

# Man AHL Diversified PCC Limited

Level 3, Mill Court  
La Charroterie  
St Peter Port  
Guernsey GY1 1EJ  
Channel Islands

December 21, 2023

**Private and confidential – This letter is for your use only. This letter is for information purposes only and no action is required.**

Dear Investor,

**Re: Change of directors relating to Man AHL Diversified PCC Limited (the “Company”)**

Our records indicate that you are an investor in one or more share classes issued by the Company.

The directors of the Company have updated the Prospectus in respect of the Company to reflect a change to the board of directors of the Company, as follows:

- With effect from 31 December 2023, John Renouf will retire as a director of the Company.
- With effect from 1 January 2024, Joanna Duquemin Nicolle will be appointed as a director of the Company.

A copy of the revised Prospectus of the Company together with a redline against the existing Prospectus of the Company setting out the above amendment is attached to this notice and will also be available from the designated manager of the Company, J.P. Morgan Administration Services (Guernsey) Limited, on request.

**Please contact your Man relationship manager if you have any questions or concerns relating to these updates.**

Yours faithfully

DocuSigned by:  
  
FB6473AFA86C40D...  
Director

**Man AHL Diversified PCC Limited**

**Man AHL Diversified PCC Limited**

THE INVESTMENT MANAGER IS A MEMBER OF THE NATIONAL FUTURES ASSOCIATION (“NFA”) AND IS SUBJECT TO THE NFA’S REGULATORY OVERSIGHT AND EXAMINATIONS. THE INVESTMENT MANAGER HAS ENGAGED OR MAY ENGAGE IN UNDERLYING OR SPOT VIRTUAL CURRENCY TRANSACTIONS IN THE COMPANY. ALTHOUGH THE NFA HAS JURISDICTION OVER THE INVESTMENT MANAGER AND THE COMPANY, YOU SHOULD BE AWARE THAT THE NFA DOES NOT HAVE REGULATORY OVERSIGHT AUTHORITY FOR UNDERLYING OR SPOT MARKET VIRTUAL CURRENCY PRODUCTS OR TRANSACTIONS OR VIRTUAL CURRENCY EXCHANGES, CUSTODIANS OR MARKETS. YOU SHOULD ALSO BE AWARE THAT GIVEN CERTAIN MATERIAL CHARACTERISTICS OF THESE PRODUCTS, INCLUDING LACK OF A CENTRALIZED PRICING SOURCE AND THE OPAQUE NATURE OF THE VIRTUAL CURRENCY MARKET, THERE CURRENTLY IS NO SOUND OR ACCEPTABLE PRACTICE FOR THE NFA TO ADEQUATELY VERIFY THE OWNERSHIP AND CONTROL OF A VIRTUAL CURRENCY OR THE VALUATION ATTRIBUTED TO A VIRTUAL CURRENCY BY THE INVESTMENT MANAGER.

# Man AHL Diversified PCC Limited

Prospectus revised 1 January 2024.

**An open-ended investment protected cell company incorporated with limited liability under the laws of the Island of Guernsey with registered number 48180.**

This document together with any Supplement issued in respect of a particular Class of Share represents a prospectus as required by, and prepared in accordance with, the Class B Rules as issued by the Guernsey Financial Services Commission (the “**Commission**”) pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 2020. This Prospectus will be revised at least once in every twelve month period to reflect any changes (but not otherwise) and prospective investors should enquire of the Designated Administrator as to whether this document has been revised or superseded.

**In the event of any conflict between the terms of the Supplement issued in respect of a particular Class of Share and this Prospectus, the former shall prevail, unless the context otherwise requires.**

The Company is an open-ended investment protected cell company incorporated with limited liability under the laws of the Island of Guernsey and is supervised by the Guernsey Financial Services Commission whose contact details are as follows:

PO Box 128, Gategny Court, Gategny Esplanade, St Peter Port, Guernsey, Channel Islands, GY1 3HQ, Telephone: +44 1481 712706 and fax: +44 1481 712010.

AHL Partners LLP, being the Investment Manager in respect of the Protected Cells, is authorised and regulated by the Financial Conduct Authority in the conduct of its regulated activities in the United Kingdom, whose contact details are as follows:

12 Endeavour Square, London E20 1JN, United Kingdom, Telephone: +44 20 7066 1000.

The Trustee of the Company, J.P Morgan Custody Services (Guernsey) Limited is registered in the island of Guernsey and licensed by the Guernsey Financial Services Commission.

## Man AHL Diversified PCC Limited

If you require an explanation of any of the terms or constructions used in this Prospectus, you should consult your legal or financial adviser.

This Prospectus of Man AHL Diversified PCC Limited is dated on the date indicated above and has been prepared in accordance with the Class B Rules as issued by the Commission pursuant to the Law.

This Prospectus and the relevant Supplement together form the offering document for the issue of each Class of Share in the Company.

The information contained in this Prospectus, which is to be used solely in connection with the consideration of the subscription of the Shares described herein and in the relevant Supplement, is confidential to the persons receiving it. This Prospectus is only to be used by persons receiving it who are considering whether to subscribe for any Shares. This Prospectus may not be reproduced in whole or in part nor may any of the information contained herein be disclosed to or used or relied upon by any other person. Acceptance of receipt of this Prospectus constitutes an agreement to be bound by such confidentiality provisions.

The Directors, whose names appear in this Prospectus, are the persons responsible for the information contained in this Prospectus and each Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Prospectus, including information about the Company, the Designated Administrator, the Services Manager, the Investment Manager, the Marketing Adviser and the Investment Strategies, is, and the information in each Supplement will be, at the date of publication thereof, in all material respects factually accurate and not misleading by omission or otherwise. The Directors accept responsibility accordingly.

Investors in the Company are not eligible for the payment of any compensation under the Collective Investment Schemes (Compensation of Investors) Rules, 1988 (as amended) made under the Law.

### **The Investment Manager**

The Investment Manager has consented to the inclusion of its name in this Prospectus in the form and context in which it appears and solely in its capacity as investment manager, but otherwise is not required to authorise and has not authorised, the issue of this Prospectus and has not accepted responsibility for, nor approved, any statements in this Prospectus. The Investment Manager makes no representation, express or implied, as to the investment returns or performance of the Shares and such statements in this Prospectus, as well as other statements regarding the Company, the Designated Administrator, the Services Manager, the Investment Manager, the Marketing Adviser (including without limitation their respective constitution, objectives and investment policy) and the investment approaches are the sole responsibility of the Company and its Directors and not the Investment Manager. Accordingly, the Investment Manager will not be responsible to any Applicant for any matter referred to in this Prospectus; further, the Investment Manager will not be liable to any Applicant in respect of any alleged act, omission or error (whether or not negligent).

### **Accuracy**

The Directors believe that the information contained in this Prospectus and any Supplement is accurate as at the date of this Prospectus and the date of the relevant Supplement.

The Company, or the Marketing Adviser, Trading Adviser and/or Investment Manager on its behalf, may enter into distribution or placing agreements with third party distributors and placing agents. The Company or the Marketing Adviser, Trading Adviser and/or Investment Manager on its behalf necessarily has wide discretion as to the terms of appointment of such distributors/placing agents. In particular the Company or the Marketing Adviser, Trading Adviser and/or Investment Manager on its behalf may make representations to such distributors and placing agents regarding, among other things, the accuracy of the content of the Prospectus and relevant Supplements and other marketing materials, and may grant indemnities for any losses suffered by such distributors and placing agents caused by a breach of such representations or for the Company's failure to comply with local marketing rules with respect to the Company's offering of Shares in any applicable jurisdiction. The Company has made separate representations to the Marketing Adviser, Trading Adviser and the Investment Manager with respect to

the contents of the Prospectus and relevant Supplements and other marketing materials. The Company has also indemnified the Marketing Adviser, Trading Adviser and Investment Manager for any losses suffered by such parties in relation to the marketing or distribution by the Marketing Adviser, Trading Adviser and/or Investment Manager of the Company's Shares. This includes indemnification by the Company for breaches of any distribution agreements made between Marketing Adviser, Trading Adviser and/or Investment Manager (as principal) and such third party distributors arising out of among other things, the accuracy of the Prospectus and relevant Supplements and other marketing materials or for the Company's failure to comply with local marketing rules with respect to the Company's offering of Shares in any applicable jurisdiction.

Delivery of this Prospectus and any Supplement does not imply that the information contained in it is correct at any time subsequent to the date of this Prospectus or the Supplement, as the case may be, and such information is subject to change at any time. No representation is made or assurance given that statements of opinion and/or belief or any targeted returns, projections, forecasts or statements relating to expectations regarding future events are correct or will be achieved. Certain information contained in this Prospectus constitutes 'forward looking statements' which can be identified by the use of forward looking terminology such as, without limitation, 'may', 'will', 'should', 'expect', 'anticipate', 'project', 'target', 'estimate', 'intend', 'continue' or 'believe'. Due to various risks and uncertainties, including those set out in the section entitled 'Key risks', actual events or results or the actual performance of the Company may differ materially from those reflected or contemplated in such forward looking statements.

No person has been authorised to give any information or make any representations not contained in this Prospectus and if given or made, any such information or representations may not be relied on as having been authorised by the Company or its Directors.

### **The Company**

The Company is an open-ended investment protected cell company incorporated with limited liability in the island of Guernsey and governed by the provisions of the Companies Law. The Company will establish and maintain a separate and distinct Protected Cell in connection with each Class of Share. Persons investing in and dealing with a Class of Share shall only have recourse to that Protected Cell and their interest shall be limited to the assets from time to time attributable to that Protected Cell and they shall have no recourse to the assets of any other Protected Cell or against any non-cellular assets of the Company except as provided in the Companies Law. Under the Companies Law, creditors of a particular Protected Cell may have recourse to the cellular assets of another Protected Cell or the non-cellular assets of the Company only to the extent that such recourse is provided for by a recourse agreement which complies with the provisions of the Companies Law. The Directors do not intend there to be any such recourse agreements in connection with the assets of any Protected Cell or the non-cellular assets.

The Company has been authorised by the Commission as a Class B Scheme under the Law. In giving this authorisation, the Commission does not vouch for the financial soundness of the Company or for the correctness of any statements made or opinions expressed with regard to it.

### **Distribution**

The distribution of this Prospectus and the offering of Shares in certain jurisdictions may be restricted and the information contained herein is for general guidance only. Accordingly, prospective investors should inform themselves as to (i) the legal requirements within their own countries for the purchase, holding, transfer, redemption or other disposal of Shares; (ii) any foreign exchange restrictions applicable to the purchase, holding, transfer, redemption or other disposal of Shares; and (iii) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer, redemption or other disposal of Shares. Prospective investors must rely upon their own advisers, including their own legal advisers, stockbrokers, bank managers and accountants, as to legal, tax, investment or any other related matters concerning the Company and an investment therein.

This Prospectus does not constitute and may not be used for the purposes of an offer or solicitation to anyone in any jurisdiction (i) in which such offer or solicitation is not authorised or in which the person making the offer is not qualified to do so; or (ii) to whom it is unlawful to make such offer or solicitation. No action has been taken or will be taken in any jurisdiction by the Company or the Investment Manager that would permit a public offering of Shares or possession or distribution of this Prospectus in any jurisdiction where action for that purpose is required.

Each Class of Share is offered on the basis of the information and representations contained in this Prospectus and the relevant Supplement and Application Form and any further information given or representations made by any person may not be relied upon as having been authorised by the Company or its Directors. Neither the delivery of this Prospectus nor the issue of any Shares shall under any circumstances create any implication that there has been no change in the affairs of the Company since the date of this Prospectus. Except in relation to those prohibited recipients as described above, copies of this Prospectus and of the Supplement and Application Form in respect of any Class of Share available for subscription at the relevant time may be obtained from the Company and the Designated Administrator.

### **The AIFM Directive**

The AIFM Directive, and such directive as implemented into the domestic law of the United Kingdom, imposes conditions on the marketing of funds such as the Company to investors in the EEA and the United Kingdom (the **'EEA and UK Investors'**). The AIFM Directive requires that an AIFM be identified to meet such conditions where such marketing is sought. For these purposes, the AIFM, as the legal person responsible for performing the portfolio and risk management of the Company has been identified as the AIFM of the Company. The AIFM has delegated portfolio management of the Company to the Investment Manager.

### **United States**

The Shares have not been, nor will they be, registered under the US Securities Act of 1933, as amended (the **"Securities Act"**), or any applicable securities laws of any state or other political sub-divisions of the United States of America. The Shares may not be offered, sold, transferred or delivered directly or indirectly in the United States or to or for the benefit of any US person (as defined in Appendix 1 to this Prospectus). Any sales or transfers of Shares in violation of the foregoing shall be prohibited and treated by the Company as void. All applicants and transferees of Shares must complete an Application Form which confirms, among other things, that a purchase or a transfer of Shares would not result in a sale or transfer to a person or an entity which is a US person.

None of the U.S. Securities and Exchange Commission, the U.S. Commodity Futures Trading Commission, the securities regulatory authority of any state of the United States or the security regulatory authority of any other jurisdiction has passed upon the value of the Shares, made any recommendations as to their purchase, approved or disapproved this offering, or passed upon the adequacy or accuracy of this Prospectus. Any representation to the contrary is a criminal offence.

**The attention of potential investors is drawn to the section entitled 'Key risks', to Appendix 3 entitled 'Selling restrictions' and also to the anti-money laundering documentation requirements described in the applicable appendix to the relevant Application Form.**

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## Executive summary

### Man AHL Diversified PCC Limited

The following summary is qualified in its entirety by reference to the more detailed information contained in this Prospectus and each Supplement containing terms specific to the relevant Class of Share being offered. In the event of a conflict between the information contained in this Prospectus and the Supplement relating to a Class of Share, the terms contained in the Supplement shall prevail, unless the context otherwise requires.

### Investment objective

The investment objective of each Class of Shares is to achieve medium-term capital growth. The Directors may adopt changes to the investment policy and Shareholders will be notified of any such changes.

### Investment strategy

The Company will initially seek to achieve its investment objective in respect of each Class of Share by allocating funds raised from the issue of each Class of Share, directly or indirectly, to trade the AHL Diversified Programme.

The constituent allocations to the Investment Strategy set out in the relevant Supplement are not exhaustive and, in seeking to fulfil the investment objective of a Class of Share, the Investment Manager may allocate funds to new investment programmes or investment styles that fall into categories other than those outlined therein. The composition and description of the Investment Strategies may also change over time. The Investment Manager may also delegate the construction and management of individual style portfolios or other investment strategies to associated and external managers.

### AHL Diversified Programme

AHL manages the AHL Diversified Programme which employs sophisticated computerised processes primarily to identify trends and other opportunities in markets around the world. Trading signals are generated and executed via a finely tuned trading and implementation infrastructure. This process is quantitative and primarily directional in nature, and is underpinned by rigorous risk control, ongoing research, diversification and the constant quest for efficiency.

A cornerstone of the investment philosophy is that financial markets experience persistent trends and inefficiencies. Trends are a manifestation of serial correlation in financial markets – the phenomenon whereby past price movements influence future price behaviour. Although they vary in their intensity, duration and frequency, price trends are universally recurrent across all sectors and markets. Trends are an attractive focus for active trading styles applied across a diverse range of global markets.

Trading takes place around- the- clock and real- time price information is used to respond to price moves across a diverse range of global markets. The AHL Diversified Programme invests in a diversified portfolio of instruments which may include, but is not limited to, futures, options and forward contracts, CFDs, swaps and other financial derivatives both on and off exchange. These markets may be accessed directly or indirectly and include, without limitation, stocks, debt, bonds, currencies, short-term interest rates, energies, metals, credit, agriculturals and cryptocurrencies.

As well as emphasising sector and market diversification, the AHL Diversified Programme has been constructed to achieve diversification by allocating to multiple trading systems. Most of these systems work by sampling prices in real time and measuring price momentum and breakouts, aiming to capture price trends and close out positions when there is a high probability of a different trend developing. Signals are generated across different time frames, ranging from a few days to several months. In aggregate, the systems currently run around 2,000 price samples each day spread across the 400 or so markets traded. The AHL Diversified Programme also includes other technical systems, as well as quantitative models based on a variety of fundamental inputs, such as interest rate and equity valuation data.

In line with the principle of diversification, the approach to portfolio construction and asset allocation is premised on the importance of deploying investment capital across the full range of sectors and markets. Particular attention is paid to correlation of markets and sectors, expected returns, market access costs and market liquidity.



Portfolios are regularly reviewed and, when necessary, adjusted to reflect changes in these factors. A systematic process for adjusting its market risk exposure in real time to reflect changes in the volatility of individual markets is also in place. Through AHL's ongoing investment in research and technology, the number and diversity of markets and strategies traded directly or indirectly by the AHL Diversified Programme may change over the life of the investment but always subject to the restrictions set out in this Prospectus. It should also be noted that the AHL Diversified Programme traded by each Class of Shares may differ from the AHL Diversified Programme traded by other investment products managed by entities within the Man Group.

### **Risk management**

Man Asset Management (Cayman) Limited (the '**AIFM**') employs a risk management process in respect of the Company by which it attempts to accurately measure, monitor and manage the various risks associated with the use of financial instruments by the Company, including controls on their use and processes for assessing compliance with these controls. The AIFM may delegate certain risk management functions to the Investment Manager.

Risk management is an essential component of AHL's investment management process. AHL has put in place a risk management framework which is designed to identify, monitor and mitigate the portfolio, operational and outsourcing risks relevant to its operations. AHL's risk management framework is part of, and is supported by, the overarching risk management framework of the Man Group.

Key principles of AHL's risk management framework include the segregation of functions and duties where material conflicts of interest may arise and having an appropriate degree of independent and senior management oversight of business activities. As part of this independent oversight, AHL's activities are subject to regular review by Man Group's internal audit function.

Risk management consists primarily of monitoring risk measures and ensuring the systems remain within prescribed limits. The major risk monitoring measures and focus areas include value-at-risk, stress testing (under both normal and exceptional liquidity conditions), implied volatility, leverage, margin-to-equity ratios and net exposures to sectors and different currencies.

### **Investment restrictions**

Subject to the terms set out in the relevant Supplement, the following investment and borrowing restrictions shall apply:

1. the relevant Protected Cell may invest up to and including 100% of its assets in the securities of any one or more unregulated investment scheme(s) or other pooled investment vehicle(s). Such vehicle may be managed by the Investment Manager or associates of the Investment Manager;
2. the relevant Protected Cell may invest up to and including 100% of its assets in cash or cash instruments;
3. the relevant Protected Cell may invest up to and including 100% of its assets in futures and options contracts (including but not limited to contracts which are traded off-exchange and CFDs) on and for physical commodities, currencies, mortgage-backed securities, money market instruments, obligations of the governments of sovereign nations, obligations guaranteed by the governments of sovereign nations and any other financial instruments including debt instruments, securities, stock, financial, and economic indices and items which are (whether now or in the future) the subject of futures contract trading, futures contracts, options on futures contracts and physical commodities, cash and forward contracts, swaps, foreign exchange commitments, deferred delivery contracts, leverage contracts and other related contracts, agreements and transactions (including contingent liability transactions); and
4. the relevant Protected Cell may purchase target funds, which (a) the Investment Manager or the Trading Adviser manages itself either directly or indirectly or (b) are managed by a company with which the Investment Manager or the Trading Adviser is related by virtue of (i) common management, (ii) control, or (iii) a direct or indirect interest of more than 10% of the capital or the votes. If the relevant Protected Cell purchases such a target fund, no issue or redemption fee and only a reduced management fee of maximal 0.25% per annum will be levied with regard to such a fund.

The relevant Protected Cell may also enter into arrangements by which cash not required by such Protected Cell for trading purposes will be managed by the Investment Manager. Such arrangements may include the entry by the relevant Protected Cell into repurchase or reverse repurchase transactions and other cash management arrangements, including holding cash in bank accounts or secured or unsecured deposits, or investing such cash in corporate or government bonds, or such other instruments as deemed appropriate by the Investment Manager.

The Investment Manager will monitor the investment restrictions set out above. If the Investment Manager becomes aware of any breach of these limits, appropriate action and notification to the Directors will be taken to bring the relevant Protected Cell back within these limits as soon as practicable, and in any event within six months. Please also refer to the section entitled "Financing Arrangements and Leverage".

### **Restricted Issuers Policy**

In recognition of the fact that certain investors may be prevented or constrained from having direct or indirect exposure to certain issuers ("**Restricted Issuers**") by virtue of law, statute, rule, regulation or policy, the policy of AHL Partners LLP in such instances is to consider submissions from investors with exposure to the AHL Diversified Programme, including the relevant Classes of Shares, which request exclusions of Restricted Issuers in relation to the AHL Diversified Programme. However, AHL Partners LLP is under no obligation to act on such submissions and will only exclude such Restricted Issuers from the AHL Diversified Programme in circumstances where it considers, in its absolute discretion, that such exclusion would enable it to continue to discharge its duties and obligations as investment manager and that such exclusion will make no material effect to the performance and operation of the AHL Diversified Programme. No such exclusion will be considered where the effect of which will be to vary the investment strategy of the AHL Diversified Programme. AHL Partners LLP will have no on-going obligation or duty to monitor or take any action in relation to any investment restrictions of which it may be notified and which it is unable to accommodate.

The AHL Diversified Programme has a limited capacity to accept any request for an issuer exclusion from an investor in the AHL Diversified Programme, including a Class of Shares. Accordingly, only requests from investors meeting a certain threshold of investment will be considered. Further, those investors who make a request at a later date to earlier investors bear an increased risk of rejection in order to guard against inadvertent strategy drift and a cumulative and material reduction in the number of investable assets. A list of the issuers that have been excluded pursuant to the above will be available upon request.

### **The Shares**

The details of each Class of Share offered by the Company from time to time are set out in the relevant Supplement. The Directors reserve the right to offer additional Classes of Share from time to time on such terms and conditions and with such rights and restrictions as the Directors shall determine in their absolute discretion.

### **Protected cell company**

The Company has been registered as a protected cell company under the Companies Law and as such has established or will establish and maintain a separate and distinct Protected Cell in connection with each Class of Share.

### **Designated Administrator and Registrar**

J.P. Morgan Administration Services (Guernsey) Limited or such other party as is appointed from time to time to provide such services.

### **Services Manager**

Man Investments AG.

### **AIFM**

Man Asset Management (Cayman) Limited.

### **Investment Manager and Introducing Broker**

AHL Partners LLP.

**Broker**

Such entity (or entities) as is engaged from time to time to act as Broker and which may include a Man Group company.

**Marketing Adviser**

Man Investments AG.

**Financing Provider**

Such entity (or entities) as may be engaged from time to time to provide Financing Arrangements in connection with any Class of Share.

**Swiss Paying Agent**

CACEIS Investor Services Bank S.A., Esch-sur-Alzette, Zurich Branch as Swiss paying agent to provide paying agency services in connection with any Class of Shares issued to investors in Switzerland.

**Trustee**

J.P. Morgan Custody Services (Guernsey) Limited or such other party or parties as may be appointed from time to time to provide custodial and depositary services.

**Administrator**

BNY Mellon Fund Services (Ireland) Designated Activity Company, its delegate or such other party or parties as may be appointed from time to time to provide sub-registrar services and certain accounting and valuation services in connection with any Class of Shares.

**Common Depository**

The Bank of New York Mellon, London Branch or such other party as is appointed from time to time to provide common depository services.

Capitalised terms have the meanings ascribed to them in Appendix 1.

The attention of potential investors is drawn to the section entitled 'Key risks', Appendix 3 entitled 'Selling restrictions' and also to the anti-money laundering requirements described in the applicable appendix to the relevant Application Form.

**The Company**

The Company was incorporated with limited liability in the Island of Guernsey on 7 December 2007 under the provisions of the Companies (Guernsey) Law 1994 (as amended) and the Protected Cell Companies Ordinance 1997 (as amended), with registration number 48180 and has been re-registered under the Companies Law.

The Company can issue and redeem Shares at prices based upon the Net Asset Value per Share. As a protected cell company, the Company is permitted to create one or more Protected Cell in order to segregate and protect the assets and liabilities attributable to a particular Class of Share of the Company from the assets and liabilities attributable to each other Class of Share in the Company and from the Company's general assets and liabilities.

The Company will establish and maintain a separate and distinct Protected Cell in connection with each Class of Share, as provided in its Articles. All income and capital gains earned on, and investments acquired with, the assets of a particular Class of Share shall accrue to that Class of Share and all expenses and liabilities related to such Class of Share, dividends, if any, and redemptions will be charged to and paid out of the assets of such Class of Share.

Assets belonging or pertaining to a Class of Share may only be used to meet the liabilities to creditors in respect of such Class of Share and are not available to meet liabilities to creditors in respect of other Classes of Share or

to general creditors of the Company except as otherwise agreed between the Company and the Class of Share or as agreed between the Classes of Share pursuant to the Companies Law. The Directors do not intend there to be any such arrangements in connection with the assets of any Class of Share or the non-cellular assets. Fees and expenses which do not relate to any particular Class of Share will be allocated to each Class of Share on a basis agreed by the Investment Manager after consultation with the Directors and the Trustee.

Under the Companies Law, creditors of a particular Class of Share may have recourse to the cellular assets of another Class of Share or the non-cellular assets of the Company only to the extent that such recourse is provided for by a recourse agreement which complies with the provisions of the Companies Law. The Directors do not intend there to be any such recourse agreements in connection with the assets of any Class of Share or the non-cellular assets. The subscription proceeds of each Class of Share will be invested in a separate Protected Cell which will be maintained in connection with the particular Class of Share.

In respect of any Class of Share, a separate Trading Subsidiary may be established through which the assets attributable to that Class of Share will be invested. In such case, the issued share capital of the relevant Trading Subsidiary will be an asset attributable to the relevant Class of Share.

The Directors of the Company are:

- (i) **Joanna Duquemin Nicolle**, with over 30 years' experience working in the finance industry in Guernsey, is currently Chief Executive Officer of Elysium Fund Management Limited. Ms Duquemin Nicolle was previously a Director and the Company Secretary of Collins Stuart Fund Management Limited where she worked on, and led, numerous corporate finance assignments and stock exchange listings in addition to undertaking fund administration and company secretarial duties. Ms Duquemin Nicolle has extensive experience in the provision of best practice corporate governance and company secretarial services to a diverse range of companies traded on the AIM market of the London Stock Exchange, listed on the Main Market of the London Stock Exchange, Euronext and The International Stock Exchange. Ms Duquemin Nicolle also acts as a non-executive director of Castelnau Group Limited, a closed-ended investment company listed on the London Stock Exchange's Specialist Fund Segment. Ms Duquemin Nicolle qualified as an associate of ICSA: The Chartered Governance Institute UK & Ireland in 1994 and was elected to Fellowship in May 2023.
- (ii) **William Simpson**, a Guernsey advocate with many years' experience in investment funds and related areas of law. For a number of years Advocate Simpson has also been a director of a range of investment funds and managers. Advocate Simpson's career began at the English Bar in 1983. After a spell in the Cayman Islands and the Virgin Islands, he became a partner first in Ozannes (now Maurant Ozannes) and then Ogier (now Ogier (Guernsey) LLP). Advocate Simpson was a managing partner and a member of the Ogier group board for over a decade. Since January 2017, he has been an independent consultant and director resident in Guernsey.
- (iii) **William Scott**, qualified as a chartered accountant with Arthur Young (now Ernst & Young) in 1987 in Edinburgh. After being assistant fund manager with the London Residuary Body Superannuation Scheme, Mr Scott joined Rea Brothers (now part of the Close Brothers group of companies) in 1989 where he managed a wide range of institutional and private client funds. From 1997 he was director in charge of the group's Guernsey-based offshore international investment management activities until his departure in February 2002. From April 2003 until 31st December 2004 Mr Scott was a senior vice president with Financial Risk Management (now part of the Man Group). Mr Scott holds a number of directorships of funds and fund management companies including several other funds managed and advised by the Man Group, including ones in which the Company may invest. He is a Chartered Fellow of the Chartered Institute for Securities & Investment and is a Chartered Wealth Manager.

The Directors will also act as the directors of any Trading Subsidiaries.

## The Designated Administrator

The designated administrator of the Company is J.P. Morgan Administration Services (Guernsey) Limited, a company with limited liability incorporated on 5 December 2003 and organised under the laws of the Island of Guernsey. The Designated Administrator is a wholly owned subsidiary of J.P. Morgan International Finance Limited. The Designated Administrator's registered office is set out below in the section entitled 'Names and addresses' of this Prospectus. The Designated Administrator is licensed under the Law.

The Designated Administrator has overall responsibility for the administration of the Company subject to the direction and supervision of the Directors. For the purposes of the Law, the Designated Administrator will be the designated administrator. The Designated Administrator may however delegate some of its duties in respect of the Company or in respect of a Class of Share at its discretion, unless otherwise directed by the Company, provided that such responsibilities may not be delegated to the extent that they are to be performed by any person outside Guernsey if such responsibilities are required to be performed within Guernsey pursuant to Guernsey law.

The Designated Administrator has delegated responsibility for valuation and accounting services in relation to the Shares to the Administrator. The Designated Administrator has delegated its duties as registrar and transfer agent to the Administrator.

Monies received from investors in respect of applications or in respect of redemptions of a particular Class of Share will be held in separate bank accounts (designated as client money accounts). Any interest accruing on these accounts pending payment to the relevant Class of Share or to investors will be held by the Designated Administrator for the benefit of such Class of Share.

The Designated Administrator will also act as company secretary. The Designated Administrator acting as company secretary is responsible for, amongst other things, the following matters: (a) preparing and filing any declarations, applications and returns, including the annual return of the Company, as required by Companies Law (including, without limitation, annual validations); (b) maintaining the register of directors and secretaries of the Company, and making such records available as required by Companies Law; (c) maintaining the Company's minute books and records; (d) making all necessary filings with the Registrar of Companies in Guernsey or such other persons as may be required pursuant to the Companies Law, together with all requisite registration fees; and (e) arranging the Company's board meetings and providing agendas and minutes of each of the Company's meetings.

The Company has chosen to no longer appoint a principal manager.

## Man Group

The Man Group provides access for private and institutional investors worldwide to alternative investment strategies through a range of innovative products and solutions designed to deliver long-term investment performance. The Man Group has over a 20-year track record in this field, supported by strong product development and structuring skills as well as an extensive investor service and global distribution network.

## The AIFM

Pursuant to the AIFM Agreement, the Company has appointed Man Asset Management (Cayman) Limited (the "**AIFM**"), a member of Man Group, as AIFM of the Company, the Protected Cells and any Trading Subsidiary. The AIFM was incorporated in the Cayman Islands as an exempted company with limited liability.

The AIFM's role includes the provision of portfolio and risk management services to the Company, the Protected Cells and any Trading Subsidiary. The AIFM is AIFM of the Company, the Protected Cells and any Trading Subsidiary for the purposes of the AIFM Directive. As the AIFM is not established in the EEA, it is not authorised under the AIFM Directive and is not subject to the requirements of the AIFM Directive, save for certain limited provisions to the extent that Shares are marketed to investors in the EEA or the United Kingdom.

Subject to the overall control and supervision of the Directors, the AIFM is responsible for performing portfolio management and risk management in respect of the Company, the Protected Cells and any Trading Subsidiary and will provide such other services as agreed from time to time between the Company and the AIFM. The AIFM may, with the consent of the Company, appoint the Investment Manager to perform portfolio management in respect of the Company or otherwise delegate the exercise of portfolio management functions or the risk management functions performed under the AIFM Agreement. Following any delegation, the AIFM will continue to perform at least such portfolio management and/or risk management as is required to ensure that the AIFM is the AIFM of the Company, the Protected Cells and any Trading Subsidiary. The AIFM may delegate any of its other functions, powers and duties under the AIFM Agreement to any person.

Under the terms of the AIFM Agreement, none of the AIFM, its agents, officers, directors, shareholders or employees, nor their respective successors or assigns (each a "**Covered Person**") shall be liable to the Company in respect of any act or omission, except that the AIFM shall be liable to the Company for acts by it or by any of its agents, officers, directors, shareholders or employees with respect to the provision of services under the AIFM Agreement which constitute fraud, negligence, wilful default or dishonesty. In addition, the Company has agreed to indemnify, hold harmless and defend any Covered Person from and against any liability, penalty, fine, cost or expense, including without limitation legal fees and expenses (together, "**Losses**") to which any of them may become subject in acting as contemplated under the AIFM Agreement, or in connection with any transaction on behalf of the Company or in connection with investigating or defending any such Losses covered by this indemnity unless and to the extent that such Losses are caused by the fraud, negligence, wilful default or dishonesty of the AIFM or the person claiming the benefit of this indemnity.

The AIFM Agreement is to continue until terminated by the Company or the AIFM by providing the other with not less than 90 days' written notice. The AIFM Agreement may be terminated earlier in certain circumstances including the insolvency of any party.

The directors of the AIFM are:

**Russell Burt.** Russell Burt is a principal of Marbury Fund Services (Cayman) Limited, a fiduciary services company based in the Cayman Islands. Mr Burt serves as an independent director for hedge funds. Until 2013, he was head of the Cayman Islands office of Man Group. As well as serving on the boards of a number of Man Group funds and corporate entities, Mr Burt was responsible for the audit and financial reporting oversight across the Man range of hedge funds in addition to having direct responsibility for the operations of the Cayman Islands office. Prior to 2006, Mr Burt was the Financial Controller at Banco Bradesco SA Grand Cayman Branch, responsible for the accounting and securities departments overseeing \$8 billion in assets. Prior to serving Banco Bradesco, Mr Burt worked from 1997 to 1999 as an Audit Senior with Pricewaterhouse Coopers in the Cayman Islands. He graduated from Southampton University in 1992 with a degree in Economics. Mr Burt is a fellow of the Institute of Chartered Accountants of England and Wales (ICAEW) as well as a CFA Charterholder. He is an elected global board member of AIMA for 2020-22 and was the past Chairman of AIMA Cayman for 2018-2020. He was also the past President of the CFA Society of the Cayman Islands (CFASCI). He is a member of the Cayman Islands Directors Association (CIDA). He is a UK citizen who has resident status in the Cayman Islands.

**Simon Ecclefield.** Simon Ecclefield has worked in global equity and currency markets for over 36 years, covering all aspects of stockbroking to institutions, hedge funds and alternative investment institutions. His experience has been across a number of asset classes including currencies, commodities, equities, interest rate arbitrage and more recently some cryptocurrencies. Mr Ecclefield began his career at Kleinwort Benson in 1976 and then moved to Morgan Grenfell in New York. Following positions at BZW, Robert Fleming and Alex Brown, he was approached to help set up Collins Stewart in New York, helping grow the team from 7 to over 100 people. Mr Ecclefield joined the Global Sales Trading desk at JP Morgan Cazenove from 2008 until 2014, when he left to take up a limited number of non-executive directorships in positions where his deep understanding of hedge fund and institutional trading strategies is highly valued. He is registered with FINRA in the Series 63, 55 and 7, and is a Registered Principal – Series 24 (compliance and regulatory oriented). He has also held the Canadian Registered Representative licence.

**Solomon Kuckelman.** Solomon Kuckelman is the General Counsel for Americas and APAC at Man Group. Based in New York, Mr Kuckelman works within Man Group's Legal Department. He is responsible for all legal aspects of Man Group's US and APAC businesses, including strategic advisory, fund and separate account formation and lifecycle management, mergers and acquisitions, employment, litigation, entity management, corporate governance and general corporate matters. Prior to joining Man Group in 2008, Mr Kuckelman worked at Paul Hastings LLP as an Associate in the Private Funds Group and at Sadis & Goldberg LLP as an Associate in the Financial Services Group. Mr Kuckelman holds a J.D. from Brooklyn Law School and a B.A., cum laude, from Colgate University.

**Robert Thomas.** Robert Thomas is an independent fund director with Atlantic Directors, a Cayman Islands based firm that specialises in the provision of independent directors to the alternative investment industry. Mr Thomas has 20 years' experience in the offshore financial industry. He was formerly managing director of Citco Trustees (Cayman) Limited where he was responsible for Citco's Caribbean trust operations including fund governance, unit trusts, real estate investment funds and private trusts. He has served on the board of Citco entities and client structures and as money laundering reporting officer and risk manager. He has also acted as in-house legal counsel for Citco in both the Cayman Islands and the British Virgin Islands. He is admitted as a solicitor of the Supreme Court of England and Wales (non-practicing), and obtained his MBA from Imperial College, London. Mr Thomas has written articles on corporate governance and has been a speaker at industry conferences.

**Darrel Yawitch.** Dr Yawitch is the Chief Risk Officer at Man Group, with responsibility for risk management of Man Solutions, Man AHL, Man Numeric and Man GLG and has been at Man since 2011. Prior to this, he worked at Investec Bank PLC for over 10 years where he headed the Market Risk and Asset and Liability Management teams for the bank before working in the Principal Finance area. Dr Yawitch holds a BSc (Hons) degree from the University of the Witwatersrand, Johannesburg, an MSc (Quantum Fields and Fundamental Forces) from Imperial College, London and a PhD in Theoretical Physics from Kings College, London. Dr Yawitch is a Fellow of the Faculty of Actuaries.

## The Investment Manager

Pursuant to the Investment Management Agreement, the Company, acting on behalf of itself and each of its Protected Cells, and the AIFM have appointed AHL Partners LLP to act as the Company's Investment Manager. The Investment Manager is responsible for providing discretionary investment management and advisory services to the Company acting on behalf of itself and each of its Protected Cells.

The Investment Manager is authorised and regulated by the FCA in the conduct of its regulated activities in the United Kingdom and is registered with the SEC as an "investment adviser" under the Advisers Act. However, because its principal place of business is outside of the United States, the Investment Manager is subject to only a limited subset of Advisers Act regulations with respect to its non-US clients such as the Company. The Investment Manager is also registered as a CPO and a CTA with the CFTC and is a member of the NFA in such capacities. The Investment Manager serves as the CPO of the Company and has claimed an exemption with respect to the Company from certain of the CFTC's disclosure, reporting and record-keeping requirements applicable to registered CPOs pursuant to CFTC Rule 4.7. The Investment Manager's SEC and CFTC registrations and NFA membership do not indicate any level of expertise or qualification, nor has the SEC, the CFTC or the NFA in any respect approved the Investment Manager, this Prospectus or the offering of Shares.

The Man Group provides access for private and institutional investors worldwide to alternative investment strategies through a range of innovative products and solutions designed to deliver long-term investment performance. The Man Group has a 20-year track record in this field, supported by strong product development and structuring skills as well as extensive investor service and global distribution network.

The Investment Manager is responsible for advising on the investments of each Class of Share's assets and has authority to invest the same in accordance with the investment objective, investment strategies and investment restrictions set out in this Prospectus and the relevant Supplements, subject to the overall supervision of the Directors.

The Investment Manager makes no representation, express or implied, as to the investment returns or performance of the Company and such related statements in this Prospectus and the relevant Supplements.

Subject to applicable law, the Investment Manager may also select a member of Man Group to purchase or sell or otherwise execute and/or clear transactions on behalf of the Company and the Investment Manager, or any of its officers or affiliates may receive a charge from any member of Man Group or pay a charge to any such entity or charge the Company in respect of transactions executed and/or cleared on behalf of the Company.

Under the terms of the Investment Management Agreement, the Investment Manager shall be liable to the Company for its acts and the acts of its agents, officers, directors, shareholders or employees with respect to the services provided to the Company pursuant to the Investment Management Agreement which constitute wilful default or dishonesty, fraud, and/or negligence by the Investment Manager or persons designated by it. In addition, the Company has agreed to indemnify the Investment Manager from and against any losses to which it may become subject in acting as contemplated under the Investment Management Agreement unless and to the extent that such losses are caused by the bad faith, wilful default or dishonesty, misconduct and/or gross negligence of the Investment Manager, or the person claiming the benefit of such indemnity.

The Investment Management Agreement is to continue until terminated by notice from any party giving the other not less than 90 days' notice. The Investment Management Agreement may be terminated earlier in certain circumstances including the insolvency of any party.

## Man AHL

AHL is one of the world's leading quantitative investment managers. It is an investment division of Man Group and operates through various legal vehicles including the Investment Manager. AHL provides investors with highly liquid and efficient trading strategies which offer low correlation to more traditional investment disciplines.

The business was established in 1987 and has developed a long and successful track record, offering strong returns with a low correlation to other asset classes. In February 2013, AHL merged with Man Systematic Strategies, another investment division of Man Group, which brought increased breadth and depth of quantitative research capability. With primary offices in London, UK, AHL maintains a trading office in Hong Kong and a research office in Oxford, UK. AHL is able to draw on the substantial business and corporate infrastructure, information technology, administration, logistics, compliance and legal functions, and client servicing offered by Man Group through a worldwide network of offices and staff.

## The Trustee

J.P. Morgan Custody Services (Guernsey) Limited has been appointed by the Company on its own behalf and on behalf of each Protected Cell and, where applicable, the Trading Subsidiaries, as designated custodian and trustee for the purposes of the Class B Rules in relation to the safekeeping of the assets of the Company and each Protected Cell, such appointment being pursuant to the Custodian Agreement.

The Trustee is a company incorporated with limited liability in Guernsey on 19 December 2011. The Trustee's authorised share capital is USD146,667 divided into 146,667 ordinary shares of USD1 each, all of which have been issued credited as fully paid and with USD74.00 premium per share. Its registered office and principal place of business is at Level 3, Mill Court, La Charroterie, St Peter Port, Guernsey GY1 1EJ and its principal business activity is acting as designated custodian for collective investment schemes. The Trustee's ultimate holding company is J.P. Morgan International Finance Limited.

The Trustee is licensed in Guernsey by the Commission under the Law and is qualified to act as trustee/custodian for the purposes of the Law and the Class B Rules. The Trustee will provide regulatory oversight of registrar functions for the Company pursuant to the Custodian Agreement as may be amended and restated from time to time. The Trustee is not responsible for the selection or valuation of investments.

Under the terms of the Custodian Agreement, the Trustee is not liable for any acts or omissions in the performance of its services in the absence of the Trustee's negligence, wilful default, fraud, dishonesty, lack of good faith or reckless disregard or breach of the Custodian Agreement and subject thereto the Trustee is entitled to be indemnified to the extent permitted by law, against all actions, proceedings, claims and demands arising in connection with the performance of its services.



The Trustee is not entitled to retire voluntarily except upon the appointment of a new trustee. If the Trustee desires to retire, or goes into liquidation (other than voluntary liquidation for the purpose of reconstruction or amalgamation) or if a receiver is appointed over any of its assets, or if the Trustee ceases to be qualified to act as Trustee then a replacement qualified trustee must be appointed in accordance with the Class B Rules. For the purposes of the Law, the Trustee is the designated custodian.

The Trustee, with prior written notice to the Company may appoint subcustodians, nominees, agents or other delegates (“**Delegates**”) to assist in the performance of its duties under the Custodian Agreement. The Trustee is responsible to the Company for satisfying itself as to the ongoing suitability of any Delegate and for the maintenance of an appropriate level of supervision of such Delegate. The Trustee will use reasonable care in the selection, monitoring and continued appointment of such Delegates. The Trustee will be liable for direct losses incurred by the Company or the relevant Protected Cell that result from the failure of a Delegate to use reasonable care in the provision of custodial services by it in accordance with the standards in the Custodian Agreement or from the negligence, wilful default, fraud, dishonesty, lack of good faith or reckless disregard of such Delegate or the insolvency or bankruptcy of an affiliated Delegate or breach of the Custodian Agreement. The Trustee will not be responsible for the insolvency of any Delegate which is not an affiliated Delegate. The expenses of any Delegate will be borne by the Company or the relevant Protected Cell, as appropriate, and the fees of any Delegate will be payable by the Trustee. In addition, the Trustee may also deposit and hold the assets of the Company in any securities depository, settlement system, dematerialised book entry system or similar system on such terms as such systems customarily operate.

In the case of the failure of a counterparty of the Company or the relevant Protected Cell to pay the expected consideration, the Trustee is obliged to contact the counterparty to seek settlement. In the event the Company incurs a loss due to the action or inaction of a securities depository and/or delegate, the Trustee is obliged to make reasonable endeavours to seek recovery from the securities depository or the delegate. Notwithstanding these obligations, the Trustee is not required to institute legal proceedings, file proof of claim in any insolvency proceeding, or take any similar action. However, under the terms of the Custodian Agreement the Trustee will provide assistance to the Company and the relevant Protected Cell to enable them to institute proceedings or similar action.

The aggregate liability of the Trustee to the Services Manager, members of the Man Group and the funds, investment companies or other clients of the Services Manager to which they provide services (including the Company) is subject to a financial cap and, consequently, the Company may be unable to recover losses incurred by it that would otherwise have been recoverable in the absence of such a financial cap. The financial cap does not apply to any losses arising by virtue of the negligence, wilful default or fraud of the Trustee, all of which remain uncapped.

## Depository

Under the terms of the Custodian Agreement the Trustee will be appointed by the Company on its own behalf and on behalf of the relevant Protected Cells to perform the Article 36 Functions. There is no provision in the Custodian Agreement which permits the Trustee to take ownership of and/or reuse the non-cash assets of the Company subject to any rights of set off or general lien that may be granted.

## Brokers

The Company, either generally or in respect of a particular Class of Share, and where applicable the Trading Subsidiaries, may appoint a number of Brokers to provide clearing services in relation to its trading activities. On and from 1 July 2016, AHL Partners LLP, has been appointed as the Introducing Broker to the Company, and is responsible for introducing appropriate Brokers to the Company and selecting executing brokers for the Company as well as ongoing due diligence of the Company's brokers and executing brokers and selecting appropriate clearing houses. Man Investments AG, also a member of the Man Group, was introducing broker to the Company until 1 July 2016.

## Services Manager

Pursuant to the Services Management Agreement, the Company acting on behalf of itself and each of its Protected Cells has appointed Man Investments AG to act as the Services Manager. In performing that role, Man Investments AG is responsible to the Company for selecting service providers to provide general shareholder services (which includes maintenance of the Company's register) and certain accounting and valuation services to the Company, as well as monitoring the providers of those services. The Company will not itself select or appoint these service providers.

The Designated Administrator must provide its prior written consent to the selection of the service providers by the Services Manager.

The Company has agreed to both indemnify and exempt from liability each of the Services Manager, members of its group, its delegates (which, for the avoidance of doubt, shall not include the service providers appointed by the Services Manager which are referred to below) and its associates from losses, liabilities, damages or costs in connection with the Services Manager's appointment and provision of its services, the appointment of service providers or the performance or non-performance of the relevant service provider's duties and/or any untrue statement of material fact contained in this Prospectus and the relevant Supplements that is not due to fraud, gross negligence or wilful default of the Services Manager, members of its group, its delegates or its associates.

The Services Management Agreement also includes provisions pursuant to which the Company has agreed to both indemnify and exempt from liability, (i) the Administrator; (ii) any member of the Administrator group; (iii) any delegate appointed by the Administrator; and (iv) the associates of the Administrator, any member of the Administrator group and any delegate appointed by the Administrator, respectively (the "**Administrator Indemnified Persons**") from losses, liabilities, claims, damages, costs or expenses in connection with the appointment of the Administrator or the performance or non-performance of its duties that is not due to a breach of the BNYM Fund Services Agreement by, or the negligence, wilful default or fraud of, the Administrator Indemnified Persons. The Administrator Indemnified Persons are able to enforce the indemnity and exclusion of liability directly against the Company through third party rights granted to them pursuant to the terms of the Services Management Agreement. The Services Management Agreement may be terminated in whole or in part by any party giving not less than 3 months' notice in writing to the other parties.

Certain discretions described in this Prospectus as reserved to the Directors, for example, in connection with the subscriptions, transfers and/or redemptions of Shares, have been delegated to the Services Manager pursuant to the Services Management Agreement subject to the direction and supervision of the Directors.

## Man Investments AG

The Company has appointed Man Investments AG, a member of the Man Group, to act as marketing adviser to the Company. The Marketing Adviser has principal responsibility for advising in relation to product structuring and for the setting-up, optimisation, coordination and maintenance of an efficient global distribution network. The Marketing Adviser also arranges for the provision of the liquidity required by the relevant Classes of Share, and the implementation of any Financing Arrangements.

Under the terms of the Investment Management Agreement, the Company has agreed to indemnify the Marketing Adviser from and against all losses to which it may become subject in acting as contemplated under the Investment Management Agreement unless and to the extent that such losses are caused by the bad faith, wilful default or dishonesty, misconduct and/or gross negligence of the Marketing Adviser or the person claiming the benefit of such indemnity.

The Investment Management Agreement is to continue until terminated by notice from any party giving the other not less than 90 days' notice. The Investment Management Agreement may be terminated earlier in certain circumstances including the insolvency of any party.

Man Investments AG has also been appointed as Swiss representative of the Company and is regulated by FINMA as a Swiss representative of foreign collective investment schemes (as defined under CISA).

## Administration Services

The Designated Administrator has been appointed as Registrar of each Class of Shares. In accordance with the

Designated Administration Agreement and the Services Management Agreement, the Services Manager (as principal) with the consent of the Designated Administrator has selected BNY Mellon Fund Services (Ireland) Designated Activity Company as Administrator to each Protected Cell. The Administrator will perform certain general shareholder services, including maintaining the register of investors of each Protected Cell, processing certain anti money laundering documents, and certain valuation and accounting services to each Protected Cell.

The Designated Administrator will provide regulatory oversight of the Administrator.

The register records the legal owner of the Shares (being the Standard Shareholders or, in respect of Shares held in the Clearing Systems, The Bank of New York Mellon, London Branch as the Common Depository). The Administrator also maintains (or will cause to be maintained) a register in which the Standard Shareholders and the Direct Participants will be recorded.

The Administrator may delegate its duties with the prior written consent of the Services Manager and reasonable prior written notice to the Designated Administrator, such consent not to be unreasonably withheld.

The Administrator is not responsible for and will have no liability in connection with any trading decisions of the Company or any Class of Shares. The Administrator will not provide any investment advisory or investment management services to the Company or any Class of Shares. The Administrator will not be responsible for and will have no liability in connection with monitoring any investment restrictions or compliance with the investment restrictions.

In determining the Net Asset Value per Share, the Administrator will follow the valuation policies and procedures adopted by the Company. The manner in which the services of the Administrator will be performed by the Administrator will be determined in accordance with the Articles of the Company and this Prospectus and the liability of the Administrator will be determined in accordance with the BNYM Fund Services Agreement. For the purpose of calculating the Net Asset Value per Share, the Administrator shall in certain circumstances, and shall be entitled to, rely on, and will not be responsible for and will have no liability in connection with the accuracy of, financial data furnished to it by various third parties which may include the Trustee and/or the Investment Manager and/or the Trading Adviser.

The Administrator was incorporated as a private limited company in Ireland on 31 May 1994 and was subsequently converted to a designated activity company on 27 January 2016 under the Companies Act 2014 of Ireland (as amended). The Administrator is engaged in the provision of fund administration, accounting, registration, transfer agency and related shareholder services to collective investment schemes and investment funds. The Administrator is authorised by the Central Bank of Ireland under the Investment Intermediaries Act, 1995. The Administrator is a wholly owned indirect subsidiary of The Bank of New York Mellon Corporation. The Bank of New York Mellon Corporation is a global financial services company focused on helping clients manage and service their financial assets, operating in 35 countries and serving more than 100 markets. The Bank of New York Mellon Corporation is a leading provider of financial services for institutions, corporations and high-net-worth individuals, providing superior asset management and wealth management, asset servicing, issuer services, clearing services and treasury services through a worldwide client-focused team.

Although the Administrator is appointed by the Services Manager as principal, not agent for the Company, the Company is able to enforce certain of the obligations in the BNYM Fund Services Agreement through third party rights granted to it pursuant to the terms of that agreement. Any enforcement by the Company is subject to a specific conduct of claims process set out in the BNYM Fund Services Agreement. Under this process the Services Manager or a member of its group will, unless certain defined exceptions apply, represent the Company if it is bringing a claim against the Administrator or its delegates or if the Administrator or one of its delegates is bringing a claim against the Company.

The aggregate liability of the Administrator to the Services Manager, members of the Man Group and the funds, investment companies or other clients of the Services Manager to which they provide services (including the Company) in respect of breach of contract is subject to a financial cap and, consequently, the Company may be unable to recover losses incurred by it that would otherwise have been recoverable in the absence of such a financial cap.

## Swiss Paying Agent

It is intended to offer and market the Shares to qualified investors in or from Switzerland. For this purpose, no approval of the Swiss Financial Markets Supervisory Authority ("**FINMA**") or any other authority is required. The representative in Switzerland is Man Investments AG, Huobstrasse 3, CH-8808 Pfäffikon SZ, Switzerland. The paying agent in Switzerland is CACEIS Investor Services Bank S.A., Esch-sur-Alzette, Zurich Branch, Bleicherweg 7, CH-8027 Zurich, Switzerland. The Prospectus, the Articles as well as the annual and monthly reports may be obtained free of charge from the representative in Switzerland. In respect of the Shares offered or marketed in and from Switzerland, the place of performance and jurisdiction is at the registered office of the representative.

## The Bank of New York Depository (Nominees) Limited

The Designated Administrator, or its delegate, maintains the official Share register which records the legal owners of the Shares (which, in respect of those Classes of Share where Clearing Systems are used, will in practice be the Standard Shareholders or, for Direct Participants, The Bank of New York Depository (Nominees) Limited as nominee for The Bank of New York Mellon, London Branch as Common Depository for Clearstream and Euroclear (or such other party as is appointed from time to time to provide common depository services)). In respect of those Classes of Share utilising arrangements with the Clearing Systems, the Designated Administrator, or its delegate, maintains a further register in which the Designated Administrator, or its delegate, shall record the Direct Participants and Standard Shareholders. Not all Classes of Share will utilise arrangements with Clearing Systems. Investors should refer to the Supplement relating to the relevant Class of Share for further details.

## Trading Adviser

AHL Partners LLP has been appointed as the Trading Adviser of the Company. As Trading Adviser, AHL Partners LLP will manage and provide advice to the Company.

## Auditors

The Auditors are Deloitte LLP or such other party as may be appointed as auditor from time to time. The Auditors' responsibility is to audit and express an opinion on the financial statements of the Company in accordance with applicable law and auditing standards.

Service providers, and/or the fees and expenses payable to service providers, may change over time if the Directors approve such changes as being in the best interest of the Company, either generally, or in respect of a particular Class of Share. Investors will be notified of any material changes.

## Investment exposure

The target investment allocations are based upon current recommendations by the Investment Manager. The Investment Manager will, at its sole discretion, seek to achieve and maintain the target investment exposure. This discretion may be influenced by various factors such as market conditions and trading performance. In the event that market conditions change, the Investment Manager may revise the target investment exposure of the Shares in order to maintain a balanced investment portfolio. A change in the investment exposure will affect those fees which are charged on the basis of a percentage of the investment exposure.

The Investment Manager will continually monitor the Shares to ensure that there is sufficient Trading Capital available to support the desired target investment exposure. The Investment Manager may dynamically manage the investment exposure of the Shares, or a Class of Share, with the aim of protecting the remaining Trading Capital to ensure that the Shares, or a Class of Share, are best placed to achieve their investment objectives over the longer term.

## Financing Arrangements and Leverage

The Company in respect of each Protected Cell may establish Financing Arrangements. It is anticipated that Financing outstanding under the Financing Arrangements at any one time will not exceed 25% of the prevailing

Net Asset Value of the relevant Protected Cell or such other amount as the Directors may from time to time agree. The Financing Arrangements may be utilised by the Investment Manager to, *inter alia*, meet short term liquidity needs.

Any Financing under the Financing Arrangements is likely to bear interest at an agreed cost of funding rate plus a spread (the "**Spread**"). The Spread will be dependent on prevailing market conditions and is therefore likely to be subject to change. It is expected to be currently between 2.00% and 4.00% and shall be calculated on the principal amount of the Financing outstanding under the Financing Arrangements. Further fees relating to the Financing Arrangements such as arrangement, commitment, minimum utilisation and renewal fees may also be payable. An arrangement fee may be payable by the relevant Protected Cell in respect of the Financing and, if renewed, the Financing under any Financing Arrangements is likely to be subject to an annual renewal fee.

#### *Maximum Level of Leverage*

The Protected Cells may, either directly or as a result of investments in underlying funds, make use of various forms of leverage in a manner commensurate with reasonable risk management. Leverage may be used to finance positions as well as to attempt to address the impact of subscriptions and redemptions on the relevant Protected Cell's performance.

For the purposes of the AIFM Directive, leverage is calculated through two methods: (i) the gross method; and (ii) the commitment method. These are set out below:

#### *Gross method*

The gross method of calculation aggregates the gross notional values of all financial derivative contracts. This method may give rise to exceptionally high leverage when short-term interest rate strategies are employed, and these notional values do not typically reflect the actual market risks associated with these positions. Attention should also be drawn to the fact that one derivative contract may partially or perfectly offset the market risk of another derivative contract. Although the disclosure of the gross notional value of derivatives is a requirement under the AIFM Directive, this measure does not allow for the netting or offsetting just described, therefore it does not necessarily represent the market risk incurred through the use of derivatives. The level of leverage to be incurred through the use of financial derivative instruments is not expected to exceed 35,000% of the Net Asset Value of the Company using the sum of gross notional methodology.

#### *Commitment method*

The commitment method of calculation allows for some netting of interest rates exposure. The level of leverage under the commitment approach is not expected to exceed 4,300% of the Net Asset Value of the Company.

#### *General*

In normal circumstances the portfolio's leverage is expected to be considerably less than the 35,000% maximum outlined above. However, leverage within the portfolio will increase and may approach the maximum leverage in circumstances where short term interest rate derivatives are employed to express an investment theme within the portfolio. For example, the portfolio may invest in short-term interest rate securities. However, this shorter duration also means that such investments are likely to be less volatile. This lower volatility means that it may be necessary to enter into short-term interest rate derivatives with large gross notional values in order to generate a meaningful contribution to the risk and return of the portfolio.

The risk within the portfolio is monitored daily and positions are amended in accordance with these limits and the AIFM Directive. For the reasons outlined above, the extent to which the portfolio engages in the use of short-term interest rate strategies will have a significant bearing on the leverage figure calculated using the sum of the notional methodology.

## The Shares

### Subscription Account

A non-interest bearing Subscription Account for each Class of Share has been opened with the Bank of New York Mellon, SA/NV or such other bank from time to time as the Directors may determine in their absolute discretion. By completing and signing the Application Form, an Applicant authorises the subscription monies to immediately accrue to such Class of Share on the date of receipt of such monies.

Any monies received from Applicants will be credited to and held in the Subscription Account pending the issue of the Shares (or the return of the monies to the Applicant). All amounts standing to the credit of the Subscription Account shall belong to the relevant Class of Share, shall not be held on trust and will only be returned to Applicants at the direction of the Directors in their absolute discretion.

### Subscription Price

The Subscription Price is the price at which Shares in a Class of Share can be purchased, being the price per Share set out in the Supplement during the Initial Offer Period, where applicable, and thereafter the Net Asset Value per Share on the Valuation Day immediately preceding the relevant Dealing Day.

### Valuation

The Administrator will calculate the Net Asset Value per Share in respect of each Class of Share in accordance with the Articles of the Company and the BNYM Fund Services Agreement.

The Net Asset Value per Share on any Valuation Day for a Class of Share will be equal to the amount calculated by the Administrator as the value of the relevant Class of Share as at that Valuation Point on that Valuation Day divided by the number of Shares of that Class in issue on that Valuation Day.

The Net Asset Value for each Class of Share will be determined as at the Valuation Point on each Valuation Day by computing as at each Valuation Day the assets of the Company referable to that Class of Share less the liabilities of the Company attributable to that Class of Share, plus its allocation of the value of any other general assets and liabilities of the Company not attributable to any other Class of Share (on a basis as agreed by the Investment Manager after consultation with the Directors and the Trustee).

Subject to the above, the value of the assets and the liabilities of each Class of Share will be determined in accordance with the Articles of the Company which include:

- (a) all calculations based on the value of (i) investments quoted, listed, traded or dealt in, or on, any futures exchange shall be made by reference to the settlement price as at the close of business on the relevant futures exchange on the day on which such calculation is to be made; (ii) investments quoted, listed, traded or dealt in, or on, any other exchange (i.e. non-futures) shall be made by reference to the last quoted price or (iii) any other investments traded or dealt in, or on, any over-the-counter market which is the principal exchange shall be made by reference to the mean between the latest offer and bid prices quoted on that principal exchange, provided always that if the Directors in their absolute discretion reasonably consider that any of the prices prevailing on an exchange other than the principal exchange provide, in all the circumstances, a fairer criterion of value in relation to any such investment, they may cause those prices to be used to determine the Net Asset Value;
- (b) investments in pooled or collective investment vehicles, including hedge funds, shall be valued at their final net asset value or, if not available, their latest available estimated net asset value (and in either case adjusted for any redemption charges, if applicable) as provided by the administrator or investment manager of the relevant fund;
- (c) the value of any cash in hand or on deposit and accounts receivable, prepaid expenses, interest and cash dividends accrued and not yet received shall be deemed to be the full amount thereof, unless the Directors are of the opinion that it is unlikely to be paid or received in full, in which case the value thereof shall be arrived at after making such discount as the Directors may consider appropriate to reflect the true value thereof;

- (d) forward foreign exchange contracts will be valued by reference to the price on the Valuation Day at which a new forward contract of the same size and maturity could be undertaken;
- (e) any value (whether of a security or cash) otherwise than in the currency in which a Class of Share is denominated shall be translated into the currency of such Class of Share at the rate (whether official or otherwise) that the Directors shall, in their absolute discretion, reasonably deem appropriate in the circumstances, having regard, inter alia, to any premium or discount that they reasonably consider may be relevant and to costs of exchange; and
- (f) the Directors may, at their absolute discretion, permit some other method of valuation to be used if (i) they reasonably consider that such valuation is considered appropriate to reflect fair value; (ii) no price quotations are available in the manner as provided above in which case the value shall be determined in such a manner as the Directors shall reasonably determine, which may include the reasonable use of estimates and/or the appointment of an independent valuer; or (iii) the Directors consider it appropriate for the Investment Manager to assist actively in the calculation of the Net Asset Value per Share, including but not limited to the sourcing of prices and other information to be used in determining the value of assets and liabilities.

To enable the Company to rebalance the portfolio of each Class of Share on the required basis and provide liquidity to Shareholders, the Company, in respect of one or more Class of Share, may (on the advice of the Investment Manager) utilise uncommitted dealing arrangements or enter into uncommitted liquidity facilities (with a member of the Man Group and/or any third party acting as counterparty) to facilitate the required liquidity in respect of underlying investments with longer redemption notice periods.

For more information in general, and specifically on the costs associated with such uncommitted dealing arrangements, which will be borne by the relevant Class of Share, please refer to the section entitled 'Charges and fees' and, where appropriate, the section entitled 'Financing Arrangements and Leverage' in the relevant Supplement.

#### **Independent Pricing Committee**

An Independent Pricing Committee (the "IPC") has been appointed to undertake certain services concerning the valuation policies and procedures relating to the Company.

The IPC is an independent body set up to: (1) establish a pricing matrix (a table which lays out a pricing source for certain assets and liabilities) which the Directors have adopted for the Company and which is used by the Administrator to calculate the value of the assets and liabilities held by each Class of Shares; and (2) establish the prices of any positions held in a Class of Shares that do not have an independently ascertainable value as per the pricing matrix. In addition, the IPC provides general governance and oversight of the valuation process.

#### **Suspension of valuations**

The Directors may declare a suspension of the determination of the Net Asset Value per Share for a particular Class or Classes of Share in certain circumstances as described in section 7 of Appendix 2 to this Prospectus. No Shares in the affected Class (es) will be issued or redeemed during such period of suspension but, whilst such suspension subsists, a redemption notice may be withdrawn (i) by a Shareholder or Standard Shareholder by written notice to the Administrator and/or (ii) by a Direct Participant, by instructions to the relevant Clearing System in accordance with the applicable rules and procedures of that Clearing System (as applicable), before the termination of the period of suspension. However, if a redemption notice is not withdrawn, it will be acted upon on the first Dealing Day following the end of the suspension.

#### **Reporting**

##### *Net Asset Value*

The Net Asset Value per Share will be calculated on a weekly basis on each Valuation Day and a monthly valuation report providing a performance review relative to current market conditions as at the Valuation Day occurring on the last day of the calendar month will be sent or made available to Shareholders. The Directors anticipate that the Net Asset Value per Share for any given Valuation Day will be available within

three Business Days of that Valuation Day or as soon as reasonably practical thereafter.

The Company reserves the right to make these reports available in electronic form on the Man Group website ([www.man.com](http://www.man.com)) or on such other website, or in such other medium, as it may consider appropriate and to distribute them only in hard copy on specific request. From time to time, the Investment Manager may, in its absolute discretion, communicate the value of the Shares, or the value per Share, to data vendors or other relevant parties.

The track record of any Class of Share will commence from the Investment Date. The track record will not reflect the period between the end of the Initial Offer Period and the Investment Date. However, any performance between the Initial Offer Period and the Investment Date will be reflected in the first month of the track record.

For track record purposes the Net Asset Value per Share as at the Investment Date will be deemed to be the nominal value of the Shares. The actual Net Asset Value per Share may differ to the deemed Net Asset Value per Share as at the Investment Date.

Unless the Directors' resolve otherwise in their absolute discretion, the Net Asset Value per Share may be published in the Financial Times and the International Herald Tribune, in addition to data services such as Bloomberg, Reuters, Standard & Poor's and SIX Telekurs. Man Group will also provide direct access to the published Net Asset Value per Share via its website [www.man.com](http://www.man.com).

The Company may calculate estimated Net Asset Values and/or performance information in respect of the Shares (an "Estimate") and publish an Estimate on the website [www.man.com](http://www.man.com) or on such other website, or in such other medium, as it may consider appropriate. In connection with the publication of Estimates, the Company may delegate the calculation and publication to the Administrator, the Investment Manager, the Marketing Adviser or such other party as is authorised by the Company to carry out such function from time to time.

#### *Further Disclosure*

Any ongoing disclosures required to be made to Shareholders pursuant to the AIFM Directive will (where applicable) be contained in the Company's monthly or annual reports, on Man Group's website, or will be communicated to Shareholders in written form as required.

#### **Procedure for applications**

Applications both during and following the Initial Offer Period for a Class of Shares should be made by completing and signing the Application Form and sending the original signed Application Form and the Anti-Money Laundering Documents if required to the Administrator.

Alternatively, applications may be made by fax or by any other form of electronic communication, as agreed in advance with the Administrator at the fax number or email address shown in the relevant Application Form, providing the details (including the Anti-Money Laundering Documents) requested in the relevant Application Form. Applicants must promptly mail the relevant original Application Form (and Anti-Money Laundering Documents) if required, duly completed and signed by or on behalf of the Applicant to the Administrator who has been appointed to process applications. Subsequent applications for Shares may also be submitted to the Administrator by fax or by any other form of electronic communication agreed in advance with the Administrator, provided that all on-going anti-money laundering checks are complete. However, any amendments to an investor's payment instructions will only be effected on receipt of original documentation if requested by the Administrator. Save as otherwise provided below, Shareholders will not be entitled to payment of any redemption proceeds (pursuant to a request for redemption) until the original Application Form (and Anti-Money Laundering Documents), if required, has been received by the Administrator. The Administrator is obliged to follow Guernsey and Irish anti-money laundering requirements.

The Administrator will not require an original executed version of any subsequent Application Form in respect of any application for additional Shares of the same Class and, in such circumstances, will regard an Application Form sent by fax or by any other form of electronic communication as authentic and conclusive, provided that the Applicant has agreed to indemnify the Administrator in connection with such subsequent Application Form sent by fax or by any other form of electronic communication and has provided their relevant bank account information in relation to the account to which the redemption proceeds should be credited as part of its original executed and delivered initial Application Form (as described in the previous paragraph). Faxed requests or electronic



communications sent to the Company or the Administrator shall only be effective when actually received by the Company or the Administrator. The Applicant will be under the obligation to promptly mail the duly completed and signed Anti-Money Laundering Documents to the Administrator, if required.

A contract note will be issued by the Designated Administrator or its delegate to each shareholder before the close of business on the thirtieth Business Day following the applicable Dealing Day or such other period as may be agreed with the Commission and specified in the Supplement to this Prospectus issued in respect of any Class of Share.

The Applicant agrees and consents to Account Communications being electronically delivered and communicated to the Applicant by the Company, Man Group and/or any other Data Recipient. Electronic delivery and communication includes by e-mail to the e-mail address provided by the Applicant in the Application Form and as subsequently updated by notice from the Applicant to the Company and the Administrator (the "**Authorised E-mail Address**"), as well as electronically making available to the Applicant any Account Communication on the Company's or the Investment Manager's Internet site, if applicable. The Applicant is providing such consent, including with respect to the Authorised E-mail Address. It is the Applicant's affirmative obligation to notify the Company by fax or by any other form of electronic communication if the Authorised E-mail Address changes. The Applicant acknowledges that e-mail is a non-secure medium and all electronic correspondence between the Applicant, the Company, Man Group and/or any other Data Recipient shall be governed by the relevant standard terms and conditions, a copy of which is available upon request. None of the Company, Man Group nor any other Data Recipient will be liable for any interception of Account Communications. Investors should note that no additional charge for electronic delivery will be assessed, but the Investor may incur charges from its Internet service provider or other Internet access provider. In addition, there are risks, such as systems outages, that are associated with electronic delivery. The Applicant may revoke or restrict its consent to electronic delivery of the foregoing communications at any time by notifying the Company and the Administrator, by fax or by any other form of electronic communication, of the Applicant's intention to do so.

### **Investor Privacy Notice**

Prospective investors and investors are referred to the Company's privacy notice, the latest version of which will be available at [https://www.man.com/privacy-notice\\_investor](https://www.man.com/privacy-notice_investor) and upon request from the Investment Manager at [privacy@man.com](mailto:privacy@man.com) or Data Protection, AHL Partners LLP, Riverbank House, 2 Swan Lane, London EC4R 3AD (the '**Privacy Notice**'). The Privacy Notice may be updated from time to time.

The Privacy Notice explains how the Company processes personal data about individuals who invest in the Company and who apply to invest in the Company. The Privacy Notice also explains how the Company processes personal data about the directors, officers and ultimate beneficial owners of institutional investors.

By signing the Application Form, prospective investors are deemed to have received the Privacy Notice.

### *Late applications*

If any Application Form or subscription monies in respect of any application are received into the relevant Subscription Account after the time specified in the relevant Supplement, the application will not (unless the Directors agree otherwise, in their absolute discretion) be processed on the immediately following Dealing Day but will be held over until, and shall be processed on, the next Dealing Day thereafter (if applicable) at the relevant Subscription Price then applying. It shall be the Applicant's sole responsibility to ensure that any Application Form or subscription monies are received as specified in such Supplement.

The Articles permit the Directors, in their absolute discretion, either in a particular case or generally, to accept late applications and payment of subscription monies.

### *Currency conversion*

Please note that subscription monies cannot be transferred or converted to another currency on any public holiday relating to the currency in which such subscription monies are denominated.

### *Clearing systems*

For those Classes of Share utilising arrangements with Clearing Systems, Applicants wishing their Shares to be credited to an account with Euroclear or Clearstream should specify in their Application Form all the details of such account. All Applicants intending to hold Shares in their own accounts with Euroclear or Clearstream are referred to as 'Direct Participants'. All Applicants who do not wish to hold their Shares through Euroclear or Clearstream are referred to as 'Standard Shareholders'. A contract note will be issued by the Designated Administrator or its delegate, to each Standard Shareholder and each Direct Participant confirming allocation. Standard Shareholders and Direct Participants will be entered on the Company's register of Shareholders, but will not receive certificates in respect of their Shares. Shares of the Direct Participants will be issued and Shares held in the Clearing Systems will be delivered to a common depository for Euroclear and Clearstream after receipt and bank clearance of subscription monies and the acceptance of applications.

A Direct Participant should request its Clearing System account administrator to quote that Direct Participant's individual application number when issuing the instruction into the Clearing System.

Each Direct Participant's application number is quoted on the Application Form or contract note. In order for the Administrator to provide the best service possible, Direct Participants should also inform the Administrator of any transfer or redemption.

### *Minimum subscriptions*

Applications for each Class of Share must be for at least the relevant Minimum Subscription Amount. However, existing Shareholders of a Class of Share may add to their initial investment in that Class of Share in increments of not less than a minimum increment amount as set out in the relevant Supplement. The Directors may, in their absolute discretion, waive in whole or in part the Minimum Subscription Amount and the minimum increment amount, either in a particular case, for a Class of Share or generally. The Company will not issue fractional Shares and any excess subscription monies so resulting will be credited for the benefit of the Company

### *Application Amounts*

Subscription monies must be remitted in the Functional Currency of the applicable tranche and/or class by electronic transfer using the relevant bank instruction letter provided with the Application Form except for subscriptions of DVP Shares. Subscription monies must not be sent by personal cheque or bank draft. At the Directors' absolute discretion, payments may be accepted in forms of consideration other than cash.

### *DVP Applications and DVP Redemptions*

In certain circumstances and at its absolute discretion, the Company may allow persons to subscribe for, make payment for, or redeem Shares on a DVP basis. Persons wishing to make use of this facility should make a request to the Administrator (or such other entity contracted by it to distribute DVP Application Forms) for a DVP Application Form or DVP Redemption Notice (as the case may be). If the Company deems it appropriate, a DVP Application Form will be forwarded to such person. The forwarding of a DVP Application Form shall not constitute acceptance by the Company that such person qualifies to acquire Shares on a DVP basis. DVP Applicants should carefully consider the instructions and terms and conditions which relate to DVP transactions as contained in the DVP Application Form, before completing and submitting the DVP Application Form. The Administrator will act on behalf of the Company in effecting the DVP transaction and will be contractually obliged to pay the DVP Subscription Proceeds to the order of the Company. Should a DVP transaction fail to settle for any reason, the Directors shall at their discretion be entitled to cancel the relevant DVP Shares issued in relation to such transaction or claim specific performance in the courts. Should a DVP Redemption fail to settle for any reason, the relevant DVP Shares will remain in issue and will not be redeemed. The Company is under no obligation to pay any DVP Redemption Proceeds to a DVP Redeemer until the original Application Form and Anti-Money Laundering Documents, if required, have been received by the Administrator.

### *Received applications*

Once completed Application Forms have been received by the Administrator they are irrevocable and monies received by the Administrator pursuant to an application will not be held on trust for Applicants and will only be

returned to Applicants at the discretion of the Directors pursuant to the terms of this Prospectus and the Companies Law. No applications may be withdrawn following the deadline for the submission of application requests specified in the relevant supplement unless the directors otherwise determine.

The Directors may, in their absolute discretion, reject or scale down any application for Shares without giving any reason. In such event the Application Amounts, or any balance thereof, as appropriate, will be returned to the source from which they were received without interest, and less any bank charges (if any). Until the issue of Shares and registration in the register of shareholders as a Shareholder, Applicants will be unsecured creditors of the Company and will not be Shareholders nor entitled to usual Shareholder rights. Successful Applicants will, however, receive the benefit of investments (if any) from the relevant Dealing Day but in no circumstances before such Dealing Day although in the event of the winding up of the Company such Applicants will rank in priority to Shareholders.

The Directors reserve the right, at their absolute discretion, to terminate the offer in respect of any Class of Share before the end of any Initial Offer Period should they consider it appropriate, in which event all subscription monies received by the Company from Applicants for Shares will be returned to those Applicants without interest.

The Directors may change the Dealing Day at their discretion provided that Shareholders will be given at least reasonable prior notice of any such change. The Directors may also determine that there shall be additional Dealing Days without giving notice to Shareholders.

### **Restriction on applications**

Subject as provided in a Supplement in respect of a Class of Share, there are no restrictions on the eligibility of any person to subscribe for Shares provided that such person is not a Non-qualified Person. Applicants are advised that the Shares are issued subject to the provisions of the Articles.

### **Transfer of Shares**

#### *Direct Participants*

Transfers between Direct Participants within Euroclear and Clearstream will be in accordance with the usual rules and operating procedures of the relevant Clearing System.

So as to ensure they are properly recorded as Shareholders on the Company's register of Shareholders maintained by the Registrar and that they receive communications, including monthly investment management reports from the Company, transferees should inform the Registrar or its delegate accordingly and provide the same with reasonable proof of ownership of Shares.

A transfer from a Direct Participant to a Standard Shareholder must be accompanied by a completed Man Group 'transfer request form' (available from the Administrator) signed for and on behalf of the transferor as well as the Application Form and Anti-Money Laundering Documents for the transferee if they are not already an existing investor.

#### *General*

Shareholders and Standard Shareholders are entitled to transfer Shares to anyone other than a Non-qualified Person by completion of the Man Group 'transfer request form' (available from the Administrator) and signed by or on behalf of the transferor as well as the Application Form and Anti-Money Laundering Documents for the Transferee if they are not already an existing investor.

The Directors may at their absolute discretion decline to register any transfer. Shareholders and Standard Shareholders will be unable to transfer any Shares until the original 'transfer request form' if required, and any necessary Anti-Money Laundering Documents have been received by the Administrator. Neither Euroclear nor Clearstream shall be responsible for monitoring or controlling such transfer restrictions nor will either Clearing System be responsible for monitoring ownership restrictions as referred to under the definition of 'Non-qualified Person'.

Notwithstanding the requirement in the paragraph above that the Administrator receive the original "transfer request form", the Administrator will accept for processing any "transfer request form" faxed by a Shareholder, provided, where required by the Administrator, that the Shareholder has agreed to indemnify the Administrator in connection with its faxed "transfer request form". The Administrator may require a Shareholder faxing a "transfer request form" to also send in the original executed version of that form. If the Administrator has processed a faxed Application Form and shares have been issued, the transfer of those shares will not require the Administrator to have previously received the original executed version of that form. Any acceptance by the Administrator of a faxed "transfer request form" will not affect the requirements set out in the paragraph above which may be applied by the Administrator in its discretion. The Administrator will not accept any faxed "transfer request form" unless any necessary Anti-Money Laundering Documents have been received by the Administrator.

Transfers must be for a number of Shares equal to or greater than the Minimum Redemption Number and unless all of a Shareholder's Shares are being redeemed, must not result in either Shareholder holding a number of Shares less than the Minimum Holding.

### **Secondary market in Shares**

Whilst there is no obligation to do so, there may be provided in respect of the Shares or any Class of Share an electronic and/or telephone based Secondary Liquidity Facility through which, subject to the terms of this Prospectus, the relevant Supplement applicable to the relevant Class of Share and the terms and conditions of such facility, it may be possible to buy and sell Shares of such Class of Share. There is no obligation to provide such facility in respect of any Shares and if such a facility is provided it may be subject to withdrawal at any time, or from time to time, without notice. The price at which Shares may be bought or sold through the Secondary Liquidity Facility may be based on an estimate of the net assets per Share, may be higher or lower than the latest available Net Asset Value per Share and will reflect a buy/sell spread. The provider of the Secondary Liquidity Facility and/or any member of the Man Group may realise a profit from such transfers. To facilitate the provision of the Secondary Liquidity Facility, the Material Contracts allow the Company to notify the Net Asset Value per Share and/or an estimate of the net assets per Share to the provider of the Secondary Liquidity Facility.

### **Procedure for redemptions**

Details of the redemption procedure applicable to each Class of Share are set out in the relevant Supplement. Redemptions in respect of a Class of Share must be made in respect of a number of Shares or an amount in the relevant currency which is equal to, or greater than, the relevant Minimum Redemption Number and must not result in the Shareholder holding less than the relevant Minimum Holding (unless the Shareholder's entire holding of Shares is being redeemed). If the Shareholder's remaining total investment is less than the Minimum Holding, the Directors may at their discretion redeem the entire holding. Certain limits on the level of redemptions permitted as of any Dealing Day may apply and the Directors may decide to suspend redemptions or the payment of redemption proceeds. Also, no redemptions for a Class of Share will be effected if determination of the Net Asset Value for that Class of Share has been suspended (see sections 6 and 7 of Appendix 2 to this Prospectus and the relevant Supplement).

Upon receipt of a Shareholder's redemption notice, and at such Shareholder's expense and risk, payment of the redemption proceeds will be made by bank-to-bank electronic transfer in accordance with the electronic banking instructions provided by the Shareholder. Shareholders are requested to provide such electronic banking instructions to the Administrator with their Application Form or, failing that, their redemption notice. Monies will be withheld until such electronic banking instructions are provided to the Administrator.

The Redemption Price payable for each Share redeemed will be calculated by reference to the relevant Net Asset Value per Share as at the Valuation Day immediately preceding the Dealing Day on which the redemption is to be effected less the redemption fee, if any, which may be payable. Certain Classes of Share may be subject to redemption fees, details of which are set out in the Supplement for each such Class of Share.

The period between the Dealing Day and the payment of proceeds is necessary to allow time both for the valuation of positions to be received by the Administrator and used to produce a value for the Class of Share and for the processing of the relevant redemption instructions.

#### *Late redemptions*

Any redemption notice received after the time specified in the relevant Supplement, unless otherwise determined by the Directors in their absolute discretion, will not be processed on the next Dealing Day, but on the following Dealing Day.

It shall be the Shareholder's sole responsibility to ensure that any redemption notice is received as specified in such Supplement.

#### *Clearing Systems*

A Direct Participant should request its Clearing System account administrator to quote that Direct Participant's individual application number when issuing the instruction into the Clearing System.

Each Direct Participant's application number is quoted on the Application Form or contract note. In order for the Administrator to provide the best service possible, Direct Participants should also inform the Administrator of any transfer or redemption.

The relevant Clearing System will, within 24 hours of receipt of a redemption notice, notify the Administrator by fax or authenticated SWIFT/electronic transfer message of the details of such redemption notice.

The payment of redemption proceeds will be effected in accordance with the relevant Clearing System's usual operating rules and procedures. Payment of redemption proceeds will be at such Direct Participant's expense and risk.

#### *Received redemption requests*

Shareholders are not entitled to withdraw a request for redemption following the deadline for the submission of redemption requests specified in the relevant Supplement unless the Directors otherwise determine or unless the determination of the Net Asset Value per Share has been suspended (see the section entitled 'Suspension of valuations' above). The Directors are not bound to redeem part only of a holding of Shares if as a result of such redemption a Shareholder would hold less than the relevant Minimum Holding. Following receipt of a redemption notice, the relevant Shares will be blocked in the applicable clearing account pending payment of the redemption proceeds.

Any bank wire charges taken by the Company's bank associated with the payment of redemption proceeds of a particular Class of Share to Shareholders will be borne by such Class of Share rather than the redeeming Shareholder. In the event that a Shareholder requires payment of redemption proceeds to an account other than that specified in the Application Form, the Shareholder must provide an original request in writing. Where Shareholders request a redemption for part of their total holdings, redemptions will be allocated on a first in first out (FIFO) basis. However, Shareholders who have represented in their Application Form that they act as nominee for underlying investors will be permitted to specify a Trade ID of the Shares that they wish to redeem. The Trade ID must be stated on the redemption document submitted by the Shareholder. If no Trade ID has been stated on the redemption document submitted by the Shareholders then Shares will be redeemed on a FIFO basis.

#### *Closed-ended Classes of Share*

In the case of Closed-ended Classes of Share, a redemption notice automatically empowers the Directors to effect a transfer of all or some of the Class of Share being the subject of that notice, provided always that the transfer and sale proceeds will always be equal to those proceeds that would have been paid to the Shareholder had an actual redemption taken place.

There may be circumstances whereby a purchase in respect of a Class of Share may be procured, on a Dealing Day, of any or all of a Class of Share in respect of which the Administrator has received a redemption notice. In those circumstances, although no actual redemption will be effected, the redeeming Shareholder will receive an amount equal to the redemption proceeds that such Shareholder would have received had an actual redemption taken place on that Dealing Day (that is, the Net Asset Value per Share on the Valuation Day preceding the Dealing Day on which the purchase is effected, less any redemption fee). In these circumstances, any redemption fee will operate as an administrative charge to be paid to the Marketing Adviser.

### *In specie*

On any redemption, the Directors have absolute discretion to divide in specie the whole or any part of the assets of a Class of Share and appropriate such assets in satisfaction or part satisfaction of the redemption proceeds.

### *Processing redemptions*

The Company is under no obligation to pay any redemption proceeds until the original Application Form and the Anti-Money Laundering Documents, if required, have been received by the Administrator. Redemption requests will only be processed on receipt of faxed/mailed instructions where the redemption proceeds are to be made to a bank account on record. Notwithstanding the foregoing, the Administrator may, in its absolute discretion, process redemption requests on behalf of certain low risk Shareholders (as determined by the Administrator) absent the original Application Form and original Anti-Money Laundering Documents. Other than with the Directors' consent, payment of redemption proceeds to third parties is not allowed. The Directors may, in their absolute discretion, allow redemptions at times other than on the Dealing Days.

In relation to any redemption notice sent by fax or any other form of electronic communication, as agreed in advance with the Administrator, the Administrator will not require an original executed version of the redemption notice to be sent, provided, where required by the Administrator, the redeeming Shareholder has agreed to indemnify the Administrator in connection with its faxed redemption notices and any other form of electronic communication notices and has provided their relevant bank account information in relation to the account to which the redemption proceeds should be credited as part of its original executed and delivered initial Application Form. Any redemption proceeds will be paid to the same account from which the Shareholder's investment was originally remitted, unless the Administrator agrees otherwise and satisfactory proof of beneficial ownership of the alternate account is provided by the Administrator. Faxed requests or electronic communications sent to the Company or the Administrator shall only be effective when actually received by the Company or the Administrator. Where the Administrator requires such an indemnity from a redeeming Shareholder as contemplated by this paragraph, unless such indemnity was provided by the redeeming Shareholder as part of its executed Application Form, the Administrator will provide the redeeming Shareholder with the form of the indemnity to be executed following a request by the Administrator.

### *Minimum requirements*

The Directors may, in their absolute discretion, waive, either in a particular case, for a Class of Share, or generally, the Minimum Redemption Number and Minimum Holding requirements. The Directors may also, in their absolute discretion, waive, reduce or extend, either in a particular case or generally, the notice requirement for a redemption set out in the relevant Supplement.

Further details regarding the redemption of a Class of Share are set out in the relevant Supplement.

### **Compulsory redemption of Shares**

The Articles empower the Directors to compulsorily redeem any Shares if, in the opinion of the Directors, such Shares are acquired or held by a Non-qualified Person or for any other reason at the absolute discretion of the Directors (including, without limitation, if a Shareholder holds less than the Minimum Holding). In the event that a Shareholder (or the ultimate beneficial holder of the Shares held by a Shareholder) fails to disclose its identity to the reasonable satisfaction of the Directors, the Directors may require the transfer of the Shares or compulsorily redeem all of the Shares held by such Shareholder (or such number thereof as are being held on behalf of that ultimate beneficial holder).

### **Third Party Payments**

It is expected that subscription and redemption payments should only be made by telegraphic transfer from/to a bank account in the investor's own name and generally funds will not be accepted from/paid to a third party bank account. If the investor intends to use a third party account they should contact the Administrator in advance of the transaction and the Administrator can advise whether this will be acceptable.

## **Form of Shares**

Title to shares will be evidenced by entries on the register of Shareholders. Certain Classes of Share utilise arrangements with Clearing Systems and in such cases all Shares held for Direct Participants of such Classes will be held in global registered form on behalf of The Bank of New York Mellon, London Branch as Common Depository for Euroclear and Clearstream, and registered in the name of The Bank of New York (Depository) Nominees Limited as nominee thereof (or such other party as is appointed from time to time to provide common depository services). Title to Shares shall pass to Standard Shareholders when their names are entered in the Company's register of Shareholders. For the purposes of this Prospectus, the Company acknowledges the interest of Direct Participants and Standard Shareholders and references to 'Shareholders' shall therefore be construed accordingly. A contract note will be issued by the Designated Administrator or its delegate to each Standard Shareholder and each Direct Participant confirming allocation before the close of business on the thirtieth Business Day of the applicable Dealing Day or such other period as may be agreed with the Commission and specified in the Supplement to this Prospectus issued in respect of any Class of Share.

Where a Class of Share does not utilise arrangements with Clearing Systems, Applicants to whom Shares are issued will have their names entered in the Company's register of Shareholders. The Company does not intend to issue any share certificates. A contract note will be issued by the Designated Administrator or its delegate to each Shareholder confirming allocation before the close of business on the thirtieth Business Day following the applicable Dealing Day or such other period as may be agreed with the Commission and specified in the Supplement to this Prospectus issued in respect of any Class of Share.

Shares purchased for persons under 21 years of age must be subscribed for in the name of the parent or guardian, but the minor may be designated for the purposes of identification.

## **Limited recourse**

The rights of holders of each Class of Share (each Class of Share being a protected cell for the purposes of the Companies Law) are limited to the assets attributable to such Class of Share. In the event that the assets attributable to any Class of Share are insufficient to meet the obligations of the Company to pay monies to the relevant Shareholders, such Shareholders shall be limited to proceeding against such Class of Share and shall not be entitled to exercise any rights against and shall not have further recourse to the assets attributable to any other Class of Share or against any non-cellular assets of the Company except as provided in the Companies Law. Please see the section entitled 'The Company' for further details.

## **Notices**

Notices required to be delivered to Shareholders shall be sent to Shareholders at the address shown in the relevant register of Shareholders. However, in the case of Direct Participants, so long as the Shares in any Class are evidenced by a Global Share Certificate and the Global Share Certificate is held on behalf of the Clearing System(s), notices to Shareholders of the relevant Class of Share may instead be given by delivery of the relevant notice to the relevant Clearing System(s) for communication to entitled Account Holders.

## **Dividend policy**

The Directors have the right to declare dividends in respect of any Class of Share. Unless otherwise indicated in the Supplement relating to a Class of Share, the Company generally follows a policy of retaining and reinvesting all of its income and proceeds, thereby increasing the net assets attributable to each Class of Share of the Company.

Dividends declared by the Directors in respect of any Class of Share will generally be paid in cash although the Directors, in their absolute discretion, have the authority to cause the Company to pay dividends in cash or in kind (i.e. by distributing securities or other assets selected by the Company), or partly in cash and partly in kind.

## **Charges and fees**

The following fees and expenses are borne, directly or indirectly, by the Company and debited from the Protected Cells on a pro-rata basis:

- (a) annual fees of the Company payable to the Registrar of Companies in Guernsey and the Commission, the fees and expenses of the Auditors and of the legal advisers to the Company, an annual fee of USD 5,000 (in aggregate) for the holders of Management Shares, printing and distributing periodic and annual reports and statements and other general operating expenses;
- (b) an annual fee payable to each Director of up to GBP 10,000, plus a one-off fee of GBP 1,000 payable to each Director per Class of Share established after 1 January 2007. The Directors may also receive other fees and be reimbursed for out-of-pocket expenses, including those in relation to attendance at meetings. The Directors' fees may be adjusted in accordance with market practice from time to time, subject to approval by ordinary resolution;
- (c) in consideration for the secretarial services provided by the Designated Administrator to the Company, the Company will pay an annual fee of GBP 8,000. The Designated Administrator will be reimbursed for all disbursements and reasonable expenses incurred in the performance of such duties, and such disbursements will be invoiced separately and payable annually; and
- (d) the preliminary costs in connection with the formation of the Company, costs relating to the printing and distribution of this Prospectus and related marketing material, legal costs of the Company and Man Group and costs pertaining to the initial issue of Shares, did not exceed USD 150,000 in aggregate, and have been fully amortised and debited from the Protected Cells. A portion of the expenses charged to the initial Protected Cells may be reimbursed to those Protected Cells in due course and allocated to future Protected Cells of the Company where such costs do not relate specifically to any Protected Cell.

In addition to such fees and expenses, the Company may, from time to time, incur certain other fees and expenses including, without limitation, taxes, clearing and registration fees and other expenses due to regulatory, supervisory or fiscal authorities in various jurisdictions, insurance, interest, brokerage costs, liquidation costs, promotional and marketing expenses and all professional and other fees and expenses in connection therewith, the costs of which may vary.

The fees and expenses payable by the relevant Protected Cell are set out in the relevant Supplement.

#### **Swiss Paying Agent fees**

The Swiss Paying Agent has been appointed at a cost of CHF 4,500 per annum.

#### **Trustee's fee**

The Trustee is entitled to receive a fee at the rate of up to 0.025% per annum of the Net Asset Value of each Class of Shares, calculated as at the final Valuation Day of each month and payable monthly in arrears for acting as designated custodian/trustee of the relevant Protected Cell.

#### **Depositary fee**

The Trustee is entitled to receive a fee at the rate of 0.005% per annum of the Net Asset Value of each Class of Shares, calculated as at the final Valuation Day of each month and payable monthly in arrears for acting as depositary of the relevant Protected Cell.

#### **Clearing systems, listing and communications**

In respect of each Class of Share, the Company will charge such Class of Share, as applicable, the costs of Euroclear and Clearstream in respect of the registration of the Shares in their systems (including delivery and any associated financing costs), the costs of obtaining and maintaining a listing (where applicable) and the cost of communications specifically to Shareholders of the relevant Class of Share.

#### **Allocations**

In implementing the Investment Strategy, allocations may be made by investments in other investment funds. In such cases, further fees and expenses are likely to be incurred at the level of such other investment funds and the Protected Cell will participate in proportion to such investments in all fees and expenses charged in relation to those investments. However, no additional investment management fee or incentive fees (also referred to as



performance fees) will be charged other than those set out in the relevant Supplement and this Prospectus. The Company may incur an expense which forms part of a larger aggregate expense ('Expense') relating to a number of investment entities for which a member of the Man Group provides services. Such Expense will normally be allocated between the relevant investment entities, including the Company, pro rata to the value of the net assets of the relevant investment entity, in conjunction with a flat fee per investment entity for a portion of the Expense, where possible and appropriate. The Directors shall liaise with the Investment Manager in order for the Directors to determine the basis on which the Expense shall be allocated to the Company and in doing so will seek to ensure that all expenses borne by the Company are equitable.

### **Incentive fees**

Incentive fees (also referred to as performance fees) are only payable if the net increase in value attributable to the Investment Strategy exceeds a previously attained value for such Investment Strategy. Incentive fees may also be calculated prior to the deduction of certain fees and expenses. The precise methodology for calculating the incentive fees may be adjusted from time to time provided that Shareholders will be given reasonable prior notice of any such change. All or a portion of these fees may be received by Man Group or its affiliates. From time to time and at its sole discretion (and in accordance with any relevant local law considerations) a Man Group entity and/or affiliate may out of its own resources decide to rebate to intermediaries and/or Shareholders part or all of the investment management fee and/or performance fee received.

### **Administrative costs**

The Classes of Share may also incur costs occasioned by the registration of the particular Shares for distribution in certain territories.

A description of the specific charges and fees applicable to each Class of Share offered by the Company including the fees of the Designated Administrator, the AIFM, the Investment Manager, the Services Manager, the Trustee, the Introducing Broker and (if applicable) the Broker, any preliminary charges payable in respect of each Class of Share are set out in the relevant Supplement.

The Company shall pay the fees and expenses of service providers responsible for particular functions, including the AIFM, the Trustee, the Services Manager and the Designated Administrator.

All expenses will be payable at cost.

### **Operating fees and expenses**

Each Protected Cell shall pay, directly or indirectly, all reasonable expenses incidental to the Company's operations and business, the cost of which may vary, including, without limitation:

- a) all investment expenses;
- b) all fees and expenses of transactional, risk, market, consumer and industry data and information and other alternative data (e.g. news and quotation equipment and services (including fees due to data and software providers, exchanges and other third party data and information vendors and other non-traditional data and information sources)), all fees for academic research data and trade-related services (e.g., transaction costs, trade ideas and/or alpha capture, currency hedging costs, listing and audit costs, clearing and settlement charges, custodial fees, interest expense, consulting, investment banking and any other professional fees or compensation relating to particular investments);
- c) the costs of the Company's service providers including, without limitation, external accounting, legal, custodial, audit, tax preparation and advice, paying agent and company secretarial fees and expenses (other than the costs of the Administrator which are borne by the Services Manager);
- d) Directors fees, expenses and all of the costs of insurance for the benefit of the Directors (if any);
- e) promotional and marketing expenses;
- f) all entity-level taxes and similar amounts and corporate fees payable to governments or agencies;

- g) all communication expenses with respect to investor services, of preparing, printing and distributing financial and other reports, proxy forms, prospectuses and similar documents to Shareholders and all expenses of meetings of Shareholders;
- h) all interest on borrowings;
- i) liquidation costs;
- j) out-of-pocket costs and expenses suffered or incurred by the Services Manager for the benefit of the Company including expenses, if any, incurred by the service providers and charged to them and paid on behalf of the Company by the Services Manager;
- k) external legal and compliance expenses (which include, without limitation, responding to formal and informal inquiries, subpoenas, investigations and other regulatory matters, indemnification expenses and expenses associated with all regulatory and other filings relating to the Company); and
- l) all administrative expenses.

Unless otherwise indicated, such expenses will be borne on a pro rata basis by each Protected Cell. The Company may, in the absolute discretion of the Directors, also bear expenses, the cost of which may vary, incurred with respect to addressing the legal, tax and/or regulatory requirements of a particular Protected Cell or individual Shareholders.

The Services Manager and/or the Investment Manager will be entitled to be reimbursed by the Company in respect of any such expenses borne by it or them.

The fees and expenses payable by the relevant Protected Cell are set out in the relevant Supplement.

## Key risks

**As investors could lose some or all of their investment, potential investors should carefully consider the information contained in this Prospectus and each relevant Supplement before making any investment in Shares. In particular, but without limitation, investors should carefully consider the risks associated with investing in the Shares, whether the Shares are a suitable investment for them and whether they have sufficient resources to be able to bear any losses which may result from an investment in the Shares.**

**The following summary (and the summary in each relevant Supplement) of the key risks is not exhaustive and new risks may emerge over time. Investors should only invest in the Shares if they understand the terms on which the Shares are offered and should, where appropriate, seek advice from relevant adviser(s) before making an investment.**

### General risks

#### *Speculative investment*

There can be no assurance that any Class of Shares will achieve its investment objective. An investment in the Shares is not guaranteed or subject to principal or capital protection and investors could lose some or all of their investment. Both an investment in any Class of Shares and the investments which each Class of Shares proposes to make are speculative. Furthermore, the Company's investments may be subject to sudden, unexpected and substantial price movements (which may be influenced by factors such as legal and regulatory changes, changes in interest rates, currency exchange rates and economic and political events which are beyond the control of, and not predictable by, the Investment Manager). Unexpected and substantial price movements may lead to substantial fluctuations in the Net Asset Value per Share within a short period of time. Accordingly, an investment in the Shares should be made only by those persons who could afford to sustain a loss in such an investment.

Regardless of the fact that the Investment Manager intends to manage each Class of Shares diligently in pursuit of the Class' investment objective, no guarantee or representation can be made that the Class' investment programme will be successful, that the various Investment Strategies and trading strategies utilised will have low correlation with each other or that the Class' returns will exhibit low correlation with an investor's traditional investment portfolio. Each Class of Shares may utilise a variety of investment techniques, each of which can involve substantial volatility and can, in certain circumstances, substantially increase the adverse impact to which that Class' investment portfolio may be subject.

#### *Performance history*

There can be no assurance that information on the Investment Manager or the Investment Strategies set out in this Prospectus and each relevant Supplement or elsewhere, including information on past performance, will be indicative of how the Shares will perform (either in terms of profitability or low correlation with other investments) in the future.

#### *Complete investment programme*

An investment in the Company is intended to be used in conjunction with broader investment programmes and hence an investment in the Company does not constitute a complete investment programme.

#### *Limited diversification and risk management failures*

Except as set forth in the investment objective and Investment Strategy, each Class of Shares has no formal guidelines for diversification. As a result, a Class of Shares' portfolio could become significantly concentrated in a limited number of issuers, types of financial instruments, industries, sectors, strategies, countries, or geographic regions, and any such concentration of risk may increase losses suffered by the Class of Shares. This limited diversity could expose a Class of Shares to losses disproportionate to market movements in general. Even when the Investment Manager attempts to control risks and diversify the portfolio, risks associated with different assets may be correlated in unexpected ways, with the result that a Class of Shares faces concentrated exposure to certain risks. In addition, many pooled investment vehicles pursue similar strategies, which creates the risk that many funds would be forced to liquidate positions at the same time, reducing liquidity, increasing volatility and exacerbating losses. Although the AIFM and the Investment Manager attempt to identify, monitor and manage

significant risks, these efforts do not take all risks into account and there can be no assurance that these efforts will be effective. Many risk management techniques are based on observed historical market behaviour, but future market behaviour may be entirely different. Any inadequacy or failure in the AIFM's or the Investment Manager's risk management efforts could result in material losses for each Class of Shares.

#### *Dependence on the AIFM and the Investment Manager*

The success of each Class of Shares is significantly dependent upon the ability of the AIFM and the Investment Manager to develop and implement effectively each Class' investment objective and investment strategy. Except as otherwise discussed herein, investors will be relying entirely on the AIFM and the Investment Manager to conduct and manage the affairs of each Class of Shares. Subjective decisions made by the AIFM and the Investment Manager may cause any Class of Shares to incur losses or to miss profit opportunities on which it could otherwise have capitalised.

The performance of the AIFM and the Investment Manager is largely dependent on the talents and efforts of their respective personnel. The success of each Class of Shares depends on the ability of the AIFM and the Investment Manager to identify and willingness to provide acceptable compensation to attract, retain and motivate talented investment professionals and other personnel. There can be no assurance that the AIFM's and the Investment Manager's investment professionals will continue to be associated with them throughout the life of each Class of Shares and there is no guarantee that the talents of their investment professionals could be replaced. The failure to attract or retain such investment professionals could have a material adverse effect on each Class of Shares and its Shareholders.

#### *Operational risk*

Each Class of Shares depends on the AIFM and the Investment Manager to develop appropriate systems and procedures to control operational risk. These systems and procedures may not account for every actual or potential disruption of their operations. The AIFM's and the Investment Manager's respective businesses are dynamic and complex. As a result, certain operational risks are intrinsic to their operations, especially given the volume, diversity and complexity of transactions that they are expected to undertake daily on behalf of their clients. Disruptions in the AIFM's or the Investment Manager's operations may cause the Classes of Shares to suffer, among other things, financial loss, the disruption of its businesses, liability to third parties, regulatory intervention or reputational damage.

#### *Breaches in information technology security*

The AIFM and the Investment Manager maintain global information technology systems, consisting of infrastructure, applications and communications networks to support the Company's as well as its own business activities. These systems could be subject to security breaches such as 'cyber-crime' resulting in theft, a disruption in the Investment Manager's ability to close out positions and the disclosure or corruption of sensitive and confidential information. Security breaches may also result in misappropriation of assets and could create significant financial and/or legal exposure for the Company. The AIFM and the Investment Manager seek to mitigate attacks on their own systems and those of the Company but will not be able to control directly the risks to third-party systems to which it may connect. Any breach in security of the AIFM's or the Investment Manager's systems could disrupt the Company's, the AIFM's and the Investment Manager's business and may cause the Company to suffer, among other things, financial loss, the disruption of its business, liability to third parties, regulatory intervention or reputational damage.

#### *Performance fees*

Performance fees may create an incentive for the Investment Manager, to make investments which are riskier than would be the case in the absence of a fee based on performance. In addition, performance fees may be calculated and paid based on unrealised gains which may subsequently not be realised.

#### *Substantial expenses payable regardless of profit*

The relevant Class will incur obligations to pay brokerage commissions, option premiums and other transactional costs to the brokers. The relevant Class will also incur a monthly management fee to the AIFM and pay its operating, legal, accounting, auditing, Directors' and other fees and expenses including the costs of the offering of the Class of Shares. These expenses will be payable regardless of whether the relevant Class makes a profit.

### *Transaction costs*

A relevant Class' strategy may involve a high level of trading and turnover of that Class' investments which may generate substantial transaction costs which will be borne by that Class. The level of transaction costs will vary over time and may vary substantially.

### *Protected cell company*

The Company is incorporated as a protected cell company. Under the Companies Laws, the assets of one Protected Cell are not available to meet the liabilities of another Protected Cell. Although subject to limited judicial scrutiny, the principal advantage of a protected cell company is that, although it is still a single legal entity, it protects the assets of one Protected Cell in the Company from the liabilities of other Protected Cells in the Company. However, where the assets of the Company are outside of Guernsey and the action is brought against the Company or the assets in that jurisdiction, there can be no certainty as to how the foreign courts will treat relevant provisions of the Companies Laws. Furthermore, if a liability is imposed on the Company, it is not known how the courts will deal with allocating the liability to one or more of the various Protected Cells.

In certain events of financial difficulty and if certain statutory criteria are satisfied, the Royal Court of Guernsey (the "Court") may grant (a) an administration order in respect of a protected cell company or any cell within a protected cell company, or (b) a receivership order in respect of a cell within a protected cell company. During the operation of an administration or a receivership order no proceedings may be instituted or continued by or against the protected cell company (or, as the case may be, the cell) to which the order relates (subject to certain limited exceptions). No steps may be taken to enforce any security or in execution of legal process in respect of the business or assets of the protected cell company (or, as the case may be, the cell) to which the order relates. Upon discharging an administration or a receivership order, the Court may order that any payment made pursuant to such order to any creditor of the protected cell company (or, as the case may be, the cell) to which the order relates shall be deemed full satisfaction of the liabilities of the protected cell company (or, as the case may be, the cell) to that creditor and the creditor's claims against the protected cell company (or, as the case may be, the cell) shall be extinguished. Accordingly, the making of an administration or a receivership order may affect creditor's rights as against a protected cell company and/or any cell within a protected cell company.

### *Limited liquidity*

An investment in a Class of Shares managed by the Investment Manager provides limited liquidity since an active secondary market is not always expected to develop. The Shares are subject to limitations on redemptions as provided herein. The Directors may compulsorily redeem all or any portion of a Shareholder's Shares at any time with or without cause. The Directors also has broad powers to suspend the determination of Net Asset Value for a particular Class or Classes of Shares and/or redemptions in a number of circumstances including any period during which the Directors so determine to be in the interest of the shareholders as a whole or shareholders of a relevant Class or Classes of Shares, all as more fully described elsewhere in this Prospectus.

### *Use of estimates for subscriptions and redemptions*

The Net Asset Value of the Shares may be based in part on estimated valuations which may prove to be inaccurate or valuations which contain significant discretionary factors.

Where subscription and/or redemption prices are based on estimated Net Asset Values, it should be noted that such prices may not be revised if such estimates prove to be inaccurate. In the case that any subscriptions or redemptions are effected at prices based wholly or partly on estimates then, to the extent that these estimates are too high, net new subscriptions at this price will provide a benefit to continuing investors, to the detriment of Applicants, and net new redemptions will cause continuing investors to suffer a dilution in the value of their Shares, to the benefit of redeemers. If these estimates are too low, net new subscriptions at this price will cause continuing investors to suffer a dilution in the value of their Shares, to the benefit of Applicants and net new redemptions will provide a benefit to continuing investors, to the detriment of redeemers.

### *Effect of substantial redemptions*

Several factors cause substantial redemptions to be a risk factor for Shareholders. Each Class of Shares will pursue a variety of Investment Strategies that will take time to develop and implement. Subject to the applicable investment objective and Investment Strategies, a portion of each Class' portfolio may be comprised of financial instruments that OTC and which may experience reduced liquidity. The relevant Class may not be able to dispose

of such financial instruments readily. Substantial redemptions could be triggered by a number of events, including, for example, unsatisfactory performance, significant change in personnel or management of the AIFM or the Investment Manager, removal or replacement of the AIFM or the Investment Manager as the alternative investment fund manager or the investment manager, respectively, of the relevant Class, a decision by the Class and/or the Class' investors to liquidate such Class' assets by redeeming Shares, investor reaction to redemptions from the Investment Manager's Other Accounts, legal or regulatory issues that investors perceive to have a bearing on the Class, the AIFM or the Investment Manager, or other factors. Actions taken to meet substantial redemption requests from the Class (as well as similar actions taken simultaneously in the Investment Manager's Other Accounts) could result in prices of financial instruments held by the relevant Class decreasing and in Class expenses increasing (e.g., transaction costs and the costs of terminating agreements). The overall value of the Class also may decrease because the liquidation value of certain assets may be materially less than their market-to-market value. The Class of Shares may be forced to sell its more liquid positions which may cause an imbalance in the portfolio that could adversely affect the remaining Shareholders. Substantial redemptions could also significantly restrict the Class' ability to obtain financing or derivatives counterparties needed for its investment and trading strategies, which would have a further material adverse effect on the relevant Class' performance.

#### *Service provider risks*

The AIFM, the Investment Manager and certain of the service providers will not be liable, or have limited their liability, to the Company under certain circumstances. Please see the section entitled 'Material Contracts'.

#### *Discretion to employ new strategies and techniques*

The Investment Manager has considerable discretion in the types of instruments which each Class of Shares may trade, and may have exposure to any issuers, country, region and sector that it believes will help each Class of Shares achieve its investment objective and, subject to each Class of Shares' investment objective and policies and sufficient prior written notice being given to Shareholders, has the right to modify the trading strategies or hedging techniques of a Class of Shares without the consent of the Shareholders. Any of these new investment strategies or hedging techniques may not be thoroughly tested in the market before being employed and may have operational or theoretical shortcomings which could result in unsuccessful trades and, ultimately, losses to the Class of Shares. In addition, any new investment strategy or hedging technique developed by the AHL Diversified Programme may be more speculative than earlier techniques and may increase the risk of an investment in a Class of Shares.

#### *Lack of negotiation*

The Investment Manager and the AIFM have a common ownership structure and therefore the agreements between those parties have not been negotiated in the way in which agreements between arms-length parties may have been negotiated.

#### *Ramp-up periods*

During a "ramp-up period" of a new AHL Programme or investment strategy or pursuant to a material subscription, a Class of Shares may not be fully invested, in order to avoid impact on the relevant markets, which may result in a reduction in expected investment returns for the duration of this period.

#### *Effects of Health Crises and Other Catastrophic Events*

Health crises, such as pandemic and epidemic diseases, as well as other catastrophes such as natural disasters, war or civil disturbance, acts of terrorism, power outages and other unforeseeable and external events, that result in disrupted markets and/or interrupt the expected course of events, and public response to or fear of such crises or events, may have an adverse effect on the operations of and, where applicable, investments made by the Company and the Investment Manager. For example, any preventative or protective actions taken by governments in response to such crises or events may result in periods of regional, national or international business disruption. Such actions may significantly disrupt the operations of the Company, the AIFM, the Investment Manager and the other service providers to the Company. Further, the occurrence and duration of such crises or events could adversely affect economies and financial markets either in specific countries or worldwide. The impact of such crises or events could lead to negative consequences for the Company, including, without limitation, significant reduction in the Net Asset Value of the Company, reduced liquidity of the Company's investments, restrictions on the ability of the Company, to value its investments and the potential suspension of

the calculation of Net Asset Value and the suspension of issues and/or redemptions of Shares in accordance with the section of this Prospectus headed “Suspension of valuations” and the section of Appendix 2 to this Prospectus headed “Suspension of valuations and redemptions”. See further under “General Economic and Market Conditions”.

#### *Benchmark Reform and the impact on LIBOR and other IBORs*

The London Interbank Offered Rate (known as “**LIBOR**”) has historically been a commonly used reference rate in global financial markets. A major transition from LIBOR to near Risk-Free-Rates (“**RFRs**”) is now almost complete. All sterling, euro, Swiss franc and Japanese yen and US dollar LIBOR settings have now ceased to be provided, or have been declared unrepresentative. Similar reforms are taking place in the context of other interest rate benchmarks based on interbank lending (in addition to LIBOR, “**IBORs**”). It is not possible to predict with certainty the overall effect of IBOR reform, but the discontinuance of LIBOR, and certain other IBORs, RFRs raises a number of risks.

Where it is not, or has not been, possible to amend an existing IBOR exposure to the relevant RFR (a process known as ‘remediation’), by the time the relevant IBOR ceases to be available, or ceases to function or perform as originally intended, the price of assets linked to the rate may be negatively impacted or value transferred, and they may become illiquid and hard to value.

Where an IBOR setting continues on a so-called ‘synthetic’ basis, this is likely to be treated by regulators as unrepresentative of the underlying market and economic reality that it is intended to measure. Accordingly, synthetic IBORs are expected to be limited in terms of applicable settings, with restrictions and controls around permitted use. It may not be possible to remediate certain assets from IBOR to the new RFRs, or to transition a hedge and its underlying position at the same time, causing a mismatch or ‘basis risk’. Remediation is likely to be particularly difficult for assets issued to multiple investors or with high consent thresholds to amend the rate.

Delays or failures in obtaining investor or counterparty consent, or regulatory approval, may adversely impact transition.

RFRs are conceptually different to IBORs and do not operate on the same basis. Remediation from IBOR to RFRs may lead to the Company paying more or receiving less on an asset than if it had remained an IBOR-referencing asset. Spread adjustments applied to RFRs to reflect the historical difference in performance with IBORs are rough proxies and will not perfectly match the performance of the relevant IBOR rate it replaces, meaning that some value transfer is inevitable.

Certain of the RFRs are relatively new interest rate benchmarks compared to some IBORs and how these rates, and any adjustment spreads, will perform in stressed market conditions or over significant time periods is not well established. Industry and market solutions for transition from IBORs to RFRs across different asset classes and currencies are not aligned and are developing at different rates.

If remediation alters the legal, commercial, tax, accounting or other economic outcome of the relevant trade(s), including as between a trade and its hedge, there is a risk of detriment to the Company and consequently to the Shareholders.

For new investments, including where an existing IBOR-referencing asset is sold and replaced with an RFR-referencing asset during transition, the market in the relevant RFR-referencing asset may lack liquidity and/or price transparency, particularly when compared with historical IBOR volumes.

#### ***Risks relating to investments***

##### *General economic and market conditions*

The success of the Investment Manager’s investment decisions on behalf of each Class of Shares will be affected by general economic and market conditions, such as interest rates, availability of credit, credit defaults, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of each Class’ investments), trade barriers, currency exchange controls, and national and international political circumstances (including wars, terrorist acts or security operations). These factors may affect the level and volatility of financial instruments’ prices and the liquidity of each Class’ investments. Volatility or illiquidity could impair each Class’ profitability or result in losses. Each of Class of Shares may maintain substantial trading positions that can be adversely affected by the level of volatility in the financial markets — the larger the positions, the greater the potential for loss.

The economies of some countries may differ favourably or unfavourably from the US and Western European economies in such respects as growth of gross domestic product, rate of inflation, currency depreciation, asset reinvestment, resource self-sufficiency and balance of payments position. Further, certain economies are heavily dependent upon international trade and, accordingly, have been and may continue to be adversely affected by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade. The economies of certain countries may be based, predominantly, on only a few industries and may be vulnerable to changes in trade conditions and may have higher levels of debt or inflation.

#### *Model and Data risk*

The Investment Manager relies heavily on proprietary mathematical quantitative models (each a “**Model**” and collectively, “**Models**”) and data developed both by the Investment Manager and those supplied by third parties (collectively, “**Data**”) rather than granting trade-by-trade discretion to the Investment Manager’s investment professionals. In combination, Models and Data are used to construct investment decisions, to value both current and potential investments (including, without limitation, for trading purposes, and for the purposes of determining the Net Asset Value of each Class of Shares), to provide risk management insights and to assist in hedging each Class of Shares’ positions and investments. Models and Data are known to have errors, omissions, imperfections and malfunctions (collectively, “**System Events**”).

The Investment Manager seeks to reduce the incidence and impact of System Events, to the extent feasible, through a combination of internal testing, simulation, real-time monitoring, use of independent safeguards in the overall portfolio management process and often in the software code itself. Despite such testing, monitoring and independent safeguards, System Events will result in, among other things, the execution of unanticipated trades, the failure to execute anticipated trades, delays in the execution of anticipated trades, the failure to properly allocate trades, the failure to properly gather and organise available data, the failure to take certain hedging or risk reducing actions and/or the taking of actions which increase certain risk(s); all of which may have materially adverse effects on a Class of Shares. System Events in third-party provided Data are generally entirely outside the control of the Investment Manager.

The research and modelling processes engaged in by the Investment Manager on behalf of each Class of Shares are extremely complex and involve the use of financial, economic, econometric and statistical theories, research and modelling; the results of this investment approach must then be translated into computer code. Although the Investment Manager seeks to hire individuals skilled in each of these functions and to provide appropriate levels of oversight and employ other mitigating measures and processes, the complexity of the individual tasks, the difficulty of integrating such tasks, and the limited ability to perform “real world” testing of the end product, even with simulations and similar methodologies, raise the chances that Model code may contain one or more coding errors, thus potentially resulting in a System Event and further, one or more of such coding errors could adversely affect a Class of Shares’ investment performance.

The Investment Strategies of the Investment Manager are highly reliant on the gathering, cleaning, culling and performing of analysis of large amounts of Data. Accordingly, Models rely heavily on appropriate Data inputs. However, it is impossible and impracticable to factor all relevant, available Data into forecasts, investment decisions and other parameters of the Models. The Investment Manager will use its discretion to determine what Data to gather with respect to each Investment Strategy and what subset of that Data the Models take into account to produce forecasts which may have an impact on ultimate investment decisions. In addition, due to the automated nature of Data gathering, the volume and depth of Data available, the complexity and often manual nature of Data cleaning, and the fact that the substantial majority of Data comes from third-party sources, it is inevitable that not all desired and/or relevant Data will be available to, or processed by, the Investment Manager at all times. Irrespective of the merit, value and/or strength of a particular Model, it will not perform as designed if incorrect Data is fed into it which may lead to a System Event potentially subjecting a Class of Shares to a loss. Further, even if Data is input correctly, “model prices” anticipated by the Data through the Models may differ substantially from market prices, especially for financial instruments with complex characteristics, such as derivatives, in which a Class of Shares may invest.

Where incorrect or incomplete Data is available, the Investment Manager may, and often will, continue to generate forecasts and make investment decisions based on the Data available to it. Additionally, the Investment Manager may determine that certain available Data, while potentially useful in generating forecasts and/or making investment decisions, is not cost effective to gather due to, among other factors, the technology costs or third-



party vendor costs and, in such cases, the Investment Manager will not utilise such Data. The Investment Manager has full discretion to select the Data it utilises. The Investment Manager may elect to use or may refrain from using any specific Data or type of Data in generating forecasts or making trading decisions with respect to the Models. The Data utilised in generating forecasts or making trading decisions underlying the Models may not be (i) the most accurate data available or (ii) free of errors. The Data set used in connection with the Models is limited. The foregoing risks associated with gathering, cleaning, culling and analysis of large amounts of Data are an inherent part of investing with a quantitative, process-driven, systematic adviser such as the Investment Manager.

When Models and Data prove to be incorrect, misleading or incomplete, any decisions made in reliance thereon expose a Class of Shares to potential losses and such losses may be compounded over time. For example, by relying on Models and Data, the Investment Manager may be induced to buy certain investments at prices that are too high, to sell certain other investments at prices that are too low, or to miss favourable opportunities altogether. Similarly, any hedging based on faulty Models and Data may be unsuccessful and when determining the Net Asset Value of a Class of Shares, any valuations of a Class of Shares' investments that are based on valuation Models may prove to be incorrect. In addition, Models may incorrectly forecast future behaviour, leading to potential losses on a cash flow and/or a mark-to-market basis. Furthermore, in unforeseen or certain low-probability scenarios (often involving a market event or disruption of some kind), Models may produce unexpected results which may or may not be System Events.

Errors in Models and Data are often extremely difficult to detect, and, in the case of Models, the difficulty of detecting System Events may be exacerbated by the lack of design documents or specifications. Regardless of how difficult their detection appears in retrospect, some System Events may go undetected for long periods of time and some may never be detected. When a System Event is detected, a review and analysis of the circumstances that may have caused a reported System Event will be completed and is overseen by an escalation committee made up of appropriate senior personnel. Following this review, the Investment Manager in its sole discretion may choose not to address or fix such System Event, and the third party software will lead to System Events known to the Investment Manager that it chooses, in its sole discretion, not to address or fix. The degradation or impact caused by these System Events can compound over time. When a System Event is detected, the Investment Manager generally will not, as part of the review of circumstances leading to the System Event, perform a materiality analysis on the potential impact of a System Event. The Investment Manager believes that the testing and monitoring performed on Models and the controls adopted to ensure processes are undertaken with care will enable the Investment Manager to identify and address those System Events that a prudent person managing a quantitative, systematic and computerised investment programme would identify and address by correcting the underlying issue(s) giving rise to the System Events, however there is no guarantee of the success of such processes. Investors should assume that System Events and their ensuing risks and impact are an inherent part of investing with a process-driven, systematic investment manager such as the Investment Manager. Accordingly, the Investment Manager does not expect to disclose discovered System Events to the Company or to Shareholders.

The Class will bear the risks associated with the reliance on Models and Data including that the Class will bear all losses related to System Events unless otherwise determined by the Investment Manager in accordance with its internal policies or as may be required by applicable law.

#### *Obsolescence risk*

The Investment Manager is unlikely to be successful in its deployment of its quantitative systematic investment strategies unless the assumptions underlying the Models are realistic and either remain realistic and relevant in the future or are adjusted to account for changes in the overall market environment. If such assumptions are inaccurate or become inaccurate and are not promptly adjusted, it is likely that the Models will not generate profitable trading signals. If and to the extent that the Models do not reflect certain factors, and the Investment Manager does not successfully address such omission through its testing and evaluation by modifying the Models accordingly, major losses may result, all of which will be borne by the relevant Class. The Investment Manager will continue to test, evaluate and add new Models which may lead to the Models being modified from time to time. Any modification of the Models or strategies will not be subject to any requirement that Shareholders receive notice of the change or that they consent to it. There can be no assurance as to the effects (positive or negative) of any modification to the Models or Investment Strategies on the Class' performance.

#### *Crowding/convergence*

There is significant competition among quantitatively-focused managers and the ability of the Investment Manager to deliver returns that have a low correlation with global aggregate equity markets and other hedge funds is dependent on its ability to employ Models that are simultaneously profitable and differentiated from those employed by other managers. To the extent that the Investment Manager is not able to develop sufficiently differentiated Models, the Class' investment objective may not be met, irrespective of whether the Models are profitable in an absolute sense. In addition, to the extent that the Models come to resemble those employed by other managers, there is an increased risk that a market disruption may negatively affect predictive Models such as those employed by the Investment Manager, as such a disruption could accelerate reductions in liquidity or rapid re-pricing due to simultaneous trading across a number of funds utilising Models (or similar quantitatively focused investment strategies) in the marketplace.

#### *Trading systems and execution of orders*

The Investment Manager relies extensively on computer programmes, systems, technology, Data and Models to implement its execution strategies and algorithms. The Investment Manager's Investment Strategies, trading strategies and algorithms depend on its ability to establish and maintain an overall market position in a combination of financial instruments selected by the Investment Manager. There is a risk that the Investment Manager's proprietary algorithmic trading systems may not be able to adequately react to a market event without serious disruption. Further, trading strategies and algorithms may malfunction causing severe losses. While the Investment Manager has employed tools to allow for human intervention to respond to significant system malfunctions, it cannot be guaranteed that losses will not occur in such circumstances as unforeseen market events and disruptions and execution system issues.

Orders may not be executed in a timely and efficient manner due to various circumstances, including, without limitation, trading volume surges or systems failures attributable to the Investment Manager, the Investment Manager's counterparties, brokers, dealers, agents or other service providers. In such event, the Investment Manager might only be able to acquire or dispose of some, but not all, of the components of such position, or if the overall position were to need adjustment, the Investment Manager might not be able to make such adjustment. As a result, the Class would not be able to achieve the market position selected by the Investment Manager, which may result in a loss.

#### *Hedging transactions*

The AIFM and the Investment Manager may utilise financial instruments both for investment purposes and for risk management purposes in order to: (a) protect against possible changes in the market value of one or more positions of each Class' investment portfolios resulting from fluctuations in the markets and changes in interest rates; (b) protect each Class' unrealised gains in the value of its investment portfolio; (c) facilitate the sale of any such investments; (d) enhance or preserve returns, spreads or gains on any investment in each Class' portfolios; (e) hedge against a directional trade; (f) hedge the interest rate, credit or currency exchange rate on any of each Class' financial instruments; (g) protect against any increase in the price of any financial instruments the Investment Manager anticipates purchasing at a later date; or (h) act for any other reason that the Investment Manager deems appropriate. The Investment Manager will not be required to hedge any particular risk in connection with a particular transaction or its portfolios generally. Furthermore, the Investment Manager may not anticipate a particular risk so as to hedge against it. While the Investment Manager may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for each Class of Shares than if the Investment Manager had not engaged in any such hedging transaction. Moreover, it should be noted that the portfolio will always be exposed to certain risks that may not be fully hedged.

#### *Trade error risk*

The complex execution modalities operated by the Investment Manager and the speed and volume of trading invariably result in occasional trades being executed which, with the benefit of hindsight, were not required or intended by the execution strategy or occasional trades not being executed when they should have been. To the extent a trade error is caused by a counterparty, such as a broker, the Investment Manager generally, to the extent reasonable and practical, attempts to recover any loss associated with such trade error from such counterparty. To the extent a trade error is caused by the Investment Manager, a formalised process is in place for the documentation and resolution of such trade errors. Given the volume, diversity and complexity of transactions executed by the Investment Manager on behalf of each Class of Shares, investors should assume that trade errors will occur on occasion. If such trade errors result in gains to the relevant Class, such gains will be

retained by the relevant Class. However, if a trade error results in losses, they will be borne by the Investment Manager in accordance with its internal policies unless otherwise determined by the Directors.

#### *Trade and settlement systems risks*

Each Class of Shares depends on the Investment Manager and its other service providers to develop and implement adequate systems for processing of the Class' trading and settlement activities.

Further, the Investment Manager relies on systems and technology (and may rely on new systems and technology in the future) for various purposes including, without limitation, to trade, clear and settle transactions, to evaluate certain financial instruments, to monitor its portfolio and net capital, and to generate risk management and other reports that are critical to oversight of the Class' activities. Certain of each Class of Shares' and the Investment Manager's operations processes will be dependent upon systems operated by third parties, including but not limited to executing brokers, prime brokers, the administrator of the market counterparties and their sub-custodians as well as other service providers. These third-party programmes, systems and/or technology may be subject to certain limitations, including, but not limited to, those caused by computer "worms", viruses, power failures and/or other technology-related impairments. The Investment Manager's operations are highly dependent on each of these systems and technology and the successful operation of such systems and technology is often out of the Class' and Investment Manager's control. The failure of one or more systems and technology or the inability of such systems to satisfy the Investment Manager's current and evolving requirements could have a material adverse effect on the relevant Class of Shares. For example, systems failures could cause settlement of trades to fail, lead to inaccurate accounting, recording or processing of trades, and cause inaccurate reports, all or any of which may affect the ability of the Investment Manager to monitor and/or manage the investment portfolio and risks.

#### *Cash management*

A Class of Shares may enter into arrangements by which cash not required by the Class for trading purposes will be managed by the Investment Manager. Such arrangements may include the entry by the Class into repurchase or reverse repurchase transactions and other cash management arrangements, including holding cash in bank accounts or secured or unsecured deposits, or investing such cash in corporate or government bonds, or such other instruments as deemed appropriate by the Investment Manager.

A repurchase transaction involves the sale of securities by a seller to a buyer for a purchase price, and an agreement for the seller to repurchase such securities on a mutually agreed future date for the same purchase price, plus interest at a negotiated rate. From the perspective of the buyer, the transaction is referred to as a reverse repurchase transaction, and involves buying securities against payment of a cash price, with the buyer agreeing to resell the securities at a future date, and the original seller agreeing to repurchase such securities at the same price, plus interest at a negotiated rate. Such transactions are economically equivalent to a cash loan collateralised by the securities.

The use of repurchase and reverse repurchase agreements by a Class of Shares involves certain risks. For example, if the seller of securities to the Class under a reverse repurchase transaction defaults on its obligation to repurchase the underlying securities, as a result of its bankruptcy or otherwise, the Class will seek to dispose of such securities, which action could involve costs or delays. The Class may suffer a loss to the extent that the proceeds from the disposal of the underlying securities are less than the repurchase price due from the defaulting seller.

#### *Borrowing for operations*

A Class of Shares may borrow money for cash management purposes and to meet redemptions that would otherwise result in the premature liquidation of its investments. The use of short-term borrowing creates several additional risks for a Class of Shares. If the Class is unable to service the debt, a secured lender could liquidate the Class' position in some or all of the financial instruments that have been pledged as collateral and cause the Class to incur significant losses. The occurrence of other material defaults and other financing agreements may trigger cross-defaults under the Class' agreements with other brokers, lenders, clearing firms or other counterparties, multiplying the materially adverse impact to the Class. The amount of debt which the Class may have outstanding at any time may be large in relation to its assets. Consequently, the level of interest rates generally, and the rates at which the Class can borrow particularly, will affect the operating results of the Class.

#### *Involuntary disclosure risk*

The ability of the Investment Manager to achieve its investment goals for each Class of Shares is dependent in large part on its ability to develop and protect its models and proprietary research. The models and proprietary research and the Models and Data are largely protected by the Investment Manager through the use of policies, procedures, agreements, and similar measures designed to create and enforce robust confidentiality, non-disclosure, and similar safeguards. However, aggressive position-level public disclosure obligations (or disclosure obligations to exchanges or regulators with insufficient privacy safeguards) could lead to opportunities for competitors to reverse-engineer the Investment Manager's models, and thereby impair the relative or absolute performance of each Class of Shares.

#### *Limited diversification and risk management failures*

Except as set forth in the applicable investment objective and Investment Strategy, each Class of Shares has no formal guidelines for diversification. As a result, each Class' portfolio could become significantly concentrated in a limited number of issuers, types of financial instruments, industries, sectors, strategies, countries, or geographic regions, and any such concentration of risk may increase losses suffered by that Class of Shares. This limited diversity could expose a Class of Shares to losses disproportionate to market movements in general. Even when the Investment Manager attempts to control risks and diversify the portfolio, risks associated with different assets may be correlated in unexpected ways, with the result that a Class of Shares faces concentrated exposure to certain risks. In addition, many pooled investment vehicles pursue similar strategies, which creates the risk that many funds would be forced to liquidate positions at the same time, reducing liquidity, increasing volatility and exacerbating losses. Although the AIFM and the Investment Manager attempt to identify, monitor and manage significant risks, these efforts do not take all risks into account and there can be no assurance that these efforts will be effective. Many risk management techniques are based on observed historical market behaviour, but future market behaviour may be entirely different. Any inadequacy or failure in the AIFM's or the Investment Manager's risk management efforts could result in material losses for a Class of Shares.

#### *Competition for investments*

Certain markets in which the Investment Manager, on behalf of a Class of Shares may invest are extremely competitive for attractive investment opportunities and, as a result, there may be reduced expected investment returns, or the liquidity of the Class' portfolio positions may be reduced. There can be no assurance that the Investment Manager will be able to identify or successfully pursue attractive investment opportunities in such environments. Among other factors, competition for suitable investments from other pooled investment vehicles, the public equity markets and other investors may reduce the availability of investment opportunities. There has been significant growth in the number of firms organised to make such investments, which may result in increased competition to the Investment Manager on behalf of each Class of Shares in obtaining suitable investments.

#### *Market risk*

The Investment Manager, on behalf of each Class of Shares, may make investments in markets that are volatile and/or which may become illiquid. Accordingly, the ability of a Class of Shares to respond to market movements may be impaired, which may result in significant losses to that Class.

To the extent that the Investment Manager, on behalf of each Class of Share, invests on a public exchange it bears the risk that the exchange may exercise a right to suspend or limit trading in all securities that it lists. Such a suspension could render it impossible for a Class of Shares to liquidate its positions and thereby exposes it to losses. In addition, there is no guarantee that markets will remain liquid enough for the Investment Manager to close out positions on behalf of a Class of Shares.

#### *Systemic risk*

Credit risk may arise through a default by one of several financial institutions that are dependent on one another to meet their liquidity or operational needs, so that a default by one institution causes a series of defaults by the other institutions. This is sometimes referred to as a "systemic risk" and may adversely affect financial intermediaries, such as clearing agencies, clearinghouses, banks, securities firms and exchanges and issuers of financial instruments, with which the Investment Manager interacts on a daily basis. Such risks may be exacerbated by the obligations for certain financial instruments to be centrally cleared by a third- party clearing house.

Further, world events and/or the activities of one or more participants in the financial markets and/or other events or activities of others could result in a temporary systemic breakdown in the normal operation of financial markets.

Such events could result in liquidity and counterparty issues which could result in the relevant Class incurring substantial losses.

#### *Counterparty risk*

The Investment Manager, and in turn each Class of Shares, may have significant credit and operational risk exposure to its counterparties. In general, the Company's counterparties will require each Class to post collateral to support its obligations in connection with transactions involving forwards, swaps, futures, options and other derivative instruments with such counterparties. Generally, this means that, counterparties will have the right to sell, pledge, re-hypothecate, assign, use or otherwise dispose of the collateral posted by each Class in connection with such transactions. To the extent that there are no further liabilities owed to the relevant counterparties, a Class of Shares has the contractual right to be returned equivalent securities. Separately, for example in respect of securities financing transactions, a Class of Shares may lend securities, to counterparties to such transactions, from its portfolio in return for receiving collateral from the relevant counterparty. The relevant counterparty will have the right to use or otherwise dispose of such lent securities, subject to a contractual obligation to return equivalent securities to the Class of Shares at the end of the securities financing transaction.

Such transactions described above are normally entered into between a Class of Shares and counterparty brokers as principal (and not as agent). Accordingly, the relevant Class is exposed to the risk that brokers may, in an insolvency or similar event, be unable to meet its contractual obligations to the relevant Class. The underlying vehicles through which each Class of Shares may directly or indirectly invest may bear similar or greater risks with regard to the brokers utilised. Should any counterparty transacting with a Class of Shares (or other underlying vehicles through which the Class may directly or indirectly invest) become insolvent, any claim that the Class (or underlying vehicles) may have against such counterparties would ordinarily be unsecured and therefore subordinated in the event of a bankruptcy or similar proceeding to such trading counterparties' secured creditors.

Such "counterparty risk" is accentuated for contracts with longer maturities or longer settlement timelines where events may intervene to prevent settlement, or where the relevant Class of Shares has concentrated its transactions with a single or small group of counterparties. If there is a default by the counterparty to a transaction, the relevant Class of Shares will under most normal circumstances have contractual remedies and in some cases collateral pursuant to the agreements related to the transaction. However, exercising such contractual rights may involve delays or significant expenses that could result in losses and/or a reduction in the value of the relevant instrument.

If one or more of any Class' counterparties that act as custodian, prime broker or broker-dealer for the Class were to become insolvent or the subject of liquidation proceedings, there exists the risk that the recovery of the Class' securities and other assets from such custodian, prime broker or broker-dealer will be delayed or be of a value less than the value of the securities or assets originally entrusted to such custodian, prime broker or broker-dealer. In addition, the Class' cash held with the counterparties as collateral may not be segregated from the counterparty's own cash and may be used by the counterparty in the course of its investment business. The Class will therefore rank as an unsecured creditor in relation thereto and in the event of insolvency of any such counterparties, the Class may not be able to recover such equivalent assets in full.

Specifically, when the assets of a Class of Shares are transferred to a prime broker or custodian, the prime broker or custodian, as applicable, does not segregate those assets from other client assets, including non-alternative investment fund assets. There is a risk that the European Securities and Markets Authority or another regulator, including, but not limited to, the FCA, may determine that the prime broker or custodian, as applicable, is incorrect in not segregating alternative investment fund client assets from non-alternative investment fund client assets. If such a determination were to be made, the Class may require that the assets of the Class held by the prime broker or custodian be returned to the Class, which may incur losses for the Class. The relevant Class of Shares could also be exposed to the risk of loss should a prime broker or custodian default on its obligation to return the Class' assets, particularly as there may be practical or timing problems associated with enforcing the Class' rights to its assets in these circumstances.

Investors should assume that the insolvency of any Class counterparty would result in a loss to the Class, which could be material.

#### *Interest and exchange rate risks*

Fluctuations in exchange rates could cause the value of investments made by Shareholders to increase or decrease. Each Class of Shares and any underlying vehicles through which each Class may directly or indirectly

invest may have exposure to foreign exchange and/or interest rate risks. Each Class of Shares and the underlying investment vehicles through which such Class of Shares directly or indirectly invests may seek to mitigate its risks through hedging transactions. To the extent these hedging transactions are imperfect or are only placed over a portion of the target investment exposure, the relevant Shareholders will realise the resulting benefit or loss.

Each Class of Shares may invest in financial instruments denominated in non-USD currencies, the prices of which are determined with reference to currencies other than USD. However, each Class of Shares values its financial instruments in USD. Each Class of Shares may or may not seek to hedge its non-USD currency exposure by entering into currency hedging transactions, such as treasury locks, forward contracts, futures contracts and cross-currency swaps. There can be no guarantee that financial instruments suitable for hedging currency or market shifts will be available at the time when the Class of Shares wishes to use them, or that hedging techniques employed by a Class will be effective. Furthermore, certain currency market risks may not be fully hedged or hedged at all.

To the extent unhedged, the value of each Class' direct or indirect positions in non-US investments will fluctuate with US dollar exchange rates as well as with the price changes of the investments in the various local markets and currencies. In such cases, an increase in the value of the US dollar compared to the other currencies in which a Class makes investments will reduce the effect of any increases and magnify the effect of any decreases in the prices of the Class' financial instruments in their local markets and may result in a loss to the Class. Conversely, a decrease in the value of the US dollar will have the opposite effect on that Class' non-US dollar investments.

#### *Terrorism and catastrophe risks*

Each Class' portfolio is subject to the risk of loss arising from exposure that it may incur, directly or indirectly, due to the occurrence of various events, including, without limitation, hurricanes, earthquakes and other natural disasters, terrorism and other catastrophic events. These risks of loss can be substantial and could adversely affect the return of a Class of Shares.

#### *Leverage and Financing Arrangements*

In addition to the leverage inherent in the programme, the Class of Shares, or the underlying vehicles through which each Class of Shares may directly or indirectly invest, may borrow and/or utilise various forms of leverage including leveraged or short positions under derivative instruments. While leverage presents opportunities for increasing total return, it has the effect of potentially increasing losses as well. Accordingly, any event which adversely affects the value of an investment (including by any Class of Shares or underlying vehicles through which the Class of Shares directly or indirectly invests) would be magnified to the extent Leverage is employed, and substantial losses may result from unwinding short positions.

The Class of Shares may, in particular, generate leverage through the use of options, futures, options on futures, swaps and other synthetic or derivative financial instruments. Such financial instruments inherently contain much greater leverage than a non-margined purchase of the underlying security, commodity or instrument. This is due to the fact that generally only a small portion (and in some cases none) of the value of the underlying security, commodity or instrument is required to be paid in order to make such investments. As a result of leverage employed in relation to these instruments, small changes in the value of the instruments may cause a relatively large change in the value of the Class. Many such financial instruments are subject to variation or other interim margin requirements, which may force premature liquidation of investment positions.

As a general matter, the banks and dealers that provide financing to the Class of Shares (or the underlying vehicles through which the Class of Shares directly or indirectly invests) can apply essentially discretionary margin, haircut financing as well as security and collateral valuation policies. For example, should the financial instruments pledged to brokers to secure a Class' (or the underlying vehicles') margin accounts decline in value, the Class of Shares (or the underlying vehicles) could be subject to a "margin call", pursuant to which the Class (or the underlying vehicles) must either deposit additional funds or financial instruments with the broker or suffer mandatory liquidation of the pledged financial instruments to compensate for the decline in value. In the event of a sudden drop in the value of a Class' (or the underlying vehicles') portfolio, the Class (or the underlying vehicles) might not be able to liquidate financial instruments quickly enough to satisfy its margin requirements. Increases in the amount of margin or similar payments could result in the need for trading activity at times and prices which could be disadvantageous to the Class or the underlying vehicles through which the Class directly or indirectly invests and could result in substantial losses.

As a consequence of Leverage, interest expense may be material as a percentage of the assets of each Class of Shares (or underlying vehicles). Interest expense could force a reduction in the exposure of the Shares to the relevant Investment Strategies. The use of such Leverage means that even comparatively small losses, or insufficient profits to offset expenses, could rapidly deplete the capital available to each Class of Shares (or underlying vehicles) and reduce or eliminate its profit potential. Further fees relating to any Financing Arrangements such as arrangement, commitment, minimum utilisation and renewal fees may also be payable. Changes by banks and dealers in such policies, or the imposition of other credit limitations or restrictions, whether due to market circumstances or government, regulatory or judicial action, may result in large margin calls, loss of financing, forced liquidations of positions at disadvantageous prices, termination of swap and repurchase agreements and cross-defaults to agreements with other dealers. Any such adverse effects may be exacerbated in the event that such limitations or restrictions are imposed suddenly and/or by multiple market participants. The imposition of any such limitations or restrictions could compel each Class of Shares (or underlying vehicles) to liquidate all or part of its portfolio at disadvantageous prices, which may lead to a complete loss of the Class' (or underlying vehicles') equity.

There can be no assurance that each Class of Shares (or underlying vehicles) will be able to maintain adequate Financing Arrangements or avoid having to close out positions at losses which if held would have been profitable. There is also no assurance that any Financing Arrangement will be renewed and, if any Financing Arrangement in respect of the Shares is renewed, it may be renewed on less favourable terms. In particular, third parties may not be available to act as Financing Providers. Additionally, any Financing Arrangement may be subject to early termination in accordance with its terms and may be terminated by a counterparty. A loss of, a termination of, or a reduction in, a Financing Arrangement may have the effect of causing any Class of Shares (or underlying vehicles) to reduce its overall investment exposure in respect of the Shares with a corresponding reduction in investment return expectations. The renewal of a Financing Arrangement might be subject to a change in terms of that Financing Arrangement including but not limited to a change in applicable interest margins.

#### *Equities*

Each Class of Shares may invest in equity securities and equity derivatives. The value of these financial instruments generally will vary with the performance of the issuer and movements in the equity markets. As a result, each Class of Shares may suffer losses if it invests in equity instruments of issuers whose performance diverges from the Investment Manager's expectations or if equity markets generally move in a single direction and the Investment Manager has not hedged against such a general move. Each Class of Shares also may be exposed to risks that issuers will not fulfil contractual obligations such as, in the case of convertible securities, delivering marketable common stock upon conversions of convertible securities and registering restricted securities for public resale.

#### *Investments in emerging markets*

Each Class of Shares may invest its assets in securities or currencies of emerging market countries. Investing in emerging markets involves additional risks and special considerations not typically associated with investing in other more established economies or markets. Such risks may include: (a) increased risk of nationalisation or expropriation of assets or confiscatory taxation; (b) greater social, economic and political uncertainty, including war; greater risk of change of government policy, change of interpretation of law or level of enforcement of law; (c) higher dependence on exports and the corresponding importance of international trade; (d) greater volatility, less liquidity and smaller capitalisation of markets; (e) greater volatility in currency exchange rates; (f) greater risk of inflation; (g) greater controls on foreign investment and limitations on realisation of investments, repatriation of invested capital and on the ability to exchange local currencies for US dollars; (h) increased likelihood of governmental involvement in and control over the economy; (i) governmental decisions to cease support of economic reform programmes or to impose centrally planned economies; (j) differences in auditing and financial reporting standards which may result in the unavailability of material information about issuers; (k) less extensive regulation of the markets; (l) longer settlement periods for transactions and less reliable clearance and custody arrangements; (m) less developed corporate laws regarding fiduciary duties of officers and directors and the protection of investors; (n) certain considerations regarding the maintenance of each Class of Shares financial instruments with non-US brokers and securities depositories; (o) less publicly available information; and (p) less favourable tax provisions.

Repatriation of investment income, assets and the proceeds of sales by foreign investors may require governmental registration and/or approval in some emerging countries. Each Class of Shares could be adversely

affected by delays in or a refusal to grant any required governmental registration or approval for such repatriation or by withholding taxes imposed by emerging market countries on interest or dividends paid on financial instruments held by the relevant Class or gains from the disposition of such financial instruments.

In emerging markets, there is often less government supervision and regulation of business and industry practices, stock exchanges, OTC markets, brokers, dealers, counterparties and issuers than in other more established markets. Any regulatory supervision which is in place may be subject to manipulation or control. Some emerging market countries do not have mature legal systems comparable to those of more developed countries. Moreover, the process of legal and regulatory reform may not be proceeding at the same pace as market developments, which could result in investment risk. Legislation to safeguard the rights of private ownership may not yet be in place in certain areas, and there may be the risk of conflict among local, regional and national requirements. In certain cases, the laws and regulations governing investments in securities may not exist or may be subject to inconsistent or arbitrary appreciation or interpretation. There may also be a lack of standard practices and confidentiality customs characteristic of developed markets. Both the independence of judicial systems and their immunity from economic, political or nationalistic influences, together with the ability to enforce domestic or international judicial or arbitral awards against local counterparties, remain largely untested in many countries.

#### *Undervalued securities*

Each Class of Shares may seek to meet its investment objectives by investing in undervalued securities. The identification of investment opportunities in undervalued securities is a difficult task and there can be no assurance that such opportunities will be successfully recognised. While investments in undervalued securities offer opportunities for above-average capital appreciation, these investments involve a high degree of financial risk and can result in substantial losses. Returns generated from the Class' investments may not adequately compensate for the financial risks assumed.

Each Class of Shares may make certain speculative investments in securities which the Investment Manager believes to be undervalued. However there can be no assurance that the securities purchased will in fact be undervalued. In addition, a Class may be required to hold such securities for a substantial period of time before realising their anticipated value. During this period, a portion of the Class' capital would be committed to the securities purchased, thus possibly preventing the Class from investing in other opportunities.

#### *Underlying funds*

Each Class of Shares may invest part or all of its assets in regulated or unregulated collective investment schemes or other pooled vehicles managed by the Investment Manager and/or other members of the Man Group. The underlying vehicles through which each Class may directly or indirectly invest may face similar risks or greater risks in regard to their investments as are described in these risk factors as applicable to each Class and consequently each Class will also bear these risks indirectly. While each Class of Shares will not be subject to additional investment management fees or performance fees at the level of the underlying vehicles managed by the Investment Manager and/or other members of the Man Group, the investors in the Class will be subject to other operating expenses both at the level of each Class and, indirectly, at the level of the underlying funds. In the event that such investment management or performance fees are charged by members of Man Group to an underlying fund, such fees will be either waived or rebated to each Class. Should an underlying fund through which a Class of Shares directly or indirectly invests fail for any reason (including, but not limited to, failures relating to fraud, operations, valuations or the custody of assets) the Net Asset Value per Share may reduce accordingly. Should an underlying fund suspend redemptions or impose any other restrictions on redemptions, the Class' ability to honour redemptions of Shares may be adversely impacted.

Each Class of Shares may be materially affected by the actions of other funds investing in the underlying vehicles through which each Class of Shares directly or indirectly invests. Consequently, if another fund were to redeem from the underlying vehicle through which a Class of Shares directly or indirectly invests, the remaining funds, including the relevant Class of Shares, may experience higher pro rata operating expenses, thereby producing lower returns, and the underlying vehicle through which the relevant Class of Shares directly or indirectly invests may become less diverse due to a redemption by a larger fund, resulting in increased portfolio risk.

#### *Exchange Traded Funds (“ETFs”)*

Each Class of Shares may invest directly or indirectly in ETFs, which are shares of publicly-traded unit investment trusts, open-ended funds, or depository receipts that seek to track the performance and dividend yield of specific indexes or companies in related industries. These indexes may be either broad-based, sector, or international.



However, ETF shareholders are generally subject to the same risk as holders of the underlying securities they are designed to track. ETFs are also subject to certain additional risks, including, without limitation, the risk that their prices may not correlate perfectly with changes in the prices of the underlying securities they are designed to track, and the risk of trading in an ETF halting due to market conditions or other reasons, based on the policies of the exchange upon which the ETF trades. In addition, each Class may bear, along with other shareholders of an ETF, its pro rata portion of the ETF's expenses, including management fees. Accordingly, in addition to bearing their proportionate share of the relevant Class' expenses (e.g., the management fee and operating expenses), Shareholders may also indirectly bear similar expenses of an ETF, which can have a material adverse effect on the return on capital of the relevant Class.

#### *Short selling*

Short selling involves selling securities which are not owned by the short seller, and borrowing them for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows the seller to profit from a decline in market price to the extent such decline exceeds the transaction costs and the costs of borrowing the securities. The extent to which any Class of Shares engages in short sales will depend upon the Investment Manager's investment strategy and opportunities in light of prevailing laws and regulations. A short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost to the relevant Class of Shares of buying those securities to cover the short position. There can be no assurance that the relevant Class of Share will be able to maintain the ability to borrow securities sold short. In such cases, the relevant Class can be "bought in" (i.e., forced to repurchase securities in the open market to return to the lender). There also can be no assurance that the securities necessary to cover a short position will be available for purchase at or near prices quoted in the market. Purchasing securities to close out a short position can itself cause the price of the securities to rise further, thereby exacerbating the loss.

#### *Debt securities*

Each Class of Shares may, to the extent permitted by applicable law and regulation, directly or indirectly invest in corporate and government debt securities and instruments, and may take short positions in these securities. Each Class of Shares may to the extent permitted by applicable law and regulation invest in these securities when they offer opportunities for capital appreciation (or capital depreciation in the case of short positions) and may also invest in these securities for temporary defensive purposes and to maintain liquidity. Debt securities include, among others: bonds, notes and debentures issued by corporations; debt securities issued or guaranteed by a sovereign government; municipal securities; and mortgage-backed securities ("MBS") and asset backed securities ("ABS"), including securities backed by collateralised debt obligations ("CDO"). Each Class of Shares may also be exposed to the underlying creditworthiness of corporations, municipalities and sovereign states (among others) by the use of credit default swaps. These securities may pay fixed, variable or floating rates of interest, and may include zero coupon obligations.

Debt securities are subject to the issuer's capacity to pay interest and repay principal in accordance with the terms of the obligations (i.e. credit risk) and are subject to price volatility resulting from, among other things, interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (i.e., market risk). An economic recession could severely disrupt the market for most of these securities and may have an adverse impact on the value of such instruments. It is likely that any such economic downturn could adversely affect the ability of the issuers of such securities to repay principal and pay interest thereon and increase the incidence of default for such securities.

To the extent permitted by applicable law and regulation, each Class of Shares may invest in both investment grade debt securities and non-investment grade debt securities (commonly referred to as junk bonds), as well as unrated debt securities. Non-investment grade debt securities in the lowest rating categories and unrated debt securities may involve a substantial risk of default or may be in default. Adverse changes in economic conditions or developments regarding the individual issuer are more likely to cause price volatility and weaken the capacity of the issuers of non-investment grade debt securities to make principal and interest payments than issuers of higher grade debt securities. Moreover, the market for lower grade debt securities may be thinner and less active than for higher grade debt securities.

The financial crisis demonstrated that even securities backed by very large pools of assets may be subject to volatility where markets may be subject to volatility levels which are higher than might ordinarily be

expected. Pre-crisis, debt securities backed by CDOs were considered to be low-risk instruments, as historical statistics appeared to demonstrate that cash flows from a sufficiently large pool of assets, such as credit card debts or mortgage debts, should be highly stable. Accordingly, ratings agencies frequently assigned investment grade ratings to these securities and, in many cases, "AAA" or equivalent ratings. In spite of such high ratings, during the financial crisis, the holders of many of these debt securities suffered significant losses due, among other factors, to statistically unprecedented levels of defaults by underlying debtors. There can be no assurance that, in comparable markets, MBS or ABS held by any Class of Shares would not be subject to similar losses.

Where any Class of Shares invests in MBS and other debt securities secured by real estate, it will be exposed to the fluctuations and cycles in value which are characteristic of real estate markets, as well as specific risks including, among others: adverse changes in national or international economic conditions; changes in supply of or demand for properties; the financial condition of tenants, buyers and sellers of properties; changes in the availability of debt financing; changes in interest rates, exchange rates, real estate tax rates and other operating expenses; and government actions including potential regulations on rent control, environmental laws and regulations, real estate laws and regulations, zoning and planning laws, other regulations and other rules and fiscal policies.

#### *Derivative instruments generally*

The Investment Manager on behalf of each Class of Shares may enter into derivative instruments, such as credit derivatives. It may take advantage of opportunities with respect to certain derivative instruments that are not presently contemplated for use or that are currently not available, but that may be developed, to the extent such opportunities are both consistent with the investment objective of the relevant Class and legally permissible. Special risks may apply to instruments that are invested in by any Class of Shares in the future that cannot be determined at this time or until such instruments are developed or invested in by the relevant Class. For example, risks with respect to credit derivatives may include determining whether an event will trigger payment under the contract and whether such payment will offset the loss or payment due under another instrument. In the past, buyers and sellers of credit derivatives have found that a trigger event in one contract may not match the trigger event in another contract, exposing the buyer or the seller to further risk. Other swaps, options, and other derivative instruments may be subject to various types of risks, including market risk, regulatory risk, tax risk, liquidity risk, the risk of non-performance by the counterparty, including risks relating to the financial soundness and creditworthiness of the counterparty, legal risk, and operations risk. Where any Class of Shares invests in derivatives such as futures or forwards that are linked to commodities, there is a risk that, were there to be an error in closing out the relevant position in time, the relevant Class might be required to take physical delivery of such commodities, or arrange for another party to take delivery on short notice, with resulting additional costs. In addition, as new derivative instruments are developed, documentation may not be standardised, leading to potential disputes or misunderstanding with counterparties. The regulatory and tax environment for derivative instruments in which any Class of Shares may participate is evolving, and changes in the regulation or taxation of such financial instruments may have a material adverse effect on the relevant Class.

Further general risks of dealing in derivatives include (i) leverage; (ii) inability to close out a position on favourable terms or at all; (iii) the price of the underlying securities; (iv) over-the counter contracts; and (v) contractual asymmetries and inefficiencies.

#### *Over-the-counter contracts*

Off-exchange or "over-the-counter" contracts, such as forward financial exchange contracts, are subject to greater price volatility and greater illiquidity than those traded on an exchange: (i) as they are traded through an informal network of banks and other dealers which have no obligation to make markets in these instruments; (ii) as there are fewer market makers, likely resulting in wider spreads between their bid and asked prices and lower trading volumes; and (iii) as positions are not marked-to-market on a daily basis. It may be impossible to liquidate an existing position, to assess the value of a position or to assess the exposure to risk. Counterparties to a transaction may be unable or unwilling to perform their side of such a contract and as such contracts are not guaranteed by an exchange or clearing house any such default would eliminate any profit potential and compel the Class of Shares to cover its commitments for resale or repurchase, if any, at the then-prevailing price, which may be difficult to determine. Any of these events could have a material adverse effect on the performance of the Class and returns to Shareholders.

#### *Contractual asymmetries and inefficiencies*

The Investment Manager, on behalf of each Class of Shares may enter into certain contracts that contain provisions that place it in an “asymmetrical” position relative to its counterparty, such as break clauses, whereby a counterparty may unilaterally terminate a transaction on the basis of a specified reduction in net asset value, incorrect collateral calls or delays in collateral recovery. Where the Investment Manager, on behalf of the Class does not have similar rights against the counterparty, the exposure of the Class to such counterparty is increased, which could have a material adverse effect on the performance of the Class and returns to Shareholders.

#### *Futures*

The value of futures depends upon the price of the financial instruments, such as commodities, underlying them. The prices of futures are highly volatile, and price movements of futures contracts can be influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programmes and policies of governments, and national and international political and economic events and policies. In addition, investments in futures are also subject to the risk of the failure of any of the exchanges on which a Class' positions trade or of its clearinghouses or counterparties.

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 daily 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 Class of Shares from promptly liquidating unfavourable positions and subject the Class to substantial losses or prevent it from entering into desired trades. In extraordinary circumstances, a futures exchange or other regulator could suspend trading in a particular futures contract, or order liquidation or settlement of all open positions in such contract.

The price of stock index futures contracts may not correlate perfectly with the movement in the underlying stock index because of certain market distortions. First, all participants in the futures market are subject to margin deposit and maintenance requirements. Rather than meeting additional margin deposit requirements, shareholders may close futures contracts through offsetting transactions that would distort the normal relationship between the index and futures markets. Second, from the point of view of speculators, the deposit requirements in the futures market are less onerous than margin requirements in the securities market. Therefore, increased participation by speculators in the futures market also may cause price distortions. Successful use of stock index futures contracts by the Investment Manager on behalf of a Class of Shares also is subject to the Investment Manager's ability to correctly predict movements in the direction of the market.

#### *Options*

Each Class of Shares may incur risks associated with the sale and purchase of call options and/or put options.

The seller (writer) of a call option, which is covered (i.e., the writer holds the underlying security), assumes the risk of a decline in the market price of the underlying security below the purchase price of the underlying security less the premium received, and gives up the opportunity for gain on the underlying security above the exercise price of the option. The seller of an uncovered call option assumes the risk of a theoretically unlimited increase in the market price of the underlying security above the exercise price of the option. The securities necessary to satisfy the exercise of an uncovered call option may be unavailable for purchase, except at much higher prices, thereby reducing or eliminating the value of the premium. Purchasing securities to cover the exercise of an uncovered call option can cause the price of the securities to increase, thereby exacerbating the loss. The buyer of a call option assumes the risk of losing its entire premium investment in the call option.

The seller (writer) of a put option which is covered (i.e., 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 if the market price falls below the exercise price of the option. The seller of an uncovered put option assumes the risk of a decline in the market price of the underlying security below the exercise price of the option. The buyer of a put option assumes the risk of losing its entire investment in the put option.

#### *Swaps*

Each Class of Shares may enter into swap transactions. Swaps are entered into in an attempt to obtain a particular return without the need to purchase the underlying reference asset. The use of total return swaps, price return swaps, volatility swaps, variance swaps, performance swaps, rate swaps, basis swaps, forward rate transactions, swaptions, basket swaps, index swaps, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions or any other similar transactions, whether referencing fixed income, equity or hybrid securities, credit, rates, commodities, currencies, baskets or indices (including any option with respect to any of these transactions) is a highly specialised activity that involves investment techniques and risks different from those associated with ordinary securities transactions. Swaps are individually negotiated transactions where each party agrees to make a one-time payment or periodic payments to the other party. Certain swap agreements require one party's payments to be "up-front" and timed differently than the other party's payments (such as is often the case with currency swaps), in which case the entire principal value of the swap may be subject to the risk that the other party to the swap will default on its contractual delivery obligations. Other swap agreements, such as interest rate swaps, typically do not obligate the parties to make "principal" payments, but only to pay the agreed rates or amounts as applied to an agreed "notional" amount. Accordingly, a Class' risk of credit loss may be the amount of interest payments it is entitled to receive on a net basis. As swap transactions are not typically fully funded, a payment of margin is often required by the counterparty. Where a trade is 'in the money', the relevant Class is further exposed to the creditworthiness of the counterparty until any excess margin is returned.

Certain swap agreements are principal-to-principal transactions in which performance is the responsibility of the individual counterparty and not an organised exchange or clearinghouse. As such, a Class of Shares is exposed to the risk of counterparty default and counterparty credit risk. In addition, the margin rate associated with the transaction is often at the discretion of the relevant Class' counterparty, which may result, in certain circumstances, in an unexpectedly large margin call and an associated liquidity drain for the relevant Class. However, regulators in certain developed markets now more closely regulate the OTC market in an attempt to reduce counterparty risk and increase the efficiency of the swaps market. As a result of such regulations costs associated with such trades and the liquidity impact of providing collateral may increase thereby potentially reducing returns. In addition, a swap transaction is a contract whose value is derived from another underlying asset. As such, a move in the price of the underlying asset, can, due to the embedded leverage in the swap, magnify any gains or losses resulting from the transaction. As is the case with any derivative transaction, the counterparty hedge-based pricing and funding costs on entry and exit may be more costly than buying the underlying reference asset directly. Moreover, the Class' forecasts of market values, interest rates, and currency exchange rates may be inaccurate and may result in overall investment performance results that are worse than the results that would have been achieved if the relevant Class did not engage in swap transactions. See 'Enhanced regulation of the OTC derivatives markets' below.

#### *Forward contracts*

The Investment Manager on behalf of each Class of Shares may make use of forward contracts. Forward contracts are transactions involving an obligation to purchase or sell a specific instrument or entitlement at a future date at a specified price. Forward contracts may be used by the Investment Manager on behalf of a Class of Shares for hedging purposes, such as to protect against uncertainty in the level of future foreign currency exchange rates. Forward contracts may also be used to attempt to protect the value of the relevant Class' existing holdings of securities held in currencies other than the base currency of the relevant Class. As is the case for any attempt at hedging downside risk, there is a risk that there is an imperfect correlation between the value of the securities and the forward contracts entered into with respect to those holdings resulting in an unprotected loss. Forward contracts may also be used for investment, non-hedging purposes to pursue the relevant Class' investment objective, for example where it is anticipated that a particular currency will appreciate or depreciate in value.

Forward contracts and options thereon, unlike futures contracts, are generally not traded on exchanges and are not standardised; rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. However, certain forward currency exchange contracts are regulated as swaps by the CFTC and have begun being voluntarily traded on swap execution facilities. If the Class' swap counterparty is a US person (for the purposes of the CFTC's swap regulations), some of these contracts may be required to be centrally cleared by a regulated US clearinghouse, and may be required to be traded on regulated exchanges in the future. See – 'Enhanced regulation of the OTC derivatives markets', below. Interbank forward and "cash" trading is substantially unregulated; there are few limitations on daily price movements and speculative position limits are

not applicable. As in the case of a futures contract, a forward usually only requires a much smaller amount of margin to be provided relative to the economic exposure which the forward contract provides to the relevant investment; it creates a 'gearing' or 'leverage' effect. This means that a small margin payment can lead to enhanced losses as well as enhanced gains. It also means that a relatively small movement in the underlying instrument can lead to a much greater proportional movement in the value of the forward contract. The principals who deal in the interbank 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 forward markets, particularly the currency markets, due to unusually high trading volume, political intervention, market dislocations, unanticipated third country events affecting the underlying asset, unscheduled holidays and market closures or other factors. The imposition of controls by governmental authorities might also limit such forward trading to less than that which the Investment Manager would otherwise recommend, to the possible detriment of any Class of Shares. Market illiquidity or disruption could result in major losses to a Class of Shares.

#### *Contracts for difference (“CFDs”)*

A contract for difference is a contract between two parties, buyer and seller, stipulating that the seller will pay the buyer the difference between the current value of an asset (a security, instrument, basket or index) and its value at contract time. If the difference is negative then, instead, the buyer pays the seller. CFDs allow investors to take synthetic long or synthetic short positions with a variable margin, which, unlike futures contracts, have no fixed expiry date or contract size. Unlike shares, with CFDs the buyer is potentially liable for far more than the amount they paid on margin.

#### **Cryptocurrency Assets**

A Class of Shares may invest in cryptocurrencies and other similar digital assets issued and/or traded using distributed ledger or blockchain technology, including, but not limited to Bitcoin and Ether. A Class of Shares may gain exposure to cryptocurrencies indirectly, for example, through investments in exchange-traded and OTC-traded securities which are linked to an underlying cryptocurrency (“**Cryptocurrency Securities**”), or purchase cryptocurrencies directly (cryptocurrencies and Cryptocurrency Securities, together “**Cryptocurrency Assets**”).

Investments in Cryptocurrency Securities and cryptocurrencies carry significant risk. Cryptocurrencies, and consequently Cryptocurrency Securities, are a new and evolving asset class. The characteristics of particular cryptocurrencies or Cryptocurrency Securities within the “class” may differ significantly, and the investment characteristics of cryptocurrencies as an asset class differ from those of traditional currencies, securities and commodities. A Class of Shares may lose the value of all or any part of its investment in Cryptocurrency Securities and / or cryptocurrencies. A Class of Shares may take both long and short positions in cryptocurrencies.

#### *Unique features of cryptocurrencies and Cryptocurrency Securities*

Cryptocurrencies have limited history, and the risks of cryptocurrency and Cryptocurrency Security use and ownership cannot be fully known. Due to the limited history of cryptocurrencies and Cryptocurrency Securities and the rapidly evolving nature of the cryptocurrency and Cryptocurrency Security market, it is not possible to know all the risks involved in making an investment in Cryptocurrency Assets, and new risks may emerge at any time. Cryptocurrencies and Cryptocurrency Securities have gained some commercial acceptance only within the past decade and, as a result, there is little data on their long-term investment potential or adoption in the marketplace. Additionally, due to the rapidly evolving nature of the cryptocurrency and Cryptocurrency Security market, including the development of new cryptocurrencies and advancements in the underlying technology, it is not possible to predict which cryptocurrencies or Cryptocurrency Securities a Class of Shares may own in the future or even to fully describe those potential cryptocurrencies or Cryptocurrency Securities. New Cryptocurrency Assets or changes to existing Cryptocurrency Assets may expose a Class of Shares to additional risks which are impossible to predict.

Except for (as at the date of this Prospectus) El Salvador, currently cryptocurrencies are not generally recognised as legal tender by any governmental authority, and they are not backed by the full faith and credit of, or endorsed by, any governmental authority. Cryptocurrencies (1) typically are not issued by a central bank or a public

authority and are not governed by a centralised issuer or administrator (i.e., are decentralised), (2) typically rely on cryptographic protocols and distributed ledger network technology and can be transferred, stored or traded electronically, (3) with certain exceptions, may be converted into one or more fiat currencies (and vice versa) but are not typically backed or attached to fiat currencies or other physical assets and (4) in some cases may be accepted as a means of payment. Currently, a significant portion of cryptocurrency demand is generated by speculators seeking to profit from short- or long-term price fluctuations. The value of cryptocurrencies or Cryptocurrency Securities in respect of any specific transaction is based on the agreement of the parties thereto, and the value of such cryptocurrencies and Cryptocurrency Securities more broadly is based on the agreement of market participants. There are questions regarding whether cryptocurrencies, and consequently Cryptocurrency Securities, have any intrinsic value. Cryptocurrencies and Cryptocurrency Securities are not issued or controlled by a central authority, and changes in software protocols that affect a Cryptocurrency Security's distributed ledger network can be implemented through various forms of network governance, including acceptance of changes by a predetermined number of miners (i.e., transaction validators) or by user votes. These governance mechanisms may be unclear or poorly implemented, which could lead to ineffective decision-making that slows the development and growth of the network, prevents the network from overcoming critical obstacles or issues or otherwise negatively affects the network, all of which could impair the associated cryptocurrency's development and growth. This could adversely affect a Class of Shares' investments in respect of the affected cryptocurrency. Because cryptocurrencies are a newly developing asset class, there is a comparatively smaller number of participants in the cryptocurrency and Cryptocurrency Security investment space relative to other investment areas such as securities or conventional commodities. For instance, there may be a limited number of dealers or financial institutions willing to enter into spot cryptocurrency transactions with the Company. Consequently, the Investment Manager at times may be unable to purchase suitable investments, particularly in periods of market volatility or disruption or for any number of other reasons.

To the extent a Class of Shares experiences difficulty in buying or selling Cryptocurrency Assets, the Class of Shares may not always be invested in Cryptocurrency Assets, to the extent it deems appropriate. In addition, the Class of Shares could also suffer liquidity issues, impairing the ability to process redemptions. The global market for Cryptocurrency Assets is characterised by supply constraints that differ from those present in markets for tangible assets, including commodities such as gold and silver. The mathematical protocols under which certain cryptocurrencies are mined permit the creation of a limited, predetermined amount of cryptocurrency, while others have no limit established on total supply. If the amount of a Cryptocurrency Asset acquired or sold by a Class of Shares or another investor is large enough relative to global supply and demand, those persons could have an impact on the supply of and demand for the relevant Cryptocurrency Asset and therefore its price. This situation could be exacerbated in economic or market crisis scenarios that motivate large-scale purchases of Cryptocurrency Assets, which could rapidly increase Cryptocurrency Asset prices but cause substantial decreases once crisis-driven purchasing behaviour wanes. Such an impact could affect the trading prices for the relevant Cryptocurrency Asset, which would directly and potentially adversely affect the net asset value of the Class of Shares.

#### *Price volatility of Cryptocurrency Assets*

Cryptocurrencies, and consequently Cryptocurrency Securities, may be subject to significant price volatility. The prices of cryptocurrencies, and consequently Cryptocurrency Securities, are based on the perceived value of the cryptocurrencies and are subject to changes in sentiment, which make Cryptocurrency Assets highly volatile. Certain Cryptocurrency Assets have experienced daily price volatility of more than 20%. Prices may be affected by a wide range of complex and difficult-to-predict factors, including:

- level of world-wide growth in the adoption and use of cryptocurrencies – cryptocurrencies are not backed by a central bank, a national or international organisation, assets or other credit, and the price of cryptocurrencies is entirely dependent on the value that market participants place on them, meaning that any increase or loss of confidence in cryptocurrencies may affect their value;
- level of supply of cryptocurrencies versus level of demand;

- investment and trading activities of market participants – use of cryptocurrencies in the retail and commercial marketplace is limited and the significantly speculative trading activity may lead to price distortion and volatility;
- inflation and interest rates; and governmental monetary policies, trade restrictions, currency devaluations and revaluations; and global or regional, political, economic or financial events and situations;
- the liquidity of cryptocurrency markets, the ability to convert cryptocurrencies into fiat currencies and associated currency exchange rates;
- availability of and access to relevant service providers, exchanges, miners, validators or other cryptocurrency users and market participants, whether due to technological interruptions in service from, or failures of, cryptocurrency exchanges, other technological disruptions or legislative or regulatory actions;
- regulation of Cryptocurrency Assets, cryptocurrency networks, platforms and exchanges and restrictions on the right to acquire, own, hold, sell, use or exchange cryptocurrencies;
- negative government action with respect to registration applications for investment vehicles with Cryptocurrency Asset exposure, each of which could decrease institutional and retail investor interest in Cryptocurrency Assets;
- manipulative trading on cryptocurrency exchanges, which are largely unregulated or less regulated than traditional financial instrument markets;
- continuous trading of cryptocurrencies, as the market is accessible 24 hours, 7 days a week;
- media (including social media) speculation and reporting about cryptocurrencies;
- liquidity of cryptocurrency markets; and
- fraud, security breaches or malicious attacks affecting, or the failure of, cryptocurrency networks, platforms and exchanges.

Cryptocurrency Assets may also be subject to momentum pricing due to speculation regarding future appreciation in value, leading to greater volatility. Momentum pricing typically is associated with growth stocks and other assets whose valuation, as determined by the investing public, accounts for future appreciation in value, if any. It is possible that momentum pricing of Cryptocurrency Assets has resulted, and may continue to result, in speculation regarding future appreciation in the value of Cryptocurrency Assets, making Cryptocurrency Asset prices more volatile. As a result, Cryptocurrency Assets may be more likely to fluctuate in value due to changing investor confidence, which could impact future appreciation or depreciation in Cryptocurrency Asset prices.

Historically, prices of various Cryptocurrency Assets have been highly correlated. In addition, activity in a particular cryptocurrency on one cryptocurrency exchange or trading venue may have an impact on the overall market of that cryptocurrency. For example, Bitcoin price movements may have a greater effect on price movements of other cryptocurrencies and Cryptocurrency Securities in the same or opposite direction. A crash in one cryptocurrency or widespread defaults on one cryptocurrency exchange or trading venue may cause a crash in the price of other cryptocurrencies, or a series of defaults by counterparties on cryptocurrency exchanges or trading venues. This is sometimes referred to as “systemic risk” and may adversely affect counterparties and other institutions with which a Class of Shares interacts. A systemic failure could have material adverse consequences on the relevant Class of Shares.

Furthermore, the value of certain investment vehicles designed to track the value of underlying cryptocurrencies through direct holdings in such cryptocurrencies (such as cryptocurrency ETFs or investment trusts) may not approximate the value of the underlying cryptocurrencies and may trade at a substantial premium over (or a substantial discount to) the underlying cryptocurrencies. Such premiums or discounts can vary significantly over time due to a variety of unpredictable factors (including, but not limited to, volatility and directional price

movements in the underlying spot markets, and the structure and operations of the investment vehicles). Moreover, price movements in the underlying cryptocurrency spot markets may not necessarily result in parallel price movements in the corresponding investment vehicles and underlying cryptocurrency spot prices have moved in opposite directions to such investment vehicles in the past. To the extent the value of a Cryptocurrency Asset in which a Class of Shares is invested diverges from its underlying cryptocurrency holdings or otherwise behaves unexpectedly, the Class of Shares may be adversely affected.

There is no assurance that cryptocurrencies will maintain their long-term value or become more widely adopted as a form of currency. On the contrary, they may cease to be used altogether.

Rapid price fluctuations in Cryptocurrency Assets in which a Class of Shares may have investments could, dependent on whether the Class of Shares holds long or short positions in such investments, result in material, adverse effects on the Class of Shares. In the event that the prices of Cryptocurrency Assets decline, the value of the Cryptocurrency Assets held by a Class of Shares, whether directly or indirectly, may also decline, which, in turn, may impact the value of the Shares.

#### *Valuation of Cryptocurrency Assets*

Cryptocurrencies can be traded through privately negotiated peer-to-peer transactions and through numerous cryptocurrency exchanges and intermediaries around the world. The lack of centralised pricing sources poses a variety of valuation challenges. From time to time, a Class of Shares may face difficulties in determining the value of its Cryptocurrency Asset investments due to price volatility, illiquidity, and the fragmentation of cryptocurrency markets. Published cryptocurrency prices may deviate significantly between different exchanges and other market venues as a result of liquidity imbalances, and weighted average prices may not provide an accurate representation of value.

Although the Company will endeavour to implement valuation policies and procedures which address these challenges, the Company may not be able to account for all of the possible events and circumstances that may impact its ability to value Cryptocurrency Assets, particularly in light of the potential for governmental and regulatory intervention and the nascent state of the secondary markets. See “Cryptocurrency exchanges and intermediaries” below. This may, in turn, affect the Administrator’s ability to calculate the Net Asset Value.

#### *Illiquidity of Cryptocurrency Assets*

Liquidity risk exists when particular investments are difficult to purchase or sell, possibly preventing a Class of Shares from selling out of these illiquid investments at an advantageous price. Thin markets can also amplify volatility, and such dispersed liquidity may pose challenges for a Class of Shares if there is a need to exit a position in a Cryptocurrency Asset, particularly during periods of market stress. Any markets for these investments can be expected to involve wider price spreads and more sensitivity to buying and selling pressures than is found in more active markets. Cryptocurrency Assets may be illiquid investments that are not easily and readily convertible into fiat currencies, and some cryptocurrency markets may be thinner than others. Accordingly, any purchase of Cryptocurrency Assets by a Class of Shares is likely to increase the proportion of the Class’ portfolio that is comprised of illiquid investments. Though each Class of Shares will manage liquidity risks across all investments on an ongoing basis, greater exposure to cryptocurrencies increases the possibility that, as at any Dealing Day, a Class of Shares might lack sufficient liquid assets to fund the payment of redemption proceeds to any redeeming Shareholders. Additionally, a Class of Shares may be forced to dispose of other more liquid assets in order to fund redemptions, meaning that the remaining investors (including the Protected Cell) have increased exposure to the Cryptocurrency Assets and the risks associated therewith (including decreased liquidity).

#### *Risks in respect of cryptocurrency service provider appointments*

The Company may appoint cryptocurrency service providers (including Coinbase) in respect of the trading and custody of Cryptocurrency Assets. The contractual terms of appointment of cryptocurrency service providers may be less favourable to the Company, as compared to those in respect of “traditional” service providers (for assets that are not Cryptocurrency Assets), in particular with respect to liability provisions. In case of any disputes arising



from the appointment of a cryptocurrency service provider, the Company may be in a worse position than it would have been under a “traditional” service provider appointment.

*Custody and security risks in respect of cryptocurrencies*

A Class of Shares may not directly hold or control its cryptocurrencies. In such circumstances, the Class will be reliant on a third party custody provider’s security systems and processes to ensure the safe storage of the Class’ Cryptocurrency Assets and the private keys that control movement of cryptocurrencies. Likewise, where a Class of Shares invests in Cryptocurrency Securities, the Class of Shares will be depending on the adequacy of the custody arrangements in place in respect of the cryptocurrencies attributable to the Cryptocurrency Security. Cryptocurrencies held by third parties could be transferred into “cold storage” or “deep storage”, in which case there could be a delay in retrieving such cryptocurrencies. A Class of Shares may incur additional costs related to such third party storage.

A Class of Shares may hold cryptocurrencies directly, such as when transferring its cryptocurrencies between the cryptocurrency exchanges and the cryptocurrency service providers used by the Class of Shares. In entrusting a Class of Shares’ cryptocurrencies with a custodian and to the extent a Class of Shares holds cryptocurrencies directly, the Custodian must maintain custody of some or all of the Class’ cryptocurrencies, by generating the private keys that control movement of the various cryptocurrencies. The Custodian is responsible for taking such steps it determines, in its discretion, to be required to maintain access to these keys, as applicable, and protect them from hacking, malware and general security threats. In entrusting a Class of Shares’ cryptocurrencies with a custodian and, to the extent the Investment Manager, in its sole discretion, engages financial institutions or other third parties to act as cryptocurrency service providers of the Class’ cryptocurrencies, the Class of Shares will be reliant on such parties’ security systems and processes to ensure the safe storage of the Class’ cryptocurrencies. In many cases the storage of the Class’ cryptocurrencies may be achieved via omnibus wallets which store assets owned by a number of different clients of the cryptocurrency service provider, in an unsegregated way. See “Risks in respect of blockchain technology” below.

Even where custody services are provided by custodians by way of “cold storage” or “deep storage” in order to segregate a Class of Shares’ cryptocurrencies from the assets of the custodian and its other clients, such systems are novel and untested, and there is no guarantee that such segregation of assets will always be effective.

Safekeeping of cryptocurrencies with custodians subjects the Classes of Shares to similar risks as safekeeping of other assets with other counterparties acting as custodian, prime broker or broker-dealer for the Class of Shares, in the event of custodian insolvency or if the custodian becomes subject to liquidation proceedings. See “Counterparty risk” above.

Due to the novel nature and unique characteristics of cryptocurrencies as an asset class and the lack of legal precedent in this area, it is unclear how questions surrounding custody arrangements would be treated in court proceedings arising from an adverse event (e.g., fraud, loss, theft, or bankruptcy). Also, as compared to common custody arrangements in respect of other assets, there are significantly fewer regulatory requirements for custodians in relation to the holding of cryptocurrencies and entities may not be complying with regulatory requirements that do apply. The Shares will be subject to these unique risks and uncertainties in entrusting cryptocurrencies with custodians or storage providers which are not present in relation to the custody of other assets.

The financial institutions, exchanges or other third parties selected by the Investment Manager to hold cryptocurrencies on behalf of a Class of Shares may become insolvent, causing the Class of Shares to lose all or a portion of cryptocurrencies held by those custodians. In the event of bankruptcy of a third-party service provider, a Class of Shares’ cryptocurrencies held by a third party may, in certain circumstances, be considered property of the bankruptcy estate and the Class of Shares could be treated as a general unsecured creditor in bankruptcy proceedings. Such a result may have an adverse impact on the value of an investment in a Protected Cell.

The cybersecurity risks of cryptocurrencies and related digital wallets or spot exchanges that hold a Class of Shares’ cryptocurrencies include hacking vulnerabilities and a risk that publicly distributed ledgers may not be immutable. A cybersecurity event could result in a substantial, immediate and irreversible loss for market participants that trade Cryptocurrency Assets, such as the Company. Even a minor cybersecurity event in a

cryptocurrency is likely to result in downward price pressure on that product and potentially other Cryptocurrency Assets. System and process safeguards may be breached due to the actions of outside parties, error or malfeasance of an employee of the Custodian, a third party custody provider, the applicable cryptocurrency service provider or otherwise, and, as a result, an unauthorised party may obtain access to the Class' assets, the private keys (and therefore the cryptocurrencies) or other data of the Company. Additionally, outside parties may attempt to fraudulently induce the Custodian's employees, a third party custody provider's employees or those of a cryptocurrency service provider to disclose sensitive information in order to gain access to the Custodian's, a third party custody provider's or the relevant cryptocurrency service provider's infrastructure. As the techniques used to obtain unauthorised access, disable or degrade service or sabotage systems change frequently, or may be designed to remain dormant until a predetermined event and often are not recognised until launched against a target, each or all of the Company, the Investment Manager, the Custodian, a third party custody provider and the cryptocurrency service providers may be unable to anticipate these techniques or implement adequate preventative measures. The safety of the relevant security measures could be affected by a number of factors, including (but not limited to):

- existing or new technological threats;
- undetected errors, software flaws or vulnerabilities;
- security breaches arising from cyber-attacks, computer malware, computer hacking or sabotage; and
- fraud, wilful default or negligence or other failures on the part of the relevant custody provider or cryptocurrency exchange.

To the extent that the relevant custody provider is unable to identify and mitigate or stop new security threats, a Class of Shares' Cryptocurrency Assets may be subject to theft, loss, destruction or other attack, which would result in loss of the Class' assets and have a negative impact on the performance of the Shares.

Cryptocurrency service providers generally have different policies regarding how they maintain cryptocurrencies, including the percentage of cryptocurrencies maintained in "hot" and "cold" wallets (i.e., the percentage of cryptocurrency holdings connected to the internet) and may be subject to many of the same risks applicable to cryptocurrency exchanges (see "Cryptocurrency exchanges and intermediaries" below).

#### *No federal insurance protection*

Unlike bank deposits or securities accounts respectively, cryptocurrencies held by a Class of Shares are not subject to US Federal Deposit Insurance Corporation ("**FDIC**") or US Securities Investor Protection Corporation ("**SIPC**") protections. The Company is not a banking institution or otherwise a member of the FDIC or SIPC and, therefore, deposits held with or assets held by a Class of Shares are not subject to the protections enjoyed by depositors with FDIC or SIPC member institutions.

In the event of the permanent loss or theft of any cryptocurrency investments for which the Company provides custody arrangements, the insolvency of any cryptocurrency exchanges where a Class of Shares' cryptocurrencies are held or the insolvency of any depository or custodian for such cryptocurrencies, the Class of Shares may be unable to recover all of its funds or the value of its assets so deposited.

#### *Cryptocurrency derivatives*

Cryptocurrency derivatives may experience significant price volatility, and the initial margin for cryptocurrency derivatives may be set as a percentage of the value of a particular contract, which means that margin requirements for long positions can increase if the price of the contract rises. In addition, some futures commission merchants may pose restrictions on customer trading activity in cryptocurrency derivatives, such as requiring additional margin, imposing position limits, prohibiting naked shorting or prohibiting give-in transactions. The rules of certain designated contract markets impose trading halts that may restrict a Class of Shares' ability to exit a position during a period of high volatility.

As the cryptocurrency derivatives markets can change rapidly and daily price movements may be more volatile than in the traditional markets, market conditions and brokers' and clearinghouses' margin methodologies may result in higher margin requirements and significant daily or intra-day increases in the level of margin required. Failure to meet a margin requirement may result in positions being reduced, closed-out or automatically liquidated against a Class of Shares.

The prices of derivative instruments, including futures, options and similar instruments, are highly volatile. Payments made pursuant to swap agreements and similar instruments may also be highly volatile. A Class of Shares may be engaged in the trading of bespoke derivative instruments based on cryptocurrencies that have characteristics similar to, but also distinct from, other types of derivative instruments deployed in traditional asset classes. As the value of a derivative depends largely upon price movements in the underlying asset, the foregoing risks applicable to trading underlying cryptocurrencies also affect the value of cryptocurrency derivatives. Accordingly, cryptocurrency derivatives may be subject to substantial price volatility.

To date, US-licensed derivative exchanges generally do not permit as much leverage (if any at all) for cryptocurrency derivatives compared to traditional futures and swaps. However, more leverage may be available for cryptocurrency derivatives on other (non-US licensed) venues than in traditional markets. The use of leverage by a Class of Shares in a market that moves adversely to the Class' investments could result in a loss to the Class of Shares that would be greater than if leverage were not employed by the Class of Shares. As a general matter, the prices of leveraged instruments can be highly volatile, and investments in leveraged instruments may, under certain circumstances, result in losses that exceed the amounts invested. As a result, a relatively small price movement in a futures contract may result in immediate and substantial losses to the trader.

Futures positions may be illiquid because certain commodity exchanges and cryptocurrency 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 the Investment Manager from promptly liquidating unfavourable positions and subject a Class of Shares to substantial losses, especially during periods of high volatility. In addition, the Investment Manager may not be able to execute futures contract trades at favourable prices if little trading in the contracts involved is taking place. It is also possible that an exchange or regulatory authority 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. Any such restrictions or halts would restrict a Class of Shares' ability to exit a cryptocurrency derivative position during a period of increased volatility.

Certain commodity exchanges and cryptocurrency 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. The Investment Manager may need to modify its investment and trading decisions for a Class of Shares, and the Class of Shares might need to liquidate positions, in order to avoid exceeding such limits. If this should occur, it could adversely affect the Class' profitability.

Due to the nature of cryptocurrencies, certain cryptocurrency derivatives may be programmed to execute automatically when certain conditions are met, using "smart contracts". Since smart contracts typically cannot be stopped or reversed, any adverse or unintended effects, such as uneconomic collateral liquidations, may be exacerbated.

#### *Risks in respect of blockchain technology*

Cryptocurrency balances are generally maintained as an address on the blockchain and are accessed through private keys, which may be held by the Company or a cryptocurrency service provider. Although cryptocurrency transactions are typically publicly available on a blockchain or distributed ledger, the public address does not identify the controller, owner or holder of the private key. Unlike bank and brokerage accounts, cryptocurrency exchanges and cryptocurrency service providers that hold cryptocurrencies do not always identify the owner. This

creates a risk of an inability to identify ultimate beneficiaries or recipients (as applicable) of payments of cryptocurrencies made by or to a Class of Shares.

Most cryptocurrencies are stored in a digital wallet and are controllable only by the holder of two unique keys, one public and one private, specific to the digital wallet in which such cryptocurrencies are held. The currency holder publishes the public key to the digital wallet used to receive the currency as part of any currency transfer, and the public key then forms part of the public blockchain (the public transaction ledger of the relevant cryptocurrency network, the “**Blockchain**”) of the cryptocurrency network or platform. The private key is used by the currency holder to verify each currency transaction and is not public information. The currency holder, or a custodian or other third party on behalf of the currency holder, must safeguard the private keys using an appropriately secure storage system. If the private keys relating to the cryptocurrencies are lost, destroyed or otherwise compromised, the currency holder will be unable to access the cryptocurrencies stored in the digital wallets to which those private keys relate. Moreover, private keys are not recoverable or restorable by the cryptocurrency network or platform. This loss of access would be permanent if there is no backup of the private key or if the relevant blockchain network is unable to restore the private key. The risk of loss due to losses of private keys or similar methodologies of secure access is generally greater for cryptocurrencies than that of other asset classes given their nature and the variations in the sophistication of access methodologies. Any loss of private keys relating to digital wallets used to store either (i) cryptocurrencies held by the issuer of any Cryptocurrency Securities in which a Class of Shares has invested, or (ii) cryptocurrencies held directly by a Class of Shares, could adversely affect an investment in the Shares.

Cryptocurrencies rely on blockchain technology and other cryptographic and algorithmic protocols that represent new and rapidly evolving technologies that are subject to a variety of factors that are difficult to evaluate. There is a risk that certain technical issues might be uncovered and the troubleshooting and resolution of such issues likely will require the attention and efforts of decentralised development communities. Moreover, in the past, flaws in the source code for cryptocurrencies have been exposed and exploited, including flaws that disabled some functionality for users, exposed users’ personal information and/or resulted in the theft of users’ cryptocurrencies. The cryptography underlying cryptocurrencies could prove to be flawed or ineffective, or developments in mathematics and/or technology, including advances in digital computing, algebraic geometry and quantum computing, could result in such cryptography becoming ineffective. This could rapidly destroy the integrity of any cryptocurrencies and undermine confidence in Cryptocurrency Asset markets in general. Cryptocurrency Assets may experience periods of disruption or become subject to manipulation as new technologies become available or during periods of disparate adoption of new hardware, software or protocols.

Even if only a particular cryptocurrency was affected by such circumstances, any reduction in confidence in the source code or cryptography underlying cryptocurrencies generally could negatively affect the demand for cryptocurrencies and Cryptocurrency Securities and therefore could have an adverse impact on an investment in a Class of Shares.

#### *Development and maintenance of cryptocurrency networks*

The networks underlying several cryptocurrencies operate based on an open-source protocol maintained by a group of uncompensated volunteer developers. Consequently, there may be a lack of financial incentive for developers to maintain or develop the network, and the developers may lack the resources to adequately address emerging issues with the relevant cryptocurrency protocol. There can be no assurance that the core developers of a cryptocurrency network will continue to be involved in the network, or that new volunteer developers will emerge to replace them. To the extent that material issues arise with a cryptocurrency protocol and the developers are unable or unwilling to address the issues adequately or in a timely manner, the cryptocurrency, and consequently Cryptocurrency Securities referencing such cryptocurrency (dependent on whether the Class of Shares holds long positions in such cryptocurrencies) may diminish in value or become worthless. In addition, several cryptocurrencies rely on decentralised participants to operate the cryptocurrency network through verifying transactions in cryptocurrencies on an ongoing basis. The failure of decentralised participants to continue to maintain a network by verifying cryptocurrency transactions may result in the relevant cryptocurrency (dependent on whether the Class of Shares holds long or short positions in such cryptocurrencies) losing value or becoming worthless. The occurrence of any failures or malfunctions above could lead to substantial losses for a Class of Shares and, accordingly, adversely impact an investment in the Shares.

### *Risks of proof of stake verified cryptocurrencies*

A Class of Shares may invest in various cryptocurrencies that rely in total or in part on a “proof of stake” method of generating a distributed consensus. Proof of stake algorithms do not rely on resource intensive calculations to validate transactions and create new blocks in a blockchain; instead, the creator of the next block is determined by reference to the amount of wealth a user has “staked” and the amount of time it has been “staked”, which generates payments to such user in additional cryptocurrency. While the advantage of a “proof of stake” system is that it is far less energy intensive than a “proof of work” system, this may result in lower barriers for entry, which may allow for increased participation by malicious actors with small stakes that attempt to manipulate the blockchain or increase the risk that the cryptocurrency will experience one or more forks, which could impact its value.

Founders of proof of stake cryptocurrency networks may retain large amounts of the generated cryptocurrency, which large positions may result in such founders having an effective veto or ability to control the cryptocurrency or its associated blockchain. As returns associated with staking are connected to the amount of the wealth staked, “proof of stake” systems may encourage hoarding of the cryptocurrency. While there are advantages to having users “buy in” to a cryptocurrency and support its development, excessive hoarding reduces the “decentralised” nature of verification of the blockchain and may impair the spread of such cryptocurrency, including interfering with the widespread adoption of a cryptocurrency for use in transactions.

Certain “proof of stake” networks require staked cryptocurrencies to be “locked,” resulting in a loss of liquidity while staked. In order to maximise returns, staking typically requires an investor to obtain a sizable position in the cryptocurrency and may prevent that position from being liquidated at advantageous times. There may be no guarantee that staking rewards will be paid, and/or the amount of staking rewards may change without notice. While cryptocurrencies are staked, a Class of Shares may not be able to liquidate such cryptocurrencies or otherwise take advantage of favourable trading opportunities. Certain “proof of stake” networks also impose penalties, often referred to as “slashing” in the event network validators do not act appropriately, which may result in the loss of staked cryptocurrencies.

A network’s slashing penalty can range anywhere from 0.1% of staked assets for a minor offense, to 100% of staked assets in the event of a gross act of misconduct that threatens the security of the network. If a Class of Shares leverages third-party infrastructure and services to participate in the validation process, there is a reasonable degree of risk that the chosen third parties will be subjected to slashing penalties, which will result in the unrecoverable loss of a Class of Shares’ staked assets. Additionally, the act of delegation or liquidity provision across various decentralised finance protocols using third-party integration services is subject to the risk of loss through infrastructural vulnerabilities of the underlying cryptocurrency network, whether through normal or erroneous function, primary and secondary smart contract vulnerabilities, or the actions of a malicious third party. The loss of cryptocurrencies through any of the aforementioned mechanisms could result in a reduction in the value of a Class of Shares’ Cryptocurrency Asset investments.

Proof of stake networks are newer and generally not as widely used as proof of work networks and may be untested at scale. As a result, proof of stake networks may not work as intended. If proof of stake networks do not function as intended, or fail to gain adoption, the value of cryptocurrencies relying on proof of stake consensus may be negatively affected, which could adversely affect the value of a Class of Shares’ Cryptocurrency Asset investments.

### *Risks related to stablecoins*

A Class of Shares may make temporary investments in stablecoins. Stablecoins are cryptocurrencies that seek to minimise volatility and maintain a stable value, including by being backed by an asset or portfolio of assets, such as fiat currency, or other methods, such as algorithmically controlled supply. There is a risk that the sponsor or issuer (including a smart contract) of a stablecoin does not hold the corresponding asset underlying each stablecoin in circulation and is therefore unable to fulfil one-for-one or other forms of redemptions. Alternatively, software designed to maintain the value of a stablecoin may be subject to errors, flaws, bugs or be subject to hacking or manipulation. Stablecoin issuers or sponsors (including smart contracts and their programmers) may

be unregulated and may not provide transparent disclosure regarding their compliance with applicable licensing and regulatory requirements or the financial institutions that hold the underlying assets.

Recent statements from US SEC officials have suggested that stablecoins may be regulated as securities. State regulators, including regulators in New York, have also initiated and settled enforcement proceedings involving stablecoins. If a stablecoin issuer or sponsor fails to maintain required licenses to issue a stablecoin, it could subject the issuer or sponsor to regulatory enforcement and injunctive actions, such as freezing funds underlying the stablecoin. The stablecoin issuer or sponsor could also lose its relationships with banks and bank accounts where the underlying assets are deposited if it is engaged in unlicensed activities. If any of these events affecting stablecoins held by the Company were to occur, the value of the affected stablecoins could materially decline, which could have an adverse effect on an investment in the Shares.

### *Forking*

The majority of cryptocurrencies are open-source projects, meaning they do not have official development teams that are responsible for overseeing upgrades and modifications to the network. Instead, cryptocurrencies are reliant on individual developers to generate software updates, which are proposed to users through software downloads and upgrades. However, users must consent to those software modifications by downloading the altered software or upgrade implementing the changes; otherwise, the changes do not become a part of the network. If a substantial number of users disagree that a proposed modification to the network should be implemented, a “fork” in the blockchain could develop, resulting in two different networks. This type of “fork” could materially and adversely affect the price of the relevant cryptocurrency, and therefore any related Cryptocurrency Assets, and may harm the sustainability of the cryptocurrency economy. The ability to participate in forks could have implications for Shareholders. For example, if a Class of Shares holds a cryptocurrency position through a cryptocurrency exchange, the Class of Shares may be adversely impacted if the exchange does not allow its customers to participate in a fork that creates a new product.

The post-fork value of cryptocurrencies can be volatile and unpredictable. This could result in the holder owning the same asset after the fork as before the fork, but at a lower market value. Further, the post-fork cryptocurrency may not be supported by an adequate amount of network participants or developers and may be vulnerable to attack and other risks. To the extent that cryptocurrencies in which a Class of Shares is invested experience a fork in their blockchains, the Class of Shares could experience significant losses, in particular where the Class of Shares holds long positions in such cryptocurrencies, which would have an adverse impact on an investment in the Shares.

Forks in cryptocurrencies may also have an impact on Cryptocurrency Assets linked to the relevant cryptocurrency. It is possible that a derivative may only track a portion of the cryptocurrencies that result from a fork in a cryptocurrency blockchain, rather than the aggregate prices of all cryptocurrencies that exist following the fork. Further, the sponsors or issuers of derivatives or securities based on cryptocurrencies or the exchanges on which cryptocurrency derivatives trade may have broad discretion to determine how to treat forks. Such determinations could be adverse to the interests of a Class of Shares. In addition to forks, a cryptocurrency may become the subject of an “airdrop”. In an airdrop, the promoters of a new cryptocurrency distribute the cryptocurrency to numerous holders of other cryptocurrencies, generally at no monetary cost, based on the fact that they hold such other cryptocurrencies, or in exchange for certain promotional or other services. Cryptocurrencies received through forks, airdrops and other similar events are referred to herein as “Incidental Assets”.

A Class of Shares may not receive the benefits of any forks, and a Class of Shares may not choose, or be able, to participate in an airdrop, and the timing of receiving any benefits from a fork, airdrop or similar event is uncertain. There are likely to be legal, tax, regulatory, operational and other considerations that limit or prevent a Class of Shares from realising a benefit from any Incidental Assets. The Investment Manager may determine that there is no safe or practical way to maintain custody of an Incidental Asset, that doing so may pose an unacceptable risk to the Class of Shares or that the costs of holding an Incidental Asset exceed the benefits of holding such Incidental Asset. Moreover, it may be illegal to sell or otherwise dispose of an Incidental Asset or there may not be a suitable market into which an Incidental Asset can be sold (whether immediately after the fork or airdrop, or subsequently). The Investment Manager may also determine that an Incidental Asset is, or is likely to be deemed,

a “security” under US federal or state securities laws. As such, the Investment Manager may determine to dispose of an Incidental Asset without realising any economic benefit from such asset. There can be no assurance as to the price or prices for any Incidental Asset, and the value of an Incidental Asset may increase or decrease after any sale by a Class of Shares. In addition, the Investment Manager may determine to irrevocably abandon an Incidental Asset if the Investment Manager believes that holding such Incidental Asset would have an adverse effect on a Class of Shares and it would not be practicable or possible to dispose of the Incidental Asset in a manner that would result in the Class of Shares receiving more than insignificant consideration. In the case of abandonment of an Incidental Asset, a Class of Shares would not receive any direct or indirect consideration for the Incidental Asset. The Investment Manager intends to evaluate each fork, airdrop or similar occurrence on a case-by-case basis to determine whether to abandon or otherwise dispose of the relevant Incidental Asset.

#### *Delays in recording cryptocurrency transactions*

Where cryptocurrency networks require “proof of work” for verification of its transactions, they typically provide rewards for the “miners” that provide the computation power that supports such proof of work. If at any time the rewards provided for mining become less valuable than the costs and expenses of mining, it can be expected that mining of such cryptocurrency would greatly decline or even cease. The cessation of mining operations would materially harm, if not shut down completely, the ability of the network to verify transactions in such cryptocurrency. A significant reduction in the number of miners may expose a cryptocurrency’s verification process to deliberate manipulation by malicious actors that come to control the verification process. Actions or inactions of miners could delay the recording and confirmation of transactions on the blockchain. In a newly formed block, miners can include as few as zero transactions (e.g., an “empty block”) or as many as several thousand transactions. While there are currently no known incentives for miners to elect to exclude the recording of transactions in solved blocks, to the extent any such incentives arise (for example, a collective movement among miners forcing users to pay transaction fees as a substitute for, or in addition to, the award of cryptocurrency upon the solving of a block), miners could delay the recording and confirmation of a significant number of transactions on a blockchain. Any systemic delays in the recording and confirmation of transactions on the blockchain could result in higher transaction costs, greater risk of fraudulent activity, and a loss of confidence in cryptocurrencies, which could, dependent on whether the Class of Shares holds long or short positions in cryptocurrencies, adversely impact an investment in the Shares or the ability of a Class of Shares to operate.

#### *Malicious activity*

Cryptocurrency networks, platforms and exchanges may be subject to attack by malicious persons, entities or malware.

A malicious actor or group of actors could obtain a majority of the processing power on a particular cryptocurrency network, and could implement modifications to the network in a way that is detrimental to the liquidity or value of the cryptocurrency. To the extent that such malicious person (or persons) does not yield its majority control of the processing power on the network, reversing any changes made to the source code or blockchain may not be possible. Such changes could adversely affect an investment in the Shares.

Cryptocurrency exchanges, which are largely unregulated and provide only limited transparency with respect to their operations, are similarly open to hostile interventions. In the past, many exchanges have been closed due to fraud, failure or security breaches. In many of these instances, the customers of such exchanges were not compensated or made whole for the partial or complete losses of their account balances in such exchanges. While smaller exchanges are less likely to have the infrastructure and capitalisation that make larger exchanges more stable, larger exchanges are more likely to be appealing targets for hackers and malware.

Malicious activities such as these may reduce confidence in cryptocurrencies and result in greater price volatility, and could adversely affect an investment in the Shares or the ability of a Class of Shares to transact.

#### *Irreversibility*

Cryptocurrency transactions and transfers are generally irreversible without the consent and active participation from the recipient of the transaction. To the extent that any of a Class’ directly held cryptocurrencies, or the

cryptocurrencies underlying a Class' Cryptocurrency Securities, are incorrectly or fraudulently transferred, they are likely to be irretrievable.

Furthermore, where cryptocurrencies have been lost, stolen or destroyed under circumstances rendering a party liable to a Class of Shares, the Class of Shares may have limited recourse against the responsible party. For example, as to a particular event of loss, the only source of recovery for the Class of Shares might be limited to the relevant custody provider or, to the extent identifiable, other responsible third parties (e.g., a thief or terrorist), any of which may not have the financial resources (including liability insurance coverage) to satisfy a valid claim of the Class.

#### *Transaction fees*

Many cryptocurrencies allow market participants to offer miners (i.e. parties that process transactions and record them on a blockchain or distributed ledger) a fee. While not mandatory, a fee is generally necessary to ensure that a transaction is promptly recorded on a blockchain or distributed ledger. The amounts of these fees are subject to market forces and it is possible that the fees could increase substantially during a period of stress. In addition, cryptocurrency exchanges, wallet providers and other cryptocurrency service providers may charge high fees relative to custodians in many other financial markets. Depending on the amount of fees a Class of Shares must pay, there could be a material adverse effect on the Class' performance.

#### *Counterparty and settlement risks relating to cryptocurrencies*

When trading cryptocurrencies, "delivery versus payment" is generally not available or possible. Since several parties, including potentially their banking providers and correspondent banks, can be involved in the trading and settlement process, outages or delayed instructions/transactions by parties or their banking providers or correspondent banks during the settlement of transactions may lead to a partial or complete loss of any amounts paid. Similar risks exist in respect of unconfirmed or otherwise delayed cryptocurrency transactions. The participants and counterparties in cryptocurrency markets are typically not subject to the same credit evaluation and regulatory oversight as are members of traditional "exchange-based" markets or more established asset categories. In addition, many of the protections afforded to participants on some organised exchanges in established markets, such as the performance guarantee of an exchange clearinghouse, might not be available in connection with such cryptocurrency markets. This exposes a Class of Shares to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the Class to suffer a loss. Such "counterparty risk" is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where a Class of Shares has concentrated its transactions with a single or small group of counterparties.

Due to a lack of clearing houses, pay as paid business is not possible, which leads to the risk that even though payment has been made, the delivery of the corresponding cryptocurrency or fiat currency may be delayed, may be partial only or may not occur at all.

#### *Cryptocurrency exchanges and intermediaries*

Cryptocurrency exchanges, as well as other intermediaries, custodians and vendors used to facilitate cryptocurrency transactions, are relatively new and largely unregulated in both the US and many foreign jurisdictions. While certain cryptocurrencies may be traded through one or more exchanges of varying quality, cryptocurrencies as a class do not have a central marketplace for exchange. Cryptocurrency exchanges on which cryptocurrencies may trade pose special risks, as these exchanges are generally new and the rules governing their activities are unsettled and their activities may be largely unregulated or under-regulated, and may therefore be more exposed to theft, fraud, and failure than established, regulated exchanges for other products. These entities are not generally subject to the same governmental oversight, and may have comparatively less well-developed or robust operational, risk and legal systems and procedures, when compared to market participants that are substantively regulated under either or both the US futures or securities laws (or the equivalent or similar laws of any foreign jurisdiction).



Cryptocurrencies traded on a blockchain do not rely on a trusted intermediary or depository institution. The participation in exchanges requires users to take on credit risk by transferring cryptocurrency from a personal account to a third party's account. Accordingly, the Class of Shares is exposed to credit risk with respect to its counterparties in each transaction, including transactions directly with a counterparty sourced through an exchange as well as transactions directly with such an exchange. Cryptocurrency exchanges generally purchase cryptocurrencies for their own account on the public ledger and allocate positions to customers through internal bookkeeping entries while maintaining exclusive control of the private keys. Under this structure, cryptocurrency exchanges collect large amounts of customer funds for the purpose of buying and holding cryptocurrencies on behalf of their customers. The opaque underlying spot market and lack of regulatory oversight creates a risk that a cryptocurrency exchange may not hold sufficient cryptocurrencies and funds to satisfy its obligations and that such deficiency may not be easily identified or discovered. Cryptocurrency exchanges may not have insurance funds or insurance funds may not be sufficient. Cryptocurrency exchanges may be start-up businesses with limited institutional backing, limited operating history, and no publicly available financial information.

Cryptocurrency exchanges may impose daily, weekly, monthly or customer-specific transaction or distribution limits or suspend trading or withdrawals entirely, rendering the exchange of cryptocurrency for fiat currency difficult or impossible. Cryptocurrency prices and valuations on exchanges have been volatile and subject to influence by many factors, including the levels of liquidity on particular exchanges and operational interruptions and disruptions. In addition, significant volatility and unexpected price movements, as well as congestion on underlying distributed ledger networks, has resulted in extreme stress on cryptocurrency exchanges and their infrastructure, which has in turn resulted in trading halts and the suspension of services. Such exchanges' failures may result in a Class of Shares being unable to trade at favourable prices (or even at all for a period of time) and may adversely affect the Class of Shares, its operations, and investments. The prices and valuation of cryptocurrencies and consequently Cryptocurrency Securities remain subject to any volatility experienced by exchanges, and any such volatility can adversely affect an investment in the Shares.

It is possible that while engaging in transactions with various cryptocurrency exchanges located throughout the world, any such exchange may cease operations voluntarily or involuntarily due to theft, fraud, security breach, liquidity issues, or government investigation, without any recourse to the Class of Shares. In addition, although the Company does not expect that a Class of Shares will hold cryptocurrencies on a cryptocurrency exchange long-term, it is possible that a cryptocurrency exchange will acquire custody of the Class' cryptocurrencies in connection with clearing and settling transactions in cryptocurrencies, during which time such cryptocurrencies may be subject to theft, loss, destruction or other attack that could result in loss of the cryptocurrencies and adversely affect a Class of Shares' investments. See "Custody and security risks in respect of cryptocurrencies".

Cryptocurrency exchanges are appealing targets for cybercrime, hackers, and malware and have been shut down or experienced losses of assets placed on the exchange as a result of cybercrime, and any such event is likely to result in the complete loss of assets placed on such an exchange. Any governmental or regulatory action against such an exchange may cause assets on such exchange to become frozen for a substantial period of time or forfeited, and could result in material opportunity costs or even in the total loss of such assets. In addition, banks may refuse to process or support wire transfers to or from exchanges.

There are a limited number of cryptocurrency exchanges in operation, and many operate in less regulated jurisdictions. Trading on cryptocurrency exchanges in less regulated jurisdictions may involve certain risks not applicable to trading on cryptocurrency exchanges that operate in more regulated jurisdictions such as the United Kingdom or the United States. Foreign markets may be subject to instability, temporary closures due to fraud, business failure, local capital requirements or government-mandated regulations. Cryptocurrency exchanges located in less regulated jurisdictions may not be subject to regulatory, investigative, or prosecutorial authority through which an action or complaint regarding missing or stolen cryptocurrencies may be brought.

Non-US and non-UK cryptocurrency exchanges pose additional risks. It is possible that non-US and non-UK cryptocurrency exchanges may not be as developed, liquid, or efficient as those in the US or UK. US and UK cryptocurrency exchanges may already be subject to only minimal regulation compared to exchanges in traditional derivatives and equities markets, but non-US and non-UK cryptocurrency exchanges may be subject to no regulation, or lesser or different regulation, which could provide less legal protection to exchange customers.

The foregoing factors may substantially enhance a non-US or non-UK cryptocurrency exchange's susceptibility to the various risk factors set forth herein.

Additionally, due to lack of globally consistent treatment and regulation of cryptocurrency, certain exchanges located outside the United States or United Kingdom may not be currently available to or may in the future become unavailable to certain persons or entities based on their country of domicile, including the United States or United Kingdom. A Class of Shares may have access to fewer cryptocurrency exchanges than it otherwise would have had if it pursued a different investment strategy. To the extent an exchange representing a substantial portion of liquidity for certain cryptocurrency or related instruments becomes unavailable to a Class of Shares, it may become difficult, or impossible, for the Class of Shares to deploy one or more strategies that it otherwise would have deployed, and, as a result, the performance of the Class of Shares may be adversely affected. While the Investment Manager intends to perform diligence on the Class' counterparties and any cryptocurrency exchanges that it may use, it may be difficult, or even impossible, to sufficiently verify the ultimate ownership and control of a cryptocurrency exchange and other information for evaluating the risks associated with such counterparty or exchange. Any of a Class' assets that reside on an exchange that shuts down may be permanently unrecoverable, misapplied or otherwise lost. Additionally, to the extent that the cryptocurrency exchanges representing a substantial portion of the trading volume in a particular cryptocurrency are involved in fraud or experience security failures or other operational issues, such exchanges' failures may result in loss or less favourable prices of the cryptocurrency and may adversely affect a Class of Shares, its operations, and investments. In addition, cryptocurrencies, cryptocurrency-related derivatives and other assets or claims held by a Class of Shares at cryptocurrency exchanges domiciled outside of the US or UK may be subject to a different and lower level of protection or no protection at all in the case of a non-US or non-UK cryptocurrency exchange failure.

Traditional securities and derivatives exchanges have listing requirements and vet issuers, requiring them to be subjected to rigorous listing standards and rules and monitoring investors transacting on such platform for fraud and other improprieties. These conditions may not be replicated on a cryptocurrency exchange with less regulatory oversight than a traditional exchange's controls and other policies. Cryptocurrency exchanges that do not maintain high standards and controls for vetting users that transact on the platform may be exposed to higher risk of fraud or manipulation. These factors may decrease liquidity or volume, or increase volatility of cryptocurrencies and Cryptocurrency Assets which may adversely affect the performance of a Class of Shares.

#### *Decentralised cryptocurrency exchanges*

A Class of Shares may also use decentralised exchanges to transact in cryptocurrencies. Decentralised exchanges may be implemented in a variety of manners, including some that are purely technical (e.g., based on smart contracts) or others that require substantial intervention by one or more parties (to perform verifications of parts of the transaction), and they generally facilitate direct trades between participants using software protocol without the use of a third-party to provide a safe custodian for some or all of the assets involved. Decentralised exchanges reduce certain risks associated with delivering assets to a centralised exchange or other third-party custodian but they may increase other risks. As with any cryptocurrency exchange, decentralised exchanges may include bugs that expose a Class of Shares cryptocurrencies to the risk of being lost or stolen. Flaws in the protocols or structure of such exchanges may expose trading information of a Class of Shares in a manner that allows other entities or individuals to front-run a Class' orders or otherwise cause harm to, or profit at the expense of, a Class of Shares.

Decentralised exchanges may be created in part to avoid potential regulation and to mask the identity of participants. As such, decentralised exchanges may attract bad actors. Accordingly, compared to centralised cryptocurrency exchanges, there may be an increased counterparty risk and increased risk of theft, fraud or loss when using such an exchange. Due diligence on decentralised exchanges may be limited insofar as there may be no intermediary organisation to subject to such diligence – only the exchange platform itself, its protocols and, to the extent such information is available, the persons responsible for developing the exchange. The decentralisation of an exchange and the lack of regulation means that there is no intermediary or regulator from which one might seek recourse or remedy in the event of any disruptions in the expected performance of such exchange.

Decentralised exchanges lack of a central custodian responsible for security and maintaining the protocols on which the exchange operates may make them easier targets and potentially increase the risk of cyberattacks and manipulation.

Currently, decentralised exchanges generally offer limited functionality as compared to centralised exchanges, often including an inability to accommodate certain order types (e.g., limit orders) or transaction types (e.g., inter-chain trading or converting cryptocurrency to fiat currency). Decentralised exchanges also currently suffer from limited trade volume, which can be expected to reduce the liquidity of the assets traded on the exchange and the ability of a Class of Shares to exchange assets thereon.

### *Cryptocurrency loan collateralisation and overcollateralisation risks*

A Class of Shares may take out cryptocurrency loans through various electronic loan or OTC marketplaces to take a short position on certain cryptocurrencies. These loans are privately-negotiated transactions, each of which has individualised terms (e.g., loan return rate, loan duration and loan amount). The standard set of terms available to the Class of Shares for these transactions may change over time depending on general market conditions or other factors and make these types of transactions less beneficial for the Class of Shares. Through the loan marketplace, the Class of Shares may select its own terms and make a loan offer that may be accepted by a counterparty. The Class of Shares' loans will typically be collateralised by cryptocurrencies and may be required to be re-collateralised with additional amounts of cryptocurrencies if the value of the collateral decreases. Due to potential volatility in the cryptocurrencies that the Class of Shares deposits to secure a loan, the counterparties to these loans may require the Class of Shares to overcollateralize the loan. Further, these counterparties may have complete rehypothecation rights with regard to all of the Class of Shares' deposited collateral. In those cases, the Class of Shares will be subject to a heightened level of risk because the Class of Shares will deposit a greater amount of collateral than it receives in return and such collateral may be freely used by the loan counterparty. It is therefore possible that the loan counterparty loses a portion of or all of the Class of Shares' deposited collateral, becomes insolvent and cannot return to the Class of Shares its deposited collateral when the loan is paid back.

### *Cryptocurrency derivatives*

Cryptocurrency derivatives may experience significant price volatility, and the initial margin for cryptocurrency derivatives may be set as a percentage of the value of a particular contract, which means that margin requirements for long positions can increase if the price of the contract rises. In addition, some futures commission merchants may pose restrictions on customer trading activity in cryptocurrency derivatives, such as requiring additional margin, imposing position limits, prohibiting naked shorting or prohibiting give-in transactions. The rules of certain designated contract markets impose trading halts that may restrict the Class of Shares' ability to exit a position during a period of high volatility.

As the cryptocurrency derivatives markets can change rapidly and daily price movements may be more volatile than in the traditional markets, market conditions and brokers' and clearinghouses' margin methodologies may result in higher margin requirements and significant daily or intra-day increases in the level of margin required. Failure to meet a margin requirement may result in positions being reduced, closed-out or automatically liquidated against the relevant Class of Shares.

The prices of derivative instruments, including futures, options and similar instruments, are highly volatile.

Payments made pursuant to swap agreements and similar instruments may also be highly volatile. A Class of Shares may be engaged in the trading of bespoke derivative instruments based on cryptocurrencies that have characteristics similar to, but also distinct from, other types of derivative instruments deployed in traditional asset classes. As the value of a derivative depends largely upon price movements in the underlying asset, the foregoing risks applicable to trading underlying cryptocurrencies also affect the value of cryptocurrency derivatives. Accordingly, cryptocurrency derivatives may be subject to substantial price volatility.

To date, US-licensed derivative exchanges generally do not permit as much leverage (if any at all) for cryptocurrency derivatives compared to traditional futures and swaps. However, more leverage may be available for cryptocurrency derivatives on other (non-US licensed) venues than in traditional markets. The use of leverage by a Class of Shares in a market that moves adversely to the Class of Shares' investments could result in a loss to the Class of Shares that would be greater than if leverage were not employed by the Class of Shares. As a general matter, the prices of leveraged instruments can be highly volatile, and investments in leveraged instruments may, under certain circumstances, result in losses that exceed the amounts invested. As a result, a relatively small price movement in a futures contract may result in immediate and substantial losses to the trader.

Futures positions may be illiquid because certain commodity exchanges and cryptocurrency 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 the Investment Manager from promptly liquidating unfavourable positions and subject the Class of Shares to substantial losses, especially during periods of high volatility. In addition, the Investment Manager may not be able to execute futures contract trades at favourable prices if little trading in the contracts involved is taking place. It is also possible that an exchange or regulatory authority 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. Any such restrictions or halts would restrict the Class of Shares’ ability to exit a cryptocurrency derivative position during a period of increased volatility.

Certain commodity exchanges and cryptocurrency 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. The Investment Manager may need to modify its investment and trading decisions for the Class of Shares, and the Class of Shares might need to liquidate positions, in order to avoid exceeding such limits. If this should occur, it could adversely affect the Class of Shares’ profitability.

Due to the nature of cryptocurrencies, certain cryptocurrency derivatives may be programmed to execute automatically when certain conditions are met, using “smart contracts”. Since smart contracts typically cannot be stopped or reversed, any adverse or unintended effects, such as uneconomic collateral liquidations, may be exacerbated.

#### *Uncertain regulatory environment of Cryptocurrency Assets*

Cryptocurrency Assets currently face an uncertain regulatory landscape in the US, the UK and many foreign jurisdictions. Regulation of Cryptocurrency Assets is relatively undeveloped and evolving, existing regulation is subject to change and interpretation and new regulation could be imposed at any time. Regulatory developments in this area are unpredictable and may materially and adversely affect any Class of Shares. In the US, cryptocurrencies are not subject to federal regulatory oversight but may be regulated by one or more state regulatory bodies. In addition, many cryptocurrency derivatives are regulated by the CFTC, and the SEC has cautioned that many initial coin offerings are likely to fall within the definition of a security and subject to US securities laws. One or more jurisdictions may, in the future, adopt laws, regulations or directives that affect cryptocurrency networks and their users. Such laws, regulations or directives may impact the price of cryptocurrencies and Cryptocurrency Securities and their acceptance by users, merchants and service providers. Various legislative bodies, regulators and government agencies are considering intervention in cryptocurrency markets. The liquidity of cryptocurrency markets will be influenced by new laws, regulations, policies and guidance which may vary significantly among international, federal, state and local jurisdictions and are subject to significant uncertainty. Current and future legislation, regulatory rulemaking and other regulatory developments may impact the manner in which cryptocurrencies and Cryptocurrency Securities are treated for classification and clearing purposes. As Cryptocurrency Assets have grown in popularity and market capitalisation, the US Congress has begun to intensely scrutinise this area, as have numerous legislators and governmental and self-regulatory authorities, including, among others, the Federal Reserve Board, the SEC, the CFTC, the US Financial Crimes Enforcement Network (“**FinCEN**”), the IRS and FINRA. State financial and securities regulators in all 50 states have also taken substantial interest in the crypto-space. Currently, the CFTC deems and federal district courts have agreed that, cryptocurrencies to be commodities for purposes of the Commodity Exchange Act, as amended, although certain crypto-assets have been deemed securities by the SEC for purposes of the 1933 Act. Regulators in foreign jurisdictions are also highly active in this area. By investing in cryptocurrencies and Cryptocurrency Securities, a Class of Shares may be more likely to draw significant attention from regulatory authorities, which could increase the likelihood that a Class of Shares or the Investment Manager will become the target of threatened or actual regulatory suits or proceedings. The liquidity of cryptocurrency markets will be influenced by new laws, regulations, policies and guidance that may vary significantly among international, federal, state and local jurisdictions and are subject to significant uncertainty.

The legal test for determining whether any given cryptocurrency is a security is a highly complex, fact-driven analysis that may evolve over time, and the outcome is difficult to predict. The SEC generally does not provide advance guidance or confirmation on the status of any particular cryptocurrency as a security. Furthermore, the SEC's views in this area have evolved over time, and it is difficult to predict the direction or timing of any continuing evolution. It is also possible that a change in the governing administration or the appointment of new SEC Commissioners could substantially impact the views of the SEC and its staff. Public statements made by senior officials at the SEC indicate that the SEC does not intend to take the position that bitcoin and Ether are securities (as currently offered and sold). However, such statements are not official policy statements by the SEC and reflect only the speakers' views, which are not binding on the SEC or any other agency or court and cannot be generalised to any other cryptocurrency. Currently, with the exception of certain centrally issued cryptocurrencies that have been the subject of "no-action" letters from the SEC staff, bitcoin and Ether are the only cryptocurrencies which senior officials at the SEC have publicly stated are unlikely to be considered securities. With respect to all other cryptocurrencies, there is no certainty under the applicable legal test that such assets are not securities, notwithstanding the conclusions the Investment Manager may draw based on its risk-based assessment regarding the likelihood that a particular cryptocurrency could be deemed a "security" under applicable laws. The views of international regulators may also influence the SEC's position and potentially increase the likelihood that certain cryptocurrencies may be deemed securities under US securities law.

If one or more cryptocurrencies in respect of which a Class of Shares has investments were deemed to be securities, the value of such Cryptocurrency Asset may, dependent on whether the Class of Shares holds long or short positions in such investments, be adversely impacted. For example, Cryptocurrency Assets deemed to be securities by the SEC will only be permitted to be resold or transferred in accordance with applicable securities law restrictions and to be traded on an exchange or other trading venue that is properly registered with or exempt from registration with the SEC and that is able to accommodate trading in Cryptocurrency Assets, of which there are relatively few. This would potentially severely restrict the ability to trade (and therefore the liquidity) in respect of the affected cryptocurrency and a Class of Shares' investments therein, materially and adversely affecting their value. These regulatory issues could cause the Investment Manager, in its discretion, to determine to liquidate all or a portion of the investments in respect of a cryptocurrency deemed to be a security, which may result in sales at unfavourable prices. For example, in 2020 the SEC filed a complaint against the promoters of XRP alleging that they raised more than US\$1.3 billion through XRP sales that should have been registered under the federal securities laws but were not. In the years prior to the SEC's action, XRP's market capitalisation at times exceeded US\$140 billion. However, in the weeks following the SEC's complaint, XRP's market capitalisation fell to less than US\$10 billion, which was less than half of its market capitalisation in the days prior to the complaint. The SEC's action against XRP's promoters underscores the continuing uncertainty around the question of whether or not cryptocurrencies are securities and demonstrates that factors such as how long a cryptocurrency has been in existence, how widely held it is, how large its market capitalisation is and whether it has actual usefulness in commercial transactions, ultimately may have little or no bearing on whether the SEC or a court will find it to be a security.

Regulatory positions and regulatory actions taken in respect of a cryptocurrency in which a Class of Shares does not invest may adversely impact the demand for, and price of, one or more cryptocurrencies in which the Class of Shares does invest, thereby adversely affecting the value of the Class' Cryptocurrency Assets (dependent on whether the relevant Class of Shares holds long or short positions in the applicable cryptocurrencies). For example, if a cryptocurrency in which a Class of Shares is not invested is deemed to be a security by the SEC, but certain other cryptocurrencies are not, prices of cryptocurrencies generally may nonetheless decline and the value of the Class' Cryptocurrency Asset investments may decline.

The FCA and His Majesty's Treasury have stated that more widely traded cryptocurrencies such as bitcoin and Ether, and those that deal in them, are not currently regulated by the FCA beyond a requirement to register with the FCA if those persons dealing with them are based in, or have a material link to, the UK. His Majesty's Treasury has indicated that it will consider regulating these assets in the future if it considers the market to operate with a lack of transparency or to take advantage of retail traders, and it intends to grant to the FCA greater powers to regulate on a more "agile" basis in order to improve the FCA's ability to keep up with market developments. Accordingly, as with the US, the Investment Manager and the Company cannot be certain as to how future UK regulatory developments will impact the treatment of cryptocurrencies and Cryptocurrency Assets under the law.

The characterisation of a Class of Shares' Cryptocurrency Assets as regulated financial products may require the Company or the Investment Manager to register with various government regulators and comply with additional regulations. Such additional registrations and compliance may result in extraordinary, non-recurring expenses of the Class of Shares, and it may not be feasible or possible for the Company to comply with the additional regulatory requirements for this and/or other factors. Failure by the Company to comply with any laws, rules and regulations, some of which may not exist yet or may be subject to interpretation and change, could result in adverse consequences, including civil penalties and fines. Classification of a cryptocurrency as a regulated financial product, such as a security or derivative, could severely limit its liquidity, usability and transactability. Further, it could draw negative publicity and a decline in the general acceptance of the cryptocurrency and a corresponding decline in the value of the cryptocurrency. In addition, such a classification may make it more difficult for such cryptocurrency to be traded, cleared and custodied as compared to other cryptocurrencies that are not regulated as securities or derivatives. It is possible that any jurisdiction may, in the near or distant future, adopt laws, regulations, policies or rules directly or indirectly affecting cryptocurrency networks or markets, or restricting the right to acquire, own, hold, sell, convert, trade or use Cryptocurrency Assets or to exchange cryptocurrencies for either fiat currency or other cryptocurrencies. Developments in regulation may alter the nature of the Company's business in a manner that adversely affects the Company.

The Company's interactions with blockchain networks could expose the Company to illegal content or otherwise cause the Company or the Investment Manager to inadvertently violate applicable law. The blockchain networks underlying cryptocurrencies involve the recordation and transmission of substantial amounts of data among countless users and other participants. The Company's interactions with these networks as part of its investments could result in unintentional adverse legal consequences. For example, the Company is required to comply with the sanctions programmes imposed by the US Office of Foreign Assets Control ("**OFAC**") and other applicable regimes and must not conduct business with persons named on OFAC's specially designated nationals ("**SDN**") list. However, because of the pseudonymous nature of cryptocurrency transactions, it is possible that the Company could inadvertently engage in transactions involving persons named on OFAC's SDN list. To the extent governmental authorities literally enforce these and other laws and regulations in respect of blockchain technology, the Investment Manager or the Company may be subject to investigation, administrative or court proceedings and civil or criminal monetary fines and penalties.

#### *Tax risks*

There is substantial uncertainty with respect to the tax treatment of an investment in cryptocurrencies. Cryptocurrencies may be treated differently by tax authorities in different jurisdictions, for example as property, assets, currencies or financial instruments. Sales, use, gross receipts, excise, property or value-added taxes may be imposed on purchases, holdings and sales of cryptocurrencies. Tax authorities may disagree with the tax positions taken by the Company in respect of a Class of Shares. Expenses relating to any governmental tax audits and resulting taxes payable by a Class of Shares could ultimately reduce the net return on the Class' assets and ultimately, returns to the Shareholders.

Additionally, given the uncertainty around whether digital currencies would properly be considered securities or commodities of a type that qualify for the trading and investment activities safe harbour that excludes such activities from being considered a US trade or business, as well as the possibility that a Class of Shares will invest in other digital assets that are not of a type that qualifies for such safe harbour, there is a substantial possibility that the Company's activities would cause the Company to be engaged in, a US trade or business. As discussed in more detail in the section of this Prospectus entitled "United States Tax Considerations", if this were the case, the Company (but not any of the Shareholders) would generally be subject to US federal income tax and branch profits tax on its income and would be required to file US federal income tax returns. It is possible that as tax authorities around the world clarify their views on the character and source of the returns derived from transactions in Cryptocurrency Assets, the activities undertaken by the Company will result in tax liabilities for the Company in one or more jurisdictions.

Investors in a Class of Shares should obtain local tax advice on a regular basis to understand the tax treatment of any acquisition, divestment, transfer or holding of cryptocurrencies and Shares in the Company.

The tax and accounting standards for cryptocurrencies are evolving in many jurisdictions and a Class of Shares' investment in cryptocurrencies and Cryptocurrency Assets may have tax and accounting implications, which the Company may not appropriately predict in advance and/or account for. Additionally, application of tax laws and regulations may result in increased, ongoing costs, or accounting related expenses, adversely affecting an investment in the Company.

#### *Environmental, social and governance risks of cryptocurrencies*

Cryptocurrencies, and consequently Cryptocurrency Securities, present environmental, social and governance risks:

- (1) *Environmental:* "Proof of work" cryptocurrencies require the consumption of large amounts of energy, due to the computations needed for mining of such cryptocurrencies. In addition, cryptocurrency mining generates a significant amount of electronic waste as hardware becomes obsolete. There has been significant media focus on the environmental impact of cryptocurrency mining. The cryptocurrency sector may face considerable scrutiny from regulators, non-governmental organisations and special interest groups in respect of its environmental impact (as well as its impact on other sustainability factors), such as greenhouse gas emissions. Attempts by the cryptocurrency sector to adapt so as to reduce its environmental impact may not be successful, may result in significant costs being incurred, and future ongoing profitability may be materially reduced. As a carbon-intensive asset, cryptocurrencies which require "proof of work" may suffer from a significant fall in demand, resulting in significant falls in value and increased price volatility. Environmental concerns could cause investors, including the Investment Manager in respect of a Class of Shares, to determine that a particular cryptocurrency or Cryptocurrency Security (or cryptocurrencies and Cryptocurrency Securities as an asset class) is no longer a suitable investment and to divest of it (or not make an investment in it), exacerbating downward pressure on the value of such cryptocurrency or Cryptocurrency Security.
- (2) *Social:* Although an argument may be made that cryptocurrencies promote financial inclusion, as a consequence of the ease of access to trading of cryptocurrencies, consumer protection concerns, including in respect of protection of investor personal data, spread of misinformation on social media and other platforms and suitability concerns, may give rise to negative consumer sentiment, increased regulatory scrutiny, fines and other regulatory sanctions and/or investigations and litigation, all of which may have a material negative impact on the value of cryptocurrencies and Cryptocurrency Securities.
- (3) *Governance:* As described above, cryptocurrency exchanges are largely unregulated, and may therefore be exposed to higher risk of fraud or manipulation. Further, cryptocurrency networks, platforms and exchanges may be subject to attack by malicious persons, entities or malware. See "Malicious activity" and "Cryptocurrency exchanges and intermediaries".

#### **Legal, regulatory and taxation risks**

#### **Business and regulatory risks of hedge funds**

The regulatory environment for hedge funds is evolving and changes therein may adversely affect the ability of any Class of Shares to obtain the leverage it might otherwise obtain or to pursue its investment strategies. In addition, the regulatory and tax environment for derivative and related instruments is evolving and may be subject to modification by government or judicial action which may adversely affect the value of the investments held by any Class of Shares. The effect of any regulatory or tax change on the Company and/or any Class of Shares is impossible to predict.

Market disruptions and the dramatic increase in capital allocated to alternative investment strategies have led to increased governmental as well as self-regulatory scrutiny of the "hedge fund" and financial services industry in general. Certain legislation proposing and/or implementing greater regulation of the industry, such as the US Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the "**Dodd-Frank Act**"), is considered and passed periodically by the US Congress, as well as by governments of non-US jurisdictions including, without



limitation, new rules and regulations promulgated thereunder by local regulators such as the FCA, SEC and CFTC. It is impossible to predict what, if any, changes in the regulations applicable to the Company and/or a Class of Shares, the Investment Manager, the markets in which a Class of Shares trades and invests or the counterparties with which it does business may be instituted in the future. Any such laws or regulations may materially adversely affect a Class of Shares' ability to continue to pursue its investment objective and adhere to its investment strategy, as described herein, as well as require increased transparency on the Company's positions and other Company information such as the identity of the Shareholders.

Substantial changes in US regulations applicable to the Company and/or a Class of Shares and/or the Investment Manager as well as other changes in US economic and tax policy, laws and regulations may be made from time to time following US presidential or congressional elections. Such changes are unpredictable and may adversely affect the Company, a Class of Shares, the AIFM and the Investment Manager.

Securities and futures markets are subject to comprehensive regulation and margin requirements. Regulators and self-regulatory organisations, including but not limited to the CFTC, the SEC and the FCA, and exchanges are authorised to take extraordinary actions in the event of market emergencies. The regulation of swaps, futures and/or other derivative transactions and funds that engage in such transactions is an evolving area of law and is subject to modification by governmental, regulatory and judicial actions.

The effect of any future regulatory change on the Company and/or a Class of Shares could be substantial and adverse including, for example, increased compliance costs, the prohibition of certain types of trading and/or the inhibition of a Class of Shares' ability to continue to pursue its investment objective and adhere to its investment strategy as described herein.

Investors should understand that the Company and/or a Class of Shares' business is dynamic and is expected to change over time. Therefore, the Company and/or a Class of Shares may be subject to new or additional regulatory constraints in the future. This Prospectus cannot address or anticipate every possible current or future regulation that may affect the AIFM, the Investment Manager, the Company, a Class of Shares or their respective businesses. Such regulations may have a significant impact on the Shareholders or the operations of the Company and/or a Class of Shares, including, without limitation, restricting the types of investments a Class of Shares may make, preventing a Class of Shares from exercising its voting rights with respect to certain financial instruments, requiring the Company to disclose the identity of its investors, its positions or otherwise. The Directors (in consultation with the Investment Manager) may cause the Company and/or a Class of Shares to be subject to such regulations if they believe that an investment or business is in the Company and/or a Class of Shares' interest, even if such regulations may have a detrimental effect on one or more Shareholders. Prospective Shareholders are encouraged to consult their own advisers regarding an investment in a Class of Shares.

*Enhanced regulation of the OTC derivatives markets* The European Market Infrastructure Regulation (including as implemented into the domestic law of the United Kingdom) ("**EMIR**") seeks to regulate comprehensively the OTC derivatives market in Europe for the first time including, in particular, imposing mandatory central clearing, trade reporting and, for non-centrally cleared trades, risk management obligations on counterparties, including timely confirmation, portfolio reconstruction, dispute resolution and margining requirements. Similarly, the Dodd-Frank Act substantially increased the regulation of the OTC derivatives markets. The Dodd-Frank Act requires that a substantial portion of OTC derivatives be submitted for clearing to regulated clearinghouses. For example, certain interest rate swaps, including certain foreign exchange forwards defined as swaps by the CFTC, and credit default index swaps are required by the CFTC to be submitted for clearing if traded by US Persons. These OTC trades submitted for clearing are subject to minimum and variation margin requirements, and may be subject to minimum initial margin requirements, set by the relevant clearinghouse, as well as margin requirements mandated by the CFTC, SEC and/or federal prudential regulators. OTC derivative dealers also are required to post margin to the clearinghouses through which they clear their customers' trades instead of using such margin in their operations, as they are allowed to do for uncleared OTC trades. This has increased and will continue to increase the dealers' costs and these increased costs are generally passed through to other market participants (such as the Company) in the form of higher upfront and mark-to-market margin, less favourable trade pricing, and the imposition of new or increased fees, including clearing account maintenance fees. The CFTC also requires certain derivatives transactions that were previously executed on a bi-lateral basis in the OTC markets to

be executed through a regulated futures exchange or swap execution facility. The SEC is also expected to impose similar requirements on certain security-based derivatives in the future, though it is not yet clear when these parallel SEC requirements will go into effect and how such requirements may be affected by the recent administration change in the US. If the Company executes derivatives transactions through such exchanges or execution facilities, and especially if it decides to become a direct member of one or more of these exchanges or execution facilities, the Company would be subject to all of the rules of the exchange or execution facility, which would bring additional risks, liabilities, and regulatory requirements. Similarly, under EMIR, European regulators may require a substantial proportion of such derivatives transactions to be brought on exchange and/or centrally cleared. Such requirements may make it more difficult and costly for investment funds, including the Company, to enter into highly tailored or customised transactions. They may also render the Investment Strategy impossible to implement or so costly to implement that it will no longer be economical. They may also increase the overall costs for OTC derivative dealers, which are likely to be passed along, at least partially, to market participants (such as the Company) in the form of higher fees or less advantageous dealer marks. The overall impact of EMIR, MiFID II and the Dodd-Frank Act on the Company is highly uncertain and it is unclear how the OTC derivatives markets will adapt to these new regulatory regimes.

The final extent and impact of the Dodd-Frank Act and the regulations adopted pursuant to the Dodd-Frank Act could have a material impact on the Company and/or the Investment Manager.

#### *MiFID II*

The EU's re-cast Markets in Financial Instruments Directive (2014/65/EU), delegated and implementing EU regulations made thereunder and the EU's Markets in Financial Instruments Regulation (600/2014) and such directive, delegated and implementing EU regulations made thereunder and regulation as they form part of the domestic law of the United Kingdom (together, "**MiFID II**") impose regulatory obligations on the Investment Manager. These regulatory obligations may impact on, and constrain the implementation of, the investment strategy of the Company and lead to increased compliance obligations upon and accrued expenses for the Investment Manager and/or the Company.

#### *Extension of pre- and post-trade transparency*

MiFID II introduced wider transparency regimes in respect of trading on EU and United Kingdom trading venues and with EU and United Kingdom counterparties. MiFID II extends the pre- and post-trade transparency regimes from equities traded on a regulated market to cover equity-like instruments, such as depositary receipts, exchange-traded funds and certificates that are traded on regulated trading venues, as well as to cover non-equities, such as bonds, structured finance products, emission allowances and derivatives.

The increased transparency regime under MiFID II, together with the restrictions on the use of "dark pools" and other non-regulated trading venues, may lead to enhanced price discovery across a wider range of asset classes and instruments which could disadvantage the Company particularly in the fixed income markets. Such increased transparency and price discovery may have macro effects on trading globally, which may have an adverse effect on the Net Asset Value.

#### *Equities – mandatory on-exchange trading*

MiFID II introduced a rule that an EU or United Kingdom regulated firm may execute an equity trade only on an EU or United Kingdom trading venue (or with a firm which is a systematic internaliser or an equivalent venue in a third country). The instruments in scope for this requirement are any equities admitted to trading on any EU or United Kingdom trading venue, including those with only a secondary listing in the EU or the United Kingdom. The effect of this rule is to introduce a substantial limit on the possibility of trading off-exchange or OTC in EU or United Kingdom listed equities with EU or United Kingdom counterparties, respectively. The overall impact of this rule on the Investment Manager's ability to implement the Company's investment objective and investment strategy is uncertain.

#### *OTC derivatives*

MiFID II requires certain standardised OTC derivatives (including all those subject to a mandatory clearing obligation under EMIR) to be executed on regulated trading venues. In addition, MiFID II introduced a new trading venue, the "Organised Trading Facility", which is intended to provide greater price transparency and competition for bilateral trades. The overall impact of such changes on the Company is highly uncertain and it is unclear how the OTC derivatives markets will adapt to this new regulatory regime.

### *Commodity position limits and reporting*

MiFID II introduced position limits and position reporting requirements within the EU and the United Kingdom for the first time in relation to certain commodity derivatives. These measures have imposed restrictions on the positions that the Investment Manager may hold on behalf of all accounts owned or managed by it in certain commodity derivatives and require the Investment Manager to more actively monitor such positions. If the Investment Manager's and/or the Company's positions reach the position limit thresholds, such positions will be required to be reduced in order to comply with such limits.

### *Changes to use of direct market access*

MiFID II introduced new requirements on EU and United Kingdom banks and brokers which offer direct market access ("**DMA**") services to allow their clients to trade on EU trading venues via their trading systems. EU and United Kingdom DMA providers are required to impose trading and credit thresholds on their clients, and to have the benefit of monitoring rights. It is also necessary for the EU or United Kingdom DMA provider (as applicable) to enter into a binding written agreement with its clients, which deals with compliance with MiFID II and the trading venue rules. These changes may affect the implementation of the Company's investment strategy.

### *Market abuse regime*

The Market Abuse Regulation (Regulation 596/2014) (including as implemented into the domestic law of the United Kingdom) ("**MAR**") repealed and replaced the previous EU rules on civil market abuse, contained in the Market Abuse Directive (Directive 2003/6/EC) (including as implemented into the domestic law of the United Kingdom) ("**MAD**") and implementing legislation, with effect from 3 July 2016. The Directive on Criminal Sanctions for Market Abuse (Directive 2014/57/EU) ("**CSMAD**") was also required to be transposed into the national law of participating member states by 3 July 2016 and also has been implemented into the domestic law of the United Kingdom.

MAR has expanded the scope of the civil market abuse regime under MAD to cover, for the first time, different trading systems and financial instruments and takes into account technological developments, notably algorithmic trading and high frequency trading. MAR addresses the interaction between spot markets and derivative markets, including commodity markets, and potential sources of abuse and manipulation between them, including through provisions allowing member states to introduce criminal sanctions for market abuse offences.

Notwithstanding that the operation of a common regulatory framework on civil market abuse in the EU is expected to provide greater legal certainty and consistency across the markets of the member states in which the Company and/or Class of Shares operates, the broader scope of the market abuse regime post 3 July 2016 has led to increased operational and compliance requirements and costs for market participants, including the Company and/or Class of Shares.

### *Brexit*

The United Kingdom is no longer a member state of the European Union. Despite the negotiation of the UK-EU Trade and Cooperation Agreement in December 2020, the future economic and political relationship between the United Kingdom and the European Union (and between the United Kingdom and other countries) remains uncertain in many respects, and a period of economic and political uncertainty may therefore continue in the United Kingdom and the European Union. The relevant regulatory authorities in the United Kingdom may in the future make changes to their rules which deviate from the standards applicable in the European Union. Such changes may require the Investment Manager to take further steps if any changes result in amendments to the regulatory framework. The on-going negotiations between the United Kingdom and the European Union in respect of their relationship may lead to unpredictable outcomes, such as market volatility or impact on certain asset classes. The nature and extent of the impact of these factors on the Company and the Investment Manager are uncertain, but may be significant. UK based investors may no longer be allowed to invest in a Class of Share or suffer negative consequences from an investment in a Class of Share.

### *Enhanced regulation of short sales and credit default swaps*

Since November 2012, short sales and credit default swaps have been subject to the provisions of the EU Regulation on Short Selling and certain aspects of Credit Default Swaps (including as implemented in the United Kingdom) (the "**Short Selling Regulation**"). The Short Selling Regulation introduced restrictions and disclosure requirements for persons taking short positions in EU or United Kingdom shares and sovereign bonds, and prohibits entering into uncovered credit default swaps in relation to EU or United Kingdom sovereign debt (i.e.,

where the investor does not have an exposure that it is seeking to hedge either to the sovereign debt itself or to assets or liabilities whose value is correlated to the sovereign debt). In addition, the Short Selling Regulation permits the competent authorities of EU Member States and the United Kingdom to prohibit or restrict short sales, limit sovereign credit default swaps and impose emergency disclosure requirements, among other things, during times of stressed markets. Competent authorities may also restrict short sales of individual financial instruments which have suffered a significant fall in price in a single day.

Provisions of the Dodd-Frank Act and new rules promulgated by the SEC may increase the costs of short selling, make interactions with the issuers of securities being sold short more difficult and alter the prices or timing of short sales. The Dodd-Frank Act requires broker-dealers to provide notices to their customers that inform them of their right to opt out of allowing broker-dealers to use their fully paid securities for short sales. In the event that many broker-dealer customers opt out of allowing their fully paid shares to be used in short selling, locating shares for pre-borrowing may become more expensive, especially after the adoption of the SEC's 2008 short selling rules, which were targeted at preventing "naked short selling". Moreover, the SEC's "Circuit Breaker Uptick Rule", will limit Class' ability to sell securities short during the day a stock has declined 10% on its listing market and the following day, except for transactions that are at a price that are above the last national best bid.

The provisions of the SEC rules and the Short Selling Regulation may hinder each Class of Shares' investment programme by preventing it from taking positions that the Investment Manager considers favourable. They may also result in overvaluations of certain financial instruments due to restrictions on market efficiency. In addition, the SEC's "Circuit Breaker Uptick Rule" and the emergency powers granted under the Short Selling Regulation to competent authorities during times of stressed markets and with respect to individual financial instruments, may adversely affect the Company and/or the Classes of Shares by preventing any Class from taking hedging positions or other positions that the Investment Manager considers to be in its best interests. The imposition of emergency measures under the Short Selling Regulation could, therefore, result in substantial losses to any Class.

#### *Position limits*

"Position limits" imposed by various regulators or exchanges may limit each Class of Shares and/or the Company's ability to effect desired trades. Position limits are the maximum amounts of gross, net long or net short positions that any one person or entity may own or control in a particular financial instrument. The application of position limits to the Company may limit the size and duration of positions available to a Class of Shares. A Class of Shares could be required to liquidate positions it holds in order to comply with such limits, may not be able to fully implement trading instructions generated by its trading models, and may have to forego or modify contemplated trades in order to comply with such limits. This could result in substantial costs and lost opportunities to make profitable trades. Further, all positions owned or controlled by the same person or entity, even if in different accounts, may be aggregated for purposes of determining whether the applicable position limits have been exceeded. Thus, even if the Company and/or any Class does not intend to exceed applicable position limits, it is possible that the Investment Manager's Other Accounts together with the Company and/or any Class may be aggregated. To the extent that each Class of Shares and/or the Company's position limits were collapsed with an affiliate's position limits, the effect on each Class and resulting restriction on its investment activities may be significant.

In addition, the Dodd-Frank Act significantly expanded the CFTC's authority to impose position limits with respect to futures contracts, options on futures contracts, swaps that are economically equivalent to futures or options on futures, swaps that are traded on a regulated US exchange and certain swaps that perform a significant price discovery function. The CFTC has attempted to expand this authority to enact additional and more restrictive speculative position limits with respect to futures and options on futures on so-called "exempt commodities" (which includes most energy and metals contracts) and with respect to agricultural commodities, but those limits were vacated by a United States District Court. The CFTC has since re-proposed a new set of speculative position rules which are not yet finalised or effective. If the CFTC adopts final position limit rules, the size or duration of positions available to the Fund may be severely limited. All accounts owned or managed by the Investment Manager are likely to be combined for speculative position limit purposes, both under current rules and under the CFTC's proposed expanded position limits rules. The Company could be required to liquidate positions it holds in order to comply with such limits, or may not be able to fully implement the Investment Strategies in order to comply with such limits. Any such liquidation or limited implementation could result in substantial costs to the Company.

### *Litigation*

With regard to certain of any Class' investments, it is a possibility that the AIFM, the Investment Manager and/or the relevant Class may be plaintiffs or defendants in civil proceedings. The expense of prosecuting claims, for which there is no guarantee of success, and/or the expense of defending against claims by third parties and paying any amounts pursuant to settlements or judgments would generally be borne by the relevant Class and would reduce net assets or may, pursuant to applicable law, require Shareholders to return to the relevant Class distributed capital and earnings.

### *Legal risk in emerging markets*

Many of the laws that govern private and foreign investment, financial instruments transactions, creditors' rights and other contractual relationships in emerging markets are new and largely untested. As a result, the Company and/or each Class of Shares may be subject to a number of unusual risks, including inadequate investor protection, contradictory legislation, incomplete, unclear and changing laws, ignorance or breaches of regulations on the part of other market participants, lack of established or effective avenues for legal redress, lack of standard practices and confidentiality customs characteristic of developed markets, and lack of enforcement of existing regulations.

Regulatory controls and corporate governance of companies in developing countries may confer little protection on investors. Anti-fraud and anti-insider trading legislation is often rudimentary. The concept of fiduciary duty is also limited when compared to such concepts in developed countries. In certain instances, management may take significant actions without the consent of investors. This difficulty in protecting and enforcing rights may have a material adverse effect on the Company and/or each Class of Shares and their operations. Furthermore, it may be difficult to obtain and enforce a judgment in certain of emerging market countries in which assets of the Company and/or each Class of Shares are invested. This difficulty in protecting and enforcing rights may have a material adverse effect on the Company and its operations. Furthermore, it may be difficult to obtain and enforce a judgment in certain of the emerging market countries in which assets of the Company are invested.

### *Tax considerations*

The Directors may take positions on certain tax issues which depend on legal conclusions not yet addressed by the courts. Additionally, no assurance can be given that legislative, administrative or judicial changes will not occur which will alter, either prospectively or retroactively, the tax considerations or risk factors discussed in this Prospectus and/or any Supplement.

The Class of Shares may be audited by one or more tax authorities. An income tax audit may result in an increased tax liability of the Class of Shares, including with respect to years when an investor was not a Shareholder of the Class of Shares, which could reduce the Net Asset Value of the Class and affect the return of all Shareholders.

A Class of Shares may invest in Cryptocurrency Assets and other similar digital assets issued and/or traded using distributed ledger or blockchain technology, including, but not limited to Bitcoin and Ether. Prospective investors should be aware that there is very limited authority on the tax treatment of cryptocurrency and no direct authority on the tax treatment of other Cryptocurrency Assets. Cryptocurrencies may be treated differently by tax authorities in different jurisdictions, for example as property, assets, currencies or financial instruments. Sales, use, gross receipts, excise, property or value-added taxes may be imposed on purchases, holdings and sales of cryptocurrencies.

Additionally, given the uncertainty around whether digital currencies would properly be considered securities or commodities of a type that qualify for the trading and investment activities safe harbour that excludes such activities from being considered a US trade or business, as well as the possibility that a Class of Shares will invest in other digital assets that are not of a type that qualifies for such safe harbour, there is a substantial possibility that a Protected Cell's activities could cause it to be engaged in, or deemed to be engaged in, a US trade of business. It is possible that as tax authorities around the world clarify their views on the character and source of the returns derived from transactions in Cryptocurrency Assets, the activities undertaken by a Protected Cell will result in tax liabilities for a Protected Cell in one or more jurisdictions.

Shareholders should obtain local tax advice on a regular basis to understand the tax treatment of any acquisition, divestment, transfer or holding of cryptocurrencies in a Class of Shares.

The tax and accounting standards for cryptocurrencies are evolving in many jurisdictions and a Class of Shares'

investment in cryptocurrencies and Cryptocurrency Assets may have tax and accounting implications, which a Protected Cell may not appropriately predict in advance and/or account for. Additionally, application of tax laws and regulations may result in increased, ongoing costs, or accounting related expenses, adversely affecting an investment in the relevant Protected Cell.

In the UK, by way of example, the application of the UK “investment manager exemption” to transactions in cryptocurrencies is only available for relevant trading profits derived from certain specific “investment transactions”, which will include transactions in “designated cryptoassets” as defined under The Investment Manager (Investment Transactions) (Cryptoassets) Regulations 2022, traded during accounting periods current on the date on which these regulations were made, and any subsequent accounting period, or the tax year 2022-23, and any subsequent tax year. Designated cryptoassets currently include the most regularly traded cryptoassets such as exchange tokens, utility tokens, security tokens, stablecoins, smart contracts and non-fungible tokens (“NFTs”), provided these are not created or issued by the Company, the Investment Manager or any persons connected with the Company or the Investment Manager. For any cryptoassets that are not “designated cryptoassets”, the Investment Manager will be looking to rely on general UK tax provisions to be regarded as an agent of independent status acting in the ordinary course of its business, rather than on the specific statutory safe harbour of the UK investment manager exemption.

Certain EU Member States have taken steps towards implementing a “financial transactions tax” (“FTT”), applicable to transactions in securities or other financial instruments where at least one party to the transaction, the issuer of the securities or other financial instruments, or the relevant broker, is located in the European Union. If implemented, the FTT may result in substantial loss to the Class of Shares, both directly through increased transaction costs and also indirectly through reduced liquidity in markets in securities and other financial instruments. The FTT may also render economically unviable certain investment strategies which the Investment Manager might otherwise have pursued, which may impair the Investment Manager’s ability to generate returns for Shareholders.

The regulatory or tax environment for derivative and related instruments is evolving and may be subject to government or judicial action, which may affect the value or liquidity of investments held by the Class of Shares or its ability to obtain the leverage it might otherwise obtain.

Where the Class invests in securities that are not subject to withholding tax at the time of acquisition, there can be no assurance that tax may not be withheld in the future as a result of any change in applicable laws, treaties, rules or regulations or the interpretation thereof. The Class will not be able to recover such withheld tax and so any change would have an adverse effect on the Net Asset Value of the Class of Shares. Where the Class sells securities short that are subject to withholding tax at the time of sale, the price obtained will reflect the withholding tax liability of the purchaser. In the event that in the future such securities cease to be subject to withholding tax, the benefit thereof will accrue to the purchaser and not to the Class.

#### *Accounting for uncertainty in income taxes*

Accounting Standards Codification Topic No. 740, “Income Taxes” (in part formerly known as “FIN 48”) (“**ASC 740**”), 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 recognised in an entity’s financial statements. It also provides guidance on recognition, measurement, classification and 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 Net Asset Value of the Company, including reducing the Net Asset Value of the Company to reflect reserves for income taxes, such as US and foreign withholding taxes and income taxes payable on income effectively connected with a trade or business, that may be payable by the Company. This could cause benefits or detriments to certain investors, depending upon the timing of their entry and exit from the Company.

*US source payments may be subject to withholding under FATCA* The United States Foreign Account Tax Compliance Act provisions contained in Sections 1471 to 1474 of the Code and the US Treasury Regulations promulgated thereunder (together, “**FATCA**”) generally imposes a 30% withholding tax on certain payments to non-US financial institutions treated as non-participating Foreign Financial Institutions (“**FFIs**”) (including investment entities) of US source income (a “**FATCA Deduction**”) unless the financial institution discloses to the IRS the name, address and taxpayer identification of certain US persons that hold, directly or indirectly, an account with the financial institution, as well as certain other information relating to any such account. The United

States and the States of Guernsey have entered into the US-Guernsey IGA (as defined and described below), which modifies the foregoing requirements with respect to Guernsey financial institutions but generally requires similar information to be disclosed to the Guernsey income tax office and ultimately to the IRS. The Company intends to comply with any obligations imposed on it under FATCA, the US-Guernsey IGA and the CRS (each as described below) to avoid being treated as a non-participating FFI and the imposition on it of any FATCA Deduction, but there can be no assurances that it will be successful in this regard.

#### *United States-Guernsey Intergovernmental Agreement and the CRS*

On 13 December 2013 the United States of America and the States of Guernsey entered into an intergovernmental agreement ("**US-Guernsey IGA**") to provide for the implementation of FATCA based on domestic reporting and reciprocal exchange of information. FATCA requires the disclosure of certain information and the extent to which the Company is able to comply with FATCA will depend on each affected shareholder in the Company providing any information that the Company determines necessary to satisfy such obligations.

Guernsey implemented this intergovernmental agreement under Guernsey law and published related guidance notes, which are subject to change.

Guernsey implemented the OECD Common Reporting Standard or "CRS" regime with effect from 1 January 2016.

Under the CRS and legislation enacted in Guernsey to implement the CRS, certain disclosure requirements are imposed in respect of certain Shareholders who are, or are entities that are controlled by one or more natural persons who are, residents of any of the jurisdictions that have also adopted the CRS, unless a relevant exemption applies. Where applicable, information to be disclosed will include certain information about Shareholders, their ultimate beneficial owners and/or controllers, and their investment in and returns from the Company. The CRS has been implemented through Guernsey's domestic legislation in accordance with guidance issued by the OECD as supplemented by guidance notes in Guernsey. Under the CRS, disclosure of information, similar in nature to the information required to be reported under the US-Guernsey IGA, is made to Guernsey's income tax office which in turn will transmit that information to the relevant tax authorities in other participating jurisdictions to avoid the imposition of financial penalties or other sanctions on the Company.

By subscribing for Shares, each Shareholder is agreeing, upon the request of the Company or its delegate, to provide such information as is necessary to comply with FATCA and any obligations arising out of the US-Guernsey IGA and similar intergovernmental agreements relating to the CRS or similar regimes and any related legislation and/or regulations.

Shareholders should consult their own tax advisers regarding the possible implications of these regimes on their investments in Shares.

#### *Legal counsel – no separate advice*

Ogier (Guernsey) LLP ("**Ogier**") acts as Guernsey legal counsel to the Company. In connection with the Company's offering of Shares and subsequent advice to the Company, Ogier will not be representing Shareholders. No independent legal counsel has been retained to represent the Shareholders. Ogier's representation of the Company is limited to specific matters as to which it has been consulted by the Company.

There may exist other matters that could have a bearing on the Company as to which Ogier has not been consulted. In addition, Ogier does not undertake to monitor compliance by the Company and its affiliates with the investment programme, valuation procedures and other guidelines set forth herein, nor does Ogier monitor ongoing compliance with applicable laws. In connection with the preparation of this Prospectus and any Supplements, Ogier's responsibility is limited to matters of Guernsey law and it does not accept responsibility in relation to any other matters referred to or disclosed in this Prospectus and any Supplement. In the course of advising the Company, there are times when the interests of Shareholders may differ from those of the Company. Ogier does not represent the Shareholders' interests in resolving these issues. In reviewing this Prospectus and any Supplement, Ogier has relied upon information furnished to it by the Company and has not investigated or verified the accuracy and completeness of information set forth herein concerning the Company, any matter of fact or any matter of law or regulation (other than Guernsey law and regulation).

#### *Segregation of assets*

Currently, when the assets of the Class of Shares or any underlying vehicle in which the Class invests are transferred to a prime broker, the prime broker does not segregate the assets of the Class or any underlying vehicle from other client assets, including non-alterative investment fund assets. There is a risk that the European Securities and Markets Authority or such other regulator, including but not limited to the FCA, may determine that prime brokers are incorrect in not segregating alternative investment fund clients assets from non-alternative investment fund client assets. If such a determination were to be made, the Class or underlying vehicle may require that their assets held by the prime broker be returned to the Class or underlying vehicle, which may incur losses for the Class or underlying vehicle. The Class or underlying vehicle could also be exposed to the risk of loss should the prime broker default on its obligation to return the assets of the Class or underlying vehicle, particularly as there may be practical or timing problems associated with enforcing the rights of the Class or underlying vehicle to its assets in these circumstances.

#### *Subscription Monies*

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

THE FOREGOING RISK FACTORS DO NOT PURPORT TO BE A COMPLETE EXPLANATION OF THE RISKS INVOLVED IN THIS OFFERING AND THE COMPANY WILL FACE ADDITIONAL RISKS WHICH ARE NOT SET OUT ABOVE AND WHICH CANNOT BE SPECIFIED IN ADVANCE. PROSPECTIVE INVESTORS MUST READ THIS ENTIRE PROSPECTUS INCLUDING ALL APPENDICES AND EACH RELEVANT SUPPLEMENT AND MUST CONSULT THEIR OWN PROFESSIONAL ADVISERS, BEFORE DECIDING TO INVEST IN THE COMPANY.



## Relationship between Shareholders, the Company and Service Providers

The Company is an open-ended investment protected cell company incorporated with limited liability under the laws of the Island of Guernsey. While prospective investors will acquire an interest in the Company in respect of the relevant Protected Cell on subscribing for Shares, the Company acting for and on behalf of the relevant Protected Cell is the sole legal and/or beneficial owner of its investments. Consequently, Shareholders have no direct legal or beneficial interest in those investments. The liability of Shareholders for the debts and other obligations of the Company attributable to the relevant Protected Cell is limited to the amount unpaid, if any, on the Shares held by them. Shareholders' rights in respect of their investment in the Company in respect of the Protected Cell are governed by the Articles, the Companies Law, the investment terms set out in this Prospectus and the Application Form.

### *Rights against third parties, including third party service providers*

As the Company has no employees and the Directors have all been appointed on a non-executive basis, the Company and each Protected Cell it acts on behalf of are reliant on the performance of third party service providers, including the Designated Administrator, the AIFM, the Investment Manager, the Services Manager, the Marketing Adviser, the Introducing Broker, the Trustee, the Registrar, the Trading Adviser, the Administrator, the Swiss Paying Agent, the Swiss Representative and the Auditors (the "**Service Providers**").

Investors who are "Eligible Complainants" for the purposes of the FCA DISP rules (natural persons, micro-enterprises and certain charities or trustees of a trust) are able to refer any complaints against the Investment Manager to the Financial Ombudsman Service (the "**FOS**") (further details of which are available at [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)). To determine eligibility in relation to the FOS, investors should consult the website above and speak to their legal advisers.

Without prejudice to any potential right of action in tort that a Shareholder may have to bring a claim against a Service Provider, each Shareholder's contractual relationship in respect of its investment in Shares is with the Company acting for and on behalf of the relevant Protected Cell only. Therefore, no Shareholder will have any contractual claim against any Service Provider with respect to such Service Provider's default.

In the event that a Shareholder considers that it may have a claim against the Company acting for and on behalf of a Protected Cell, or against any Service Provider in connection with such Shareholder's investment in the Company, such Shareholder should consult its own legal advisers.

### *Jurisdiction and applicable law*

As noted above, Shareholders' rights are governed by the Articles, the Companies Law, the terms set out in this Prospectus and the Application Form. By subscribing for Shares, investors agree to be bound by the Articles, the terms set out in this Prospectus and the Application Form which is governed by, and construed in accordance with, the laws of Guernsey.

### *Recognition and enforcement of foreign judgements*

A final and conclusive judgment under which a sum of money is payable (not being a sum payable in respect of taxes or other charges of a like nature or in respect of a fine or penalty) obtained in the superior courts in the reciprocating countries set out in the Judgments (Reciprocal Enforcement) (Guernsey) Law 1957 (the "**1957 Law**") (which includes the Supreme Court and the Senior Courts of England and Wales, excluding the Crown Court), after a hearing on the merits would be recognised as a valid judgment by the Guernsey courts and would be enforceable in accordance with and subject to the provisions of the 1957 Law.

The Courts of Guernsey would also recognise any final and conclusive judgment under which a sum of money is payable (not being a sum payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalty) obtained in a court not recognised by the 1957 Law provided such court is deemed to have jurisdiction in accordance with the principles of private international law as applied by Guernsey and such judgment would be sufficient to form the basis of proceedings in the Guernsey Courts for a claim for liquidated damages in the amount of such judgment. In such proceedings, the Guernsey Courts would not re-hear the case on its merits save in accordance with such principles of private international law.

## Conflicts of interest

The Investment Manager has conflicts of interest policies and procedures that seek to identify, prevent and mitigate potential and actual conflicts of interest applicable to its business and to its provision of services to the Company and to its Other Accounts (as defined below), a summary of certain of which are included in this Section. Some conflicts are inherent in the way that the Investment Manager does business and may not be completely mitigated, even with the Investment Manager's best efforts to do so.

To the extent relevant to the AIFM in the performance of its risk management function on behalf of the Company, or to the extent it directly conducts any portfolio management on behalf of the Company, the Protected Cells and any Trading Subsidiary any of the potential conflicts of interest applicable to the Investment Manager will also apply to the AIFM.

### *Man Group Persons Generally*

The Company is subject to a number of actual and potential conflicts of interest involving the AIFM, the Investment Manager, the Services Manager, the Marketing Adviser and other Man Group persons, the "**Man Group Persons**". Any Man Group Person may from time to time act as director, investment manager, marketing adviser, trustee, adviser or sub-adviser in relation to, or be otherwise involved in or provide services to, other funds or client accounts managed by the Investment Manager and/or another Man Group Person (each an "**Other Account**", and the Company and Other Accounts together being an "**Account**"). Each Man Group Person will endeavour to ensure that any conflicts arising are identified and resolved or mitigated, as reasonably practical, fairly and in accordance with the obligations applicable to such party. In addition, subject to applicable law, Man Group Persons may acquire, hold, dispose of or otherwise deal in the assets of the Company, as principal or agent, provided that such dealings are carried out as if they were effected on normal commercial terms and negotiated on an arm's length basis. Man Group Persons may on occasion hold a significant percentage of ownership in the Company and/or in Other Accounts which utilise an investment strategy substantially similar to the investment strategy of the Company.

The Marketing Adviser may provide structuring services, and in this capacity may propose that the Company enter into agreements with the Marketing Adviser, affiliated entities or third parties with which the Marketing Adviser or its affiliates have a broader commercial relationship for the provision of various services, including in respect of financing arrangements, and brokerage services in respect of which they may receive fees, spreads and other compensation. The final decision as to which service provider is chosen is made by the Directors.

### **The Investment Manager**

#### *Transactions with Other Funds*

The Investment Manager may invest the Company's assets in funds, which are managed by a Man Group Person. Such investments may provide the capital necessary for such Man Group Person to start or continue the operations of a fund, as a viable investment fund. When the Company invests in a fund for which the Investment Manager or an affiliate acts as the general partner, manager or investment manager, fees associated with such investments will be waived at the underlying fund level to prevent a layering of fees. When the Company invests in such a fund, the Company's investment may make that fund more attractive to other investors and so increase the capital managed by the relevant Man Group Person (and therefore the fees earned by the Man Group). In addition, the Investment Manager's dealings with Man Group Persons (e.g. capital investment decisions, redemption decisions and fee negotiations) will not be conducted at arm's length. Although the Investment Manager may be in a better position to monitor the activities of a Man Group Person the Investment Manager has a conflict of interest in determining whether to make or maintain an investment in a relevant fund on behalf of the Company.

#### *Side-by-Side Management*

The Investment Manager may provide discretionary investment management services to Other Accounts which may give rise to conflicts of interest. By way of example, the Investment Manager may manage Other Accounts which have substantially similar investment objectives and strategies to those of the Company. Such Other Accounts may have more favourable liquidity terms than the Company, which could adversely impact the Company in certain market conditions, and may also have different fee and/or other terms than that of the Company (which might mean that the Investment Manager and its personnel may have financial and other incentives to favour such Other Accounts over the Company). The Investment Manager may make different investment decisions on behalf of the Company and such Other Accounts, notwithstanding that they have same or similar investment objectives and strategies.

#### *Order Aggregation and Trade Allocation*

The Investment Manager may aggregate orders relating to the same financial instrument that is traded on or around the same time for the Company and/or one or more Other Accounts. Any aggregated orders are generally allocated pro rata, either on a fill-by-fill basis or on an average price basis. When aggregating orders the Investment Manager will seek to mitigate any potential disadvantage that order aggregation may have on an Other Account. However, there is no guarantee that a benefit will be derived from order aggregation and it is possible that one or more Accounts, including the Company, may be disadvantaged as a result of order aggregation and pro rata trade allocation.

#### *Use of Affiliates*

Subject to applicable law, the Investment Manager may utilise certain investment management and/or order handling and trading capabilities of one or more of its affiliates. When delegating certain investment management and/or execution authority to an affiliate, the Investment Manager will not compensate the respective affiliate with any commissions. In such instances, the affiliate may also be providing similar services to Other Accounts and accordingly conflicts of interest may arise when providing such services to the Company. In particular, orders which are executed by an Investment Manager's affiliate on the instruction of the Investment Manager may not be aggregated by the Investment Manager's affiliate in connection with such affiliate's management of Other Accounts.

#### *Proprietary Investment Activities*

Any of the Man Group Persons may buy, hold and redeem shares in the Company in the normal course of their business and may on occasion hold a significant percentage of the Company's issued shares of one or more classes or series. Certain Man Group Persons are major participants in equity, fixed-income, global currency, commodity, derivative and other financial markets. As such, Man Group Persons may be actively involved in transactions in the same financial instruments in which the Company may invest. Man Group Persons may compete with the Company for appropriate investment opportunities (and, for the avoidance of doubt, may be deemed Other Accounts that are allocated investment opportunities along with the Company pursuant to the Investment Manager's allocation policies). Man Group Persons are under no obligation to share any investment opportunity, idea or strategy with the Company.

#### *Investment in the Company by Other Accounts*

Other Accounts, including those managed by the Investment Manager, may invest in the Company. Serving in these capacities may give rise to certain conflicts of interest for the Investment Manager, particularly because the Investment Manager has actual knowledge of the portfolio positions of the Company. For example, any redemption of shares by the Investment Manager on behalf of Other Accounts could operate to the detriment of other shareholders. Notwithstanding the foregoing, the Investment Manager will at all times endeavour to act in accordance with its fiduciary obligations to its clients (including the Company and the Other Accounts).

#### *Principal Trades and Cross Trades*

If the Investment Manager or any other Man Group Person were to engage in such transactions with respect to the Company, the Investment Manager would follow Man Group's applicable policies and procedures, the current terms of which are summarised below.

A **"Principal Trade"** is a transaction in which a Man Group Person specifically arranges or provides instructions to enter into a "principal transaction" (including a swap) with the Company and/or in which any Man Group Person acts as principal for its own account with respect to the sale of a security (or other asset) or purchase of a security (or other asset) from the Company. The Investment Manager currently anticipates that substantially all Principal Trades, if any, in which a Man Group Person transacts as principal with the Company will be in circumstances where a Man Group Person holds a sufficiently large interest in an Other Account that such Other Account is deemed to be a proprietary account of a Man Group Person (i.e., a Man Group Person has a greater than 25% proprietary investment in such Other Account) (a **"Principal Account"**). These types of Principal Trades can occur when the Investment Manager organises a new fund that is expected to raise capital but during its "ramp-up" period has solely, or significant, proprietary capital, such as in connection with a Man Group Person seeding a new Other Account. Any Principal Trade will only be done in compliance with applicable law. Section 206(3) of the Advisers Act requires prior disclosure to and consent from clients for Principal Trades, but Section 206(3) of the Advisers Act (i) only applies with respect to Principal Trades involving the purchase or sale of securities (and not, for the avoidance of doubt, commodities, currencies or other financial instruments in which the Company may trade) and (ii) does not apply to Principal Trades effected between a non-US registered investment adviser such as the Investment Manager and a non-US fund such as the Company.

A **"Cross Trade"** is a transaction where the Investment Manager or any of its affiliates specifically arranges or provides instructions to effect a purchase or sale transaction (or engages in other transactions) between the Company and an Other Account when the Investment Manager, exercising its judgment in good faith, determines that such a transaction is mutually beneficial to the Company and that Other Account and is fair and equitable. In certain cases, Cross Trades may also be considered Principal Trades if an Other Account is deemed to be a Principal Account, as discussed above. The Investment Manager may also cause the Company to purchase or sell an investment that is being sold or purchased, respectively, at the same time by the Investment Manager, an affiliate or an Other Account.

In addition, the Investment Manager may cause the Company to purchase or redeem shares in a fund at the same time that an Other Account is redeeming or purchasing shares in the same fund. Although such transactions are independent of each other (i.e. the Company and the Other Account are not transacting with each other), they are "related transactions" because the Company may be obtaining access to that fund because the Other Account is redeeming, or vice versa. For example, to finance redemptions of Shares, the Company may have to redeem from a fund that is closed to new investors because of a capacity constraint. In that instance, the Man Group Persons of that fund may offer the capacity that the Company gave up to Other Accounts in accordance with Man Group policies, and the Investment Manager and/or another Man Group Person may elect to make the investment on behalf of one or more Other Accounts as part of their portfolio allocation process and in accordance with their policies. Although these "related transactions" are not Cross Trades, the Investment Manager will only engage in these "related transactions" when it believes the transactions are appropriate and in the best interests of the Company and the Other Accounts involved.

In relation to Principal Trades, Cross Trades and other "related transactions", the Investment Manager may have a conflict between acting in the best interests of the Company and assisting itself and other Man Group Persons (including Principal Accounts) by selling or purchasing a particular security (or other asset). However, the Investment Manager believes that it has controls in place to mitigate such conflicts such that the Company and the Other Accounts (including Principal Accounts) are treated on a fair and equitable basis.

#### *Devotion of Time*

Man Group Persons (including the Investment Manager) will devote as much of their time to the activities of the Company as they deem necessary and appropriate and will not be devoted exclusively to the Company. The provision of services to Other Accounts may involve substantial time and resources and the Man Group Persons may have conflicts of interest in the allocation of their time among the Company and the Other Accounts.

### *Voting Rights*

The Company may have the right to exercise voting rights in respect of certain of its investments. The Investment Manager may exercise voting rights on behalf of the Company (usually by way of a proxy vote), and will generally seek to vote in the best interests of the Company, as determined in good faith by the Investment Manager given the totality of the circumstances. The Investment Manager will seek to address material conflicts that may arise between the Investment Manager's interests (or those of Other Accounts) and those of the Company before voting on behalf of the Company. The Investment Manager may abstain from voting if the Investment Manager determines that doing so is unnecessary or unwarranted for any other reason. The Investment Manager has contracted with an independent third-party provider who provides voting agent and advisory service related to proxies.

### *Selection of Brokers and Trading Counterparties*

The Investment Manager or other Man Group Persons may be subject to conflicts of interest relating to their selection of brokers and trading counterparties on behalf of the Company. The Investment Manager will consider a number of factors when determining what broker or trading counterparty to use to execute an order or set of orders on behalf of the Company and Other Accounts. Such factors include a broker or counterparty's ability to effect the transactions, its ability to seek best execution as well as such broker or counterparty's facilities, reliability and financial responsibility. In certain circumstances a broker or trading counterparty may provide other services that are beneficial to the Investment Manager and/or other Man Group Persons, but not necessarily beneficial to the Company, including capital introduction, marketing assistance, financing, consulting with respect to technology, operations or equipment and other services or items. Such services are only accepted where permitted under applicable laws and regulations.

### *Service Providers*

The Designated Administrator, the AIFM, the Administrator, the Trustee and/or any service provider to the Company, and their respective affiliates may from time to time act as prime broker, dealer, custodian, depositary, registrar, administrator or distributor, in relation to, or be otherwise involved in, Other Accounts or other funds, vehicles or accounts established by parties other than the Investment Manager, which may have similar investment objectives and strategies to those of the Company. It is, therefore, possible that any of them may, in the course of business, have potential conflicts of interests with the Company. Each will, at all times, have regard in such event to its obligations to the Company and will endeavour to ensure that such conflicts are resolved fairly. The Designated Administrator, the AIFM, the Administrator, the Trustee and/or any service provider to the Company, and their respective officers, employees and affiliates may from time to time provide other services to Man Group Persons and/or be involved in other financial, investment or professional activities which may give rise to conflicts of interest with the Company, or which may conflict with the investment strategy being pursued by the Company. The Administrator, which has been appointed to calculate the Net Asset Value, faces a potential conflict of interest because its fee is based on the Net Asset Value.

### *The Directors*

A Director may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is interested, provided that he or she has disclosed to the other Directors prior to the conclusion of any such transaction or arrangement the nature and extent of any material interest of his or hers in that transaction or arrangement. Unless the Directors determine otherwise, a Director may vote in respect of any such arrangement or proposal, having first disclosed such interest. As at the date of this Prospectus, no Director or person connected to any Director has any interest, beneficial or non-beneficial, in the share capital of the Company or any material interest in the Company or in any agreement or arrangement with the Company other than the agreements disclosed in this Prospectus. The Directors may also be directors of other funds to which Man Group Persons provide services. The Directors will endeavour to ensure that any conflicts of interest are resolved fairly.

### *Conflicts of Interest Affecting Funds Generally*

The conflicts of interest that apply to the Company in respect of the Investment Manager, its other service providers and the Directors, as described above, will generally also apply to each fund which is managed by a Man Group Person, its other service providers and its directors or other governing body.

Market quotations regarding certain investments by a fund managed by a Man Group Person, may not always be available. In such cases, those investments may be valued by the relevant Man Group Person. The Man Group Person will have a conflict of interest in making such a valuation, because the valuation affects the relevant fund's net asset value and, consequently, the incentive compensation and the management fees that the Man Group Person would receive for its services.

## Names and addresses

### **Directors**

William Simpson  
Joanna Duquemin Nicolle  
William Scott  
all of  
Level 3, Mill Court  
La Charroterie  
St Peter Port  
Guernsey GY1 1EJ  
Channel Islands

### **Registered office**

Level 3, Mill Court  
La Charroterie  
St Peter Port  
Guernsey GY1 1EJ  
Channel Islands

### **Designated Administrator and Registrar**

J.P. Morgan Administration Services (Guernsey) Limited  
Level 3, Mill Court  
La Charroterie  
St Peter Port  
Guernsey GY1 1EJ  
Channel Islands  
Tel: +44 1481 758620  
Fax: +44 1481 729423

### **AIFM**

Man Asset Management (Cayman) Limited  
PO Box 309

Ugland House Grand Cayman KY1-1104  
Cayman Islands

### **Investment Manager, Trading Adviser and Introducing Broker**

AHL Partners LLP  
Riverbank House  
2 Swan Lane  
London EC4R 3AD  
United Kingdom

### **Administrator**

BNY Mellon Fund Services (Ireland) Designated Activity Company  
*Registered Office*  
One Dockland Central  
Guild Street

IFSC  
Dublin 1  
D01 E4X0  
Ireland

**Swiss Paying Agent**

CACEIS Investor Services Bank S.A., Esch-sur-Alzette, Zurich branch  
Bleicherweg 7  
CH-8027 Zurich  
Switzerland

**Trustee**

J.P. Morgan Custody Services (Guernsey) Limited  
Level 3, Mill Court  
La Charroterie  
St. Peter Port  
Guernsey  
GY1 1EJ  
Tel: +44 1481 758 620  
Fax: +44 1481 729 423

**Services Manager, Marketing Adviser and Swiss Representative**

Man Investments AG  
Huobstrasse 3  
8808 Pfäffikon SZ  
Switzerland

**Auditors**

Deloitte LLP  
PO Box 137  
Regency Court  
Gategny Esplanade  
St Peter Port  
Guernsey GY1 3HW  
Channel Islands

**Guernsey legal adviser to the Company**

Ogier (Guernsey) LLP  
Redwood House  
St Julian's Avenue  
St Peter Port  
Guernsey GY1 1WA  
Channel Islands



# Appendix 1

## Definitions

For the purposes of this Prospectus:

**'Account Communications'** means all current and future account statements; requests for further documentation or information from the Applicant relating to the Shares; requests for information to maintain the Applicant's registration; the Prospectus and the relevant Supplements, the Articles of Association, the Application Form and the Material Contracts (including all supplements and amendments to any of the foregoing); notices (including privacy notices); letters to investors; annual audited financial statements; trading advisory reports, performance reports, contract notes and ancillary or generic information relating to the Shares provided to the Applicant; regulatory communications and other information, documents, data and records regarding the Applicant's investment in the Company, reports from the Company or the Investment Manager on the performance of the Company or relevant investment strategies or investment opportunities or other promotional information, documents, data or records regarding the Company and the Investment Manager.

**'Account Holder'** means an entity which holds Shares on behalf of the Shareholders through one or more Clearing System.

**'Administrator'** means BNY Mellon Fund Services (Ireland) Designated Activity Company.

**'Agency'** means any state, country or government or any governmental, quasi-governmental or judicial entity or authority.

**'AHL'** means an investment division of the Man Group.

**'AHL Diversified Programme'** means the investment programme detailed in the section 'AHL Diversified Programme'.

**'AIFM'** has the meaning given to it in the AIFM Directive, and, in the context of a Protected Cell, shall mean Man Asset Management (Cayman) Limited.

**'AIFM Agreement'** means the master AIFM Agreement between the Company and the AIFM as described in section 16 of Appendix 2 to this Prospectus and the agreements from time to time in effect relating to each Class of Shares substantially on the terms of that master agreement

**'AIFM Directive'** means Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010 and all implementing legislation in any relevant EEA jurisdiction and/or the United Kingdom.

**'Anti-Money Laundering Documents'** means the documentation required to be provided by an Applicant as part of their application for Shares as set out in the applicable appendix to the relevant Application Form, as may be amended from time to time.

**'Applicant'** means any person in whose name an application to subscribe for Shares is made by submitting a duly completed and signed Application Form, and **'Applicants'** shall be construed accordingly.

**'Application Amount'** means, in respect of an application, the amount in cleared funds remitted by the Applicant and which has been received into and credited to the Subscription Account, and **'Application Amounts'** shall be construed accordingly.

**'Application Form'** means the application form for each and any Class of Share as amended from time to time, which can be obtained from the Administrator, and where applicable, the authorised intermediaries of Man, to be completed and executed by an Applicant in order to apply for Shares, and **'Application Forms'** shall be construed accordingly.

**'Article 36 Functions'** means the functions of a depositary referred to in Article 36 of the AIFM Directive including, but not limited to, monitoring cash flows; ensuring the safe-keeping of the Company's or relevant Protected Cell's assets and oversight of the activities of the relevant Protected Cells including ensuring the sale, issue, repurchase, redemption and cancellation of Shares are properly carried out.

**'Articles'** means the articles of the Company in effect from time to time.

**'AUD'** means Australian dollars, the currency of Australia.

**'Auditors'** means Deloitte LLP or such other party as may be appointed as auditor from time to time.

**'BNYM Fund Services Agreement'** means the fund services agreement entered into by and between the Services Manager and the Administrator, as amended and restated from time to time.

**'Broker'** means a party or parties appointed as broker from time to time to the Company, and **'Brokers'** shall be construed accordingly.

**'Broker Agreement'** means the Introducing Broker Agreement described in section 16 of Appendix 2 to this Prospectus together with the Broker's new account documentation duly executed in respect of the relevant Class of Share.

**'Business Day'** means any day (other than a Saturday or a Sunday) on which banks and stock exchanges are open for business in Dublin, London and New York, read together with any definition in the relevant Supplement, and **'Business Days'** shall be construed accordingly.

**'CFD'** means a contract for difference.

**'CFTC'** means the US Commodity Futures Trading Commission.

**'CISA'** means the Swiss Collective Investment Scheme Act of 23 June 2006.

**'Class'** or **'Class of Share'** means Shares of a particular class in the Company, in connection with which a Protected Cell in the Company is maintained, as offered for subscription by the Company from time to time, and **'Classes'** or **'Classes of Share'** shall be construed accordingly.

**'Class B Rules'** means the Authorised Collective Investment Schemes (Class B) Rules and Guidance 2021.

**'Clearing System'** means Euroclear or Clearstream, as the case may be, and **'Clearing Systems'** shall be construed accordingly.

**'Clearstream'** means Clearstream Banking, société anonyme.

**'Closed-ended Class of Share'** means a Class of Share which is available for subscription during the Initial Offer Period as set out in the relevant Supplement, where applicable, and thereafter only with the consent of the Directors following the recommendation of the Investment Manager, in their absolute discretion.

**'Code'** means the U.S. Internal Revenue Code of 1986, as amended.

**'Commission'** means the Guernsey Financial Services Commission.

**'Common Depository'** means the common depository for the Clearing Systems.

**'Companies Law'** means the Companies (Guernsey) Law, 2008 (as amended).

**'Company'** means Man AHL Diversified PCC Limited, a protected cell company incorporated with limited liability in the Island of Guernsey pursuant to the provisions of the Companies Law.

**'Custodian Agreement'** means the Custodian and Depository Services Agreement between the Company on its own behalf and on behalf of certain Protected Cells as applicable, the Investment Manager and the Trustee, pursuant to which the Trustee has been appointed as designated custodian of the Company and to perform the Article 36 Functions in respect of one or more Classes of Shares.

**'Data Recipient'** means the Company, any member of the Man Group from time to time and/or any other service provider and their affiliates (including, without limitation the Administrator) and/or the Applicant's account executive.

**'Dealing Day'** means, in respect of any Class of Share, a day specified as such in the relevant Supplement and/or such other Business Days as the Directors shall from time to time determine in respect of any Class of Share or generally, and **'Dealing Days'** shall be construed accordingly.

**'Designated Administration Agreement'** means the designated administration agreement between the Company on behalf of each Protected Cell, Man Asset Management (Cayman) Limited and the Designated Administrator and as may be amended from time to time.

**'Designated Administrator'** means J.P. Morgan Administration Services (Guernsey) Limited or such other party as is appointed designated administrator for the purposes of the Class B Rules in respect of a Class of Shares from time to time.

**'Direct Participants'** means, in the case of a Class of Share utilising arrangements with Clearing Systems, Shareholders (i) having their own accounts with one or more Clearing System; and (ii) having their Shares credited to such accounts and **'Direct Participant'** shall be construed accordingly.

**'Directors'** means the directors (or any alternate director) of the Company, or any duly authorised committee thereof, from time to time and **'Director'** shall be construed accordingly.

**'Duties and Charges'** means all stamp and other duties, taxes, governmental charges, brokerage, bank charges, transfer fees, registration fees and other duties and charges in connection with the acquisition or sale of the net assets of the Company (or which would be payable if such net assets were then acquired or sold) or in connection with the creation, issue, sale, redemption or repurchase of Shares or any certificates in respect thereof which may have become or may be payable but shall not include any commission charges or costs which may have been taken into account in ascertaining the Net Asset Value of the Company or Class of Share concerned.

**'DVP'** means delivery versus payment, the process of clearing and settling a securities trade including the matching of the terms of the trade, the calculation of the obligations of the counterparties as a consequence of matched trades (clearance), the discharge of those obligations (settlement) through the final transfer of securities (delivery) and the final transfer of funds (payment).

**'DVP Applicant'** means any person who applies to subscribe for DVP Shares using the DVP method of subscription and **'DVP Applicants'** shall be construed accordingly.

**'DVP Application'** means an application to subscribe for DVP Shares via DVP and **'DVP Applications'** shall be construed accordingly.

**'DVP Application Form'** means the application form which must be completed by a DVP Applicant and **'DVP Application Forms'** shall be construed accordingly.

**'DVP Redeemer'** means any person who applies to redeem Shares using the DVP method of redemption and **'DVP Redeemers'** shall be construed accordingly.

**'DVP Redemption'** means an application to redeem DVP Shares via DVP and **'DVP Redemptions'** shall be construed accordingly.

**'DVP Redemption Notice'** means the redemption request which must be completed by a DVP Shareholder.

**'DVP Redemption Proceeds'** means in respect of each DVP Shareholder, the redemption proceeds attributable to the DVP Shares redeemed by it.

**'DVP Share'** means a Share subscribed for, or redeemed by (as the case may be), a DVP Applicant or a DVP Redeemer (as the case may be) and **'DVP Shares'** shall be construed accordingly.

**'DVP Shareholder'** means a Shareholder in respect of a DVP Share.

**'DVP Subscription Proceeds'** means in respect of each DVP Shareholder, the subscription monies attributable to the DVP Shares issued to the DVP Shareholder.

**'EEA'** means the 27 member states of the European Union plus Iceland, Norway and Liechtenstein.

**'ERISA'** means the US Employee Retirement Income Security Act of 1974, as amended.

**'EUR'** means the Euro, the single currency of participating states of the European Union.

**'Euroclear'** means Euroclear Bank S.A./N.V.

**'FCA'** means the Financial Conduct Authority of the United Kingdom, a company limited by guarantee established and authorised to carry out its regulatory functions under the FSMA (and any successor regulatory organisation).

**'FINMA'** means the Swiss Financial Market Supervisory Authority.

**'FSMA'** means the Financial Services and Markets Act 2000 of the United Kingdom, as the same may be amended from time to time.

**‘Financing’** means the principal amounts outstanding under loans and derivative instruments created under the Financing Arrangements (but not including investments in leveraged vehicles) from time to time together with any accrued but unpaid interest, fees or expenses thereon in each case calculated in accordance with the terms of the Financing Arrangements.

**‘Financing Arrangements’** means credit facilities and/or any other forms of leverage relating to the Shares including but not limited to derivative instruments, investments in leveraged vehicles provided on a committed or uncommitted basis or other funding arrangements as recommended by the Investment Manager and **‘Financing Arrangement’** shall be construed accordingly.

**‘Financing Provider’** means any entity (or entities), which may include an entity within the Man Group, which from time to time enters into a Financing Arrangement with the Company in relation to a Class of Share for the purposes, inter alia, of providing the investment leverage contemplated in this Prospectus, and **‘Financing Providers’** shall be construed accordingly.

**‘First in First out (FIFO)’** means the principle that the Administrator will apply in order to allocate a redemption to the investor's shareholding when an investor has subscribed on different dates. The Shares will then be redeemed in the order of the subscription dates, Shares issued at the initial subscription would be redeemed first.

**‘Functional Currency’** means, in relation to each Class of Shares, the currency in which Shares of such Class are purchased and redeemed as provided in the relevant Supplement.

**‘GBP’** means pounds sterling, the lawful currency of the United Kingdom of Great Britain and Northern Ireland.

**‘Global Share Certificate’** means the global share certificate in respect of the Class of Share held in the Clearing Systems for Direct Participants, to be registered in the name of The Bank of New York (Depository) Nominees Limited as nominee of the Common Depository in respect of any Class of Share (or such other party in whose name the global registered share is registered), and **‘Global Registered Shares’** shall be construed accordingly.

**‘Initial Offer Period’** means, in relation to a Class of Share the period set out in the Supplement, where applicable, under the heading ‘Initial Offer Period’, unless postponed, reduced or extended at the discretion of the Directors.

**Internal Fund of Funds’** means a fund managed by a member of the Man Group and which invests only in funds managed by a member of the Man Group.

**‘Introducing Broker’** means AHL Partners LLP of Riverbank House, 2 Swan Lane, London EC4R 3AD, a limited liability partnership established in England and authorised and regulated by the Financial Conduct Authority in the conduct of its regulated activities in the United Kingdom, and also a member of the Man Group.

**‘Introducing Broker Agreement’** means the master agreement between the Introducing Broker and the Company as described in section 16 of Appendix 2 to this Prospectus and the agreements from time to time in effect relating to each Class of Share substantially on the terms of that master agreement.

**‘Investment Date’** means the date on which investment exposure to any of the Investment Strategies has been achieved.

**‘Investment Management Agreement’** means the master investment management agreement between the Company, the Marketing Adviser, the AIFM and the Investment Manager as described in section 16 of Appendix 2 to this Prospectus and the agreements from time to time in effect relating to each Class of Shares substantially on the terms of that master agreement.

**‘Investment Manager’** means AHL Partners LLP of Riverbank House, 2 Swan Lane, London EC4R 3AD, a limited liability partnership established in England and authorised and regulated by the Financial Conduct Authority in the conduct of its regulated activities in the United Kingdom, and also a member of the Man Group.

**‘Investment Strategy’** means any investment strategy or investment programme applied by the Investment Manager which alone or together with other investment strategies or investment programmes comprises an investment approach or style portfolio and which is more fully described in the relevant Supplement, and **‘Investment Strategies’** shall be construed accordingly.

**‘IRS’** means the United States Internal Revenue Service.

**‘Law’** means the Protection of Investors (Bailiwick of Guernsey) Law, 2020.

**'Man Group'** means:

- (i) Man Group plc;
- (ii) any company or other entity which directly or indirectly controls, is controlled by or is under common control with Man Group plc (including any holding company or subsidiary, each within the meaning of S1159 of the Companies Act 2006); and
- (iii) any limited partnership or limited liability partnership whose general partner or managing member is an entity in (ii) above,

but excluding any investment fund in relation to which Man Group plc or an entity or partnership in (ii) or (iii) above provides investment management, advisory, marketing or related services.

**'Management Shares'** means the management shares of a par value of USD 1 in the capital of the Company having the rights and being subject to the restrictions described in section 2 of Appendix 2 to this Prospectus, and **'Management Share'** shall be construed accordingly.

**'Marketing Adviser'** means Man Investments AG acting in its capacity as marketing adviser pursuant to the Investment Management Agreement.

**'Material Contracts'** means each of the contracts in the form described in section 16 of Appendix 2 to this Prospectus, as entered into by the Company from time to time, and **'Material Contract'** shall be construed accordingly.

**'Memorandum'** means the memorandum of incorporation of the Company as amended from time to time.

**'MiFID'** means the Markets in Financial Instruments Directive (2004/39/EC).

**'Minimum Holding'** means, in relation to a Class of Share, the minimum number of Shares of that Class of Share, the minimum amount, or the minimum value of a Shareholder's holding in that Class of Share which a Shareholder must maintain (as the case may be), as set out in the relevant Supplement under the heading 'Minimum Holding'. The Directors may in their discretion reduce the Minimum Holding.

**'Minimum Redemption Number'** means, in relation to a Class of Share, the minimum number of Shares of that Class of Share or amount in the relevant currency which a Shareholder may redeem pursuant to any single redemption application, as set out in the relevant Supplement. The Directors in their discretion may reduce the Minimum Redemption Number.

**'Minimum Subscription Amount'** means, in relation to a Class of Share save to the extent set out in Appendix 3 to this Prospectus, the minimum amount for which each person must initially subscribe, as set out in the relevant Supplement. The Directors may in their discretion reduce the Minimum Subscription Amount.

**'Net Asset Value'** means, in relation to a Class of Share, the amount calculated by the Administrator as at each Valuation Day as being the value of the net assets of the Company attributable to the relevant Class of Share (as such value is more particularly described in the section entitled 'Valuation' of this Prospectus).

**'Net Asset Value per Share'** means, in relation to a Class of Share, the Net Asset Value divided by the number of Shares in issue in that Class on the Valuation Day to which the calculation of that Net Asset Value by the Administrator relates and deducting therefrom such amount as may be necessary to round the resulting amount down to such number of decimal places determined by the Directors.

**'Non-qualified Person'** means (i) any person who by acquiring and/or holding Shares, would be in breach of the law or requirements of any country or governmental authority; or (ii) any person or persons in circumstances (whether directly or indirectly affecting such person or persons and whether taken alone or in conjunction with any other persons, connected or not, or any other circumstances appearing to the Directors to be relevant) which, in the opinion of the Directors, might result in the Company incurring any liability to taxation or suffering any other pecuniary or commercial disadvantage that the Company might not otherwise have incurred or suffered; or (iii) any person under the age of 21 years.

**'Offer Period'** means the period of the offer for subscription of the Shares, whether a single period, or periodically as more fully set out in the relevant Supplement.

**'OTC'** means over-the-counter.

**'Other Accounts'** means the Investment Manager's other clients, including other investment funds, client accounts and proprietary accounts sponsored and/or managed by each of them and each of their respective affiliates.

**'Prospectus'** means this prospectus, as supplemented, replaced or amended from time to time with the approval of the Directors, including the appendices to this Prospectus.

**'Protected Cell'** means each separate and distinct protected cell established by the Company in connection with each Class of Share and within which all assets and liabilities attributable to the relevant Class of Share are held and segregated from the assets and liabilities attributable to each other Class of Share and from the general assets and liabilities of the Company, and **'Protected Cells'** shall be construed accordingly.

**'Recognised Investment Exchange'** means a recognised investment exchange for the purposes of the Financial Services and Markets Act 2000 or such other investment exchange as the Directors may in their absolute discretion nominate for the purposes of obtaining a listing of any Class of Share, and **'Recognised Investment Exchanges'** shall be construed accordingly.

**'Redemption Price'** means, in relation to a Class of Share, the price at which Shares of that Class will be redeemed. The price will be ascertained by (a) determining the Net Asset Value for that Class of Share calculated as at the last Valuation Day prior to the Dealing Day as of which the relevant Shares of that Class are to be redeemed; (b) deducting therefrom such provisions (if any) for Duties and Charges as the Directors in their discretion may think fit; (c) dividing the amount calculated under (a) and (b) above by the number of Shares of that Class in issue or deemed to be in issue as at the relevant Valuation Day; (d) deducting therefrom any redemption fee payable in respect of such Class; and (e) deducting therefrom such amount as may be necessary to round the resulting amount down to such number of decimal places as determined by the Directors.

**'Registrar'** means J.P. Morgan Administration Services (Guernsey) Limited or such other party as is appointed registrar to the Company from time to time.

**'Risk factors'** shall, where the context so requires, have the same meaning as the section entitled 'Key risks'.

**'Secondary Liquidity Facility'** means the electronic and/or telephone based facility which may (but need not) be provided in relation to any Shares from time to time by one or more company (whether affiliated to Man Group or independent from Man Group) allowing Shares to be bought and sold from time to time.

**'Services Manager'** means Man Investments AG or such other party as appointed services manager in respect of any Class of Share from time to time.

**'Services Management Agreement'** means the agreement between the Company on behalf of the relevant Class of Share and the Services Manager, as amended and restated from time to time.

**'Shareholder'** means a person entered as a holder of Shares in the Company's register of Shareholders maintained by the Registrar (or its delegate), and **'Shareholders'** shall be construed accordingly.

**'Shares'** means each of the limited voting redeemable participating shares of any Class, issued or to be issued by the Company, offered pursuant to this Prospectus and the relevant Supplement and more particularly described in the relevant Supplement, and **'Share'** shall be construed accordingly.

**'Standard Shareholder'** means, in the case of a Class of Share utilising arrangements with Clearing Systems, a Shareholder whose Shares are not held in the Clearing Systems, and **'Standard Shareholders'** shall be construed accordingly.

**'Subscription Account'** means the non-interest bearing subscription account opened by the Company in respect of the Shares as set out in the section entitled 'Subscription Account' and/or with such other party on terms and conditions as may in the case of the Shares be determined by the Directors in their absolute discretion.

**'Subscription Price'** means, in relation to a Class of Share, the price at which Shares of that Class can be purchased, being, during the Initial Offer Period, the price per Share set out in the relevant Supplement and thereafter the price will be ascertained by (a) determining the Net Asset Value for that Class of Share calculated as at the Valuation Day immediately preceding the relevant Dealing Day; (b) adding thereto such provisions (if any) for Duties and Charges as the Directors in their absolute discretion may think fit; and (c) dividing the amount calculated under (a) and (b) above by the number of Shares of that Class in issue or deemed to be in issue as at the relevant Valuation Day.

**'Supplement'** means, with respect to each Class of Share, the relevant supplement to this Prospectus describing the specific terms and conditions for investing in such Class of Share and **'Supplements'** shall be construed accordingly.

**'Swiss Paying Agency Agreement'** means the paying agency agreement between, among others, the Company, Man Investments AG and the Swiss Paying Agent pursuant to which the Swiss Paying Agent was appointed to be the paying agent for the Company in Switzerland.

**'Swiss Paying Agent'** means RBC Investor Services Bank S.A., Esch-sur-Alzette, Zurich Branch as Swiss paying agent from time to time.

**'Swiss Representation Agreement'** means the agreement between the Company, the Investment Manager and the Swiss Representative, or such other party as may be appointed from time to time.

**'Swiss Representative'** means Man Investments AG or such other party as may be appointed from time to time.

**'Trade ID'** means the number allocated by the Administrator to each subscription for Shares. The number is stated on the contract note sent by the Administrator to the Shareholder.

**'Trading Adviser'** means a trading adviser selected directly or indirectly by the AIFM to implement an Investment Strategy, which may include itself acting in its capacity as the investment manager or adviser of an Investment Strategy developed by it, and **'Trading Advisers'** shall be construed accordingly.

**'Trading Adviser Agreement'** means a master agreement between the Company, the AIFM, the Marketing Adviser and a Trading Adviser pursuant to which the relevant Trading Adviser agrees to provide trading advice in respect of the assets allocated to the Trading Adviser from time to time by the AIFM, as described in section 16 of Appendix 2 to this Prospectus, and the agreements in effect from time to time relating to each Class of Share substantially on the terms of that master agreement, and **'Trading Adviser Agreements'** shall be construed accordingly.

**'Trading Capital'** means in respect of a Class of Share, all the assets of such Class of Share (other than the share capital of the Company) less the liabilities of such Class of Share.

**'Trading Subsidiary'** means a wholly-owned subsidiary of the Company through which dealings in investments for the account of a particular Class of Share are conducted and the issued share capital of which is recorded by the Company as an asset of the relevant Class of Share, and **'Trading Subsidiaries'** shall be construed accordingly.

**'Tranche'** means Tranche A or Tranche B as applicable, and **'Tranches'** shall be construed accordingly.

**'Tranche A'** means the portion of any Class of Share that may be designated as such and available for subscription, which together with Tranche B, comprise the Class of Share.

**'Tranche B'** means the portion of any Class of Share that may be designated as such and available for subscription, which together with Tranche A, comprise the Class of Share. The Directors may, in their absolute discretion, waive the payment of certain fees in respect of this Tranche.

**'Trustee'** means J.P. Morgan Custody Services (Guernsey) Limited.

**'Unclassified Shares'** means a share in the capital of the Company of USD 0.01 par value which may be issued as a nominal share of any Class of Share.

**'United States'** or **'US'** means the United States of America and its territories and possessions including any state thereof and the **District of Columbia**.

**'United States person'** or **'US person'** means any person, any individual or entity that would be (i) a 'United States Person' as so defined under Regulation S of the Securities Act; (ii) a person or entity that is not a "Non-United States Person" as defined under CFTC Regulation 4.7; (iii) a "US Person" under either (A) the Interpretive Guidance and Policy Statement Regarding Compliance with Certain Swap Regulations published by the CFTC on July 26, 2013 or (B) CFTC Regulation 23.23. (Cross Border Application); or (iv) a "United States Person" under the Code (as each may be amended from time to time). See Appendix 4 for the current definitions of 'United States Person'.

**'USD'** means US dollars, the currency of the United States.

**'Valuation Day'** means, in respect of any Class of Share, a day specified as such in the Supplement and/or such other day as the Directors shall from time to time determine in respect of any Class of Share or generally, provided further that if the determination of Net Asset Value is suspended, then for so long as such suspension is continuing the obligation that there be at least one Valuation Day in each calendar month shall not apply.

**'Valuation Point'** means 17:00 London time on a Valuation Day or such other time as the Directors shall from time to time determine in respect of any Class of Share or generally.



# Appendix 2

## General information

### 1. Incorporation

The Company is a protected cell company incorporated with limited liability in the Island of Guernsey on 7 December 2007 and authorised as an open-ended Class B Scheme under the Law. As such, its Articles provide that it may issue separate Classes of Share (each, a “**Class**”), the assets and liabilities attributable to which will be segregated in a separate Protected Cell of the Company. Each Protected Cell will have its own investment objective and Investment Strategies, which, in addition to the information provided herein, will be more fully described in the Supplement for such Class of Share. The Company may have Classes of Share denominated in USD and other currencies. As a matter of Guernsey law, although the Company is a single legal entity, the assets and liabilities of the Company held by or on behalf of each Class of Share are segregated from the assets and liabilities of other Classes of Share and from the general assets and liabilities of the Company and are only available to meet the liabilities of the Company attributable to the relevant Class of Share. Therefore, as a matter of Guernsey law, there will be no cross liabilities between Classes of Share.

The Memorandum and the Articles of the Company comprise its constitution. The authorised share capital of the Company consists of USD 20,000,100 divided into (i) 100 Management Shares of USD 1 par value each; and (ii) 2,000,000,000 Unclassified Shares of USD 0.01 par value each. The Company may, in the future, increase its authorised share capital by creating additional unclassified shares (denominated in USD and other currencies). Unclassified Shares may be issued as Shares or as nominal shares of any Class of Share. The Management Shares were issued at par and are held by Master Multi-Product Holdings Ltd, a Bermuda exempted company, which is itself owned by Conyers Trust Company (Bermuda) Limited, in its capacity as trustee of the Master Multi-Product Purpose Trust, a special purpose trust formed under the laws of Bermuda pursuant to a deed of trust made by Conyers Trust Company (Bermuda) Limited dated 14 December 2005. The Shares are available for issue at the absolute discretion of the Directors in accordance with the Articles and the Companies Law.

Each Class of Share may be divided into Tranches and each Tranche will participate in the profit and losses of such Class of Share in the same manner as all other Tranches of such Class of Share. In no circumstances will the division of a Class of Shares into Tranches increase the fees payable by an existing shareholder.

The Company may in the future designate additional Tranches in any existing Class of Share and may also create additional Classes of Share and Tranches within such additional Classes of Share in its sole and absolute discretion.

### 2. Share rights attached to the Management Shares

The Management Shares were created so that Shares could be issued. To qualify as redeemable participating shares, the Shares were required at the time of incorporation under Guernsey law to have a preference over some other class of capital.

The holders of Management Shares of the Company shall:

- (a) on a poll be entitled to one vote per Management Share and on a show of hands each holder of Management Shares be entitled to one vote;
- (b) be entitled to receive a dividend of up to USD 5,000 per annum in relation to the Management Shares;
- (c) in the event of the winding up or dissolution of the Company, whether voluntary or involuntary or for the purpose of reorganisation or otherwise or upon any distribution of capital, be entitled, subject to the Articles, to the par value thereof and thereafter to share pro-rata in the surplus assets not attributable to a Class of Share; and
- (d) not be entitled to request redemption of their Management Shares and the Company shall not be entitled to require redemption or repurchase of such Management Shares.

### **3. Share rights of the Shareholders holding Participating Shares**

Unclassified Shares in the capital of the Company may be issued as redeemable preference participating shares at such initial issue price (excluding any initial charge) per Share representing such premium over the par value of each such Share as the Directors may from time to time resolve.

The holders of the Shares of each Class shall:

- (a) not be entitled to any votes in respect of such Shares except as provided in sections 8 and 9 of this Appendix 2;
- (b) be entitled to such dividends as the Directors may from time to time declare;
- (c) in the event of a winding up of the Company, whether voluntary or involuntary or for the purpose of reorganisation or otherwise or upon any distribution of capital, be entitled, subject to the provisions of the Articles, *pari passu* with the holders of the Shares of the same Class of Share to an amount equal to the paid up capital thereon and thereafter to share *pro-rata* in the surplus assets of the Class of Share which they hold; and
- (d) be entitled to redeem their Shares as provided in the Articles and described in this Prospectus and the relevant Supplement and the Company shall be entitled to require redemption of such Shares as provided in the Articles.

### **4. Nominal shares**

Unclassified Shares in the capital of the Company may be issued as nominal shares. The nominal shares can only be issued at par to the Designated Administrator. The holder of nominal shares is entitled to one vote only irrespective of the number of nominal shares held.

The holder of nominal shares:

- (a) has no right to dividends; and
- (b) in the event of a winding up of the Company, whether voluntary or involuntary or for the purpose of reorganisation or otherwise or upon any distribution of capital, will be entitled, subject to the Articles, to the par value thereof if paid up but shall not be entitled to any other or further amounts.

Nominal shares issued for the purpose of redemption of Shares of a particular Class of Share constitute Shares in such Class of Share and the proceeds of issue shall constitute cellular assets of such Class of Share. Nominal shares in respect of a particular Protected Cell may be converted into Shares of such Class of Share by the Designated Administrator for sale to investors. Such conversion may take place on any Dealing Day. There will be no right to such conversion if the determination of the Net Asset Value for the relevant Class of Share has been suspended.

### **5. Euroclear and Clearstream**

For those Classes of Share utilising arrangements with Clearing Systems, the Shares will be represented by a Global Share Certificate registered in the name of The Bank of New York (Depository) Nominees Limited as nominee of the Common Depository for credit to the accounts of the Direct Participants (or such other party as is appointed from time to time to provide common depository services). Upon the issue of the Global Registered Shares, appropriate book entries will be made by Euroclear and Clearstream. In accordance with instructions received from Direct Participants, Euroclear and Clearstream will credit to the accounts of such Direct Participants the respective principal amount of the beneficial interest represented by the relevant Global Registered Share which has been allocated to them.

Ownership of beneficial interests in a Global Registered Share will be limited to Direct Participants and will be shown on, and the transfer of that ownership will be effected only through, records maintained by Euroclear and Clearstream. Settlement will follow the usual settlement procedures of the relevant Clearing System.

Securities clearance accounts and cash accounts with both Euroclear and Clearstream are subject to the terms and conditions governing their use, the related operating procedures of each of the Clearing Systems and

applicable law. All securities in Euroclear and Clearstream are held on a fungible basis without attribution of specific certificates to specific securities clearance accounts.

## **6. Redemptions and payments**

Any certificate as to the Net Asset Value per Share and/or the Redemption Price per Share that is given in good faith by, or on behalf of, the Designated Administrator is binding on all parties.

The payment due to a Shareholder in respect of a redemption of Shares shall be made, at that Shareholder's expense and risk, by the Designated Administrator or its delegate by bank transfer to the Shareholder in accordance with the bank transfer instructions provided by that Shareholder to the Company (or, in the case of a joint holding, the first named Shareholder) provided that any bank or wire charges taken by the Company's bank associated with the payment of redemption proceeds to investors will be borne by the Protected Cell maintained in connection with the relevant Class of Share rather than the redeeming Shareholder. In the absence of any such instructions, payments shall be made by such other method as the Designated Administrator or its delegate considers appropriate. Unless the Directors resolve otherwise in their absolute discretion, payment of redemption proceeds to third parties is not allowed.

The timing of the payment of redemption proceeds for a Class of Share is set out in the relevant Supplement.

The Directors may, after consulting with the Investment Manager and/or the Marketing Adviser but acting in their absolute discretion, suspend all or part of redemptions and/or the payment of redemptions in circumstances in which (i) they consider that it is not possible for the Company to dispose of investments of sufficient value, in a timely and orderly manner, in order to process redemptions; (ii) the Company has not received all or part of the proceeds from the disposal by the Company of underlying investments; or (iii) they consider that processing redemptions may not be in the best interests of the Company and/or Shareholders of the relevant Class at the time.

In any of these circumstances, the Directors may, without limitation, scale down redemptions on a pro-rata basis and any balance may be carried forward to the next or subsequent Dealing Days.

The Directors may, following consultation with the Investment Manager and/or the Marketing Adviser but acting in their sole discretion, also use liquidity facilities in order to finance redemptions.

Subject as provided in any relevant Supplement(s) and notwithstanding the above, the Directors may decide to process all or part of any redemption requests by a redemption in specie.

## **7. Suspension of valuations and redemptions**

The Directors may, after consulting with the Investment Manager and/or the Marketing Adviser but acting in their sole discretion, suspend the determination of the Net Asset Value per Share and/or the redemption of Shares for the whole or any part of a period during which:

- (a) any exchange or market on which any significant portion of the investments comprised in the relevant Class of Share are listed, quoted, traded or dealt in is closed (other than customary weekend and holiday closing) or trading on any such exchange or market is restricted;
- (b) circumstances exist as a result of which in the opinion of the Directors it is not reasonably practicable for the relevant Class of Share to dispose of investments, or as a result of which any such disposal would be materially prejudicial to Shareholders;
- (c) a breakdown occurs in any of the means normally employed in ascertaining the value of investments or when for any other reason the value of any of the investments or other assets comprised in the relevant Class of Share cannot reasonably or fairly be ascertained;
- (d) the relevant Class of Share is unable to repatriate funds required for the purpose of making payments due on redemption of any Shares of such Class of Share;
- (e) any transfer of funds involved in the realisation or acquisition of investments or payments due on redemptions of the Shares cannot, in the opinion of the Directors, be effected at normal rates of exchange;
- (f) in the case of a decision to wind up the Company, or compulsorily redeem all Shares of the relevant Class, the first notice to Shareholders of the Company indicating such a decision is published;

- (g) when by reason of voluntary or involuntary winding up or bankruptcy, administration or insolvency or any similar proceedings, the Company's investments are affected or an event which results in the investments being nationalised, expropriated or otherwise required to be transferred to any government agency, authority or entity occurs;
- (h) the Directors are of the opinion that a change or adoption of any law, rule or regulation by any governmental authority, central bank or comparable agency or any directive or request issued by any such body imposes restrictions on the sale or acquisition or transfer of investments;
- (i) there is no designated custodian pursuant to the Law; or
- (j) the Directors, in their absolute discretion, determine it to be in the interest of the Shareholders as a whole or Shareholders of a relevant Class or Classes of Share.

No redemption of Shares or issue of Shares will take place during any period when the calculation of the Net Asset Value of the relevant Class of Share is suspended. The Directors reserve the right to withhold payment to persons whose Shares have been redeemed prior to such suspension until after the suspension is lifted, such right to be exercised in circumstances where the Directors believe that to make such payment during the period of suspension would materially and adversely affect and prejudice the interests of continuing Shareholders. Notice of any suspension will be given to any Shareholder tendering his Shares for redemption. If the request is not withdrawn the Shares will be redeemed on the first Dealing Day following termination of the suspension or on such earlier day following the end of the suspension as the Directors may determine either generally or in any specific case or cases.

The Directors have delegated their rights of suspending dealings in Shares and the postponement of any Dealing Day to the Investment Manager, subject to their overall supervision or direction.

The Investment Manager also maintains a liquidity management policy to monitor the liquidity risk of a Protected Cell, which includes, among other tools and methods of measurement, the use of stress tests under both normal and exceptional liquidity conditions.

The liquidity management systems and procedures employed by the Investment Manager allow the Investment Manager to apply various tools and arrangements necessary to respond appropriately to redemption requests. In normal circumstances, redemption requests will be processed as set out above.

## **8. Voting rights (including proxies)**

Only holders of Management Shares or their proxies may attend and vote at general meetings of the Company.

At any general meeting of shareholders of the Company, which may be held in Guernsey or elsewhere as determined by the Directors, resolutions may be passed by a show of hands unless a poll is demanded. A poll may be demanded by the chairman of the meeting, or by two or more shareholders entitled to attend and vote or by one or more shareholders with not less than one-tenth of the total voting rights of all shareholders having the right to vote on the resolution.

Shareholders representing not less than one-tenth in value of the shares in issue entitled to attend and vote at meetings (as set out above) may, in writing, request the Directors to convene a meeting.

The quorum for a meeting for the purpose of passing a special or extraordinary resolution shall be the holders of not less than 25.00% of the Management Shares for the time being in issue and for the purpose of passing an ordinary resolution shall be the holders of 10.00% of such Management Shares. The quorum for a meeting reconvened following an adjournment and for all purposes at such a reconvened meeting shall be those shareholders present in person or by proxy.

A meeting duly convened and held in accordance with the provisions set out in the Articles of the Company (and subject to the Class B Rules shall be competent by special resolution of shareholders (including the holders of Shares and the Nominal Shares):

- (a) to sanction any material modification, alteration or addition to the provisions of the Articles, this Prospectus, the Management Agreement or the Custodian Agreement which shall be agreed by the Trustee and the Designated Administrator;
- (b) to remove the Designated Administrator;

- (c) to approve an arrangement for the reconstruction or amalgamation of the Company with another body or scheme whether or not that other scheme is a collective investment scheme;
- (d) to approve any change in the investment, borrowing or hedging powers of the Company;
- (e) to approve the winding up of the Company; and
- (f) to increase the maximum of the management fee payable to the AIFM provided that any such increase shall become effective at a specified date not earlier than 90 days after the date on which the resolution is passed.

#### **9. Variation of class rights of Shares and alteration of capital**

- (a) The special rights attached to any Class of Share from time to time unless otherwise provided by the terms of issue (whether or not the Company is being wound up) may only be varied or abrogated with the consent in writing of the holders of at least a simple majority of the issued Shares of that Class, or with the sanction of a resolution passed by a simple majority of Shareholders of that Class at a separate meeting of the holders of the Shares of that Class (save that where the proposed variation or abrogation affects the rights of more than one Class, all the affected Classes shall vote as a single Class). To every such separate meeting all the provisions of the Articles as to general meetings of the Company shall apply mutatis mutandis, except that the necessary quorum at any such meeting is two persons at least holding or representing by proxy at least 10.00% in nominal amount of the issued Shares of the relevant Class.
- (b) The rights attaching to the Shares shall not be deemed to be varied by: (i) the creation, allotment or issue of further shares ranking subordinate to or pari passu with the Shares; or (ii) the compulsory redemption and/or closure of any Class of Share in accordance with the Articles.

The Company at any time may by ordinary resolution increase its share capital by such sum to be divided into shares of such amount, as the resolution shall prescribe.

The Company may by ordinary resolution:

- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (b) subdivide all or any of its shares into shares of a smaller amount than is fixed by the Memorandum or Articles (provided that in so doing it does not affect the proportion of the amounts unpaid on the shares);
- (c) cancel any shares, which have not been taken up or agreed to be taken up by any person and diminish the amount of its share capital by the amount of the shares so cancelled;
- (d) convert all or any of its shares, the nominal amount of which is expressed in a particular currency or former currency, into shares of a nominal amount or a different currency;
- (e) where the share capital is expressed in a currency or former currency, denominate or redenominate, with by expressing its amount in units or subdivisions of that currency or former currency or otherwise.

The Company may by special resolution reduce its share capital, any capital redemption reserve fund or any share premium account in any manner and subject to any confirmation or consent required by the provisions of the Companies Law.

#### **10. Winding up procedure**

The Company may be wound up upon the occurrence of any of the following events:

- (a) the revocation of the authorisation of the Company as an authorised collective investment scheme; or
- (b) when a special resolution is passed by the holders of shares determining the Company shall be wound up.

The Company will be wound up in accordance with the Articles and any applicable Guernsey laws and regulations.

As soon as is practicable after the Company falls to be wound up, a liquidator will realise the property of the Company and, after payment of all liabilities and costs, distribute the proceeds of the realisation to the Shareholders and in proportion to their respective interests.

## **11. Directors**

- (a) The remuneration of the Directors will be determined from time to time by ordinary resolution. The Directors may also be paid, inter alia, for reasonable travelling, hotel and other expenses properly incurred by them in connection with the business of the Company. Any Director who at the request of the Directors, goes or resides outside of Guernsey, makes a special journey or performs a special service on behalf of the Company may be paid such extra remuneration as the Directors may determine. The Directors reserve the right to charge all or any of their reasonable fees and expenses to the Company (as appropriate) and to effect payment by debiting the Class(es) of Share on a pro-rata basis accordingly.
- (b) A Director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of Director or may act in a professional capacity for the Company on such terms as the Directors may determine. No Director shall be disqualified by his office from contracting with the Company in any capacity, nor shall any such contract or arrangement entered into by the Company in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office if he shall declare the nature of his interest. Subject to, and in accordance with, the Law, a Director must, upon becoming aware of the fact that is interested in a transaction or proposed transactions with the Company, disclose that fact to the Directors.
- (c) Provided that a Director has disclosed his interest, any Director, may be counted in the quorum present at any meeting at which any resolution concerning a matter in which he has, directly or indirectly, an interest and he may vote on any such resolution and if he votes his vote shall be counted other than a resolution concerning his own appointment or the arrangement of terms thereof.
- (d) There is no provision in the Articles of the Company requiring a Director to retire by reason of any age limit and there is no share qualification for Directors.
- (e) Unless otherwise determined by ordinary resolution the number of Directors shall not be less than two.

## **12. Compulsory redemptions**

The Directors have power to impose such restrictions as they may think necessary for the purpose of ensuring that no Shares are acquired or held by a Non-qualified Person or for any other reason in the absolute discretion of the Directors (including, without limitation, if the Shareholder holds less than the Minimum Holding). If it comes to the notice of the Directors that any Shares are held by or for the benefit of a Non-qualified Person, the Directors may give notice to such person requiring the redemption or transfer of such Shares (and/or procure the disposal of interests in Shares) in accordance with the provisions of the Articles. A person who becomes aware that he is holding or owning Shares in breach of any such restriction is required either to deliver to the Company a written request for redemption of those Shares in accordance with the Articles or to transfer the same to a person who would not thereby be a Non-qualified Person.

## **13. Indemnities**

In addition to the indemnities in favour of the Directors, agents and officers for the time being of the Company contained in the Articles and described above, certain of the Material Contracts referred to in section 16 below contain provisions under which the Company indemnifies the other parties thereto. The Company is likely to grant an indemnity in favour of the Financing Provider under any Financing Arrangement.

## **14. Commission**

Save as disclosed in this Prospectus or the relevant Supplement, no commission, discounts, brokerage or other special terms have been or will be granted by the Company in connection with the issue or sale of any Shares.

## **15. Directors' interests**

No Director has any interest in any Shares.

The Directors may receive remuneration as provided in the Articles and this Prospectus.

## 16. Material Contracts

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

- (a) the Designated Administration Agreement pursuant to which the Designated Administrator has been appointed to act as designated administrator to the Company and each Class of Share. The Company has agreed to indemnify and exempt the Designated Administrator from liability not due to its fraud, negligence, wilful default or dishonesty suffered by the Company in connection with the subject matter of the Designated Administration Agreement. The Designated Administration Agreement may be terminated by either the Designated Administrator or the Company giving not less than six months' notice in writing to the other. The Company may also terminate the appointment of the Designated Administrator on not less than 30 days' notice in writing if the Designated Administrator commits any material breach of its obligations and fails within 30 days of receiving notice to make good the breach. The appointment of the Designated Administrator can also be terminated immediately on the liquidation of the Designated Administrator or if a receiver of any assets of the Designated Administrator is appointed or its affairs are declared to be en etat de desastre or if in the opinion of the Directors the Designated Administrator is guilty of fraud, gross negligence, wilful default or dishonesty in the performance of its duties;
- (b) the AIFM Agreement pursuant to which the AIFM has agreed to provide portfolio management and risk management services to the Company, the Protected Cells and any Trading Subsidiary and to act as its AIFM. Each Covered Person limits their liability to the Company (to the extent permitted by applicable laws and regulations) in respect of any act or omission, except that the AIFM shall be liable to the Company for acts by it or by any of its agents, officers, directors, shareholders or employees with respect to the provision of services under the AIFM Agreement which constitute fraud, negligence, wilful default or dishonesty. The AIFM Agreement is to continue until terminated by the Company or the AIFM by providing the other with not less than 90 days' written notice. The AIFM Agreement may be terminated earlier in certain circumstances including the insolvency of any party;
- (c) the master Investment Management Agreement pursuant to which (i) the Investment Manager has been appointed by the AIFM as the investment manager of the Company, the Protected Cells and any Trading Subsidiary and (ii) the Marketing Adviser has agreed to provide advice on product structuring and in relation to the setting-up, optimisation, co-ordination and maintenance of an efficient global distribution network and other services to the Company. The Investment Manager is responsible for providing discretionary investment management and advisory services to the Company, the Protected Cells and any Trading Subsidiary and is responsible for the investment selection, portfolio construction and portfolio management of the Company's portfolio. The Investment Manager is also responsible for introducing appropriate brokers to the Company and selecting executing brokers for the Company as well as ongoing due diligence of the Company's brokers and executing brokers and selecting appropriate clearing houses. The Company has agreed to indemnify the Investment Manager and the Marketing Adviser from and against any losses to which any of them may become subject in acting as contemplated under the Investment Management Agreement unless and to the extent that such losses are caused by the fraud, negligence, wilful default or dishonesty of the Investment Manager, the Marketing Adviser or the person claiming the benefit of such indemnity. The Investment Manager and Marketing Adviser shall be liable to the Company for its acts and the acts of its agents, officers, directors, shareholders or employees with respect to the services provided pursuant to the Investment Management Agreement which constitute fraud, negligence, wilful default or dishonesty. The Investment Management Agreement is to continue until terminated by notice from any party giving the others not less than 90 days' notice. The Investment Management Agreement may be terminated earlier in certain circumstances, including if the affairs of any party are declared en etat de desastre, if a receiver is appointed over any party's assets, the insolvency of any party or if any party goes into liquidation. These terms to which the Investment Manager and the Marketing Adviser are subject with respect to limitation of liability, indemnification and termination are substantially the same as those to which they are subject under the previous investment management agreement between, inter alia, the Company, the Investment Manager and the Marketing Adviser;
- (d) the Introducing Broker Agreement, pursuant to which the Broker has been or may be appointed as broker of the Company and AHL Partners LLP has been or may be appointed as Introducing Broker;

- (e) the master early redemption agreement between the Company and the Marketing Adviser, pursuant to which the Company may, in consideration of the Marketing Adviser incurring marketing related expenses on behalf of the Company in respect of one or more Class of Shares, pay to the Marketing Adviser a fee in respect of early redemptions of Shares of the relevant Class;
- (f) the master Trading Adviser Agreements, which may be entered into from time to time, pursuant to which the relevant Trading Adviser agrees to provide services to the Company in respect of the assets allocated to that Trading Adviser by the AIFM;
- (g) the Custodian Agreement between the Company, the Investment Manager, the Trustee and the AIFM pursuant to which the Company has appointed J.P. Morgan Custody Services (Guernsey) Limited as designated custodian and trustee in relation to the safekeeping of the assets of the Company and each Class of Share and the Article 36 functions in respect of the relevant Protected Cells;

The Custodian Agreement is terminable by any party upon 90 days' written notice. The Custodian Agreement can be terminated immediately by any party if, inter alia, (a) a receiver is appointed over the whole or a substantial part of the assets or undertakings of any party or if any party has its affairs declared en etat de desastre, (b) any party becomes insolvent or admits in writing its inability to pay debts as they fall due, (c) an order is made or an effective resolution is passed for the winding up or dissolution of any party except for the purposes of any solvent amalgamation, merger or reconstruction, (d) any party has entered into or proposes to enter into a scheme of arrangement or makes an arrangement or composition with its creditors generally or makes an application to court for protection from its creditors generally, (e) any event occurs which has an analogous effect of any of the foregoing, (f) a party is no longer permitted to perform its obligations under the Custodian Agreement under applicable law, or (g) upon the expiration of not less than 20 days' notice given by one party to another party requiring it to make good any material breach of its obligations under the Custodian Agreement if the other party shall not have made good such breach within the 20 day period;

To the extent permitted by applicable law, the Company indemnifies and holds harmless the Trustee (including its affiliates, subsidiaries, servants, agents, delegates, officers and employees) (each a "**Trustee Indemnitee**") out of the assets of the relevant Protected Cell against liabilities arising, inter alia, (a) directly from any action or omission taken by the Trustee Indemnitee in accordance with any instructions or other directions given under the Custodian Agreement or (b) from any third party claim the Trustee Indemnitee is required to pay, except where such liability has arisen as a result of a breach of the Custodian Agreement or the negligence, wilful default, fraud, dishonesty, lack of good faith or reckless disregard of any Trustee Indemnitee. Any indemnity has been granted by the Directors on a limited recourse basis, such that any indemnification claim will be limited to the assets of the relevant Protected Cell;

- (h) the Services Management Agreement between the Company on behalf of the relevant Class of Shares and the Service Manager pursuant to which the Service Manager will select and appoint (as principal) service providers to provide general shareholder services (which will include maintenance of the Company's register of investors) and certain accounting and valuation services to the Company, as well as monitoring the providers of those services;
- (i) the Swiss Paying Agency Agreement pursuant to which the Swiss Paying Agent has been appointed as paying agent in relation to the issue of Shares to investors in Switzerland. Details of fees payable to the Swiss Paying Agent by the Company are set out within the section entitled "Fees and expenses" of this Prospectus. The Swiss Paying Agency Agreement is valid for an unspecified period but can be cancelled by any party thereto at the end of each calendar quarter, giving three months' notice to the other parties to the Swiss Paying Agency Agreement; and
- (j) the Swiss Representation Agreement pursuant to which the Swiss Representative has been appointed to act as the authorised representative of the Company in Switzerland. The Swiss Representation Agreement is terminable on three months' written notice. The Company acting on behalf of the relevant Protected Cells shall indemnify the Swiss Representative from and against all claims which may at any time be brought against the Swiss Representative in connection with the Swiss Representation Agreement other than due to any acts or omissions of the Swiss Representative made negligently or intentionally. The Company shall further reimburse the Swiss Representative for any taxes or duties payable by the Representative in respect of the Protected Cells.



In the case of certain of the agreements referred to above, the Company in respect of each Class of Share in respect of such Class of Share, will agree to enter into a separate agreement relating to that Class of Share on substantially the terms of the master agreement.

#### **17. Consent**

The Auditors accepted their appointment as auditors of the Company and have given and have not withdrawn their consent to the inclusion in this Prospectus of the references to them in the form and context in which they are included.

#### **18. Meetings and reporting**

The financial year-end of the Company is 30 June in each year or such other date as the Directors shall determine having given due notice to all holders. The first financial statements were made up to 30 June 2008. Shareholders will be sent copies of the annual report and audited financial statements in respect of each relevant Protected Cell within six months of the relevant financial year-end.

The financial statements will include a note reconciling the Net Asset Value per Share (in which preliminary expenses of the relevant Class of Share and a pro-rata share of the preliminary expenses of the Company have been capitalised and amortised over the periods specified in the 'Charges and fees' section of this Prospectus) to the Net Asset Value per Share stated in the audited accounts (in which the preliminary expenses have been expensed).

A periodic statement of the Net Asset Value, the number of Shares in issue, and the Net Asset Value per Share for the relevant Class of Share will be made available to Shareholders. A report on the Company's trading activities in respect of the investments of the relevant Class of Share during the preceding quarter will also be made available to Shareholders.

The Company reserves the right to make these reports and notices available in electronic form on the website of Man Group ([www.man.com](http://www.man.com)) and only distribute such reports and notices upon specific request. Shareholders will only be sent statements or reports relating to their respective Class.

The Company will hold its annual general meeting generally in Guernsey in November or December of each year or at such other time and/or place as the Directors may determine. Only the holders of Management Shares are generally entitled to receive notice of, attend and vote at, such annual general meetings.

#### **19. Litigation**

As at the date of this Prospectus, the Company is not engaged in any litigation or arbitration proceedings and is not aware of any litigation pending or threatened by or against it. The Directors confirm that as of the date of issue of this Prospectus, there are no events which have occurred subsequent to the date of the last audited financial statements and prior to the date of issue of this Prospectus that either provide material additional information relating to conditions that existed at the date of such financial statements or which cause significant changes to assets or liabilities relating to the Company or which will or may have a significant effect on the future operations of the Company, other than those events which occur in the normal course of business of a fund (including the creation and launch of new Classes, subscriptions and redemptions of Shares and changes in the market value of the assets of the Company).

#### **20. Inspection of documents**

A copy of each of the following documents will be available for inspection at any time during normal business hours on any day (excluding Saturdays, Sundays and public holidays in Guernsey) free of charge at the registered offices of the Company, the Designated Administrator and the Trustee:

- (a) the Companies (Guernsey) Law, 2008 (as amended);
- (b) the Class B Rules;
- (c) the Memorandum and Articles of the Company;
- (d) the Material Contracts;
- (e) this Prospectus and any Supplement(s) issued by the Company;

- (f) the most recent annual report and accounts of the Company;
- (g) the Company's register of Shareholders (registered office of the Company only); and
- (h) a list of directorships held, or which have been held in the past five years, by each of the Directors.

## **21. Taxation**

The Shares in the Company are being made available to a wide range of potential investors. The legal nature of such potential investors is likely to be highly diverse - they could include companies, partnerships, trusts, mutual funds, foundations, individuals, or any manner of other legal persons or structures. The jurisdictional connections of such potential investors is also likely to be highly diverse - they may be incorporated, established, resident, ordinarily resident, domiciled or otherwise connected with any one or more of a wide range of jurisdictions around the world. Moreover, the particular circumstances of such potential investors will inevitably be highly diverse - they may be tax exempt, fully taxable, subject to certain specific tax regimes or tax exemptions in any one or more jurisdictions. As a consequence of this extensive range and combination of variables, in this Prospectus it is simply not possible to provide a meaningful summary of the tax treatment which may apply to potential investors as a result of a potential investor applying for, purchasing, holding, selling or redeeming Shares in the Company. Accordingly, with the exception of the Guernsey tax treatment of the Company which is set out below, no comments on tax issues are made in this Prospectus. Potential investors should consult their professional advisers on the possible tax consequences of their applying for, purchasing, holding, selling or redeeming Shares under the laws of their countries of citizenship, residence, ordinary residence or domicile, and should note that the Company takes no responsibility for the tax consequences that might result for any investor as a result of applying for, purchasing, holding, selling or redeeming Shares. These consequences will vary with the law and practice of an investor's country of citizenship, residence, domicile or incorporation and with his personal circumstances.

The summary below is based on current law and practice in Guernsey and is subject to changes therein. The information should not be regarded as legal or tax advice.

### *The Company*

The Company is not subject to any income, withholding or capital gains tax in Guernsey.

The standard rate of income tax for Guernsey companies is zero percent save in respect of a few specified types of regulated business. The Company does not currently nor intend at any time in the future to carry on any such business. In addition, the Company has been granted an exemption from income tax in Guernsey in respect of the current fiscal year. Exemption is available only in respect of collective investment schemes, is subject to certain conditions and requires annual renewal. It is the intention of the Directors to apply and to conduct the affairs of the Company so as to ensure that it remains eligible for exemption at all times in the future. In addition, no stamp or document duty is chargeable in Guernsey on the issue, transfer, exchange or redemption of Shares.

### *Shareholders*

Shareholders resident outside Guernsey will not be subject to any tax in Guernsey in respect of or in connection with the acquisition, holding or disposal of any Shares in the Company owned by them. Shareholders resident for tax purposes in Guernsey, Alderney or Herm will be liable to Guernsey income tax on actual distributions made to them but will not suffer any deduction of tax by the Company as it is exempt. The Company will be required to make a return providing details of distributions made to shareholders resident in Guernsey, Alderney and Herm to the Director of Income Tax in Guernsey.

## **22. Best Execution**

Transactions for the Company are allocated to brokers, dealers and/or trading venues (as defined by the Markets Financial Instruments Directive) on the basis of best execution (in accordance with the rules of the FCA, SEC and MiFID II) based on a number of factors, including, among other things, execution costs inclusive of commission rates, speed and likelihood of execution, impact on market price, availability of price improvement, liquidity of the instrument, the broker's financial strength, ability to commit capital, stability and responsibility, reputation, reliability, overall past performance of services, responsiveness to the Investment Manager as well as means of communication, quality of recommendations, deal calendar, ability to execute trades based on the characteristics

of a particular trade, technology and trading systems, trading activity in a particular security, block trading and block positioning capabilities, nature and frequency of sales coverage, net price, depth of available services, arbitrage operations, bond capability and options operations, investment banking coverage, capacity of syndicate operations, the availability of stocks to borrow for short trades, willingness to execute related or unrelated difficult transactions, order of call, back office, settlement processing and special execution capabilities, efficiency and speed of execution, and error resolution. The Investment Manager will take all sufficient steps to execute the order in a manner designed to obtain the best possible results for the Company on a consistent basis. However the Investment Manager does not need to, nor will it, seek the best result on each and every trade but rather ensures that methodologies employed achieve overall best execution on behalf of the Company. The Investment Manager has established a best execution committee to review execution performance and other execution related decisions taken by the Investment Manager on behalf of the Company.

### **23. Confidentiality**

The Company and its service providers (including the Designated Administrator and the Investment Manager) will treat information received from investors as confidential and generally will not disclose such information other than (i) to their own professional advisers or other service providers of the Company where they consider such disclosure necessary or advisable to enable them to conduct their affairs and/or those of the Company; and (ii) where such disclosure is required by any law or order of any court or pursuant to any direction, request or requirement (whether or not having the force of law) of any central bank or governmental or other regulatory or taxation authority (including, without limitation, the Commission). By subscribing for Shares, an investor is deemed to consent to any such disclosure.

### **24. Listing**

The Directors may seek a listing for any Class of Share on one or more Recognised Investment Exchange. In the event that an application is made to list a Class on a Recognised Investment Exchange, to the extent necessary pursuant to the applicable regulations of the relevant exchange or jurisdiction, a legal notice relating to the issue of the relevant Shares may be issued and copies of the Memorandum and Articles of the Company, and any other registered documents, will be deposited with the appropriate person pursuant to such regulations where such documents will be available for inspection and copies may be obtained.

### **25. Borrowing powers**

The Directors may exercise all the powers of the Company to borrow money, to give guarantees and to mortgage, pledge or charge all or part of its property or assets as security for any liability or obligation of the Company or of any third party.

The Articles contain a restriction on the amount (but not type) of borrowings by the Company to the effect that, save with the sanction of an ordinary resolution of the holders of Management Shares, the Company and its subsidiaries shall not borrow, or give guarantees of security in respect of borrowings or other obligations in excess of any limit stated in this Prospectus. For restrictions on the borrowing powers applicable in respect of each Class of Shares please refer to the relevant section of this Prospectus and/or the relevant Supplement.

### **26. Fair Treatment**

As a general matter, it is the Directors (and not the Investment Manager) who owe certain fiduciary duties to the Company (including each Protected Cell), which require them to, among other things, act in good faith and in what they consider to be in the best interests of the Company (including each Protected Cell.). In doing so, the Directors will act in such a way which ensures the fair treatment of Shareholders. In exercising their discretion (including determining to cause the Company acting in respect of a Protected Cell to enter into side letters with any particular Shareholder), the Directors will act in accordance with such fiduciary duties. This requires them to ensure that their actions (including, without limitation, in entering into side letters with any particular Shareholder) do not result in the unfair treatment of Shareholders.

Shareholders should note, however, that fair treatment does not necessarily equate to equal or identical treatment and that the terms and conditions of any given Shareholder's investments in Shares in the Company may differ to those of other Shareholders.

The Company and/or the Investment Manager may, from time to time, enter into side letters with investors where the Company and/or the Investment Manager have, in the context of a particular investment, negotiated a commercial arrangement with such investor. The side letters may alter, modify or change the terms of the Shares held by such investor(s), which may differ from the Shares offered hereby in terms of, among other things, the performance fee, the management fee, redemption rights (including redemption dates and notice periods), currency denomination, minimum and additional subscription amounts, informational rights and other rights.

The detailed rights of the Shareholders are set out in the Articles. The Articles are made available for review by each Shareholder such that every Shareholder is informed about their rights and obligations.

For the avoidance of doubt, an Internal Fund of Funds may receive enhanced transparency in relation to the Company.

The Company, acting through the Investment Manager as its delegate, may from time to time elect, in its sole discretion, to make available to the Shareholders, upon request and subject to certain policies and conditions (as described below), regular periodic reports that may contain estimates of the Company's performance, list the Company's investment positions and activities (including potentially full portfolio position information) or contain other information about the Company (collectively, the "**Periodic Reports**"). Shareholders interested in receiving Periodic Reports should contact the Investment Manager to learn if the Company is making any such reports available. The Company is not obliged to provide Periodic Reports to the Shareholders and if it does so, the Company may discontinue providing such Periodic Reports at any time without prior notice.

#### **27. No Interests**

None of the Directors, the Designated Administrator, the Trustee, the AIFM, the Investment Manager or the Services Manager has any other interest in any Shares.

#### **28. Telephone Recording**

The AIFM and the Investment Manager may record telephone communications or conversations (without use of a warning tone), and retain a copy of electronic communications, between its UK based staff and the Company's clients and counterparties (collectively "**relevant records**"), pursuant to regulatory requirements and/or if it considers it appropriate to manage risks. Where it does so to comply with FCA rules on the subject of "Recording telephone conversations and electronic communication", a copy of relevant records made following these rules coming into effect on 3 January 2018 will be available to you on request for up to five years from the date the record was made (or seven years if the FCA has requested us to extend the record retention period). In addition, a copy may be shared with the FCA if required. Should you require a copy of any relevant record, please contact your usual client relationship contact. If you have queries or complaints over the AIFM and the Investment Manager's handling of your personal data, the AIFM and the Investment Manager hope it can resolve these. A person whose personal data the Investment Manager may hold may also have a right to lodge a complaint with a data protection authority in relevant circumstances.

#### **29. Communications**

Depending on the circumstances and where appropriate, some investors might receive information or marketing related to the Company in languages other than that of the Prospectus.

#### **30. Target market cross reference**

Distributors must consider such information about the Company and its Protected Cells as is made available by the Investment Manager for the purposes of the EU's product governance regime including, without limitation, target market information and negative target market information.

Distributors and intermediaries may obtain such information by registering and accessing the distributor-only zone of the Investment Manager's website at: [www.man.com/emt/man-ahl-diversified-pcc-ltd](http://www.man.com/emt/man-ahl-diversified-pcc-ltd).

#### **31. Cost and charges**

The cost and charges documents available through the hyperlink below seek to provide illustrations of the amount of costs and charges for each Protected Cell over a future 12 month period and the potential effect of such costs and charges on hypothetical investment amounts.

The figures presented in these documents are based on historic costs and charges data which serves as a proxy for expected future costs and charges. The figures are calculated on a best efforts basis, are subject to revision

and may vary materially from the actual costs and charges incurred by the Protected Cells over the 12 month period.

The costs and charges documents can be found here: [www.man.com/ccd/man-ahl-diversified-pcc-ltd](http://www.man.com/ccd/man-ahl-diversified-pcc-ltd).

### **32. Key information document**

No key information document has been prepared in respect of any Class of Shares in accordance with Regulation (EU) No 1286/2014 on key information documents for packaged retail and insurance-based investment products (in the case of the United Kingdom, as such regulation forms part of the domestic law of the United Kingdom) (PRIIPs). Accordingly, from 1 January 2018, such Classes of Shares are not available to, and no person may advise on, offer or sell such Classes of Shares for or to, any retail client (as defined in MiFID II) in the EEA or the United Kingdom.

# Appendix 3

## Selling restrictions

### General

**The distribution of this Prospectus and the offering or purchase of the Shares may be restricted in certain jurisdictions. No persons receiving a copy of this Prospectus or the accompanying Application Form in any such jurisdiction may treat this Prospectus or such Application Form as constituting an invitation to them to subscribe for Shares, nor should they in any event use such Application Form, unless in the relevant jurisdiction such an invitation could lawfully be made to them and such Application Form could lawfully be used without compliance with any registration or other legal requirements.**

Any additional selling restrictions or variations of those set out below applying to a Class of Share will be set out in the relevant Supplement.

### Argentina

The Classes of Shares are not and will not be marketed in Argentina by means of a public offer of securities, as such term is defined under Section 16 of Law N° 17,811, as amended. No application has been or will be made with the Argentine Comisión Nacional de Valores, the Argentine securities governmental authority, to offer the Classes of Shares in Argentina.

### Australia

No offer of securities or any other financial product is being made into Australia other than to investors who are both: (i) "wholesale clients" as defined in section 761G of the Corporations Act (Cth) 2001; and (ii) "Sophisticated investors" as defined in section 708(8) of the Corporations Act (Cth) 2001 or "Professional investors" as defined in section 708(11) of the Corporations Act (Cth) 2001.

This Prospectus and any Supplement(s) has not been, and will not be, lodged with the Australian Securities and Investments Commission as a disclosure document for the purposes of the Corporations Act (Cth) 2001.

Any Class of Shares issued upon acceptance of the offering may not be offered for sale (or transferred, assigned or otherwise alienated) to investors in Australia for at least twelve (12) months after their issue, except in circumstances where disclosure to investors is not required under Chapter 6D of the Corporations Act (Cth) 2001 or unless a disclosure document that complies with the Corporations Act (Cth) 2001 is lodged with the Australian Securities and Investments Commission.

Investors are advised that the Company is not licensed in Australia to provide financial product advice in relation to the Classes of Shares. No cooling-off regime will apply in respect of the acquisition of Shares.

### Bahrain

This offer is a private placement. It is not subject to the regulations of the Central Bank of Bahrain that apply to public offerings of securities, and the extensive disclosure requirements and other protections that these regulations contain. This Prospectus is therefore intended only for "accredited investors" "**Accredited Investors**" are defined as:

- a. Individuals holding financial assets (either singly or jointly with their spouse) of USD 1,000,000 or more;
- b. Companies, partnerships, trusts or other commercial undertakings, which have financial assets available for investment of not less than USD 1,000,000; or
- c. Governments, supranational organisations, central banks or other national monetary authorities, and state organisations whose main activity is to invest in financial instruments (such as state pension funds).

The financial instruments offered by way of private placement may only be offered in minimum subscriptions of \$100,000 (or equivalent in other currencies). The Central Bank of Bahrain assumes no responsibility for the

accuracy and completeness of the statements and information contained in this document and expressly disclaims any liability whatsoever for any loss howsoever arising from reliance upon the whole or any part of the contents of this document.

The board of directors and the management of the issuer accepts responsibility for the information contained in this document. To the best of the knowledge and belief of the board of directors and the management, who have taken all reasonable care to ensure that such is the case, the information contained in this document is in accordance with the facts and does not omit anything likely to affect the reliability of such information.

### **Brazil**

The Company and its Shares have not been, nor will they be, registered or qualified under any rules issued by the Brazilian Securities Exchange Commission (the "**CVM**") or any applicable securities laws of Brazil, and are not, and will not be, subject to public offering in Brazil. Therefore, the Company and its Shares cannot be marketed, offered or sold to the general public in Brazil. Any offers or sales of Shares in violation of the foregoing shall be considered as an irregular public offering of securities in Brazil, and treated by the Company as void.

This Prospectus is highly confidential and has been delivered to an exclusive and restricted group of potential investors who have previous and/or regular business relationship with the Marketing Advisor and/or such other persons, firms or companies as may from time to time be appointed as distributor or co-distributor or sub-distributor and/or other entities within their group. This Prospectus is personal to the person to whom it has been delivered and does not constitute a public offering of securities or any sort of investment in Brazil. Distribution of this Prospectus to any person other than the person to whom it has been delivered is unauthorised, and any disclosure of any of its contents is prohibited. Each person to whom this Prospectus has been delivered, by accepting delivery of this Prospectus, agrees to the foregoing and agrees not to make any copies of this Prospectus, in whole or in part.

### **Canada**

The Shares may not be offered or sold, and this Prospectus may not be delivered, in Canada or to a resident of Canada unless and until this Prospectus is accompanied by an appropriate Canadian wrapper. In addition, the Shares may only be offered or sold to qualified investors in Canada, in accordance with the requirements of the securities regulations of the investor's place of residence or domicile.

### **Cayman Islands**

No invitation to the public in the Cayman Islands to subscribe for Shares is permitted to be made unless the Shares are listed on the Cayman Islands Stock Exchange. As at the date of this Prospectus, no such listing is anticipated to be made.

### **Chile**

FECHA DE INICIO DE LA OFERTA PRIVADA: 25 JANUARY 2017

- (I) LA PRESENTE OFERTA SE ACOGE A LAS DISPOSICIONES DE LA NORMA DE CARÁCTER GENERAL N° 336 DE LA SUPERINTENDENCIA DE VALORES Y SEGUROS DE CHILE, HOY COMISIÓN PARA EL MERCADO FINANCIERO.
- (II) LA PRESENTE OFERTA VERSA SOBRE VALORES NO INSCRITOS EN EL REGISTRO DE VALORES O EN EL REGISTRO DE VALORES EXTRANJEROS QUE LLEVA LA SUPERINTENDENCIA DE VALORES Y SEGUROS, POR LO QUE LOS VALORES SOBRE LOS CUALES ÉSTA VERSA, NO ESTÁN SUJETOS A SU FISCALIZACIÓN;
- (III) QUE POR TRATARSE DE VALORES NO INSCRITOS, NO EXISTE LA OBLIGACIÓN POR PARTE DEL EMISOR DE ENTREGAR EN CHILE INFORMACIÓN PÚBLICA RESPECTO DE ESTOS VALORES; Y
- (iv) ESTOS VALORES NO PODRÁN SER OBJETO DE OFERTA PÚBLICA MIENTRAS NO SEAN INSCRITOS EN EL REGISTRO DE VALORES CORRESPONDIENTE.

Initial date of the offer: 25 January 2017

- (i) This private offer avails itself of the General Regulation No. 336 of the Superintendence of Securities and Insurances (currently the Finance Markets Commission);
- (ii) This offer relates to securities not registered with the Securities Registry or the Registry of Foreign Securities of the Financial Markets Commission, and therefore such securities are not subject to oversight by the latter;
- (iii) Being unregistered securities, there is no obligation on the issuer to provide public information in Chile regarding such securities; and
- (iv) These securities may not be subject to a public offer until they are registered in the corresponding Securities Registry.

### **China**

The Shares may not be offered, sold or delivered, directly or indirectly, in the People's Republic of China (excluding Hong Kong, Macau and Taiwan) (the "**PRC**") unless otherwise permitted by the local laws and regulations. The Shares may only be offered or sold to the PRC investors that are authorised to engage in the purchase of the Shares being offered or sold. PRC investors are responsible for obtaining all relevant government regulatory approvals/licences (if any) by themselves, including, but not limited to, any which may be required from the State Administration of Foreign Exchange and other competent regulatory authorities and complying with all relevant PRC regulations (if applicable), including, but not limited to, any relevant foreign exchange regulations and/or overseas investment regulations.

The Company does not represent that this Prospectus may be lawfully distributed, or that any Shares may be lawfully offered, in compliance with any applicable registration or other requirements in the PRC, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Company which would permit a public offering of any Shares or distribution of this document in the PRC. Accordingly, the Shares are not being offered or sold within the PRC by means of this Prospectus or any other document. Neither this Prospectus nor any advertisement or other offering material may be distributed or published in the PRC, except under circumstances that will result in compliance with any applicable laws and regulations.

### **Colombia**

The Shares have not and will not be marketed, offered, sold or distributed in Colombia or to Colombian residents except in circumstances which do not constitute a public offer of securities in Colombia within the meaning of Article 6.1.1.1.1 of Decree 2555 of 2010, as amended from time to time. Neither the Company nor the Shares will be publicly offered, marketed or negotiated in Colombia through promotional or advertisement activities (as defined under Colombian Law) except in compliance with the requirements of Colombian regulations (especially, Decree 2555 of 2010 issued by the Ministry of Finance and Public Credit, Law 964 of 2005 and Decree 663 of 1993 or the Organic Statute of the Financial System), as amended and restated, and decrees and regulations made thereunder. The Shares have not been registered in the National Securities and Issuers Registry (Registro Nacional de Valores y Emisores) of the Colombian Financial Superintendency (Superintendencia Financiera de Colombia) and the Shares are not intended to be offered publicly in Colombia.

Pursuant to Decree 2555 of 2010, as amended by, amongst others, Decree 2955 of 2010, certain requirements must be met in order for Colombian pension fund administrators to be able to invest in private equity funds established outside Colombia.

There are Colombian laws and regulations (specifically foreign exchange and tax regulations) that may be applicable to any transaction or investment consummated in connection with this Prospectus. The investor bears sole liability for full compliance with any such laws and regulations.



## Costa Rica

This Prospectus has been produced for the purpose of providing information about the Shares and will be provided to a maximum of 50 investors per fund in Costa Rica who are Institutional or Sophisticated Investors in accordance with the exemptions established in the Regulations on Public Offers of Values. This Prospectus is made available on the condition that it is for the use only by the recipient and may not be passed onto any other person or be reproduced in any part. The Shares have not been and will not be offered in the course of a public offering or of equivalent marketing in Costa Rica.

The Shares are the product of a private offer, in accordance with the exceptions established in the Regulation on Public Offer of Securities. No collective communication media has been used. The holder acknowledges and accepts the legal and tax regimes that apply to the private offer of securities.

## Dubai International Financial Centre

This Prospectus relates to a Company which is not subject to any form of regulation or approval by the Dubai Financial Services Authority ("DFSA"). The DFSA has no responsibility for reviewing or verifying any Prospectus or other documents in connection with this Company. Accordingly, the DFSA has not approved this Prospectus or any other associated documents nor taken any steps to verify the information set out in this Prospectus, and has no responsibility for it. The Shares to which this Prospectus relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers should conduct their own due diligence on the Shares. If you do not understand the contents of this document you should consult an authorised financial adviser.

## European Economic Area

In relation to each member state of the EEA (each a "Member State") which has implemented the AIFM Directive (and for which transitional arrangements are not/ no longer available), this Prospectus may only be distributed and Shares may only be offered or placed in a Member State to the extent that: (1) the Company is permitted to be marketed to professional investors in the relevant Member State in accordance with the AIFM Directive (as implemented into the local law/regulation of the relevant Member State); or (2) this Prospectus may otherwise be lawfully distributed and the Shares may otherwise be lawfully offered or placed in that Member State (including at the initiative of the investor).

In relation to each Member State of the EEA which, at the date of this Prospectus, has not implemented the AIFM Directive, this Prospectus may only be distributed and Shares may only be offered or placed to the extent that this Prospectus may be lawfully distributed and the Shares may lawfully be offered or placed in that Member State (including at the initiative of the investor).

## Guernsey

Shares are not being offered to the public in Guernsey and Shares will not be offered to the public unless all the relevant legal and regulatory requirements of Guernsey law have been complied with. This Prospectus and any Supplement(s) may not be generally distributed in Guernsey.

## Hong Kong

**W A R N I N G: The contents of this document have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.**

This Prospectus has not been approved by the Securities and Futures Commission in Hong Kong and, accordingly: (i) the Shares may not be offered or sold in Hong Kong by means of this Prospectus or any other document other than to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder, or in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32, Laws of Hong Kong) or which do not constitute an offer to the public within the meaning of the Companies Ordinance; and (ii) no person shall issue or possess for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Shares which is directed at, or the contents of which are likely to be accessed or read by,

the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as set out above).

#### India

**THE SHARES ARE NOT BEING OFFERED TO THE INDIAN PUBLIC FOR SALE OR SUBSCRIPTION BUT ARE BEING PRIVATELY PLACED WITH A LIMITED NUMBER OF SOPHISTICATED PRIVATE AND INSTITUTIONAL INVESTORS. THE SHARES ARE NOT REGISTERED AND/OR APPROVED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA, THE RESERVE BANK OF INDIA OR ANY OTHER GOVERNMENTAL/ REGULATORY AUTHORITY IN INDIA. THIS PROSPECTUS IS NOT AND SHOULD NOT BE DEEMED TO BE A 'PROSPECTUS' AS DEFINED UNDER THE PROVISIONS OF THE COMPANIES ACT, 2013 (18 OF 2013) AND THE SAME SHALL NOT BE FILED WITH ANY REGULATORY AUTHORITY IN INDIA. PURSUANT TO THE FOREIGN EXCHANGE MANAGEMENT ACT, 1999 AND THE REGULATIONS ISSUED THERE UNDER, ANY INVESTOR RESIDENT IN INDIA MAY BE REQUIRED TO OBTAIN PRIOR SPECIAL PERMISSION OF THE RESERVE BANK OF INDIA BEFORE MAKING INVESTMENTS OUTSIDE OF INDIA, INCLUDING ANY INVESTMENT IN THE COMPANY. THE COMPANY HAS NEITHER OBTAINED ANY APPROVAL FROM THE RESERVE BANK OF INDIA OR ANY OTHER REGULATORY AUTHORITY IN INDIA NOR DOES IT INTEND TO DO SO AND HENCE ANY ELIGIBLE INVESTOR WHO IS RESIDENT OF INDIA WILL BE ENTIRELY RESPONSIBLE FOR DETERMINING ITS ELIGIBILITY TO INVEST IN THE SHARES IN THE COMPANY.**

#### Indonesia

The Shares have not been offered or sold and will not be offered or sold in Indonesia or to Indonesian nationals, corporations or Indonesian citizens under the Indonesian Capital Markets Law (Law No.8/1995), wherever they are domiciled or to Indonesian residents, including by way of invitation, offering or advertisement, and neither this Prospectus nor any other offering materials relating to the Shares have been distributed, or will be distributed, in Indonesia or to Indonesian nationals, corporations or residents, in a manner which constitutes a public offering of the Shares under the laws or regulations of the Republic of Indonesia.

#### Israel

Neither this Prospectus nor the Application Form attached hereto constitutes a prospectus within the meaning of the Israeli Securities Law, 1968 ("**Israeli Securities Law**"), and none of them have been approved by the Israeli Securities Authority. A prospectus has not been prepared or filed, and will not be prepared or filed with the Israeli Securities Authority in connection with the offer of the Shares under this Prospectus and Application Form.

Neither the Prospectus nor this Application Form constitutes an offer or sale of Securities and/or Units to the general public in the State of Israel, as such terms are defined in the Israeli Securities Law and the Israeli Joint Investment Trust Law, 1994 ("**Israeli Joint Investment Trust Law**"), respectively.

The Shares are being offered only to special types of investors that are listed in the First Supplement of the Israeli Securities Law ("**Special Investors**"), and which have provided their prior written confirmation that they comply with the eligibility criteria set forth therein to be treated as Special Investors, are aware of the meaning of being treated as Special Investors, and consent to be treated as such. The term "Special Investors" shall include: A Mutual Trust Fund, as defined under the Israeli Joint Investment Trust Law, or a trust fund manager; a Provident Fund, as defined under the Israeli Supervision of Financial Services (Provident Funds) Law, 5765-2005, or a company managing a Provident Fund; an Insurer as defined under the Israeli Law of Supervision of Insurance Business, 1981; a Banking Corporation and an Auxiliary Corporations as defined under the Israeli Banking Law (License), 1981 ("**Israeli Banking Law**") (except for a company licensed as a Joint Services Company under the Israeli Banking Law), purchasing Shares for their own account and/or for investors which are considered as Special Investors; an entity which is licensed to render Portfolio Management services under the Regulation of Investment Advice, Investment Marketing and Portfolio Management Law, 1995 ("**Israeli Advice Law**") (provided that such entity is purchasing Shares for its own account and for clients who are considered, by themselves, as Special Investors); an entity which is licensed to render Investment Advice and/or Investment Marketing services, under the Israeli Advice Law (purchasing Shares for its own account); a member of the Tel-Aviv Stock Exchange

(purchasing Shares for its own account, and/or for clients which are considered, by themselves, as Special Investors); a certain type of underwriter which complies with certain eligibility conditions set forth in Section 56(c) of the Israeli Securities Law (purchasing Shares for its own account); a venture capital fund which is primarily engaged in investment in corporations, which, at the time of its investment, was engaged mainly in research and development activities or in the manufacture of innovative and know-how based products or processes, which involve a relatively high risk; a corporation fully owned by Special Investors; a corporation (with the exception of a corporation incorporated for the purpose of purchasing securities in a certain offer) whose equity capital is in excess of 50 million NIS; and/or an individual, purchasing the Shares for her/his own account, with respect to whom two of the three following conditions are fulfilled: (i) the total value of her/his cash, deposits, financial assets and securities as defined under Section 52 of the Israeli Securities Law exceeds 12 million NIS; (ii) she/he has expertise and capabilities in the capital market field or was employed for at least one (1) year in a professional position which requires expertise in the capital market; and (iii) had performed at least thirty (30) transactions (except for transactions performed by an entity licensed under the Israeli Investment Advice Law to render Portfolio Management services for such individuals).

This Prospectus and the Application Form may not be reproduced or used for any other purpose, nor be furnished to any other person other than those to whom copies have been sent by the Company and/or its authorised representatives of the Company. Any offeree who purchases Shares is purchasing such Shares for its own benefit and account and not with the aim or intention of distributing or offering such Shares to other parties. Nothing in this Prospectus and/or in the Application Form shall be considered as render of Investment Advice, Investment Marketing and/or Portfolio Management services, or an Offer to Render Investment Advice, Investment Marketing and/or Portfolio Management Services, as such terms are defined under the Investment Advice Law. Potential investors are encouraged to seek competent investment advice from an Israeli entity licensed under the Investment Advice Law to render Investment Advice and/or Investment Marketing services prior to making the investment.

### **Japan**

The Shares have not been and will not be registered for a public offering in Japan pursuant to Article 4, paragraph 1 of the Financial Instruments and Exchange Law (the "**FIEL**"). The Shares may not be offered or sold, directly or indirectly, in Japan or to or for the benefit of any resident of Japan or to others for reoffering or resale, directly or indirectly, in Japan or to a resident of Japan, except pursuant to an exemption from the registration requirements for the FIEL and otherwise in compliance with such law and other relevant laws and regulations. As used in this paragraph, "resident of Japan" means a natural person having his place of domicile or residence in Japan, or a juridical person having its main office in Japan as defined in Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Trade Law of Japan (Law No. 228 of 1949).

### **Jersey**

Consent under the Control of Borrowing (Jersey) Order 1958 (the "**COB Order**") has not been obtained for the circulation of this Prospectus. Accordingly, the offer that is the subject of this Prospectus may only be made in Jersey where such offer is not an offer to the public (as defined in the COB Order) or where the offer is valid in the United Kingdom or Guernsey and is circulated in Jersey only to persons similar to those to whom, and in a manner similar to that in which, it is for the time being circulated in the United Kingdom or Guernsey as the case may be. The Directors may, but are not obliged to, apply for such consent in the future.

### **Kenya**

The offer of the Shares does not constitute an offer to the public within the meaning of section 57 of the Companies Act (Chapter 486, laws of Kenya) (the "**CA**") or an offer of securities to the public within the meaning of regulation 5(1) of The Capital Markets (Securities) (Public Offers, Listing and Disclosures) Regulation, 2002 as amended by The Capital Markets (Securities) (Public Offers, Listing and Disclosures) (Amendment) Regulations, 2008 (the "**Regulations**"). The Company and its local distributors and the investors to whom this Prospectus is provided will agree that the Shares may not be offered or sold directly or indirectly to the public or otherwise in Kenya.

In accordance with the CA and the Regulations, this Prospectus and the offer of the Shares have not been and will not be approved by the Capital Markets Authority in Kenya and will not be delivered to the Registrar of Companies or the Capital Markets Authority in Kenya for registration.

### **Lebanon**

Neither this Prospectus nor the accompanying Application Form constitutes or forms part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any Shares in the Company in the Lebanese territory, nor shall it (or any part of it), nor the fact of its distribution, form the basis of, or be relied on in connection with, any contract therefor.

The Company has not been, and will not be, authorised or licensed by the Central Bank of Lebanon (the "CBL") and its Shares cannot be marketed and sold in Lebanon. No public offering of the Shares is being made in Lebanon and no mass-media means of contact are being employed. This Prospectus is aimed at institutions and sophisticated, high net worth individuals only, and this Prospectus will not be provided to any person in Lebanon except upon the written request of such person.

The Shares may not be sold or transferred except as permitted by the Company and will be subject to significant restrictions upon transfer.

Recipients of this Prospectus should pay particular attention to the disclosure under the heading "Certain Investment Risks" in this Prospectus. Investment in the Shares is suitable only for sophisticated investors with the financial ability and willingness to accept the risks and lack of liquidity associated with such an investment, and said investors must be prepared to bear those risks for an extended period of time.

### **Malaysia**

No approval from the Securities Commission of Malaysia is or will be obtained, nor will any prospectus be filed or registered, nor this Prospectus deposited as an information memorandum, with the Securities Commission of Malaysia for the offering of the Shares in Malaysia. This Prospectus neither constitutes nor is intended to constitute an invitation or offer for subscription or purchase of the Shares to any person in Malaysia. The Shares may not be offered or sold or made available to any person in Malaysia. Neither this Prospectus nor any other offering material or document relating to the Shares may be published or distributed, directly or indirectly, to any person in Malaysia.

### **Mexico**

The Shares are not authorised to be publicly offered in Mexico. The Shares have not been and will not be registered with the Registro Nacional de Valores (the "**National Securities Registry**") maintained by the Comision Nacional Bancaria y de Valores (the "**National Banking and Securities Commission**", or "**CNBV**"), and may not be offered or sold publicly, or otherwise be the subject of brokerage activities in Mexico, except pursuant to a private placement exemption pursuant to article 8 of the Ley del Mercado de Valores, as amended (the "**Mexican Securities Market Law**").

The information contained in this Prospectus is exclusively the responsibility of the Company and has not been reviewed or authorised by the CNBV. In making an investment decision, all investors, including any Mexican investors who may acquire shares from time to time, must rely on their own review of this Prospectus, the Company, the Investment Manager as well as their investment regime and applicable taxes.

### **New Zealand**

This Prospectus is not a product disclosure statement for the purposes of the Financial Markets Conduct Act 2013 (the FMCA) and does not contain all the information typically included in such offering documentation.

This offer of Shares in the Company does not constitute "regulated offer" for the purposes of the FMCA and, accordingly, there is neither a product disclosure statement nor a register entry available in respect of the offer. Shares in the Prospectus may only be offered in New Zealand in accordance with the FMCA and the Financial Markets Conduct Regulations 2014.

## Panama

The Company has not been and will not be registered with the Security Market Superintendence of the Republic of Panama under Decree Law N°1 of July 8, 1999, as amended by Law 67 of September 1, 2011 (the "**Panamanian Securities Act**") and its Shares may not be publicly offered or sold within the Republic of Panama, except in certain limited private offerings exempt from the registration requirements of the Panamanian Securities Act. The Shares do not benefit from the tax incentives provided by the Panamanian Securities Act and are not subject to regulation or supervision by the Security Market Superintendence of the Republic of Panama.

## Peru

The Shares have not been, nor will they be, registered or qualified under the Peruvian Securities Act, as amended. Thus, except with respect to Peruvian Qualified Investors (as defined below), the Shares may not be offered, sold, transferred or delivered directly or indirectly in Peru or to any Peruvian person. Any sales or transfers of Shares in violation of the abovementioned shall be prohibited and treated as null and void, unless the Shares are listed on the Peruvian Stock Exchange under the regulations provided by the Peruvian Securities Act. As of the date of this Prospectus, no such listing is anticipated.

In accordance with the applicable Peruvian regulations contemplated in the Peruvian Securities Law the following entities and individuals qualify as "**Peruvian Qualified Investors**" for the purposes of this Prospectus: (i) banks, finance entities and insurance companies, broker dealers, private pension funds, investment funds, mutual funds and foreign entities that carry out similar activities; (ii) the Public Pension Fund (Oficina de Normalización Previsional), the Public Health Services Entities (EsSalud) and securitization companies; (iii) entities considered as "Qualified Institutional Buyers" under Rule 144-A of the US Securities and Exchange Commission; (iv) other financial entities under the surveillance of the Superintendence of Banking, Insurance and Private Pension Securities Managers; (v) public or private entities engaged in the investment in securities on a regular basis (in the case of private entities, their net worth should be equal to or greater than PEN 750,000.00); (vi) natural persons whose individual net worth, or joint net worth with that person's spouse, at the time of his purchase is equal to or greater than PEN 2,000,000.00, and who had individual net income or joint net income with that person's spouse, equal to or greater than PEN 750,000.00 during the past three (3) years prior to the purchase; (vii) officers and managers of the aforementioned entities; (viii) any corporation in which all of the equity owners are one of the aforementioned persons; and (ix) securities or trusts managed by the aforementioned persons, when they take the investment decisions, if the net worth of said funds or trusts is equal to or greater than PEN 400,000.00.

## Philippines

THE SECURITIES BEING OFFERED FOR SALE OR SOLD HEREIN (THE "**SHARES**") HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION ("**PSEC**") OF THE PHILIPPINES UNDER THE SECURITIES REGULATION CODE ("**SRC**"). ANY FUTURE OFFER TO SELL OR SALE OF THE SECURITIES IS SUBJECT TO THE REGISTRATION REQUIREMENTS UNDER THE SRC UNLESS SUCH OFFER TO SELL OR SALE QUALIFIES AS AN EXEMPT TRANSACTION.

The Company is not an investment company registered with the PSEC pursuant to Republic Act No. 2629 or the Investment Company Act. Hence, the Company is not authorised nor recognised by the PSEC and the Shares are not allowed to be sold or be offered for sale to the retail public in the Philippines. The Company has not secured the written confirmation of the PSEC that the sale or offer for sale of the Shares in the Philippines is exempt from the registration requirements under the SRC. The Company will comply with all applicable selling and distribution restrictions of the PSEC.

The distribution of this Prospectus and the sale or offering for sale of the Shares in the Philippines is not subject to the registration requirements under the SRC and will qualify as an exempt transaction under Section 10.1 (I) of the SRC, if the Shares will be sold or offered for sale only to qualified individual and institutional buyers. The qualified individual and institutional buyers should be registered with a registrar authorised by the PSEC and said buyers should possess the qualifications provided under PSEC Memorandum Circular No. 6, Series of 2007. If you are not such a qualified individual or institutional buyer, please be guided accordingly by consulting with your legal and financial adviser.

Pursuant to SRC Rule 10.1, a notice of exemption in the form of PSEC Form 10-1 shall be filed by the Company with the PSEC after the sale of the Shares in accordance with the rules of the PSEC.

### **Russian Federation**

No Shares have been offered or sold or transferred or otherwise disposed of, or will be offered or sold or transferred or otherwise disposed of (as part of their initial distribution or at any time thereafter) to or for the benefit of any persons (including legal entities) resident, incorporated, established or having their usual residence in the Russian Federation or to any person located within the territory of the Russian Federation unless and to the extent otherwise permitted under Russian law.

Since neither the issue of the Shares nor a securities prospectus in respect of the Shares has been, or is intended to be, registered with the Federal Service for Financial Markets of the Russian Federation, the Shares are not eligible for initial offering or public circulation in the Russian Federation and may not be offered in the Russian Federation in any way other than to Russian "qualified investors" (as defined under Russian law) in a manner that does not constitute "advertisement", "placement" or "public circulation" (as defined under Russian law) of the Shares in the Russian Federation.

Information set forth in this Prospectus is not an offer, advertisement or invitation to make offers, to sell, exchange or otherwise transfer the Shares in the Russian Federation or to or for the benefit of any Russian person or entity.

### **Saudi Arabia**

This Prospectus includes information given in compliance with the Investment Fund Regulations (the "Regulations"). This Prospectus may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Regulations. It should not be distributed to any other person, or relied upon by any other person. The Capital Market Authority does not take any responsibility for the contents of the Prospectus, does not make any representation as to its accuracy or completeness, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Prospectus. Prospective purchasers of the securities offered hereby should conduct their own due diligence on the accuracy of the information relating to the securities. If you do not understand the contents of this document you should consult an authorized financial adviser.

### **Singapore**

The offer or invitation of the Shares of the Company, which is the subject of this Prospectus, does not relate to a collective investment scheme which is authorised under section 286 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA") or recognised under section 287 of the SFA. The Company is not authorised or recognised by the Monetary Authority of Singapore (the "MAS") and Shares are not allowed to be offered to the retail public. Each of this Prospectus and any other document or material issued in connection with the offer or sale is not a prospectus as defined in the SFA. Accordingly, statutory liability under the SFA in relation to the content of prospectuses would not apply. You should consider carefully whether the investment is suitable for you.

This Prospectus has not been registered as a prospectus with the MAS. Accordingly, this Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Shares may not be circulated or distributed, nor may Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 304 of the SFA, (ii) to a relevant person pursuant to Section 305(1), or any person pursuant to Section 305(2), and in accordance with the conditions specified in Section 305 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where Shares are subscribed or purchased under Section 305 by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, securities (as defined in Section 239(1)

of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Shares pursuant to an offer made under Section 305 except:

- (1) to an institutional investor or to a relevant person defined in Section 305(5) of the SFA, or to any person pursuant to an offer referred to in Section 275(1A) or Section 305A(3)(i)(B) of the SFA;
- (2) where no consideration is or will be given for the transfer; or
- (3) where the transfer is by operation of law; or
- (4) as specified in Section 305A(5) of the SFA.

### **South Africa**

The Company is a collective investment scheme as defined in the Collective Investment Schemes Control Act, 2002 (**CISCA**). The Company has not been approved as a foreign collective investment scheme in South Africa and therefore in terms of the CISCA the Shares may not be solicited to members of the public in South Africa, which includes: (a) members of any section of the public, whether selected as clients, members, shareholders, employees or ex-employees of the person issuing an invitation to acquire a participatory interest in a collective investment scheme; and (b) a financial institution regulated by any law, but excludes persons confined to a restricted circle of individuals with a common interest who receive the invitation in circumstances which can properly be regarded as a domestic or private business venture between those persons and the person issuing the invitation.

Furthermore, a copy of the Company's Prospectus, and a list of the names and addresses of its Directors, has not been filed with the Companies and Intellectual Property Commission in South Africa. Nor has this Prospectus been registered in South Africa. Accordingly, in terms of the Companies Act 2008, no Shares under this Prospectus shall be offered to the public in South Africa, which includes an offer of the Shares to any section of public, whether selected: (a) as holders of the Shares; (b) as clients of the person issuing the Prospectus; (c) as the holders of any particular class of property; or (d) in any other manner, but does not include an offer made, *inter alia*, in the following circumstances:

- (i) if the offer is made only to: (A) persons whose ordinary business, or part of whose ordinary business, is to deal in securities, whether as principals or agents; (B) the Public Investment Corporation as defined in the Public Investment Corporation Act, 2004; (C) a person or entity regulated by the Reserve Bank of South Africa; (D) an authorised financial services provider, as defined in the Financial Advisory and Intermediary Services Act, 2002; (E) a financial institution, as defined in the Financial Services Board Act, 1990; (F) a wholly-owned subsidiary of a person contemplated in subparagraph (C), (D) or (E), acting as agent in the capacity of an authorised portfolio manager for a pension fund registered in terms of the Pension Funds Act, 1956, or as manager for a collective investment scheme registered in terms of CISCA; or (G) any combination of persons contemplated in paragraphs (A) to (F);
- (ii) if the total contemplated acquisition cost of the securities, for any single addressee acting as principal, is equal to or greater than the amount prescribed in terms of subsection 96(2) (a) of the Companies Act 2008 (being R1 million as at the date of this Prospectus).

### **South Korea**

Neither the Company nor the Investment Manager is making any representation with respect to the eligibility of any recipients of this Prospectus to acquire the Shares therein under the laws of Korea, including but without limitation the Foreign Exchange Transaction Act and Regulations thereunder. The Shares have not been registered under the Financial Investment Services and Capital Markets Act of Korea, and none of the Shares may be offered, sold or delivered, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea except pursuant to applicable laws and regulations of Korea.

### **Switzerland**

The Company has not been registered for offering with the Swiss Financial Markets Supervisory Authority FINMA. The Company and the Company's materials may only be offered to qualified investors as defined in Art. 10 of the

Swiss Collective Investment Schemes Act. The representative in Switzerland is Man Investments AG, Huobstrasse 3, 8808 Pfäffikon SZ, Switzerland. The paying agent in Switzerland is RBC Investor Services Bank S.A., Esch-sur-Alzette, Zurich Branch, Bleicherweg 7, CH-8027 Zurich. This Prospectus, the relevant Supplements, the Articles as well as the annual and semi-annual reports may be obtained free of charge from the representative in Switzerland. In respect of the units offered in and from Switzerland, the place of performance and jurisdiction is at the registered office of the representative.

#### **Taiwan**

The Company has not been and will not be registered with the Financial Supervisory Commission of Taiwan, the Republic of China pursuant to relevant securities laws and regulations and may not be offered, distributed, or sold in Taiwan, the Republic of China through a public offering or in circumstances which constitute an offer within the meaning of the Securities and Exchange Law of Taiwan, the Republic of China that requires a registration or approval of the Financial Supervisory Commission of Taiwan, the Republic of China.

#### **Thailand**

The Company is not authorised by the Securities and Exchange Commission and the Prospectus has not been approved by or filed with the Securities and Exchange Commission or any other regulatory authority of the Kingdom of Thailand. Accordingly, the Shares may not be offered or sold, or this Prospectus distributed, directly or indirectly, to any person in Thailand except under circumstances which will result in compliance with all applicable laws, regulations and guidelines promulgated by the Thai government and regulatory authorities in effect at the relevant time.

#### **Trinidad and Tobago**

The Company is not authorised by the Securities and Exchange Commission and the Prospectus has not been approved by or filed with the Securities and Exchange Commission or any other regulatory authority in Trinidad and Tobago. Accordingly, the Shares may not be offered or sold, or this Prospectus distributed, directly or indirectly, to any person in Trinidad and Tobago except to market actors registered under the Securities Industry Act and in compliance with the Securities Industry Act and its Regulations.

#### **United Arab Emirates: FOR UNITED ARAB EMIRATES (EXCLUDING DUBAI INTERNATIONAL FINANCIAL CENTRE AND ABU DHABI GLOBAL MARKET) RESIDENTS ONLY**

Neither the Company nor the Shares have been approved or licensed by the UAE Central Bank, the Securities and Commodities Authority, the Dubai Financial Services Authority or any other relevant licensing authorities or governmental agencies in the United Arab Emirates. This Prospectus is strictly private and confidential and has not been reviewed, deposited or registered with any licensing authority or governmental agency in the United Arab Emirates, and is being issued to a limited number of investors and must not be provided to any person other than the original recipient and may not be reproduced or used for any other purpose. Neither the Company nor the Shares have been or may be promoted, advertised, offered or sold directly or indirectly to the public in the United Arab Emirates (including the Dubai International Financial Centre) other than in compliance with the laws of the United Arab Emirates (and the Dubai International Financial Centre) governing the issue, offering and sale of securities. This Prospectus does not constitute a public offer of securities in the United Arab Emirates (including the Dubai International Financial Centre) and is not intended to be a public offer. Further, the information contained in this Prospectus is not intended to lead to the conclusion of any contract of whatsoever nature within the territory of the United Arab Emirates.

#### **United Kingdom**

This Prospectus may only be distributed and Shares may only be offered or placed in the United Kingdom to the extent that: (1) the Company is permitted to be marketed to professional investors in the United Kingdom accordance with the AIFM Directive (as implemented into the local law/regulation of the United Kingdom); or (2) this Prospectus may otherwise be lawfully distributed and the Shares may otherwise be lawfully offered or placed in the United Kingdom (including at the initiative of the investor).



The Company is an unregulated collective investment scheme as defined in the Financial Services and Markets Act 2000, as amended ("**FSMA**"). It has not been authorised, or otherwise recognised by the United Kingdom Financial Conduct Authority ("**FCA**") and accordingly, as an unregulated collective investment scheme, its Shares cannot be marketed in the United Kingdom to the general public. The distribution in the United Kingdom of this Prospectus: (A) if made by a person who is not an authorised person under FSMA, is being made to only the following persons: (i) persons who are "Investment Professionals" as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Financial Promotion Order"); (ii) persons falling within any of the categories of persons described in Article 49 of the Financial Promotion Order; and (iii) any other person to whom it may otherwise lawfully be made to; and (B) if made by a person who is an authorised person under FSMA, is being made to only the following persons: (i) persons falling within one of the categories of "Investment Professionals" as defined in Article 14(5) of the Financial Services and Markets Act 2000 (Promotion of Collective Investment Schemes) (Exemption) Order 2001, as amended (the "**Promotion of CISs Order**"); (ii) persons falling within any categories of persons described in Article 22 of the Promotion of CISs Order; and (iii) any other person to whom it may otherwise lawfully be made in accordance with the Promotion of CISs Order or pursuant to the rules of the FCA made pursuant to FSMA. Persons of any other description in the United Kingdom may not receive and should not act or rely on this Prospectus. If you are not a permitted recipient do not forward this Prospectus on to any other person and please return it to the person who provided it to you.

Potential investors in the United Kingdom are advised that all, or most, of the protections afforded by the United Kingdom regulatory system will not apply to an investment in the Company and that compensation will not be available under the United Kingdom Financial Services Compensation Scheme.

### **United States**

No Shares shall be issued in the US or to any US person. Prospective Shareholders must be non-US persons and must meet other suitability requirements as the Board of Directors may determine from time to time in its sole discretion.

The Shares have not been and will not be registered under the US Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or any other applicable law of the United States and Shares may not at any time be directly or indirectly offered or sold in the United States or to or for the benefit of any US person. The Shares are being offered and sold outside the United States to Persons that are not 'U.S. persons' (as defined in Regulation S promulgated under the U.S. Securities Act) in reliance on Regulation S promulgated under the U.S. Securities Act. Nothing in this Prospectus is directed to or is intended for U.S. persons.

The Shares may not at any time be directly or indirectly offered, sold or transferred to or for the benefit of any 'benefit plan investor' (within the meaning of Section 3(42) of ERISA), including (i) an 'employee benefit plan' subject to Title I of ERISA, (ii) a 'plan' subject to Section 4975 of the Code (including Individual Retirement Accounts (IRAs)), or (iii) entities whose underlying assets include 'plan assets' by reason of investment in such entity by such 'employee benefit plans' or 'plans.' In this regard, each Applicant and/or transferee will be deemed to have represented that it is not a 'benefit plan investor' and is not acquiring or holding the Shares for the benefit of such a 'benefit plan investor'.

### **Uruguay**

The Shares have not been registered with the Central Bank of Uruguay and will be offered in Uruguay only through private offering. In addition, the Company was not established under the system provided for in Law 16,774 of September 27, 1996 (Investment Funds Act).

### **Venezuela**

Under exchange control and securities regulations in effect in Venezuela, the Shares may not be offered to, nor traded with, any individual or entity in Venezuelan territory. Venezuelan investors (whether individuals or entities) may acquire the Shares outside Venezuelan territory.

The attention of potential investors is drawn to the section entitled 'Key risks', and to the anti-money laundering documentation requirements described in the applicable appendix to the relevant Application Form.

## Appendix 4

### DEFINITIONS OF A 'UNITED STATES PERSON'

(1) Under applicable CFTC Rules, "United States Person" means a person that is not a "Non-United States Person." "Non-United States Person" means:

- (i) a natural person who is not a resident of the United States;
- (ii) any partnership, corporation or other entity, other than an entity organized for passive investment, organized under the laws of a foreign jurisdiction and which has its principal place of business in a foreign jurisdiction;
- (iii) any estate or trust, the income of which is not subject to United States income tax regardless of source.
- (iv) any entity organized principally for passive investment such as a commodity pool, investment company or other similar entity; provided that units of participation in the entity held by persons who do not qualify as Non-United States Persons or otherwise as qualified eligible persons represent in the aggregate less than 10% of the beneficial interest in the entity; and such entity was not formed principally for the purpose of facilitating investment by United States Persons in a commodity pool with respect to which the operator is exempt from certain requirements of Part 4 of the CFTC's regulations by virtue of its participants being Non-United States Persons; or
- (v) a pension plan for the employees, officers or principals of an entity organized and with its principal place of business outside the United States.

(2) Under Regulation S of the Securities Act, "United States Person" means:

- (i) any natural person resident in the United States;
- (ii) any partnership or corporation organized or incorporated under the laws of the United States;
- (iii) any estate of which any executor or administrator is a United States person;
- (iv) any trust of which any trustee is a United States person;
- (v) any agency or branch of a foreign entity located in the United States;
- (vi) 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 United States person;
- (vii) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organized, incorporated, or (if an individual) resident in the United States; or
- (viii) any partnership or corporation if:
  - a. organized or incorporated under the laws of any non-US jurisdiction; and
  - b. formed by United States Persons principally for the purpose of investing in securities not registered under the Securities Act, unless it is organized or incorporated, and owned, by "accredited investors" (as defined in Rule 501(a) under the Securities Act) who are not natural persons, estates or trusts.

Notwithstanding the foregoing definition, the following are not United States Persons for purposes of Regulation S:

- (i) Any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-US Person by a dealer or other professional fiduciary organized, incorporated, or (if an individual) resident in the United States.
- (ii) Any estate of which any professional fiduciary acting as executor or administrator is a United States Person if:

- a. an executor or administrator of the estate who is not a United States Person has sole or shared investment discretion with respect to the assets of the estate; and
    - b. the estate is governed by non-US law.
  - (iii) Any trust of which any professional fiduciary acting as trustee is a United States person, if a trustee who is not a United States Person has sole or shared investment discretion with respect to the trust assets, and no beneficiary of the trust (and no settlor if the trust is revocable) is a United States Person.
  - (iv) An employee benefit plan established and administered in accordance with the law of a country other than the United States and customary practices and documentation of such country.
  - (v) Any agency or branch of a United States Person located outside the United States if:
    - a. the agency or branch operates for valid business reasons; and
    - b. the agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located.
  - (vi) The International Monetary Fund, the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the United Nations, and their agencies, affiliates and pension plans, and any other similar international organizations, their agencies, affiliates and pension plans.
- (3) (A) Under the Interpretive Guidance and Policy Statement Regarding Compliance with Certain Swap Regulations, published by the CFTC on 26 July 2013 (the “**CFTC Cross Border Guidance**”). “US person” means:
- (i) any natural person who is a resident of the United States;
  - (ii) any estate of a decedent who was a resident of the United States at the time of death;
  - (iii) any corporation, partnership, limited liability company, business or other trust, association, joint-stock company, fund or any form of enterprise similar to any of the foregoing (other than an entity described in prongs (iv) or (v) below) (a “**legal entity**”), in each case that is organized or incorporated under the laws of a state or other jurisdiction in the United States or having its principal place of business in the United States;
  - (iv) any pension plan for the employees, officers or principals of a legal entity described in prong (iii), unless the pension plan is primarily for foreign employees of such entity;
  - (v) any trust governed by the laws of a state or other jurisdiction in the United States, if a court within the United States is able to exercise primary supervision over the administration of the trust;
  - (vi) any commodity pool, pooled account, investment fund, or other collective investment vehicle that is not described in prong (iii) and that is majority-owned by one or more persons described in prong (i), (ii), (iii), (iv), or (v), except any commodity pool, pooled account, investment fund, or other collective investment vehicle that is publicly offered only to non-US persons and not offered to US persons;

- (vii) any legal entity (other than a limited liability company, limited liability partnership or similar entity where all of the owners of the entity have limited liability) that is directly or indirectly majority-owned by one or more persons described in prong (i), (ii), (iii), (iv), or (v) and in which such person(s) bears unlimited responsibility for the obligations and liabilities of the legal entity; and
- (viii) any individual account or joint account (discretionary or not) where the beneficial owner (or one of the beneficial owners in the case of a joint account) is a person described in prong (i), (ii), (iii), (iv), (v), (vi), or (vii).

(B) Under CFTC Regulation 23.23. (Cross border application), "US Person" means:

- (i) a natural person resident in the United States;
- (ii) a partnership, corporation, trust, investment vehicle, or other legal person organized, incorporated, or established under the laws of the United States or having its principal place of business in the United States;
- (iii) an account (whether discretionary or non-discretionary) of a US Person; or
- (iv) an estate of a decedent who was a resident of the United States at the time of death.

(4) Under the Code, "United States person" means—

- (i) a citizen or resident of the United States,
- (ii) a partnership organized in the United States,
- (iii) a corporation organized in the United States,
- (iv) any estate (other than a foreign estate, within the meaning of paragraph (31) of Section 7701 of the Code), and
- (v) any trust if—(A) a court within the United States is able to exercise primary supervision over the administration of the trust, and (B) one or more United States persons have the authority to control all substantial decisions of the trust.

**"United States"** for purposes of this Appendix 4 means the United States of America, its territories and possessions, any State of the United States, and the District of Columbia. Other terms not defined in Section 4 of this Appendix 4 have the meaning given them under the Code and the U.S. Treasury Regulations promulgated thereunder.