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OFFERING MEMORANDUM

PARVUS EUROPEAN ABSOLUTE OPPORTUNITIES FUND

*a Cayman Islands Exempted Company, registered as a regulated mutual fund with the
Cayman Islands Monetary Authority*

Investment Manager:

Parvus Asset Management Jersey Limited
Second Floor
No. 4 The Forum
Grenville Street
St. Helier JE2 4UF
Jersey

Administrator:

Citco Fund Services (Ireland) Limited
Custom House Plaza
Block 6
International Financial Services Centre
Dublin 1
Ireland

1 April 2025

OFFERING MEMORANDUM

PARVUS EUROPEAN ABSOLUTE OPPORTUNITIES FUND

Parvus European Absolute Opportunities Fund (the "Fund") is a Cayman Islands exempted company incorporated on 25 August 2004 with unlimited duration to operate as a private investment fund. The Fund invests all of its investable capital through a "master-feeder" structure in Parvus European Absolute Opportunities Master Fund (the "Master Fund").

This Offering Memorandum relates to the offering of Euro Shares, Sterling Shares and US Dollar Shares, which are currently available as A Shares or B Shares, which are, in turn, available as IV Shares. A Shares and B Shares of the same denomination and designation have identical rights and privileges save that only A Shares will generally participate in "new issues". Euro Shares, Sterling Shares and US Dollar Share are also available for issue as "Management Shares" and "Multi-Currency Management Shares" (together with the IV Shares, the "Shares"). Management Shares and Multi-Currency Management Shares will generally not participate in "new issues". The Shares have identical rights and privileges in all respects, save as set out herein.

The Fund has previously offered but is no longer accepting either new investors subscribing or new subscriptions for I Shares, II Shares and III Shares. There are no I Shares, II Shares and III Shares in issue.

The Fund also previously offered Euro IV Management Shares and US Dollar IV Management Shares (together, the "IV Management Shares"). IV Management Shares are no longer available and no IV Management Shares are in issue.

There is no active secondary market for the Shares, and none is expected to develop.

This Offering Memorandum has been prepared for the information of the person to whom it has been delivered (the "Recipient") by or on behalf of the Fund, and may not be reproduced or used for any other purpose. By accepting this Offering Memorandum, the Recipient agrees (i) not to reproduce or distribute this Offering Memorandum, in whole or in part, without the prior written consent of the Fund or its authorised representatives; (ii) to return this Offering Memorandum to the Fund or its authorised representatives upon request; and (iii) not to disclose any information contained in this Offering Memorandum or any other information relating to the Fund, including Fund performance and financial statements, to any person who is not a trustee, director, officer, employee, auditor, agent, attorney, financial adviser or other professional adviser responsible for matters relating to the Fund or who otherwise has a need to know such information in connection with such person's responsibilities with respect to the Recipient and who is under an obligation to keep such information confidential, except to the extent such information is in the public domain (other than as a result of any action or omission of the Recipient or permitted person to whom the Recipient has disclosed such information). Nothing in this Offering Memorandum will prohibit or limit the Recipient from voluntarily communicating with or providing information to any national or local governmental agency or regulator regarding any potential violations of law or regulation, and the Recipient is not required to seek consent from or provide notice to the Fund in connection with any such communication with a national or local governmental agency or regulator.

Notwithstanding anything to the contrary herein, each investor (and each employee, representative, or other agent of such investor) may disclose to any and all persons, without

limitation of any kind, the tax treatment and tax structure of (i) the Fund and the Master Fund; and (ii) any of their transactions, and all materials of any kind (including opinions or other tax analyses) that are provided to the investor relating to such tax treatment and tax structure, it being understood that "tax treatment" and "tax structure" do not include the name or identifying information of (i) the Fund or the Master Fund; or (ii) the parties to a transaction.

The Directors, whose names are set out in the directory below, accept responsibility for the information contained in this Offering Memorandum. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Offering Memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Fund and the Master Fund are each registered as a regulated mutual fund with the Cayman Islands Monetary Authority under section 4(3) of the Mutual Funds Act (Revised) of the Cayman Islands. However, no Cayman Islands authority has approved the contents of this Offering Memorandum and no such registration shall constitute a warranty or representation of any Cayman Islands authority as to the suitability of the Fund for investment purposes. The investment activities of the Fund are not regulated or otherwise overseen by any Cayman Islands authority.

The Shares are offered solely on the basis of this Offering Memorandum and documents incorporated by reference herein which shall include any supplement to this Offering Memorandum and, when published, the most recent annual report and accounts of the Fund and, if later, the half-yearly report and accounts. Any information or representations not contained within this Offering Memorandum may not be relied upon as having been authorised by the Fund or the Directors and should be disregarded. This Offering Memorandum contains information in relation to the Fund and the offering of Shares at the date hereof. It is subject to subsequent changes in applicable law and neither the delivery of this Offering Memorandum nor the allotment or issue of Shares shall create any implication whatsoever that there has been no change in such law or the affairs of the Fund since the date hereof.

This Offering Memorandum is accurate as of its date in all material respects, and no representation or warranty is made as to its continued accuracy after such date. Prospective investors should carefully read this Offering Memorandum. However, the contents of this Offering Memorandum should not be considered to be legal or tax advice, and each prospective investor should consult with its own counsel and advisers as to all matters concerning an investment in the Fund.

The Master Fund is not hereby offering any securities and accordingly this Offering Memorandum is not to be regarded as having been authorised or issued by the Master Fund. The Master Fund does not have an offering document or equivalent document.

Restrictions on Distribution

The distribution of this Offering Memorandum and the offering of the Shares in certain jurisdictions is restricted. There will be no public offering of the Shares and no offer to sell (or solicitation of an offer to buy) is being made in any jurisdiction in which such offer or solicitation would be unlawful. It is the responsibility of any recipient of this Offering Memorandum to confirm and observe all applicable laws and regulations. The following information is provided as a general guide only:

European Economic Area: In each member state (each a "relevant member state") of the European Economic Area (EEA) that has implemented the EU Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers, the Shares may only be offered to investors in accordance with the local measures implementing the AIFM Directive (such as where the Fund has been registered for the purposes of the national private placement regime of the relevant member state), or in any other circumstances permitted by local law, including at the own initiative of the investor.

In relation to offers in the EEA, unless the Directors determine otherwise, the Shares are not intended to be offered, or otherwise made available, to any person categorised as (i) a "retail client" (as defined in point (11) of Article 4(1) of MiFID II); or (ii) a "customer" (within the meaning of Directive 2002/92/EC on Insurance Mediation), where such customer does not qualify as a "professional client" (as defined in point (10) of Article 4(1) of MiFID II).

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

Jersey: This Offering Memorandum does not constitute an offer to the public in Jersey to subscribe for the Shares. No regulatory approval has been sought for the offer in Jersey and it must be distinctly understood that the Jersey Financial Services Commission does not accept any responsibility for the financial soundness of or any representations made in connection with the Fund. The offer of Shares is personal to the person to whom this Offering Memorandum is being delivered by or on behalf of the Fund, and a subscription for the Shares will only be accepted from such person. This Offering Memorandum may not be reproduced or used for any other purpose.

Switzerland: The offer of Shares in Switzerland will be exclusively made to, and directed at, qualified investors as defined in Article 10(3) and (3ter) of the Swiss Collective Investment Schemes Act ("CISA") at the exclusion of high-net-worth retail clients and private investment structures created for them with an opting-out pursuant to Article 5(1) of the Swiss Federal Law on Financial Services ("FinSA") (the "Qualified Investors"). The Fund has not been and cannot be registered with the Swiss Financial Market Supervisory Authority FINMA ("FINMA") and no Swiss representative or paying agent has been or will be appointed by the Fund pursuant to CISA. Shares cannot be offered in Switzerland to non-qualified investors and this Offering Memorandum and/or any other offering or marketing materials relating to the Shares may be made available in Switzerland solely to Qualified Investors. The offering of the Fund into Switzerland is exempt from the prospectus requirement under the FinSA. Accordingly, no prospectus pursuant to the FinSA has been or will be prepared for or in connection with the offering of the Fund.

United Kingdom: The Fund is an unrecognised collective investment scheme for the purposes of the Financial Services and Markets Act 2000 of the United Kingdom ("FSMA"). The

promotion of the Fund and the distribution of this Offering Memorandum in the United Kingdom are consequently restricted by law.

This Offering Memorandum is being issued in the United Kingdom to persons who are (i) investment professionals within the meaning of Article 19 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 ("FPO") or Article 14 of the Financial Services and Markets Act 2000 (Promotion of Collective Investment Schemes) (Exemptions) Order 2001 ("PCIS Order"), as applicable; (ii) high net worth companies and certain other entities falling within Article 49 of the FPO or Article 22 of the PCIS Order; or (iii) any other persons to whom the Shares may lawfully be promoted. It must not be acted, or relied upon by any other persons.

The Fund is not regulated by the Financial Conduct Authority of the United Kingdom (the "FCA") and investors may not have the benefit of the Financial Services Compensation Scheme and other protections afforded by FSMA or any of the rules and regulations made thereunder.

United States: There will be no public offering of the Shares in the United States. The Shares will not generally be available to US Persons unless they are a Permitted US Person that is an "accredited investor" and a "qualified purchaser" as such terms are defined under applicable US federal securities laws.

WHILE THE FUND (THROUGH ITS INVESTMENT IN THE MASTER FUND) MAY TRADE COMMODITY FUTURES AND/OR COMMODITY OPTIONS CONTRACTS, THE INVESTMENT MANAGER IS EXEMPT FROM REGISTRATION WITH THE US COMMODITY FUTURES TRADING COMMISSION ("CFTC") AS A COMMODITY POOL OPERATOR ("CPO") PURSUANT TO CFTC RULE 4.13(a)(3). THEREFORE, UNLIKE A REGISTERED CPO, THE INVESTMENT MANAGER IS NOT REQUIRED TO DELIVER A CFTC DISCLOSURE DOCUMENT TO PROSPECTIVE SHAREHOLDERS, NOR IS IT REQUIRED TO PROVIDE SHAREHOLDERS WITH CERTIFIED ANNUAL REPORTS THAT SATISFY THE REQUIREMENTS OF CFTC RULES APPLICABLE TO REGISTERED CPOs.

THE INVESTMENT MANAGER QUALIFIES FOR THE EXEMPTION UNDER CFTC RULE 4.13(a)(3) ON THE BASIS THAT, AMONG OTHER THINGS (I) EACH SHAREHOLDER IS AN "ACCREDITED INVESTOR", AS DEFINED UNDER US SECURITIES AND EXCHANGE COMMISSION ("SEC") RULES OR A NON-US PERSON; (II) THE SHARES ARE EXEMPT FROM REGISTRATION UNDER THE US SECURITIES ACT OF 1933, AS AMENDED, AND ARE OFFERED AND SOLD WITHOUT MARKETING TO THE PUBLIC IN THE UNITED STATES; (III) PARTICIPATIONS IN THE FUND AND THE MASTER FUND ARE NOT MARKETED AS OR IN A VEHICLE FOR TRADING IN THE COMMODITY FUTURES OR COMMODITY OPTIONS MARKETS; AND (IV) AT ALL TIMES THAT THE MASTER FUND (OR THE FUND, THROUGH THE MASTER FUND) ESTABLISHES A COMMODITY INTEREST OR SECURITIES FUTURES POSITION, EITHER (A) THE AGGREGATE INITIAL MARGIN AND PREMIUMS REQUIRED TO ESTABLISH SUCH POSITIONS WILL NOT EXCEED 5 PER CENT OF THE LIQUIDATION VALUE OF THE MASTER FUND'S PORTFOLIO; OR (B) THE AGGREGATE NET NOTIONAL VALUE OF THE MASTER FUND'S COMMODITY INTEREST AND SECURITY FUTURES POSITIONS WILL NOT EXCEED 100 PER CENT OF THE LIQUIDATION VALUE OF THE FUND'S OR THE MASTER FUND'S PORTFOLIO.

THIS IS NOT AN OFFER OR INVITATION TO THE PUBLIC IN THE CAYMAN ISLANDS TO SUBSCRIBE FOR SHARES. SHARES MAY, HOWEVER, BE BENEFICIALLY OWNED BY PERSONS RESIDENT, DOMICILED, ESTABLISHED, INCORPORATED OR REGISTERED IN THE CAYMAN ISLANDS PURSUANT TO THE LAWS OF THE CAYMAN ISLANDS. THE FUND, HOWEVER, WILL NOT UNDERTAKE BUSINESS WITH THE PUBLIC IN THE CAYMAN ISLANDS OTHER THAN SO FAR AS MAY BE NECESSARY FOR THE CARRYING ON OF THE BUSINESS OF THE FUND EXTERIOR TO THE ISLANDS. "PUBLIC" FOR THESE PURPOSES DOES NOT INCLUDE ANY EXEMPTED OR ORDINARY NON-RESIDENT COMPANY REGISTERED UNDER THE COMPANIES ACT OR A FOREIGN COMPANY REGISTERED PURSUANT TO PART IX OF THE COMPANIES ACT OR ANY SUCH COMPANY ACTING AS GENERAL PARTNER OF A PARTNERSHIP REGISTERED PURSUANT TO SECTION 9(1) OF THE EXEMPTED LIMITED PARTNERSHIP ACT (REVISED) OF THE CAYMAN ISLANDS OR ANY DIRECTOR OR OFFICER OF SUCH PARTNERSHIP ACTING IN SUCH CAPACITY OR THE TRUSTEE OF ANY TRUST REGISTERED OR CAPABLE OF REGISTRATION PURSUANT TO SECTION 74 OF THE TRUSTS ACT (REVISED) OF THE CAYMAN ISLANDS.

THE FUND AND THE MASTER FUND ARE EACH REGISTERED AS A REGULATED MUTUAL FUND WITH THE CAYMAN ISLANDS MONETARY AUTHORITY UNDER SECTION 4(3) OF THE MUTUAL FUNDS ACT (REVISED) OF THE CAYMAN ISLANDS. HOWEVER, NO CAYMAN ISLANDS AUTHORITY HAS APPROVED THE CONTENTS OF THIS OFFERING MEMORANDUM AND NO SUCH REGISTRATION SHALL CONSTITUTE A WARRANTY OR REPRESENTATION OF ANY CAYMAN ISLANDS AUTHORITY AS TO THE SUITABILITY OF THE FUND FOR INVESTMENT PURPOSES. THE INVESTMENT ACTIVITIES OF THE MASTER FUND ARE NOT REGULATED OR OTHERWISE OVERSEEN BY ANY CAYMAN ISLANDS AUTHORITY.

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

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

OTHER THAN REGISTRATION WITH THE CAYMAN ISLANDS MONETARY AUTHORITY AND THE LISTING OF THE MANAGEMENT SHARES ON THE CHANNEL ISLANDS STOCK EXCHANGE, THE OFFERING OF SECURITIES HEREBY HAS NOT BEEN FILED WITH OR APPROVED OR DISAPPROVED BY ANY REGULATORY AUTHORITY OF ANY COUNTRY OR JURISDICTION, NOR HAS ANY SUCH REGULATORY AUTHORITY PASSED UPON OR ENDORSED THE MERITS OF THIS OFFERING OR THE ACCURACY OR ADEQUACY OF THIS OFFERING MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

THESE SECURITIES ARE SUITABLE FOR SOPHISTICATED INVESTORS WHO ARE NON-US PERSONS OR PERMITTED US PERSONS, WHO DO NOT REQUIRE

IMMEDIATE LIQUIDITY FOR THEIR INVESTMENTS, FOR WHOM AN INVESTMENT IN THE FUND DOES NOT CONSTITUTE A COMPLETE INVESTMENT PROGRAM, AND WHO FULLY UNDERSTAND AND ARE WILLING TO ASSUME THE RISKS INVOLVED IN THE MASTER FUND'S INVESTMENT PROGRAM. SUBSCRIBERS FOR SHARES MUST REPRESENT THAT THEY ARE ACQUIRING THE SHARES FOR INVESTMENT. NO OFFER TO SELL OR SOLICITATION OF AN OFFER TO BUY IS BEING MADE IN ANY JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION WOULD BE UNLAWFUL.

PROSPECTIVE SHAREHOLDERS SHOULD CAREFULLY READ THIS OFFERING MEMORANDUM. HOWEVER, THE CONTENTS OF THIS OFFERING MEMORANDUM SHOULD NOT BE CONSIDERED TO BE LEGAL OR TAX ADVICE, AND EACH PROSPECTIVE SHAREHOLDER SHOULD CONSULT WITH ITS OWN COUNSEL AND ADVISERS AS TO ALL MATTERS CONCERNING AN INVESTMENT IN THE FUND.

* * * *

**PARVUS EUROPEAN ABSOLUTE OPPORTUNITIES FUND
PARVUS EUROPEAN ABSOLUTE OPPORTUNITIES MASTER FUND**

DIRECTORY

DIRECTORS

Tej Gujadhur
Adrian Waters
Ralph Woodford
Rahul Moodgal

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TO THE MASTER FUND

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PARVUS EUROPEAN ABSOLUTE OPPORTUNITIES FUND

SUMMARY OF TERMS

The following is a summary of certain information set forth more fully elsewhere in this Offering Memorandum and in the Articles. This summary should be read in conjunction with, and potential investors should refer to, the more detailed information set out in the corresponding sections in the main section of this Offering Memorandum. Defined terms used herein are as described under "Definitions".

THE FUND AND THE MASTER FUND:

The Fund is a Cayman Islands exempted company incorporated on 25 August 2004 with unlimited duration to operate as a private investment fund for the benefit of non-US investors and tax-exempt US investors (or pass-through entities comprised primarily of tax-exempt US investors). The Fund invests all of its investable capital through a "master-feeder" structure in the Master Fund which is also a Cayman Islands exempted company. The Fund and the Master Fund began operations on 1 October 2004. Parvus European Absolute Opportunities Fund LP, a Delaware limited partnership to facilitate investment primarily by taxable US investors, also invests all of its investable assets in the Master Fund. Further "feeder funds" may be established from time to time, but otherwise it is not anticipated that there will be any other investors in the Master Fund.

INVESTMENT PROGRAM:

The investment objective of both the Fund and the Master Fund is to seek to achieve superior absolute returns. The Fund seeks to achieve its investment objective by investing all of its investable assets in the Master Fund. The Master Fund seeks to achieve its objective by taking long and short positions in equity and debt securities (and their derivatives) with a focus on European companies of all sizes and capitalisations.

There can be no assurance that the investment objective of the Master Fund will be achieved, and certain investment practices employed by the Master Fund can, in some circumstances, potentially increase the adverse impact on the Master Fund's investment portfolio (see "Investment Program" and "Certain Risk Factors").

INVESTMENT MANAGER:

Parvus Asset Management Jersey Limited (the "Investment Manager"), a private limited company incorporated in Jersey, has been appointed as investment manager to the Fund and the Master Fund. Edoardo Mercadante (the "Principal") is primarily responsible for the investment and re-investment of the assets of the Master Fund subject to the overall

supervision, control and policies of the directors of the Master Fund.

The Investment Manager has appointed Parvus Asset Management (Services) LLP ("PAM Services") to provide it with investment advisory, client services and investor relations and other related services.

For an interim period following the date of this Offering Memorandum, Parvus Asset Management Europe Limited ("PAMEL") will be engaged to carry out trade execution on behalf of the Investment Manager's clients, including the Master Fund. (the "Trade Execution Function") and to provide certain investment management services to the Master Fund (the "Investment Management Function") and in particular to manage the investment of such cash and assets of the Master Fund delegated to PAMEL by the Investment Manager from time to time (the "Delegated Portfolio"), in accordance with the provisions of this Offering Memorandum and subject always to the supervision and oversight of the Investment Manager.

As soon as is reasonably practicable following the date of this Offering Memorandum and receipt by PAM Services of its FCA authorisation, among other matters, to provide the Trade Execution Function and the Investment Management Function, PAM Services will assume the provision of the Trade Execution Function and the Investment Management Function for the Master Fund in place of PAMEL.

MANAGEMENT FEE AND INCENTIVE FEE:

Management Fee

Pursuant to the Investment Management Agreement, the Fund will pay to the Investment Manager a monthly management fee (the "Management Fee") in arrears equal to $\frac{1}{12}$ of 1.5 per cent of the Net Asset Value of each IV Share.

Incentive Fee

The Fund will also pay to the Investment Manager an incentive fee (the "Incentive Fee") in respect of the IV Shares.

The Fund will pay to the Investment Manager an Incentive Fee equal to 20 per cent of the net realised and unrealised appreciation in the Net Asset Value of each Series/Sub-Series of IV Shares during the IV Calculation Period (in each case adjusted for any redemptions or distributions and before any accrual for the Incentive Fee made during the then current IV Calculation Period (the "Adjusted NAV")); *provided, however,* that an Incentive Fee will only be paid with respect to the net realised and unrealised appreciation in the Adjusted

NAV of a Series/Sub-Series of IV Shares in excess of the Prior High NAV of such Series/Sub-Series of IV Shares.

Management Shares and Multi-Currency Management Shares

The Management Shares and Multi-Currency Management Shares are not subject to the Management Fee or an Incentive Fee.

General

No Management Fee or Incentive Fee is currently payable by the Master Fund. Without the consent of the Shareholders the Management Fee may be charged to and paid by the Master Fund instead of the Fund, but will not be paid by both.

RISK FACTORS:

The investment program of the Master Fund is speculative and entails substantial risks some of which are detailed under "Certain Risk Factors".

OTHER ACTIVITIES OF MANAGEMENT; CONFLICTS OF INTEREST:

The Investment Manager is subject and will continue to be subject, and the Fund is exposed, to a number of actual and potential conflicts of interest. Certain inherent conflicts of interest arise from the fact that the Investment Manager and its affiliates provide management and investment management services both to the Master Fund and the Fund and carry on investment and other activities for other clients, including, without limitation, other investment funds, client accounts and proprietary accounts in which the Master Fund has no interest and whose respective investment programs may or may not be substantially similar.

BOARD OF DIRECTORS:

The Directors and the directors of the Master Fund will meet at least four times a year to review and assess the investment policies and performance of the Fund and the Master Fund, and generally to supervise the conduct of their affairs.

THE ADMINISTRATOR:

Citco Fund Services (Ireland) Limited has been retained by the Fund and the Master Fund to perform certain administrative, accounting and investor services for the Fund and the Master Fund.

PRIME BROKERS, CUSTODIANS AND COUNTERPARTIES TO THE MASTER FUND:

Each of BNP Paribas, Citigroup Global Markets Limited, HSBC Bank plc, Morgan Stanley & Co. International plc, Merrill Lynch International and Skandinaviska Enskilda Banken AB (publ) has been retained by the Master Fund to provide prime brokerage, custodian and similar services.

THE SHARES:

The Fund has an authorised share capital of €25,000 divided into 25,000,000 ordinary shares, par value €0.001 per share

(the "Euro Shares"), £25,000 divided into 25,000,000 ordinary shares, par value £0.001 per share (the "Sterling Shares") and US\$25,000 divided into 10 Founder Shares, par value US\$0.001 per share, and 24,999,990 ordinary shares, par value US\$0.001 per share (the "US Dollar Shares"). Additional currency denominations may be created in the future.

Euro Shares, Sterling Shares and US Dollar Shares are currently available as A Shares or B Shares (see "New Issues" below) which, in turn, are available as IV Shares.

Euro Shares, Sterling Shares and US Dollar Shares are also currently available as Management Shares. Euro Shares, Sterling Shares and US Dollar Shares may also be issued to the Directors or the directors, officers, members, employees, partners or affiliates of the Investment Manager, including, without limitation, members of the immediate families of such persons, and trusts or other entities for their benefit, which, notwithstanding the currency of denomination of such Shares, shall have as their reference currency a basket of one or more currencies, as determined by the Investment Manager from time to time in its sole and absolute discretion (the "Multi-Currency Management Shares"). The Fund may establish other designations of shares which may differ in terms of fees charged, among other things.

The Fund has previously offered Euro Shares and US Dollar Shares issued as I Shares; Euro Shares, Sterling Shares and US Dollar Shares issued as II Shares and III Shares. I Shares, II Shares and III Shares are no longer available and no I Shares, II Shares or III Shares are in issue. The various designations differed as to redemption terms and fees.

The Fund also previously offered Euro IV Management Shares and US Dollar IV Management Shares (together, the "IV Management Shares"). IV Management Shares are no longer available and no IV Management Shares are in issue.

The Master Fund from time to time may invest in a "new issue", as defined in Financial Industry Regulatory Authority, Inc. ("FINRA") Rule 5130, as amended, supplemented and interpreted from time to time ("Rule 5130"). To enable the Master Fund to invest in new issues, the Fund has established policies with respect to the allocation of profits and losses attributable to new issues in accordance with Rule 5130 and Section (b) of FINRA Rule 5131, pursuant to which certain investors (*e.g.*, any investor deemed to be a "restricted person", as defined in Rule 5130, and certain executive officers and directors, and persons materially supported by

executive officers and directors) may be restricted from participating, or limited in their participation, in profits and losses attributable to new issues (see "Capital Structure of the Fund").

Only A Shares will generally participate in profits and losses attributable to New Issues.

The Founder Shares are held by one or more Parvus entities. They confer no economic benefit other than the right to a return of paid-up capital on a winding-up subject to the prior return of paid-up capital on the Shares. The Founder Shares do not generally have the right to vote except that they have the exclusive right to vote in certain circumstances.

Save as aforesaid, the Shares have identical rights and privileges.

OFFERING OF SHARES:

Shares will be issued in registered, book entry form (meaning that no share certificates will be issued).

IV Shares

IV Shares are available for subscription on Subscription Days at a purchase price of US\$100/€100/£100, as appropriate.

IV Shares are issued in Series/Sub-Series. A new Series/Sub-Series will be created on each date that IV Shares are issued. More than one Series/Sub-Series may be issued on the same date.

Management Shares and Multi-Currency Management Shares

Management Shares and Multi-Currency Management Shares are available for subscription on Subscription Days at the prevailing Net Asset Value per Share of the Management Shares and Multi-Currency Management Shares, respectively.

General

Investors who want, and are eligible, to participate in "new issues" will receive A Shares.

MINIMUM SUBSCRIPTION: Unless otherwise determined by the Directors, the minimum initial subscription is US\$5,000,000 or its Euro or Sterling equivalent. The Directors may, in their sole discretion, accept subscriptions of lesser amounts.

SALE AND TRANSFER RESTRICTIONS: Shares may only be offered, sold and transferred to Qualifying Investors.

EXCHANGES OF SHARES: Except where issues and redemptions of Shares have been suspended, holders of Shares of one currency denomination will be entitled to exchange any or all of their Shares of that currency denomination for Shares of the same designation denominated in a different currency (subject to maintaining the Minimum Holding requirement) on any Redemption Day upon not less than 5 days' prior written notice to the Administrator.

Where a holder of A Shares becomes restricted from participating in "new issues", such A Shares may be exchanged for B Shares. Shareholders who are restricted from participating in "new issues" may not exchange B Shares for A Shares.

REDEMPTIONS: Shares may generally be redeemed as of each Redemption Day applicable to the relevant Shares upon written notice of redemption being received by the Administrator not less than 90 days prior to the relevant Redemption Day and subject to the Commitment Period. Where Shares of the same designation have been acquired on more than one date, any such Shares eligible for redemption on the same Redemption Day will be redeemed on a "first in, first out" basis, other than in connection with a Return of Capital. The Directors may waive notice requirements or permit redemptions under such other circumstances and on such conditions as they, in their sole and absolute discretion, deem appropriate.

IV Shares

IV Shares may generally be redeemed without a Redemption Fee on the first Redemption Day occurring on or around the third anniversary of the acquisition thereof. Each three-year restricted period is referred to herein as a "Commitment Period". To the extent that notice of redemption is not received, a new Commitment Period will immediately commence upon the expiry of the current Commitment Period (such new Commitment Period being three years).

Additional Redemption Entitlement

A holder of IV Shares is also entitled to redeem on any Redemption Day during each Permitted Redemption Period

during a Commitment Period and without a Redemption Fee up to one third of each Tranche of IV Shares (measured by reference to the number of IV Shares initially held in such Tranche) (the "Permitted Redemption Amount") upon not less than 90 days' written notice to the Administrator prior to the relevant Redemption Day. Each subscription of IV Shares is referred to as a "Tranche".

In addition, any amount of IV Shares, in addition to the Permitted Redemption Amount, may be redeemed on any Redemption Day during the Commitment Period upon not less than 180 days' written notice to the Administrator prior to the Redemption Day subject to the payment of a Redemption Fee as follows: 3 per cent of the aggregate Net Asset Value of the IV Shares being redeemed in the first Permitted Redemption Period in excess of the Permitted Redemption Amount; 2 per cent of the aggregate Net Asset Value of the IV Shares being redeemed in the second Permitted Redemption Period in excess of the Permitted Redemption Amount; and 1 per cent of the aggregate Net Asset Value of the IV Shares being redeemed in the third Permitted Redemption Period in excess of the Permitted Redemption Amount. Any Redemption Fee will be retained by the Fund.

Management Shares and Multi-Currency Management Shares

Management Shares and the Multi-Currency Management Shares may generally be redeemed on the first Redemption Day occurring on or after the third anniversary of the acquisition thereof. Each three-year restricted period is referred to herein as a "Commitment Period". To the extent that notice of redemption is not received, a new Commitment Period will immediately commence upon the expiry of the current Commitment Period, such new Commitment Period being three years.

Redemption Price and Payment of Redemption Proceeds

Shares will be redeemed at a per Share price based on the Net Asset Value per Share of the relevant denomination and designation (and Series/Sub-Series in the case of IV Shares) (after payment of any Incentive Fee with respect to the redeemed Shares) on the relevant Redemption Day.

Redemption proceeds, less any applicable Redemption Fee, will be paid as soon as practicable and (in any event) within twenty Business Days of the relevant Redemption Day. Payment of redemption proceeds may be withheld or delayed

if information required to satisfy verification of identity checks is not provided.

The Directors may establish reserves or holdbacks for estimated accrued expenses, liabilities and contingencies (even if such reserves or holdbacks are not otherwise required by generally accepted accounting principles) which could reduce the amount of a distribution upon redemption.

Miscellaneous

Shares may not be redeemed when the calculation of the Net Asset Value is suspended. Redemption requests are irrevocable unless the Directors otherwise determine.

If (A) the Principal retires or becomes deceased; (B) in the opinion of the Directors (i) the Principal becomes disabled or otherwise unable or unwilling to devote substantially all of their professional efforts to the Investment Manager; or (ii) the Investment Manager is unable or unwilling to devote such amount of time to the Fund as is reasonably necessary to comply with its obligations under the Investment Management Agreement; or (C) in the event of the conviction of, or a guilty or "no contest" plea by, the Principal to a securities-related criminal offence or upon the final determination by an applicable regulatory authority that has, or is reasonably likely to have, a material adverse effect on the performance of the Master Fund's portfolio or the ability of the Investment Manager to manage the Master Fund's portfolio, the Directors will promptly notify all Shareholders. During the three-month period following notice of such event, redemptions may not be made so as to facilitate an orderly transition in the investment management of the Fund and the Master Fund. Upon delivering 30 days' prior written notice, Shareholders may redeem their Shares, in part or in full, as of the end of such three-month period. Distribution of redemption proceeds will be made on the terms described above for regular redemptions except that no Commitment Period or Redemption Fee will be applied.

NET ASSET VALUE:

IV Shares

As the various Series/Sub-Series of IV Shares of each designation will be issued at different dates, the Net Asset Value per Share of each Series/Sub-Series of IV Shares may differ. The Net Asset Value per Share is determined by first allocating any increase or decrease in the Net Asset Value of the Fund for the period of calculation among each designation of IV Shares (other than any increase or decrease attributable to one designation of IV Shares only, which will only be allocated to that designation including, with limitation, any

costs of currency hedging for IV Shares denominated in a currency other than Euros), then allocating any increase or decrease in the Net Asset Value of the relevant designation of IV Shares for such period among each Series/Sub-Series of IV Shares of that designation *pro rata* in accordance with the Net Asset Value of each such Series/Sub-Series at the beginning of such period, and then dividing the Net Asset Value of such Series/Sub-Series by the number of outstanding shares thereof. IV Shares within a Series/Sub-Series will have the same Net Asset Value per Share. Any Incentive Fee or Management Fee or income or expense determined with respect to a particular Series/Sub-Series or designation of IV Shares will be debited against the Net Asset Value of such Series, Sub-Series or designation.

Management Shares and Multi-Currency Management Shares

In the case of Management Shares and Multi-Currency Management Shares, the Net Asset Value per Share is generally determined by (i) allocating any increase or decrease in the Net Asset Value of the Fund for the period of calculation among each of the designations of Management Shares and Multi-Currency Management Shares *pro rata* in accordance with their respective Net Asset Values at the beginning of such period; then (ii) dividing the Net Asset Value of each designation of Management Shares and Multi-Currency Management Shares by the number of outstanding Management Shares and Multi-Currency Management Shares therein. Any gains, losses, fees or expenses attributable to a particular designation of Management Shares and Multi-Currency Management Shares, will be allocated solely to such designation, including, without limitation, any accrued Management Fee or Incentive Fee and any costs of currency hedging for Management Shares and Multi-Currency Management Shares denominated in, or referenced to, a currency other than in Euros. Management Shares and Multi-Currency Management Shares of the same designation will have the same Net Asset Value per Share.

General

The Fund and the Master Fund have appointed Citco Fund Services (Ireland) Limited (the "External Valuer"), to provide certain valuation services to the Fund and the Master Fund.

OTHER FEES AND EXPENSES:

The Administrator receives customary fees that will be paid out of the assets of the Fund. The Administrator will also be reimbursed for all out-of-pocket expenses.

The Prime Brokers, the Custodians and the swap counterparties receive fees and brokerage commissions at normal commercial rates.

The Fund also bears its own ongoing operating costs and expenses as well as indirectly bearing a *pro rata* share of those of the Master Fund.

TAXATION:

Cayman Islands

The Fund and the Master Fund are exempted companies under Cayman Islands law. Each of the Fund and the Master Fund has received an undertaking from the Financial Secretary of the Cayman Islands which provides that, pursuant to Section 6 of the Tax Concessions Act (Revised) of the Cayman Islands, for a period of 30 years from the date of issue of the undertaking, being 19 March 2024, no law thereafter enacted in the Cayman Islands imposing any taxes or duty to be levied on income or capital assets, gains or appreciation will apply to any income or property of the Fund or the Master Fund.

Jersey

The Directors and the directors of the Master Fund intend that the affairs of the Fund and the Master Fund, respectively, should not be managed and controlled in Jersey for Jersey tax purposes. Accordingly, and provided that neither the Fund nor the Master Fund is managed or controlled in Jersey for the purposes of Jersey income tax laws, the Fund and the Master Fund will not be liable to Jersey income tax other than on Jersey source income (except where such income is exempted from income tax pursuant to Jersey income tax laws). The Directors, the directors of the Master Fund and the Investment Manager each intend that their respective business and affairs will be conducted in such a way so that these requirements are met with respect to the Fund and the Master Fund insofar as this is within their respective control.

United Kingdom

On the basis of an available statutory exemption, the Directors and the directors of the Master Fund believe that neither the Fund nor the Master Fund should be treated as resident in the United Kingdom for United Kingdom tax purposes. The Directors, the directors of the Master Fund and the Investment Manager also intend to conduct their

respective business and affairs in such a way that neither the Fund nor the Master Fund either (i) realises capital gains from disposals of interests in UK land or interests in "UK property rich" entities; or (ii) is treated as carrying on a trade in the United Kingdom other than in circumstances where there is available an exemption from United Kingdom taxation of income arising from such a trade. In these circumstances, neither the Fund nor the Master Fund should be liable to United Kingdom tax on its income and gains (other than potential United Kingdom withholding tax on any interest or certain other income received which has a United Kingdom source).

General

There can be no assurance that the Cayman Islands, Jersey and United Kingdom tax laws will not be changed adversely with respect to the Fund, the Master Fund or their shareholders, or that the Fund's or the Master Fund's income tax status will not be successfully challenged by such authorities (see "Tax Aspects" and the Subscription Documents).

ERISA CONSIDERATIONS:

Entities subject to the US Employee Retirement Income Security Act of 1974, as amended ("ERISA"), may purchase Shares. Trustees or administrators of such entities are urged to carefully review the matters to be discussed in this Offering Memorandum. The Fund will not limit investments by "benefit plan investors" (as defined in Section 3(42) of ERISA and any regulations promulgated thereunder) except to the extent that such investments would cause the assets of the Master Fund to be treated as "plan assets" (as defined in Section 3(42) of ERISA and any regulations promulgated thereunder). Accordingly, the Fund will limit the participation of benefit plan investors to the extent necessary to ensure that benefit plan investors in the aggregate will own less than 25 per cent of the value of each class of the shares in the Master Fund (or such greater percentage as may be specified in any regulations issued by the US Department of Labor) (see "ERISA Considerations").

REGULATORY MATTERS:

Cayman Islands

The Fund and the Master Fund are each registered as a mutual fund under section 4(3) of the Mutual Funds Act (Revised) of the Cayman Islands.

Jersey

The Investment Manager is authorised and regulated by the Jersey Financial Services Commission (the "JFSC"). The

JFSC is protected by the Financial Services (Jersey) Law 1998 (as amended), against liability arising from the discharge of its functions under that law.

United Kingdom

PAM Services has submitted an application to be authorised and regulated by the FCA.

United States

Neither the Fund nor the Master Fund is registered as an investment company under the Company Act. The Fund complies with Section 3(c)(7) of the Company Act, which permits private investment companies (such as the Fund) to sell their interests, on a private placement basis, to an unlimited number of "qualified purchasers", as that term is defined under the Company Act. The Investment Manager is currently registered with the SEC as an investment adviser under the US Investment Advisers Act of 1940, as amended (the "Advisers Act"). Additional information about the Investment Manager is available on the SEC's website at www.adviserinfo.sec.gov. Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

The Investment Manager has claimed an exemption with respect to the Fund and the Master Fund under US Commodity Futures Trading Commission ("CFTC") Rule 4.13(a)(3) from registration with the CFTC as a commodity pool operator and, accordingly, is not subject to certain regulatory requirements with respect to the Fund and the Master Fund (which are intended to provide certain regulatory safeguards to investors) that would otherwise be applicable absent such an exemption. In accordance with such exemption, at all times that the Master Fund (or the Fund through its investment in the Master Fund) establishes a commodity interest or securities futures position, either (a) the aggregate initial margin and premiums required to establish such positions will not exceed 5 per cent of the liquidation value of the Master Fund's portfolio; or (b) the aggregate net notional value of the Master Fund's commodity interest and security futures positions will not exceed 100 per cent of the liquidation value of the Master Fund's portfolio.

Additionally, the Investment Manager is exempt from registration with the CFTC as a commodity trading advisor, but may register in the future.

DIVIDENDS:

Dividends may be paid at the sole and absolute discretion of the Directors.

FISCAL YEAR:

The Fund's fiscal year ends on 31 December of each year.

**AUDITORS; REPORTS
TO SHAREHOLDERS:**

PricewaterhouseCoopers has been retained as the independent auditors of the Fund. The Fund's financial statements will be prepared in accordance with IFRS. Generally, the Fund will prepare an annual report and audited financial statements will be sent to Shareholders as soon as practicable or at the latest within 120 days of the end of the fiscal year. In addition, the Fund will prepare a half-yearly report which will also be sent to Shareholders.

LEGAL COUNSEL:

Schulte Roth & Zabel International LLP ("Schulte Roth & Zabel") acts as US and English counsel to the Fund in connection with this offering of Shares; Schulte Roth & Zabel also acts as counsel to the Master Fund, the Investment Manager, its affiliates and PAM Services. Maples and Calder act as Cayman Islands counsel to the Fund and the Master Fund in connection with this offering of Shares and Ogier acts as Jersey counsel to the Investment Manager. In connection with this offering of Shares and ongoing advice to the Fund, the Master Fund, the Investment Manager and their affiliates, Schulte Roth & Zabel, Maples and Calder and Ogier are not representing Shareholders of the Fund. No independent counsel has been retained to represent Shareholders of the Fund. Schulte Roth & Zabel's, Maples and Calder's and Ogier's representation of the Fund, the Master Fund and the Investment Manager and its affiliates (as the case may be) is limited to those specific matters upon which it has been consulted. There may exist other matters which would have a bearing on the Fund, the Master Fund, and/or the Investment Manager or any of its affiliates upon which Schulte Roth & Zabel, Maples and Calder or Ogier have not been consulted. Schulte Roth & Zabel, Maples and Calder and Ogier do not undertake to monitor the compliance of the Fund or the Investment Manager with the investment program, valuation procedures and other guidelines set out herein, nor does it monitor compliance with applicable laws. Additionally, in drafting this Offering Memorandum, Schulte Roth & Zabel, Maples and Calder and Ogier relied upon information furnished to it by the Fund, the Master Fund and/or the Investment Manager, and have not investigated or verified the accuracy and completeness of information set out herein concerning the Investment Manager or the Fund or the

**SUBSCRIPTION FOR
SHARES:**

Master Fund, other service providers and their affiliates and personnel.

Persons interested in subscribing for Shares will be furnished, and will be required to complete, execute and return to the Administrator, an application form and any additional documentation necessary to complete the application form.

THE FUND AND THE MASTER FUND

Parvus European Absolute Opportunities Fund is a Cayman Islands exempted company incorporated on 25 August 2004 with unlimited duration under the provisions of the Companies Act (Revised) of the Cayman Islands with registered number MC-139214. Its objects, as set out in paragraph 3 of its Memorandum of Association, are unrestricted.

The Fund has been formed for the benefit of non-US investors and tax-exempt US investors (or pass-through entities comprised primarily of tax-exempt US investors). The Fund invests all of its investable capital through a "master-feeder" structure in the Master Fund which is also a Cayman Islands exempted company incorporated on 25 August 2004 with unlimited duration under the provisions of the Companies Act (Revised) of the Cayman Islands with registered number MC-139221. Its objects, as set out in paragraph 3 of its Memorandum of Association, are unrestricted. The Fund and the Master Fund began operations on 1 October 2004.

Parvus European Absolute Opportunities Fund LP, a Delaware limited partnership organised to facilitate investment primarily by taxable US investors, also invests all of its investable assets in the Master Fund. Further "feeder funds" may be established from time to time, but otherwise it is not anticipated that there will be any other investors in the Master Fund.

References to the Fund include where appropriate the Master Fund. The service providers to the Fund also provide services to the Master Fund. The Prime Brokers and each Custodian provides their services to the Master Fund alone.

INVESTMENT PROGRAM

Investment Objectives and Policy

The investment objective of both the Fund and the Master Fund is to seek to achieve superior absolute returns. The Fund seeks to achieve its investment objective by investing all of its investable assets in the Master Fund. The Master Fund seeks to achieve its objective by taking long and short positions in equity and debt securities (and their derivatives) with a focus on European companies of all sizes and capitalisations.

The Investment Manager seeks to achieve the investment objective through fundamental and detailed research. The Investment Manager also seeks to exploit securities that it believes are mis-priced. The reasons for such mis-pricing may include operational and/or financial restructuring, mergers and acquisitions, structural trends, and change in economic profit trends. Furthermore, the Investment Manager seeks to exploit the significant gap that the Investment Manager believes exists between market perception and economic reality in companies.

The Investment Manager may also execute event-driven short strategies. These may include the identification of fraud and bankruptcy candidates through forensic accounting analysis, companies with structurally deteriorating operations, failed restructurings and minority shareholder abuse. Short candidates will also include companies where the Investment Manager believes that there is a substantial market misperception about the economics of their business or the sustainability of their growth and a catalyst for this misperception to change.

At the heart of the investment process is fundamental analysis of the short and long term economic profit prospects for the underlying company and the assessment of the underlying

company's intrinsic value. The Investment Manager will frequently perform an extensive due diligence process prior to investing in an underlying company including, but not limited to:

- industry analysis and drivers;
- company's products and services analysis and competitive advantage;
- interviews with management teams;
- interviews with customers, suppliers and competitors; and
- accounting review with emphasis on cash consumption or generation.

The result of the above due diligence process will generally form the basis of a multi-year financial forecasting model of a company's economic profit. This forecasting model will be used to determine the underlying company's intrinsic value through a discounted cash flow model.

The Master Fund will typically be invested in less than fifty (50) long positions and less than fifty (50) short positions.

The Master Fund has maximum flexibility to invest in a wide range of instruments, including listed and unlisted equities, debt securities (both investment and non-investment grade), other collective investment schemes, options, warrants, and other derivative instruments. Derivative instruments may be exchange traded or over-the-counter ("OTC"). Derivatives may be utilised for investment as well as hedging purposes. The Master Fund may engage in short sales of securities and may also retain amounts in cash or cash equivalents pending investment or reinvestment or as considered appropriate to the investment objective.

Leverage and Currency Hedging

The Master Fund has the authority to borrow, trade on margin, utilise derivatives and otherwise obtain leverage from brokers, banks and others on a secured or unsecured basis. The Master Fund intends to use leverage, to the extent deemed appropriate by the Investment Manager, principally to increase investment capacity at times of compelling opportunity, and the amount of leverage utilised by the Master Fund may be significant. The overall leverage of the Master Fund will depend on the investment strategies employed by the Master Fund and specific market opportunities. In addition, the Master Fund may borrow for cash management purposes, such as to satisfy redemption requests. To facilitate such borrowings, the Master Fund may enter into a credit facility with a service provider to the Master Fund or a third party credit institution. The leverage risk management provisions of the AIFM Directive do not apply to the Master Fund because the Master Fund is a non-EU/UK AIF (as such term is defined under the AIFM Directive) and the Investment Manager is a non-EU/UK AIFM for purposes of the AIFM Directive. Notwithstanding the foregoing, the maximum level of leverage that may be employed in connection with the Master Fund's investment program calculated in accordance with the AIFM Directive's gross method and commitment method is 400 per cent and 300 per cent, respectively, of the Master Fund's Net Asset Value.

Any determination to limit the amount of leverage which may be employed by the Master Fund and/or the level thereof may be changed by the Master Fund or the Investment Manager without the consent of Shareholders.

The Master Fund, and not the Fund, will employ leverage.

While leverage presents opportunities for increasing the total return on investments, it has the effect of potentially increasing losses as well. Accordingly, any event which adversely affects the value of an investment could be magnified to the extent leverage is utilised and may result in a substantial loss to the Master Fund and the Fund.

The Master Fund's gross exposure (long positions plus short positions) will not normally exceed 200 per cent of Net Asset Value nor ever exceed 300 per cent of the Net Asset Value of the Master Fund. The ratio of long and short investments may vary significantly through time, but it is generally expected that the Master Fund will have a net long bias.

The base currency of the Fund and the Master Fund is Euros. The Investment Manager will use its discretion as to whether and in what manner it will hedge any non-base currency exposures of the Master Fund arising as a result of the underlying investments of the Master Fund being denominated in a currency other than the base currency of the Master Fund. The Investment Manager may use derivative instruments (including forwards and options) to implement any such hedging strategy.

In addition, the Master Fund may use derivative instruments (including forwards and options) where practicable to hedge all non-base currency exposures of the Fund and the Master Fund arising where any designation of Shares (other than the Multi-Currency Management Shares) are denominated in a currency other than the base currency of the Fund and the Master Fund. Although the Investment Manager will use its discretion as to whether and in what manner it will hedge any non-base currency exposures arising as a result of such Shares being referenced to a currency or currencies other than the base currency of the Fund or the Master Fund, the Investment Manager will not hedge any foreign currency exposure of the Master Fund or the Fund arising as a result of the Multi-Currency Management Shares being denominated in a currency other than the base currency of the Master Fund or the Fund.

The costs and fiscal results of any such currency hedging will be solely for the account of the relevant Shares or the Master Fund. There can be no assurance that any such currency hedging will be effective.

Investment Restrictions

The policy of the Master Fund is to maintain a diversified portfolio so as to spread the investment risk.

The Master Fund will not:

- (A) invest more than 25 per cent of its gross assets in a long position in the securities of any one issuer (this restriction will not apply in relation to investment in securities issued by a government, government agency or instrumentality of an European Union Member State or an OECD Member State or by any supranational authority of which one or more European Union or OECD Member States are members, and any other state approved for such purpose by any recognised stock exchange);
- (B) invest more than 10 per cent of its gross assets in a short position of any one issuer (excluding short positions taken for arbitrage opportunities);

- (C) expose more than 25 per cent of its gross assets to the creditworthiness or solvency of any one counterparty;
- (D) invest more than 10 per cent of its gross assets in non-publicly traded equities; or
- (E) invest in real property or physical commodities.

The restrictions referred to in (A) and (C) will also apply in respect of A Shares investing in "new issues" (as defined in Financial Industry Regulatory Authority, Inc ("FINRA") Rule 5130, as amended, supplemented and interpreted from time to time ("Rule 5130")). The restriction referred to in (C) above will not apply to any transaction between the Master Fund and a Prime Broker or a Custodian or between the Master Fund and any Principal Broker. The restriction referred to in (C) will further not apply to any counterparty, which advances full and appropriate collateral to the Master Fund in respect of the transaction.

Any Principal Broker appointed will only trade on or subject to the rules of a Recognised Exchange or with counterparties, which have (or whose parent company has) a Specified Credit Rating.

The restrictions referred to in (A), (B), (C) and (D) will not apply to the Fund's investment in the Master Fund. The Master Fund will adhere to the principle of risk diversification when trading derivatives and money market instruments.

Save where specified to the contrary, the above restrictions (A) – (E) apply as at the date of the relevant transaction or commitment to invest. Changes in the investment portfolio of the Master Fund will not have to be effected merely because any of the limits contained in such restrictions would be breached as a result of any appreciation in value, or by reason of the receipt of any right, bonus or benefit in the nature of capital or of any scheme or arrangement for amalgamation, reconstruction or exchange or by reason of any other action effecting every holder of the relevant investment. In the event that any of the investment restrictions are breached, the directors of the Master Fund shall in their sole discretion determine the appropriate action to be taken by the Investment Manager. However, there can be no assurance that the breach will be rectified within a reasonable timeframe. In addition, there can be no assurance that the rectification of the breach will be economically advantageous to the Shareholders of the Fund.

The Directors reserve the right to amend any of the above restrictions, and also to add further restrictions, in order to comply with any regulatory requirements applicable to the Fund or the Master Fund.

Although the Master Fund expects generally to invest directly in securities, the above restrictions will not, subject to any applicable regulatory requirements, prevent the Master Fund from investing indirectly through one or more subsidiaries or other vehicles where the Directors consider that this would be commercially and tax efficient or provide the only practicable means of access to the relevant security.

The Administrator is not responsible for monitoring adherence to the investment restrictions of the Fund and the Master Fund.

The investment program of the Master Fund is speculative and may entail substantial risks. Since market risks are inherent in all securities investments to varying degrees,

there can be no assurance that the investment objective of the Master Fund will be achieved. In fact, certain investment practices described above can, in some circumstances, potentially increase the adverse impact on the Master Fund's investment portfolio (see "Certain Risk Factors").

THE INVESTMENT MANAGER

Parvus Asset Management Jersey Limited acts as Investment Manager. The Investment Manager was incorporated as a private limited company in Jersey on 3 September 2024. Parvus Asset Management (UK) LLP acted as investment manager from the commencement of the Fund and the Master Fund until 30 December 2014 and Parvus Asset Management Europe Limited ("PAMEL") acted as investment manager from 30 December 2014 until 31 March 2025.

The Investment Manager is authorised and regulated by the Jersey Financial Services Commission (the "JFSC") to conduct Funds Service Business pursuant to Article 9 of the Financial Services (Jersey) Law 1998. The JFSC is protected by the Financial Services (Jersey) Law against liability arising from the discharge of its functions under that law.

The Investment Manager is registered with the Securities and Exchange Commission of the United States (the "SEC") as an investment adviser under the US Investment Advisers Act of 1940, as amended (the "Advisers Act"). Additional information about the Investment Manager is available on the SEC's website at www.adviserinfo.sec.gov. Registration with the SEC or with any state securities authority does not imply a certain level of skill or training. The Investment Manager has claimed an exemption with respect to the Fund and the Master Fund under Commodity Futures Trading Commission ("CFTC") Rule 4.13(a)(3) from registration with the CFTC as a commodity pool operator ("CPO") and, accordingly, is not currently subject to certain regulatory requirements with respect to the Fund (which are intended to provide certain regulatory safeguards to investors) that would otherwise be applicable absent such an exemption. Additionally, the Investment Manager is exempt from registration with the CFTC as a commodity trading advisor, but may register in the future.

The Investment Manager and its affiliates (including their partners, directors, officers, members and employees) may subscribe directly or indirectly for Shares or limited partnership interests in the US Feeder and may invest a proportion of the Incentive Fee into the Fund.

The Investment Manager provides its services pursuant to an investment management agreement with the Master Fund, the Fund and the US Feeder, as may be amended from time to time (the "Investment Management Agreement").

Under the Investment Management Agreement, the investment authority granted by the Fund to the Investment Manager is limited to investing all of the Fund's investable capital into the Master Fund. The Investment Manager has full discretion, subject to the control of and review by the Directors and the directors of the Master Fund, to invest the assets of the Master Fund in a manner consistent with the investment objective, approach and restrictions described in this Offering Memorandum and the ability to delegate such authority. Under the Investment Management Agreement, the Investment Manager is entitled to receive a Management Fee and may receive an Incentive Fee as detailed under "Management Fee" and "Incentive Fee" below. The Investment Management Agreement will continue in force until terminated by any party on 90 days' notice in writing to the other parties. It may be terminated forthwith by any party on immediate written notice if any other party commits any material breach of its obligations

and fails to remedy the breach within 30 days of receipt of written notice requiring the same, or if any other party is dissolved or otherwise is unable to pay its debts, becomes insolvent or enters into insolvency proceedings.

Pursuant to the Investment Management Agreement, none of the Investment Manager, its members, directors, shareholders, officers, employees and affiliates and their respective legal representatives (each, an "Investment Manager Indemnified Party") shall be liable for any acts or omissions, or any error of judgment or for any loss suffered in connection with the Investment Management Agreement or the performance of the services thereunder, except those resulting from the wilful default, fraud or gross negligence of, or any material breach of the Investment Management Agreement by, an Investment Manager Indemnified Party. An Investment Manager Indemnified Party will not be liable for any losses resulting from trading errors and similar human errors, except such losses resulting from fraud, wilful default or gross negligence of the Investment Manager Indemnified Party. Trading errors might include, for example, keystroke errors that occur when entering trades into an electronic trading system or typographical or drafting errors related to derivatives contracts or similar agreements. The Fund and the Master Fund agree to indemnify each Investment Manager Indemnified Party from and against any and all losses, liabilities, damages, expenses or suits suffered or asserted against such Investment Manager Indemnified Party, except those resulting from such Investment Manager Indemnified Party's wilful default, fraud or gross negligence or any material breach of the Investment Management Agreement by such Investment Manager Indemnified Party. Notwithstanding anything of the foregoing to the contrary, the Investment Management Agreement will not provide for the indemnification of any Investment Manager Indemnified Party in proceedings solely against another Investment Manager Indemnified Party.

Edoardo Mercadante (the "Principal") is primarily responsible for performing the investment management obligations of the Investment Manager.

Edoardo Mercadante

Mr Mercadante joined Parvus in September 2004. Previously Mr Mercadante was with Mercury Asset Management from January 1993 which was subsequently acquired by Merrill Lynch Investment Managers ("MLIM"). At the end of February 2004, Mr Mercadante was a Managing Director and headed MLIM's European Specialist Team. MLIM's European Specialist Team focused on European small-caps investing with assets under management of approximately US\$3.3 billion as at the end of February 2004. Mr Mercadante was personally responsible for managing US\$2.5 billion in assets under management. He was also a director of Merrill Lynch Investment Managers International Ltd.

Mr Mercadante has an MSc in Shipping Trade and Finance from City University Business School (1992) and a First Degree in Social Sciences from Pontificia Universitá Gregoriana (1990). Mr Mercadante earned his Chartered Financial Analyst ("CFA") designation in 1995.

For the purposes of this Offering Memorandum, the business address of Mr Mercadante is the registered office of the Investment Manager.

The Investment Manager was first identified by, and its services for the Fund and the Master Fund were initially procured by Parvus Asset Management (Cayman) Limited.

The Investment Manager has appointed Parvus Asset Management (Services) LLP ("PAM Services") to provide it with investment advisory, client services and investor relations and other related services.

For an interim period following the date of this Offering Memorandum, PAMEL will be engaged to carry out trade execution on behalf of the Investment Manager's clients, including the Master Fund. (the "Trade Execution Function") and to provide certain investment management services to the Master Fund (the "Investment Management Function") and in particular to manage the investment of such cash and assets of the Master Fund delegated to PAMEL by the Investment Manager from time to time (the "Delegated Portfolio"), in accordance with the provisions of this Offering Memorandum and subject always to the supervision and oversight of the Investment Manager.

As soon as is reasonably practicable following the date of this Offering Memorandum and receipt by PAM Services of its FCA authorisation, among other matters, to provide the Trade Execution Function and the Investment Management Function, PAM Services will assume the provision of the Trade Execution Function and the Investment Management Function for the Master Fund in place of PAMEL. During any period that PAMEL is providing the Trade Execution Function and/or the Investment Management Function in respect of the Delegated Portfolio, references herein to PAM Services shall include a reference to PAMEL, unless the context requires otherwise.

In light of the fact that the Investment Manager has engaged PAM Services or PAMEL (on an interim basis) to provide investment management services to the Master Fund in respect of the Delegated Portfolio, references to the term "Investment Manager," as used in this Offering Memorandum in the context of the Investment Manager exercising discretionary management authority in respect of the assets of the Master Fund that comprise the Delegated Portfolio, should be understood to include PAM Services or PAMEL, as appropriate, unless the context indicates otherwise.

PAM Services and their affiliates (including their partners, directors, officers, members and employees) may subscribe directly or indirectly for Shares.

PAM Services is remunerated by the Investment Manager. PAMEL is remunerated by PAM Services.

TCI Fund Services LLP ("TCI Services") provides middle and back-office services to the Investment Manager and PAM Services pursuant to the terms of a service level agreement. TCI Services is remunerated by the Investment Manager.

MANAGEMENT FEE

Pursuant to the Investment Management Agreement, the Fund will pay to the Investment Manager a monthly management fee (the "Management Fee") in arrears equal to $\frac{1}{12}$ of 1.5 per cent of the Net Asset Value of each IV Share. The Management Fee will be calculated by reference to the Net Asset Value of each Series/Sub-Series of IV Shares as at the Valuation Day falling at the end of each month (before deduction of that month's Management Fee and any accrued Incentive Fee).

The Management Shares and the Multi-Currency Management Shares are not subject to the Management Fee.

Without the consent of the Shareholders the Management Fee may be charged to and paid by the Master Fund instead of the Fund, but will not be paid by both.

INCENTIVE FEE

The Fund will also pay to the Investment Manager an incentive fee (the "Incentive Fee") in respect of the IV Shares.

The Incentive Fee will be equal to 20 per cent of the net realised and unrealised appreciation in the Net Asset Value of each Series/Sub-Series of IV Shares during the IV Calculation Period (as defined below) (in each case adjusted for any redemptions or distributions and before any accrual for the Incentive Fee made during the then current IV Calculation Period (the "Adjusted NAV")); *provided, however*, that an Incentive Fee will only be paid with respect to the net realised and unrealised appreciation in the Adjusted NAV of a Series/Sub-Series of IV Shares in excess of the Prior High NAV of such Series/Sub-Series of IV Shares.

The "Prior High NAV" of a Series/Sub-Series of IV Shares will be equal to the greater of (i) the highest Net Asset Value of that Series/Sub-Series of IV Shares immediately following the end of any previous IV Calculation Period (other than the then current IV Calculation Period) subsequent to the issue or acquisition of such Series/Sub-Series; and (ii) (x) in the case of a Series/Sub-Series of IV Shares issued other than on an exchange for I/II/III Shares, the Net Asset Value of that Series/Sub-Series at the time of issue of such Series/Sub-Series; or (y) in the case of a Series/Sub-Series of IV Shares that were issued on an exchange for I/II/III Shares, the aggregate of the Reference Net Asset Value per Share* of the I/II/III Shares exchanged for such Series/Sub-Series of IV Shares (adjusted for any Equalisation Credit** attributable to the I/II/III Shares which has not been fully applied as at the date of exchange). The Prior High NAV of a Series/Sub-Series of IV Shares will be adjusted for intra-IV Calculation Period redemptions or distributions from such Series/Sub-Series.

The initial "IV Calculation Period" shall commence upon the issuance of such IV Shares, save that the initial IV Calculation Period in respect of IV Shares that were issued on an exchange for I/II/III Shares shall be deemed to commence upon the date of the then current (as at the date of exchange) I/II/III Calculation Period*** for the I/II/III Shares exchanged for such IV Shares commenced or was deemed to have commenced and, in either case, shall be deemed to end on the Valuation Day immediately preceding the conclusion of the first Commitment Period (defined below) associated with such Series/Sub-Series of IV Shares. Thereafter, each IV Calculation Period will begin immediately following the end of the preceding IV Calculation Period and will close on the Valuation Day immediately preceding the conclusion of each Commitment Period associated with such Series/Sub-Series of IV Shares.

As the various Series/Sub-Series of IV Shares may be issued at different dates, the beginning and end of each IV Calculation Period for each Series/Sub-Series may differ.

* "Reference Net Asset Value per Share" has the meaning given to such term in the Offering Memorandum of the Fund dated 19 October 2015.

** "Equalisation Credit" has the meaning given to such term in the Offering Memorandum of the Fund dated 19 October 2015.

*** "I/II/III Calculation Period" has the meaning given to such term in the Offering Memorandum of the Fund dated 19 October 2015.

The Management Shares and the Multi-Currency Management Shares are not subject to an Incentive Fee.

The Incentive Fee is calculated by reference to the Net Asset Value of the IV Shares before accrual of any Incentive Fee. The accrued Incentive Fee will, however, be reflected in the Net Asset Value and Net Asset Value per Share. The Incentive Fee is normally payable in arrears within 14 calendar days of the end of the Calculation Period.

Shares redeemed other than at the end of the relevant Calculation Period will be treated as if the date of redemption were the end of the Calculation Period and the above provisions will apply.

In the event that I/II/III Shares are exchanged for IV Shares, the date of exchange will **not** be deemed the end of the then current I/II/III Calculation Period for such I/II/III Shares. For the avoidance of doubt, if the effective date of exchange of I/II/III Shares exchanged for IV Shares is 1 January in any year, the preceding I/II/III Calculation Period for such I/II/III Shares will have deemed to have ended on 31 December in the preceding year in the ordinary course.

The termination of the Investment Management Agreement will be deemed to be the end of each Calculation Period.

The Fund may establish other classes and designations of shares which may differ in terms of fees charged, among other things. The Investment Manager may, at its sole discretion, rebate fees to Shareholders or pay a portion of such fees to a third party. The services of the Investment Manager are currently outside the scope of Jersey Goods and Services Tax, but if any Goods and Services Tax should become payable in respect of such services, the Management Fee and the Incentive Fee shall be increased by a corresponding amount. No Management Fee or Incentive Fee is currently payable by the Master Fund.

CERTAIN RISK FACTORS

An investment in the Fund involves a high degree of risk, including the risk that the entire amount invested may be lost. The Fund, through the Master Fund, will invest in and actively trade financial instruments using a variety of strategies and investment techniques with significant risk characteristics, including the risks arising from the volatility of the fixed-income and currency markets, the risks of borrowings and short sales, the risks arising from leverage associated with trading in the currencies and OTC derivatives markets, the illiquidity of derivative instruments and the risk of loss from counterparty defaults. No guarantee or representation is made that the investment program will be successful or that the Master Fund's returns will exhibit low correlation with an investor's traditional securities portfolio. The Master Fund may utilise such investment techniques as option transactions, margin transactions, short sales, leverage, derivatives trading and futures and forward contracts, which practices can involve substantial volatility and can, in certain circumstances, substantially increase the adverse impact to which the Master Fund's investment portfolio may be subject. Prospective investors should consider the following additional factors in determining whether an investment in the Fund is a suitable investment:

Business Risks

Business Risk/Past Performance. There can be no assurance that the Master Fund will achieve its investment objective. The past performance of the Investment Manager or their affiliates or the Principal is no guarantee as to future performance.

Dependence on the Principal. The success of the Master Fund depends upon the ability of the Principal to develop and implement investment strategies that achieve the Master Fund's investment objective. If the Principal were to become unable to participate in the management of the Master Fund, the consequence to the Fund could be material and adverse and could lead to the premature termination of the Fund.

"Master-Feeder" Structure. The Fund invests through a "master-feeder" structure. The "master-feeder" fund structure presents certain unique risks to investors. For example, a smaller feeder fund investing in the Master Fund may be materially affected by the actions of a larger feeder fund investing in the Master Fund. If a larger feeder fund withdraws from the Master Fund, the remaining feeder fund may experience higher *pro rata* operating expenses, thereby producing lower returns. The Master Fund may become less diverse due to a redemption by a larger feeder fund, resulting in increased portfolio risk. The Master Fund is a single entity and creditors of (including services providers to) the Master Fund may enforce claims against all assets of the Master Fund which may adversely affect a feeder fund that would not otherwise be a party to such claim.

In addition, certain conflicts of interest may exist due to different tax considerations applicable to the Fund and other feeder funds invested in the Master Fund, and may cause the Master Fund to structure or dispose of an investment in a manner that is more advantageous to one feeder fund.

Competition: Availability of Investment Strategies. The success of the Master Fund's investment activities will depend on the Investment Manager's ability to identify investment opportunities as well as to assess the import of news and events that may affect the financial markets. Identification and exploitation of the investment strategies to be pursued by the Master Fund involves a high degree of uncertainty.

Incentive Fee. The Investment Manager will receive an Incentive Fee from the Fund, based upon the appreciation, if any, in the net assets of the Fund. The Incentive Fee theoretically may create an incentive to make investments that are riskier or more speculative than would be the case if such arrangement were not in effect or to time investments, and the realisation of investments, so as to maximise the Incentive Fee rather than the returns of the Fund. In addition, because the Incentive Fee is calculated on a basis which includes unrealised appreciation, it may be greater than if such compensation were based solely on realised gains.

Product Risks

Equity Securities. The Master Fund may invest in equity securities and equity derivatives (including OTC equity swap transactions in the form of a total return swap). The value of these financial instruments generally will vary with the performance of the issuer and movements in the equity markets. As a result, the Master Fund may suffer losses if equity markets generally move in a single direction and the Master Fund has not hedged against such a general move. The Master Fund also may be exposed to risks that issuers will not fulfil contractual obligations such as, in the case of convertible securities or private placements, delivering marketable common stock upon conversions of convertible securities and registering restricted securities for public resale.

Equity Price Risk. The Master Fund's investment portfolios may include positions in equity securities. Equity securities fluctuate in value in response to many factors, including, among others, the activities and financial condition of individual companies, industry market

conditions, interest rates and the general economic environment. In addition, sudden changes in the domestic and/or international political environments, acts of terrorism and natural disasters, are unforeseeable and will contribute to market volatility in ways that may adversely affect investments made by the Master Fund.

Systemic Risk. Credit risk may also arise through a default by one of several large 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, with which the Master Fund interacts on a daily basis.

Prime Brokers and Custodians. In relation to the Master Fund's right to the return of assets equivalent to those of the Master Fund's investments which a Prime Broker or Custodian uses for its own purposes (whereby they take full legal and beneficial title to such investments), the Master Fund will rank as one of such Prime Broker's or Custodian's unsecured creditors and, in the event of the insolvency of the relevant Prime Broker or Custodian, the Master Fund might not be able to recover such equivalent assets in full, or at all. In addition, the Master Fund's cash held with a Prime Broker or Custodian will not be segregated from such Prime Brokers' or Custodians' own cash and will be used by the Prime Brokers and Custodians in the course of their business and the Master Fund will therefore rank as an unsecured creditor in relation thereto. The Master Fund's assets may be held in one or more accounts maintained for the Master Fund by a Prime Broker, a Custodian or at other brokers, which may be located in various jurisdictions. Such local brokers, the Prime Brokers and Custodians, as brokerage firms or commercial banks, are subject to various laws and regulations in various jurisdictions that are designed to protect their customers in the event of their insolvency. However, the practical effect of these laws and their application to the Master Fund's assets are subject to substantial limitations and uncertainties. Because of the large number of entities and jurisdictions involved and the range of possible factual scenarios involving the insolvency of a Prime Broker, Custodian or any of their sub-custodians, agents or affiliates, or a local broker, it is impossible to generalise about the effect of their insolvency on the Master Fund and its assets. Investors should assume that the insolvency of any of the Prime Brokers and Custodians or such other service providers would result in a loss to the Master Fund, which could be material.

Counterparty Risk. Some of the markets in which the Master Fund may effect transactions are "over-the-counter" or "interdealer" markets. The participants in such markets are typically not subject to the same measures of credit evaluation and regulatory oversight as are members of "exchange-based" markets. This exposes the Master Fund 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 potentially causing the Master Fund to suffer a loss. Such "counterparty risk" is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Master Fund has concentrated its transactions with a single or small group of counterparties. Subject to the investment restrictions contained herein, the Master Fund is not restricted from dealing with any particular counterparty or from concentrating any or all of its transactions with one counterparty. Moreover, the Master Fund has no internal credit function exclusively dedicated to the evaluation of the creditworthiness of its counterparties. The ability of the Master Fund to transact business with any one or number of counterparties and the absence of a regulated market to facilitate settlement may increase the potential for losses by the Master Fund.

Banking Relationships. The Fund and the Master Fund will hold cash and other assets in accounts with one or more banks, custodians or other depository or credit institutions (collectively, "Banking Institutions") which may be located in a number of jurisdictions globally. The Master Fund may also enter into credit facilities and have other relationships with Banking Institutions, as contemplated elsewhere in this Offering Memorandum. The distress, impairment, or failure of, or a lack of investor or customer confidence in, any of such Banking Institutions may limit the ability of the Fund or the Master Fund to access, transfer or otherwise deal with its assets, draw upon a credit facility, or rely upon any of such other relationships, in a timely manner or at all, and may result in other market volatility and disruption, including by affecting other Banking Institutions. All of the foregoing could have a negative impact on the Fund and the Master Fund. For example, in such a scenario, the Fund or the Master Fund could be forced to delay or forgo an investment or a distribution, including in connection with a redemption, or dispose of other investments or assets to generate cash to fund such investment or distribution, or utilise other available sources of funding, including borrowings, in a manner and on the terms that it would not have otherwise considered desirable. Further, in the event of the failure of a Banking Institution, the Fund or the Master Fund may not benefit from the deposit guarantee or compensation scheme available in the relevant jurisdiction where the Banking Institution is established or operates. If the Fund or the Master Fund is eligible to benefit from a deposit guarantee scheme available in the relevant jurisdiction, compensation may not be available for balances in excess of amounts insured by such scheme. In other cases, where the cash or cash equivalents belonging to the Fund or the Master Fund are held by the Banking Institution in a common client money account, the Fund or the Master Fund may be required to share pro rata with other clients of the Banking Institution to the extent there is shortfall in any such client money account. In these circumstances, the Fund or the Master Fund may not recover all or a portion of the cash or other assets held with the Banking Institution, and could instead have an unsecured or other type of impaired claim against the Banking Institution (alongside other unsecured or impaired creditors). The Investment Manager does not expect to be in a position to identify in advance all potential solvency or stress concerns with respect to the Fund's or the Master Fund's banking relationships, and there can be no assurance that the Fund or the Master Fund will be able to establish alternative relationships with, and transfer assets to, other Banking Institutions easily in the event a Banking Institution comes under stress or fails.

Execution of Orders. The Master Fund's trading strategy depends on its ability to establish and maintain an overall market position in a combination of financial instruments selected by the Investment Manager. The Master Fund's trading orders may not be executed in a timely and efficient manner due to various circumstances, including, without limitation, systems failures or human error attributable to the Master Fund, its brokers, agents or other service providers. In such event, the Master Fund might only be able to acquire some, but not all, of the components of such position, or if the overall position were to need adjustment, the Master Fund might not be able to make such adjustment. As a result, the Master Fund would not be able to achieve the market position selected by the Investment Manager, and might incur a loss in liquidating its position. In addition, the Master Fund relies heavily on electronic execution systems, and such systems may be subject to failure, causing the interruption of trading orders made by the Master Fund.

Collateral. The Master Fund may have significant credit and operational risk exposure to its counterparties in connection with transactions involving forwards, swaps (including total return swap transactions), futures, options and other derivative instruments, where one party is

required to post collateral to the other party to the transactions in order to support its obligations under the transaction to that party.

In the event that the mark-to-market on such transactions and the value of any associated collateral are incorrectly calculated or valued, as the case may be, this may result in the Master Fund posting too much collateral to the counterparty to the transaction or insufficient collateral being held by the Master Fund to secure its exposure to the transaction. Furthermore there is risk that the Master Fund may fail to collect collateral due to it from the counterparty. These risks, if realised, could give rise to a significant counterparty credit risk.

Generally, counterparties will have the right to sell, pledge, rehypothecate, assign, use or otherwise dispose of the collateral posted by the Master Fund as variation margin (though not as initial margin) in connection with such transactions. This could increase the Master Fund's exposure to the risk of a counterparty default since, under such circumstances, such collateral of the Master Fund could be lost or the Master Fund may be unable to recover such collateral promptly. Also, counterparties have an interest in maximising the return from such collateral. This interest could conflict with the interests of the Master Fund in preserving and protecting its portfolio.

Event Driven Investing. Event driven investing requires the investor to make predictions about (i) the likelihood that an event will occur; and (ii) the impact such event will have on the value of a company's securities. If the event fails to occur or it does not have the effect foreseen, losses can result. For example, the adoption of new business strategies or completion of asset dispositions or debt reduction programs by a company may not be valued as highly by the market as the Investment Manager had anticipated, resulting in losses. In addition, a company may announce a plan of restructuring which promises to enhance value, but fail to implement it, which can result in losses to investors. In liquidations and other forms of corporate reorganisation, the risk exists that the reorganisation either will be unsuccessful, will be delayed or will result in a distribution of cash or a new security, the value of which will be less than the purchase price to the Master Fund of the security in respect of which such distribution was made. The consummation of mergers and tender and exchange offers can be prevented or delayed by a variety of factors, including: (i) opposition of the management or stockholders of the target company, which will often result in litigation to enjoin the proposed transaction; (ii) intervention of a federal or state regulatory agency; (iii) efforts by the target company to pursue a "defensive" strategy, including a merger with, or a friendly tender offer by, a company other than the offeror; (iv) in the case of a merger, failure to obtain the necessary stockholder approvals; (v) market conditions resulting in material changes in securities prices; (vi) compliance with any applicable federal or state securities laws; and (vii) inability to obtain adequate financing. Because of the inherently speculative nature of event driven investing, the results of the Master Fund's operations may be expected to fluctuate from period to period. Accordingly, Shareholders should understand that the results of a particular period will not necessarily be indicative of results that may be expected in future periods.

Small and Medium Capitalisation Companies. The Master Fund may invest a portion of its assets in the securities of companies with small- to medium-sized market capitalisations. While the Investment Manager believes they often provide significant potential for appreciation, those stocks, particularly small-capitalisation stocks, involve higher risks in some respects than do investments in securities of larger companies. For example, prices of small-capitalisation and even medium-capitalisation securities are often more volatile than prices of large-capitalisation securities and the risk of bankruptcy or insolvency of many smaller companies (with the

attendant losses to investors) is higher than for larger, "blue-chip" companies. In addition, due to thin trading in the securities of some small-capitalisation companies, an investment in those companies may be illiquid.

Risks of Early Stage Companies. The Master Fund may invest in private equity of companies at an early stage of development which involves a high degree of business and financial risk. Early stage companies with little or no operating history may require substantial additional capital to variations in operating results from period to period or may operate at a loss. Such companies may face intense competition including competition from companies with greater financial resources, more extensive development, better marketing and service capabilities and a larger number of qualified management and technical personnel.

Investments in Undervalued Securities. The Master Fund may seek to invest in undervalued securities. The identification of investment opportunities in undervalued securities is a difficult task, and there are no assurances that such opportunities will be successfully recognised or acquired. While investments in undervalued securities offer the opportunity for above-average capital appreciation, these investments involve a high degree of financial risk and can result in substantial losses. Returns generated from the Master Fund's investments may not adequately compensate for the business and financial risks assumed. In addition, the Master Fund 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 Master Fund's capital would be committed to the securities purchased, thus possibly preventing the Master Fund from investing in other opportunities. In addition, the Master Fund may finance such purchases with borrowed funds and thus will have to pay interest on such funds during such waiting period.

Investments in Unlisted Securities. The Master Fund may invest in unlisted securities. Because of the absence of any trading market for these investments, it may take longer to liquidate, or it may not be possible to liquidate, these positions as would be the case for publicly traded securities. Although these securities may be resold in privately negotiated transactions, the prices realised on these sales could be less than those originally paid by the Master Fund. Further, companies whose securities are not publicly traded will generally not be subject to public disclosure and other investor protection requirements applicable to publicly traded securities.

Illiquid Portfolio Instruments. The Master Fund may invest part of its assets in illiquid investments and the market prices, if any, for such investments may be volatile and may not be readily ascertainable. The Master Fund may not be able to sell them when it desires to do so or to realise what it perceives to be their fair value in the event of a sale. The sale of illiquid securities often requires more time and results in higher brokerage charges or dealer discounts and other selling expenses. The Master Fund may not be able to readily dispose of such illiquid investments. An investment in the Fund is suitable only for certain sophisticated investors who do not require immediate liquidity for their investments.

Highly Volatile Instruments. The prices of derivative instruments, including options, are highly volatile. Price movements of forward contracts and other derivative contracts in which the Master Fund's assets may be invested are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. In addition, governments from time to time intervene, directly and by regulation, in certain markets, particularly those in currencies and financial instrument options.

Such intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations. The Master Fund also is subject to the risk of the failure of any of the exchanges on which its positions trade or of their clearinghouses.

Exchange Rate Fluctuations; Currency Considerations. The functional currency of the Fund and Master Fund is Euros. While the Fund issues Euro Shares which are issued and redeemed in Euros, it also issues Sterling Shares which are issued and redeemed in Sterling, and US Dollar Shares which are issued and redeemed in US Dollars. The Investment Manager may seek to hedge (at the Master Fund level) the foreign exchange exposure of the assets of the Fund attributable to their shares denominated in, or referenced to, currencies other than Euros with the aim of minimising the impact of fluctuations in the relevant exchange rate, but there can be no assurance that such potential hedging will fully protect the shares denominated in, or referenced to, currencies other than Euros from fluctuations in the exchange rate. Prospective investors whose assets and liabilities are denominated in, or referenced to, in currencies other than the Euros should take into account potential risk of loss arising from fluctuations in value between the Euros and such other currencies.

Separately from any share class hedging described above, because the Master Fund may invest in securities that are denominated or quoted in currencies other than the Euro whereas the base currency of the Master Fund is denominated in Euro performance of the Master Fund may be significantly affected, either positively or negatively, by fluctuations in the relative currency exchange rates and by exchange control regulations. To the extent the Master Fund seeks to hedge its currency exposure, it may not always be practicable to do so. Moreover, hedging may not alleviate all currency risks. Furthermore, the Master Fund may incur costs in connection with conversions between various currencies. Currency exchange dealers realise a profit based on the difference between the prices at which they are buying and selling various currencies. Thus, a dealer normally will offer to sell currency to the Master Fund at one rate, while offering a lesser rate of exchange should the Master Fund desire immediately to resell that currency to the dealer. The Master Fund will conduct its currency exchange transactions either on a spot (*i.e.* cash) basis at the spot rate prevailing in the currency exchange market, or through entering into a number of different types of hedging transactions including, without limitation, forward contracts to purchase or sell currencies.

To the extent the Master Fund enters into currency forward contracts (agreements to exchange one currency for another at a future date), these contracts involve a risk of loss if the Master Fund fails to predict accurately the direction of currency exchange rates. In addition, forward contracts are not guaranteed by an exchange or clearinghouse. Therefore, a default by the forward contract counterparty may result in a loss to the Master Fund for the value of unrealised profits on the contract or for the difference between the value of its commitments, if any, for purchase or sale at the current currency exchange rate and the value of those commitments at the forward contract exchange rate. Furthermore, while the markets for currency forward contracts are not currently regulated, they may in the future become subject to regulation, a development which may entail increased costs and result in burdensome reporting requirements.

There can be no guarantee that instruments suitable for hedging currency shifts will be available at the time the Investment Manager wishes to use them or will be able to be liquidated when the Investment Manager wishes to do so. In addition, the Investment Manager may choose not

to enter into hedging transactions with respect to some or all of its positions that are exposed to currency exchange risk.

Fixed Income Securities. The Master Fund may invest in bonds or other fixed income securities, including, without limitation, commercial paper and "higher yielding" (including non-investment grade) (and, therefore, higher risk) debt securities. The Master Fund will therefore be subject to credit, liquidity and interest rate risks. Higher-yielding debt securities are generally unsecured and may be subordinated to certain other outstanding securities and obligations of the issuer, which may be secured on substantially all of the issuer's assets. The lower rating of debt obligations in the higher-yielding sector reflects a greater probability that adverse changes in the financial condition of the issuer or in general economic conditions or both may impair the ability of the issuer to make payments of principal and interest. Non-investment grade debt securities may not be protected by financial covenants or limitations on additional indebtedness. In addition evaluating credit risk for debt securities involves uncertainty because credit rating agencies throughout the world have different standards, making comparison across countries difficult. Also, the market for credit spreads is often inefficient and illiquid, making it difficult to accurately calculate discounting spreads for valuing financial instruments. It is likely that a major economic recession could severely disrupt the market for such securities and may have an adverse impact on the value of such securities. In addition, 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.

Convertible Securities. Convertible securities are bonds, debentures, notes, preferred stocks or other securities that may be converted into or exchanged for a specified amount of common stock of the same or a different issuer within a particular period of time at a specified price or formula. A convertible security entitles the holder to receive interest that is generally paid or accrued on debt or a dividend that is paid or accrued on preferred stock until the convertible security matures or is redeemed, converted or exchanged. Convertible securities generally (i) have higher yields than common stocks, but lower yields than comparable non-convertible securities; (ii) are less subject to fluctuation in value than the underlying common stock due to their fixed-income characteristics; and (iii) provide the potential for capital appreciation if the market price of the underlying common stock increases. The value of a convertible security is a function of its "investment value" (determined by its yield in comparison with the yields of other securities of comparable maturity and quality that do not have a conversion privilege) and its "conversion value" (the security's worth, at market value, if converted into the underlying common stock). A convertible security generally will sell at a premium over its conversion value by the extent to which investors place value on the right to acquire the underlying common stock while holding a fixed-income security. Generally, the amount of the premium decreases as the convertible security approaches maturity. A convertible security may be subject to redemption at the option of the issuer at a price established in the convertible security's governing instrument. If a convertible security held by the Master Fund is called for redemption, the Master Fund will be required to permit the issuer to redeem the security, convert it into the underlying common stock or sell it to a third party. Any of these actions could have an adverse effect on the Master Fund.

Certain Derivative Investments. The Master Fund may utilise exchange-traded or OTC derivatives, including but not limited to futures, forwards, options, credit-default-swaps, total return swaps, and contracts for differences. The low initial margin deposit normally required to enter into these instruments permits a high degree of leverage. These activities involve risks

that can be substantial and expose investors to a high risk of loss, depending on the circumstances, as a relatively small movement in the price of a contract may result in a profit or a loss which is high in proportion to the amount of funds placed as initial margin to enter into such instruments. Further, for OTC contracts, it may be impossible to liquidate an existing position, or to assess the value of the position as there is no exchange market on which to close out an open position in such contracts.

Options. The Master Fund may buy or sell (write) both call options and put options, and when it writes options, it may do so on a "covered" or an "uncovered" basis. A call option is "covered" when the writer owns securities of the same class and amount as those to which the call option applies. A put option is covered when the writer has an open short position in securities of the relevant class and amount. The Master Fund's option transactions may be part of a hedging strategy (*i.e.*, offsetting the risk involved in another securities position) or a form of leverage, in which the Master Fund has the right to benefit from price movements in a large number of securities with a small commitment of capital. These activities involve risks that can be substantial, depending on the circumstances.

In general, the principal risks involved in options trading can be described as follows, without taking into account other positions or transactions the Master Fund may enter into. When the Master Fund buys an option, a decrease (or inadequate increase) in the price of the underlying security in the case of a call, or an increase (or inadequate decrease) in the price of the underlying security in the case of a put, could result in a total loss of the Master Fund's investment in the option (including commissions). The Master Fund could mitigate those losses by selling short, or buying puts on, the securities as to which it holds call options, or by taking a long position (*e.g.*, by buying the securities or buying calls on them) in securities underlying put options.

When the Master Fund sells (writes) an option, the risk can be substantially greater than when it buys an option. The seller of an uncovered call option bears the risk of an increase in the market price of the underlying security above the exercise price. The risk is theoretically unlimited unless the option is "covered". If it is covered, the Master Fund would forego the opportunity for profit on the underlying security should the market price of the security rise above the exercise price. If the price of the underlying security were to drop below the exercise price, the premium received on the option (after transaction costs) would provide profit that would reduce or offset any loss the Master Fund might suffer as a result of owning the security.

Swap Transactions. The Master Fund may enter into swap transactions (including total return swap transactions). Swap transactions can be individually negotiated and structured to include exposure to a variety of different types of investments or market factors. Depending on their structure, swap transactions may increase or decrease the Master Fund's exposure to long-term or short-term interest rates, currency values, corporate borrowing rates, or other factors such as security prices, baskets of equity securities, commercial property indices, residential property indices or inflation rates. Swap transactions can take many different forms and are known by a variety of names. The Master Fund is not limited to any particular form of swap transaction if consistent with the Master Fund's investment objective and approach.

Swap transactions tend to shift the Master Fund's investment exposure from one type of investment to another. For example, if the Master Fund agrees to exchange payments in Euro for payments in US Dollars, the swap transaction would tend to decrease the Master Fund's exposure to Euro interest rates and increase its exposure to non-Euro currency and interest rates.

Depending on how they are used, swap transactions may increase or decrease the overall volatility of the Master Fund's portfolio. The most significant factor in the performance of a swap transaction is the change in the specific interest rate, currency, individual equity values or other factors that determine the amounts of payments due to and from the Master Fund. If a swap transaction calls for payments by the Master Fund, the Master Fund must be prepared to make such payments when due. In addition, if a counterparty's creditworthiness declines, the value of swap transactions with such counterparty can be expected to decline, potentially resulting in losses by the Master Fund.

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 investor to profit from a decline in market price to the extent such decline exceeds the transaction costs and the costs of borrowing the securities. 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 Master Fund of buying those securities to cover the short position. There can be no assurance that the Master Fund will be able to maintain the ability to borrow securities sold short. In such cases, the Master Fund 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. Legal and regulatory restrictions may have an adverse impact on the ability of the Master Fund to sell a security short and/or may require the Master Fund to disclose any short position with possible adverse consequences to the Master Fund.

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

Repurchase or Reverse Repurchase Transactions. Buy-Sell Back or Sell-Buy Back Transactions. The Master Fund may enter into repurchase and reverse repurchase transactions or buy-sell back or sell-buy back transactions. When the Master Fund enters into a repurchase agreement or a sell-buy back transaction, it effectively "sells" the securities to a counterparty (such as a financial institution), and agrees to repurchase such securities on a mutually agreed date for the price paid by the counterparty, plus interest at a negotiated rate. In a reverse repurchase or a buy-sell back transaction, the Master Fund "buys" securities from a counterparty, subject to the obligation of the counterparty to repurchase such securities at the

price paid by the Master Fund, plus interest at a negotiated rate. Repurchase, reverse repurchase and sell-buy back or buy-sell back transactions by the Master Fund involve certain risks. For example, if the seller of securities to the Master Fund under a reverse repurchase agreement defaults on its obligation to repurchase the underlying securities, as a result of its bankruptcy or otherwise, the Master Fund will seek to dispose of such securities, which action could involve costs or delays. If the seller becomes insolvent and subject to liquidation or reorganisation under applicable bankruptcy or other laws, the Master Fund's ability to dispose of the underlying securities may be restricted. It is possible, in a bankruptcy or liquidation scenario, that the Master Fund may not be able to substantiate its interest in the underlying securities. Finally, if a seller defaults on its obligation to repurchase securities under a reverse repurchase agreement, the Master Fund may suffer a loss to the extent that it is forced to liquidate its position in the market, and proceeds from the sale of the underlying securities are less than the repurchase price agreed to by the defaulting seller. Similar elements of risk arise in the event of the bankruptcy or insolvency of the buyer.

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

Leverage and Financing Risk. Subject to the limitations set forth herein, the Master Fund may leverage its capital when the Investment Manager believes that the use of leverage may enable the Master Fund to achieve a higher rate of return. Accordingly, the Master Fund may pledge its assets in order to borrow additional funds from dedicated credit and banking facilities for investment purposes. The Master Fund may also leverage its investment return with options, short sales, swaps, forwards and other derivative instruments. The amount of borrowings and other forms of leverage which the Master Fund may have outstanding at any time may be substantial in relation to its capital.

While leverage presents opportunities for increasing the Master Fund's total return, it has the effect of potentially increasing losses as well. Accordingly, any event which adversely affects the value of an investment by the Master Fund would be magnified to the extent the Master Fund is leveraged. The cumulative effect of the use of leverage by the Master Fund in a market that moves adversely to the Master Fund's investments could result in a substantial loss to the Master Fund which would be greater than if the Master Fund were not leveraged.

In general, the use of short-term margin borrowings results in certain additional risks to the Master Fund. For example, should the securities pledged to brokers to secure the Master Fund's margin accounts decline in value, the Master Fund could be subject to a "margin call", pursuant to which the Master Fund must either deposit additional funds or securities with the broker, or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. In the event of a sudden drop in the value of the Master Fund's assets, the Master Fund might not be able to liquidate assets quickly enough to satisfy their margin requirements. Changes by counterparties in any of the foregoing may result in large margin calls, loss of financing and forced liquidations of positions at disadvantageous prices. Lenders that provide other types of asset-based or secured financing to the Master Fund may have similar rights. There can be no assurance that the Master Fund will be able to secure or maintain adequate financing.

The Master Fund may enter into repurchase and reverse repurchase agreements. When the Master Fund enters into a repurchase agreement, it "sells" securities to a broker-dealer or

financial institution, and agrees to repurchase such securities on a mutually agreed date for the price paid by the broker-dealer or financial institution, plus interest at a negotiated rate. In a reverse repurchase transaction, the Master Fund "buys" securities from a broker-dealer or financial institution, subject to the obligation of the broker-dealer or financial institution to repurchase such securities at the price paid by the Master Fund, plus interest at a negotiated rate. The use of repurchase and reverse repurchase agreements by the Master Fund involves certain risks. For example, if the seller of securities to the Master Fund under a reverse repurchase agreement defaults on its obligation to repurchase the underlying securities, as a result of its bankruptcy or otherwise, the Master Fund will seek to dispose of such securities, which action could involve costs or delays. If the seller becomes insolvent and subject to liquidation or reorganisation under applicable bankruptcy or other laws, the Master Fund's ability to dispose of the underlying securities may be restricted. It is possible, in a bankruptcy or liquidation scenario, that the Master Fund may not be able to substantiate its interest in the underlying securities. Finally, if a seller defaults on its obligation to repurchase securities under a reverse repurchase agreement, the Master Fund may suffer a loss to the extent that it is forced to liquidate its position in the market, and proceeds from the sale of the underlying securities are less than the repurchase price agreed to by the defaulting seller.

The financing used by the Master Fund to leverage its portfolio will be extended by securities brokers and dealers in the marketplace in which the Master Fund invests as well as other financial institutions. While the Master Fund will attempt to negotiate the terms of these financing arrangements with such brokers and dealers and other financial institutions, its ability to do so will be limited. The Master Fund is therefore subject to changes in the value that the broker-dealer and other financial institutions ascribe to a given security or position, the amount of margin required to support such security or position, the borrowing rate to finance such security or position and/or such lender's willingness to continue to provide any such credit to the Master Fund. Because the Master Fund currently has no alternative credit facility which could be used to finance its portfolio in the absence of financing from broker-dealers and other financial institutions, it could be forced to liquidate its portfolio on short notice to meet its financing obligations. The forced liquidation of all or a portion of the Master Fund's portfolio at distressed prices could result in significant losses to the Master Fund.

Loans of Portfolio Securities. The Master Fund may lend its portfolio securities. By doing so, the Master Fund attempts to increase income through the receipt of interest on the loan. In the event of the bankruptcy of the other party to a securities loan, the Master Fund could experience delays in recovering the loaned securities. To the extent that the value of the securities the Master Fund lent has increased, the Master Fund could experience a loss if such securities are not recovered.

Hedging Transactions. The Master Fund may utilise financial instruments, both for investment purposes and for risk management purposes in order to (i) protect against possible changes in the market value of the Master Fund's investment portfolio resulting from fluctuations in the securities markets and changes in interest rates; (ii) protect the Master Fund's unrealised gains in the value of the Master Fund's investment portfolio; (iii) facilitate the sale of any such investments; (iv) enhance or preserve returns, spreads or gains on any investment in the Master Fund's portfolio; (v) hedge the interest rate or currency exchange rate on any of the Master Fund's liabilities or assets; (vi) protect against any increase in the price of any securities the Master Fund anticipates purchasing at a later date; or (vii) for any other reason that the Investment Manager deems appropriate. For a variety of reasons, the Investment Manager may

not seek to establish a perfect correlation between the hedging instruments utilised and the portfolio holdings being hedged.

The success of the Master Fund's hedging strategy will depend, in part, upon a correct assessment of the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the portfolio investments being hedged. Since the characteristics of many securities change as markets change or time passes, the success of the Master Fund's hedging strategy will also be subject to the Investment Manager's ability to continually recalculate, readjust and execute hedges in an efficient and timely manner. While the Master Fund may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for the Master Fund than if it had not engaged in such hedging transactions. Such an imperfect correlation may prevent the Master Fund from achieving the intended hedge or expose the Master Fund to risk of loss. The Investment Manager may not hedge against a particular risk because it does not regard the probability of the risk occurring to be sufficiently high as to justify the cost of the hedge, or because it does not foresee the occurrence of the risk. The successful utilisation of hedging and risk management transactions requires skills complementary to those needed in the selection of the Master Fund's portfolio holdings.

Market Risks

Global Economic and Market Conditions. The economies of countries differ 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.

Global Financial Market Crisis and Governmental Intervention. The global financial markets are currently undergoing pervasive and fundamental disruptions and dramatic instability. The extent to which the underlying causes of instability are pervasive throughout global financial markets and have the potential to cause further instability is not yet clear but these underlying causes have led to extensive and unprecedented governmental intervention. Regulators in many jurisdictions have implemented or proposed a number of wide-ranging emergency regulatory measures, including restrictions on the short selling of financial and other stocks in many jurisdictions. Such intervention has in certain cases been implemented on an "emergency" basis without much or any notice, with the consequence that some market participants' ability to continue to implement certain strategies or manage the risk of their outstanding positions has been suddenly and/or substantially eliminated. In addition, due to the uncertain stability of global financial institutions, the security of assets held by any financial institution cannot be guaranteed, notwithstanding the terms of any agreement with such institution. Given the complexities of the global financial markets and the limited time frame within which governments have been able to take action, these interventions have sometimes been unclear in scope and application, resulting in confusion and uncertainty which in itself has been materially detrimental to the efficient functioning of such markets as well as previously successful investment strategies.

It is impossible to predict with certainty what additional interim or permanent governmental restrictions may be imposed on the markets and/or the effect of such restrictions on the Investment Manager's ability to implement the Master Fund's investment programme. However, the Investment Manager believes that there is a likelihood of increased regulation of the global financial markets, and that such increased regulation could be materially detrimental to the performance of the Master Fund's portfolio.

Sovereign Debt. Several factors may affect (i) the ability of a government, its agencies, instrumentalities or its central bank to make payments on the debt it has issued ("Sovereign Debt"), including securities that the Investment Manager believes are likely to be included in restructurings of the external debt obligations of the issuer in question, (ii) the market value of such debt and (iii) the inclusion of Sovereign Debt in future restructurings, including such issuer's (x) balance of trade and access to international financing, (y) cost of servicing such obligations, which may be affected by changes in international interest rates, and (z) level of international currency reserves, which may affect the amount of exchange available for external debt payments. Significant ongoing uncertainties and exposure to adverse conditions may undermine the issuer's ability to make timely payment of interest and principal, and issuers may default on their Sovereign Debt.

Market Disruptions. The Master Fund may incur major losses in the event of disrupted markets and other extraordinary events which may affect markets in a way that is not consistent with historical pricing relationships. The risk of loss from a disconnect with historical prices is compounded by the fact that in disrupted markets many positions become illiquid, making it difficult or impossible to close out positions against which the markets are moving. The financing available to the Master Fund from the Prime Brokers and from its banks, dealers and other counterparties will typically be reduced in disrupted markets. Such a reduction may result in substantial losses to the Master Fund. A sudden restriction of credit by the dealer community has resulted in forced liquidations and major losses for a number of investment funds and other vehicles. Because market disruptions and losses in one sector can cause ripple effects in other sectors, many investment funds and other vehicles have suffered heavy losses even though they were not necessarily heavily invested in credit-related investments. In addition, market disruptions caused by unexpected political, military and terrorist events may from time to time cause dramatic losses for the Master Fund and such events can result in otherwise historically low-risk strategies performing with unprecedented volatility and risk. A financial exchange may from time to time suspend or limit trading. Such a suspension could render it difficult or impossible for the Master Fund to liquidate affected positions and thereby expose it to losses. There is also no assurance that off-exchange markets will remain liquid enough for the Master Fund to close out positions.

Highly Volatile Markets. The prices of financial instruments in which the Master Fund may invest can be highly volatile. Price movements of forward and other derivative contracts in which the Master Fund's assets may be invested are 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. The Master Fund is subject to the risk of failure of any of the exchanges on which its positions trade or of its clearinghouses.

Assumption of Business, Terrorism and Catastrophe Risks. The Master Fund may be subject to the risk of loss arising from exposure that it may incur, indirectly, due to the occurrence of various events, including hurricanes, earthquakes, and other natural disasters (which may be

caused, or enhanced in frequency and severity, by climate change factors), terrorism, public health crises (such as pandemics and epidemics), and other catastrophic events. These risks of loss can be substantial and could have a material adverse effect on the Master Fund, the Fund and the Shareholders' investments therein. Furthermore, any such event may also adversely impact one or more individual Shareholders' financial condition, which could result in substantial redemption requests by such Shareholders as a result of their individual liquidity situations and irrespective of Fund performance.

Cybersecurity Risk. As part of its business, the Investment Manager processes, stores and transmits large amounts of electronic information, including information relating to the transactions of the Master Fund and personally identifiable information of the Shareholders. Similarly, service providers of the Investment Manager, the Fund or the Master Fund, especially the Administrator, may process, store and transmit such information. The Investment Manager has procedures and systems in place that it believes are reasonably designed to protect such information and prevent data loss and security breaches. However, such measures cannot provide absolute security. The techniques used to obtain unauthorised access to data, disable or degrade service, or sabotage systems change frequently and may be difficult to detect for long periods of time. Hardware or software acquired from third parties may contain defects in design or manufacture or other problems that could unexpectedly compromise information security. Network connected services provided by third parties to the Investment Manager may be susceptible to compromise, leading to a breach of the Investment Manager's network. The Investment Manager's systems or facilities may be susceptible to employee error or malfeasance, government surveillance, or other security threats. On-line services provided by the Investment Manager to the Shareholders may also be susceptible to compromise. Breach of the Investment Manager's information systems may cause information relating to the transactions of the Master Fund and personally identifiable information of the Shareholders to be lost or improperly accessed, used or disclosed.

The service providers of the Investment Manager, the Fund and the Master Fund are subject to the same electronic information security threats as the Investment Manager. If a service provider fails to adopt or adhere to adequate data security policies, or in the event of a breach of its networks, information relating to the transactions of the Master Fund and personally identifiable information of the Shareholders may be lost or improperly accessed, used or disclosed.

The loss or improper access, use or disclosure of the Investment Manager's, the Master Fund's or the Fund's proprietary information may cause the Investment Manager, the Master Fund or the Fund to suffer, among other things, financial loss, the disruption of its business, liability to third parties, regulatory intervention or reputational damage. Any of the foregoing events could have a material adverse effect on the Fund and the Shareholders' investments therein.

Climate Change-Related Risks. The environmental effects of climate change, including rising temperatures, extreme weather, fires, flooding, erratic weather fluctuations, agricultural failures and displacement and destabilisation of human populations, could have materially adverse effects on the securities held by the Master Fund. The Investment Manager believes that such risks may increase over time, although the time period over which these consequences might unfold is difficult to predict.

In addition to the physical, economic and geo-political risks associated with climate change, there are transition risks. The willingness of certain governments, industries and businesses,

especially those that profit from, or have a reliance on, fossil fuels, to adapt to climate change or transition to sustainable practices may also adversely affect the securities held by the Master Fund.

Regulatory changes and divestment movements tied to concerns about climate change could adversely affect the value of certain industries whose activities or products are seen as accelerating climate change, or ill-positioned in light of the economic and social demands imposed by climate change. In recent years, certain investors have incorporated the business risks of climate change and the adequacy of companies' responses to climate change as part of their investment theses. These shifts in investing priorities may result in adverse effects on the trading price of securities held by the Master Fund if investors determine that the company has not made sufficient progress on climate change and environmental sustainability matters whether or not climate change proves to be as severe as predicted or preventable.

The values of securities held by the Master Fund whose performance is linked to assets and revenue streams that are exposed to climate change risk, including futures and swaps that directly or indirectly reference fuel, energy, transportation and agricultural prices, real estate property values, mortgages, taxes, insurance rates and proceeds of tourism, may readily be affected by both long-term, systemic effects of climate change, as well as severe environmental events whose occurrence is inherently unpredictable.

Risks Related to Shares

Net Asset Value Considerations. The Net Asset Value per Share is expected to fluctuate over time with the performance of the Master Fund's investments. A Shareholder may not fully recover his initial investment when he chooses to redeem his Shares or upon compulsory redemption if the Net Asset Value per Share at the time of such redemption is less than the price paid by such Shareholder. In addition, where there is any conflict between IFRS and the valuation principles set out in the Articles and this document in relation to the calculation of Net Asset Value the latter principles shall take precedence.

Limited Redemption Rights. An investment in the Fund is suitable only for certain sophisticated investors who have no need for immediate liquidity in their investments. An investment in the Fund provides limited liquidity because the redemption rights of Shareholders are restricted. In certain circumstances, a Redemption Fee may be payable on the redemption of Shares.

Shares may not be redeemed when the calculation of the Net Asset Value is suspended.

Payment of Redemption Proceeds. Calculation and payment of redemption proceeds will generally be based on estimated and unaudited data. Accordingly, adjustments and revisions may be made following the year-end audit of the Fund. The Directors have the discretion to decide whether to pay a redeeming Shareholder the whole amount of its redemption proceeds prior to the year-end audit of the Fund, in which case such adjustments and revisions to the Fund's accounts may either increase or decrease the amount payable.

In Specie Distributions. The Fund expects to distribute cash to a redeeming Shareholder; however, a redeeming Shareholder may, at the sole and absolute discretion of the Directors and to the extent so received from the Master Fund, distribute securities owned by the Master Fund in lieu of cash. In addition, there can be no assurance that the Fund will have sufficient cash to satisfy redemption requests, or that the Master Fund will be able to liquidate investments at the

time of such redemption requests at favourable prices. Under the foregoing circumstances, and under other circumstances deemed appropriate by the Directors, a redeeming Shareholder may receive in specie distributions from the Master Fund's portfolio, to the extent so received by the Fund from the Master Fund. Such investments so distributed may not be readily marketable or saleable and may have to be held by such Shareholder for an indefinite period of time. The risk of loss and delay in liquidating these securities will be borne by the Shareholder, with the result that such Shareholder may receive less cash than it would have received on the date of withdrawal. As a result, an investment in the Fund is suitable only for sophisticated investors.

Denomination/Designation/Series/Sub-Series of Shares is not a Separate Legal Entity. As among the Shareholders, although the Fund maintains only one portfolio of assets, the appreciation and depreciation attributable to a particular denomination/Series/Sub-Series will be allocated only to such denomination/designation/Series/Sub-Series. Similarly, expenses attributable solely to a particular denomination/designation/Series/Sub-Series will be allocated solely to that denomination/designation/Series/Sub-Series. However, a creditor of the Fund will generally not be bound to satisfy its claims from a particular denomination/designation/Series/Sub-Series. Rather, such creditor generally may seek to satisfy its claims from the assets of the Fund as a whole. Further, if the losses attributable to a denomination/designation/Series/Sub-Series exceed its value, then such losses could negatively impact the value of other Series. At the date of this Offering Memorandum, the Directors are not aware of any existing or contingent liabilities.

Currency of Denomination of Shares. The Fund is offering Shares denominated in US Dollars, Sterling and Euros and may offer shares denominated in other currencies in the future. The initial offering price of IV Shares is determined by the Directors and, due (amongst other things) to differences in exchange rate, the initial offering price of one class will not necessarily be economically equivalent to the initial offering price of another class. Accordingly, investors investing the same economic amounts in different currency classes, may receive different numbers of shares and thus, on a poll, their voting rights will not necessarily reflect their economic interest in the Fund.

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

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

Other Risks

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

Valuation Policies. The Fund's financial statements will be prepared in accordance with International Financial Reporting Standards ("IFRS"). The Fund's valuation policies may not be in compliance with IFRS and such divergence may, in certain circumstances, result in a qualification of the Fund's annual audited financial statements. In such instances, the Fund may decide to make IFRS conforming changes for financial reporting purposes, but use the valuation policies detailed herein for the purpose of calculating the Fund's NAV. There will be a divergence in the Fund's fiscal year-end NAV and in the NAV reported in the Fund's financial statements in any year where IFRS conforming changes are made only to the Fund's financial statements for financial reporting purposes.

Restriction on Auditors' Liability. Cayman Islands law does not restrict the ability of auditors to limit their liability and consequently the engagement letter entered into with the auditors contains such a provision as well as contain provisions indemnifying the auditors in certain circumstances.

Legal and Regulatory Environment for Private Investment Funds and their Managers. The legal and regulatory environment worldwide for private investment funds (such as the Fund and the Master Fund) and their managers is subject to change. Changes in the regulation of private investment funds, their managers, and their trading and investing activities may have a material adverse effect on the ability of the Master Fund to pursue its investment program and on the value of investments held by the Master Fund.

In recent years there has been an increase in regulatory scrutiny of the financial markets and the private investment fund industry, resulting in an unprecedented amount of legislation that impacts the Fund, the Master Fund and the Investment Manager: principally, the Dodd-Frank Act and the JOBS Act in the United States; and the AIFM Directive, MiFID II and EMIR in the European Union and the United Kingdom. Such regulatory changes have impacted the private investment fund industry through, among other things: (i) increasing the regulation related to the management and marketing of funds in the EU and the UK; (ii) establishing minimum amounts of initial margin that must be posted for certain financial instruments; (iii) requiring certain derivatives to be cleared through central clearinghouses; (iv) changing pre- and post-trade transparency obligations applicable to financial instruments admitted to trading on certain trading venues; and (v) introducing a new focus on regulation of algorithmic and high frequency trading. In addition, the Investment Manager may, in its sole discretion, cause the Fund or the Master Fund to be subject to certain laws and regulations if it believes that an investment or business activity is in the Master Fund's interest, even if such laws and regulations may have a detrimental effect on one or more Shareholders. These reforms and any other new laws and regulations or actions taken by regulators that restrict or impair the ability of the Master Fund

to pursue its investment program or employ brokers and other counterparties could have a material adverse effect on the Fund and the Shareholders' investments therein.

In addition, increased regulation (whether promulgated under securities laws or any other applicable law) and regulatory oversight of and changes in law applicable to private investment funds and their managers may impose administrative burdens on the Investment Manager, including responding to examinations and other regulatory inquiries and implementing policies and procedures. Such administrative burdens may divert the Investment Manager's time, attention and resources from portfolio management activities to responding to inquiries, examinations and enforcement actions (or threats thereof).

General Economic and Market Conditions. The success of the Master Fund's activities 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 the Master Fund's investments), trade barriers, currency exchange controls, and national and international political circumstances (including wars, terrorist acts or security operations) and public health crises (such as pandemics and epidemics). These factors may affect the level and volatility of the prices and the liquidity of the Master Fund's investments. Volatility or illiquidity could impair the Master Fund's profitability or result in losses. The Master Fund may maintain substantial trading positions that can be adversely affected by the level of volatility in the financial markets.

Governmental Interventions. Extreme volatility and illiquidity in markets has in the past led to, and may in the future lead to, extensive governmental interventions in equity, credit and currency markets. Generally, such interventions are intended to reduce volatility and precipitous drops in value. In certain cases, governments have intervened on an "emergency" basis, suddenly and substantially eliminating market participants' ability to continue to implement certain strategies or manage the risk of their outstanding positions. In addition, these interventions have typically been unclear in scope and application, resulting in uncertainty. It is impossible to predict when these restrictions will be imposed, what the interim or permanent restrictions will be and/or the effect of such restrictions on the Master Fund's strategies.

Dependence on Service Providers. The Fund and the Master Fund have retained service providers and may retain additional service providers at any time and from time to time. As the Fund has no employees and the Directors have all been appointed on a non-executive basis, the Fund and the Master Fund are reliant on the performance of third-party service providers, including, the Investment Manager, PAM Services, the Administrator, the External Valuer, the Prime Brokers, the Custodians, Schulte Roth & Zabel, Maples and Calder and PricewaterhouseCoopers and any other service provider to the Fund as described herein (each a "Service Provider").

Except where a Shareholder has entered into a direct contractual relationship with a Service Provider with respect to its Shares, each Shareholder's contractual relationship in respect of its Shares is with the Fund only. Accordingly, absent a direct contractual relationship between the investor and the relevant Service Provider, no Shareholder will have any contractual claim against any Service Provider for any reason related to its services to the Fund or the Master Fund. Instead, the proper plaintiff in an action in respect of which a breach of contract is alleged to have been committed against the Fund by the relevant Service Provider is, prima facie, the Fund.

Misconduct of Employees and of Third Party Service Providers. Misconduct by employees or by third party service providers could cause significant losses to the Master Fund. Employee misconduct may include binding the Master Fund to transactions that exceed authorised limits or present unacceptable risks and unauthorised trading activities or concealing unsuccessful trading activities (which, in either case, may result in unknown and unmanaged risks or losses). Losses could also result from actions by third party service providers, including, without limitation, failing to recognise trades and misappropriating assets. In addition, employees and third party service providers may improperly use or disclose confidential information, which could result in litigation or serious financial harm, including limiting the Master Fund's business prospects or future marketing activities. Although the Investment Manager will adopt measures to prevent and detect employee misconduct and to select reliable third party providers, such measures may not be effective in all cases.

Requests for Information. The Fund and the Master Fund, or any of its or their directors or agents domiciled in the Cayman Islands, may be compelled to provide information, including, but not limited to, information relating to the Subscriber, and where applicable the Subscriber's beneficial owners and controllers, subject to a request for information made by a regulatory or governmental authority or agency under applicable law; e.g. by the Cayman Islands Monetary Authority, either for itself or for a recognised overseas regulatory authority, under the Monetary Authority Act (Revised), or by the Tax Information Authority, under the Tax Information Authority Act (Revised) and associated regulations, agreements, arrangements and memoranda of understanding. Disclosure of confidential information under such laws shall not be regarded as a breach of any duty of confidentiality and, in certain circumstances, the Fund, the Master Fund and any of its or their directors or agents, may be prohibited from disclosing that the request has been made.

Handling of Mail. Mail addressed to the Fund or the Master Fund and received at its registered office will be forwarded unopened to the forwarding address supplied by the Fund or the Master Fund (as applicable) to be dealt with. Neither the Fund nor the Master Fund, or any of their directors, officers, advisors or service providers (including the organisation which provides registered office services in the Cayman Islands) will bear any responsibility for any delay howsoever caused in mail reaching the forwarding address. In particular the Directors and the directors of the Master Fund will only receive, open or deal directly with mail which is addressed to them personally (as opposed to mail which is addressed just to the Fund or the Master Fund).

Beneficial Ownership Regime. The Fund and the Master Fund (each, a "Legal Person") are each subject to the Beneficial Ownership Transparency Act (Revised) of the Cayman Islands (the "BOTA"). Under the BOTA, an in-scope entity, unless it can avail itself of an 'alternative route to compliance', is required to maintain a beneficial ownership register, which includes identifying its registrable beneficial owners ("RBOs") and providing certain details of such RBOs to its corporate service provider to file with the Registrar of Companies (the "Registrar").

As the Fund and the Master Fund are each regulated as a mutual fund under the Mutual Funds Act, the Fund and the Master Fund may each, as an alternative route to compliance with the BOTA, appoint a contact person for the purposes of BOTA and provide details of such contact person to its corporate service provider to file with the Registrar. A contact person may from time to time be required to provide information about the RBOs of the Master Fund and the Fund to the competent authorities in the Cayman Islands in response to a request for such information. It is anticipated that the scope of information which may need to be provided on

investors pursuant to the BOTAs will generally be limited to the identity and certain related particulars of: (i) any person holding directly or indirectly (or controlling through a joint arrangement) 25 per cent or more of the shares or voting rights in respect of the Legal Person; (ii) any person who otherwise exercises ultimate effective control of the Legal Person; and (iii) any person who has control over the Legal Person through other means.

Failure to Prevent the Facilitation of Tax Evasion. The UK Criminal Finances Act 2017 introduced a criminal offence which is committed where a relevant body fails to prevent a person associated with it from committing an offence of facilitating another person in tax evasion (whether UK tax evasion or non-UK tax evasion). The relevant body has a defence to this "failure to prevent" offence if it can prove that it had in place reasonable prevention procedures designed to prevent persons associated with it from committing a tax evasion facilitation offence. The definition of a person associated with a relevant body is widely drawn and includes an employee, an agent or any other person who performs services for or on behalf of the relevant body. Each of the Fund, the Master Fund, the Investment Manager and PAM Services is a relevant body for these purposes and could therefore be held to have committed the UK "failure to prevent" offence if any person associated with it were to commit a tax evasion facilitation offence and it did not have in place reasonable prevention procedures. While each of the Fund, the Master Fund, the Investment Manager and PAM Services has put in place procedures to prevent persons associated with it from committing facilitation of tax evasion offences, it cannot be guaranteed that these procedures will be sufficient in every case to establish the defence of having reasonable prevention procedures in place.

Data Protection. Prospective investors should note that personal data must be supplied in order for an investment in the Fund to be made and for that investment in the Fund to continue. Certain personal data must be supplied to enable the investment to be redeemed. If the required personal data is not provided, a prospective investor will not be able to invest or continue to invest in the Fund. Prospective investors are directed to the Privacy Notice (as defined in the Subscription Agreement) of the Fund for further information on how the Fund and the Investment Manager process their personal data.

The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in the Fund. Prospective investors should read this entire Offering Memorandum and consult with their own legal, tax and financial advisers before deciding to invest in the Fund.

OTHER ACTIVITIES OF THE INVESTMENT MANAGER; POTENTIAL CONFLICTS OF INTEREST

The Investment Manager is subject and will continue to be subject, and the Fund is exposed, to a number of actual and potential conflicts of interest. Any such conflict of interest could have a material adverse effect on the Fund and the Shareholders' investments therein. However, the existence of an actual or potential conflict of interest does not mean that it will be acted upon to the detriment of the Fund. When a conflict of interest arises, the Investment Manager will endeavour to ensure that the conflict is resolved fairly and in an equitable manner that is consistent with its duties to the Fund. The Investment Manager has in place policies and procedures that it believes are reasonably designed to identify and resolve actual and potential conflicts of interest.

Shareholders should understand that (i) the relationships among the Fund, any Other Clients (as defined below) and the Investment Manager are complex and dynamic and (ii) as the Investment Manager's and the Fund's businesses change over time, the Investment Manager may be subject, and the Fund may be exposed, to new or additional conflicts of interest. There can be no assurance that this Offering Memorandum addresses or anticipates every possible current or future conflict of interest that may arise or that is or may be detrimental to the Fund or the Shareholders. Shareholders should consult with their own advisers regarding the possible implications on their investment in the Fund of the conflicts of interest described in this Offering Memorandum.

The Investment Manager and its directors, officers and employees will devote as much of their time to the activities of the Fund as they deem necessary and appropriate. Certain inherent conflicts of interest arise from the fact that the Investment Manager and its affiliates provide management and investment management services both to the Master Fund and the Fund and carry on investment and other activities for other clients, including, without limitation, other investment funds, client accounts and proprietary accounts ("Other Clients", and together with the Fund and the Master Fund, "Clients") in which the Master Fund has no interest and whose respective investment programs may or may not be substantially similar. The Investment Manager provides investment management services to Other Clients that are investment funds formed for a single investor or group of affiliated investors (each such fund, a "Fund of One"). The Investment Manager and its affiliates are not restricted from forming Other Clients, from entering into other investment management or advisory relationships or from engaging in other business activities, even if such activities may be in competition with the Fund and/or may involve substantial time and resources of the Investment Manager. These activities could be viewed as creating a conflict of interest in that the time and effort of the Investment Manager will not be devoted exclusively to the business of the Fund but will be allocated between the business of the Fund and the management of Other Clients and other business activities.

The portfolio strategies employed for such other investment programs could conflict with the transactions and strategies employed in managing the Master Fund's portfolio and affect the prices and availability of the securities and instruments in which the Master Fund invests. Conversely, participation in specific investment opportunities may be appropriate, at times, for both the Master Fund and the other investment programs. Even if an Other Client has investment objectives, programs or strategies that are similar to those of the Master Fund, the Investment Manager may give advice or take action with respect to the investments held by, and transactions of, Other Clients that may differ from the advice given or the timing or nature of any action taken with respect to the investments held by, and transactions of, the Master Fund for a variety of reasons, including differences between the investment strategy, capital inflows and outflows, financing terms, regulatory treatment and tax treatment of such Other Clients and the Master Fund. As a result, the Fund and an Other Client may have substantially different portfolios and investment returns.

It is the policy of the Investment Manager to allocate investment opportunities to the Master Fund and to any Other Clients on an equitable basis over a period of time, taking into account such factors as the relative amounts of capital available for new investments, relative exposure to short-term market trends, and the respective investment programs and portfolio positions of the Master Fund and the other investment programs. Such considerations may result in allocations of certain investments on other than a *pari passu* basis.

The Investment Manager will have no obligation to purchase or sell a security for, enter into a transaction on behalf of, or provide an investment opportunity to, the Master Fund or Other Clients solely because the Investment Manager purchases or sells the same security for, enters into a transaction on behalf of, or provides an opportunity to, an Other Client or the Master Fund if, in its reasonable opinion, such security, transaction or investment opportunity does not appear to be suitable, practicable or desirable for the Master Fund or such Other Client.

In particular, when the Master Fund is ramping up its investment or trading strategies, it may receive larger allocations of certain securities than Other Clients in order to obtain its desired risk and portfolio size. Conversely, when Other Clients ramp up their investment and trading strategies, the Master Fund may receive reduced or no allocations of certain securities.

As a result of subscriptions or redemptions and the change in the value of the Master Fund's assets in any month, the Investment Manager may adjust, to the extent practicable, the exposure levels of the Master Fund and Other Clients which may follow the same investment strategy as the Master Fund to instruments in their respective portfolio at the beginning of each month in order to maintain the exposures desired by the Investment Manager. Such adjustments may be effected by purchases and sales in the market or by a transfer from the Master Fund to an Other Client, or *vice versa* (a "Cross-Transaction"). A Cross-Transaction may be effected if the Investment Manager determines the transaction to be in the best interests (and consistent with the investment program, risk management and other relevant considerations) of both the Master Fund and the Other Client. Generally, the relevant asset will be transferred at a price equal to its market price on the transfer date, as determined by the Administrator. If the Investment Manager effects a Cross-Transaction, the Investment Manager will not receive any fee in connection with the completion of the transaction.

The Principal and/or certain employees, directors and officers of the Investment Manager or its affiliates will be subject to a variety of conflicts of interest relating to their responsibilities for the Master Fund and the management of its portfolio. Certain of them may serve as a director, as a member of an investment or advisory committee, or otherwise in an advisory capacity for one or more corporations, foundations or other organisations. Such positions may create a conflict between the services and advice provided to such organisations and the responsibilities owed to the Master Fund. Although each such person will seek to limit any such conflicts in a manner that is in accordance with their fiduciary duties to the Master Fund and such organisations, there can be no assurance that serving in such positions will have no impact on the person's ability to perform his responsibilities on behalf of the Master Fund.

In the event that the Investment Manager believes that the Master Fund's assets, and the assets of the Other Clients, cannot be invested in the most effective manner, the Master Fund, in consultation with the Investment Manager, will, upon reasonable prior notice, return a portion of capital via a compulsory redemption of Shares. The Investment Manager will apply the same approach to the Other Clients.

If the Investment Manager determines that the purchase or sale of a security is appropriate with regard to the Master Fund and any Other Clients, the Investment Manager may, but is not obligated to, purchase or sell such a security on behalf of such Clients with an aggregated order, for the purpose of reducing transaction costs, to the extent permitted by applicable law. In connection therewith, the Investment Manager may open "average price" accounts with brokers. In an "average price" account, purchase and sale orders placed during a trading day on behalf of all accounts of the Investment Manager, its affiliates and their clients are combined, and

securities bought and sold pursuant to such orders are allocated among such accounts on an average price basis. When orders are not aggregated, trades generally will be processed in the order that they are placed with the broker or counterparty selected by the Investment Manager. As a result, certain trades in the same security for one Client may receive more or less favourable prices or terms than another Client, and orders placed later may not be filled entirely or at all, based upon the prevailing market prices at the time of the order or trade. In addition, some opportunities for reduced transaction costs and economies of scale may not be achieved.

Subject to internal compliance policies and approval procedures, directors, officers and employees of the Investment Manager may engage, from time to time, in personal trading of securities and other instruments, including securities and instruments in which the Master Fund may invest. The Investment Manager and its directors, officers and employees may give advice or take action for their own accounts that may differ from, conflict with or be adverse to advice given or action taken for the Master Fund. These activities may adversely affect the prices and availability of other securities held by or potentially considered for purchase by the Master Fund.

The Directors, the Administrator and each Prime Broker and each Custodian may also provide services to other investment programs and have similar conflicts of interest. However, the Administrator shall, at all times, pay regard to its obligation to act in the best interests of the Fund or the Master Fund, as the case may be, and the Directors and the directors of the Master Fund will ensure that all such potential conflicts of interest are resolved fairly and in the interest of the Shareholders. Each Prime Broker and each Custodian will, at all times, have regard in such event to its obligations to the Master Fund and will endeavour to ensure that such conflicts are resolved fairly. In addition, subject to applicable law, any of the service providers (including the Directors) may deal, as principal or agent, with the Fund or the Master Fund, provided that such dealings are on normal commercial terms negotiated on an arm's length basis.

The Directors are not required to devote their full time and attention to the business of the Fund and may serve as directors of other investment vehicles. Accordingly, to the extent that the interests of the Fund and such other investment vehicles are inconsistent, such directors may have a conflict of interest.

PAM Services provides services, including trade execution, investment management and investment advisory services to the Investment Manager in respect of the Fund and the Master Fund and Other Clients. PAM Services is remunerated by the Investment Manager, and is compensated by reference to the overall profits of the Investment Manager. TCI Services provides certain middle and back office services to the Investment Manager and PAM Services. TCI Services performs similar services for other investment managers.

From time to time, brokers (including the Prime Brokers) may assist the Fund in raising additional funds from investors. Additionally, brokers may provide capital introduction and marketing assistance services, and representatives of the Investment Manager or PAM Services may speak at conferences and programs sponsored by the brokers, for investors interested in investing in private investment funds. Through such events, prospective investors in the Fund may encounter representatives of the Investment Manager. Brokers may also provide other services, including, without limitation, consulting services relating to technology and office space. Although none of the Investment Manager, PAM Services or the Fund compensates brokers for such assistance, events or services, or for any investments ultimately made by prospective investors attending such events, such activities may influence the Investment

Manager or PAM Services in deciding whether to use such broker in connection with brokerage, financing and other activities of the Master Fund. Brokers may provide services that are beneficial to the Investment Manager, PAM Services or Other Clients, but not necessarily beneficial to the Fund. Subject to any obligation to seek best execution, the Investment Manager and PAM Services may consider referrals of investors to the Fund in determining its selection of brokers. However, neither the Investment Manager nor PAM Services will commit to an investor or a broker to allocate a particular amount of brokerage in any such situation.

The above is not necessarily a comprehensive list of all potential conflicts of interest.

BOARD OF DIRECTORS

The Directors will meet at least four times a year to review and assess the investment policies and performance of the Fund and generally to supervise the conduct of its affairs. The Fund's directors (each, a "Director"), and their business experience, are as follows:

Adrian Waters

Mr Waters, resident in Ireland, is a Fellow of The Institute of Chartered Accountants in Ireland and of The Institute of Directors. He is a Chartered Director (UK Institute of Directors) and he specialises in risk management and governance. He has over 30 years' experience in the funds industry. He is a director of several other investment funds. From 1993 to 2001, he held various executive positions within The BISYS Group, Inc. (now part of the Citi Group), including Chief Executive Officer of BISYS Fund Services (Ireland) Limited and finally as Senior Vice President – Europe for BISYS Investment Services out of London. From 1989 to 1993, he was employed by the Investment Services Group of PricewaterhouseCoopers in New York and prior to that by Oliver Freaney and Company, Chartered Accountants, in Dublin. Mr Waters holds a Bachelor of Commerce degree and a Post Graduate Diploma in Corporate Governance both received from University College Dublin in 1985 and 2005, respectively. Additionally, in 2013, he has received a Master of Science degree in Risk Management from the Stern Business School at New York University.

Tej Gujadhur

Mr Gujadhur is a UK qualified chartered accountant and he has spent 30 years in the financial sector in Europe, USA, London and Mauritius. He spent 16 years in the private equity and hedge fund industries in London, Dublin and New York both as a senior manager with Ernst & Young and senior in-house positions. He has been the Chief Financial Officer ("CFO") of The Children's Investment Fund and its affiliates, with assets in excess of US\$15 billion and the CFO of Apollo Management's European distressed and principal finance business. He co-founded GFin Corporate Services Ltd. ("GFin") after leaving Apollo Management in 2011 to relocate to his home country of Mauritius. GFin grew to 130 professionals and assets under administration (AUA) of circa \$20bn for funds and corporates focused on the Africa and India market. GFin was acquired by Apex Group in 2021. Mr Gujadhur completed the integration and left Apex in 2023 to set up GCap (in 2024) as a boutique investment bank and multifamily office platform. GCap is currently being licensed in Mauritius and yet to start operations.

Mr Gujadhur received his MA in International Banking and Financial Services from the University of Reading, UK and a BSc. (Hons) in Computational Science and Economics from the University of Leeds, UK. Mr Gujadhur is a Chartered Accountant from the Institute of Chartered Accountants of England and Wales.

Ralph Woodford

Mr Woodford has over 30 years' experience in the investment management and financial services industry, with specialties in asset management, risk & operations, audit and corporate governance of offshore funds. Mr Woodford is a registered professional director and acts as an independent director for leading alternative asset managers globally. He has developed extensive experience working with large alternative asset managers and advising emerging manager start-ups over the past 20 years. He has a deep understanding of accounting, valuation processes, legal and regulatory issues impacting the alternative investment industry.

He was formerly Managing Director of Caledonian Directors, a boutique director services business. He built the firm's operational infrastructure and was responsible for establishing the corporate governance overview of an extensive range of hedge fund and private equity funds. Mr Woodford works with alternative asset managers, across a wide range of investment strategies, acting both as an independent director and sitting on the valuation and risk committees. Prior to moving to the Cayman Islands, Mr Woodford joined Edinburgh Fund Managers plc (now Abrdn plc) in 1994, as a portfolio manager. He has extensive experience in equity research, asset allocation and risk management across both developed and emerging markets.

Mr Woodford holds a Bachelor of Arts Degree in Accounting and Finance (Distinction) from Heriot Watt University. He started his career in 1989 with EY, where he qualified and became a member of the Institute of Chartered Accountants of Scotland. Mr Woodford qualified as a Portfolio Manager in 1995 and was admitted to The Institute of Investment Management and Research, a member of CFA UK.

Rahul Moodgal

Mr Moodgal has extensive experience in investment management, particularly in investor relations and business development. He is currently a partner at PAM Services where he focuses on managing investor relations and business development. Mr Moodgal is also a director of the Investment Manager.

Prior to joining Parvus in 2009, Mr Moodgal was the Partner who headed up Investor Relations and Business Development at The Children's Investment Fund Management (UK) LLP, and managed the investor relations and business development team for the TCI Platform with assets in excess of US\$30bn. Prior to this he was a Senior Client Relationship Manager at Union Bancaire Privee where he looked after all their international fund of hedge fund clients. From 1998 to 2004, he was a Client Service Analyst at TT International. Prior to working in finance, Mr Moodgal was an academic and held various roles including Research Fellow at the University of Birmingham and part-time tutor at Keele University. Today he is a Visiting Lecturer at London Business School where he focuses on Topics in Asset Management to the Sloan Fellows MBA Program.

Mr Moodgal also acts as Oversight Committee Member to TSWS at TSWII Capital Advisors, a Non-Executive Director to Falcon Money Management, KOMO Capital, Niatross Investment Limited, an Independent Fund Director to the Cederberg Greater China Funds and Cederberg Silk Road Funds. He is Co-Host with Ted Seides for Capital Allocators Summits and Capital Allocators University and Co-Heads Capital Allocators Advisors. Mr Moodgal is also a Strategic Advisor to Brown Advisory, a Member of the Advisory Board for iConnections and

a Business Consultant to Theleme Partners. He serves on several non-for-profit boards both in the UK and USA.

Mr Moodgal has a BA (Hons) in International Relations from the University of Keele, UK (1993), an MPhil in Economics and Politics of Development from University of Cambridge (1994) and studied for a PhD at The London School Of Economics And Political Science (LSE). He also spent time studying in Russia, Japan and the USA.

Additional Directors may be appointed from time to time. The Articles provide for the appointment of alternate Directors who have all of the rights and powers of the Director(s) in whose stead such persons are appointed. A Director cannot vote in respect of any agreement or transaction in which he or she has a material interest unless the material facts of such interest are disclosed in good faith at a meeting of the Directors, or in writing to the Directors. None of the Directors has, or has had since incorporation, any interest, direct or indirect, in any transactions which are unusual in their nature or significant to the business of the Fund. The aggregate annual remuneration for Directors which, under the Articles, is determined by the Directors, is not expected to exceed US\$20,000 per Director for each of the Fund and the Master Fund. In the event that additional Directors are appointed the aggregate annual remuneration will increase commensurately. Directors carrying out additional duties may be entitled to additional remuneration, as determined by the Directors. The Directors are also entitled to be reimbursed all expenses incurred in connection with the Fund and its business. A Director is not required to retire upon reaching a certain age.

Mr Moodgal does not have a service contract, existing or proposed, with the Fund.

The Directors may exercise all the powers of the Fund to borrow money and to mortgage or charge its undertakings, property and uncalled capital or any part thereof, to issue debentures, debenture stock and offer securities whenever money is borrowed as security for any debt, liability or obligation of the Fund.

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

Each of the Directors may, directly or indirectly, subscribe for Shares.

The Fund has agreed to indemnify and hold harmless the Directors from and against any loss or expense suffered or sustained by them (other than any loss or expense resulting from wilful default, fraud, dishonesty or gross negligence) by reason of their participation as Directors.

Each of the Directors is also a director of the Master Fund. For the purpose of this Offering Memorandum, the address of each Director is the registered office of the Fund.

BROKERAGE

Factors considered in selecting Broker-Dealers

The Investment Manager has engaged PAM Services to carry out trade execution on behalf of the Master Fund. PAM Services has adopted an order execution policy and arrangements with a view to taking all reasonable steps to obtain the best possible result for its clients taking into consideration the relevant "execution factors" (as such term is used in the FCA Rules), including price, costs, speed, likelihood of execution and settlement, size, nature or other considerations relevant to the execution of a particular transaction.

Subject to any specific instruction from the Investment Manager, PAM Services has discretion to decide the brokers or dealers to be used for a particular transaction, and commissions or markups and markdowns paid. Portfolio transactions for the Master Fund will be allocated to brokers and dealers on the basis of numerous factors and not necessarily lowest pricing. Brokers and dealers may provide other services that are beneficial to the Investment Manager, PAM Services and/or certain Clients, but not beneficial to all Clients. Subject to PAM Services' duty to seek best execution and applicable law, in selecting brokers and dealers (including prime brokers) to execute transactions, provide financing and securities on loan, hold cash and short balances and provide other services, PAM Services may consider, among other factors that are deemed appropriate under the circumstances, the following: the ability of the brokers and dealers to effect the transaction; the brokers' or dealers' facilities; and reliability and financial responsibility; the provision by the brokers of capital introduction, talent introduction, marketing assistance, consulting with respect to technology, operations, equipment and commitment of capital and access to company management and access to deal flow.

Subject to applicable law, the prices and commission rates (or dealer markups and markdowns arising in connection with riskless principal transactions) charged to the Master Fund by brokers or dealers in the foregoing circumstances may be higher than those charged by other brokers or dealers that may not offer such services.

PAM Services has adopted internal arrangements to review the quality of executions, including periodic reviews by its investment professionals.

In light of the fact that PAM Services or PAMEL (on an interim basis as described above), rather than the Investment Manager, will execute and/or direct a substantial portion of the trades for the Master Fund, references to the term "Investment Manager," as used in this Offering Memorandum in the context of the Investment Manager causing the Master Fund to trade, and similar references, should be understood to include PAM Services or PAMEL, as appropriate, unless the context indicates otherwise.

Payments for Research

The Investment Manager and PAM Services may utilise investment research services offered by the Prime Brokers and independent service providers in executing the investment program of the Master Fund. These research services may include published research notes or reports, other material or services suggesting or recommending an investment strategy or trade ideas (including in the form of software tools, programs or other technology), macroeconomic analysis, and access to research analysts or industry experts (including expert networks). The Investment Manager considers that access to research services and materials is integral to its ability to execute the investment program, and that such services and materials will inform, and

add value to, the Investment Manager's investment decisions made on behalf of the Master Fund.

The Investment Manager and PAM Services may open and maintain one or more "Research Payment Accounts" to facilitate the payment for research services. The Research Payment Account will be funded by a direct charge to the Master Fund based on a research budget set by the Investment Manager and PAM Services. It is the policy of the Investment Manager and PAM Services is to calculate research budgets for each investment strategy employed by the Investment Manager on behalf of one or more Clients, including the Master Fund. The budgets are formulated based on factors such as the anticipated level of research usage, range and complexity of research products and services required in the investment process, asset classes, and emphasis on particular sectors or geographies. The Investment Manager and PAM Services have adopted internal arrangements to assess the quality of the research received. The costs of research are allocated between the Clients based on the fair allocation methodology specified in the Investment Manager's and PAM Services' respective research policies (together, the "Research Policy").

To the extent applicable, the Investment Manager and PAM Services will operate within the safe harbour provided by Section 28(e) of the US Securities Exchange Act of 1934, as amended.

ADMINISTRATOR

Citco Fund Services (Ireland) Limited (the "Administrator"), a company organised under the laws of Ireland and incorporated in 1998, serves as the administrator of the Fund and the Master Fund.

Pursuant to an administration agreement between the Master Fund, the Fund, the US Feeder, the Investment Manager and the Administrator, and as may be amended from time to time (the "Administration Agreement"), the Administrator is responsible for, among other things: (i) maintaining the register of Shareholders of the Fund and generally performing all actions related to the issuance and transfer of Shares of the Fund and the safe-keeping of certificates therefore, if any; (ii) calculating and disseminating the Net Asset Value of the Fund's Shares in accordance with the Articles; (iii) performing acts related to redemption of Shares; (iv) keeping such books and records as are required by law or otherwise for the proper conduct of the affairs of the Fund; and (v) performing other services necessary in connection with the administration of the Fund. The Administrator provides similar services in respect of the Master Fund.

Save as set out in the Administration Agreement, the Administrator is not involved directly or indirectly with the business affairs, organisation, sponsorship or management of the Fund or the Master Fund.

The Administration Agreement provides that the Administrator Indemnified Parties (as defined below) shall not, in the absence of material breach of the Administration Agreement by the Administrator or any Administrator Indemnified Parties due to or the negligence, bad faith, fraud, wilful misconduct or dishonesty in the performance of its or their duties under the Administration Agreement, be responsible for any loss or damage sustained or suffered as the result of or in the course of the discharge of its duties. The Administrator and its subsidiaries, affiliates, directors or other officers, shareholders, servants, employees, agents and permitted delegates (collectively, "Administrator Indemnified Parties"), is indemnified and held harmless against all claims and demands, judgments, fines, costs or damages and proper expenses in connection therewith which may be incurred by an Administrator Indemnified Party or which

may be made against an Administrator Indemnified Party in respect of the same sustained or suffered by any third party, otherwise than by reason of material breach or the negligence, bad faith, fraud, wilful misconduct or dishonesty of the Administrator Indemnified Party. The Administrator may delegate or sub-contract any duties or functions it deems necessary in order to perform the services under the Administration Agreement to any person on such terms and conditions as the Administrator sees fit and unless otherwise agreed shall remain liable to the Fund for the performance of any duties so delegated by the Administrator.

The Administration Agreement may be terminated, among other things, at any time without penalty by either of the parties upon not less than 90 days' written notice, or at any time without such notice if (i) the Fund shall go into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Administrator); or (ii) a receiver of any of the assets of the Fund is appointed. The Administrator is a service provider to the Fund and does not have any responsibility or authority to make investment decisions, nor render investment advice, with respect to the assets of the Fund. The Administrator has no responsibility for monitoring compliance by the Fund or the Investment Manager with any investment policies or restrictions to which they are subject. The Administrator accepts no responsibility or liability for any losses suffered by the Fund as a result of any breach of such policies or restrictions by the Fund or the Investment Manager.

The Administrator is a service provider to the Fund and is not responsible for the information in, or preparation of, this Offering Memorandum. The Administrator is not an auditor and does not provide any tax, accounting or auditing advice or assistance, nor is it a fiduciary to the Fund, the Master Fund, the Investment Manager or the Fund's investors. The Administrator's obligations under the Administration Agreement do not include a duty to independently confirm the Master Fund's investments with any counterparty and particularly where investments are not held, maintained or otherwise custodied with third parties (such as a broker, custodian or bank), the Administrator will not be able to confirm such investments. The Administrator is not responsible for any investment decisions of the Master Fund (all of which will be made solely by the Investment Manager on behalf of the Master Fund). The Administrator will not provide any investment advisory or management services to the Investment Manager, the Fund or the Master Fund and therefore will not be in any way responsible for the Fund's performance. The Administration Agreement does not create any contractual rights against or reliance on the Administrator by any person not a party thereto including, without limitation, any investor or other counterparty appointed by the Investment Manager, the Fund, the Master Fund and/or their affiliates. The Administrator will not be responsible for monitoring any investment restrictions or compliance with the investment restrictions and therefore will not be liable for any breach thereof.

EXTERNAL VALUER

Citco Fund Services (Ireland) Limited (the "External Valuer"), has been appointed by the Fund, the Master Fund and the US Feeder pursuant to an external valuer services agreement between the Fund, the Master Fund, the US Feeder, the Investment Manager and the External Valuer, and as may be amended from time to time (the "External Valuer Services Agreement"), the External Valuer is organised under the laws of Ireland and is authorised by the Central Bank of Ireland under section 10 of the Investment Intermediaries Act 1995 ("IIA") to provide the investment business services defined in section 2 of the IIA including the performance of external valuer services to collective investment schemes.

Pursuant to the External Valuer Services Agreement, the External Valuer is appointed to provide certain valuation services including, but not limited to, the valuation of Designated Investments of the Master Fund in accordance with the External Valuer Services Agreement. Pursuant to the External Valuer Services Agreement, the External Valuer warrants, amongst other matters, that it is subject to mandatory professional registration recognised by law or legal or regulatory provisions or rules of professional conduct and is qualified and capable of undertaking the external valuer services in respect of the Designated Investments. In particular, the External Valuer shall (i) apply the Valuation Policy and the designated valuation methodologies to the Designated Investments in a fair and consistent manner; (ii) value each of the Designated Investments and report such values to the Investment Manager; (iii) review the Designated Investments on an ongoing basis and advise the Investment Manager and the Fund if it cannot provide external valuer services in respect of any of the Designated Investments from time to time; and (iv) liaise with the Investment Manager, on behalf of the Fund and the Master Fund, in relation to any review of the Valuation Policy as required from time to time.

In the absence of fraud, negligence or intentional failure to perform the external valuer services as set out in the External Valuer Services Agreement, the External Valuer shall not be liable to the Fund, the Master Fund and the US Feeder for any claims, losses, damages, liabilities, penalties, demands, suits, judgments, obligations, costs or expenses, including reasonable legal fees and expenses, of any kind or nature whatsoever (a "Claim") on account of anything done, omitted or suffered by the External Valuer in good faith in the provision of the external valuer services. The External Valuer shall only be liable to the Fund, the Master Fund, the US Feeder and the Investment Manager under the External Valuer Services Agreement in respect of any loss (other than any indirect, incidental or consequential loss) suffered by the Fund, the Master Fund, the US Feeder and the Investment Manager as a direct result of fraud, negligence or intentional failure by the External Valuer in the provision of the external valuer services. The Fund, the Master Fund, the US Feeder and the Investment Manager have no remedy against the External Valuer in respect of any portion of such loss that one or more of the others has successfully recovered from the External Valuer. For the avoidance of doubt the External Valuer's liability for such losses shall not apply in the event of negligence, bad faith, fraud or wilful misconduct, on the part of any of the Fund, the Master Fund, the US Feeder or the Investment Manager, in respect of their respective obligations under the External Valuer Services Agreement.

The External Valuer Services Agreement shall continue in full force and effect unless and until terminated by any party giving to the others not less than 90 days' prior written notice (or such shorter notice as that other parties may agree to accept) provided that it may be terminated forthwith by notice in writing: (a) by any party if a party commits (i) any material breach of its obligations under the External Valuer Services Agreement and fails to remedy such breach (if capable of remedy) within 30 days of receipt of notice from the non-defaulting party requiring it to do so; or (ii) any material breach of its obligations under the agreement that is not capable of remedy; (iii) any persistent material breach, whether or not it is remedied in writing; (b) by any party if another party (i) commences or becomes the subject of any case or proceeding under the bankruptcy, insolvency or equivalent laws of any country (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the other parties); (ii) has appointed for it or for any substantial part of its property a receiver, liquidator, administrator, administrative receiver, assignee, trustee, custodian, sequestrator or other similar official; (iii) makes an assignment for the benefit of its creditors; (iv) defaults on any secured obligation; (v) fails generally to pay its debts as they become due; or (vi) takes corporate action in furtherance of any of the foregoing; (c) by any party if it is or

becomes unlawful for any other party to carry on its business; (d) by the External Valuer if the Administration Agreement is terminated; (e) by the External Valuer if the Investment Manager is no longer serving as the investment manager of assets of the Fund, the Master Fund and the US Feeder, and the successor investment manager is not acceptable to the External Valuer in its sole discretion; and (f) by the External Valuer if the Fund, the Master Fund, the US Feeder or the Investment Manager or any principal or affiliate of the Fund, the Master Fund, the US Feeder or the Investment Manager is or becomes subject to any investigation or proceeding of any regulatory body in any applicable jurisdiction having jurisdiction over any such entity or person (as the case may be), (other than any audit, examination or inquiry of a routine nature by any taxation, regulatory or self-regulatory agency), or any other event occurs in relation to the Fund, the Master Fund, the US Feeder or the Investment Manager or any such principal of the Fund, the Master Fund, the US Feeder or the Investment Manager in circumstances where the External Valuer in its reasonable opinion determines that its continued provision of all or any external valuer services hereunder could reasonably be expected to have a material adverse effect on the business or reputation of the External Valuer or any of its affiliates.

PRIME BROKERS, CUSTODIANS AND COUNTERPARTIES TO THE MASTER FUND

The allocation of assets between each Prime Broker and each Custodian will be determined by the nature and type of transaction. Below is a description of the current prime brokerage arrangements with the Master Fund.

In general, in order to reduce credit exposures on OTC derivatives and securities financing transactions (the latter, "SFTs"), the Master Fund enters into close-out netting arrangements (and in certain cases cross-agreement bridges) with counterparties that permit it to offset receivables and payables with such counterparties in the event of their default. A close-out netting arrangement is a contract with a counterparty that permits net settlement of multiple transactions with that counterparty, including upon the exercise of termination rights by a non-defaulting party. Upon exercise of such termination rights, all transactions governed by the netting arrangement are terminated and a net settlement amount is calculated and payable. The cross-agreement bridge extends the netting arrangement to include amounts owing and payable under other industry standard legal documentation (besides the ISDA Master Agreement); wherever possible bank deposits and other receivables are also brought into the calculation by deeming them to be unpaid amounts under the ISDA Master Agreement on the default of the counterparty. In this way the scope of the close-out netting arrangements is made as wide as possible.

In relation to OTC derivative counterparties, the close-out netting arrangement is typically comprised in an ISDA Master Agreement, as extended in certain cases by an ISDA Cross-Agreement Bridge. In relation to SFT counterparties, the close-out netting arrangement is typically comprised in an ISLA Global Master Securities Lending Agreement. The Master Agreements will then be supplemented by one or more (master) confirmation agreements setting out the terms of a particular transaction or class of transaction, e.g. a master confirmation agreement (MCA) for equity swaps and/or other equity derivatives.

The Master Fund may also reduce its counterparty credit risk by entering into agreements that enable it to receive cash and securities collateral to cover its net exposure under its OTC derivatives and securities financing transactions, subject to the terms of the related collateral or credit support arrangements. A credit support arrangement grants the non-defaulting party exercising termination provisions the right to liquidate collateral and apply the proceeds to cover

or reduce the net settlement amount owed to it by the defaulting party. The collateral held on behalf of the Master Fund consists primarily of cash, together with securities collateral consisting of high-quality government bonds (mainly US and EU).

In order to reduce the risk that a netting or collateral arrangement could be held to be unenforceable against a counterparty's insolvency practitioner, the Master Fund uses industry standard legal documentation supported by reliable and up-to-date legal opinions wherever it is possible to do so with counterparties. These opinions are, however, invariably subject to certain assumptions and qualifications; in particular, in recent years important qualifications have been made to take account of the effect of legislation in various jurisdictions aimed at the recovery and resolution of credit institutions and investment firms, by which the Master Fund must typically agree to be bound (under the terms of an ISDA protocol or equivalent bilateral agreement) in order to contract with in-scope counterparties.

The Master Fund may also reduce its counterparty credit risk by terminating or resetting in-the-money OTC derivatives and securities financing transactions and requiring payment of amounts owing from counterparties. The Master Fund ensures so far as possible that the relevant legal documentation provides for unilateral rights of early termination or resetting at any time on notice to the counterparty.

The arrangements adopted by the Master Fund to manage the credit risk attached to OTC derivatives (as described above) are now largely mandatory under UK and EU EMIR for large financial counterparties and non-financial counterparties above the clearing threshold ("relevant counterparties"). In relation to OTC derivative contracts not cleared by a central counterparty, relevant counterparties are subject to the bilateral risk-management requirements imposed under Article 11 of EMIR. These include requirements directed at managing the counterparty credit risk arising under such contracts, in particular through the exchange of collateral (i.e. variation margin and, for certain counterparties, initial margin).

The relevant margin requirements are specified in regulatory technical standards comprised in the UK and EU versions of Commission Delegated Regulation (EU) 2016/2251. ISDA has developed a large number of credit support documents designed to facilitate compliance with the applicable technical standards, and has obtained opinions from leading international counsel supporting the enforceability of these documents. Although the Master Fund is not a relevant counterparty for purposes of UK or EU EMIR, it is the policy of the Master Fund and of the Investment Manager to use these template documents with all OTC derivatives counterparties. The Investment Manager is a subscriber member of ISDA, and is entitled to rely on the netting, collateral and other opinions obtained by it in relation to its template documents. In relation to variation margin, the relevant credit support document is typically the ISDA Credit Support Annex for Variation Margin (VM CSA).

Except as stated otherwise, the contractual arrangements between the Master Fund and its counterparties are as described above.

Each Prime Broker and each Custodian is a service provider to the Master Fund and is not responsible for the preparation of this document or the activities of the Master Fund and therefore accepts no responsibility for any information contained in this document. The Prime Brokers and the Custodians will not participate in the Master Fund's investment decision-making process.

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

The Master Fund's custodians are set forth in Part 1A, Schedule D of the Investment Manager's Form ADV, which is available on the SEC's website at www.adviserinfo.sec.gov.

BNP Paribas

BNP Paribas ("BNPP") has been appointed to act as an equity swap counterparty to the Master Fund, under agreements of the kind described above, together with a Portfolio Margining Agreement which provides for risk-based initial margin payments from the Master Fund to BNPP.

BNPP is authorised and regulated by the European Central Bank and the *Autorité de contrôle prudentiel et de résolution*. BNPP is authorised by the Prudential Regulation Authority and is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. Details about the extent of BNPP's regulation by the Prudential Regulation Authority are available from BNPP on request. BNPP London branch is registered in the UK under number FC13447. UK establishment number: BR000170. UK establishment office address: 10 Harewood Avenue, London NW1 6AA.

Merrill Lynch International

Merrill Lynch International ("MLI") has been appointed to act as an equity swap counterparty to the Master Fund, under agreements of the kind described above.

MLI is authorised and regulated by the Financial Conduct Authority. MLI is registered in the UK under number 02312079. Office address: 2 King Edward Street, London, EC1A 1HQ.

Skandinaviska Enskilda Banken AB (publ)

Skandinaviska Enskilda Banken AB (publ) ("SEB") has been appointed to act as an equity swap counterparty to the Master Fund, under agreements of the kind described above.

SEB is a Swedish credit/financial institution licensed by Finansinspektionen (the Swedish supervisor). The UK branch is authorised by the Prudential Regulation Authority and is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. Details about the extent of SEB's regulation by the Prudential Regulation Authority are available from SEB on request. SEB is registered in the UK under number FC014326. UK branch number: BR000979. UK establishment office address: One Carter Lane, London, EC4V 5AN.

Citigroup Global Markets Limited

The Master Fund has appointed Citigroup Global Markets Limited ("CGML"), a wholly owned indirect subsidiary of Citigroup Inc., as a prime broker under the terms of a Prime Brokerage Agreement, as amended from time to time (the "CGML Agreement"). The services which CGML provides under the CGML Agreement include various custodial services, securities lending, clearance and settlement of securities transactions and margin financing. CGML, in its capacity as prime broker, will have no decision-making discretion relating to the investment of the assets of the Master Fund and will not provide any investment advice in relation to the

assets of the Master Fund. In addition, CGML may also act as a counterparty to the Master Fund in relation to securities financing transactions, total return swaps and other OTC derivative transactions.

Under the terms of the CGML Agreement, subject to CGML's right to utilise the same described below, CGML will identify, record on its books and hold on a segregated basis all investments (and collect any dividends and other payments in respect thereto) and other assets of the Master Fund excluding cash that have been entrusted to it (collectively, the "Assets") in such manner that the identity and location of the Assets can be readily identified at any time as the property of a customer of CGML and separate from CGML's own property. Accordingly, such Assets which have not been utilised as described below should be unavailable to the creditors of CGML. Certain Assets may be co-mingled with similar assets of other customers of CGML. Accordingly, the Master Fund may not have the right to the return of specific assets but to their equivalent.

CGML may hold Assets with a sub-custodian, depository or clearing agent (each, a "sub-custodian") in one or more accounts identified as belonging to customers of CGML. CGML will identify on its books and records all Assets held by a sub-custodian as being held for the Master Fund. CGML has undertaken to exercise all due care, skill and diligence in the selection, appointment and periodic review of any sub-custodian and of the arrangements for the holding and safekeeping of those Assets. CGML will make appropriate inquiries periodically to satisfy itself as to the ongoing suitability of such sub-custodian to provide custodial services to the Master Fund. In the event of the insolvency or any other analogous proceedings of a sub-custodian holding any Assets, CGML may only have an unsecured claim against the sub-custodian on behalf of the Master Fund, and the Master Fund may be exposed to the risk that the securities, cash or any other property received by CGML from the sub-custodian are insufficient to satisfy the Master Fund's claim and the claims of all other relevant clients.

In general CGML will not treat the Master Fund's money as client money for the purposes of the FCA's rules on client money (the "CASS Rules") and the Master Fund's money will not be subject to the protections conferred by those CASS Rules. As a consequence, the Master Fund's money will not be segregated from CGML's money and the Master Fund will therefore rank only as a general creditor of CGML with respect to such money. Cash received by CGML for credit to the prime brokerage account either from the Master Fund or on the Master Fund's behalf will be collateral for the purpose of securing or otherwise covering the secured liabilities under the CGML Agreement and full ownership in such cash will be absolutely transferred to CGML, and all right, title and interest in and to such cash will pass to CGML outright and absolutely for the purposes of covering those secured liabilities. Upon such transfer the Master Fund will have an unsecured contractual right to the return of an equivalent amount of cash, subject to and in accordance with the provisions of the CGML Agreement. CGML's obligation will be reduced to the extent that such cash is applied in accordance with the security and/or close-out arrangements provided in the CGML Agreement. In the event of an insolvency of CGML, the Master Fund may not receive back everything transferred to CGML and will rank as a general creditor in relation to such assets. Notwithstanding the foregoing, in the event that CGML identifies a discrepancy, the result of which leads to the amount of securities CGML is holding for the Master Fund in its account falling short of CGML's obligation to it to hold securities (a "Securities Shortfall"), CGML will transfer an amount of its own cash equal to the value of such shortfall in securities to a client money cash account and such money shall be held in accordance with the CASS Rules. In the event that on any business day, the Securities Shortfall increases, CGML shall transfer additional cash to the client money account. In the

event that the Securities Shortfall decreases or reduces to zero, the value of cash credited to the client money account in respect of the Securities Shortfall shall reduce proportionately (assuming no Event of Default (as such term is defined in the CGML Agreement) is continuing in respect of CGML at that time). In addition, if CGML is required to provide cash margin to the Master Fund to cover the Master Fund's exposure to CGML under any OTC derivative transactions, CGML will treat such cash margin as client money.

The Master Fund's obligations to CGML under and in connection with the CGML Agreement will be secured by a first fixed charge over all securities and cash held by CGML as custodian for the Master Fund and over certain other assets (together the "Charged Assets"). Subject to the limits set out in the CGML Agreement, CGML will be entitled to sell, loan or otherwise use any and all Collateral including the Charged Assets for its own purposes or the purposes of any third party, and the Master Fund will have a contractual right against CGML for the return of assets equivalent to the Collateral. Collateral may not, therefore, be recoverable in full or at all in the event of CGML's insolvency.

The CGML Agreement provides that CGML will not be liable for any loss, liability or cost incurred by the Master Fund as a result of any act or omission of CGML or any of its affiliates unless such loss, liability or cost is caused by CGML's (or its affiliates') own fraud, negligence (including negligence in the discharge of its contractual obligations), or wilful default. CGML shall not be responsible for the loss, liability or cost which the Master Fund may suffer or incur arising from the negligence, wilful default or fraud of any third party (including any executing broker, bank, agent, custodian, investment exchange, depositary or clearinghouse, but subject to the obligations concerning the selection, appointment and periodic review of such sub-custodian described above) except to the extent that CGML (or its affiliates) recover, or could reasonably be expected having used best endeavours to have recovered, any such losses from such third party or its estate. Neither CGML nor any third party which acts on its behalf, whether an affiliate of CGML or not, nor its directors, officers, servants, agents or representatives, will be liable to the Master Fund, except in the case of fraud, for any consequential loss, liability or cost which the Master Fund may suffer or incur arising out of their acts or omissions, howsoever the loss, liability or cost is caused and regardless of whether it was foreseeable or not.

The Master Fund has agreed to indemnify CGML, its affiliates and any sub-custodian, nominee or agent appointed by it against any loss, liability and expenses (including without limitation the costs of any investigation or legal proceedings) arising out of or in connection with the CGML Agreement except where arising primarily out of its, its affiliates' or, as the case may be, such sub-custodians', nominees' or agents' own fraud, negligence or wilful default, or are otherwise caused by a failure to comply with its obligations, representations or warranties under the CGML Agreement, or such losses are of an indirect, consequential or incidental nature, all as more fully detailed in the CGML Agreement.

The CGML Agreement will remain in full force and effect until terminated at any time by either of the parties upon 3 business days' written notice to the other.

CGML is a paid service provider to the Master Fund and is not responsible for the preparation of this Offering Memorandum or the activities of the Master Fund and therefore accepts no responsibility for any information in this Offering Memorandum.

CGML is authorised by the Financial Conduct Authority of the United Kingdom.

Morgan Stanley & Co. International plc

Morgan Stanley & Co. International plc ("Morgan Stanley"), a member of the Morgan Stanley Group of companies and based in London, provides prime brokerage and related custody services to the Master Fund under the terms of the Amended and Restated International Prime Brokerage Agreement, as amended from time to time, (the "Morgan Stanley Agreement") entered into between the Master Fund and Morgan Stanley for itself and as agent and trustee for certain other members of the Morgan Stanley Group of companies (the "Morgan Stanley Companies"). These services may include the provision to the Master Fund of margin financing, clearing, settlement, custodial, securities financing and foreign exchange facilities. The Master Fund may also utilise Morgan Stanley, the Morgan Stanley Companies and other brokers and dealers for the purposes of executing total return swap and other OTC derivative transactions for the Master Fund.

In accordance with the rules of the FCA, Morgan Stanley will identify, record and hold the investments held by it as custodian in such a manner that the identity and location of the investments can be identified at any time and that such investments are readily identifiable as belonging to a customer of Morgan Stanley and are separately identifiable from Morgan Stanley's own investments. In the event that any of the investments of the Master Fund are registered in the name of Morgan Stanley where, due to the nature of the law or market practice of jurisdictions outside the UK, it is in the best interests of the Master Fund to do so or it is not feasible to do otherwise, such investments will not be segregated from Morgan Stanley's own investments and in the event of Morgan Stanley's default may not be as well protected.

As security for the payment and discharge of all liabilities of the Master Fund to Morgan Stanley and the Morgan Stanley Companies, all investments and cash held by Morgan Stanley and each such Morgan Stanley Company will be charged by the Master Fund in their favour and will therefore constitute collateral for the purposes of the FCA Rules. Investments and cash may also be deposited by the Master Fund with Morgan Stanley and the Morgan Stanley Companies as margin and will also constitute collateral for the purposes of the FCA Rules.

Morgan Stanley does not give client money protection under the FCA's rules to cash which Morgan Stanley receives on the Master Fund's behalf. The Master Fund's cash is not segregated from Morgan Stanley's own cash and may be used by Morgan Stanley in the course of its business. The Master Fund will rank as one of Morgan Stanley's general creditors for the cash balance. But the Master Fund will have an unfettered right to withdraw any cash provided by Morgan Stanley as variation margin in respect of total return swaps or other OTC derivatives.

The investments of the Master Fund may be borrowed, lent, charged, rehypothecated, disposed of or otherwise used by Morgan Stanley and the Morgan Stanley Companies for its or their own purposes subject to the limits and otherwise in accordance with the terms of the Morgan Stanley Agreement. Upon exercise of such right of use, such investments will become the property of Morgan Stanley or the relevant Morgan Stanley Company and the Master Fund will have a right against Morgan Stanley for the return of equivalent assets. The Master Fund will rank as an unsecured creditor in relation thereto and, in the event of the insolvency of Morgan Stanley, the Master Fund may not be able to recover such equivalent assets in full.

Pursuant to the Morgan Stanley Agreement, neither Morgan Stanley nor any Morgan Stanley Company nor their employees or officers will be liable for any loss, cost, charge, fee, expense, damage or liability resulting from any act or omission made in connection with the Morgan Stanley Agreement or the services provided thereunder. In particular, but without limitation,

Morgan Stanley will not be liable for any loss of, or any failure to insure, investments or for the quality, quantity, condition or delivery of investments or the correctness, validity, sufficiency or genuineness of any of the documents relating to investments. This exclusion does not apply where such loss results directly from the negligence, bad faith, wilful default or fraud of, or breach of applicable law or regulation by Morgan Stanley or any Morgan Stanley Company or their employees or officers. Morgan Stanley or any Morgan Stanley Company or their employees or officers will not in any circumstances be liable for any consequential loss, damage or liability regardless of whether it is aware of the likelihood of such loss, damage or liability. The Master Fund will fully indemnify Morgan Stanley or any Morgan Stanley Company or their employees or officers on demand against any and all claims which any Morgan Stanley Company or their employees or officers may suffer or incur directly or indirectly (including those incurred to a sub-custodian, broker, executing broker, exchange, clearinghouse or other regulatory authority) as a result, or in connection with, or arising out of the Morgan Stanley Agreement, related documents, related transactions and any other matters set out in the Morgan Stanley Agreement. This indemnity will not extend to Morgan Stanley or any Morgan Stanley Company or their employees or officers in so far as the claims suffered by the same are a result of its fraud, bad faith, wilful default or negligence, breach of agreement or breach of applicable law or regulation, other than where the breach of law or regulation arises as a result of Morgan Stanley or any Morgan Stanley Company or their employees or officers taking any action or inaction on the instructions of the Master Fund or their agents or as a result of the failure by the Master Fund or their agents to take any action required to be taken by it under applicable law or regulation.

Morgan Stanley and any Morgan Stanley Company accept the same level of responsibility for any nominee company controlled by it as for its own acts under the Morgan Stanley Agreement. Subject to this, neither Morgan Stanley nor any Morgan Stanley Company nor their employees or officers will be liable to the Master Fund for the solvency, acts or omissions of any party in whose control any of the investments of the Master Fund (or documentation relating thereto) may be held or through whom any transactions may be effected or any bank with whom Morgan Stanley and any Morgan Stanley Company maintains any bank account or any other party with whom they deal or transact business or who is appointed by them in good faith on the behalf of the Master Fund. This exclusion of liability shall not apply to loss which is directly caused by a breach of Morgan Stanley's obligations in relation to the selection and monitoring of sub-custodians; nor shall the exclusion extend to any sub-custodian that is an affiliate of Morgan Stanley's.

Morgan Stanley is authorised by the Financial Conduct Authority of the United Kingdom.

HSBC Bank plc

HSBC Bank plc ("HSBC") provides prime brokerage and custodian services to the Master Fund under the terms of (i) the Custody Agreement and (ii) the HSBC Prime Finance ISDA Master Agreement, Credit Support Deed, Credit Support Annex for Variation Margin, Global Master Securities Lending Agreement, Exchange Traded Futures and Options Terms of Business and the Global Markets Terms of Business, in each case, between HSBC and the Master Fund. These services may include the provision of margin financing, clearing, settlement, securities lending and foreign exchange facilities. The Master Fund may also use HSBC, other members of the HSBC group and other brokers and dealers for the purposes of executing transactions, including securities financing transactions, total return swaps and other OTC derivative transactions. HSBC is authorised by the PRA and regulated by the PRA and the FCA.

HSBC provides a custody service for the Master Fund's investments (including certificates or documents evidencing title to investments) held on the books of HSBC in accordance with the terms of the Custody Agreement and the rules of the FCA. HSBC may appoint sub-custodians of such investments, which may include affiliates of HSBC. HSBC will exercise reasonable care in the selection and supervision of its sub-custodians in accordance with the FCA Rules.

In accordance with the FCA Rules, HSBC will identify in its records that the Master Fund's investments held by it as custodian belong to the Master Fund. HSBC will also ensure that any sub-custodians identify in their records that the Master Fund's investments held by them as sub-custodian belong to clients of HSBC. In the event that any of the Master Fund's investments are registered in the name of HSBC, due to the nature of the applicable law or market practice, and the Master Fund has agreed, such investments may not be segregated from HSBC's own investments and, in the event of HSBC's insolvency, may not be as well protected.

Any cash held or received for the Master Fund by HSBC in its capacity as prime broker and custodian will not be treated as client money by HSBC and will not be subject to the client money protections conferred by the FCA client money rules. Accordingly, the Master Fund's cash will not be segregated from HSBC's own cash and such cash may be used by HSBC in the course of its normal business. The Master Fund will rank as an unsecured creditor of HSBC in relation thereto and, in the event of HSBC's insolvency may not be able to recover such cash in full or at all.

HSBC will open the following accounts on its books in the name of the Master Fund: (a) one or more cash accounts and a securities account which are subject to security in the form of a lien; and (b) one or more cash accounts and a securities account (the "Collateral Account"). As security for the payment of all obligations of the Master Fund to HSBC under any transaction documents, all investments and cash held by HSBC (and rights relating thereto) in the Collateral Account will be charged by the Master Fund in favour of HSBC.

The Custody Agreement may be terminated by either the Master Fund or HSBC upon 30 days' notice to the other party, or with immediate effect if the other party becomes insolvent or otherwise commits a material and incurable breach of the Agreement.

HSBC will only be liable to the Master Fund under the Custody Agreement for losses or costs suffered or incurred by the Master Fund to the extent that they have resulted from the breach of the Custody Agreement by HSBC (which expression shall include acts or omissions of any delegate which would have been a breach of the Custody Agreement had they been an act of HSBC) or negligence, bad faith, fraud or wilful default of HSBC or any delegate.

HSBC will not be liable or responsible to the Master Fund for any loss (including, but not limited to, any loss arising from negligence unless otherwise stated) which may directly or indirectly arise from any act or omission of, or from any event (including insolvency) affecting, any banker, broker, clearinghouse, investment exchange, issuer or third party which it has not been responsible for selecting and which is not a connected company.

The Master Fund has agreed to indemnify HSBC against any losses, liabilities, claims, demands, fines, penalties, taxes, levies, imposts or duties which may be suffered or incurred by HSBC directly from providing the services set out in the Custody Agreement, except to the extent that HSBC is liable for any such losses.

The Master Fund's investments may not be borrowed, lent or otherwise used by HSBC for its own purposes.

It is the responsibility of the Master Fund (and not that of HSBC) to ensure that all assets of the Master Fund which are intended to be delivered to HSBC are delivered to HSBC as prime broker and custodian. HSBC will not be responsible for monitoring the Master Fund's compliance with this obligation.

CAPITAL STRUCTURE OF THE FUND

Authorised Share Capital

The Fund has an authorised share capital of €25,000 divided into 25,000,000 ordinary shares, par value €0.001 per share (the "Euro Shares"), £25,000 divided into 25,000,000 ordinary shares, par value £0.001 per share (the "Sterling Shares") and US\$25,000 divided into 10 Founder Shares, par value US\$0.001 per share, and 24,999,990 ordinary shares, par value US\$0.001 per share (the "US Dollar Shares"). Additional currency denominations may be created in the future.

Base Currency

The base currency of the Fund and the Master Fund is the Euro. The Investment Manager will use its discretion as to whether and in what manner it will hedge any non-base currency exposures of the Master Fund arising as a result of the underlying investments of the Master Fund being denominated in a currency other than the base currency of the Master Fund. The Investment Manager may use derivative instruments (including forwards and options) to implement any such hedging strategy.

In addition the Master Fund may use derivative instruments (including forwards and options) where practicable to hedge all non-base currency exposures of the Fund and the Master Fund arising where any designation of Shares (other than the Multi-Currency Management Shares) are denominated in a currency other than the base currency of the Fund and the Master Fund. Although the Investment Manager will use its discretion as to whether and in what manner it will hedge any non-base currency exposures arising as a result of such Shares being referenced to a currency or currencies other than the base currency of the Fund or the Master Fund, the Investment Manager will not hedge any foreign currency exposure of the Master Fund or the Fund arising as a result of the Multi-Currency Management Shares being denominated in a currency other than the base currency of the Master Fund or the Fund.

The costs and fiscal results of any such currency hedging will be solely for the account of the relevant Shares or the Master Fund. There can be no assurance that any such currency hedging will be effective.

Share Designations

Euro Shares, Sterling Shares and US Dollar Shares are currently available as A Shares or B Shares (see "New Issues" below) which, in turn, are available as IV Shares.

Euro Shares, Sterling Shares and US Dollar Shares are also currently available as Management Shares. Euro Shares, Sterling Shares and US Dollar Shares may also be issued to the Directors or the directors, officers, members, employees, partners or affiliates of the Investment Manager,

including, without limitation, members of the immediate families of such persons, and trusts or other entities for their benefit, which, notwithstanding the currency of denomination of such Shares, shall have as their reference currency a basket of one or more currencies, as determined by the Investment Manager from time to time in its sole and absolute discretion (the "Multi-Currency Management Shares").

The Fund may establish other designations of shares which may differ in terms of fees charged, among other things.

The Fund has previously offered shares denominated in Euros and US Dollars issued as I Shares; Euro, Sterling and US Dollar Shares issued as II Shares and III Shares. I Shares, II Shares and III Shares are no longer available and no I Shares, II Shares or III Shares are in issue. The various designations differed as to redemption terms and fees.

The Fund also previously offered Euro IV Management Shares and US Dollar IV Management Shares (together, the "IV Management Shares"). IV Management Shares are no longer available and no IV Management Shares are in issue.

Save as set out herein, the Management Shares and the Multi-Currency Management Shares have the same rights and privileges, and are subject to the same terms and conditions, except that the Directors may, from time to time, declare a dividend in respect of the Multi-Currency Management Shares in an amount up to the net realised and unrealised appreciation of the Net Asset Value of a series of Multi-Currency Management Shares during the period since a dividend was last declared with respect to such series (or if a dividend has yet to be declared with respect to such series, since the date of issue of such series), adjusted for any subscriptions and redemptions from such series during such period, and the amount of any such dividend shall, unless the directors determine otherwise, be immediately applied to a subscription for additional Multi-Currency Management Shares of the relevant series (or a new separate series) that shall be issued to the holder thereof.

The Fund may designate each series or issuance of Shares as either "RF Shares" or "NR Shares". RF Shares will have equal rights and privileges with NR Shares, except that applications will be made to the United Kingdom HM Revenue & Customs ("HMRC") for each series or issuance that is designated as a series or issuance of RF Shares to be treated as a "reporting fund" for United Kingdom taxation purposes.

Investors that are resident in the United Kingdom for United Kingdom taxation purposes and that elect to participate in a series or issuance of Shares which is treated as a "reporting fund" for United Kingdom taxation purposes will receive "RF Shares".

New Issues

A Shares and B Shares have identical rights and privileges except that only A Shares will generally participate in gains and losses arising from "new issues" as defined in Financial Industry Regulatory Authority, Inc. ("FINRA") Rule 5130, as amended, supplemented and interpreted from time to time ("Rule 5130"). Rule 5130 generally prohibits a FINRA member from selling a new issue to any account (*e.g.*, a private investment fund) in which a "restricted person", as defined in Rule 5130 (a "Restricted Person"), has a beneficial interest, subject to certain exemptions, including the "de minimis" exemption (the "De Minimis Exemption"), which permits a FINRA member to sell a new issue to any account if (a) the beneficial interests of Restricted Persons do not exceed 10 per cent (in the aggregate) of such account; or (b) such

account limits the aggregate participation by Restricted Persons to no more than 10 per cent of the profits and losses attributable to new issues.

In addition, Section (b) of FINRA Rule 5131, as amended, supplemented and interpreted from time to time ("Rule 5131", and together with Rule 5130, the "New Issues Rules"), bans the practice of "spinning", which occurs when a broker-dealer allocates a new issue to an executive officer or director of a company, who then returns the favour by using the broker-dealer for its company's investment banking needs. Section (b) of Rule 5131 bans spinning by generally prohibiting a FINRA member from allocating shares of a new issue to any account in which an executive officer or director of a "public company" (as defined in Rule 5131) or a "covered non-public company" (as defined in Rule 5131), or a person materially supported by such an executive officer or director (each, a "Rule 5131 Restricted Person"), has a beneficial interest if such Rule 5131 Restricted Person's company has or expects to have an investment banking relationship with the FINRA member, subject to certain exemptions, including an exemption that permits a FINRA member to allocate shares of a new issue to any account in which the beneficial interests of Rule 5131 Restricted Persons of a particular company in the aggregate do not exceed 25 per cent of such account (the "Rule 5131 Exemption").

Under the Directors' current policy, in connection with the allocation of profits and losses attributable to new issues, absent an available exemption under the Rule 5130, an investor that is an entity (such as an investment fund, corporation, partnership or trust) will not be eligible to participate in new issues if such entity allocates profits and losses from new issues to any of its restricted beneficial owners. In addition, an investor that is a Rule 5131 Restricted Person will not be eligible to participate in new issues. An investor that is an entity (*e.g.*, an investment fund, corporation, partnership or trust) that meets the Rule 5131 Exemption will not be treated as a Rule 5131 Restricted Person.

Each investor will be asked to complete a questionnaire in order to determine the extent to which it, and the Fund, may participate in new issues. The Directors reserve the right to vary its policy with respect to the allocation of profits and losses attributable to new issues as it deems appropriate for the Fund as a whole, in light of, among other things, existing interpretations of, and amendments to, the New Issues Rules and practical considerations, including administrative burdens and principles of fairness and equity.

As a matter of fairness to Shareholders that do not participate in profits and losses attributable to new issues, a use of funds charge may be debited against A Shares in an amount equal to the interest that would have accrued on the amount used to purchase new issue securities (less the amount applicable to the B Shares interest therein, if any). The amount of such interest will be calculated based upon the annual rate being paid by the Fund for borrowed funds. If funds have not been borrowed during that period, the annual rate would be the rate the Directors determine would have been paid if funds had been borrowed by the Fund during that period.

Founder Shares

The Founder Shares are held by one or more Parvus entities. They confer no economic benefit other than the right to a return of paid-up capital on a winding-up subject to the prior return of paid-up capital on the Shares. The Founder Shares do not generally have the right to vote except that they have the exclusive right to vote in relation to (i) the appointment or removal of Directors; (ii) a change of name for the Fund; (iii) all matters, including without limitation amendments to the Articles, in relation or incidental to the creation of one or more additional classes or sub-classes of shares of such number, par value and denomination, and with such

rights and privileges and such terms as the holder of the founder shares may determine, whether by means of conversion or by way of cancellation of all or any of the authorised but unissued ordinary shares and the creation of fresh authorised shares, as the holders of the Founder Shares may determine; *provided* that the rights attaching to shares already in issue are not thereby adversely affected; and (iv) to increase the authorised capital of the Fund, including by the addition of other currencies.

General

Save as aforesaid, the Shares have identical rights and privileges.

Unissued shares are at the disposal of the Directors who may offer, allot, grant options over or otherwise dispose of them in such manner as they determine appropriate. There are no pre-emption rights attaching to any shares of the Fund. No capital of the Fund is under option or agreed to be put under option.

The Shares carry an equal right to any dividends or other distributions. At all meetings of Shareholders at which the Shareholder is entitled to participate, each Shareholder will, on a show of hands, have one vote and, on a poll, one vote per share. The Fund may increase or reduce its authorised share capital, divide or combine all or any of its share capital into shares of smaller amount or larger amount as the case may be. The rights attaching to a class of shares may not be varied unless such variation is (i) consented to in writing by holders of not less than three-quarters of the issued shares of the class; or (ii) sanctioned by a resolution passed with three-quarters majority of a separate class meeting of the holders of such class. All shares will be treated as one class where any resolution affects all such shares equally.

If the Fund is wound up, the liquidator shall apply the assets of the Fund in such manner and order as he thinks fit in the satisfaction of creditors' claims. The assets of the Fund available for distribution shall be first applied in repayment to the relevant Shareholders *pari passu* of the nominal amount of the Shares. Any surplus assets then remaining shall then be applied in repayment to the relevant Shareholders *pari passu* of the nominal amount of the Founder Shares. Any further surplus assets shall be divided between the Shares *pro rata* according to their relative Net Asset Values.

If the Fund shall be wound up (whether the liquidation is voluntary, under supervision or by the court), then the liquidator may, with the authority of a special resolution and any other sanction required by applicable law, divide among the members in specie the whole or any part of the assets of the Fund, and whether or not the assets shall consist of property of a single kind and may for such purposes set such value as he deems fair upon any one or more class or classes of property, and may determine how such division shall be carried out as between the holders of different classes of shares. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of Shareholders as the liquidator, with the like authority, shall think fit, and the liquidation of the Fund may be closed and the company dissolved, but so that no holder shall be compelled to accept any assets in respect of which there is liability.

Master Fund

The authorised capital of the Master Fund is €100,000 divided into 100,000,000 ordinary shares, par value €0.001 each, all of which will be issued as A shares or B shares. The ordinary shares

in the Master Fund carry similar rights and are subject to similar provisions as ordinary shares in the Fund except they retain all voting rights.

OFFERING OF SHARES

General

Shares will be issued in registered, book entry form (meaning that no share certificates will be issued).

IV Shares

IV Shares are available for subscription on Subscription Days at a purchase price of US\$100/€100/£100, as appropriate.

IV Shares are issued in Series/Sub-Series. A new Series/Sub-Series will be created on each date that IV Shares are issued. More than one Series/Sub-Series may be issued on the same date.

Management Shares and Multi-Currency Management Shares

Management Shares and Multi-Currency Management Shares are available for subscription on Subscription Days at the prevailing Net Asset Value per Share of the Management Shares and Multi-Currency Management Shares, respectively.

General

Investors who want, and are eligible, to participate in "new issues" will receive A Shares.

To enable the Master Fund to participate in "new issues", applicants for Shares will be required to provide such representations, warranties or documentation as may be required to determine the extent to which such persons are eligible to participate in "new issues". An investor's failure to provide requested information concerning the investor's eligibility to participate in "new issues" will result in such investor receiving B Shares. Management Shares and Multi-Currency Management Shares will generally not participate in "new issues".

Unless otherwise determined by the Directors, the minimum initial subscription is US\$5,000,000 or its Euro or Sterling equivalent. The Directors may, in their sole discretion, accept subscriptions of lesser amounts.

With respect to subscriptions for Shares to be held beneficially by or on behalf of a single entity or group of associated parties (or investment vehicles which are managed by associated parties), the Directors may, in their sole and absolute discretion, treat the group as a single Shareholder for the purposes of applying the minimum initial subscription amounts; *provided, however*, that each Shareholder must subscribe for a minimum initial investment of US\$50,000 (or its equivalent in another currency).

Application Procedure

Applicants for Shares must send their properly completed irrevocable application form (together with any required additional documentation) by mail, as an attachment to an email, or by any other electronic means, to the Administrator so as to be received by close of business on

the Business Day prior to the relevant Subscription Day and so that cleared funds in the relevant currency are received by the same time. If these conditions are not satisfied, then the application may be held over until the first Subscription Day following satisfaction of these conditions.

To avoid delays in the processing of subscriptions, potential investors are encouraged to contact the Administrator as soon as possible so as to determine what additional information may be required, including in order to comply with anti-money laundering requirements.

Shares may be issued for non-cash consideration at the discretion of the Directors. Such consideration will be valued by reference to the valuation principles applied in the calculation of Net Asset Value (but subject to the deduction of such sum (if any) as the Directors consider represents an appropriate provision for any fiscal, transfer, registration or other charges, fees or duties associated with the non-cash consideration received by the Fund) or if the Directors consider appropriate by such other method as may, in the opinion of the Directors, be fair and reasonable, having regard to the interests of the applicant and the existing Shareholders at the relevant time.

The Fund reserves the right to reject any application in whole or in part in which event the unused subscription monies will be returned to the applicant, without interest and at the risk and cost of the applicant. Shares will not be available for subscription during any period that the calculation of the Net Asset Value has been suspended. The Directors reserve the right to close the Fund or any designation of Shares to new subscriptions (for all or just new investors) at any time. The Directors may choose to assert such right in respect of all investors, or just new investors, or to accept subscriptions from some investors but not others.

Investor Requirements

Shares may not be issued, or transferred, to or for the benefit of any person other than a Qualifying Investor. A Qualifying Investor is any person:

- whose acquisition or holding of Shares would not cause the Fund, or the Shareholders as a whole, to suffer any tax, fiscal, legal, regulatory, pecuniary or material administrative disadvantage which it or they would not otherwise have suffered;
- who warrants at the time of investment that (1) its ordinary business or professional activity includes the buying and selling of investments whether as principal or agent; or (2) (*natural persons*) individual net worth, or joint net worth with spouse, exceeds US\$1 million; or (3) (*institutions*) assets under discretionary management exceed US\$5 million;
- who warrants expressly that it (1) has the knowledge, expertise and experience in financial matters to evaluate the risks of investing in the Fund; (2) is aware of the risks inherent in investing in the assets in which the Fund and the Master Fund will invest and the method by which the assets of the Fund and the Master Fund will be held and/or traded; and (3) can bear the risk of loss of its entire investment;
- (*if a US Person*) who is exempt from payment of US federal income tax (or a pass-through entity, comprised primarily of tax-exempt US investors) and who is an "accredited investor" and a "qualified purchaser" as such terms are defined under applicable US federal securities laws; and

- who holds the Shares to the value of at least the Minimum Holding.

Only persons who are not restricted from participating in new issues may purchase or hold A Shares.

The Fund may issue Management Shares and Multi-Currency Management Shares to the Directors or the directors, officers, members, partners, employees or affiliates of the Investment Manager, including without limitation members of the immediate families of such persons, and trust or other entities for their benefit.

The requirements referred to above represent minimum suitability requirements for prospective Shareholders and the satisfaction of such standards by a prospective Shareholder does not necessarily mean that the Shares are a suitable investment for such prospective Shareholder or that the prospective Shareholder's subscription will be accepted. The Directors may, in circumstances they deem appropriate, modify such requirements.

Transfers

Shares are only transferable with the Directors' approval which may be withheld in their sole and absolute discretion.

In order to effect a transfer, written notice of the transfer must be received by the Administrator upon not less than 5 days prior to a Redemption Day. The proposed transferee will be required to make the same declarations, representations and warranties as a subscriber for Shares. The transfer will only be effective upon registration thereof which may not be until all necessary investor qualification and verification of identity checks have been completed. In the case of IV Shares, the transfer, in and of itself, will not crystallise any Incentive Fee with respect to the transferred IV Shares and such IV Shares will retain the Prior High NAV(s) associated with such Shares. In addition, in the case of IV Shares, transferred IV Shares will retain their *pro rata* share of any Permitted Redemption Amount; *provided, however*, that if the transferor has redeemed the full Permitted Redemption Amount for the applicable Tranche for the Permitted Redemption Period in which the transfer of IV Shares is made, no amount of the transferred IV Shares may be redeemed in such Permitted Redemption Period without a Redemption Fee.

EXCHANGES OF SHARES

Exchanges between Share denominations

Except when issues and redemptions of Shares have been suspended, holders of Shares of one currency denomination will be entitled to exchange any or all of their Shares of that currency denomination for Shares of the same designation denominated in a different currency (subject to maintaining the Minimum Holding requirement). Current Shareholders that would like to exchange their Shares of a particular denomination must send their properly completed irrevocable exchange form (together with any required additional documentation) by mail, or as an attachment to an email or by any other electronic means, to the Administrator so as to be received 5 days prior to the relevant Redemption Day.

To effect the Share exchange, the Fund will, on its books, cancel the Shares to be exchanged and issue the same number of Shares of the other currency denomination. The IV Shares will retain the Prior High NAV(s) associated with the IV Shares prior to the exchange and on the date of the share exchange such Prior High NAV(s) will be converted at the rate of exchange

available to the Administrator. The value of the Shares of the new currency denomination issued in exchange for the Shares of the old currency denomination will be equal to the amount which would have been paid on a redemption of the Shares being exchanged before the deduction of any Incentive Fee accrual (converted at the rate of exchange available to the Administrator less any cost of conversions). The IV Shares issued in the exchange will retain the Commitment Period, the original Permitted Redemption Periods and the Permitted Redemption Amounts associated with the IV Shares prior to the exchange.

Exchanges between A Shares and B Shares

Where a holder of A Shares becomes restricted from participating in "new issues", such A Shares may be exchanged for B Shares. Shareholders who are restricted from participating in "new issues" may not exchange B Shares for A Shares.

General

Notwithstanding the foregoing, the Directors may waive notice requirements or permit exchanges under such other circumstances and on such conditions as they, in their sole and absolute discretion, deem appropriate.

REDEMPTION OF SHARES

General

Subject as provided below, Shares may generally be redeemed as of each Redemption Day applicable to the relevant Shares upon written notice of redemption being received by the Administrator not less than 90 days prior to the relevant Redemption Day and subject to the Commitment Period. Where Shares of the same designation have been acquired on more than one date, any such Shares eligible for redemption on the same Redemption Day will be redeemed on a "first in, first out" basis, other than in connection with a Return of Capital. The Directors may waive notice requirements or permit redemptions under such other circumstances and on such conditions as they, in their sole and absolute discretion, deem appropriate.

IV Shares

IV Shares may generally be redeemed without a Redemption Fee on the first Redemption Day occurring on or around the third anniversary of the acquisition thereof. Each three-year restricted period is referred to herein as a "Commitment Period". To the extent that notice of redemption is not received, a new Commitment Period will immediately commence upon the expiry of the current Commitment Period (such new Commitment Period being three years).

Additional Redemption Entitlement

A holder of IV Shares is also entitled to redeem on any Redemption Day during each Permitted Redemption Period (as defined below) during a Commitment Period and without a Redemption Fee (as defined below) up to one third of each Tranche of IV Shares (measured by reference to the number of IV Shares initially held in such Tranche) (the "Permitted Redemption Amount") upon not less than 90 days' written notice to the Administrator prior to the relevant Redemption Day. Each subscription of IV Shares is referred to as a "Tranche".

There will be three "Permitted Redemption Periods" in each Commitment Period. The first Permitted Redemption Period will begin on the issuance of the applicable IV Shares and end on the Redemption Day that falls on or around the first anniversary of the issuance of such IV Shares; the second Permitted Redemption Period will begin immediately following the conclusion of the first Permitted Redemption Period and will end on the Redemption Day that falls on or around the second anniversary of the issuance of such IV Shares; and the third Permitted Redemption Period will begin immediately following the conclusion of the second Permitted Redemption Period and will end on the Redemption Day that falls on or around the third anniversary of the issuance of such IV Shares. Thereafter, the first Permitted Redemption Period of a Commitment Period will begin immediately following the conclusion of the third Permitted Redemption Period in the previous Commitment Period and end on the Redemption Day that falls on or around the next anniversary of the issuance of such IV Shares; the second Permitted Redemption Period will begin immediately following the conclusion of the first Permitted Redemption Period and will end on the Redemption Day that falls on or around the next anniversary of the issuance of such IV Shares; and the third Permitted Redemption Period will begin immediately following the conclusion of the second Permitted Redemption Period and will end on the Redemption Day that falls on or around the next anniversary of the issuance of such IV Shares.

In addition, any amount of IV Shares, in addition to the Permitted Redemption Amount, may be redeemed on any Redemption Day during the Commitment Period upon not less than 180 days' written notice to the Administrator prior to the Redemption Day subject to the payment of a "Redemption Fee" as follows: 3 per cent of the aggregate Net Asset Value of the IV Shares being redeemed in the first Permitted Redemption Period in excess of the Permitted Redemption Amount; 2 per cent of the aggregate Net Asset Value of the IV Shares being redeemed in the second Permitted Redemption Period in excess of the Permitted Redemption Amount; and 1 per cent of the aggregate Net Asset Value of the IV Shares being redeemed in the third Permitted Redemption Period in excess of the Permitted Redemption Amount. Any Redemption Fee will be retained by the Fund.

In exceptional circumstances as determined by the Directors in their sole and absolute discretion, the Directors may determine to charge a lower or no fee either generally or in any particular case. The amount of the redemption proceeds will be reduced by any such Redemption Fee.

Management Shares and Multi-Currency Management Shares

Management Shares and the Multi-Currency Management Shares may generally be redeemed on the first Redemption Day occurring on or after the third anniversary of the acquisition thereof. Each three-year restricted period is referred to herein as a "Commitment Period". To the extent that notice of redemption is not received, a new Commitment Period will immediately commence upon the expiry of the current Commitment Period, such new Commitment Period being three years.

Redemption Price and Payment of Redemption Proceeds

Shares will be redeemed at a per Share price based on the Net Asset Value per Share of the relevant denomination and designation (and Series/Sub-Series in the case of IV Shares) (after payment of any Incentive Fee with respect to the redeemed Shares) on the relevant Redemption Day.

Redemption proceeds, less any applicable Redemption Fee, will be paid as soon as practicable and (in any event) within twenty Business Days of the relevant Redemption Day by transfer to a pre-designated bank account in the name of the Shareholder. Payment of redemption proceeds may be withheld or delayed if information required to satisfy verification of identity checks is not provided.

The Directors reserve the right to retain up to 5 per cent of the redemption proceeds in case of adjustment of the Net Asset Value and which will be paid after confirmation thereof to the satisfaction of the Directors which may be after completion of the audit. Interest will be paid on any retained amount at the rate available to the Fund but such retained amount will not otherwise participate in the profits or losses of the Fund. Details of the redemption price applicable to any Shares may be obtained by the relevant redeemed Shareholder from the Administrator.

Payment of redemption proceeds will normally be made in cash, but may be made in specie to the extent received from the Master Fund to the relevant value (determined conclusively by the Directors or their delegate in good faith). Any such redemption in specie will not materially prejudice the interests of the remaining Shareholders.

The Directors may establish reserves or holdbacks for estimated accrued expenses, liabilities and contingencies (even if such reserves or holdbacks are not otherwise required by generally accepted accounting principles) which could reduce the amount of a distribution upon redemption.

Miscellaneous

Shares may not be redeemed when the calculation of the Net Asset Value is suspended. Redemption requests are irrevocable unless the Directors otherwise determine.

If (A) the Principal retires or becomes deceased; (B) in the opinion of the Directors (i) the Principal becomes disabled or otherwise unable or unwilling to devote substantially all of their professional efforts to the Investment Manager; or (ii) the Investment Manager is unable or unwilling to devote such amount of time to the Fund as is reasonably necessary to comply with its obligations under the Investment Management Agreement; or (C) in the event of the conviction of, or a guilty or "no contest" plea by, the Principal to a securities-related criminal offence or upon the final determination by an applicable regulatory authority that has, or is reasonably likely to have, a material adverse effect on the performance of the Master Fund's portfolio or the ability of the Investment Manager to manage the Master Fund's portfolio, the Directors will promptly notify all Shareholders. During the three-month period following notice of such event, redemptions may not be made so as to facilitate an orderly transition in the investment management of the Fund and the Master Fund. Upon delivering 30 days' prior written notice, Shareholders may redeem their Shares, in part or in full, as of the end of such three-month period. Distribution of redemption proceeds will be made on the terms described above for regular redemptions except that no Commitment Period or Redemption Fee will be applied.

Shares held by or for the account of anyone who is not a Qualifying Investor or where the value of the Shares is below the Minimum Holding may be subject to compulsory redemption.

The Fund may redeem ordinary shares in the Master Fund at such times as the Directors may determine at the prevailing net asset value per share of the Master Fund.

Dividends may be paid at the sole and absolute discretion of the Directors.

COMPULSORY REDEMPTION OF SHARES

The Fund may compel the redemption of all of a Shareholder's Shares at any time, in the Directors' sole and absolute determination, if the Shareholder is not a Qualifying Investor or holds less than the Minimum Holding. The Directors may charge any Shareholder receiving such a notice any legal, accounting or administrative costs associated with such compulsory redemption. The Fund may also compel the redemption of part of the shareholding of any Shareholder that is a Benefit Plan Investor so as to ensure that the value of interests held by Benefit Plan Investors does not equal or exceed 25 per cent of the value of any class. Generally, distributions in respect of a compulsory redemption shall be made in the same manner and under the same terms as a regular redemption.

In addition to the foregoing, the Fund may, subject to certain exceptions determined by the Directors in their sole discretion, compel the redemption of a portion of the Shares of all Shareholders, *pro rata* based on the Net Asset Value of their Shares on the relevant redemption date, if the Investment Manager determines that such a return of capital is in the best interest of the Fund, in order to facilitate the efficient management of the Master Fund (a "Return of Capital"). On a Return of Capital, Shares may not, at the discretion of the directors, be redeemed on a "first in, first out" basis, but instead each Shareholder's compulsory redemption amount will be applied to each series of Shares held by the Shareholder on a *pro rata* basis.

In the event of a compulsory redemption, the redemption price will be determined as of the close of business on the redemption date (which may be any Valuation Day in addition to a Redemption Day) specified by the Directors in its notice to the Shareholder. A Shareholder whose Shares are compulsorily redeemed will have no shareholder rights after the close of business on the date on which the notice of compulsory redemption was issued.

Master Fund Subscriptions, Redemptions and Calculation of Net Asset Value

Unless otherwise specifically stated herein, subscriptions, redemptions, calculation of net asset value and other corporate mechanics taking place at the Master Fund level will generally be effected in a manner which corresponds to those taking place at the Fund level (as more specifically set out in this Offering Memorandum and the Articles), save that certain requests and notices (including, for example, subscription and redemption requests) may be deemed automatically submitted, served or withdrawn by the Fund or the Master Fund, as applicable, in order to give effect to the intended operation of the master-feeder structure.

DETERMINATION OF NET ASSET VALUE

The Net Asset Value of the Fund will be equal to its total assets less its total liabilities as of any date of determination. The Net Asset Value and the Net Asset Value per Share of each denomination and designation (and Series/Sub-Series in the case of IV Shares) will be determined as at the close of business in the appropriate markets on each Valuation Day.

IV Shares

As the various Series/Sub-Series of IV Shares of each designation will be issued at different dates, the Net Asset Value per Share of each Series/Sub-Series of IV Shares may differ. The Net Asset Value per Share is determined by first allocating any increase or decrease in the Net

Asset Value of the Fund for the period of calculation among each designation of IV Shares (other than any increase or decrease attributable to one designation of IV Shares only, which will only be allocated to that designation including, with limitation, any costs of currency hedging for IV Shares denominated in a currency other than Euros), then allocating any increase or decrease in the Net Asset Value of the relevant designation of IV Shares for such period among each Series/Sub-Series of IV Shares of that designation *pro rata* in accordance with the Net Asset Value of each such Series/Sub-Series at the beginning of such period, and then dividing the Net Asset Value of such Series/Sub-Series by the number of outstanding shares thereof. IV Shares within a Series/Sub-Series will have the same Net Asset Value per Share. Any Incentive Fee or Management Fee or income or expense determined with respect to a particular Series/Sub-Series or designation of IV Shares will be debited against the Net Asset Value of such Series, Sub-Series or designation.

Management Shares and Multi-Currency Management Shares

In the case of Management Shares and Multi-Currency Management Shares, the Net Asset Value per such Share is generally determined by (i) allocating any increase or decrease in the Net Asset Value of the Fund for the period of calculation among each of the designations of Management Shares and Multi-Currency Management Shares *pro rata* in accordance with their respective Net Asset Values at the beginning of such period; then (ii) dividing the Net Asset Value of each designation of Management Shares by the number of outstanding Management Shares and Multi-Currency Management Shares therein. Any gains, losses, fees or expenses attributable to a particular designation of Management Shares and Multi-Currency Management Shares, will be allocated solely to such designation, including, without limitation, any costs of currency hedging for Management Shares and Multi-Currency Management Shares denominated in, or referenced to, a currency other than in Euros. Management Shares and Multi-Currency Management Shares of the same designation will have the same Net Asset Value per Share.

General

As the Fund invests all of its investable assets in the Master Fund, its Net Asset Value will relate to that of the Master Fund and the following valuation principles relate to both the Fund and the Master Fund:

- (A) any security which is listed or quoted on any securities exchange or similar electronic system and regularly traded thereon will be valued at its last traded price on the relevant Valuation Day or, if no trades occurred on such day, at the closing bid price if held long and at the closing offer price if sold short, as at the relevant Valuation Day, if the Valuation Day is not a trading day on the market used to determine the valuation of a security, such security will, unless determined otherwise, be valued at its latest available traded price on the trading day for such market immediately preceding the Valuation Day (or, if no trades occurred on the trading day, at the closing bid price if held long, and the closing offer price if sold short), and as maybe adjusted having regard to the size of the holding, and where prices are available on more than one exchange or system for a particular security the price will be the last traded price or closing bid or offer price, as the case may be, on the exchange which constitutes the main market for such security or the one which is determined to provide the fairest criteria in ascribing a value to such security;

- (B) investments, other than securities, which are dealt in or traded through a clearing firm or an exchange or through a financial institution will be valued by reference to the most recent official settlement price quoted by that clearinghouse, exchange or financial institution. If there is no such price, then a price will be taken between the lowest offer price and the highest bid price at the close of business on any market on which such investments are or can be dealt in or traded;
- (C) any security which is not listed or quoted on any securities exchange or similar electronic system or if, being so listed or quoted, is not regularly traded thereon or in respect of which no prices as described above are available, will be valued at its fair value (which may not be cost) having regard to its cost price, the price at which any recent transaction in the security may have been effected, the size of the holding having regard to the total amount of such security in issue, and such other factors as may be relevant in considering a positive or negative adjustment to the valuation;
- (D) investments (other than securities, total return swaps where the underlying reference asset is a regularly traded security and foreign exchange forward contracts), which are not dealt in or traded through a clearing firm or an exchange or through a financial institution will be valued on the basis of the latest available valuation provided by the relevant counterparty;
- (E) any total return swaps where the underlying reference asset is a regularly traded security, will be fair valued as the unrealised gain or loss of the swap contract determined by reference to the difference between (i) the price of the underlying security, valued in accordance with (A) above, and the initial price (or reset price) of the swap contract; and (ii) any accrued interest expense on the swap contract will be determined on the basis of the latest statement provided by the relevant counterparty;
- (F) any foreign exchange forward contracts will generally be fair valued by reference to the unrealised gain or loss on the contract;
- (G) deposits will be valued at their cost plus accrued interest; and
- (H) any value (whether of an investment or cash) otherwise than in Euros will be converted into Euros at the rate (whether official or otherwise) as at close of business on the relevant Valuation Day, having regard, among other things, to any premium or discount which they consider may be relevant and to costs of exchange.

The Directors and the directors of the Master Fund, in consultation with the Investment Manager, may, at their discretion, permit any other method of valuation to be used if they consider that such method of valuation better reflects value and is in accordance with good accounting practice. To the extent feasible, expenses, fees and liabilities will be accrued in accordance with IFRS. Reserves (whether or not in accordance with IFRS) may be taken for estimated or accrued expenses, liabilities or contingencies.

One or more external valuers may be appointed for the account of the Fund and the Master Fund from time to time. As of the date of this Offering Memorandum, the Fund and the Master Fund have appointed the External Valuer pursuant to the terms of the External Valuer Services Agreement, to provide certain valuation services including, but not limited to, the valuation of certain designated assets of the Master Fund (the "Designated Investments"). In valuing the Designated Investments, the External Valuer shall comply with the Fund's valuation policy, as

amended from time to time (the "Valuation Policy"), the terms of the External Valuer Agreement, this Offering Memorandum, the Articles and applicable law.

The Directors and the directors of the Master Fund may appoint additional external valuers to value any non-Designated Investments; in the absence of such an appointment, the Investment Manager will be responsible for the valuation of the assets of the Master Fund which are not Designated Investments. In valuing any non-Designated Investments the Investment Manager shall comply with the Valuation Policy, this Offering Memorandum, the Articles and applicable law.

In connection with the valuation of Designated Investments, the External Valuer is entitled to rely upon, without inquiry, and will not be responsible for the accuracy of financial data and/or pricing information it receives from any reputable, internationally recognised third party vendor. In connection with the determination of the Net Asset Value of the Fund and the Net Asset Value of the Master Fund, the Directors, the directors of the Master Fund, the Investment Manager or the External Valuer may consult with and are entitled to rely upon the advice of any independent third party valuation agent. The determinations of the Directors and/or the directors of the Master Fund as to all matters concerning the valuation of securities will be final and conclusive as to all Shareholders.

A list of external valuers is available upon request of Shareholders from the Investment Manager.

The Fund and the Master Fund have appointed the Administrator pursuant to the terms of the Administration Agreement, among other things, to determine the Net Asset Value and the Net Asset Value per Share of the Fund, the Net Asset Value and the Net Asset Value per Share of the Master Fund and the distribution of the Net Asset Value per Share to Shareholders. In determining the Net Asset Value of the Fund, the Net Asset Value per Share, the Net Asset Value and the Net Asset Value per share of the Master Fund, the Administrator will comply with the Valuation Policy.

SUSPENSION OF REDEMPTIONS; SUSPENSION OF THE DETERMINATION OF NET ASSET VALUE

The Directors may suspend redemption rights, in whole or in part, and/or suspend the determination of Net Asset Value (i) during any period in which any stock exchange on which a substantial portion of the Fund's investments are quoted is closed, other than for ordinary holidays and weekends, or during periods in which dealings in such stock exchange are restricted or suspended; (ii) during any period in which, in the sole and absolute opinion of the Investment Manager, disposal of a substantial portion of investments by the Fund would not be reasonable or practical; (iii) during any breakdown in the means of communication normally employed in determining the price or value of any Fund investment or current prices in any securities market, or when for any other reason the prices or values of any investments owned by the Fund cannot be reasonably or promptly ascertained; (iv) during any period in which the transfer of funds involved in the realisation or acquisition of any investments by the Fund cannot be effected at normal rates of exchange; (v) when there exists in the opinion of the Directors a state of affairs where disposal of the Fund's assets, or the determination of the Net Asset Value of the Shares, would not be reasonably practicable or would be seriously prejudicial to the non-redeeming Shareholders; and (vi) for any period during which the redemption of Shares would cause a breach or default under any covenant in any agreement entered into by the Fund for borrowing or cash management purposes. For purposes of this Section, references to the Fund's

investments are understood to refer to the Fund's indirect investments through the Master Fund. The same provisions apply in respect of the Master Fund and the suspension of the determination of the Net Asset Value of the Master Fund will automatically suspend the determination of the Net Asset Value of the Fund.

Any suspension of redemptions or the determination of Net Asset Value, as the case may be, shall take effect at such time as the Directors shall declare and, thereafter, there shall be no redemptions or determination of Net Asset Value, as the case may be, until Directors shall declare any such suspension to be at an end.

All Shareholders will be notified immediately by the Administrator of any suspension of redemptions or determination of Net Asset Value, or of any reinstatement following a suspension thereof and all reasonable steps will be taken to bring any suspension to an end as soon as possible.

If the Fund has been suspended for three complete calendar months (the "Suspension Period"), at the end of the Suspension Period the Directors, in consultation with the Investment Manager, may determine that a state of affairs exists whereby such suspension may be ended; *provided* that the applicable Redemption Day occurs during the relevant Suspension Period; *provided, further* that all outstanding redemption requests are satisfied *in specie* following receipt of such assets from the Master Fund; and *provided, further* that the interests of the remaining Shareholders as a whole are not thereby materially prejudiced by such *in specie* satisfaction and end the suspension on such terms. The Directors, after such *in specie* redemptions, may subsequently determine to re-suspend the Fund in the circumstances listed above. Notwithstanding the foregoing, it is the intention of the Directors to seek to end all suspensions of the Fund within nine calendar months from the date such suspension was commenced or, with respect to a series of suspensions, from the date the first of such series of suspensions was commenced.

Notwithstanding the foregoing, should the Directors, in consultation with the Investment Manager determine that the investment program is no longer viable or for other reasons, the Directors may determine to close subscriptions and wind down the existing investments of the Fund in order to return cash. Whilst redemptions may be suspended during such period to enable existing investments to be realised in an orderly manner, such realisation process should be considered an integral part of the Fund's business and continued management of the Master Fund's investments.

OTHER FEES AND EXPENSES

The Administrator will receive from the Fund a monthly administrative fee for its services based on the Fund's *pro rata* portion of the Master Fund's *pro rata* portion of a percentage of the Parvus Funds' Net Asset Value at normal commercial rates calculated as at each Valuation Day and payable in arrears. By basing the Administrator's fee on the Fund's *pro rata* portion of a percentage of the Parvus Funds' Net Asset Value the Fund may pay a lower fee than if the Administrator's fee was based on a percentage of the Fund's Net Asset Value alone. The Administrator will also be reimbursed all out-of-pocket expenses incurred for the account of either the Fund or the Master Fund.

The Prime Brokers will receive fees at normal commercial rates on transactions which it executes. The Prime Brokers charge debit interest on debit balances at agreed rates. The Prime Brokers will receive separate fees for its clearing and settlement services, but not for custodial

services initially. The Custodians receive fees for their services at normal commercial rates. The swap counterparties receive fees for their services at normal commercial rates. These arrangements may be modified by agreement.

The Fund or the Master Fund, as the case may be, will also pay the costs and expenses of (i) all transactions carried out by it or on its behalf (including costs and expenses incurred by the Investment Manager in sourcing and researching investment opportunities, corporate access fees and costs incurred with respect to securing access to markets, investments and investment opportunities); (ii) the administration of the Fund and/or including (a) the charges and expenses of legal advisers and auditors, including in relation to due diligence on potential investments, the operation of the Fund and/or the Master Fund, updates to the Offering Memorandum and negotiation or review of agreements and other documents to be entered into by the Fund or the Master Fund; (b) brokers' commissions (if any), borrowing charges on securities sold short and any issue or transfer taxes chargeable in connection with any securities transactions; (c) all taxes and corporate fees payable to governments or agencies; (d) Directors' fees (if any) and expenses; (e) interest on borrowings, including borrowings from the Prime Broker; (f) communication expenses with respect to investor services and all expenses of meetings of Shareholders and of preparing, printing and distributing financial and other reports, proxy forms, prospectuses and similar documents; (g) the cost of insurance (if any) for the benefit of the Directors; (h) litigation and indemnification expenses and extraordinary expenses not incurred in the ordinary course of business; (i) the cost of fidelity bonds intended to comply with the requirements of Section 412 of ERISA with respect to the assets of the Fund, if applicable; and (iii) all other organisational and operating expenses as approved by the Directors. Those costs and expenses of establishing the Fund were borne out of the proceeds of the initial issue of shares.

The Investment Manager and PAM Services may establish and operate one or more Research Payment Account(s) to facilitate the payment for research services. Each such Research Payment Account will be used to pay for research (including access to investment analysts and experts) provided by the Prime Brokers or other research providers selected by the Investment Manager or PAM Services. The Research Payment Account will be funded by a direct research charge payable by the Master Fund. The research charge will be collected on a periodic basis separately from (or, in some circumstances, alongside) any brokerage commission or other transaction costs and will be based on an annual budget for research payments which will be set, and regularly reviewed, by the Investment Manager and PAM Services, in consultation with the Directors, the directors of the Master Fund and the general partner of the US Feeder. Information on the budgeted amount for research (including any changes to the budget) and estimated research charge will be made available to the Shareholders on an annual basis, or more frequently if required under applicable law. Further information on research payments will be available from the Investment Manager on request.

ERISA CONSIDERATIONS

The following summary of certain aspects of ERISA is based upon ERISA, judicial decisions, US Department of Labor ("DOL") regulations and rulings in existence on the date hereof. This summary is general in nature and does not address every ERISA issue that may be applicable to the Fund, the Master Fund or a particular investor. Accordingly, each prospective investor should consult with its own counsel in order to understand the ERISA issues affecting the Fund, the Master Fund and the investor.

General

Persons who are fiduciaries with respect to a US employee benefit plan or trust within the meaning of and subject to the provisions of ERISA (an "ERISA Plan"), an individual retirement account or a Keogh plan subject solely to the provisions of the Internal Revenue Code* (an "Individual Retirement Fund") should consider, among other things, the matters described below before determining whether to invest in the Fund (and thus the Master Fund).

ERISA imposes certain general and specific responsibilities on persons who are fiduciaries with respect to an ERISA Plan, including prudence, diversification, avoidance of prohibited transactions and compliance with other standards. In determining whether a particular investment is appropriate for an ERISA Plan, DOL regulations provide that a fiduciary of an ERISA Plan must give appropriate consideration to, among other things, the role that the investment plays in the ERISA Plan's portfolio, taking into consideration whether the investment is designed reasonably to further the ERISA Plan's purposes, the risk and return factors of the potential investment, the portfolio's composition with regard to diversification, the liquidity and current return of the total portfolio relative to the anticipated cash flow needs of the ERISA Plan, the projected return of the total portfolio relative to the ERISA Plan's funding objectives, and the limitation on the rights of shareholders to redeem all or a portion of their Shares or to transfer their Shares. Before investing the assets of an ERISA Plan in the Fund (and thus the Master Fund), a fiduciary should determine whether such an investment is consistent with its fiduciary responsibilities and the foregoing regulations. For example, a fiduciary should consider whether an investment in the Fund (and thus the Master Fund) may be too illiquid or too speculative for a particular ERISA Plan and whether the assets of the ERISA Plan would be sufficiently diversified. If a fiduciary with respect to any such ERISA Plan breaches its responsibilities with regard to selecting an investment or an investment course of action for such ERISA Plan, the fiduciary may be held personally liable for losses incurred by the ERISA Plan as a result of such breach.

Plan Assets Defined

ERISA and applicable DOL regulations describe when the underlying assets of an entity in which "benefit plan investors", as defined in Section 3(42) of ERISA and any regulations promulgated thereunder ("Benefit Plan Investors"), invest are treated as "plan assets" for purposes of ERISA. Under ERISA, the term Benefit Plan Investors is defined to include an "employee benefit plan" that is subject to the provisions of Title I of ERISA, a "plan" that is subject to the prohibited transaction provisions of Section 4975 of the Internal Revenue Code, and entities the assets of which are treated as "plan assets" by reason of investment therein by Benefit Plan Investors.

Under ERISA, as a general rule, when an ERISA Plan invests assets in another entity, the ERISA Plan's assets include its investment, but do not, solely by reason of such investment, include any of the underlying assets of the entity. However, when an ERISA Plan acquires an "equity interest" in an entity that is neither: (a) a "publicly offered security"; nor (b) a security issued by an investment fund registered under the Company Act, then the ERISA Plan's assets include both the equity interest and an undivided interest in each of the underlying assets of the

* References hereinafter made to ERISA include parallel references to the Internal Revenue Code.

entity, unless it is established that: (i) the entity is an "operating company"; or (ii) the equity participation in the entity by Benefit Plan Investors is limited.

Under ERISA, the assets of an entity will not be treated as "plan assets" if Benefit Plan Investors hold less than 25 per cent (or such greater percentage as may be specified in regulations promulgated by the DOL) of the value of each class of equity interests in the entity. Equity interests held by a person with discretionary authority or control with respect to the assets of the entity and equity interests held by a person who provides investment advice for a fee (direct or indirect) with respect to such assets or any affiliate of any such person (other than a Benefit Plan Investor) are not considered for purposes of determining whether the assets of an entity will be treated as "plan assets" for purposes of ERISA. The Benefit Plan Investor percentage of ownership test applies at the time of an acquisition by any person of the equity interests. In addition, an advisory opinion of the DOL takes the position that a redemption of an equity interest by an investor constitutes the acquisition of an equity interest by the remaining investors (through an increase in their percentage ownership of the remaining equity interests), thus triggering an application of the Benefit Plan Investor percentage of ownership test at the time of the redemption.

Plan Asset Consequences

The Investment Manager anticipates that the aggregate investment in the Fund by Benefit Plan Investors may, from time to time, equal or exceed 25 per cent (or such greater percentage as may be specified in regulations promulgated by the DOL) of the value of any class of equity interests in the Fund. In such circumstances, the assets of the Fund would be treated as "plan assets" for purposes of ERISA. Equity interests held by the Investment Manager, PAM Services or their respective affiliates (other than a Benefit Plan Investor) are not considered for purposes of determining the level of equity participation by Benefit Plan Investors in the Fund. As a general rule, if the assets of the Fund were treated as "plan assets" of a Benefit Plan Investor, the Investment Manager and PAM Services, with respect to its discretionary activities, would be deemed a "fiduciary" (as defined in ERISA and the Internal Revenue Code) with respect to each ERISA Plan and Individual Retirement Fund investing in the Fund. However, the Investment Manager believes that, given the limited purpose and role of the Fund and given the requirement that the Investment Manager implement the direction of the investors in the Fund to invest the assets of the Fund in the Master Fund, as set forth in this Offering Memorandum, neither the Investment Manager nor any other entity providing services to the Fund is exercising any discretionary authority or control with respect to the investment of the assets of the Fund in the Master Fund. Accordingly, the Investment Manager believes that neither the Investment Manager nor any other entity providing services to the Fund acts as a "fiduciary" (as defined in ERISA and the Internal Revenue Code) with respect to the assets of the Fund or any ERISA Plan or Individual Retirement Fund investor in connection with the investment by the Fund in the Master Fund. Further, by investing in the Fund, each of the Shareholders of the Fund that is a Benefit Plan Investor will represent and warrant that it does not intend its investment in the Fund to establish any relationship which would cause the Investment Manager and PAM Services, with respect to its discretionary activities, or any other person to be a "fiduciary" (as defined in ERISA and the Internal Revenue Code) with respect to such Benefit Plan Investor in connection with the investment by the Fund in the Master Fund, and each such Benefit Plan Investor will further represent and warrant that it will not take any position to the contrary.

Limitation on Investments by Benefit Plan Investors

It is the current intent of the Investment Manager to monitor the investments in the Master Fund to ensure that the aggregate investment by Benefit Plan Investors does not equal or exceed 25 per cent (or such greater percentage as may be specified in regulations promulgated by the DOL) of the value of any class of equity interests in the Master Fund so that assets of the Master Fund will not be treated as "plan assets" under ERISA. Equity interests held by the Investment Manager, PAM Services or any of their affiliates (other than a Benefit Plan Investor) are not considered for purposes of determining whether the assets of the Master Fund will be treated as "plan assets" for the purpose of ERISA. If the assets of the Master Fund were treated as "plan assets" of a Benefit Plan Investor, the Investment Manager and PAM Services, with respect to its discretionary activities, would be a "fiduciary" (as defined in ERISA and the Internal Revenue Code) with respect to each such Benefit Plan Investor and would be subject to the obligations and liabilities imposed on fiduciaries by ERISA. In such circumstances, the Master Fund would be subject to various other requirements of ERISA and the Internal Revenue Code. In particular, the Master Fund would be subject to rules restricting transactions with "parties in interest" and prohibiting transactions involving conflicts of interest on the part of fiduciaries which might result in a violation of ERISA and the Internal Revenue Code unless the Master Fund obtained appropriate exemptions from the DOL allowing the Master Fund to conduct its operations as described herein. The Master Fund may, in its sole discretion, compulsorily redeem all or any portion of the shares held by any shareholder, including to ensure compliance with the percentage limitation on investment in the Master Fund by Benefit Plan Investors as set forth above. As described above under "Compulsory Redemptions of Shares", similar compulsory redemption terms apply to investors in the Fund. The Investment Manager reserves the right, however, to waive the percentage limitation on investment indirectly in the Master Fund by Benefit Plan Investors and thereafter to comply with ERISA.

If the assets of the Fund are treated as "plan assets" for purposes of ERISA, each of the Investment Manager and PAM Services will purchase a fidelity bond satisfying the requirements of Section 412 of ERISA with respect to the assets of the Fund owned by ERISA Plans.

Representations by Plans

An ERISA Plan proposing to invest in the Fund (and thus the Master Fund) will be required to represent that it is, and any fiduciaries responsible for the ERISA Plan's investments are, aware of and understand the Fund's and the Master Fund's investment objectives, policies and strategies, and that the decision to invest plan assets in the Fund (and thus the Master Fund) was made with appropriate consideration of relevant investment factors with regard to the ERISA Plan and is consistent with the duties and responsibilities imposed upon fiduciaries with regard to their investment decisions under ERISA.

Whether or not the assets of the Fund or the Master Fund are treated as "plan assets" for purposes of ERISA, an investment in the Fund (and thus the Master Fund) by an ERISA Plan is subject to ERISA. Accordingly, fiduciaries of ERISA Plans should consult with their own counsel as to the consequences under ERISA of an investment in the Fund (and thus the Master Fund).

ERISA Plans and Individual Retirement Funds Having Prior Relationships with the Investment Manager, PAM Services or their respective Affiliates

Certain prospective ERISA Plan and Individual Retirement Fund investors may currently maintain relationships with the Investment Manager, PAM Services or other entities that are affiliated with them. Each of such entities may be deemed to be a party in interest to, and/or a fiduciary of, any ERISA Plan or Individual Retirement Fund to which any of the Investment Manager, PAM Services or their respective affiliates provides investment management, investment advisory or other services. ERISA prohibits ERISA Plan assets to be used for the benefit of a party in interest and also prohibits an ERISA Plan fiduciary from using its position to cause the ERISA Plan to make an investment from which it or certain third parties in which such fiduciary has an interest would receive a fee or other consideration. Similar provisions are imposed by the Internal Revenue Code with respect to Individual Retirement Funds. ERISA Plan and Individual Retirement Fund investors should consult with counsel to determine if participation in the Fund (and thus the Master Fund) is a transaction that is prohibited by ERISA or the Internal Revenue Code.

Eligible Indirect Compensation

The disclosures set forth in this Offering Memorandum constitute the Investment Manager's good faith efforts to comply with the disclosure requirements of Form 5500, Schedule C and allow for the treatment of its compensation as eligible indirect compensation.

Future Regulations and Rulings

The provisions of ERISA are subject to extensive and continuing administrative and judicial interpretation and review. The discussion of ERISA contained herein is, of necessity, general and may be affected by future publication of regulations and rulings. Potential investors should consult with their legal advisers regarding the consequences under ERISA of the acquisition and ownership of Shares.

TAX ASPECTS

THE DISCUSSION HEREIN IS FOR INFORMATIONAL PURPOSES ONLY AND FURTHERMORE ONLY PERTAINS TO CERTAIN ASPECTS OF INVESTMENTS IN SHARES. EACH PROSPECTIVE SHAREHOLDER SHOULD CONSULT ITS PROFESSIONAL TAX ADVISOR WITH RESPECT TO THE TAX ASPECTS OF AN INVESTMENT IN THE FUND. TAX CONSEQUENCES MAY VARY DEPENDING UPON THE PARTICULAR STATUS OF A PROSPECTIVE SHAREHOLDER. IN ADDITION, SPECIAL CONSIDERATIONS (NOT DISCUSSED HEREIN) MAY APPLY TO PERSONS WHO ARE NOT DIRECT SHAREHOLDERS IN THE FUND BUT WHO ARE DEEMED TO OWN SHARES AS A RESULT OF THE APPLICATION OF CERTAIN ATTRIBUTION RULES.

Cayman Islands

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

Each of the Fund and the Master Fund has received an undertaking from the Financial Secretary of the Cayman Islands that, in accordance with section 6 of the Tax Concessions Act (Revised)

of the Cayman Islands, for a period of 30 years from the date of the undertaking, being 19 March 2024, no law which is enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciations will apply to the Fund or the Master Fund or their respective operations and, in addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax will be payable (i) on or in respect of the shares, debentures or other obligations of the Fund or the Master Fund; or (ii) by way of the withholding in whole or in part of a payment of dividend or other distribution of income or capital by the Fund or the Master Fund to its members or a payment of principal or interest or other sums due under a debenture or other obligation of the Fund or the Master Fund.

Cayman Islands — Automatic Exchange of Financial Account Information

The Cayman Islands has signed an inter-governmental agreement to improve international tax compliance and the exchange of information with the United States (the "US IGA"). The Cayman Islands has also signed, along with over 100 other countries, a multilateral competent authority agreement to implement the Organisation for Economic Cooperation and Development's Standard for Automatic Exchange of Financial Account Information — Common Reporting Standard (the "CRS" and together with the US IGA, "AEOI").

The Cayman Islands has issued regulations to give effect to the AEOI regime (the "AEOI Regulations"). Pursuant to the AEOI Regulations, the Cayman Islands Tax Authority (the "Cayman TIA") has published guidance notes on the application of the US and the CRS.

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

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

For details on the related US tax withholding and reporting regime, see "United States; Identity and Reporting of Beneficial Ownership; Withholding on Certain Payments" below.

By investing in the Fund and/or continuing to invest in the Fund, investors shall be deemed to acknowledge that further information may need to be provided to the Fund, the Fund's compliance with the AEOI Regulations may result in the disclosure of investor information, and investor information may be exchanged with overseas fiscal authorities. Where an investor fails to provide any requested information (regardless of the consequences), the Fund reserves

the right to take any action and/or pursue all remedies at its disposal including compulsory redemption of the investor concerned.

Jersey

The Directors and the directors of the Master Fund intend that the affairs of the Fund and the Master Fund, respectively, should not be managed and controlled in Jersey for Jersey tax purposes. Accordingly, and provided that neither the Fund nor the Master Fund is managed or controlled in Jersey for the purposes of Jersey income tax laws, the Fund and the Master Fund will not be liable to Jersey income tax other than on Jersey source income (except where such income is exempted from income tax pursuant to Jersey income tax laws). The Directors, the directors of the Master Fund and the Investment Manager each intend that the respective affairs should be conducted so that these requirements are met insofar as this is within their respective control. In the event the Fund or the Master Fund were to become managed and controlled in Jersey, the Fund or the Master Fund (as the case may be) would be liable to be charged to tax at a rate of zero per cent under Schedule D under the Income Tax (Jersey) Law 1961, as amended (the "Income Tax Law") in respect of: (i) the income or profits of any trade carried on by the Fund or the Master Fund in Jersey or elsewhere; (ii) any interest of money, whether yearly or otherwise, or other annual payment paid to the Fund or the Master Fund, whether such payment is made within or out of Jersey; (iii) dividends and other distributions of a company regarded as resident in Jersey paid to the Fund or the Master Fund; (iv) income arising to the Fund or the Master Fund from securities out of Jersey; and (v) any other income of the Fund or the Master Fund that is not derived from the ownership or disposal of land in Jersey. It is not expected that the Fund or the Master Fund will be in receipt of income charged to tax under any Schedule under the Income Tax Law other than Schedule D.

No stamp duties are payable in Jersey on the acquisition, ownership, exchange, sale or other disposition *inter vivos* of Shares. Stamp duty of up to 0.75 per cent is payable on the grant of probate or letters of administration in Jersey in respect of a deceased individual: (i) who died domiciled in Jersey, on the value of the entire estate (including any Shares or interests herein); and (ii) otherwise, on the value of so much of the estate (including any Shares or interests therein), if any, as is situated in Jersey.

United Kingdom

Since the Fund and the Master Fund are both AIFs authorised in a country outside the United Kingdom (and neither is an "excluded entity" for the purposes of the relevant United Kingdom legislation), neither the Fund nor the Master Fund should be treated for United Kingdom tax purposes as resident in the United Kingdom. In these circumstances, the Fund and the Master Fund should be liable to United Kingdom tax only on (i) capital gains arising from disposals of interests in UK land or interests in certain other entities (whether located in or outside the United Kingdom) which hold substantial direct or indirect interests in UK land and are which thus treated as "UK property rich" entities; and (ii) income arising from a trade which it carries on in the United Kingdom (including such a trade carried on through an agent located in the United Kingdom) other than in circumstances where there is available an exemption from United Kingdom taxation of arising from such a trade.

Since the Fund invests substantially all of its assets in the Master Fund (which is not expected to be a "UK property rich" entity), the Directors do not believe that the Fund will, in the normal course of its activities, either realise gains from the disposal of interests in UK land or "UK

property rich" entities, or be treated as carrying on a trade for United Kingdom taxation purposes. It is also not expected that the Master Fund will generally realise capital gains from the disposal of interests in UK land or interests in "UK property rich" entities. Further, although the Master Fund might be regarded, in certain circumstances, as carrying on a trade in the United Kingdom through the agency of the Investment Manager, the directors of the Master Fund and the Investment Manager consider that the relationship between the Master Fund and the Investment Manager is a relationship that meets at least Conditions A to C (inclusive) and Condition E of the United Kingdom statutory "investment manager exemption" contained in section 818 of the United Kingdom Income Tax Act 2007 and section 1146 of the United Kingdom Corporation Tax Act 2010 (the "investment manager exemption"), so that the Master Fund should not be liable for United Kingdom taxation on its income arising from such a trade, with the possible exception of any of such income and gains to which the Investment Manager and any persons who are its "connected persons" for these purposes are beneficially entitled. Further, in the event that Condition D of the investment manager exemption is not met for any period, and as a consequence the Master Fund is liable for United Kingdom tax on that proportion of its income for the period to which the Investment Manager and its connected persons are beneficially entitled, the directors of the Master Fund intend that such United Kingdom tax liability of the Master Fund will be satisfied in such a way as will ensure that direct and indirect investors in the Master Fund other than the Investment Manager and its connected persons will not bear any part of such cost or liability.

Any interest or certain other income received by the Fund or the Master Fund which has a United Kingdom source may be received after deduction of United Kingdom income tax at source.

United Kingdom Shareholders

THE STATEMENTS ON TAXATION BELOW ARE INTENDED TO BE A GENERAL SUMMARY OF CERTAIN UNITED KINGDOM TAX CONSEQUENCES FOR SHAREHOLDERS. THIS IS NOT A COMPREHENSIVE SUMMARY OF ALL TECHNICAL ASPECTS OF THE FUND AND IS NOT INTENDED TO CONSTITUTE LEGAL OR TAX ADVICE TO SHAREHOLDERS. PROSPECTIVE INVESTORS SHOULD FAMILIARISE THEMSELVES WITH AND, WHERE APPROPRIATE, SHOULD CONSULT THEIR OWN PROFESSIONAL ADVISERS ON, THE OVERALL TAX CONSEQUENCES OF INVESTING IN THE FUND. THE STATEMENTS RELATE TO SHAREHOLDERS ACQUIRING AND HOLDING SHARES FOR INVESTMENT PURPOSES. AS IS THE CASE WITH ANY INVESTMENT, THERE CAN BE NO GUARANTEE THAT THE TAX POSITION OR PROPOSED TAX POSITION PREVAILING AT THE TIME AN INVESTMENT IN THE FUND IS MADE WILL ENDURE INDEFINITELY. THE TAX CONSEQUENCES FOR EACH SHAREHOLDER OF INVESTING IN THE FUND MAY DEPEND UPON THE SHAREHOLDER'S OWN TAX POSITION AND UPON THE RELEVANT LAWS OF ANY JURISDICTION TO WHICH THE SHAREHOLDER IS SUBJECT. THE STATEMENTS BELOW DO NOT DEAL WITH THE POSITION OF CERTAIN CLASSES OF SHAREHOLDERS, SUCH AS DEALERS IN SECURITIES AND INSURANCE COMPANIES, TRUSTS AND PERSONS WHO HAVE ACQUIRED THEIR SHARES BY REASON OF THEIR OR ANOTHER'S EMPLOYMENT. INVESTORS AND PROSPECTIVE INVESTORS SHOULD SEEK THEIR OWN PROFESSIONAL ADVICE AS TO THIS, AS WELL AS TO ANY OTHER RELEVANT LAWS AND REGULATIONS IN THE JURISDICTION IN WHICH THEY ARE RESIDENT OR DOMICILED FOR TAX PURPOSES. THE STATEMENTS ARE BASED ON

CURRENT TAX LEGISLATION AND HM REVENUE & CUSTOMS PRACTICE, BOTH OF WHICH ARE SUBJECT TO CHANGE AT ANY TIME, POSSIBLY WITH RETROSPECTIVE EFFECT.

Shareholders who are resident in the United Kingdom for United Kingdom taxation purposes should be aware that their Shares will constitute interests in an "offshore fund" (as defined in section 355 of the United Kingdom Taxation (International and Other Provisions) Act 2010) for the purposes of the United Kingdom Offshore Funds (Tax) Regulations 2009 (as amended) (the "UK Regulations"). Where such a person holds such an interest in an offshore fund, any gain arising to that person on the sale, redemption or other disposal of that interest (including a deemed disposal on death) – referred to as "offshore income gain" - will be taxed at the time of such sale, redemption or other disposal as income and not as capital gain, unless the particular class of interests in the fund held by that person (each such class being deemed to be a separate "offshore fund" for these purposes) has been for United Kingdom tax purposes a "reporting fund" throughout the period during which that person has held that interest.

Where HMRC has granted approval for the deemed offshore fund constituted by a series or issuance of Shares that has been designated as RF Shares to be a reporting fund, any gain realised by United Kingdom resident Shareholders upon a sale, redemption or other disposal of such RF Shares will be taxed at the time of such sale, redemption or other disposal as capital gain and not as income. However, under the UK Regulations, a reporting fund is also required to make available to each investor in the fund for each period of account of the fund a report of the income of the fund for that period of account which is attributable to the investor's interest in the fund (whether or not such income has been distributed), and any such reported income which has not been previously distributed is treated as an additional distribution made by the fund to the investor. A United Kingdom resident Shareholder of Shares of a series or issuance which has been designated as RF Shares will therefore receive from the Fund for each period of account a report of the income of the Fund for that period of account which is attributable to their Shares, and will (subject to their particular United Kingdom tax position) be potentially subject to United Kingdom tax on that reported income as if such reported income (to the extent not already distributed) were a distribution upon their Shares.

The precise consequences of the taxation of gains realised upon a disposal of RF Shares as capital gain rather than income will depend upon the particular tax position of each Shareholder, but United Kingdom resident Shareholders who are individuals should be aware that capital gains are generally taxed at lower rates of tax than income, and also that where gains are taxed as capital gains it may be possible to utilise capital gains tax exemptions and relief to reduce the tax liability on such gains where such exemptions and reliefs could not be utilised in the case of gains taxed as income. However, following the abolition of the remittance basis of taxation for individuals who are neither domiciled nor deemed domiciled in the United Kingdom, with effect from 6 April 2025, such United Kingdom resident individual shareholders will no longer be able to elect to be subject to United Kingdom income tax on such gains realised upon the disposal of their Shares to the extent that the proceeds of such disposal are remitted to the United Kingdom, but will (like all United Kingdom resident shareholders) be subject to United Kingdom tax on such gains on disposals of Shares made after that date on the arising basis.

Subject to their personal circumstances, United Kingdom resident Shareholders will generally be liable to United Kingdom income tax or corporation tax in respect of dividends or other distributions of an income nature made by the Fund (including deemed distributions made

pursuant to the "reporting funds" regime or distributions that are automatically reinvested). Such dividends and distributions may be re-characterised as interest to the extent that the Fund fails to satisfy the "qualifying investments" test described below. However, under changes introduced in the United Kingdom Finance Act 2009, United Kingdom resident corporate Shareholders may (save to the extent that dividend or income distributions are re-characterised as interest) be exempt from taxation on dividends or other income distributions, subject to certain conditions being satisfied. Following the abolition of the remittance basis of taxation for individuals who are neither domiciled nor deemed domiciled in the United Kingdom, with effect from 6 April 2025, such United Kingdom resident individual shareholders will no longer be able to elect to be subject to United Kingdom income tax on dividends or distributions only to the extent that such dividends or distributions are remitted to the United Kingdom, but will (like all United Kingdom resident shareholders) be subject to United Kingdom tax on dividends and distributions made after that date on the arising basis.

Shareholders who are within the charge to United Kingdom corporation tax should be aware that where such an investor holds an interest in an offshore fund and that offshore fund fails, at any time in an accounting period in which the investor holds its interest, to satisfy the "qualifying investments test", the investor is required to treat its interest for that accounting period as if it were rights under a creditor relationship for the purposes of the "loan relationships" regime (which governs the United Kingdom taxation of most forms of corporate debt) contained in the United Kingdom Corporation Tax Act 2009. The Shares will constitute interests in an offshore fund for this purpose. An offshore fund fails to satisfy the qualifying investments test at any time when its investments consist as to more than 60 per cent by market value of, inter alia, government and corporate debt securities, money placed at interest, certain derivative contracts or holdings in collective investment schemes which do not themselves satisfy the qualifying investments test. The investment policies of the Fund and the Master Fund are such that the Fund could fail the qualifying investments test. Shareholders within the charge to United Kingdom corporation tax would in these circumstances be required to account for their interest in the Fund under the loan relationships regime, in which case all returns on their Shares in the relevant accounting period (including gains and losses) would be taxed or relieved as income receipt or expense on a "fair value" basis. Such Shareholders might therefore, depending upon their particular circumstances, incur a charge to United Kingdom corporation tax on an unrealised increase in the value of their Shares (or obtain relief against United Kingdom corporation tax for an unrealised diminution in the value of their Shares).

The attention of individuals resident in the United Kingdom for taxation purposes is drawn to the provisions of Chapter 2 of Part 13 of the United Kingdom Income Tax Act 2007 (transfer of assets abroad), which may render them liable to income tax in respect of the undistributed income of the Fund.

If the Fund is controlled for United Kingdom taxation purposes by persons (whether companies, individuals or others) who are resident in the United Kingdom for these purposes, or is controlled by two persons, one of whom is resident in the United Kingdom for these purposes and has at least 40 per cent of the interests, rights and powers by which the two persons together control the Fund and the other of whom has at least 40 per cent and not more than 55 per cent of such interests, rights and powers, the Fund will be a "controlled foreign company" for the purposes of Part 9A of the United Kingdom Taxation (International and Other Provisions) Act 2010. Where a United Kingdom resident company, either alone or together with persons connected or associated with it for United Kingdom taxation purposes, has an interest in 25 per cent or more of the "chargeable profits" of a controlled foreign company, the United Kingdom

resident company may be subject to United Kingdom taxation on an amount calculated by reference to its proportionate interest in those chargeable profits. The chargeable profits of a controlled foreign company are determined according to a "gateway" test (with only those profits of the controlled foreign company that pass through one or more "gateways" being included within its chargeable profits) and do not, in any event, include its capital gains. Shareholders who are United Kingdom resident companies should however be aware that they may in some circumstances be subject to United Kingdom tax on an amount calculated by reference to undistributed profits of the Fund.

The attention of persons resident in the United Kingdom for United Kingdom taxation purposes is drawn to the provisions of section 3 Taxation of Chargeable Gains Act 1992 ("section 3"). Section 3 could be material to any such person who has an interest in the Fund as a "participator" for United Kingdom taxation purposes (which term includes a shareholder) at a time when any gain accrues to the Fund or the Master Fund (such as on a disposal of any of its investments) which constitutes a chargeable gain or an offshore income gain if, at the same time, the Fund or the Master Fund is itself controlled in such a manner and by a sufficiently small number of persons as to render the Fund or the Master Fund a body corporate that would, were it to have been resident in the United Kingdom for taxation purposes, be a "close" company for those purposes. The provisions of section 3 would result in any such person who is a Shareholder being treated for the purposes of United Kingdom taxation as if a part of any chargeable gain or offshore income gain accruing to the Fund or the Master Fund had accrued to that person directly, that part being equal to the proportion of the gain that corresponds to that person's proportionate interest in the Fund or the Master Fund. No liability under section 3 could be incurred by such a person, however, in respect of a chargeable gain or an offshore income gain accruing to the Fund or the Master Fund if the aggregate proportion of that gain that could be attributed under section 13 both to that person and to any persons connected with him for United Kingdom taxation purposes does not exceed one-quarter of the gain. In the case of Shareholders who are individuals domiciled outside the United Kingdom (and not deemed domiciled in the United Kingdom), Section 3 applies subject to the remittance basis in particular circumstances.

No guarantee or representation is made that any approval of a series or issuance of Shares as a reporting fund for United Kingdom taxation purposes will not be revoked in the future.

United States

THE DISCUSSION HEREIN IS FOR INFORMATIONAL PURPOSES ONLY AND IS A DISCUSSION PRIMARILY OF CERTAIN US TAX CONSEQUENCES TO PROSPECTIVE INVESTORS. EACH PROSPECTIVE INVESTOR SHOULD CONSULT ITS PROFESSIONAL TAX ADVISOR WITH RESPECT TO THE TAX ASPECTS OF AN INVESTMENT IN THE FUND. TAX CONSEQUENCES MAY VARY DEPENDING UPON THE PARTICULAR STATUS OF A PROSPECTIVE INVESTOR. IN ADDITION, SPECIAL CONSIDERATIONS (NOT DISCUSSED HEREIN) MAY APPLY TO PERSONS WHO ARE NOT DIRECT SHAREHOLDERS IN THE FUND BUT WHO ARE DEEMED TO OWN SHARES AS A RESULT OF THE APPLICATION OF CERTAIN ATTRIBUTION RULES.

Neither the Fund nor the Master Fund has sought a ruling from the Service or any other US federal, state or local agency with respect to any of the tax issues affecting the Fund or the Master Fund, nor has either obtained an opinion of counsel with respect to any tax issues.

The following is a summary of certain potential US federal tax consequences which may be relevant to prospective investors. The discussion contained herein is not a full description of the complex tax rules involved and is based upon existing laws, judicial decisions and administrative regulations, rulings and practices, all of which are subject to change, retroactively as well as prospectively. A decision to invest in the Fund should be based upon an evaluation of the merits of the trading program, and not upon any anticipated US tax benefits.

United States — Identity and Reporting of Beneficial Ownership; Withholding on Certain Payments

In order to avoid a US withholding tax of 30 per cent on certain payments (which might in the future include payments of gross proceeds) made with respect to certain actual and deemed US investments, the Fund and the Master Fund have registered with the Service and generally will be required to identify, and report information with respect to, certain direct and indirect US account holders (including debtholders and equityholders). The US IGA gives effect to the foregoing withholding and reporting rules. So long as the Fund and the Master Fund comply with the US IGA and the Cayman Islands enabling legislation, they will not be subject to the related US withholding tax.

A non-US investor in the Fund will generally be required to provide to the Fund information which identifies its direct and indirect US ownership. Under the US IGA, any such information provided to the Fund and certain financial information related to such investor's investment in the Fund will be shared with the Cayman TIA. The Cayman TIA will exchange the information reported to it with the Service annually on an automatic basis. A non-US investor that is a "foreign financial institution" within the meaning of Section 1471(d)(4) of the Internal Revenue Code will generally be required to timely register with the Service and agree to identify, and report information with respect to, certain of its own direct and indirect US account holders (including debtholders and equityholders). A non-US investor who fails to provide such information to the Fund or timely register and agree to identify, and report information with respect to, such account holders (as applicable) may be subject to the 30 per cent withholding tax with respect to its share of any such payments attributable to actual and deemed US investments of the Fund, and the Directors may take any action in relation to an investor's Shares or redemption proceeds to ensure that such withholding is economically borne by the relevant investor whose failure to provide the necessary information or comply with such requirements gave rise to the withholding. Shareholders should consult their own tax advisors regarding the possible implications of these rules on their investments in the Fund.

Non-US Shareholders may also be required to make certain certifications to the Fund as to the beneficial ownership of the Shares and the non-US status of such beneficial owner, in order to be exempt from US information reporting and backup withholding on a redemption of Shares.

US Partnership Tax Audit Risk

The Master Fund, which intends to be treated as a partnership for US tax purposes, may be required to file a tax return with the Service. If the tax returns of the Master Fund are audited by the Service, the US tax treatment of the Master Fund's income and deductions generally is determined at the Master Fund level.

Under the general rule an audit adjustment of the Master Fund's US tax return filed or required to be filed for any tax year (a "Prior Year") could result in a tax liability (including interest and penalties) imposed on the Master Fund for the year during which the adjustment is determined

(the "Current Year"). The tax liability generally is determined by using the highest tax rates under the Internal Revenue Code applicable to US taxpayers, in which case the Fund and any other Current Year partners of the Master Fund would bear the audit tax liability at significantly higher rates (including interest and penalties) arising from audit adjustments and in amounts that are unrelated to their Prior Year economic interests in the Master Fund partnership items that were adjusted. The Master Fund may be able to use a lower tax rate to compute the tax liability by taking into account the fact that the Fund is generally not expected to be subject to US tax on most, if not all, of its share of the Master Fund's income. However, the details of how this rule will be implemented are not yet known, and there can be no guarantee that the Master Fund would be able to use a lower tax rate to calculate the tax liability for any particular Prior Year under audit.

To mitigate the potential adverse consequences of the general rule, the Master Fund may be able to elect with the Service to pass through such audit adjustments for any year to its members who participated in the Master Fund for the Prior Year, in which case the Fund and each Prior Year participating member (and not the Master Fund itself) generally would be responsible for the payment of any tax deficiency, determined after including their share of the adjustments on their tax returns for the Current Year and calculated, in the case of the Fund, using the tax rates generally applicable to non-US entities such as the Fund³. The Fund may also be able to mitigate such adverse consequences by, after the audit adjustments are made, filing an amended US tax return for the Prior Year and paying tax, if any, on its share of the items adjusted on audit. The extent to which the Fund and/or the Master Fund will be able to mitigate the operation of the general rule under either of these alternatives is uncertain and may depend upon future regulatory guidance and amendments to the legislation.

Tax-Exempt US Persons

The term "Tax-Exempt US Person" means a US person within the meaning of the Internal Revenue Code that is exempt from payment of US federal income tax. Generally, a Tax-Exempt US Person is exempt from federal income tax on certain categories of income, such as dividends, interest, capital gains and similar income realized from securities investment or trading activity. This type of income is exempt even if it is realized from securities trading activity which constitutes a trade or business. This general exemption from tax does not apply to the "unrelated business taxable income" ("UBTI") of a Tax-Exempt US Person. Generally, except as noted above with respect to certain categories of exempt trading activity, UBTI includes income or gain derived from a trade or business, the conduct of which is substantially unrelated to the exercise or performance of the Tax-Exempt US Person's exempt purpose or function. UBTI also includes (i) income derived by a Tax-Exempt US Person from debt-financed property and (ii) gains derived by a Tax-Exempt US Person from the disposition of debt-financed property.

In 1996, Congress considered whether, under certain circumstances, income derived from the ownership of the shares of a non-US corporation should be treated as UBTI to the extent that it would be so treated if earned directly by the shareholder. Subject to a narrow exception for certain insurance company income, Congress declined to amend the Internal Revenue Code to require such treatment. Accordingly, based on the principles of that legislation, a Tax-Exempt US Person investing in a non-US corporation such as the Fund is not expected to realize UBTI

³ If such an election is made by the Master Fund, interest on any deficiency will be at a rate that is 2 percentage points higher than the otherwise applicable interest rate on tax underpayments.

with respect to an unleveraged investment in Shares. The US tax treatment of any rebate of fees made by the Investment Manager to a Tax-Exempt US Person is not entirely clear. Tax-Exempt US Persons are urged to consult their own tax advisors concerning the US tax consequences of an investment in the Fund and the receipt of such payments.

There are special considerations which should be taken into account by certain beneficiaries of charitable remainder trusts that invest in the Fund. Charitable remainder trusts should consult their own tax advisors concerning the tax consequences of such an investment on their beneficiaries.

US persons that are subject to an excise tax on their annual net income (e.g., private foundations and certain private colleges) are particularly urged to consult their own tax advisors with respect to their investment in the Fund, in light of the Fund's potential status as a controlled foreign corporation ("CFC").

Reporting Requirements for US Persons

The Fund is considered a passive foreign investment company ("PFIC") within the meaning of the Internal Revenue Code. Any US person within the meaning of the Internal Revenue Code who holds shares in a PFIC such as the Fund (other than certain Tax-Exempt US Persons for whom an investment in such PFIC does not generate UBTI) is generally required to report its investment in the PFIC on an annual basis.

Any US person within the meaning of the Internal Revenue Code owning 10 per cent or more (taking certain attribution rules into account) of either the total combined voting power or total value of all classes of the shares (the "10 per cent Amount") of a non-US corporation such as the Fund will likely be required to file an information return with the Service containing certain disclosure concerning the filing shareholder, other shareholders and the corporation. Any US person within the meaning of the Internal Revenue Code who within such US person's tax year (A) acquires shares in a non-US corporation such as the Fund, so that either (i) without regard to shares already owned, such US person acquires the 10 per cent Amount or (ii) when added to shares already owned by the US person, such US person's total holdings in the non-US corporation reaches the 10 per cent Amount or (B) disposes of shares in a non-US corporation so that such US person's total holdings in the non-US corporation falls below the 10 per cent Amount (in each such case, taking certain attribution rules into account), will likely be required to file an information return with the Service containing certain disclosure concerning the filing shareholder, other shareholders and the corporation. The Fund has not committed to provide all of the information about the Fund or its shareholders needed to complete these returns. In addition, a US person within the meaning of the Internal Revenue Code that transfers cash to a non-US corporation such as the Fund may be required to report the transfer to the Service if (i) immediately after the transfer, such person holds (directly, indirectly or by attribution) at least 10 per cent of the total voting power or total value of such corporation or (ii) the amount of cash transferred by such person (or any related person) to such corporation during the twelve-month period ending on the date of the transfer exceeds \$100,000.

Certain US persons ("potential filers") who have an interest in a foreign financial account during a calendar year are generally required to file FinCEN Form 114 (an "FBAR") with respect to such account. Failure to file a required FBAR may result in civil and criminal penalties. Under existing regulatory guidance, potential filers who do not own (directly or indirectly) more than 50 per cent of the voting power or total value of the shares of the Fund, generally are not

obligated to file an FBAR with respect to an investment in the Fund. However, potential filers should consult their own advisors regarding the current status of this guidance.

Furthermore, certain US persons within the meaning of the Internal Revenue Code may have to file Form 8886 ("Reportable Transaction Disclosure Statement") with their US tax return, and submit a copy of Form 8886 with the Office of Tax Shelter Analysis of the Service if the Fund engages in certain "reportable transactions" within the meaning of US Treasury Regulations. If the Service designates a transaction as a reportable transaction after the filing of a reporting Shareholder's tax return for the year in which the Fund or such reporting Shareholder participated in the transaction, the reporting shareholder may have to file Form 8886 with respect to that transaction within 90 days after the Service makes the designation. Shareholders required to file this report include a US person within the meaning of the Internal Revenue Code if the Fund is treated as a "CFC" and such US person owns a 10 per cent voting interest or 10 per cent of the total value of the Fund's shares. As discussed above, the Fund may be a CFC. In certain situations, there may also be a requirement that a list be maintained of persons participating in such reportable transactions, which could be made available to the Service at its request. Moreover, if a US person within the meaning of the Internal Revenue Code recognises a loss upon a disposition of Shares, such loss could constitute a "reportable transaction" for such Shareholder, and such Shareholder would be required to file Form 8886. A significant penalty is imposed on taxpayers who fail to make the required disclosure. The maximum penalty is US\$10,000 for natural persons and US\$50,000 for other persons (increased to US\$100,000 and US\$200,000, respectively, if the reportable transaction is a "listed transaction"). Shareholders who are US persons within the meaning of the Internal Revenue Code (including Tax-Exempt US Persons) are urged to consult their own tax advisors concerning the application of these reporting obligations to their specific situations and the penalty discussed above.

Other Jurisdictions

Interest, dividend and other income realised by the Fund or the Master Fund from certain sources, and capital gains realised or gross sale or disposition proceeds received, on the sale of securities of issuers, may be subject to withholding and other taxes levied by the jurisdiction in which the income is sourced. It is impossible to predict the rate of foreign tax the Fund or the Master Fund will pay since the amount of the assets to be invested in various countries and the ability of the Fund or the Master Fund to reduce such taxes, are not known.

General

The receipt of dividends (if any) by Shareholders, the redemption or transfer of Shares and any distribution on a winding-up of the Fund or the Master Fund may result in a tax liability for the Shareholders according to the tax regime applicable in their various countries of residence, citizenship or domicile. Shareholders resident in or citizens of certain countries which have anti-offshore fund legislation may have a current liability to tax on the undistributed income and gains of the Fund or the Master Fund. The Directors, the Fund and each of the Fund's agents shall have no liability in respect of the individual tax affairs of Shareholders.

Future Changes in Applicable Law

The foregoing description of Cayman Islands, Jersey, United Kingdom and United States income tax consequences of an investment in and the operations of the Fund and the Master Fund is based on laws and regulations which are subject to change through legislative, judicial

or administrative action. Other legislation could be enacted that would subject the Fund or the Master Fund to income taxes or subject Shareholders to increased income taxes.

Other Taxes

Prospective Shareholders should consult their own counsel regarding tax laws and regulations of any other jurisdiction which may be applicable to them.

THE TAX AND OTHER MATTERS DESCRIBED IN THIS OFFERING MEMORANDUM DO NOT CONSTITUTE, AND SHOULD NOT BE CONSIDERED AS, LEGAL OR TAX ADVICE TO PROSPECTIVE SHAREHOLDERS.

REGULATORY MATTERS

Cayman Islands

The Fund and the Master Fund are registered as mutual funds pursuant to section 4(3) of the Mutual Funds Act (As Revised) of the Cayman Islands ("Mutual Funds Act") and are therefore regulated as mutual funds by the CIMA. The Fund and the Master Fund are subject to the supervision of CIMA which has supervisory and enforcement powers to ensure compliance with the Mutual Funds Act. Regulation under the Mutual Funds Act entails the filing of prescribed details and audited accounts annually with CIMA. As regulated mutual funds, CIMA may at any time instruct the Fund and/or the Master Fund to have its of their accounts audited and to submit them to CIMA within such time as CIMA specifies. Failure to comply with these requests by CIMA may result in substantial fines on the part of the Directors and the directors of the Master Fund and may result in CIMA applying to the court to have the Fund and/or the Master Fund wound up.

The Fund and the Master Fund will not, however, be subject to supervision in respect of their investment activities or the constitution of the Fund's or the Master Fund's portfolio by CIMA or any other governmental authority in the Cayman Islands, although CIMA does have power to investigate the activities of the Fund in certain circumstances. Neither CIMA nor any other governmental authority in the Cayman Islands has passed judgment upon or approved the terms or merits of this Offering Memorandum or the merits of an investment in the Fund. There is no investment compensation scheme available to investors in the Cayman Islands.

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

An annual registration fee will be payable by each of the Fund and the Master Fund in the Cayman Islands which will be calculated by reference to the nominal amount of its authorised share capital; at current rates the fee will be approximately US\$1,490 per annum in the case of each of the Fund and the Master Fund. In addition, a mutual fund fee (currently approximately

US\$4,480 in respect of the Fund and approximately of US\$3,200 in respect of the Master Fund) is payable to CIMA on an annual basis by each of the Fund and the Master Fund.

The Data Protection Act (Revised) of the Cayman Islands (the "DPA") introduced legal requirements for the Fund and the Master Fund based on internationally accepted principles of data privacy, as described in greater detail in the Privacy Notice attached to the Fund's subscription agreement. Each of the Fund and the Master Fund will be characterised as a data controller in respect of personal data. The Fund's and the Master Fund's affiliates and/or delegates, such as the Administrator and the Investment Manager may act as data processors (or data controllers in their own right in some circumstances). Oversight of the DPA is the responsibility of the Ombudsman's office of the Cayman Islands. Breach of the DPA by the Fund or the Master Fund could lead to enforcement action by the Ombudsman, including the imposition of remediation orders, monetary penalties or referral for criminal prosecution.

Jersey

The Investment Manager is authorised and regulated by the JFSC.

United Kingdom

PAM Services has submitted an application to be authorised and regulated by the FCA.

United States

Neither the Fund nor the Master Fund is registered as an investment company under the Company Act. The Fund complies with Section 3(c)(7) of the Company Act, which permits private investment companies (such as the Fund) to sell their interests, on a private placement basis, to an unlimited number of "qualified purchasers", as that term is defined under the Company Act. The Investment Manager is currently registered with the SEC as an investment adviser under the Advisers Act. Additional information about the Investment Manager is available on the SEC's website at www.adviserinfo.sec.gov. Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

The Investment Manager has claimed an exemption with respect to the Fund and the Master Fund under US Commodity Futures Trading Commission ("CFTC") Rule 4.13(a)(3) from registration with the CFTC as a commodity pool operator and, accordingly, is not subject to certain regulatory requirements with respect to the Fund and the Master Fund (which are intended to provide certain regulatory safeguards to investors) that would otherwise be applicable absent such an exemption. In accordance with such exemption, at all times that the Master Fund (or the Fund through the Master Fund) establishes a commodity interest or securities futures position, either (a) the aggregate initial margin and premiums required to establish such positions will not exceed 5 per cent of the liquidation value of the Master Fund's portfolio; or (b) the aggregate net notional value of the Master Fund's commodity interest and security futures positions will not exceed 100 per cent of the liquidation value of the Master Fund's portfolio.

Additionally, the Investment Manager is exempt from registration with the CFTC as a commodity trading advisor, but may register in the future.

General

Subject to the foregoing, no regulatory filings will be made in any country and the Fund will not be qualified for public sale in any country.

ANTI-MONEY LAUNDERING REGULATIONS

Identity verification

As part of the Fund's responsibility to comply with laws and regulations aimed at the prevention of money laundering and the countering of terrorist and proliferation financing, the Fund is required to adopt and maintain procedures and may require Shareholders and prospective Shareholders (which for the purposes of this Anti-Money Laundering Regulations section, includes any subscriber or transferee) to provide evidence to verify their identity, the identity of their beneficial owners and controllers (where applicable), and their source of funds.

The Fund, and the Administrator on the Fund's behalf, may request such information as is necessary to verify the identity of any Shareholder or prospective Shareholder and the identity of their beneficial owners and controllers (where applicable) and their source of subscription funds. Where the circumstances permit, the Fund, or the Administrator on the Fund's behalf, may be satisfied that full due diligence may not be required at subscription where an exemption applies under the Anti-Money Laundering Regulations (Revised) of the Cayman Islands, or any other applicable law. However, detailed verification information may be required prior to the payment of any redemption proceeds or any transfer of Shares.

In the event of delay or failure by any Shareholder or prospective Shareholder to produce any information required for verification purposes, the Fund, or the Administrator on the Fund's behalf, may (i) refuse to accept or delay the acceptance of a subscription; (ii) in the case of a transfer of Shares, refuse to register the relevant transfer of Shares; (iii) in the case of a subscription for Shares, refuse to allot the Shares subscribed for, in which event subscription monies will be returned without interest to the account from which such monies were originally debited; or (iv) cause the redemption of any such Shareholder from the Fund.

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

CIMA has a discretionary power to impose substantial administrative fines upon the Fund or the Master Fund in connection with any breaches by the Fund or the Master Fund of prescribed provisions of the Anti-Money Laundering Regulations (Revised) of the Cayman Islands, and upon any Director or officer of the Fund or director or officer of the Master Fund (as applicable) who either consented to or connived in the breach, or to whose neglect the breach is proved to be attributable. To the extent any such administrative fine is payable by the Fund or the Master Fund, the Fund or the Master Fund (as applicable) will bear the costs of such fine and any associated proceedings.

Freezing Accounts

Each of the Fund and the Administrator reserves the right, and the Fund may be obligated, pursuant to any applicable anti-money laundering laws or the laws, regulations, and Executive Orders administered by the US Department of Treasury's Office of Foreign Assets Control ("OFAC"), or other laws or regulations in any relevant jurisdiction (collectively, "AML/OFAC Obligations"), to "freeze the account" of a Shareholder or prospective Shareholder, either by (i) rejecting the subscription of a Shareholder or prospective Shareholder; (ii) segregating the assets in the account in compliance with applicable laws or regulations (including by way of compulsory redemption and automatic application of the proceeds of such compulsory redemption to a subscription for Shares of a separate class and/or series); (iii) declining any redemption request of a Shareholder; (iv) suspending payment of redemption proceeds to a Shareholder; and/or (v) refusing to make any distributions to a Shareholder. The Fund may be required to report such action and to disclose the Shareholder's or prospective Shareholder's identity to OFAC or other applicable governmental and regulatory authorities.

Sanctions and Required Representations

The Fund is subject to laws that restrict it from dealing with entities, individuals, organisations and/or investments which are subject to applicable sanctions regimes, including persons that are located or domiciled in sanctioned jurisdictions. Accordingly, each Shareholder and prospective Shareholder will be required to make such representations to the Fund as the Fund, the Investment Manager or the Administrator will require in connection with applicable AML/OFAC Obligations, including representations to the Fund that, to the best of its knowledge, such Shareholder or prospective Shareholder (and (i) any person controlling or controlled by the Shareholder or prospective Shareholder; (ii) if the Shareholder or prospective Shareholder is a privately held entity, any person having a beneficial interest in the Shareholder or prospective Shareholder; (iii) if required under Cayman Islands law, such persons having a beneficial interest in the Shareholder or prospective Shareholder as determined under Cayman Islands law; (iv) any person for whom the Shareholder or prospective Shareholder is acting as agent or nominee in connection with the investment; and (v) any authorised persons in respect of such Shareholder or prospective Shareholder) is not (a) a country, territory, individual or entity named on an OFAC list, any list maintained by the United Nations or under European Union ("EU"), United Kingdom ("UK") or Cayman Islands legislation or any similar list maintained under applicable law ("Sanctions Lists"); (b) dealing with any third party named on any Sanctions List; (c) operationally based or domiciled in a country or territory in relation to which current sanctions have been issued by the United Nations, EU, UK or the Cayman Islands; or (d) a person or entity prohibited under the programs administered by OFAC or any other similar economic and trade sanctions program. Where a Shareholder or prospective Shareholder is named on any of the Sanctions Lists, the Fund may be required to cease any further dealings with the Shareholder or prospective Shareholder's interest in the Fund until such sanctions are lifted or a licence is sought under applicable law to continue dealings.

Each Shareholder and prospective Shareholder will also be expected to represent to the Fund that, to the best of its knowledge, such Shareholder or prospective Shareholder (and (i) any person controlling or controlled by the Shareholder or prospective Shareholder; (ii) if the Shareholder or prospective Shareholder is a privately held entity, any person having a beneficial interest in the Shareholder or prospective Shareholder; (iii) if required under Cayman Islands law, such persons having a beneficial interest in the Shareholder or prospective Shareholder as determined under Cayman Islands law (iv) any person for whom the Shareholder or prospective

Shareholder is acting as agent or nominee in connection with the investment; and (v) any authorised persons in respect of such Shareholder or prospective Shareholder) is not a politically exposed person,* or any family member** or close associate*** of a politically exposed person. Any Shareholder or prospective Shareholder that cannot make such representations may be subject to enhanced due diligence and the Fund may decline to accept any subscription or process any transfer in such circumstances.

Each Shareholder and prospective Shareholder will also be required to represent to the Fund that, to the best of its knowledge, such Shareholder or prospective Shareholder (and (i) any person controlling or controlled by the Shareholder or prospective Shareholder; (ii) if the Shareholder or prospective Shareholder is a privately held entity, any person having a beneficial interest in the Shareholder or prospective Shareholder; (iii) if required under Cayman Islands law, such persons having a beneficial interest in the Shareholder or prospective Shareholder as determined under Cayman Islands law (iv) any person for whom the Shareholder or prospective Shareholder is acting as agent or nominee in connection with the investment; and (v) any authorised persons in respect of such Shareholder or prospective Shareholder) is not a shell bank****. Further, if such Shareholder or prospective Shareholder is a non-US banking institution (a "Non-US Bank") or if such Shareholder or prospective Shareholder receives deposits from, makes payments on behalf of, or handles other financial transactions related to a Non-US Bank, such Shareholder or prospective Shareholder must represent to the Fund that: (i) the Non-US Bank has a fixed address, other than solely an electronic address, in a country in which the Non-US Bank is authorised to conduct banking activities; (ii) the Non-US Bank employs one or more individuals on a full-time basis; (iii) the Non-US Bank maintains operating records related to its banking activities; (iv) the Non-US Bank is subject to inspection by the banking authority that licensed the Non-US Bank to conduct banking activities; and (v) the Non-US Bank does not provide banking services to any other Non-US Bank that does not have a physical presence in any country and that is not a regulated affiliate.

Such Shareholder or prospective Shareholder will also be required to represent to the Fund that amounts contributed by it to the Fund were not directly or indirectly derived from activities that

* For these purposes, the term "politically exposed person" means (a) a person who is or has been entrusted with prominent public functions by a foreign (non-Cayman Islands) country, for example a Head of State or of government, senior politician, senior government, judicial or military official, senior executive of a state-owned corporation, and important political party official; (b) a person who is or has been entrusted domestically (in the Cayman Islands) with prominent public functions, for example a Head of State or of government, senior politician, senior government, judicial or military official, senior executives of a state-owned corporation and important political party official; and (c) a person who is or has been entrusted with a prominent function by an international organisation like a member of senior management, such as a director, a deputy director and a member of the board or equivalent functions.

** For these purposes, the term "family member" includes the spouse, parent, sibling or child of a politically exposed person.

*** For these purposes, the term "close associate" means any natural person who is known to hold the ownership or control of a legal instrument or person jointly with a politically exposed person, or who maintains some other kind of close business or personal relationship with a politically exposed person, or who holds the ownership or control of a legal instrument or person which is known to have been established to the benefit of a politically exposed person.

**** For these purposes, the term "shell bank" means any institution that accepts currency for deposit and that (a) has no physical presence in the jurisdiction in which it is incorporated or in which it is operating, as the case may be, and (b) is unaffiliated with a regulated financial group that is subject to consolidated supervision.

may contravene applicable laws and regulations, including any applicable anti-money laundering laws and regulations.

Each Shareholder and prospective Shareholder must notify the Fund promptly in writing should it become aware of any change in the information set forth in its representations.

Required Reporting

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

Master Fund Obligations

As a regulated mutual fund in the Cayman Islands, the Master Fund is also subject to the same legislation and regulations aimed at the prevention of money laundering that are applicable to the Fund. The Master Fund will discharge its obligations by implementing procedures substantially similar to the Fund.

Delegation

Where permitted by applicable law, and subject to certain conditions, the Fund and the Master Fund may delegate the maintenance of its anti-money laundering procedures (including the acquisition of due diligence information) to a suitable person.

AML Officers

Investors may obtain details (including contact details) of the current AML Compliance Officer, Money Laundering Reporting Officer and Deputy Money Laundering Reporting Officer of the Fund and the Master Fund by contacting the Investment Manager at the address given in the Directory.

FISCAL YEAR

The Fund's fiscal year ends on 31 December of each year.

LEGAL COUNSEL

Schulte Roth & Zabel International LLP ("Schulte Roth & Zabel") acts as US and English counsel to the Fund in connection with this offering of Shares; Schulte Roth & Zabel also acts as counsel to the Master Fund, the Investment Manager and its affiliates and PAM Services. Maples and Calder act as Cayman Islands counsel to the Fund and the Master Fund in

connection with this offering of Shares and Ogier acts as Jersey counsel to the Investment Manager. In connection with this offering of Shares and ongoing advice to the Fund, the Master Fund, the Investment Manager and their affiliates, Schulte Roth & Zabel, Maples and Calder and Ogier are not representing Shareholders of the Fund. No independent counsel has been retained to represent Shareholders of the Fund. Schulte Roth & Zabel's, Maples and Calder's and Ogier's representation of the Fund, the Master Fund and the Investment Manager and its affiliates (as the case may be) is limited to those specific matters upon which it has been consulted. There may exist other matters which would have a bearing on the Fund, the Master Fund and/or the Investment Manager or any of its affiliates upon which Schulte Roth & Zabel, Maples and Calder and Ogier have not been consulted. Schulte Roth & Zabel, Maples and Calder and Ogier do not undertake to monitor the compliance of the Fund or the Investment Manager with the investment program, valuation procedures and other guidelines set out herein, nor does it monitor compliance with applicable laws. Additionally, in drafting this Offering Memorandum, Schulte Roth & Zabel, Maples and Calder and Ogier relied upon information furnished to it by the Fund, the Master Fund and/or the Investment Manager, and have not investigated or verified the accuracy and completeness of information set out herein concerning the Investment Manager or the Fund or the Master Fund, other service providers and their affiliates and personnel.

INDEPENDENT PUBLIC ACCOUNTANTS; REPORTS

PricewaterhouseCoopers have been retained as the independent auditors of the Fund and the Master Fund. Generally, an annual report and audited financial statements of the Fund and Master Fund will be sent to Shareholders as soon as practicable or at the latest within 120 days of the end of the fiscal year.

Half yearly unaudited interim reports of the Fund and the Master Fund, incorporating unaudited accounts, will also be sent to Shareholders within four months of the end of the period to which they relate. Copies of the Fund's constitutional documents and annual and periodic reports of the Fund may be inspected and obtained at the registered office of the Investment Manager.

MISCELLANEOUS

The Fund will pass any cash amounts and non-cash considerations received as subscriptions to the Master Fund and distribute any cash to be paid out as redemptions to investors without delay. In addition, the Fund will have no assets to be held by a custodian and will only hold up to 1 per cent of its assets in cash. Accordingly, no custodian will be appointed by the Fund.

The Fund and the Master Fund has not paid any dividends and it is not expected that the Fund or the Master Fund will pay dividends but if dividends were paid, they would be paid in accordance with Cayman Islands regulations.

There are no legal, arbitration or other proceedings pending or threatened against the Fund or the Master Fund, nor have there been since their incorporation.

Other than borrowings and securities interests as described under "Investment Program" and "Prime Brokers and Custodians to the Master Fund" herein as at the date of this document, the Fund and the Master Fund have no loan capital (including term loans) outstanding or created but unissued, and no outstanding mortgages, charges, debentures or other borrowings, including

bank overdrafts and liabilities under acceptances or acceptance credits, hire purchase or finance lease commitments, guarantees or other contingent liabilities.

The following documents are available upon request:-

- (i) the Memorandum and Articles of Association of the Fund and Master Fund; and
- (ii) the Companies Act (Revised) of the Cayman Islands.

DEFINITIONS

"I Shares"	means ordinary share of par value €0.001 each in the Fund previously available for issue as I Shares and ordinary shares of par value US\$0.001 previously available for issue as I Shares, or any of them
"I/II/III Shares"	means the I Shares, II Shares, III Shares, or any of them
"II Shares"	means ordinary share of par value €0.001 each in the Fund previously available for issue as II Shares, ordinary shares of par value £0.001 previously available for issue as II Shares and ordinary shares of par value US\$0.001 previously available for issue as II Shares, or any of them
"III Shares"	means ordinary share of par value €0.001 each in the Fund previously available for issue as III Shares, ordinary shares of par value £0.001 previously available for issue as III Shares and ordinary shares of par value US\$0.001 previously available for issue as III Shares, or any of them
"IV Calculation Period"	as defined under "Incentive Fee—IV Shares"
"IV Management Shares"	means the Euro IV Management Shares and the US Dollar IV Shares, or any of them
"IV Shares"	means the A Euro IV Shares, A Sterling IV Shares, A US Dollar IV Shares, B Euro IV Shares, B Sterling IV Shares, B US Dollar IV Shares, or any of them
"A Shares"	means the A Euro IV Shares, A Sterling IV Shares, A US Dollar IV Shares, or any of them
"A Euro IV Shares"	means ordinary shares of par value €0.001 each in the Fund issued as A Euro IV Shares
"A Sterling IV Shares"	means ordinary shares of par value £0.001 each in the Fund issued as A Sterling IV Shares
"A US Dollar IV Shares"	means ordinary shares of par value \$0.001 each in the Fund issued as A US Dollar IV Shares
"Adjusted NAV"	as defined under "Incentive Fee"
"Administrator"	Citco Fund Services (Ireland) Limited or any successor or replacement administrator

"Administrator Indemnified Party"	as defined under "The Administrator"
"AIF"	has the meaning given to such term under the AIFM Directive
"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
"Articles"	the Articles of Association of the Fund, as the same may be amended from time to time
"B Shares"	means the B Euro IV Shares, B Sterling IV Shares, B US Dollar IV Shares, or any of them
"B Euro IV Shares"	means ordinary shares of par value €0.001 each in the Fund issued as B Euro IV Shares
"B Sterling IV Shares"	means ordinary shares of par value £0.001 each in the Fund issued as B Sterling IV Shares
"B US Dollar IV Shares"	means ordinary shares of par value \$0.001 each in the Fund issued as B US Dollar IV Shares
"Benefit Plan Investor"	a benefit plan investor as defined in Section 3(42) of ERISA and any regulations issued by the US Department of Labor thereunder, being "employee benefit plans" as defined in Section 3(3) of ERISA that are subject to Title I of ERISA, "plans" that are subject to the prohibited transaction provisions of Section 4975 of the Internal Revenue Code, whose assets of which are treated as "plan assets" under Section 3(42) of ERISA and any regulations promulgated thereunder
"Business Day"	any day on which banks are open for normal banking business in London and/or Dublin and or such other place or places as the Director may from time to time determine
"Calculation Period"	means the IV Calculation Period
"Cayman TIA"	means the Cayman Islands Tax Information Authority or its delegate
"CFTC"	the Commodity Futures Trading Commission of the United States

"CIMA"	the Cayman Islands Monetary Authority
"Commitment Period"	as defined under "Redemption of Shares"
"CPO"	means a 'commodity pool operator', as such term is defined by the National Futures Association of the United States
"Cross-Transaction"	as defined under "Other Activities of the Investment Manager; Potential Conflicts Of Interest"
"Custodian"	Citigroup Global Markets Limited, HSBC Bank plc, Morgan Stanley & Co. International plc or any additional, successor or replacement custodian
"Delegated Portfolio"	as defined under "The Investment Manager"
"Designated Investments"	as defined under "Determination of Net Asset Value"
"Directors"	the members of the board of directors of the Fund from time to time including any duly constituted committee thereof
"DOL"	means the US Department of Labor
"ERISA"	the US Employee Retirement Income Security Act of 1974, as amended
"ERISA Plan"	has the meaning set forth under "ERISA Considerations—General"
"Euro Management Shares"	means ordinary shares of par value €0.001 each in the Fund issued as Euro Management Shares
"Euro IV Management Shares"	means ordinary shares of par value €0.001 each in the Fund previously available for issue as issued as Euro IV Management Shares
"Euro Multi-Currency Management Shares"	means ordinary shares of par value €0.001 each in the Fund issued as Euro Multi-Currency Shares
"Euro Shares"	means the A Euro IV Shares, B Euro IV Shares, Euro Management Shares, Euro Multi-Currency Management Shares or any of them
"External Valuer"	Citco Fund Services (Ireland) Limited
"External Valuer Services Agreement"	as defined under "Determination of Net Asset Value"

"FCA"	the Financial Conduct Authority of the United Kingdom, or any successor body.
"FCA Rules"	the rules, guidance, principles and codes comprised in the Handbook of Rules and Guidance issued by the FCA, as amended from time to time.
"FINRA"	the Financial Industry Regulatory Authority of the United States, the successor to the National Association of Securities Dealers, Inc.
"Founder Shares"	founder shares of par value US\$0.001 each in the Fund
"Fund"	Parvus European Absolute Opportunities Fund
"IFRS"	International Financial Reporting Standards
"Incentive Fee"	means the incentive fee payable by the Fund to the Investment Manager, as defined under "Incentive Fee"
"Individual Retirement Fund"	has the meaning set forth under "ERISA Considerations—General"
"Internal Revenue Code"	means the US Internal Revenue Code of 1986, as amended
"Investment Management Agreement"	the investment management agreement between the Master Fund, the Fund, the US Feeder and the Investment Manager
"Investment Manager"	Parvus Asset Management Jersey Limited
"Investment Manager Indemnified Party"	as defined under "The Investment Manager"
"JFSC"	Jersey Financial Services Commission
"Management Fee"	the management fee payable by the Fund to the Investment Manager, as defined under "Management Fee"
"Management Shares"	means US Dollar Management Shares, Euro Management Shares, Sterling Management Shares or any of them
"Master Fund"	Parvus European Absolute Opportunities Master Fund

"Minimum Holding"	unless otherwise determined by the Directors, the minimum holding is €5 million or its US Dollar equivalent. The Directors may, in their sole discretion, accept a minimum holding of a lesser amount
"Multi-Currency Management Shares"	means US Dollar Multi-Currency Management Shares, Euro Multi-Currency Management Shares, Sterling Multi-Currency Management Shares or any of them
"Net Asset Value"	the net asset value of the Fund or a class, designation, a Series/Sub-Series or, where appropriate, the Master Fund
"Net Asset Value per Share"	the net asset value of the relevant designation of Shares (and Series/Sub-Series in the case of the IV shares) divided by the number of shares of that designation of Shares (and Series/Sub-Series in the case of the IV Shares) in issue or deemed to be in issue
"New Issues Rules"	means, together, Rule 5130 and Rule 5131
"OECD"	the Organisation for Economic Co-operation and Development
"PAMEL"	Parvus Asset Management Europe Limited
"PAM Services"	Parvus Asset Management (Services) LLP
"Parvus Funds' Net Asset Value"	the aggregate of the month-end net asset values of any investment fund and/or any client account to which the Investment Manager provides investment management services to from time to time and the Administrator provides services to from time to time, excluding the month end net asset value of Parvus European Opportunities Fund, Parvus European Opportunities Fund LP, the US Feeder and the Fund
"Permitted Redemption Amount"	as defined under "Redemption of Shares—IV Shares—Additional Redemption Entitlement"
"Permitted Redemption Period"	as defined under "Redemption of Shares—IV Shares—Additional Redemption Entitlement"
"Permitted US Person"	means a Tax-Exempt US Person or a pass-through entity for US federal tax purposes substantially all of the ownership interests in which are held by Tax-Exempt US Persons.

"Prime Broker"	BNP Paribas, Citigroup Global Markets Limited, HSBC Bank plc and Morgan Stanley & Co. International plc or any additional, successor or replacement prime broker
"Principal"	means Edoardo Mercadante
"Principal Broker"	means a broker, registered with and regulated by CFTC, the FCA or such other regulatory authority which has financial resources in excess of US\$20 million (or its equivalent in another currency), which enters into transactions in investments on its own account or on a principal to principal basis
"Qualifying Investor"	a person who is eligible to acquire or hold Shares, directly or indirectly, in accordance with applicable laws and regulations as further described under "Offering of Shares: Investor Requirements"
"Recognised Exchange"	means any regulated market or exchange (which is an exchange within the meaning of the law of the country concerned relating to exchanges) in the European Union, the OECD, Hong Kong, Singapore and South Africa, NASDAQ, EASDAQ, the market in US government securities conducted by primary dealers that are regulated by the Federal Reserve Bank of New York, the market in transferable securities conducted by primary dealers and secondary dealers that are regulated by the SEC and by FINRA and the OTC market in Tokyo regulated by the Securities Dealers Association of Japan
"Redemption Day"	unless otherwise determined by the Directors, the first Business Day in each calendar month
"Redemption Fee"	as defined under "Redemption of Shares—IV Shares—Additional Redemption Entitlement"
"Return of Capital"	as defined under "Compulsory Redemption of Shares"
"Rule 5130"	FINRA Rule 5130, as amended, supplemented and interpreted from time to time, concerning the purchase and sale of "new issue" securities
"Rule 5131"	section (b) of FINRA Rule 5131, as amended, supplemented and interpreted from time to time
"SEC"	the Securities and Exchange Commission of the United States
"Series"	a series of IV Shares

"Service"	the US Internal Revenue Service
"Shareholder"	means a person who is registered on the register of members of the Fund as the holder of shares
"Shares"	means the IV Shares, the Management Shares and Multi-Currency Shares (as applicable)
"Specified Credit Rating"	means the following: a) a minimum of P-1, A-1 or F1, respectively for short term debt from the credit agency of Moody's or Standard & Poor's or Fitch; or b) a minimum short term credit rating of P-2 or A-2 or F2 from the credit agency of Moody's or Standard & Poor's or Fitch provided that the maximum exposure of the Master Fund to the relevant counterparty is limited to 40 per cent of the Net Asset Value of the Master Fund
"Sterling Management Shares"	means ordinary shares of par value £0.001 each in the Fund issued as Sterling Management Shares
"Sterling Multi-Currency Management Shares"	means ordinary shares of par value £0.001 each in the Fund issued as Sterling Multi-Currency Shares
"Sterling Shares"	means the A Sterling IV Shares, B Sterling IV Shares, Sterling Management Shares, Sterling Multi-Currency Management Shares or any of them
"Sub-Series"	a sub-series of a Series
"Subscription Day"	unless otherwise determined by the Directors, the first Business Day of each month
"Tax-Exempt US Person"	means a US person within the meaning of the Internal Revenue Code that is exempt from payment of US federal income tax
"Tranche"	as defined under "Redemption of Shares—IV Shares—Additional Redemption Entitlement"
"United States"	the United States of America (including the states and District of Columbia) and any of its territories, and any other areas subject to its jurisdiction
"US Dollar Management Shares"	ordinary shares of par value \$0.001 each in the Fund previously available for issue as US Dollar IV Management Shares

"US Dollar IV Management Shares"	ordinary shares of par value \$0.001 each in the Fund issued as US Dollar Management Shares
"US Dollar Multi-Currency Management Shares"	ordinary shares of par value \$0.001 each in the Fund issued as US Dollar Multi-Currency Management Shares
"US Dollar Shares"	means the A US Dollar IV Shares, B US Dollar IV Shares, US Dollar Management Shares, US Dollar Multi-Currency Management Shares or any of them
"US Feeder"	Parvus European Absolute Opportunities Fund LP
"US Person"	a citizen or "resident alien" within the meaning of US income tax laws as in effect from time to time, a corporation or partnership created or organised in the United States or under the laws of the United States or any state, a trust where (a) a US court is able to exercise primary supervision over the administration of the trust; and (b) one or more US Persons have the authority to control all substantial decisions of the trust, an estate which is subject to US tax on its income from all sources, or any person that would be a US Person under Regulation S promulgated under the 1933 Act or under Rule 4.7 under the Commodity Exchange Act
"Valuation Day"	the last day of each calendar month, unless otherwise determined by the Directors
"Valuation Policy"	as defined under "Determination of Net Asset Value"

In this Offering Memorandum, unless otherwise stated, all references

- to "Euros" and "€" are to the unit of the European single currency
- to "Sterling" and "£" are to the lawful currency of the United Kingdom
- to "US Dollars" and "US\$" are to the lawful currency of the United States
- to time are to Greenwich Mean Time
- to statutes are to Cayman Islands statutes.