invest in the Fund (to the extent necessary, the Fund will issue a separate Class or sub-Class of Shares for this purpose) — including by way of reporting rights, standards of care and other rights. However, neither the Investment Manager nor the Fund will grant any Shareholder preferential redemption rights unless the Investment Manager determines in good faith that such preferential rights could not reasonably have a material adverse effect on any other Shareholder. The Investment Manager or the Fund may enter into a side letter with a Shareholder based on any of a variety of factors, including the size of a Shareholder's investment in, or potential to provide special services or benefits to, the Fund. Although neither the Investment Manager nor the Fund will enter into any side letter which it believes would be adverse to the Shareholders considered as a whole, there can be no assurance that the side letter rights granted to one or more Shareholders will not in certain cases disadvantage others.

The Investment Manager may respond to requests from Shareholders or otherwise agree to provide certain additional information to Shareholders. However, the Investment Manager will not make available information it believes to be material information to certain, but not to other, Shareholders.

In the case of Shareholders that are subject to various statutory and/or regulatory requirements with respect to their investments in the Fund, the Investment Manager is expressly authorized to agree to such requirements with respect to such investments; provided, that the Investment Manager determines that doing so will not give such Shareholders an unfair advantage over other Shareholders.

Confidentiality

Each Shareholder agrees that such Shareholder will maintain as confidential its investment in the Fund and all information concerning the Fund and the Investment Manager (including any performance information and all reports and notices received from the Fund, the Administrator or the Investment Manager). No Shareholder or prospective Shareholder will disclose such information to any person (other than to its professional advisors) without the express written approval of the Investment Manager, except for information that is otherwise publicly available or required to be disclosed by law.

The Fund, the Investment Manager and the Administrator will use commercially reasonable efforts to maintain all information concerning Shareholders' investments in the Fund in confidence. The Fund, the Investment Manager, the Directors or agents, however, may be compelled to provide information as a result of a request for information made by a regulatory or governmental authority or agency under applicable law. Disclosure of confidential information under such laws will not be regarded as a breach of any duty of confidentiality and, in certain circumstances, the Fund, the Investment Manager, Directors or agents, may be prohibited from disclosing that the request has been made.

Amendments

The Articles of Association of the Fund may only be amended by a special resolution, which is a resolution passed by a majority of at least two-thirds of the holders of the Management Shares as the only shareholders who are entitled to vote at a general meeting or unanimously in writing (currently, the Investment Manager owns all of the Management Shares).

Variation of Share Rights

The Fund's Articles of Association provide that, subject to the Companies Law of the Cayman Islands and the other provisions of the Fund's Articles of Association, all or any of the class rights or other terms of offer whether set out in the Memorandum, any subscription agreement or otherwise (including any representations, warranties or other disclosure relating to the offer or holding of Shares) (collectively referred to as "**Share Rights**") for the time being applicable to any Class or Series of Shares in issue (unless otherwise provided by the terms of issue of those Shares) may (whether or not the Fund is being wound up) be varied without the consent of the holders of the issued Shares of that Class or Series where such variation is considered by the Fund Board not to have a material adverse effect upon such holders' Share Rights; otherwise, any such variation may be made only in either of the following methods, in the Directors' discretion: first, with the prior consent in writing of the holders of not less than two-thirds by NAV of such Shares, or with the approval of a resolution passed by a majority of at least two-thirds of the votes cast in person or by proxy at a separate meeting of the holders of such Shares; or, second, the Directors may from time to time vary, including in a manner adversely affecting or prejudicing, any Share Rights without any need for shareholder approval; provided that each affected shareholder shall have written notice of such variation and an opportunity to redeem all such shareholder's affected Shares, without any fee or charge being imposed (including any redemption fee), other than any applicable redemption charges, prior to the effective date of any such variation. Such consent may be achieved using a negative consent procedure described in Article 18.2 of the Articles. Each subscriber for Shares will be required to agree that the terms of offer set out in the applicable Subscription Agreement and the rights attaching to the Shares can be varied in accordance with the provisions of the Fund's Articles of Association.

Registered Office

The Fund is a Cayman Islands exempted company incorporated under the provisions of the Cayman Islands Companies Law (2016 Revision) (as amended). The Fund's registered office is Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

Optional Limitation on Voting Rights and/or Equity Ownership

The Articles permit investors who wish to do so, or are prohibited by law (for example, under the U.S. Bank Holding Company Act), from holding voting rights and/or equity interests in excess of specified levels to so limit their voting rights and equity interests. Maintaining a limit on a Shareholder's equity interest may involve mandatory redemptions.

Electronic Delivery of Documents

The Fund will deliver to the Shareholders annual audited financial statements and unaudited interim account statements at least quarterly, as well as other Shareholder notices. In order to improve the timeliness of delivery and promote cost savings, the Fund may deliver its financial statements and Shareholder newsletters, supplements to this Memorandum, offers to deliver annual privacy notices and other Shareholder notices and materials by e-mail to the e-mail address for a Shareholder maintained in the Fund's records. When delivering documents by e-mail, the Fund will generally distribute them as attachments to e-mails in Adobe's Portable Document Format ("**PDF**"). The Adobe Acrobat Reader software is available free of charge from Adobe's web site at www.adobe.com and must correctly be installed on the Shareholder's system before one will be able to view documents in PDF format. By acquiring Shares, each Shareholder is consenting to electronic delivery of such documents. Shareholders who do not wish to receive such documents electronically, or who wish to change the method of notice, must so elect by notifying the Administrator or the Investment Manager in writing.

Cayman Islands Mutual Funds Law Status

The Fund is not currently required to register or be regulated as a mutual fund under the Mutual Funds Law (2015 Revision) of the Cayman Islands ("**Cayman Mutual Funds Law**") and will not be required to register for so long as the Company has no more than fifteen (15) investors, with such investors having the right to appoint and remove the Directors by a majority in number. In the event that the Fund becomes so regulated, the Cayman Islands Monetary Authority (the "**Cayman Authority**") would have supervisory and enforcement powers to ensure compliance with the Cayman Mutual Funds Law. Regulation under the Cayman Mutual Funds Law entails the filing of prescribed details and audited accounts annually with the Cayman Authority. With respect to a regulated mutual fund, the Cayman Authority may at any time instruct the Fund to have its accounts audited and to submit them to the Cayman Authority within such time as the Cayman Authority specifies. Failure to comply with these requests by the Cayman Authority may result in substantial fines on the part of the operators of the Fund, and may result in the Cayman Authority applying to the court to have the Fund wound up.

The Cayman Authority could also take certain actions if it is satisfied that a regulated mutual fund is or is likely to become unable to meet its obligations as they fall due or is carrying on or is attempting to carry on business or is winding up its business voluntarily in a manner that is prejudicial to its investors or creditors. If the Fund is regulated as a mutual fund, the powers of the Cayman Authority include the power to require the substitution of the operators 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, as the case may be. There are other remedies available to the Cayman Authority including the ability to apply to court for approval of other actions.

In the event the Fund is eventually regulated as a mutual fund under the Cayman Mutual Funds Law, the Fund will not be subject to supervision in respect of its investment activities by the Cayman Authority or any other governmental authority in the Cayman Islands, although the Cayman Authority would have power to investigate the activities of the Fund in certain circumstances.

Once the Fund is registered as a mutual fund, the right of investors to appoint and remove the Directors shall fall away.

Neither the Cayman 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.

Anti-Money Laundering Program

Regulations and executive orders administered by the U.S. Treasury Department's Office of Foreign Assets Control ("**OFAC**"), comparable regulatory bodies in other jurisdictions and intergovernmental groups and organizations implementing anti-money laundering programs prohibit, among other things, the engagement in transactions with, and the provision of services to, certain foreign countries, territories, entities and individuals. The lists of OFAC prohibited countries, territories, persons and entities can be found on the OFAC website at www.treas.gov/ofac. Each prospective Shareholder must represent and warrant in such Shareholder's Subscription Agreement that, among other things, neither the prospective Shareholder, nor any person controlling, controlled by, or under common control with, the prospective Shareholder, nor any person having a beneficial interest in the prospective Shareholder, or for whom the prospective Shareholder is acting as agent or nominee in connection with its investment in the Fund, is a country, territory, person or entity named on an OFAC list, or is a person or entity that resides or has a place of business in a country or territory named on such lists. The Investment

Manager will not accept any investment from any investor if the investor cannot make the representation described in the preceding sentence.

In addition to OFAC restrictions, prospective investors and existing Shareholders are required to provide all information and documentation requested by the Fund, the Investment Manager or the Administrator in order for any of the foregoing to comply with anti-money laundering laws and regulations as well as, possibly, comparable laws and regulations in other jurisdictions. This is an evolving area of the law, and the full extent of the disclosures which may be required cannot be predicted.

The Fund, the Investment Manager and the Administrator each reserve the right to request such information as is necessary to verify the identity of a subscriber or a transferee and the identity of their beneficial owners/controllers (where applicable). 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 at subscription where an exemption applies under the Anti-Money Laundering Regulations, 2017 of the Cayman Islands, as amended and revised from time to time or any other applicable law. However, detailed verification information may be required prior to the payment of any proceeds from or any transfer of an interest in Shares.

In the event of delay or failure on the part of the subscriber in producing any information required for verification purposes, the Fund, the Investment Manager or the Administrator may each refuse to accept the application or if the application has already occurred, may suspend or redeem the interest, in which case any funds received will be returned without interest to the account from which they were originally debited.

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

If any person 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 Law (2017 Revision) 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 Law (2017 Revision) of the Cayman Islands if the disclosure relates to involvement with terrorism or terrorist financing and property. Such a report shall not be treated as a breach of confidence or of any restriction upon the disclosure of information imposed by any enactment or otherwise.

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 subscriber to represent that they and their beneficial owners, controllers or authorized persons are not named on a list of prohibited entities and individuals maintained by OFAC or under the European Union ("**EU**") and 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 current sanctions have been issued by the

United Nations, EU or UK (collectively, "**Sanctions Lists**"). Where the subscriber is on a Sanctions List, the Fund may be required to cease any further dealings with the subscriber's interest in the Fund, until such sanctions are lifted or a license is sought under applicable law to continue dealings.

Requests for Information

The Fund, or any directors or agents domiciled in the Cayman Islands, may be compelled to provide information, including, but not limited to, information relating to the subscriber and, where applicable, the subscriber's beneficial owners and controllers, 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, either for itself or for a recognized overseas regulatory authority, under the Monetary Authority Law (2016 Revision), or by the Tax Information Authority, under the Tax Information Authority Law (2017 Revision) or Reporting of Savings Income Information (European Union) Law (2014 Revision) 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.

Beneficial Ownership Regime

The Fund does not fall within the scope of the primary obligations under Part XVIIA of the Companies Law (the "**Beneficial Ownership Regime**") on the basis that it is an investment fund, which is managed by the Investment Manager, being an "approved person" by virtue of being regulated in the United States as a commodity pool operator by the NFA. 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 and which are therefore required to maintain beneficial ownership registers under the Beneficial Ownership Regime. It is anticipated that such particulars will generally be limited to the identity and certain related particulars of (i) any person holding (or controlling through a joint arrangement) a majority of the voting rights in respect of the Fund; (ii) any person who is a member of the Fund and who has the right to appoint and remove a majority of the board of directors of the Fund; and (iii) any person who has the right to exercise, or actually exercises, dominant direct influence or control over the Fund.

Exhibit A

Form of Subscription Agreement for Non-U.S. Investors

Exhibit B

Form of Subscription Agreement for U.S. Tax-Exempt Investors

Exhibit C

PRIVACY POLICY

Your privacy is very important to us. This Privacy Notice states our policies regarding nonpublic personal information of investors, prospective investors and former investors. These policies apply to persons only and may be changed at any time, provided a notice of such change is given to you.

You provide us with personal information, such as your address, social security number, assets and/or income information, (i) in the Subscription Agreement and related documents, (ii) in correspondence and conversations with the Fund's representatives and (iii) through transactions in the Fund.

We do not disclose any of this personal information about our investors, prospective investors or former investors to anyone, other than to our affiliates, such as Core Classic Fund LP, Core Classic Fund (QP) LP, Core Global Opportunities Fund LP, Core Global Opportunities Fund Ltd., Core Vega Fund LP, or Core Vega Fund Ltd. and except as permitted by law, such as to our attorneys, auditors, brokers and regulators and certain service providers including NAV Consulting, in its role as Administrator and NAV Calculation Agent, in such case, only as necessary to facilitate the acceptance and management of your investment. Thus, it may be necessary, under anti-money laundering and similar laws, to disclose information about investors in order to accept subscriptions from them. You have a right, however, to opt-out of the disclosure of nonpublic personal information to a non-affiliated third party. To exercise this right, please send a written request to Core Capital. We will also release information about you if you direct us to do so, if compelled to do so by law or in connection with any government or self-regulatory organization request or investigation.

We seek to carefully safeguard your private information and, to that end, restrict access to nonpublic personal information about you to those employees and other persons who need to know the information to enable the Partnership to provide services to you. We maintain physical, electronic and procedural safeguards to protect your nonpublic personal information.

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