

The Directors of The Synergy Fund Ltd. (the “Fund”) accept responsibility for the accuracy of the information contained in this document as of the 1st day of March 2023, the date of publication of this Confidential Explanatory Memorandum (the “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 document is in accordance with the facts and does not omit anything likely to affect the importance of such information.

THE SECURITIES DESCRIBED IN THIS MEMORANDUM HAVE NOT BEEN REGISTERED OR QUALIFIED FOR OFFER OR SALE TO THE PUBLIC UNDER THE SECURITIES LAWS OF ANY COUNTRY OR JURISDICTION. THEY HAVE NOT BEEN FILED WITH OR APPROVED OR DISAPPROVED BY ANY REGULATORY AUTHORITY OF ANY COUNTRY OR JURISDICTION NOR HAS ANY REGULATORY AUTHORITY PASSED UPON OR ENDORSED THE MERITS OF THIS OFFERING OR THE ACCURACY OR ADEQUACY OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL. THE DOCUMENT HAS BEEN PREPARED IN ACCORDANCE WITH THE REQUIREMENTS OF THE INVESTMENT FUNDS ACT, 2019 AS AMENDED OF THE COMMONWEALTH OF THE BAHAMAS (the “IFA”). THE FUND WILL BE LICENSED BY THE SECURITIES COMMISSION OF THE BAHAMAS TO OPERATE AS PROFESSIONAL FUND IN THE BAHAMAS.

CONFIDENTIAL EXPLANATORY MEMORANDUM



THE SYNERGY FUND LTD.

An International Business Company with limited liability incorporated under and in accordance with the International Business Companies Act, 2000 (as amended) in the Commonwealth of The Bahamas.

ISIN No. BSP8905V1030 | CUSIP No. P8905V 103

Dated: 1st day of March 2023

No person has been authorised to make any representations concerning the Fund or its Redeemable Shares which are inconsistent with, or in addition to, those contained in this Memorandum and neither the Fund nor its Directors accept any responsibility for any representations so made.

This Memorandum does not constitute an offer to sell or a solicitation or an offer to buy nor shall there be any sale of any Redeemable Shares in any jurisdiction in which such offer, solicitation or sale is not authorised or to any person to whom it is unlawful to make such offer, solicitation or sale. Information on direct or indirect ownership of such shares can be obtained by writing to the Administrator of the Fund at the address detailed in this Memorandum. The direct or indirect ownership of Redeemable Shares by persons resident in the Commonwealth of The Bahamas is prohibited.

Shares may not be offered for sale to persons, trusts or corporations who are, or which have been, designated as resident for purposes of exchange control by The Central Bank of The Bahamas, without the prior written permission of that authority.

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NOTICE TO INVESTORS

RISK WARNINGS

INVESTMENT IN THE FUND IS SPECULATIVE AND INVOLVES SUBSTANTIAL RISKS THAT SHOULD BE CAREFULLY CONSIDERED. THERE IS NO ASSURANCE THAT THE INVESTMENT APPROACH OF THE FUND WILL BE SUCCESSFUL OR THAT IT WILL ACHIEVE ITS INVESTMENT OBJECTIVES. ACCORDINGLY, THE VALUE OF SHARES IN THE FUND MAY GO DOWN AS WELL AS UP AND INVESTORS MAY NOT REALISE THE AMOUNT INITIALLY INVESTED. THE PRICE OF YOUR EQUITY INTEREST AND THE DISTRIBUTED INCOME FROM IT (IF ANY) IS SUBJECT TO MARKET FLUCTUATIONS. FURTHER, PAST PERFORMANCE IS NOT NECESSARILY A GUIDE FOR FUTURE PERFORMANCE. (SEE ALSO "CERTAIN RISK FACTORS")

IMPORTANT

IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS MEMORANDUM, YOU SHOULD CONSULT YOUR STOCKBROKER, COUNSEL AND ATTORNEY, ACCOUNTANT OR OTHER FINANCIAL ADVISER. PURSUANT TO SECTION 14(2) OF THE INTERNATIONAL BUSINESS COMPANIES ACT, 2000 (OF THE BAHAMAS) EVERY INVESTOR SHALL BE BOUND BY THE PROVISIONS OF THE ARTICLES OF ASSOCIATION OF THE FUND AS IF SUCH INVESTOR HAD SUBSCRIBED HIS NAME AND AFFIXED HIS SEAL THERETO AND AS IF THERE WERE CONTAINED IN THE ARTICLES OF ASSOCIATION, ON THE PART OF THE INVESTOR, A COVENANT TO OBSERVE THE PROVISIONS OF THE ARTICLES OF ASSOCIATION.

IMPORTANT NOTICE

THIS MEMORANDUM SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY, NOR SHALL THERE BE ANY SALE OF SHARES IN ANY JURISDICTION IN WHICH SUCH OFFER, SOLICITATION OR SALE IS NOT AUTHORISED OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER, SOLICITATION OR SALE. THE DIRECT OR INDIRECT OWNERSHIP OF SHARES BY SUCH PERSONS IS PROHIBITED, UNLESS SPECIFICALLY ALLOWED AND DESCRIBED IN THIS MEMORANDUM. NO PERSON HAS BEEN AUTHORISED TO MAKE ANY REPRESENTATIONS CONCERNING THE FUND OR THE SHARES WHICH ARE INCONSISTENT WITH THOSE CONTAINED IN THIS MEMORANDUM, AND ANY SUCH REPRESENTATIONS SHOULD ACCORDINGLY BE TREATED AS UNAUTHORISED AND MAY NOT BE RELIED UPON BY THE RECIPIENT. PROSPECTIVE INVESTORS SHOULD NOT CONSTRUE THE CONTENTS OF THIS MEMORANDUM AS LEGAL, TAX OR FINANCIAL ADVICE. ALL PROSPECTIVE INVESTORS SHOULD CONSULT THEIR OWN PROFESSIONAL ADVISORS AS TO THE LEGAL, TAX, AND FINANCIAL CONSEQUENCES OF SUBSCRIBING FOR, PURCHASING, HOLDING AND SELLING THE SHARES UNDER THE LAWS OF ANY JURISDICTION TO WHICH THEY ARE SUBJECT AND THE INVESTMENT RISKS ASSOCIATED WITH THE FUND AND ITS PROPOSED ACTIVITIES OR OTHER MATTERS RELEVANT TO THE SUITABILITY OF AN INVESTMENT IN THE SHARES FOR SUCH INVESTOR. THE PURCHASE OF SHARES IS SPECULATIVE AND INVOLVES A HIGH DEGREE OF RISK. THERE IS NO ASSURANCE THAT THE FUND WILL BE PROFITABLE OR THAT AN INVESTOR WILL NOT LOSE ITS ENTIRE INVESTMENT IN THE FUND. SEE THE SECTION ENTITLED "RISK FACTORS" WITHIN THIS MEMORANDUM FOR A DESCRIPTION OF CERTAIN RISKS INVOLVED IN THE PURCHASE OF SHARES. THIS MEMORANDUM IS INTENDED SOLELY FOR THE USE OF THE PERSON TO WHOM IT HAS BEEN DELIVERED BY THE FUND FOR THE PURPOSE OF EVALUATING A POSSIBLE INVESTMENT BY THE RECIPIENT IN THE SHARES DESCRIBED HEREIN, AND IT IS NOT TO BE REPRODUCED OR DISTRIBUTED TO ANY OTHER PERSONS (OTHER THAN PROFESSIONAL ADVISORS OF THE PROSPECTIVE INVESTOR RECEIVING THIS DOCUMENT FROM THE FUND). THIS MEMORANDUM SUPERCEDES ALL PRIOR INFORMATION WITH RESPECT TO THE SHARES OFFERED HEREBY. NO PERSON HAS BEEN AUTHORISED TO MAKE REPRESENTATIONS CONCERNING THE FUND THAT ARE INCONSISTENT WITH THOSE CONTAINED IN THIS MEMORANDUM. PROSPECTIVE INVESTORS SHOULD NOT RELY ON ANY INFORMATION NOT CONTAINED IN THIS MEMORANDUM OR THE EXHIBITS AND APPENDICES HERETO. STATEMENTS MADE IN THIS MEMORANDUM ARE BASED ON THE LAW AND PRACTICE CURRENTLY IN FORCE IN THE COMMONWEALTH OF THE BAHAMAS AT THE DATE HEREOF AND ARE SUBJECT TO CHANGE. NEITHER THE DELIVERY OF THIS MEMORANDUM NOR ANY SALE HEREUNDER SHALL UNDER ANY CIRCUMSTANCES CREATE ANY IMPLICATION THAT THE INFORMATION CONTAINED HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO THE DATE OF THIS MEMORANDUM. THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER OF THE SHARES TO ANY MEMBER OF THE PUBLIC OF THE COMMONWEALTH OF THE BAHAMAS AND THE SHARES MAY NOT BE OFFERED TO ANY MEMBER OF THE PUBLIC IN THE COMMONWEALTH OF THE BAHAMAS UNLESS APPROVED BY THE CENTRAL BANK

OF THE BAHAMAS. THE SHARES DO NOT REPRESENT INTERESTS IN, OR OBLIGATIONS OF, THE FUND MANAGER OR ANY AFFILIATE THEREOF. THE SHARES ARE NOT INSURED OR GUARANTEED BY ANY GOVERNMENTAL AGENCY NOR HAS ANY GOVERNMENTAL AGENCY PASSED UPON THE ACCURACY OF THE INFORMATION CONTAINED IN THIS MEMORANDUM. THE FUND WILL BE LICENSED AS A PROFESSIONAL FUND PURSUANT TO THE INVESTMENT FUNDS ACT, 2019 UNDER THE LAWS OF THE COMMONWEALTH OF THE BAHAMAS. SUCH LICENSE DOES NOT IMPLY THAT THE SECURITIES COMMISSION OR ANY OTHER REGULATORY AUTHORITY IN THE COMMONWEALTH OF THE BAHAMAS HAS PASSED UPON OR APPROVED THIS MEMORANDUM OR THE OFFERING OF THE SHARES HEREUNDER NOR IS IT INTENDED THAT THEY WILL. CERTAIN PROVISIONS OF THE MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE FUND AND OTHER CONSTITUTIVE DOCUMENTS ARE SUMMARISED IN THIS MEMORANDUM, BUT IT SHOULD BE ASSUMED THAT THE SUMMARIES ARE INCOMPLETE AND SUCH SUMMARIES ARE QUALIFIED IN THEIR ENTIRETY BY THE CONTENTS OF THE DOCUMENTS THEY PURPORT TO SUMMARISE. MATERIAL CONSTITUTIVE DOCUMENTS ARE AVAILABLE FOR INSPECTION AS INDICATED AT "GENERAL INFORMATION – DOCUMENTS FOR INSPECTION". THE NET ASSET VALUE OF EACH CLASS OF SHARES WILL BE CALCULATED IN THE RESPECTIVE CURRENCY OF EACH SHARE CLASS. ACCORDINGLY, EACH SHAREHOLDER, AND NOT THE FUND, WILL BEAR THE RISK OF ANY FOREIGN CURRENCY EXPOSURE RESULTING FROM DIFFERENCES, IF ANY, IN THE VALUE OF THE U.S. DOLLAR RELATIVE TO THE CURRENCY OF THE COUNTRY IN WHICH SUCH SHAREHOLDER RESIDES OR MAINTAINS ITS NET WORTH. THE SECURITIES COMMISSION OF THE BAHAMAS AS REGULATOR OF THE INVESTMENT FUNDS ACT, 2019, TAKES NO RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF THE FUND OR FOR THE CORRECTNESS OF ANY STATEMENTS OR OPINIONS EXPRESSED HEREIN. THE DIRECTORS OF THE FUND ACCEPT RESPONSIBILITY FOR THE INFORMATION AND ACCURACY OF THIS MEMORANDUM AT THE DATE OF PUBLICATION. 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 HEREIN IS ACCURATE, IN ACCORDANCE WITH THE FACTS, AND DOES NOT OMIT ANYTHING LIKELY TO AFFECT THE IMPORTANCE OF SUCH INFORMATION. THE FUND IS NOT INVOLVED IN ANY LITIGATION OR ARBITRATION PROCEEDINGS NOR ARE THE DIRECTORS OF THE FUND AWARE OF ANY PENDING OR THREATENING LITIGATION. NO PERSON IS AUTHORISED TO PROVIDE INFORMATION OR TO MAKE ANY REPRESENTATIONS NOT CONTAINED IN THE MEMORANDUM IN CONNECTION WITH MATTERS DESCRIBED HEREIN AND, IF PROVIDED OR MADE, SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORISED.

RISK DISCLOSURE STATEMENT

INVESTMENT IN THE FUND IS HIGHLY SPECULATIVE AND INVOLVES SUBSTANTIAL RISKS, WHICH SHOULD BE CAREFULLY CONSIDERED BEFORE INVESTING. THE VALUE OF SHARES IN THE FUND MAY GO DOWN AS WELL AS UP AND INVESTORS MAY NOT REALISE THE AMOUNT INITIALLY INVESTED. FURTHER, PAST PERFORMANCE IS NOT NECESSARILY A GUIDE FOR FUTURE PERFORMANCE. YOU SHOULD CAREFULLY CONSIDER WHETHER YOUR FINANCIAL CONDITION PERMITS YOU TO PARTICIPATE IN THE FUND. IN CONSIDERING WHETHER TO PARTICIPATE IN THE FUND, YOU SHOULD BE AWARE THAT PARTICIPATING IN SECURITIES COULD QUICKLY LEAD TO LARGE LOSSES AS WELL AS GAINS. SUCH TRADING LOSSES CAN SHARPLY REDUCE THE NET ASSET VALUE OF THE FUND, AND CONSEQUENTLY, THE VALUE OF YOUR INVESTMENT IN THE FUND. ALSO, MARKET CONDITIONS MAY MAKE IT DIFFICULT OR IMPOSSIBLE FOR THE FUND TO LIQUIDATE A POSITION. THIS FUND IS SUBJECT TO CHARGES FOR MANAGEMENT, PERFORMANCE, LEGAL, ACCOUNTING, AUDIT AND BROKERAGE FEES. IN ADDITION, THE FUND WILL INCUR ADDITIONAL OPERATIONAL EXPENSES AS FURTHER DESCRIBED HEREIN. AS A RESULT, IT MAY BE NECESSARY FOR THE FUND TO MAKE SUBSTANTIAL TRADING PROFITS TO AVOID DEPLETION OR EXHAUSTION OF ITS ASSETS. THIS DOCUMENT CONTAINS A DESCRIPTION OF SUCH CHARGES.

THIS BRIEF STATEMENT CANNOT DISCLOSE ALL THE RISKS AND OTHER SIGNIFICANT ASPECTS OF PARTICIPATING IN THE FUND. YOU SHOULD THEREFORE CAREFULLY STUDY THIS MEMORANDUM AND THE OBJECTIVES IN GENERAL BEFORE YOU DECIDE TO PARTICIPATE IN THE FUND. SEE ALSO THE SECTION ENTITLED 'CERTAIN RISK FACTORS' OF THIS MEMORANDUM. IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS MEMORANDUM, YOU SHOULD CONSULT YOUR STOCKBROKER, COUNSEL AND ATTORNEY, ACCOUNTANT OR OTHER FINANCIAL ADVISER. ALL MONETARY AMOUNTS FOR SHARES SET FORTH HEREIN ARE EXPRESSED IN UNITED STATES DOLLARS.

DEFINITIONS

Business Day	Any day (excluding Saturday and Sunday) on which banks are open for normal business in Nassau, London, Curaçao or any location in which the Fund enjoys banking facilities.
Valuation Day	The last business day of each month or such other day as the Directors may designate.
(Board of) Directors	The (Board of) Directors of the Fund.
Fees & Expenses	The management, legal, audit and other expenses related to operating the Fund.
Fund	The Synergy Fund Ltd. ("the Fund"), a Professional Fund currently comprising three classes of shares – Class A Investor non-voting shares, Class B Investor non-voting shares, and Class C Management Shares. Only the Fund's Class A shares are on offer.
Net Asset Value	The Net Asset Value of each class of shares will be calculated based on the value of the assets of the Fund, less liabilities and accruals for Fund fees and expenses.
Net Asset Value Per Share	The Net Asset Value per Share for each Class is equivalent to the Net Asset Value of such Class at the Valuation Day divided by the number of Shares issued and outstanding as at that date for each Class.
Subscription Day	The first Business Day of each month.
Subscription Notification	Notification must be received by the Administrator no later than 5 business days preceding the Subscription Date; requests for Subscriptions received after this deadline will be processed in the next cycle. Subscription proceeds need to be in the account of the Fund prior to the Subscription Date.
Redemption Day	The last Business Day of each quarter or such other day as the Directors may designate.
Redemption Notification	Notification must be received by the Administrator 60 business days before the last business day of each quarter; requests for redemptions received after this deadline will be processed in the next cycle. Redemption proceeds will only be paid to an account in the name of the investor. The Directors may waive part of or the entire notice period.
Suspension	Means a determination by the Directors to suspend the calculation of the Net Asset Value and/or the issue or redemption of shares.
Investor Share	Non-voting Class A shares with a par value of US\$0.0005 each, offered pursuant to this Memorandum.
Shareholder	The owner of an Investor non-voting Class A share with a par value of US\$0.0005 each.

SUMMARY OF OFFERING

The following is a summary of the Memorandum and certain other documents relating to the Fund and is qualified in its entirety by reference to the Memorandum, the Fund's Memorandum & Articles of Association, and related attachments. The Memorandum and related attachments should be reviewed carefully for more information with respect to the Fund.

The Fund	The Synergy Fund Ltd. ("the Fund"), a Professional Fund, was organised as an open-ended investment company on the 23 rd day of January 2020, under the laws of the Commonwealth of The Bahamas.
Legal Structure	The Fund was incorporated as an International Business Company ("IBC") with limited liability under the International Business Companies Act, 2000. The Fund is authorized to issue a maximum of 100,000,000 shares which are divided into three (3) classes: 50,000,000 are Class A non-voting, participating, shares; 5,000,000 are Class B non-voting, participating, shares; 100 are Class C, voting, non-participating, non-redeemable shares and 44,999,900 unassigned shares. The Registered Office of the Fund is situated at Bahamas Financial Centre, 3 rd Floor, Shirley & Charlotte Streets, P.O. Box N-4865, Nassau, NP The Bahamas.
Status	The Fund is registered as a Professional Fund under the Investment Funds Act, 2019 of the Commonwealth of The Bahamas ("the IFA"). The courts of The Bahamas have exclusive jurisdiction regarding any disputes that may arise in the operation, management, administration, or overall conduct of the Fund.
Investment Objective and Strategy	The primary investment objective of The Synergy Fund is to generate a fixed, pre-calculated return at a ratio of +1.00 % +/- 0.1 %, per month net of any costs the fund may incur, whilst attempting to limit investment risk. The Fund strategy is to adopt an absolute return approach, and therefore to allocate the assets of the Fund among a wide range of markets, securities and derivative instruments. The Fund cannot guarantee that its investment objective will be achieved.
The Fund Manager	Elettra Asset Management Ltd., a registered company in the Commonwealth of The Bahamas, will serve as the Fund Manager to the Fund (the "Fund Manager"). On the 27th day of January 2020, the Fund entered into an Investment Management Agreement with the Fund Manager (the "Management Agreement").
Administrator	The Fund has entered into an Administration Agreement with Amicorp Fund Services NV (the "Administrator"). The Administrator will perform administration and registered transfer agent services pursuant to the Administration Agreement. The Administrator is responsible for maintaining the principal office of the fund and overseeing the Net Asset Value calculation of the Fund. The Fund will pay the Administrator a fee based on its standard schedule of fees.
Registrar and Transfer Agent ("RTA")	Amicorp Fund Services NV will also act as the registrar and transfer agent of the Fund (the "RTA"), and pursuant to the Administration Agreement will perform RTA services, including receiving subscriptions, maintaining share ownership records, processing

	redemption requests, performing anti-money laundering procedures and responding to investor inquiries.
Banker / Custodian	The Fund can utilise the services of multiple banks, brokers and depositories.
Auditor	The Fund will engage Ernst & Young Dutch Caribbean as its auditor.
Board of	The Fund is governed by its Board of Directors (the “Board” or “Directors”) whose current members are Lorenzo Canó and Claudio Cecchini.
Shares Offered	Class A Non-voting, Shares (the “Shares”) are offered on the first business day of each month.
Price per share	Shares will be initially issued at US\$100 per share. Subsequent issuance of shares will take place at the Net Asset Value per Share.
Minimum Initial and Subsequent Subscriptions	The minimum initial subscription amount is US\$500,000 and thereafter-in multiples of US\$100,000, both subject to reduction at the discretion of the Fund’s Board. Shares may not be offered, transferred to, or acquired by persons resident in the Commonwealth of The Bahamas.
Redemptions and Transfers	Shares may, subject to a prior notice to the Fund of at least 60 business days, be redeemed on the last business day of each quarter. No lock up period applies, however, redemptions within the first 6 months after the initial subscription will be subject to a redemption fee of up to 5% at the discretion of the Board. Under certain circumstances the Board has the right to impose a gating provision, causing an investor to be forcedly redeemed or suspend redemptions (see “Offering and Redemption of Shares”). Shares are only transferable after prior approval of the Board, which may be withheld for any or no reason.
Dividend Distribution	The Directors do not anticipate the paying of dividends on Shares; profits will be re-invested in the Fund. The Directors do retain the right to amend this and pay dividends on Shares solely at their discretion. If dividends are distributed, the Administrator will process the payments on behalf of the Fund as the paying entity.
Risk Factors	An investment in the Fund involves significant risks and is suitable only for those persons who can bear the economic risk of the loss of their investment in its entirety and who have limited need for liquidity in their investment. There can be no assurance that the Fund will achieve its investment objective. (See Section on "Risk Factors".) Each prospective investor should carefully review this Memorandum and the relevant documents and agreements referred to herein before deciding to invest in the Fund.
Management Fee	The Fund Manager will receive a non-refundable Management Fee (the “Management Fee”), payable monthly in advance from the Fund at an annual rate equal to one and five tenths’ percent (1.5%) of the Net Assets.
Performance Fee	The Fund Manager will be entitled to receive, for each calendar month, a Performance Fee (the “Performance Fee”) paid monthly in arrears with respect to each Series of Shares outstanding during such calendar month. The performance fee calculation takes into account a High-Water Mark (“HWM”) to ensure fees are only calculated from an investor’s peak value. The fees will be equal to the net monthly capital appreciation

from that HWM after deducting one percent (1%) distribution to the Class A shares and all fees & expenses including but not limited to the management fee, fund administration fee, audit fee, legal, trading & brokerage fees.

Expenses and Other Fees The Fund Manager will be responsible for developing, executing and monitoring the Fund's investment strategy. The Fund will not be responsible for the payment of any of the Fund Manager's overhead expenses associated with rendering its services, including the salaries of its employees, rent and all general overhead expenses. The Fund will pay all other expenses of the Fund, including but not limited to the fees paid for the Fund's Administrator, accounting, audit and legal expenses; investment expenses such as commissions, transaction fees, trade execution fees, research fees, due-diligence fees and any other related expenses (including research related travel expenses); interest on margin accounts and other indebtedness; borrowing charges on securities sold short; custodial fees; and any other expenses reasonably related to the purchase, sale or transmittal of Fund assets. The fees and expenses associated with the organization of the Fund and the initial offering of shares will be borne by the Fund Manager.

Frequency of Valuation Net Asset Valuation will be performed on a monthly basis.

Reports Investors will receive their monthly holdings (unaudited) generally within twenty (20) business days following the end of each calendar month and will receive audited financial statements, within one hundred and eighty (180) days after the completion of the Fund's financial year.

Tax Status The Fund will not be subject to any income, withholding or capital gains taxes in the Commonwealth of The Bahamas. Investors should consult their own advisors as to the tax consequences to them of an investment in the Fund.

Investor Suitability An investment in the Fund may be made by only those investors who represent and warrant in the Subscription Agreement that they are eligible to do so.

Subscription Procedure Any investor desiring to subscribe for Shares of the Fund will be asked to complete and sign a copy of a Subscription Agreement as attached to this Memorandum, offering in the same to purchase a specified dollar amount of Shares, and send such copy first by email and then by courier, to

The Synergy Fund Ltd.
c/o Amicorp Fund Services NV
Pareraweg 45
PO Box 4914 Willemstad Curaçao
E-mail: synergy@amicorp.com

Payment of the subscription amount shall be made in accordance with the terms of the Subscription Agreement and must be remitted from a bank account in the name of the investor. Funds remitted by a third-party will not be accepted.

Please note that the foregoing is a summary only. It does not attempt to be complete and is in all respects qualified by the more detailed information appearing elsewhere in this Memorandum.

DIRECTORY

Registered Office of the Fund

Bahamas Financial Centre, 3rd Floor
Shirley & Charlotte Streets
P.O. Box N-4865, Nassau, NP
The Bahamas

Principal Office of the Fund

Bahamas Financial Centre, 3rd Floor
Shirley & Charlotte Streets
P.O. Box N-4865, Nassau, NP
The Bahamas

Administrator & Registered Transfer Agent

Amicorp Fund Services NV
Bahamas Financial Centre, 3rd Floor
Shirley & Charlotte Streets
P.O. Box N-4865, Nassau, NP
The Bahamas

Cash Custodian

Amicorp Bank and Trust Limited
Carleton Court, Highstreet, Bridgetown
St. Michael BB11128
Barbados

Fund Manager

Elettra Asset Management Ltd.
Bahamas Financial Centre, 3rd Floor
Shirley & Charlotte Streets
P.O. Box N-4865, Nassau, NP
The Bahamas

Legal Counsel (Bahamas)

Kensington Chambers
#10 Lookout Hill, Winton Heights
P.O. Box EE-17971, Nassau, NP
The Bahamas

Auditor

Ernst & Young Dutch
Zeelandia Office Park
P.O. Box 3626, Willemstad
Curaçao

INTRODUCTION

The Synergy Fund Ltd. (“the Fund”), a Professional Fund, was organised as an open-ended investment company on the 23 day of January 2020, in and under the laws of the Commonwealth of The Bahamas.

The primary investment objective of The Synergy Fund is to generate a fixed, pre-calculated return at a ratio of +1.00 % +/- 0.1 %, per month net of cost the fund may incur. The Fund strategy is to adopt an absolute return approach, and therefore to allocate the assets of the Fund among a wide range of markets, securities and derivative instruments.

The Fund Manager is Elettra Asset Management Ltd. (the “Fund Manager”), a management company incorporated in the Commonwealth of The Bahamas.

The Fund Administrator is Amicorp Fund Services NV and Ernst & Young Dutch Caribbean will act as Auditor.

The Fund requires a minimum investment of US\$500,000. The Management Fee is one and five tenths’ percent (1.5%) per annum. The Performance Fee is equal to the monthly net appreciation after deducting the investors one percent (1%) distribution and all expenses relating to the fund. Investors will have their income and capital gains reinvested monthly and receive monthly statements confirming their balance.

Shares of the Fund will be sold only to persons who are Professional Investors, as defined in the Subscription Agreement.

THE FUND'S INVESTMENT PROGRAM IS SPECULATIVE AND ENTAILS SUBSTANTIAL RISKS. NO ASSURANCE CAN BE GIVEN THAT THE COMPANY WILL ACHIEVE ITS INVESTMENT OBJECTIVE. CONSEQUENTLY, AN INVESTMENT IN THE FUND SHOULD BE MADE ONLY BY EXPERIENCED AND SOPHISTICATED PERSONS WHO ARE ABLE TO BEAR THE RISK OF A SUBSTANTIAL IMPAIRMENT OR LOSS OF THEIR INVESTMENT IN THE FUND.

INVESTMENT OBJECTIVE

The primary investment objective of The Synergy Fund is to generate a fixed, pre-calculated return at a ratio of +1.00 % +/- 0.1 %, per month net of cost the fund may incur, whilst attempting to limit investment risk. **There can be no assurances that the Fund will achieve its investment objective.**

INVESTMENT STRATEGY

The Fund has adopted an absolute return approach with the ability to allocate the assets of the Fund among a wide range of markets, securities and derivative instruments. These may include investment in equity and debt securities, currencies, physical commodities, options, and other derivative instruments negotiated in various capital markets. The Fund may also allocate its assets among private investment vehicles, mutual funds or other accounts managed by portfolio managers who invest in a variety of (financial) markets. The Fund may spread its investments but is also allowed to concentrate its investments in just one or a limited number of investments.

INVESTMENT AND BORROWING RESTRICTIONS

The Fund is in principle not authorised to borrow or leverage to finance its trade operations. As short selling is allowed, the Fund is exposed to inherent leverage. The Fund is authorised to borrow up to 50% of the value of the portfolio's total assets in order to enhance its investment leverage. The Fund does not apply any other borrowing restrictions. While focus is placed on commodities and derivatives related to these, the Fund is allowed to invest, without any restriction, in any type of investment it deems fit and is allowed under Bahamas law to accomplish its investment objective. The Fund has no investment restrictions.

MANAGEMENT AND DIRECTORS

Fund Manager

Under the terms of an Investment Management Agreement dated the 27th day of January 2020 (the “Management Agreement”), the Fund has retained the services of Elettra Asset Management Ltd. to serve as its Fund Manager (the “Fund Manager”).

The Fund Manager is a Bahamas based management company. Services provided by the Fund Manager include, but are not limited to the following:

- advise the Fund concerning all actions which appear to the Fund Manager to be advantageous to the Fund in implementing its investment policies;
- evaluate opportunities for possible investments and advise the Fund on the formulation of an investment strategy;
- monitor and review the investments of the Fund and recommend, as circumstances may require, changes in such investments;
- provide such advice to the Fund on matters related to investments as the Fund may reasonably require from time to time; and
- manage all aspects of the investment program of the Fund, including the execution of purchases and sales.

The fees payable to the Fund Manager are set out under “Fees and Expenses”.

Under the Management Agreement, the Fund Manager will not, in the absence of gross negligence, willful default or fraud on the part of the Fund Manager, be liable to the fund or to any investor for any act or omission, in the course of, or in connection with providing services to the fund or for any losses, claims, damages, liabilities and expenses or damage which the Fund may sustain or suffer as a result of, or in the course of, the discharge by the Fund Manager’s duties pursuant the Management Agreement.

The Fund Manager will be indemnified out of the assets of the fund against all losses, claims, damages, liabilities and expenses including, but not limited to all reasonable fees of counsel, investigative fees and any other reasonable expense in connection with the preparation for a defense of any claim, action or proceeding brought against the Fund or the Fund Manager caused by or arising from the Fund Manager acting for the Fund.

The office of the Fund Manager is located at Bahamas Financial Centre, 3rd Floor, Shirley & Charlotte Streets, P.O. Box N-4865, Nassau, NP, The Bahamas. The General Manager of the Fund Manager is Mr. Lorenzo Canò (see bio below).

Board of Directors

The Fund is managed by and operates under the supervision of its Board of Directors (the “Directors”). The members of the Fund’s Board of Directors at the date of this document (the “Current Directors”) were appointed to serve for an indefinite term. The Current Directors will elect any subsequent Directors. Directors will be paid fees in an amount to be determined in the sole discretion of the Directors. At the date of this document, the Fund has two (2) Directors:

Mr. Lorenzo Canò

With a career spanning over three decades both with prominent firms and as an entrepreneur, Mr. Canò has built up extensive experience in the financial industry. Having worked as Financial Advisor for companies like Lloyd Adriatico (currently Allianz) and ING Sviluppo (currently Unicredito), he showed a keen interest in the technical analysis and forecast of financial market instruments. This led him to developing and implementing trading

algorithms that to date have assisted him with active trading in stocks and derivatives. From 2004 to 2007 Mr. Canò served as Advisory Board Member of Anchorage Capital Partners Ltd, an investment banking firm regulated by the FSA in the UK. In the early 2000's he conceptualized and set up a Luxembourg based investment fund by the name of Aleph SICAV, for which he acted as Director, Conducting Officer and Asset Manager. In 2012 he setup a specialized investment fund in Luxembourg called Aleph SIF for which he acted as Director and Asset Manager. He also serves as Director and is the main shareholder of Aleph Consulting, the investment advisory firm appointed by Aleph SICAV.

Mr. Claudio Cecchini

Mr. Cecchini has over 25 years of experience in the investment fund industry in a variety of positions with leading companies in the field. Having spent his initial years with MeesPierson (currently BNP Paribas Fortis) he joined Citco Fund Services in 1997 before switching in 2007 to Amicorp Fund Services to become its Global Head of Fund Services. Since 2022 Mr. Cecchini is Managing Partner of Citreus Fund Services. Mr. Cecchini holds a bachelor's degree from Rotterdam University of Applied Sciences in Management, Economics and Law. During his career he acted as director to hedge, private equity, venture capital, real estate as well as retail funds, each employing a wide variety of strategies. He currently serves as director to selected investment funds only.

OFFERING AND REDEMPTION OF SHARES

The authorised share capital of the Fund is US\$50,000 consisting of 100,000,000 shares each at a par value of US\$0.0005. The authorised shares have been divided into:

- 50,000,000 Class A Investor non-voting shares
- 5,000,000 Class B Investor non-voting shares
- 100 Class C Management voting shares
- 44,999,900 unassigned shares

The Fund will be offering Class A Investor non-voting shares on the first business day of each calendar month to investors who meet the requirements set forth in the "Subscription Agreement". Shares may be issued only as registered shares and will not be issued in physical form nor to bearer. The register of shares is maintained by the Administrator.

SUBSCRIPTIONS AND OFFERING PRICE

Subscriptions for Class A Shares (the "Shares") will be accepted in US Dollars and such Shares will be issued in US Dollars. The Shares shall initially be offered at US\$100 per share (the "Offering Price"), with a minimum purchase subscription of US\$500,000, or five thousand shares. The minimum initial subscription for Shares is US\$500,000 and subsequent subscriptions thereafter in multiples of US\$100,000.

The Fund's Directors reserve the right to accept lower amounts of initial or additional subscription proceeds. The Fund reserves the right to reject any subscription for Shares for any and no reason. All subscriptions are irrevocable by the subscriber. Shares may be purchased monthly on the first business day of each calendar month or at such other times designated by the Board of (each a "Subscription Day").

The proper documentation necessary to purchase Shares must be received by the Registrar and Transfer Agent (the "RTA") at least five (5) business days prior to the subscription date unless such requirement is expressly waived by the Fund. For the purposes of processing investor transactions by the RTA an order for a subscription or redemption submitted by an investor will not be deemed received until it has been accepted in writing by the RTA and the RTA has confirmed that all required documentation has been provided.

Investors interested in subscribing for Shares should follow the procedures set forth in Section entitled "Subscription and Application Procedures." The Fund Manager may pay (or cause to be paid) fees to persons (whether or not affiliated with the Fund Manager) who are instrumental in the sale of Shares. Any such fees will in no event be payable by or chargeable to the Fund and will be charged to the subscribing investor.

SUBSCRIPTIONS

Persons wishing to subscribe for the Shares should complete the Subscription Agreement, which includes, among other things, representations that the subscriber is not a person resident in the Commonwealth of The Bahamas. Completed Subscription Agreements and related documentation should be emailed and the original Subscription Agreement and related documentation should be sent via airmail/courier to the RTA together with a wire transfer that is made payable to "The Synergy Fund Ltd." in U.S. Dollars for the full amount of the subscription, inclusive of any agreed upon fees.

Shares may be offered as of each Subscription Date. Initially, Shares will be offered at US\$100 per share (exclusive of upfront placement fees, if any). Shareholders may purchase additional Shares at the then prevailing Net Asset Value per Share (exclusive of upfront placement fees, if any). The minimum subscription for Shares is US\$500,000

(exclusive of upfront placement fees, if any) and thereafter multiples of US\$100,000. The Directors may also permit smaller subscriptions in their sole discretion. Prospective shareholders should contact the RTA to obtain Share pricing and wire transfer instructions. Failure to remit the full amount due may potentially be treated as a withdrawal of a prospective shareholder's subscription. A subscription for Shares will not be processed and Shares will not be allotted until receipt of notification that a prospective shareholder's funds have been cleared in the full amount of the subscription.

The Fund reserves the right to reject any subscription or to accept only part of a subscription for any or no reason. If a subscription is not accepted or is accepted only in part, the amount paid on the subscription or the balance thereof will be returned without interest and returned at the risk of the prospective shareholder.

Fractions of Shares may be issued. No certificates shall be issued for Shares and the Fund shall maintain the account of the Shares in book entry form and the name of the Shareholder of such Shares will be entered into the Register of Shareholders. Under this arrangement, shareholdings shall be in book entry form and the RTA shall issue a confirmation advice as soon as practicable after confirming the investment and upon receipt of the Subscription Agreement by email with the original by mail.

REDEMPTIONS

To redeem all or part of its holding, a Shareholder should complete the "Redemption Form" and send it via email followed by postal mail to the RTA. Such redemption shall occur against the Net Asset Value calculated at the close of business on the last Business Day of the relevant quarter, provided at least 60 business days' notice of prior written notice was given to the RTA.

Redemption requests made within the first six months of the initial subscription will be subject to a redemption fee of up to five percent (5%) at the discretion of the Directors. Redemption proceeds will normally be paid out within ten (10) Business Days after the final Net Asset Value has been calculated and released in respect of the relevant Share Class for the calendar month for which the computation is made. A Business Day shall be any day on which banks are open for domestic and foreign exchange business in Nassau, London and Curaçao.

Whenever the Fund declares a suspension of the redemption of Shares (see below), then as soon as may be practicable after any such declaration, the Fund Manager and/or Administrator shall give notice to all Shareholders stating that such declaration has been made. During any period when the redemption of Shares is suspended, the Fund may not issue or redeem Shares.

Redemptions are subject to the provisions for the payment of Fund liabilities and the establishment of reserves for contingencies by the Fund Manager. In addition, since it is contemplated that a substantial part of the Fund's net assets will be committed to investments, the satisfaction of any redemption request will likely require liquidation of the Fund's investments. While the investments of the Fund are in fairly liquid assets, the Fund may be unable to liquidate sufficient of these investments to satisfy the redemption requests of all withdrawing Shareholders as of a given date. Moreover, even if certain investments could be liquidated at a given time, the Fund Manager, in consultation with the Directors, may determine that liquidation of such investments would not be in the best interests of the Fund. If, for example, the Fund Manager believes that early liquidation of a Fund investment could adversely affect the share value not only for redeeming Shareholders but for the remaining Shareholders as well, the Fund Manager may, in consultation with the Directors, determine not to liquidate such investments. Similarly, the Fund Manager may determine that the liquidation of certain investments, which could be liquidated at a given time, would adversely affect the Fund Manager's strategies for the allocation of the Fund's net assets among various investments. IN VIEW OF THE FOREGOING, NO ASSURANCES CAN BE MADE THAT THE FUND WILL BE ABLE, OR THAT THE FUND MANAGER WILL BE WILLING, TO LIQUIDATE FUND INVESTMENTS SUFFICIENT TO SATISFY ANY OR ALL REDEMPTION REQUESTS MADE IN RESPECT OF ANY REDEMPTION DATE.

With a view to protecting the interests of Shareholders the Directors may limit the number of Shares which are redeemed on any Redemption Day. In that event, the limitation will apply pro rata so that all Investors wishing to redeem Shares on that Redemption Day redeem the same proportion of such Shares. Redemption requests in respect of all Shares not redeemed but which would otherwise have been redeemed on that Redemption Day together with all redemption requests subsequently received will be carried forward to the next Redemption Day (or such earlier day as the Directors may determine), whereupon all Shares the subject of such redemption requests will (subject to the same limitation and as provided below) be redeemed. If redemption requests are carried forward, the Fund will inform the Shareholders who are affected and on any subsequent Redemption Day priority will be given to requests which have been carried forward according to the length of time for which they have been carried forward.

The Fund may retain part of the Redemption Price payable to a Shareholder as a reserve to fund liabilities. If the Fund later determines that the reserve (or a portion of it) is more than the amount required, it will return to that Shareholder, without interest, the relevant proportion of that excess.

In the event that the Directors determine that a person, trust or corporation designated as resident in the Commonwealth of The Bahamas directly or indirectly is the owner of Shares, the Fund has the right to request the compulsory redemption of Shares and to deduct from the proceeds of such redemption all costs associated with making a determination as to the beneficial ownership of such Shares.

Furthermore, the Fund has the right to request the compulsory redemption of Shares in the event that such Shares are held by persons who have acquired Shares in breach of the laws or regulations of any country or government agency or persons who in the opinion of the Directors pursue investment objectives incompatible with the objectives of the Fund, or if such redemption would, in the opinion of the , eliminate or reduce the exposure of the Fund or its Shareholders to adverse regulatory or tax consequences of any country.

SUSPENSION OF NAV CALCULATION, SUBSCRIPTIONS, REDEMPTIONS AND PAYMENTS

The Directors may at any time and from time to time postpone or suspend (i) the calculation of the Net Asset Value of Shares of any one or more Classes; (ii) the issue of Shares of any one or more Classes; (iii) the redemption by Investors (in whole or in part) of Shares of any one or more Classes; and/or (iv) the payment (in whole or in part) of any redemption proceeds. Circumstances where any of these suspensions may be declared include:

- a) the Fund having insufficient liquid assets to discharge its liabilities on the effective date of redemptions; or
- b) the Fund being unable to liquidate assets in an orderly manner; or
- c) during which any principal stock exchange, commodities exchange, futures exchange or over-the-counter market on which any substantial portion of the investments of the Fund is listed, quoted, traded or dealt in is closed (other than customary weekend and holiday closing) or trading on any stock exchange or market is substantially restricted or suspended; or
- d) when circumstances exist as a result of which, in the opinion of the Directors, it is not reasonably practicable for the Fund to dispose of investments or as a result of which any such disposal would not be in the best interests of the Shareholders; or
- e) when a breakdown occurs in any of the means normally employed in ascertaining the value of investments or the price of investments on any market or stock exchange on which the investments are listed or traded; or
- f) when remittance or transfer of monies upon the redemption of Shares is not reasonably practicable or cannot be effected at normal rates of exchange; or
- g) in which the repurchase or redemption of Shares would, in the opinion of the Directors, result in a violation of any provisions of applicable law; or
- h) at such other times as the Directors, in their sole discretion, may determine.

REPORTS TO SHAREHOLDERS

The Fund agrees to compute and provide the following reports to the Shareholders or to their nominees each in a form reasonably acceptable to the Shareholders and in conformity with applicable laws, rules and regulations and prepared in accordance with International Financial Reporting Standards:

- The monthly Net Asset Value per Share for the Fund within twenty (20) Business Days after the end of the calendar month for which the computation is made, unless not calculated yet;
- An audited financial statement for the Fund within one hundred and eighty (180) days of the financial year-end (December 31 of each year).

Whilst the Fund will endeavour to provide the aforementioned reports by the time deadlines aforesaid, the Fund shall not be held liable for any delays in providing the relevant reports which result from unexpected contingencies such as delays in receiving necessary information from which to prepare such reports; equipment failure; fire or other physical damage to offices or equipment; adverse weather conditions; power failure or acts of God.

DETERMINING NET ASSET VALUE AND VALUATION PRINCIPLES

The Administrator will calculate the Net Asset Value of each Class of the Fund Shares and the Net Asset Value per Share as of the close of business on each Valuation Day. Those calculations will be made in accordance with the valuation provisions set out in the Fund's Articles of Association and are summarised below.

The Net Asset Value of the Fund's assets shall be calculated by the Administrator by dividing the assets of the Fund attributable to the Class to which that share belongs, less the liabilities attributable to that Class, by the number of issued shares in that Class. Unless the Directors consider some other basis of valuation is more appropriate, the Fund's assets will be valued based on accrual accounting using International Accounting Standards ("IAS") as issued by the International Accounting Standards Board (apart from amortization of organisational costs) as a guideline and otherwise in accordance with the principles set out in the Fund's Articles of Association and summarised below.

Assets

For the purpose of any valuation, the Fund's assets include, without limitation:

- a) all cash on hand or on deposit, including any accrued interest;
- b) all bills and demand notes and accounts receivable (including the proceeds of investments and other assets sold but not delivered);
- c) all investments and other assets owned by, or contracted on behalf of, the Fund;
- d) all dividends and distributions payable in stock, cash or other property receivable by the Fund. However, the Fund and/or the Administrator may make adjustments with respect to fluctuations in the market value of investments caused by trading ex-dividend or ex-rights or by similar practices;
- e) all interest accrued on any interest-bearing instruments owned by the Fund, except to the extent that interest is already included or reflected in the valuation of those instruments; and
- f) all other assets of every kind and nature, including prepaid expenses (although goodwill is deemed to have no value).

Liabilities

For the purpose of any valuation, the Fund's liabilities include, without limitation:

- a) all loans, bills and accounts payable;
- b) all accrued or payable expenses and fees chargeable to the Fund including amortised organisational expenses and accrued Management Fees and Performance Fees. Regular or recurrent expenses may be estimated for yearly or other periods in advance and accrued over that period;
- c) gross acquisition cost of investments and other property contracted to be purchased by the Fund;
- d) such sum (if any) the directors consider appropriate on account of anticipated brokerage, stamp duty and any other governmental taxes or charges;
- e) dividends declared on the Participating Shares but not yet paid; and
- f) all other liabilities, including unknown or unfixed contingencies and such reserves the directors, acting reasonably, consider advisable.

Valuation principles

For the purposes of calculating the Net Asset Value of the Fund, assets of the Fund will be valued in accordance with the following principles:

- 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 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, on the relevant Valuation Day, and as adjusted in such manner as the Directors thinks fit, having regard to the size of the holding. 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 the Directors determine provides the fairest criteria in ascribing a value to such security;

- b) 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 probable realisation value on the relevant Valuation Day, as determined by the Directors 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 the Directors deem relevant in considering a positive or negative adjustment to the valuation;
- c) 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 on the relevant Valuation Day by reference to the most recent official settlement price quoted by that clearing house, exchange or financial institution. If there is no such price, then the average will be taken between the most recent lowest offer price and the highest bid price on the relevant Valuation Day on any market on which such investments are or can be dealt in or traded, provided that where such investments are dealt in or traded on more than one market, the Directors may determine which market shall prevail;
- d) investments, other than securities, including over-the-counter derivative contracts, which are not dealt in or traded through a clearing firm or an exchange or through a financial institution will be valued by reference to the valuation obtained from an independent pricing source, but where no such valuation is available for a particular investment, the investment will be valued by comparing the latest available valuation provided by the relevant counterparty against the valuation provided by such other counterparties as the Directors deem appropriate. In the event that the valuations provided respectively by the relevant counterparty and the other counterparties differ to an extent that the Directors consider to be material, the investment shall be valued on the basis of the average of all of the valuations but otherwise will be valued on the basis of the valuation provided by the relevant counterparty;
- e) deposits will be valued at their cost plus accrued interest;
- f) any value (whether of a security or cash) otherwise than in base currency of the Fund will be converted into the base currency at the rate (whether official or otherwise) which the Administrator (if appointed) or the Directors, as the case may be, deem appropriate to the circumstances having regard, inter alia, to any premium or discount which it considers may be relevant and to costs of exchange.

The Directors may permit any other method of valuation to be used if they consider that such method of valuation better reflects fair value generally or in particular markets or market conditions (but subject to Bahamas laws and regulations). The annual accounts of the Fund will be drawn up in accordance with IFRS. However, the above valuation policies may not necessarily comply with IAS. For example, under IAS, if an asset or a liability measured at fair value has a bid price and an ask price, the price within the bid-ask spread that is most representative of fair value in the circumstances shall be used to measure the fair value. To the extent that the valuation basis deviates from IAS, the Directors may make necessary adjustments in the annual financial statements in order to comply with IAS. If relevant a reconciliation note may be included in the annual financial statements to reconcile values shown in the annual accounts determined under IAS to those arrived at by applying the valuation policies described above.

In calculating the Net Asset Value of the Fund and the Net Asset Value per Share, the Administrator may rely on, and will not be responsible for the accuracy of, financial data furnished to it by third parties including automatic processing services, brokers, market makers or intermediaries, and any administrator of other collective investment arrangement into which the Fund invests.

FEES, COMPENSATION AND EXPENSES

SHAREHOLDERS FEES (PAID DIRECTLY FROM YOUR INVESTMENT AND AT DISCRETION OF DIRECTORS):

Subscription Fee (percentage of the amount subscribed)	Up to 5%
Early Redemption Fee (during first six months of investment)	Up to 5%

ANNUAL OPERATING EXPENSES (DEDUCTED FROM THE FUND AS EXPENSES):

Organizational and Initial Offering Fees and Expenses

The Fund Manager will bear all fees and expenses incurred in connection with the organization of the Fund and the initial offer and sale of Shares. These fees and expenses may include but are not limited to initial expenses of attorneys and accountants, printing, travel and promotional expenses until such time as the Fund is trading.

Operational and Administrative Fees and Expenses

Upon the Fund trading, all operational fees and expenses will be borne by the Fund. This may include, but is not limited to i) fees and expenses of advisors and consultants; ii) fees and expenses of any custodians, escrow or transfer agents and other investment-related service providers; (iii) indemnification expenses and the cost of insurance against potential indemnification liabilities; (iv) interest and other borrowing expenses; (v) legal, administrative, accounting, tax, audit and insurance expenses; (vi) expenses of preparing and distributing reports, financial statements and notices to shareholders, monthly reporting and further promotional and printing expenses; (vii) litigation or other extraordinary expenses; and (viii) the costs of periodically updating the Memorandum. None of the Fund Manager, the Directors and the Administrator are entitled to brokerage or other transaction benefits.

Management Fee & Performance Fees

The Fund will pay the Fund Manager a management fee, payable monthly in advance, in an amount equal to one and five tenths' percent (1.5%) per annum of the Net Asset Value of the Fund or 0.125% per month. The Fund Manager will also earn a performance fee calculated on a monthly basis. The performance fee will be equal to the net monthly capital appreciation after deducting one percent (1%) distribution to the Class A shares and all fees & expenses including but not limited to the management fee, fund administration fee, audit fee, legal, trading & brokerage fees. The calculation of performance fees is subject to a High-Water Mark provision.

Fund Administrator Fees

The Administrator charges its customary fees where a number of basis points are charged on the Fund's total net assets subject to a monthly minimum fee. All reasonable out-of-pocket expenses incurred by the Administrator in providing services to the Fund will be paid or reimbursed to the Administrator by the Fund.

Audit Fees

The Auditor will receive an annual fee to be negotiated by the Directors on the basis of current market fees for similar work.

Trade Execution Fees

The Fund pays transaction costs, such as commissions and other expenses related to buying and selling investments, when it buys and sells investments or "turns over" its portfolio. A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account.

CONFLICTS OF INTEREST

The Fund is subject to various actual and potential conflicts of interest:

Other Trading Activities

The Fund Manager, the Directors, the Administrator and any broker or custodian appointed by the Fund and their respective principals, directors, officers, partners, members, managers, shareholders, employees and affiliates (collectively, "principals and affiliates"), may act for, or be involved with, other collective investment vehicles that have similar investment objectives to those of the Fund. Capacities in which one or more of them may act for, or be involved with, other collective investment vehicles of that type include: as distributor, promoter, manager, investment manager, investment adviser, registrar, transfer agent, administrator, trustee, custodian, broker, director and placing agent. Similarly, one or more of them may provide discretionary fund management or ancillary administration, custodian or brokerage services to investors with similar investment objectives to those of the Fund. Consequently, any of them may in the course of their business, have potential conflicts of interests with the Fund. If a potential conflict arises, so far as practicable, each will have regard to its obligation to act in the best interests of the shareholders, having regard to its obligations to other clients, when undertaking investments. Further, each will endeavour to resolve any conflicts fairly.

The Fund Manager may trade for accounts other than the Fund's, including for its own account, and the Fund Manager will remain free to trade for such other accounts and to utilize trading strategies and formulae in trading for such accounts which are the same or different from the ones the Fund Manager will utilize in making trading decisions for the Fund. In addition, and if and when applicable, in their respective proprietary trading, the Fund Manager, the brokers and their respective principals and affiliates may take positions the same as, different than or opposite to those of the Fund and each may trade ahead of the Fund. The records of any such trading will not be available for inspection by Shareholders except to the extent required by law. All such trading may increase the level of competition experienced by client accounts including with respect to order entry and the allocation of executed trades.

In addition, brokers effect transactions for customers in addition to the Fund. Since the identities of the purchaser and seller are not disclosed until after a trade, it is possible that the brokers could affect transactions for such persons in which the other parties to the transactions are principals and affiliates or customers of the brokers or the Fund. Such persons might also compete with the Fund in making purchases or sales of futures without knowing that the Fund is also bidding on such futures. Since similar orders (e.g., market orders) for the same futures are filled in the order in which they are received by a particular floor broker, transactions for any of such persons might be affected when similar trades for the Fund are not executed or are executed at less favorable prices. Because of price volatility, occasional variations in liquidity, and differences in order execution, it is impossible for the Fund Manager to obtain identical trade execution for all its clients. When block orders are filled at different prices the Fund Manager will assign the executed trades on a systematic basis among all client accounts. Trades for any proprietary accounts of the Fund Manager that parallel those of its clients will be subject to the same allocation procedures. In addition, because the Fund Manager may receive differing compensation from its clients it may have a financial incentive to favor the accounts where its compensation is greater. The Fund Manager will not knowingly or deliberately favor one client account over another on an overall basis.

Because the Fund Manager may be willing to accept more risk than it believes is acceptable for clients, and because it may test new trading methodologies, positions in the Fund Managers' proprietary accounts - if any at all - may be inconsistent or opposite to those of clients. In addition, the Fund Manager may trade certain futures for its own accounts that, by virtue of speculative position limits or perceived illiquidity, are deemed by the Fund Manager to be inappropriate for client accounts. As a result, the performance of the Fund Managers' own accounts may differ from the performance of client accounts. The Fund Manager may advise additional collective investment vehicles

and customer accounts in the future. Trading orders for such accounts may be similar to those of the Fund and they may occur contemporaneously. Due to circumstances beyond the Fund Managers' control, such as unexpected inflows and outflows of funds into the collective investment vehicles managed by it on behalf of the Fund, or other collective investment vehicles which are managed in accordance with the similar investment strategy, variations in return may from time to time arise, which the Fund Manager will use all reasonable endeavours to minimize, but for which it cannot be held accountable.

The Fund Manager will carry out the discretionary management and advising client investors, including other investment vehicles, in the purchase and sale of securities and financial instruments. During the period the Fund Manager will be responsible for managing the account or otherwise of the Fund and may also be advising other accounts. In doing so it may use the same or different information and trading strategies that they obtain, produce or utilize in the performance of services for the Fund. The Fund Manager may have conflicts of interest in rendering advice because its compensation for managing other accounts exceeds their compensation for managing the account of the Fund, thus providing an incentive to prefer the other accounts. Moreover, if the Fund Manager makes trading decisions for other accounts at or about the same time as it makes trading decisions for the account of the Fund, as applicable, the Fund may be competing with those other accounts for the same or similar positions. The Fund Manager will endeavour to allocate all investment opportunities on a fair and equitable basis between the Fund and those other accounts. The Fund has been established and promoted by Lorenzo Canó. Accordingly, the selection of the Fund Manager and the terms of its appointment, including the fees payable to it, are not the result of arms-length negotiations. However, the Fund Manager believes that the fees, commissions and compensation payable to it is consistent with normal market rates for investment funds of a similar type to the Fund. The Fund Manager is entitled to receive a Performance Fee, based upon the net profit, if any, allocated to the Shares. The Performance Fee may create an incentive for the Fund Manager to make investments that are riskier or more speculative than would be the case if such arrangement were not in effect. In addition, because the Performance Fee is calculated on a basis which includes unrealised appreciation of the Fund's assets, it may be greater than if such compensation were based solely on realised gains. From time to time, the Fund Manager may come into possession of non-public information concerning specific companies even though internal structures are in place to prevent it from receiving such information. Under applicable securities laws, this may limit the Fund Manager's flexibility to buy or sell portfolio securities issued by those companies. The Fund's investment flexibility may be constrained due to the Fund Manager's inability to use such information for investment purposes. The involvement of the Fund Manager in the pricing of an asset, particularly those assets for which no prices are readily available, could give rise to a conflict of interest between Lorenzo Canó's role as Fund Manager and Director.

Other Business Activities

The Administrator, the Directors, the Fund Manager, and each of their respective principals and affiliates will not be devoting their time exclusively to the Fund. Therefore, each of these persons will have conflicts of interest in allocating time, services and functions among the various entities for which they provide services.

Committee and Board Memberships

Officers, and employees of the Fund Manager, the brokers and their respective principals and affiliates from time to time may serve on various committees and boards and assist in making rules and policies. In such capacity, they have a fiduciary duty to these parties which they serve and are required to act in the best interests of such organizations, even if such action may be averse to the interests of the Fund.

Performance Fees

The performance fee arrangements made between the Fund, and the Fund Manager in respect to the Fund may create an incentive for the Fund Manager to make trading decisions that are more speculative or subject to a greater risk of loss than would be the case if no such arrangement existed.

Directors

Lorenzo Canó is the Managing Director of Elettra Asset Management Ltd., the Fund Manager. Claudio Cecchini is Managing Partner of Citreus Fund Services a fund administrator. The fiduciary duty of Lorenzo Canó as Director to the Fund may compete with or be different from the interests of his capacity of managing the Fund. A Director may be a party to, or otherwise interested in, any transaction or arrangement with the Fund or in which the Fund is otherwise interested. The Director will not be liable to account to the Fund for any profit he derives from such a transaction or arrangement provided the nature and extent of any material interest has been disclosed to the other Director(s). A Director who has an interest in any particular business to be considered at a meeting of the Directors may be counted for the purpose of determining whether the meeting is duly constituted and may vote at such meeting provided that the interest has been disclosed. Save as disclosed in this Offering Memorandum, no Director has any interest, direct or indirect, in the promotion of, or in any assets which are proposed to be acquired, disposed of by or lease to, the Fund. Save as disclosed in this Offering Memorandum, no Director has a material interest in any contract or arrangement entered into by the Fund which is unusual in nature or conditions or significant in relation to the business of the Fund, nor has any Director had such an interest since the Fund was incorporated.

Duties of the Directors

At all times so far as practicable the Directors will have regard to their obligations to act in the best interests of the Fund and its shareholders, and will seek to ensure that any conflict of interest is resolved fairly and in the interests of the Fund and its shareholders.

Placement Agents

Certain placement agents may be paid on-going compensation while investors introduced to the Fund by them are Shareholders of the Fund. Accordingly, such placement agents will have a conflict of interest in advising investors whether to purchase or redeem Shares.

Unified Counsel

In connection with this offering, the Fund, and the Fund Manager have been represented by unified counsel. To the extent that this offering could benefit by further independent review, such benefit will not be available in this offering. Such counsel has not represented investors in the Fund in connection with this offering.

Dealings with service providers and their affiliates

The Fund is not prevented from entering into transactions with any prime broker, any custodian, the Administrator or any of their affiliates so long as those transactions are carried out as if they were made on commercial terms negotiated at arm's length.

TAXATION

THE FOLLOWING COMMENTS ARE BASED ON INFORMATION RECEIVED BY THE DIRECTORS AND THE FUND MANAGER REGARDING CURRENT LAW AND PRACTICE. INVESTORS SHOULD APPRECIATE THAT THE TAXATION CONSEQUENCES FOR INVESTORS AND THE FUND MAY BE OTHERWISE THAN AS STATED BELOW. INVESTORS SHOULD CONSULT THEIR PROFESSIONAL ADVISORS ON THE POSSIBLE TAX CONSEQUENCES OF THEIR SUBSCRIBING FOR, PURCHASING, HOLDING, SELLING OR REDEEMING SHARES UNDER THE LAWS OF THEIR COUNTRIES OF CITIZENSHIP, RESIDENCE, ORDINARY RESIDENCE OR DOMICILE.

Bahamas Taxation

Under current Bahamian law, there is no income tax, capital gains, or withholding tax, estate duty or inheritance tax payable by the Fund or Shareholders in respect of the Shares. Although incorporated in the Commonwealth of The Bahamas, the Fund is classified as non-resident for exchange control purposes and, as such, is free to acquire, hold and sell any foreign currency securities without restriction. Persons, firms or companies regarded as resident in The Bahamas for exchange control purposes would require specific exchange control permission to purchase Shares of the Fund, which are regarded as foreign currency securities by the Central Bank of The Bahamas. Transactions in the Shares between persons, firms or companies regarded as non-residents of The Bahamas for exchange control purposes may be effected without the specific permission of the Central Bank of The Bahamas.

Changes in Law

All laws, including laws relating to taxation in The Bahamas, and other jurisdictions are subject to change without notice.

INVESTMENT FUNDS LAW DISCLOSURE

As stated previously, the Fund will fall within the definition of an “Investment Fund” in terms of the Investment Funds Act, 2019 of The Bahamas (“the IFA”), more specifically, a Professional Fund, and accordingly will be regulated in terms of the IFA. The Fund is required to be licensed. Accordingly, the principal obligations of the Fund, inter alia, are:

- a. To file with the Securities Commission (“the Commission”) a complete copy of the Fund’s current offering document and constitutive documents;
- b. To register the Fund with the Securities Commission in the prescribed manner;
- c. To pay the prescribed registration fee in respect of the Fund;
- d. To have its accounts audited annually by an approved Auditor; and

To file its audited accounts in respect of each financial year of the Fund with the Securities Commission within six (6) months of the end of the financial year (or within such extension of that period as the Securities Commission may allow).

As a Professional Fund, the Fund will be subject to the supervision of the Securities Commission of The Bahamas (the “Commission”), and the Commission may at any time instruct the Fund to have its accounts audited and to submit them to the Commission within such time as the Commission specifies. In addition, the Commission may ask the Directors to give the Commission such information or such explanation in respect of the Fund as the Commission may reasonably require enabling it to carry out its duties under the IFA.

The Directors must give any Inspector appointed by the Commission access to or provide at any reasonable time all records relating to the Fund and the Inspector may copy or take an extract of any record that he is given access to. Failure to comply with these requests by the Inspector may result in substantial fines being imposed on the Directors.

The Commission and the Inspector are prohibited by the IFA from disclosing any information relating to the affairs of an investment fund other than disclosure necessary for effective regulation of the investment fund or when lawfully required or permitted to make such disclosure by a court or pursuant to the provisions of any other Act of The Bahamas.

The Commission may take certain actions if it is satisfied that an investment fund is, or is likely to become, unable to meet its obligations as they fall due or is carrying on or attempting to carry on business or is winding up its business voluntarily in a manner that is prejudicial to its investors or creditors. The powers of the Commission include, inter alia, the power to require substitution of the of the Fund (or any promoter of the Fund); the power to appoint a person to advise the Fund on the proper conduct of its affairs; and the power to appoint a person to assume control of the affairs of the Fund. The Commission may also apply to the court for an order to take such action, as it considers necessary to protect the interests of the investors in and creditors of the Fund.

CERTAIN DEFINITIONS

Net Asset Value and Net Asset Value per Share

All Net Asset Value calculations of the Fund, determined in accordance with generally accepted International Accounting Standards, shall include any realised profits or losses, unrealised profits or losses on open trading positions, and any other credits or debits accruing but unpaid or not yet received by the Fund. All open futures, forward and cash positions will be valued at their then current market value, as reflected on the Fund's brokerage and other statements.

Net Asset Value per Share means the Net Asset Value of the Fund divided by the number of Shares outstanding in any particular share class. The Fund, and/or Administrator, after consulting with the Fund Manager, may in good faith use estimated valuations of any fixed income securities or may approach brokers and/or other institutions active in the relevant market for the purpose of calculating the Fund's Net Asset Value.

Shareholders should note that, from time to time, the Fund's Net Asset Value will be based on estimated net asset values of underlying securities in which the Fund is invested. Further, Shareholders should be aware that subscriptions and redemptions will be effected at the relevant Net Asset Value calculated as described above.

New Net Appreciation

New Net Appreciation of Shares, for the purposes of calculating the Performance Fee payable to the Fund Manager, shall mean the increase of the Net Asset Value as of the end of each calendar month compared to the High-Water Mark of such Shares. The High-Water Mark is the last Net Asset Value at which a performance fee has been calculated and crystallized for those Shares or if this is not applicable, the initial issuance price of the Shares. All New Net Appreciation calculations shall include all realised and unrealised profits or losses on investments as well as all interest income accrued on the Fund's assets and after deduction of all expenses. If New Net Appreciation for a month is negative ("New Net Loss"), such New Net Loss shall be carried forward and set off against any New Net Appreciation for, or accumulated with any New Net Loss of, the following month (as the case may be). For the avoidance of doubt, no Performance Fee shall be paid to the Fund Manager until there is New Net Appreciation after deduction of all carried forward New Net Loss. Notwithstanding the aforesaid, whenever the Fund Manager experiences New Net Loss after payment of a Performance Fee, the Fund Manager will retain all Performance Fees received or payable in respect of a previous period.

If redemption or redemptions occur when there is New Net Appreciation, the Fund Manager shall be entitled to receive a Performance Fee mutatis mutandis at the time of redemption attributable to the amounts redeemed. Vice versa, if at the time of redemption, there is New Net Loss, then the loss attributable to the funds withdrawn shall be deducted from the New Net Loss.

Financial Year

The financial year of the Fund ends on the 31st of December of each year.

Business Day

A Business Day shall be any day on which banks are open for domestic and foreign exchange business in Nassau, Curaçao and London.

Initial Offering Period

The initial offering period shall commence on 1st day of March 2023 and continue until all shares have been sold or until terminated at the discretion of the Directors.

GENERAL TERMS

Indemnity

Administrator

The Administrator and their directors, officers, employees, agents and nominees and their respective personal representatives, successors in title and estates shall be indemnified and held harmless by the Fund against all liability, loss, damage, claims, actions, accounts, proceedings, and demands and any costs and expenses whatsoever which may be incurred or suffered by the Administrator arising out of their appointment except where same shall arise through the dishonesty, willful default, fraud, or gross negligence of the Administrator.

Every Director, Alternate Director, Officer or Liquidator of the Fund and their respective personal representatives, successors in title and estates (together "Indemnitee") shall be indemnified and held harmless by the Fund against all liability, loss, damage, claims, actions, accounts, proceedings and demands and any costs and expenses whatsoever which may be incurred or suffered by the Indemnitee arising out of its appointment except where same shall arise through the dishonesty, willful default, fraud or gross negligence of the Indemnitee. No Director, Alternate Director or Officer shall be liable for the acts, receipts, neglects, or defaults of any other Director, Alternate Director or Officer, or for joining in any receipt or other acts for conformity, or for any loss or expense incurred by the Fund as a result of the insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Fund, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Fund shall be advanced or invested, or for any loss or damage arising out of the bankruptcy, insolvency or tortious or criminal act or omission of any person with whom any money, securities or effects shall be deposited, or for any loss occasioned by an error of judgment, omission, default, or oversight on his part, or for any other loss, damage or misfortune whatever which shall happen in the execution of his office or in relation thereto, except the same shall happen through his own dishonesty.

Documents for Inspection

Copies of the following documents may be inspected free of charge or purchased at the Registered Office of the Fund at Bahamas Financial Centre, 3rd Floor, Shirley & Charlotte Streets, P.O. Box N-4865, Nassau, NP, The Bahamas, during normal business hours on any Business Day:

- i. The Confidential Explanatory Memorandum;
- ii. The Memorandum and Articles of Association of the Fund;
- iii. The material contracts referred to above and other constitutive documents; and
- iv. Annual Reports (when available).

Termination of the Fund

The Fund may voluntarily commence to wind up and dissolve by a Resolution of Directors.

If the Fund shall be wound up (whether the liquidation is voluntary, under supervision, or by the Bahamian Supreme Court) such winding up shall proceed in accordance with the International Business Companies Act, 2000.

EXHIBIT I: CERTAIN RISK FACTORS

In considering an investment in the Fund, prospective investors should read this Memorandum in its entirety as well as consult their independent legal, tax, financial and other advisors, as applicable. Before deciding to invest in the Fund, prospective investors should carefully consider their objectives, financial situation, needs, level of experience and they should meet any jurisdictional qualifications for their jurisdiction of residence.

The Fund is not a complete investment program and there is no guarantee that the Fund will achieve its investment objective. It is possible to lose money by investing in the Fund. The Fund is designed to be a long-term investment vehicle and is not suited for short-term trading. Investors in the Fund should have a long-term investment perspective and be able to tolerate potentially sharp declines in value. An investment in the Fund is not a deposit in a bank and is not insured or guaranteed by any government agency, entity or person.

The below list of risk factors does not purport to be complete, nor does it purport to be an entire explanation of the risks involved in an investment in the Fund. An investment in the Fund is by its nature speculative and involves risks. The Fund Manager operates under a strict risk management program to lower the risk levels described herein, however, the potential for these risks still exists.

In the below a distinction has been made between:

- Risks related to the Fund's structure
- Risks related to the Fund's possible universe of investments
- Investment and trading risks
- Regulatory risks

Risks related to the Fund's structure

Lack of operating history and risk of early closure

The Fund is a newly formed entity with no operating history of its own for prospective investors to evaluate prior to making an investment in the Fund. Although key personnel of the Fund Manager have extensive experience in investment analysis and investment management, the past performance of any investment or investment funds managed by the Fund Manager or its key personnel cannot be construed as any indication of the future results of an investment in the Fund. Moreover, the investment objective is a medium to long term strategy and early closure of the Fund could lead to capital loss for the Shareholders.

Dependence on key personnel

All decisions with respect to the investment of the Fund's capital will be made by the Fund Manager in the person of Lorenzo Canó. The success of the Fund for the foreseeable future will depend largely upon the ability of Mr. Canó and should he terminate his relationship with the Fund, die or become otherwise incapacitated for any period of time, and should the replacement (if any) for him not equal that of his predecessor's performance, the profitability of the Fund's investments may suffer. There can be no assurance that the Fund Manager will be successful.

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.

Limited rights of holders of Shares

An investment in the Fund should be regarded as a passive investment. This is because shareholders holding non-voting Shares have no right to participate in the day-to-day operations of the Fund, nor are they entitled to receive notice of, attend or vote at general meetings of the Fund, other than a general meeting to vote on a proposed

variation of the Class rights attaching to their shares. As the ultimate beneficial holder of all the Management Voting Shares, Mr. Lorenzo Canó controls all the voting interests in the Fund. Consequently, he may make any changes to the Fund's Memorandum & Articles of Association that he considers appropriate, including increasing the share capital, consolidating the shares and sub-dividing the shares. Only the Directors can terminate the services of the Administrator and other agents of the Fund.

Side letters

From time to time, the Fund may enter into agreements ("Side Letters") with certain prospective or existing shareholders, under which those shareholders receive advantages not appearing in this Offering Memorandum. For example, a Side Letter with a prospective or existing shareholder may give that shareholder one or more of the following advantages over other holders of Shares: (a) special rights to make future investments in the Fund or other investment vehicles or managed accounts; (b) special redemption rights relating to frequency, period of notice, redemption fees (whether in the form of a reduction or rebate), redemption penalties payable or other terms, or any combination of these; (c) rights to receive reports from the Fund on a more frequent basis or that include information not provided to other shareholders (including, without limitation, more detailed information regarding portfolio positions); (d) the waiver, reduction or rebate of fees payable in respect of such shareholder's Shares; and (e) such other rights as may be negotiated by the Fund and that shareholder. The terms of any Side Letters are in the sole discretion of the Fund. They may be based on the following things, amongst others: (i) the size of the shareholder's investment in the Fund or affiliated investment entity; (ii) an undertaking by the shareholder to maintain its investment in the Fund for a significant period of time; or (iii) some other similar undertaking by the shareholder to the Fund.

Illiquidity of shares

Shares are not transferable without the approval of the Directors and there will be no secondary market for shares. Consequently, a holder of Shares may only be able to dispose of its Shares by having the Fund redeem them, subject to any limitations on redemption described in this Memorandum. Even then the shareholder may receive a distribution in kind rather than cash in exchange for its shares. Redemptions may be subject to certain charges, to a lock-up period or an overall limit of a percentage of the net asset value at any one time.

Effect of Redemptions

A shareholder must give prior written notice to the Administrator to make a partial or total redemption of its Shares. During such notice period, the shareholder's investment remains at risk and may decrease in value from the date that notice of redemption is made to the Administrator until the effective date of redemption. 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). Such redeemed Shareholders will be creditors of the Fund with respect to the Redemption Price. In an insolvent liquidation, redeemed Shareholders will rank behind ordinary creditors but ahead of Shareholders.

Possible effect of substantial redemptions

Substantial redemptions of Shares could require the Fund to liquidate its positions more rapidly than otherwise desirable to raise the necessary cash to fund redemptions and achieve a market position appropriately reflecting a smaller asset base and could make it more difficult for the Fund to generate profits or recover losses. These factors could adversely affect the value of Shares redeemed and of the Shares remaining outstanding. The Fund may find it necessary upon redemption by a Shareholder to set up a reserve for undetermined or contingent liabilities and withhold a certain portion of the Shareholder's redemption amount. This could occur, for example, in the event the Fund's assets cannot be properly valued on the redemption date, or if there is any pending transaction or claim by or against the Fund. The Fund may find it difficult to liquidate its positions on favourable terms if some of the

securities it holds are illiquid. This could result in losses or a decrease in the Net Asset Value of the Fund. The resulting reduction in the Fund's capital could make it more difficult to generate a positive rate of return or to recoup losses due to a reduced equity base. Additionally, such substantial redemptions may increase the share of the Fund's fees and expenses payable by the remaining Shareholders. If the Fund Manager determines that it is inadvisable to liquidate portfolio assets for the purpose of redeeming shares, the Fund is allowed to borrow the cash necessary for that purpose. The Fund may also pledge portfolio assets as collateral security for the repayment of that borrowing. In these circumstances, the continuing shareholders will bear the risk of any subsequent decline in the value of the Fund's assets.

In-kind distributions

A redeeming shareholder may, in the discretion of the Directors, receive investments owned by the Fund in lieu of or in combination with cash. The value of investments distributed may increase or decrease before these can be sold, and the investor will incur transaction costs in connection with the sale of these investments. Additionally, investments distributed to a shareholder in connection with a redemption may not be readily marketable. In those circumstances, the investor bears the risk of loss and delay in liquidating those investments, with the result that it may ultimately receive less cash than it would otherwise have received if it had been paid in cash alone for its shares on the date of redemption.

Absence of regulatory oversight other jurisdictions

Although the Fund will fall within the definition of an "Investment Fund" in terms of the Investment Funds Act, 2019 of The Bahamas ("the IFA"), more specifically, a Professional Fund, and accordingly will be regulated in terms of the IFA, it is not required to, nor does it intend to, register under the laws of any other jurisdiction. As a consequence, the statutes of other jurisdictions (which may provide certain regulatory safeguards to investors) do not apply. For additional regulatory risks, please refer to the section "Regulatory risks".

Risk of under and over valuation of the Fund's investments

Valuation of the Fund's securities and other investments may involve uncertainties and judgmental determinations. If a valuation is incorrect, the Net Asset Value per Share may be adversely affected. Independent pricing information about some of the Fund's investments may not always be available. However, valuations will be made in good faith in accordance with the Fund's articles of association. If the value assigned by the Fund to an investment differs from its actual value, the Net Asset Value per Share may be either understated or overstated to the extent of that difference. Consequently, if the actual value of some of the Fund's investments is higher than the value assigned to them, a shareholder holding Shares who redeems all or part of its shares while they are so undervalued may be paid less than if they were correctly valued. Conversely, if the actual value of some of the Fund's investments is lower than the value assigned to them, the shareholder may, in effect, be overpaid. Furthermore, an investment in the Fund by a new shareholder (or an additional investment by an existing shareholder) may dilute the value of the Fund's investments for the other shareholders if those investments are undervalued. Conversely, a new shareholder (or an existing shareholder who makes an additional investment) could pay too much if the Fund's investments are overvalued by the Fund. If either of these scenarios happens, the Fund does not intend to adjust the Net Asset Value per Share retroactively. Additionally, as the fees of a number of the Fund's service providers are tied to the Fund's Net Asset Value per Share, any discrepancy in valuation may result in overpayment or underpayment to those service providers. None of the Fund, its Directors, the Fund Manager or the Administrator will be liable if a price or valuation used in good faith in connection with any of the above procedures, later proves to be incorrect or inaccurate.

Segregation and cross liability risk

Individual Classes of Shares are not segregated under Bahamas law with respect to assets and liabilities. Accordingly, if the assets attributable to one Class of Shares were completely depleted by losses and a deficit remained, a creditor could enforce a claim against the assets of the other Classes of the Fund. As at the date of this document, the Directors are not aware of any such claim or contingent liability.

No separate counsel

Kensington Chambers will act as Bahamas counsel to the Fund. No separate counsel has been retained to act on behalf of the shareholders or any Director. This Memorandum is based on information furnished by the Directors. Kensington Chambers has not independently verified that information.

No Current Income

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

Risk factors specific to the Funds possible investment universe

Although the Fund intends to focus only on physical commodities and related futures for hedging purposes, it has created the possibility to choose from a much wider universe of investment opportunities to achieve its objective. The below will therefore not only describe risks related to such commodities and futures, but also touch upon other investment types that the Fund at some stage may choose to invest in.

Physical commodities

The Fund plans to invest directly in commodities. Commodity prices can fluctuate considerably and are generally caused by imbalances in supply and demand. They may respond to many factors, including inflation, strikes, weather, economic forecasts and reports, politics, pandemics, foreign events, new technology and even rumors. The events that affect commodity prices can happen at any time and may considerably affect the value of the Fund's investment. Trading and settlement of physical commodities is different from trading and settlement of derivatives on commodities. Many of the risks that apply to the former can be found under "Investment and Trading Risks" as described further hereunder. The Fund Manager intends to hedge exposure on commodity positions and has implemented the use of appropriate financial mechanisms such as Letters of Credit to ensure settlement, delivery and ownership of the commodity on both the purchase and sales side. While owned, the physical commodities are insured for the benefit of the Fund. However, there can be no expectation or guarantee that the Fund Manager will be successful in fully mitigating all the risks related to trading, settling and owning physical commodities.

Futures trading

As part of its intention to invest in commodities, the Fund plans to trade in futures related to these commodities for hedging purposes (and in principle not for speculation purposes). A synthetic hybrid position is created (net long physical – net short futures) whereby gains or losses on the commodity positions are, if correctly hedged, to a large extent offset by losses and gains on the futures positions. Through margin deposits futures provide an inherent form of leverage. As a result, relatively small price movements in a futures contract may result in immediate and substantially higher gains and losses. The Fund Manager has put safeguards in place to prevent incorrect hedging positions that could potentially amplify gains, but also losses. Bankruptcy law applicable to all futures commission merchants ("FCMs") requires that, in the event of the bankruptcy of such a FCM, all property held by the FCM, including certain property specifically traceable to a customer, will be returned, transferred or distributed to the FCM's customers only to the extent of each customer's pro rata share of all property available for distribution to customers. If any FCM retained holding the Fund's assets were to become bankrupt, it is possible that the Fund would be able to recover none or only a portion of its assets held by such FCM. In rare circumstances futures exchanges may limit or suspend trading in futures, limiting the Fund's ability in liquidating its positions.

Investment Flexibility

The Fund has a broad and flexible investment authority. In particular, the Fund is not required to invest any particular percentage of its portfolio in any type of investment, sector or region, and the amount of the Fund's portfolio which is invested in any type of investment or which is weighted in different countries or different sectors can change at any time based on the availability of attractive market opportunities. Accordingly, at any time, the Fund may have

significant investments in strategies, sectors or instruments not specifically described herein and which therefore present risks which may not be specifically described herein.

Equity Securities

The Fund may invest in equity securities. 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 Fund may suffer losses if the Fund invests in equity instruments of issuers whose performance diverges from the Fund Manager's expectations or if equity markets generally move in a single direction and the Fund Manager has not hedged against such a general move. The Fund also may be exposed to risks that issuers will not fulfill 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.

Corporate Debt Obligations

The Fund Manager may invest in corporate debt obligations, including commercial paper. Corporate debt obligations are subject to the risk of an issuer's inability to meet principal and interest payments on the obligations (credit risk). The Fund Manager may intend to actively expose the Fund to credit risk. However, there can be no guarantee that the Fund will be successful in making the right selections and thus fully mitigate the impact of credit risk changes on the Fund. The Fund may take positions in debt securities that rank junior to other outstanding securities and obligations of the issuer, all or a significant portion of which may be secured on substantially all of that issuer's assets. The Fund may take positions in debt securities which are not protected by financial covenants or limitations on additional indebtedness. The Fund may invest in securities which are moral obligations of issuers or subject to appropriations. The Fund will therefore be subject to both credit and liquidity risks.

Interest Rate Risk

Generally, the value of fixed income securities will change inversely with changes in interest rates. As interest rates rise, the market value of fixed income securities tends to decrease. Conversely, as interest rates fall, the market value of fixed income securities tends to increase. This risk will be greater for long-term securities than for short-term securities. The Fund Manager may attempt to minimize the exposure of the portfolios to interest rate changes through the use of interest rate swaps and/or interest rate options. However, there can be no expectation or guarantee that the Fund Manager will be successful in fully mitigating the impact of interest rate changes.

High-Yield Bonds

The Fund may invest in "high yield" bonds which are rated in the lower rating categories by the various credit rating agencies (or in comparable non-rated securities). Securities in the lower rating categories are subject to greater risk of loss of principal and interest than higher-rated securities and are generally considered to be predominately speculative with respect to the issuer's capacity to pay interest and repay principal. They are also generally considered to be subject to greater risk than securities with higher ratings in the case of deterioration of general economic conditions. Because investors generally perceive that there are greater risks associated with the lower-rated securities, the yields and prices of such securities may tend to fluctuate more than those for higher-rated securities. The market for lower-rated securities is thinner and less active than that for higher rated securities, which can adversely affect the prices at which these securities can be sold. In addition, adverse publicity and investor perceptions about lower-rated securities, whether or not based on fundamental analysis, may be a contributing factor in a decrease in the value and liquidity of such lower-rated securities.

Credit Risk of Investment Grade and Non- or Lower-Rated Securities

The Fund's investment portfolio may include fixed income securities which consists of both investment grade securities, rated Baa or higher by Moody's or BBB or higher by S&P, and lower-rated securities, rated lower than Baa by Moody's or lower than BBB by S&P (or, if not rated, of comparable quality). Securities rated lower than Baa by Moody's or lower than BBB by S&P are sometimes referred to as "high yield" or "junk" bonds. Securities rated Baa are considered by Moody's to have some speculative characteristics. Higher-rated and lower-rated securities may be regarded as predominately speculative with respect to the issuer's continuing ability to meet principal and interest payments. Analysis of the creditworthiness of issuers/issues of lower-rated securities may be more complex than for issuers/issues of higher quality debt securities. Lower-rated securities may be more susceptible to losses

and real or perceived adverse economic and competitive industry conditions than higher grade securities. Securities that are in the lowest rating category are considered to have extremely poor prospects of ever attaining any real investment standing, to have a current identifiable vulnerability to default, to be unlikely to have the capacity to pay interest and repay principal. The secondary markets on which lower-rated securities are traded may be less liquid than the market for higher grade securities. Less liquidity in the secondary trading markets could adversely affect and cause large fluctuations in the value of the Fund's portfolio. Adverse publicity and investor perceptions, whether or not based on fundamental analysis, may decrease the values and liquidity of lower-rated securities, especially in a thinly traded market. Furthermore, higher-rated securities also carry credit risk because they run the risk of a down grading if their credit deteriorates. The use of credit ratings as the sole method of evaluating lower-rated securities can involve certain risks. For example, credit ratings evaluate the safety of principal and interest payments, not the market value risk of lower-rated securities. Also, credit rating agencies may fail to change credit ratings in a timely fashion to reflect events since the security was rated.

Convertible Bonds

The Fund may invest in convertible bonds, bonds that may be exchanged or converted into a predetermined number of the issuer's underlying shares or the shares of another company or that are indexed to an unmanaged market index at the option of the holder during a specified time period. Prior to conversion, convertible bonds have the same general characteristics as non-convertible bonds. As with all debt securities, the market value of convertible bonds tends to decline as interest rates increase and conversely, increase as interest rates decline. Convertible bonds, however, also appreciate when the underlying common stock appreciates, and conversely, depreciate when the underlying common stock depreciates.

Investments in Private Companies

Investments in the private equity of companies at various stages in their development involve a high degree of business and financial risk. Nevertheless, private companies with limited operating history may require substantial additional capital to support expansion or to achieve or maintain a competitive position, may produce substantial variations in operating results from period to period or may operate at a loss. The technologies and markets of such companies may not develop as anticipated, even after substantial expenditures of capital. Such companies may face intense competition, including competition from established companies with much greater financial and technical resources, more extensive development, manufacturing, marketing and service capabilities, and a greater number of qualified managerial and technical personnel. The Fund's ability to realize value from an investment will depend largely upon successful completion of an initial public offering or the sale of the company to another company, which may not occur for a period of several years or may not occur at all. There can be no assurance that such a company will complete a public offering or be sold, or, if such events occur, as to the timing and value of such offerings or sales. In addition, the Fund may be subject to, or may agree to become subject to, lock-up periods subsequent to an initial public offering or other liquidity event. The Fund may also lose all or part of its entire investment if the company fails or its product lines fail to achieve an adequate level of market recognition or acceptance.

Distressed investing

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

Risks of Options Trading

The Fund may purchase options including, without limitation, OTC call options on securities and baskets of securities. In addition, the Fund Manager may purchase and sell call and put options on securities, and futures. Both the purchasing and selling of call and put options entail risks. Although an option buyer's risk is limited to the amount of

the purchase price of the option, an investment in an option may be subject to greater fluctuation than an investment in the underlying instruments. In theory, an uncovered call writer's loss is potentially unlimited, but in practice the loss is limited by the term of existence of the call. The risk for a writer of a put option is that the price of the underlying instrument may fall below the exercise price.

Restricted securities

The Fund Manager may engage in investing in restricted or other privately placed securities. Such securities are generally not freely tradable and there may not be a market generally recognized as liquid by dealers or investors in the relevant securities. In addition to liquidity concerns, restricted securities owned by the Fund may involve special registration risks, liabilities and costs, and valuation difficulties. In addition, the Fund will be subject to the risk of breach of the purchase agreements by the issuers of such securities, whether due to bankruptcy, insolvency or other causes.

Forward Contract trading

The Fund may trade in forward contracts. Such forward contracts are not traded on exchanges and are executed directly through forward contract dealers. There is no limitation on the daily price moves of forward contracts, and a dealer is not required to continue to make markets in such contracts. Due to their nature forward contracts may experience liquidity problems and the Fund is subject to the risk of credit failure or the inability of or refusal of a forward contract dealer to perform with respect to its forward contracts. As with most derivative over the counter transactions, in general there is less governmental regulation and supervision than transactions entered into on an organized exchange.

Derivatives Risk

The Fund's possible investments in options, futures contracts, options on futures contracts, swap agreements, and other derivatives involve the risks associated with the securities or other assets underlying those derivatives and may involve risks different or greater than the risks affecting the underlying assets, including the inability or unwillingness of the other party to a derivative to perform its obligations to the Fund, the Fund's inability or delays in selling or closing positions in derivatives, and difficulties in valuing derivatives.

Investment and trading risks

Overall investment risk

All investments in securities risk the loss of capital. There may be increased risk due to the nature of the securities to be purchased and traded by the Fund and the investment techniques and strategies used to try to increase profits. While the Fund Manager will devote its best efforts to the management of the Fund's portfolio, it cannot give an assurance that the Fund will not incur losses. Many unforeseeable events, including actions by various government agencies and domestic and international political events, may cause sharp market fluctuations.

Trading Errors

The Fund will bear the financial consequences of all trade errors including, but not limited to, a technology error or malfunction in the computers, networks, and systems used by the Fund Manager and service providers. The Fund Manager will take all reasonable measures to ensure that trade errors do not occur and will monitor and document all trade errors, but shareholders must be prepared to bear the cost of a trade error.

Difficult market for investment opportunities

The activity of identifying, completing and realising on attractive investments is highly uncertain. There is no assurance that the Fund will be able to locate and complete investments that satisfy the Fund's rate-of-return objective or to realise on the value of those investments; nor is there any assurance that the Fund will be able to fully invest its subscribed capital in a manner consistent with its investment strategy.

Institutional Risks

Institutions will have custody of the assets of the Fund. These firms may encounter financial difficulties that impair the operating capabilities or the capital position of the Fund. The Fund Manager will attempt to limit the Fund's transactions to well-capitalized and established brokers and custodians in an effort to mitigate such risks.

Hedging

Although the Fund will attempt to hedge its exposure to specific positions, it will not always be possible to fully hedge risk from such positions or any other position. In addition, the Fund may take positions based on the expected future direction of the markets without fully hedging the market risks.

Borrowing

Other than for the purposes of short selling (inherent leverage – see risk with short selling) the Fund will not make use of leverage. The Fund may suffer losses if there are adverse changes in the level of market prices of the redemption being financed with the borrowings.

Short Selling

The Fund Manager may engage in selling securities short. Selling securities short inherently involves leverage because the short sale of a security may involve the sale of a security not owned by the seller. The seller may borrow the security for delivery at the time of the short sale. If the seller borrows the security, the seller must then buy the security at a later date in order to replace the shares borrowed. If the price of the security at such later date is lower than that at the date of the short sale, the seller realizes a profit; if the price of the security has risen, however, the seller realizes a loss. Selling a security short which is borrowed exposes the seller to unlimited risk with respect to the security due to the lack of an upper limit on the price to which a security can rise.

Risks of executing investment strategies

The Fund will invest in a number of securities and obligations that entail substantial inherent risks. Although the Fund will attempt to manage those risks through careful research, ongoing monitoring of investments and appropriate hedging techniques, there is no assurance that the securities and other instruments purchased by the Fund will in fact increase in value or that the Fund will not incur significant losses.

Market and Economic risks and liquidity

In large measure the profitability of a significant portion of the Fund's investment program depends on correctly assessing the future course of the price movements of securities and other investments. There is no assurance that the Fund will be able to accurately predict those price movements. The value of the Fund's investments may decline and its share value may be reduced due to changes in general economic and market conditions. The value of a security may change in response to developments affecting entire economies, markets or industries, including changes in interest rates, political and legal developments, and general market volatility. Although the Fund may attempt to mitigate market risk, there is always some and occasionally a significant degree of market risk. Furthermore, the Fund may be adversely affected by a decrease in market liquidity for instruments in which it invests, which may impair its ability to adjust its position. The size of the Fund's positions may magnify the effect of a decrease in market liquidity for those instruments. Changes in overall market leverage, de-leveraging as a consequence of a decision by a prime broker to reduce the level of leverage available, or the liquidation by other market participants of the same or similar positions, may also adversely affect the Fund's portfolio. Some of the underlying investments of the Fund may not be actively traded and there may be uncertainties involved in valuing those investments. Potential investors are warned that under those circumstances, the Net Asset Value of the Fund may be adversely affected.

Competition

The securities industry, credit industry, commodities industry and the arbitrage business in particular, are extremely competitive. The Fund competes with firms, including many of the larger banks, financial institutions, and investment banking firms, which have substantially greater financial resources than does the Fund Manager and substantially greater research staffs and more securities traders than does the Fund Manager. In any given

transaction, arbitrage activity by other firms may tend to narrow the spread between the price at which a security may be purchased by the Fund and the price it expects to receive upon consummation of the transaction.

Risks of Special Techniques Used by the Fund Manager

The Fund may invest using special investment techniques that may subject the Fund's investments to certain risks. Certain, but not all, of these techniques and the risks that they entail are summarized herein.

Risk Relating to Size of Issuer

There is no limitation on the size or operating experience of the companies in which the Fund may invest. Some small companies in which the Fund may invest may lack management depth or the ability to generate internally or obtain externally the funds necessary for growth. Companies with new products or services could sustain significant losses if projected markets do not materialize. Further, such companies may have, or may develop, only a regional market for products or services and may be adversely affected by purely local events. Such companies may be small factors in their industries and may face intense competition from larger companies and entail a greater risk than investment in larger companies.

Compliance

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

Reserves

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

Litigation and possible indemnification obligations

The Fund, its Directors, the Fund Manager or the Administrator may be subject to lawsuits or proceedings by government entities or private parties. Except in the event of a lawsuit or proceeding arising from the Fund Manager's, the Directors' or the Administrators' gross negligence, willful default, fraud or bad faith in the performance of their duties, expenses or liabilities of the Fund arising from any suit shall be borne by the Fund. Under certain circumstances, the Fund may be obligated to indemnify the Directors, the Fund Manager or the Fund Administrator against any liability they or their affiliates may incur in connection with their relationship with the Fund.

Need for Independent Advice

The Directors have consulted with counsel, accountants and other experts regarding the formation of the Fund. Each prospective investor should consult his own legal, tax and financial advisers regarding the desirability of an investment in the Fund.

Shareholder Loss

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

Economic and Business Conditions

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

Risks in relation to Intervening Countries

Where the Fund's investments are held or made through vehicles established in another country the value and performance of investments and returns thereof may be affected by the political, economic and regulatory conditions of that country in relation to The Bahamas.

Risks of Taxation

The section on Taxation is a summary of taxation law and practice in force in the relevant countries at the date of this Memorandum and is subject to changes therein and is not exhaustive. Levels and bases of taxation in the relevant countries may change. Investors should make themselves aware of their own tax position and bear in mind that changes in laws and rules affecting the tax position of the Fund could adversely affect the performance of the Fund.

Risks from Illiquidity

The Shares are not listed or dealt in on any stock exchange and no application for listing on any stock exchange is anticipated. In addition, no market maker in the Shares has been appointed. It may be difficult therefore for a shareholder to sell or realize his Shares. In addition, the Fund may make redemption payments to certain shareholders in specie. Shareholders receiving redemption payments in specie may incur brokerage costs in converting such securities to cash. Such conversions will be subject to the market risks set forth above. A subscription for Shares should therefore be considered only by persons financially able to maintain their investment for an extended period of time and who can afford the loss of all or a substantial part of such investment. If redemptions or other distributions are effected in kind, investors may be required to bear the economic risk of ownership of such investments for an indefinite period.

Risks in relation to Investment Structure

Where the Fund's investments are held, or made through entities established in another country, the Fund may be subject to risk of financial loss of part/whole of their assets in the event of the bankruptcy, winding up, judicial management, liquidation, or any such similar adverse event affecting such entity.

Risks of global investing

The Fund invests in various capital markets throughout the world. As a result, the Fund is subject to risks relating to the following: (i) currency exchange matters, including fluctuations in the rate of exchange between the base currency of the Fund and various other currencies in which its investments may be denominated, and costs associated with converting investment principal and income from one currency into another; and (ii) the possible imposition of withholding taxes on income received from the issuer of, or gains with respect to, those investments. In addition, investing in some of these capital markets involves factors not typically associated with investing in established securities markets. These include risks relating to the following: (i) differences between markets, including potential price volatility in and relative illiquidity of some securities markets; (ii) the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements, and less governmental supervision and regulation; and (iii) certain economic and political risks, including potential exchange control regulations or restrictions on investment and repatriation of capital.

Currency risks

The Fund may invest in different currency denominated instruments, which may be subject to exchange rate fluctuations with consequent reductions in the US Dollar value. Foreign currency exposure will not normally be hedged. The repatriation of capital may be hampered by changes in local regulations concerning exchange controls or political circumstances.

Counterparty and settlement risk

Due to the nature of some of the investments that the Fund may make, the Fund may rely on the ability of the counterparty to a transaction to perform its obligations. If that party fails to complete its obligations due to insolvency, bankruptcy or for any other reason, the Fund may suffer losses and therefore be exposed to a credit risk on the counterparties with which it trades. The Fund will also bear the risk of settlement default by clearing houses and exchanges. A default by a counterparty or a default on settlement could have a material adverse effect on the

Fund. In an effort to mitigate such risks, the Fund Manager will attempt to limit the Fund's transactions to counterparties which are established, well-capitalized and creditworthy.

Risks Affecting Specific Issuers

The value of an equity security or debt obligation may decline in response to developments affecting the specific issuer of the security or obligation, even if the overall industry or economy is unaffected. These developments may include a variety of factors, including but not limited to management issues or other corporate disruption, a decline in revenues or profitability, an increase in costs, or an adverse effect on the issuer's competitive position.

Foreign Investment Risk

Investments in securities of foreign issuers may involve risks including adverse fluctuations in currency exchange rates, political instability, confiscations, taxes or restrictions on currency exchange, difficulty in selling foreign investments and reduced legal protection.

Developing Country Risk

The risks which may affect investments in foreign issuers (see "Foreign Investment Risk," above) may be more pronounced for investments in developing countries because the economies of those countries are usually less diversified, communications, transportation and economic infrastructures are less developed, and developing countries ordinarily have less established legal, political, business and social frameworks. At times the prices of equity securities or debt obligations of a developing country issuer may be extremely volatile. An issuer domiciled in a developed country may be similarly affected by these developing country risks to the extent that the issuer conducts a significant percentage of its business in developing countries.

Small and Mid-Cap Company Risk

Investments in small-capitalisation companies and mid-capitalisation companies may involve additional risks, which may be relatively higher with smaller companies. These additional risks may result from limited product lines, more limited access to markets and financial resources, greater vulnerability to competition and changes in markets, lack of management depth, increased volatility in share price, and possible difficulties in valuing or selling these investments.

Interest Rate Risk

When interest rates increase, the value of the Fund's investments in debt obligations may decline and the Fund's share value may be reduced. This effect is typically more pronounced for intermediate and longer-term debt obligations. Decreases in market interest rates may result in prepayments of debt obligations the Fund acquires, requiring the Fund to reinvest at lower interest rates.

Liquidity Risk

Due to a lack of demand in the marketplace or other factors, the Fund may not be able to sell some or all of the investments promptly or may only be able to sell investments at less than desired prices. This risk may be more pronounced for the Fund's investments in developing countries.

Distributions

Payment of dividends to the shareholders holding Shares is discretionary and, consequently, earnings of the Fund may be retained for reinvestment. The Fund's Administrator acts as paying agent for the payment of distributions.

Discretion of the Fund Manager; concentration of investments

The Fund Manager will seek to engage in the investment activities described in this Memorandum. Nonetheless, the Fund Manager may alter the Fund's portfolio. It can do so in its sole discretion and without the approval of any holder of Shares. The Fund Manager may not spread the Fund's capital among a number of investments and instead may hold a few or even one relatively large position in relation to the Fund's capital. A loss on a large position following such concentration could materially reduce the Fund's capital than if such capital had been spread among a wider number of instruments.

Regulatory risks

Business and regulatory risks of investment funds

Legal, tax and regulatory changes during the term of the Fund may adversely affect it. The regulatory environment for funds is evolving. Changes in the regulation of funds may adversely affect the value of the Fund's investments. They may also adversely affect its ability to obtain the leverage it might otherwise have obtained or to pursue its trading strategies. In addition, securities and futures markets are subject to comprehensive statutes, regulations and margin requirements. Regulators and self-regulating organisations and exchanges are authorised to take extraordinary actions in cases of market emergencies. The regulation of derivative transactions and funds that engage in those transactions is an evolving area of law and is subject to modification by government and judicial actions. The effect of any future regulatory change on the Fund could be substantial and adverse.

Recent Market Events; Government Regulation and Changes in Law

Regulatory scrutiny may increase the Fund's and the Fund Manager's exposure to potential liabilities and to legal, compliance and other related costs. Increased regulatory oversight can also impose administrative burdens on the Fund and Fund Manager, including, without limitation, responding to examinations and investigations and implementing new policies and procedures. Such burdens may divert the Fund Manager's time, attention and resources from portfolio management activities. Consequently, the Fund may not be capable of, or successful at, preserving the value of its assets, generating positive investment returns or effectively managing its risks. Government actions could lead to diminished investment opportunities for the Fund, prevent the Fund Manager from successfully executing the Fund's investment strategies, cause the Fund Manager to alter the investment strategies of the Fund, or require the Fund to dispose of investments at a loss. Changes in securities or bankruptcy laws, or in accounting standards may make corporate restructurings or other transactions less desirable or make risk arbitrage less profitable.

Possible law changes

The Fund must comply with various legal requirements, including requirements imposed by the securities laws, tax laws, administrative, pension and judicial laws in various jurisdictions. Should any of those laws change prospectively or retroactively over the scheduled term of the Fund, the legal requirements to which the Fund and the shareholders may be subject could differ materially from current requirements.

Political, Economic, and Regulatory Risks

The liquidity of the Shares and the Net Asset Value of the Fund may be affected generally by changes in policies and laws of the local government (including exchange rates and controls), interest rates and taxation, social and religious instability and political, economic or other developments in the emerging markets. Generally, emerging market regulatory standards and disclosure standards are less stringent than standards in developed countries, and there may therefore be less publicly available information about emerging market companies than is regularly available about companies located in developed countries. Accounting standards and requirements in emerging markets differ significantly from those applicable to companies in developed countries. Emerging markets have experienced substantial fluctuations in the prices of listed securities. The emerging market stock exchanges have been subjected to broker defaults, failed trades and settlement delays and local regulators can impose restrictions on trading in certain securities, limitations on price movements and margin requirements. The increased volume of trading in the emerging markets as a result of the inflow of foreign investment has caused severe settlement difficulties resulting in significant delays in the settling of trades and registering of transfers of securities. The emerging stock markets are more volatile than the stock markets of developed countries. Emerging markets are exposed to the risks of radical, political or economic change which could adversely affect the value of the Company's investments.

AIFMD and CISA

The EU Alternative Investment Fund Managers Directive (the "AIFMD") introduced a new regulatory regime for alternative investment fund managers managing or marketing alternative investment funds in the European Economic Area ("EEA"). AIFMD sets forth complex rules for the authorization, operation and transparency (i.e., disclosure and reporting requirements) of managers of alternative investment funds. Switzerland, which is not part of the EEA, has implemented the Swiss Collective Investment Scheme Act ("CISA"), Switzerland's own regulatory

regime for alternative investment fund managers managing or marketing alternative investment funds in Switzerland. The AIFMD consists of both a European Directive and Regulation. Where the Regulation has direct effect across all EEA jurisdictions, the Directive needs to be implemented into the laws of each EEA Member State. EEA Member States' specific requirements may vary and not every EEA Member State has implemented AIFMD into its local legislation yet. In addition, non-EEA managers marketing their funds in the EEA must also comply with these Member States' local private placement regimes (if any) for the time being. At this time, the Fund Manager does not intend to directly or indirectly market the Fund in the EEA. "Marketing" is defined in the AIFMD as "a direct or indirect offering or placement at the initiative of the alternative investment fund manager or on behalf of the alternative investment fund manager of units or shares of an alternative investment fund it manages to or with investors domiciled or with a registered office in the Union." Although each EEA country may have implemented a slightly different local version of what "marketing" is, it generally means "active" marketing. Multiple jurisdictions offer an exemption from the requirements of AIFMD for "reverse solicitation" or "passive marketing" – i.e., responding to contact initiated by an investor. The Fund and the Fund Manager may utilize such "passive marketing" in EEA jurisdictions where the concept is available. In jurisdictions where "reverse solicitation" or "passive marketing" is not permitted, or if the Fund Manager is unable to satisfy the conditions of "reverse solicitation," the Fund Manager will not conduct any marketing activity or will only do so in compliance with applicable laws, including AIFMD, its local enabling legislation and/or local private placement regimes, as applicable. The Fund Manager could face significant potential regulatory risk if it were to rely on "reverse solicitation" or "passive marketing," which has not been tested in practice. Regulatory consequences for non-compliance under AIFMD, CISA and/or country specific legislation and private placement regimes may be significant, which could adversely affect the Fund Manager's and, consequently, the Fund's, business. As at the date of this Memorandum, the Fund has not been approved, notified or registered in accordance with neither the AIFMD nor CISA for marketing to professional investors in any EEA Member State and or Switzerland. However, such approval may be sought or such notification or registration may be made in the future. Therefore, this Memorandum may only be transmitted to an investor in an EEA Member State at such investor's own initiative.

Data Protection

Prospective investors should note that, by virtue of making an investment in the Fund and the associated interactions with the Fund and its affiliates and delegates (including completing the Subscription Agreement, and including the recording of electronic communications or phone calls where applicable), or by virtue of providing the Fund Manager or the Administrator (or delegates thereof) with personal information on individuals connected with the investor (for example, trustees, employees, representatives, shareholders, investors, clients, shareholders, beneficial owners or agents) such individuals will be providing the Fund, the Fund Manager and the Administrator (and delegates thereof) with certain personal information which constitutes personal data within the meaning of the EU data protection regime introduced by the General Data Protection Regulation (Regulation 2016/679) and The Bahamas Data Protection Act 2019 (the "Data Protection Legislation"). The Fund has prepared a Data Protection Disclosure Statement ("DPDS") outlining the Fund's data protection obligations and the data protection rights of the relevant Shareholders under the Data Protection Legislation. The relevant Shareholders shall receive a copy of the DPDS within the Subscription Agreement, as part of their process to subscribe for Shares in the Fund. The DPDS contains information on the following matters in relation to data protection:

- that individuals will provide the Fund and/or the Fund Manager and/or the Administrator with certain personal information which constitutes personal data within the meaning of the Data Protection Legislation;
- that the Fund Manager acting on behalf of the Fund shall act as a data controller in respect of this personal data and the fact that affiliates and delegates, such as the Administrator, the auditor may act as data processors (or in some instances, data controllers);
- a description of the lawful purposes for which the personal data may be used, namely (i) where this is necessary for the performance of the contract to purchase Shares in the Fund; (ii) where this is necessary for compliance with a legal obligation to which the Fund is subject; and/or (iii) where this is necessary for the purposes of the legitimate interests of the Fund or a third party and such legitimate interests are not overridden by the individual's interests, fundamental rights or freedoms;

- details on the transmission of personal data, and details of data protection measures taken by the Fund Manager, the Administrator and the Fund;
- an outline of the various data protection rights of individuals as data subject under the Data Protection Legislation;
- information on the Manager and the Fund's policy for retention of personal data; and contact details for further information on data protection matters.

Given the specific purposes for which the Fund Manager and Administrator acting on behalf of the Fund envisages using a Shareholder's personal data, under the provisions of the Data Protection Legislation, it is not anticipated that individual consent will be required for such use. However, as outlined in the DPDS, individuals have the right to object to the processing of their data where the Fund Manager and Administrator acting on behalf of the Fund has considered this to be necessary for the purposes of its or a third party's legitimate interest.