

FIRM BROCHURE
FORM ADV, PART 2A

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March 30, 2015

This brochure provides information about the qualifications and business practices of Weiss Asset Management LP. If you have any questions about the contents of this brochure, please contact us at (617) 778-7780 or info@weissasset.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Weiss Asset Management LP also is available on the SEC's website at www.adviserinfo.sec.gov.

Weiss Asset Management LP is an investment adviser registered with the United States Securities and Exchange Commission. Registration with the United States Securities and Exchange Commission does not imply a certain level of skill or training.

Item 2. Material Changes

The following section discusses the material changes since the last brochure was filed on March 28, 2014.

None.

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Item 4. Advisory Business

Weiss Asset Management LP (“Weiss”), a Delaware limited partnership, was originally formed in June 2003 as Weiss Capital LLC, a Delaware limited liability company. In January 2010, Weiss changed its name and converted to a limited partnership. Weiss serves as the investment manager to two privately offered pooled investment vehicles (each a “Private Fund,” and together, the “Private Funds”), and one closed-end investment vehicle that is listed on the AIM Market of the London Stock Exchange plc (the “Listed Fund”). Each of the Private Funds and the Listed Fund (which are collectively referred to herein as the “Funds” and each a “Fund”) is exempt from registration as an investment company under the Investment Company Act of 1940, as amended (the “Investment Company Act”).

The investment strategy for each of the Private Funds is substantially similar, but each Private Fund was designed for different types of potential investors. The primary criterion for initiating any trade for each Private Fund is whether the trade increases the risk adjusted expected return to the Private Fund. One of the primary investment strategies that Weiss employs is purchasing securities at a discount to observable and measurable reference values. This strategy is most easily understood in the context of purchasing shares of a closed-end fund or similar security at a discount to its net asset value, but is equally applicable to other “arbitrage” type trades where a security of any type of issuer may be trading at a price that is at a discount to the underlying (and realizable) estimated value of its assets.

The Listed Fund is geographically focused on South Korean companies, and specifically invests primarily in listed preferred shares issued by companies incorporated in South Korea, which in many cases are currently trading at a discount to the corresponding common shares of the same companies. Weiss invests on behalf of the Listed Fund to assemble a portfolio of South Korean preferred shares that it believes are undervalued and could appreciate based on criteria it selects. Some of the considerations that affect Weiss’ choice of securities to buy and sell may include the discount at which a preferred share is trading relative to its respective common shares, its dividend yield, its liquidity and its common shares weighting (if any) in the benchmark index for the Listed Fund, as described in the admission document for the Listed Fund.

For further details on the Funds’ investment strategies, please see Items 7 (“Types of Clients”) and 8 (“Methods of Analysis, Investment Strategies and Risk of Loss”) below.

Weiss is principally owned by Andrew M. Weiss.

Weiss is responsible for the management of each Fund’s portfolio pursuant to investment management agreements between Weiss and each Fund. Weiss manages each Fund consistent with the investment strategies and objectives of that Fund, as set forth in the applicable offering documents of each Fund.

Weiss manages the Funds’ assets on a discretionary basis. As of December 31, 2014, Weiss’ net assets under management were approximately \$ 1,110,342,196.

Item 5. Fees and Compensation

In consideration for the investment management services that Weiss provides to the Funds, Weiss and its affiliates receive fees and other compensation from each Fund. This compensation generally takes the form of an asset-based management fee (the “Management Fee”) and performance-based compensation that is dependent on the investment performance of the relevant Fund (the “Performance-Based Compensation”).

The Management Fee from each Fund is paid to Weiss pursuant to investment management agreements between Weiss and each Fund (each, an “Investment Management Agreement”). For the Listed Fund, such Management Fee is calculated weekly and payable monthly in arrears; it is generally equal to 1.5% per annum of the net asset value of the Listed Fund. Each month, after the calculation of net assets has been finalized, Weiss invoices the Listed Fund for the amount of earned Management Fee. The administrator of the Listed Fund procures the payment of the Management Fee to Weiss on the authority of the directors of the Listed Fund. With respect to each of the Private Funds, the Management Fee is payable quarterly in arrears, in an amount generally equal to 0.25% (approximately 1.0% annualized) of the net asset value of (i) each series of shares in the context of the Private Fund that is a Cayman Islands company (the “Offshore Fund”), and (ii) each limited partner’s capital account in the context of the Private Fund that is a New York limited partnership (the “U.S. Fund”), in each case as computed at the end of each quarter (before deducting the Performance-Based Compensation, as defined below). Additionally, an investor whose capital is invested or subscribes for shares (as applicable), other than on the first day of a calendar quarter or that withdraws or redeems (as applicable) from a Private Fund other than on the last day of a calendar quarter, will be subject to a *pro rata* portion of the Management Fee paid for such quarter based upon the portion of the calendar quarter for which such capital was invested in the U.S. Fund or shares were issued by the Offshore Fund, as applicable. The Management Fee is paid by the Private Funds to Weiss after the conclusion of each calendar quarter in accordance with the Investment Management Agreement with each Private Fund.

In addition, Weiss receives Performance-Based Compensation from the Offshore Fund, and the general partner of the U.S. Fund (the “General Partner”), which is an affiliate of Weiss, receives Performance-Based Compensation from the U.S. Fund. Generally, at the end of each fiscal year, each Private Fund will pay (or allocate) to Weiss or the General Partner, as applicable, Performance-Based Compensation in an amount generally equal to 25% of the aggregate net profits during such calendar year that (i) for the Offshore Fund are attributable to each series of shares and (ii) for the U.S. Fund are attributable to each capital account maintained for a limited partner by such Private Fund, subject in each case to a high watermark described below. Net profits and net losses are calculated for a period by combining the aggregate net realized and unrealized changes in the value of each Private Fund’s assets with all other items of income and expenses of any kind for such period. In the event that any series of shares or any capital account of a limited partner has unrecovered net losses from any prior period, Weiss or the General Partner, as the case may be, will not be paid or allocated Performance-Based Compensation with respect to such series of shares or capital account until such net losses have been recovered (which net losses are proportionately reduced by any redemptions or withdrawals from such series of shares or capital account, respectively). In the event of a redemption or withdrawal by an investor in a Private Fund on any date other than the last day of a fiscal year, the Performance-Based Compensation in respect of the amount redeemed or withdrawn will be computed as of the date of such redemption or withdrawal. Unrealized appreciation and depreciation relating to investments segregated by a Private Fund as “Designated Investments” because they may be illiquid or difficult to value would generally not be allocated to a shareholder’s series of shares or a limited partner’s capital account, as applicable, for

purposes of determining the Performance-Based Compensation until such Designated Investment is sold or the relevant Private Fund otherwise determines that it should no longer be treated as a Designated Investment.

All fees and compensation are deducted from the relevant Fund's assets and paid or allocated to Weiss or the General Partner, as applicable. However, with respect to the Private Funds only, Weiss may, in its sole discretion, waive or reduce, in whole or in part, the Management Fee and/or Performance-Based Compensation with respect to certain investors. Further details regarding the calculation of Management Fees and Performance-Based Compensation are provided in each Fund's respective offering documents.

In addition to the Management Fees and Performance-Based Compensation described above, each Fund bears all costs and expenses related to its trading strategy and operations. Such costs and expenses borne by each Fund include, but are not limited to, brokerage and other transaction costs, clearing and settlement charges, costs of establishing subsidiary entities to help facilitate the making and settlement of certain trades, interest and commitment fees on debit balances or borrowings, borrowing charges on securities sold short, custody fees, the fees and expenses of professionals providing services to each Fund (legal, audit, accounting, tax and administration), the costs of reporting and providing information to the investors of each Fund, federal and state filing fees, stamp duties, taxes, government and fiscal charges, and foreign exchange costs. Each Fund would also pay for applicable costs and expenses related to any litigation or investigation arising out of the activities of such Fund and Weiss and/or its affiliates' role in connection therewith.

The Private Funds, but not the Listed Fund, also reimburse Weiss for a portion of the operational expenses incurred by Weiss and/or its affiliates in connection with their delivery of services to each Private Fund. Such operational expenses may include, but are not limited to: fees and expenses for investment banking services and related services to facilitate the trading of securities and to identify and monitor investment opportunities; costs associated with evaluating traded securities and performing due diligence thereon; costs in connection with the Private Fund seeking to obtain a control position in an issuer (including legal and accounting fees associated with obtaining opinions regarding the correct interpretations of regulations and laws governing investing activities, such as tender offers, takeover bids and investor rights in relevant markets) and/or seeking to influence laws or rules in the jurisdictions of particular issuers, subject to compliance with applicable laws; news, research and database subscriptions; computer hardware, software and programming; research and data acquisition; fidelity bonds and other insurance costs; any costs associated with the Private Fund and Weiss and/or its affiliates complying with applicable regulations; and other overhead expenses of Weiss and/or its affiliates (except as provided in the following sentence). Expenses related to marketing of each Fund to prospective investors and rent and furnishings for Weiss' and/or its affiliates' offices are paid by Weiss and/or its affiliates, not the Funds. The Funds also do not pay any compensation to Dr. Weiss, other than that received through his participation in the Management Fee and Performance-Based Compensation. The Private Funds bear a portion of the compensation (including salaries and bonuses) of all other employees and senior management of Weiss. Such compensation to employees and senior management may be significant, and the portion paid by the Private Funds will generally include a portion of annual compensation paid to senior management even if Dr. Weiss also determines, in his discretion, to share portions of the Performance-Based Compensation and/or Management Fees with members of senior management.

Weiss, and not the Private Funds, bears its portion of operational expenses and overhead, including compensation of employees and senior management, relating to its provision of services to the Listed Fund. Moreover, if a particular expense or employee relates to services provided to only one or more

particular funds or accounts (including, without limitation, the Private Funds), then such expense or employee compensation, as applicable, will be allocated only to such funds or accounts (including, as applicable, the Private Funds or the Listed Fund). As of the date of this brochure, operational expenses, including compensation of employees and senior management, are generally allocated between Weiss on behalf of the Listed Fund, on the one hand, and the Private Funds, on the other hand, based on a time allocation, as determined by Weiss. As between the two Private Funds, such expenses are generally allocated based on the relative net assets of each Private Fund. In both cases, however, other allocation methods and criteria may be used if Weiss determines that using a time allocation or net assets is not an appropriate allocation method or would not provide a fair result under the particular circumstances.

The amount of operating expenses of Weiss and/or its affiliates that are charged to each Private Fund does not have a “cap.” The expenses charged to each Private Fund by Weiss and/or its affiliates may include the cost of employees hired to perform certain services that could be performed by consultants, lawyers and other external service providers, the fees and expenses of which would otherwise generally be paid directly by each Private Fund. Weiss, on behalf of each Private Fund, may be engaged in aggressive corporate actions, precise hedging, and trading in securities that have especially high transaction costs and that require investment banking-type activities, which could be costly. The expenses of Weiss and/or its affiliates charged to each Private Fund may be significant. The amount of operating expenses that are charged to each Private Fund will be set forth in the annual audited financial statements of that Private Fund. Each of the General Partner and Weiss may, in its sole discretion, elect to pay and not to seek reimbursement, from time to time, for expenses which would otherwise be borne by the Private Funds.

If Weiss and/or its affiliates receive remuneration from any entity in which a Fund is trading, such Fund will be credited (as an offset against fees or expenses otherwise owed to Weiss and/or such affiliates) with that portion of the remuneration represented by such Fund’s share of the equity in such entity. Any director fees paid to employees of Weiss and/or its affiliates from an entity in which a Fund is invested will be credited to the Fund and other accounts, if applicable, managed by Weiss and/or its affiliates, based on the size of their respective investments in the applicable issuer.

As mentioned above, the Funds generally incur brokerage and other transaction costs. For further details regarding brokerage costs, see Item 12 (“Brokerage Practices”) below.

Item 6. Performance-Based Fees and Side-By-Side Management

As disclosed in further detail in Item 5 (“Fees and Compensation”) above, Weiss and/or its affiliates is eligible to receive Performance-Based Compensation from the Private Funds but not the Listed Fund. As a result, Weiss faces certain conflicts of interest and in some circumstances has a financial incentive to favor the Private Funds over the Listed Fund. The conflicts are reduced, however, by the structure of the Funds, their relative investment mandates and investor bases, and certain policies and procedures that Weiss has adopted.

The Listed Fund is a closed-end fund quoted on AIM. There is an independent Board of Directors and a third-party administrator that monitors the operations of the Listed Fund, and Weiss serves only as investment manager to the Listed Fund. Weiss periodically reports to the Board of Directors of the Listed Fund. In accordance with its offering documents, the Listed Fund is geographically focused on South Korean companies, and specifically invests primarily in listed preferred shares issued by companies incorporated in South Korea, which in many cases trade at a discount to the corresponding common shares of the same companies. The Private Funds, on the other hand, have no geographic restrictions on their investments and trade in markets worldwide. The Private Funds also can invest anywhere in the capital structure of companies and are not focused on preferred shares; so within the South Korean market even, the Private Funds may invest in bonds and ordinary shares of companies. While the Private Funds may also invest in South Korean preferred shares, that sector has been, and is expected to continue to be, a relatively small portion of the Private Funds’ overall assets and strategy. Moreover, in accordance with their investment mandate, the Private Funds generally engage in hedging when it is cost-effective to do so; thus the Private Funds typically prefer securities that can be cost-effectively hedged. The Listed Fund generally does not engage in hedging and thus does not typically consider whether a particular investment can be cost-effectively hedged.

At the launch of the Listed Fund, there was some overlap in the investor bases of the Listed Fund and the Private Funds, with almost half of the investors in the Listed Fund being existing investors in one or both of the Private Funds. Most importantly with respect to the above identified conflicts of interest, both at the launch of the Listed Fund and as of the date of this brochure, Andrew Weiss and other members of senior management of Weiss all have significant investments in both the Listed Fund and the Private Funds, with such “internal capital” representing a material portion of the investor base of each of the Funds. Such investments in all three Funds reduce any financial incentive for Weiss to favor one Fund to the detriment of another Fund.

Finally, Weiss seeks to resolve and control the above conflicts of interest through its policies and procedures. In the first instance, Weiss seeks to typically allocate trades in South Korean preferred shares among the three Funds *pro rata* based on an objective formula. Generally speaking, this formula is a function of the relative net asset value of the Listed Fund compared to the target net assets of the Private Funds invested in the South Korean preferred share strategy. By having a formula applicable on a strategy-wide basis, the conflict associated with any particular single investment is diminished. With respect to a specific security or transaction, however, Weiss may make an allocation in a different manner, but only if Weiss determines in its discretion, that a different allocation structure would be more appropriate or if the foregoing formula would provide an unfair result. Any such deviation from the objective formula is documented by Weiss for auditing and review purposes.

The Chief Compliance Officer of Weiss regularly monitors the allocation of trades among the Funds to ensure that Weiss is not improperly favoring one Fund over another.

Item 7. Types of Clients

As noted in Item 4, Weiss is an investment adviser to three pooled investment vehicles. Two of the Funds (the Private Funds) are privately offered open-end hedge funds, and one of the Funds (the Listed Fund) is a closed-end fund listed on AIM. All three of the Funds are exempt from registration as investment companies under the Investment Company Act. None of the Funds was publicly offered in any jurisdiction, but the Listed Fund has been listed for trading on AIM.

Each investor in the U.S. Fund and each U.S. investor in the Offshore Fund must be (i) an “accredited investor,” as defined in Regulation D under the Securities Act of 1933, as amended (the “Securities Act”) and (ii) a “qualified client,” as that term is defined in Rule 205-3 under the Investment Advisers Act of 1940, as amended (the “Advisers Act”). Each Private Fund imposes a minimum initial investment of \$5,000,000 for each investor. However, the minimum initial investment may be modified or waived for any particular prospective investor by the General Partner of the U.S. Fund or the Board of Directors of the Offshore Fund, as applicable, in their sole discretion, subject to applicable law. Except in the discretion of the General Partner of the U.S. Fund or the Board of Directors of the Offshore Fund, as applicable, no partial withdrawal or redemption that would reduce an investor’s balance below the lesser of \$5,000,000 or the investor’s initial investment will be accepted.

At its launch, the Listed Fund was privately offered in the United States under Regulation D under the Securities Act only to investors that were both accredited investors under the Securities Act and “qualified purchasers” as defined in Section 2(a)(51) of the Investment Company Act. The Listed Fund was privately offered to investors outside of the United States in accordance with the laws and rules of the applicable jurisdictions. The Listed Fund is a closed-end fund and has not issued any additional shares subsequent to its initial launch.

Item 8. Methods of Analysis, Investment Strategies and Risk of Loss

The investment objective and potential strategies employed by the Private Funds are broader than those applicable to the Listed Fund. However, there is overlap in the methods of analysis used for all the Funds. The primary differences among the Funds relate to the broader mandate of the Private Funds (both in terms of geography and types of investments), as well as their use of leverage and hedging. The Listed Fund is permitted to use leverage and hedging but generally has not done so to date.

The objective of each Private Fund is to seek above-average returns while attempting to reduce risk. Weiss' primary criterion for initiating any trade for a Private Fund is whether the trade increases the risk adjusted expected return to investors. This is generally determined by estimating, with various degrees of precision, an expected annualized return on the trade, the opportunity cost of the free equity used over the expected life of the trade with respect to foregone alternative investments, and the effect the trade would have on the probability of the Private Funds' current portfolio, or a likely future portfolio, suffering losses of various magnitudes.

One of the primary investment strategies that each Private Fund employs to achieve this objective is purchasing securities at a discount to observable and measurable reference values. This strategy is most easily understood in the context of purchasing shares of a closed-end fund or other similarly structured security at a discount to its net asset value. However, the Private Funds are not limited to trading such closed-end funds and other similarly structured securities. The Private Funds may also trade in a wider range of financial instruments and securities and may employ such trading techniques as option transactions, margin transactions, short sales, forwards, leverage, and derivatives trading. The Private Funds are not restricted geographically in where they may invest; the Private Funds often invest in non-U.S. markets, including emerging markets throughout the world. Weiss may also take an activist approach, acting for the Private Funds to convince management and/or the directors of such company to take actions that Weiss believes are in the best interests of shareholders, or may seek to replace directors, and may do so to seek to either increase returns or reduce risk. The Private Funds may incur significant expenses in such activities and could become subject to lawsuits.

Weiss expects to be opportunistic in its trading strategies on behalf of the Private Funds. The Private Funds may trade securities in countries that are receiving unfavorable media coverage, that are in the midst of political changes or that are otherwise perceived as exceptionally risky. The Private Funds may also trade securities whose market value is expected to be meaningfully affected by future events including a debt repayment obligation; a management transition; changes, implementation or enforcement of legislation or regulations; market recognition of mispriced assets or liabilities; lawsuits; or a bankruptcy or financial restrictions.

The Listed Fund's investment objective is to provide shareholders with an attractive return on their investment predominantly through long-term capital appreciation, but the Listed Fund also intends to return to shareholders dividends received on an annual basis. The Listed Fund is geographically focused on South Korean companies and specifically invests primarily in listed preferred shares issued by companies incorporated in South Korea, which in many cases are currently trading at a discount to the corresponding common shares of the same companies. Weiss seeks to assemble a portfolio of South Korean preferred shares that it believes are undervalued and could appreciate based on criteria it selects. Some of the considerations that affect Weiss' choice of securities to buy and sell may include the discount at which a preferred share is trading relative to its respective common shares, its dividend yield, its liquidity and its common shares weighting (if any) in the Korea Index, among other factors. Not all of

these factors will necessarily be satisfied for particular investments. The Listed Fund invests primarily in South Korean preferred shares, but it may invest some portion of its assets in other securities, including exchange-traded funds, futures contracts and other types of options, swaps and derivatives related to South Korean equities, as well as cash and cash equivalents. The Listed Fund does not have any concentration limits.

The Funds may utilize certain trading techniques that can, in certain circumstances, substantially increase the adverse impact to which the Funds may be subject. In addition, securities which Weiss believes are fundamentally undervalued or incorrectly valued may not ultimately be valued in the capital markets at prices and/or within the time frame that Weiss anticipates. Securities in which the Funds invest may also be subject to risks of fraud or other loss that Weiss does not anticipate.

Material Risks

Investors must recognize that investing in securities involves risk of loss that investors should be prepared to bear. The following describes certain risks involved with the trading strategies and the methods of analysis for each Fund that Weiss considers to be material. Investors and prospective investors in any Fund should carefully read the respective offering documents for the relevant Fund for a more detailed discussion of risks involved with investing in that Fund.

Investment and Trading Risks.

An investment in a Fund involves a high degree of risk, including the risk that the entire amount invested may be lost. The Funds trade in securities and other financial instruments using strategies and trading techniques with significant risk characteristics. No guarantee or representation is made that Weiss' trading strategy will be successful. Each Fund's trading strategy may utilize such trading techniques as option transactions, margin transactions, short sales, forwards, leverage, and derivatives trading; such techniques can, in certain circumstances, substantially increase the adverse impact to which a Fund may be subject. In addition, securities which Weiss believes are fundamentally undervalued or incorrectly valued may not ultimately be valued in the capital markets at prices and/or within the time frame that Weiss anticipates. Securities in which the Funds invest may also be subject to risks of fraud or other loss that Weiss does not anticipate. As a result, each Fund may lose all or substantially all of its investment in any particular instance.

General Economic and Market Conditions.

The success of the Funds' activities will be affected by general economic and market conditions, such as interest rates, availability of credit, credit defaults, inflation rates, economic uncertainty, changes in laws (including securities laws and laws relating to taxation of the Funds' investments), accounting standards, trade barriers, currency exchange controls, and national and international political circumstances (including wars, terrorist acts or security operations). These factors may affect, among other things, the level and volatility of securities' prices, the liquidity of the Funds' investments and the availability of certain securities and investments, and may make investing in certain types of securities, including securities in which the Fund may wish to invest, less profitable. Volatility or illiquidity could also impair the Funds' profitability or result in losses. The Funds may maintain substantial trading positions that can be materially adversely affected by the level of volatility in the financial markets — the larger the positions, the greater the potential for loss.

Foreign and Emerging Market Securities.

The Funds' trading of securities and instruments in global markets involve substantial risks not typically associated with trading in U.S. securities. Trading in such foreign securities may be affected by changes in currency rates or exchange control regulations, changes in governmental administration or economic or monetary policy (in the United States and abroad) or changed circumstances in dealings between nations. To the extent not effectively hedged, changes in foreign currency exchange rates relative to the U.S. dollar may affect the U.S. dollar value of the Funds' assets denominated in that currency, and the dollar value of the underlying assets of foreign securities whose prices are quoted in dollars and thereby impact upon the Funds' total return on such assets. Moreover, with respect to the Listed Fund in particular, its assets are generally expected to be denominated principally in South Korean won, but dividends will be paid to shareholders of the Listed Fund in British pound sterling. The Listed Fund has not generally engaged in hedging activities and thus is exposed to movements in currency exchange rates.

Foreign currency exchange rates are affected by the international balance of payments and other economic and financial conditions, government interventions including capital controls, speculation and other factors. Moreover, foreign currency exchange rates may be affected by the regulatory control of the exchanges on which the currencies trade. The Funds may incur costs in connection with conversions between various currencies. The Funds may utilize options and forward contracts to hedge against currency fluctuations but there can be no assurance that such hedging transactions will be effective or will be available to the Funds on acceptable terms.

Trading in securities and instruments of foreign issuers, particularly in emerging markets, may also expose the Funds to risks relating to political and economic developments abroad, including the possibility of expropriations or confiscatory taxation, limitations on the use or transfer of the Funds' assets and any effects of foreign social, economic or political instability. Foreign companies are not subject to the regulatory requirements of U.S. companies and, as such, there may be less publicly available information about such companies. Moreover, many foreign companies are not subject to uniform accounting, auditing and financial reporting standards and requirements comparable to those applicable to U.S. companies. The occurrence of adverse events affecting one particular foreign country or region could have more widespread effects and adversely impact the global trading market.

The legal systems in foreign countries are often not as sophisticated as those in the U.S. and it may be difficult to predict with any degree of assurance the resolution of legal issues in adjudications or governmental proceedings. For instance, in the event of a default of any foreign obligations, it may be more difficult for the Funds to obtain or enforce a judgment against the issuers of such securities. This risk may be particularly pronounced for certain emerging markets.

Some countries may require governmental approval for foreigners to trade in foreign securities and the amount of foreign ownership may be limited. Repatriation of trading income, capital and the proceeds of sales by foreign entities may require governmental registration and/or approval. The Funds could be adversely affected by delays in or a refusal to grant any required governmental registration or approval for such repatriation or by taxes imposed by another foreign governmental entity or regulatory body.

Securities of foreign issuers may be less liquid than comparable securities of U.S. issuers and, as such, their price changes may be more volatile and this reduced liquidity may diminish the Funds' abilities to execute trades. Furthermore, foreign exchanges and broker-dealers are generally subject to less government and exchange scrutiny and regulation than their U.S. counterparts. Brokerage commissions, dealer concessions and other transaction costs may be higher on foreign markets than in the U.S. In

addition, settlement systems in emerging markets are generally less well organized than in developed markets. Supervisory authorities may also be unable to apply standards which are comparable with those in developed markets. Thus there may be risks that settlement may be delayed and that cash or securities belonging to the Funds may be in jeopardy because of failures or defects in the systems. In particular, market practice may require that payment shall be made prior to receipt of the security which is being traded or that delivery of a security must be made before payment is received. These factors may result in losses to the Funds. Governments may also restrict the Funds' ability to repatriate capital gains or income. Furthermore, the inability of the Funds to make intended security transactions due to settlement problems could result in a failure of the Funds to make potentially advantageous trades.

Local custody services remain underdeveloped and although the Funds' primary custodian, prime broker or local broker, as the case may be, endeavors to put in place control mechanisms, including the selection of agents to register securities on behalf of the Funds or their subsidiaries and regular audits of entries on relevant share and securities registers to ensure on a best efforts basis the continued recording of the Funds' interests, there is a transaction and custody risk of dealing in securities in certain foreign markets. In limited circumstances in the event of the insolvency of a sub-custodian, the Funds may not be able to recover segregated assets. Such circumstances may include retroactive application of legislation and improper registration of title.

Taxation of dividends, interest and capital gains received by non-residents varies among foreign countries and, in some cases, is comparatively high. Shares in which the Funds trade that are exempt from taxation on dividends and/or capital gains at the issuer level at the time of investment may have their tax treatment changed in the relevant jurisdiction. This could have an adverse effect on the value of the shares traded by the Funds. In addition, foreign countries typically have less well-defined tax laws and procedures and such laws may permit retroactive taxation so that the Funds could in the future become subject to local tax liability that they had not reasonably anticipated in conducting their trading activities or valuing their assets. The Funds may, but are not required to, take certain steps as Weiss (or its affiliates) considers appropriate, including the establishment of subsidiaries in suitable jurisdictions, with a view to minimizing the taxation incurred on the Funds' income and capital gains.

Diversification.

Weiss generally seeks to control each Fund's net exposure, both across and within countries, although the Listed Fund is focused exclusively on South Korea. Weiss also may seek to examine the holdings of the issuers in which a Fund has positions or is considering establishing or increasing its position size to determine if, in the aggregate, such Fund's net exposure to one or more particular securities owned by such issuers would exceed in the aggregate a certain percentage of the Fund's net assets, as determined by Weiss from time to time. However, for many securities, such information may not be readily available and, if available, may not be timely or accurate. There is no assurance that each Fund will be adequately diversified. Although each Fund has certain self-imposed guidelines on diversification, there are no limits on the Fund's trading discretion. At any given time, it is therefore possible that a Fund may select securities that are concentrated in a particular market, country, type of security, currency, sector or issuer. In addition, if, after having traded shares, the value of the shares increases dramatically and the risk adjusted returns justify keeping the position given its relative size, the portfolio could have less diversification than was intended by Weiss when the trade was originally made. This limited or reduced diversity could expose each Fund to significantly greater volatility than in a more diversified portfolio. The insolvency or other business failure of any one or more of the issuers in which the Funds have traded shares could have a material adverse effect on each Fund's performance and ability to achieve its objectives.

Use of Leverage.

Weiss may leverage each Fund's portfolio through margin and other debt or use of derivatives in order to increase the amount of capital available for trading, or by engaging in swaps and other transactions that have the economic effect of increasing the Fund's exposure to securities or instruments. If a Fund fails to earn as much on the incremental trades made with borrowed funds as it pays for such funds, the use of leverage decreases returns to the investors of such Fund. In the event a Fund leverages its portfolio, fluctuations in the market value of the Fund's portfolio will have a significant effect in relation to the Fund's capital and the risk of loss and the possibility of gain will each be increased. In addition, in the event a Fund utilizes leverage, the level of interest rates generally, and the rates at which the Fund can borrow in particular, will be an expense of the Fund and therefore affect the operating results of the Fund. Although Weiss will determine from time to time the maximum amount of leverage to be used by each Fund (subject to such leverage being available), a maximum amount is not imposed under the terms of each Fund's constituent documents. To date, Weiss has not used leverage to fund investments by the Listed Fund.

Each Fund may use short-term margin borrowing to trade securities. Such borrowing, if undertaken, may result in certain additional risks to the Fund. For example, should the securities pledged to brokers to secure the Fund's margin accounts decline in value, the Fund could be subject to a "margin call," pursuant to which the Fund must either deposit additional funds with the broker or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. In addition, in many cases, the margin borrowing could be terminated by the lender to the Fund for no reason. In the event of a sudden, precipitous drop in value of the Fund's assets, the Fund might not be able to liquidate assets quickly enough to pay off its margin debt.

The securities in which the Funds trade may themselves be leveraged. Alternatively, these securities may be deleveraged by having large cash holdings. The leverage or deleveraging of the securities in which the Funds hold shares will affect the risk of the Funds' portfolios, and consequently, to the extent Weiss is able to obtain sufficient information from the issuer of the security to make such determination, may also affect the leverage chosen by Weiss for the Funds. The use of leverage by each Fund may also be affected by accounts receivable on securities that have been submitted for redemption but for which cash has not yet been received. The timing of the receipt of that cash may be longer than initially anticipated by Weiss.

Control Positions.

A Fund (alone or possibly together with any other accounts managed by Weiss and its affiliates) may take an activist approach to seek to either increase returns or reduce risk. As such, each Fund may purchase (possibly with any other accounts managed by Weiss or its affiliates) a large enough position in any issuer, or coordinate with other shareholders (in accordance with applicable law) to have some influence, friendly or unfriendly, on the management and/or governing board of the issuer. The Private Funds in particular may propose resolutions, hire proxy solicitation firms to oppose company sponsored resolutions, nominate one or more persons (whether affiliated with Weiss or not) to the governing board, or otherwise attempt to influence the issuer's direction. The Funds may incur significant expenses in connection with such activities, and could become subject to lawsuits. The large size of the position, combined with the possibility that Weiss may obtain "insider information" in such situations, may make the position difficult to sell.

Service on Boards of Directors.

Individual representatives of Weiss or its affiliates may serve on the board of directors of one or more entities in which the Funds invest. In their capacity as board members, such individuals may become subject to fiduciary, reporting or other duties which may adversely affect the Funds.

Undervalued Equity Securities.

The Funds' trading strategy involves trading in particular securities that Weiss believes are undervalued. These opportunities may also be coupled with short positions in similar securities that Weiss believes are overvalued. Opportunities in undervalued securities arise from market inefficiencies, or because of faulty analysis by market participants of the potential impact (positive or negative) that specific events or trends may have on the value of a security. The identification of trading opportunities in undervalued securities is a difficult task, and there is no assurance that such opportunities will be successfully recognized or acquired. While trading in undervalued securities offer the opportunities for above-average returns, these trades involve a high degree of financial risk and can result in substantial losses.

Illiquid Securities; Designated Investments.

As referenced above, each Fund's positions may be illiquid, whether known at the time of investment or determined in the future due to changes resulting from or imposed by a number of factors, including the market conditions and applicable regulations. The Private Funds may also invest in private equity funds and restricted securities, including purchasing securities directly from private companies. Such illiquid securities may have to be held for a substantial period of time before they can be liquidated, if at all, and will be difficult to value. Such illiquidity could result in a Fund's inability to satisfy redemption requests in a timely manner. In addition, certain illiquid positions may be segregated at the time the securities are acquired as Designated Investments, as defined in each Private Fund's respective offering documents. Only investors at the time any such Designated Investment is made will participate in any such Designated Investments and the gains and losses of any such Designated Investments will accrue solely to such investors. If an investor that participates in a Designated Investment desires to redeem their entire interest in the Private Fund, such investor may not receive proceeds for the Designated Investment until it is liquidated.

Short Sales.

A portion of the investment program for the Funds may include short selling. Weiss may engage in short sales as part of hedging transactions or when it believes securities are overvalued. Short sales are sales of securities each Fund borrows but does not actually own. Short sales may be made with the anticipation that the prices of the securities will decrease and the Funds will be able to make a profit by purchasing the securities at a later date at the lower prices, or short sales may be made for hedging purposes. Each Fund could incur a potentially unlimited loss on a short sale if the price of the security increases prior to the time it purchases the security to replace the borrowed security. A short sale presents different risk than purchasing a security outright since there is no ceiling on the possible cost of replacing the borrowed security, whereas the risk of loss on a "long" position is limited to the purchase price of the security. Closing out a short position may cause the security to rise further in value, creating a greater loss. To date, Weiss has not engaged in any short selling on behalf of the Listed Fund.

Short sale transactions have been subject to increased regulatory scrutiny in response to market events in and after 2008, including the imposition of restrictions on short selling certain securities and reporting requirements. The Funds' ability to execute a short selling strategy may be materially adversely impacted by temporary and/or new permanent rules, interpretations, prohibitions, and restrictions adopted in response to these adverse market events. Temporary restrictions and/or prohibitions on short selling

activity may be imposed by regulatory authorities with little or no advance notice and may impact prior trading activities of the Funds. Additionally, the Securities and Exchange Commission (“SEC”), its foreign counterparts, other governmental authorities and/or self-regulatory organizations may at any time impose additional or different permanent or temporary limitations or prohibitions. The SEC might impose different limitations and/or prohibitions on short selling from those imposed by various non-U.S. regulatory authorities. These different regulations, rules or interpretations might have different effective periods.

Regulatory authorities may from time-to-time impose restrictions that adversely affect the Funds’ abilities to borrow certain securities in connection with short sale transactions. In addition, traditional lenders of securities might be less likely to lend securities under certain market conditions. As a result, the Funds may not be able to effectively pursue a short selling strategy due to a limited supply of securities available for borrowing. The Funds may also incur additional costs in connection with short sale transactions, including in the event that it is required to enter into a borrowing arrangement in advance of any short sales. Moreover, the ability to continue to borrow a security is not guaranteed and the Funds are generally subject to strict delivery requirements. The inability of the Funds to deliver securities within the required time frame may subject the Funds to mandatory close out by the executing broker-dealer. A mandatory close out may subject the Funds to unintended costs and losses. Certain action or inaction by third-parties, such as executing broker-dealers or clearing broker-dealers, may materially impact the Funds’ abilities to effect short sale transactions. Such action or inaction may include a failure to deliver securities in a timely manner in connection with a short sale effected by a third-party unrelated to the Funds.

Risks of Trading in Options.

Trading options can provide a greater potential for profit or loss than an equivalent trading in the underlying asset and can provide a hedge against particular risks. The value of an option may decline because of a change in the value of the underlying asset relative to the strike price, the passage of time, changes in the market’s perception as to the future price behavior of the underlying asset, changes in the market’s expectation of future interest rates or dividends, and other market variables. In the case of the purchase of an option, the risk of loss of an investor’s entire investment (i.e., the premium paid plus transaction charges) reflects the nature of an option as a wasting asset that may become worthless when the option expires. Where an option is written or granted (i.e., sold) uncovered, the seller may be liable to pay substantial additional margin, and the risk of loss when a call option is written is unlimited, as the seller will be obligated to deliver, or take delivery of, an asset at a predetermined price which may, upon exercise of the option, be significantly different from the market value. Over-the-counter options which the Funds may use in its trading strategies generally are not assignable except by agreement between the parties concerned, and no party or purchaser has any obligation to permit such assignments. The over-the-counter market for options is relatively illiquid, particularly for relatively small transactions.

Other Derivative Instruments.

Derivative instruments, or “derivatives,” include futures, options, swaps, structured securities and other instruments and contracts that are derived from or the value of which is related to one or more underlying securities, financial benchmarks, currencies or indices. Derivatives allow an investor to hedge or speculate upon the price movements of a particular security, financial benchmark, currency or index. The value of a derivative depends largely upon price movements in the underlying asset. Therefore, many of the risks applicable to trading the underlying asset are also applicable to derivatives of such asset. However, there are a number of additional risks associated with derivatives trading. For example, because many derivatives are leveraged, and thus provide significantly more market exposure than the money paid or deposited when the transaction is entered into, a relatively small adverse market movement cannot only

result in the loss of the entire position, but may also expose the Funds to the possibility of a loss exceeding the original amount invested. Derivatives may also expose investors to liquidity risk, as there may not be a liquid market within which to close or dispose of outstanding derivatives contracts. Swaps and certain options and other custom instruments are subject to the risk of non-performance by the swap counterparty, including risks relating to the creditworthiness of the swap counterparty.

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

Weiss and its affiliates are exempt from registration with the Commodity Futures Trading Commission as commodity pool operators pursuant to Section 4.13(a)(3) of the Commodity Exchange Act of 1936, as amended. In order to comply with this exemption, either the aggregate initial margins and premiums required to establish commodity interest positions for each Fund cannot exceed 5% of the liquidation value of such Fund’s portfolio or the aggregate net notional value of each Fund’s commodity interest positions cannot exceed 100% of the liquidation value of such Fund’s portfolio.

Hedging.

All of the Funds may utilize certain financial instruments for both trading and risk management purposes, although to date, the Listed Fund has not engaged in hedging activities. These instruments could include writing or buying options and other derivatives, as well as shorting securities, funds, indices, or swaps, and combining long and short positions in securities and instruments to reduce overall risk. For example, the Funds may seek to hedge the interest rate or currency rate on certain of the Funds’ positions. The success of the Funds’ hedging strategy will depend on Weiss’ ability to predict the future relationship between the performance of the instruments utilized for hedging purposes and the performance of the positions being hedged. The change in the relationship may also result in the hedge increasing the overall risk of the portfolio. There is also a risk that such relationship will change over time rendering the hedge ineffective. Since the characteristics of many securities change as markets change or time passes, the success of the Funds’ hedging strategies may also be subject to Weiss’ ability to correctly readjust and execute hedges in an efficient and timely manner. In addition, the lack of futures and derivatives markets or high transaction costs in certain foreign markets may reduce or eliminate the Funds’ abilities to hedge certain exposures. Even when the underlying values may have the predicted relationship, pricing imperfections may become worse and thus the hedge could increase risk over the time period until the underlying values are realized.

Trading in Fixed-Income Securities.

Each Private Fund may allocate a portion of its assets to bonds or other fixed income securities, including, without limitation, notes and debentures issued by corporations; annuity shares of split investment trusts; debt securities issued or guaranteed by governments or agencies or instrumentalities thereof; commercial paper; convertible bonds; asset-backed or structured-finance securities; and “higher yielding” (and,

therefore, higher risk) debt securities of the former categories. These securities may pay fixed, variable or floating rates of interest, and may include zero coupon obligations. Fixed income securities are subject to the risk of the issuer's inability to meet principal and interest payments on its obligations and are subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity indexed to FX changes and the tax treatment of interest and dividends or inflation. These and other risks are particularly prevalent with fixed income securities of issuers in emerging and foreign markets. It is likely that a major economic recession or other event could disrupt severely the market for such securities and may have an adverse impact on the value of such securities. In addition, it is likely that any such economic downturn could adversely affect the ability of the issuers of such securities to repay principal and pay interest thereon and increase the incidence of default for such securities.

Repurchase Agreements.

The Funds may enter into repurchase agreements with banks and broker-dealers, which are agreements by which the Funds acquire a security for cash and obtains a simultaneous commitment from the seller to repurchase the security at an agreed upon price and date. The resale price is in excess of the acquisition price and reflects an agreed upon market rate unrelated to the coupon rate of the purchased security. Such transactions afford an opportunity for the Funds to earn a return on temporarily available cash at no market risk, although there is a risk that the seller may default in its obligation to pay the agreed upon sum on the redelivery date. Such a default may subject the Funds to expenses, delays and risks of loss.

Event Driven Transactions.

The Funds may trade securities whose market value is expected to be meaningfully affected by future events. These outcomes may be uncertain and the trading decisions may be based on whether Weiss believes the market price does not accurately reflect the probability of particular outcomes. Weiss will need to forecast the likelihood of the events on which trading decisions are based and analyze the likely impact of the event if it occurs. Such events may include a change in the issuer's corporate or capital structure (such as a merger, spin-off or recapitalization), a debt repayment obligation, a management transition or a bankruptcy or financial restrictions. If the proposed event does not occur or is delayed, the market price of the security may decline and result in losses to the Funds if at the time the Funds are net long the security. In certain transactions, the Funds may not be hedged against market fluctuations unrelated to the anticipated event but that may affect the value of the consideration to be received. This may result in losses even if the event occurred and the outcome of the anticipated event was beneficial to the position. It is also possible that the short run market reaction to a particular outcome may be unfavorable even if the long-run result is favorable.

Forward Trading.

Forward trading involves contracting for the purchase or sale of a specific quantity of, among other things, a financial instrument at an agreed price, with delivery and settlement at a specified future date. Forward contracts and options thereon, unlike futures contracts, are not traded on exchanges and are not standardized; rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward trading is mostly unregulated and therefore there are no requirements with respect to record-keeping, segregation of funds or financial responsibility. The principal risks relating to the use of forwards are: (a) when used for hedging purposes, the possible imperfect relationship between the prices of the forwards and the market value of the securities or currencies in the Funds' portfolios intended to be hedged by the forwards; (b) possible lack of a liquid secondary market for closing out a forwards position; (c) losses on forwards resulting from interest rate or currency movements not anticipated by Weiss; and (d) the risk of counterparty defaults.

Prime Broker and Custodian Risk; Counterparty Risk.

Each Fund's assets may be held in one or more accounts maintained for the Fund by its prime brokers, at other brokers, or custodian banks, which may be located in various jurisdictions, including emerging market jurisdictions. The prime brokers, other brokers (including those acting as sub-custodians) and custodian banks are subject to various laws and regulations in the relevant jurisdictions that are designed to protect their customers in the event of their insolvency. Accordingly, the practical effect of the laws protecting customers in the event of insolvency and their application to the Funds' assets may be subject to substantial variations, limitations and uncertainties. For instance, in certain jurisdictions brokers could have title to the Fund's assets or not segregate customer assets. Because of the large number of entities and jurisdictions involved and the range of possible factual scenarios involving the insolvency of a custodian, prime broker, another broker or a clearing corporation, it is impossible further to generalize about the effect of the insolvency of any of them on the Fund and its assets. The insolvency of any of the prime brokers, local brokers, custodian banks or clearing corporations may result in the loss of all or a substantial portion of the Fund's assets or in a significant delay in the Fund having access to those assets.

In addition, investments made by the Funds in foreign securities may require the appointment of sub-custodians, some of which may be based in jurisdictions where the custodians do not operate as nominee for the client but may take title to the custodied assets. In such cases, if the sub-custodian becomes insolvent, its clients may simply rank as unsecured creditors of the foreign custodian in a foreign insolvency proceeding rather than having a right to reclaim the custodied assets.

Some of the markets in which the Funds may effect transactions are "over-the-counter" or "interdealer" markets. The participants in such markets are typically not subject to the credit evaluation and regulatory oversight to which members of "exchange-based" markets are subject. This exposes the Funds to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not *bona fide*) or because of a credit or liquidity problem, thus causing the Funds to suffer a loss. Such "counterparty risk" is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Funds have concentrated their transactions with a single or small group of counterparties. Counterparties in foreign markets may face increased risks, including the risk of being taken over by the government or becoming bankrupt in countries with limited, if any, rights for creditors. The Funds are not restricted from concentrating any or all of their transactions with one counterparty. Weiss' evaluation of the creditworthiness of counterparties may not prove sufficient. The ability of the Funds to transact business with any one or number of counterparties and the lack of a complete and "foolproof" evaluation of the financial capabilities of the Funds' counterparties may increase the potential for losses by the Funds.

Currency Risk.

The Private Funds expect to make investments in securities that will be denominated in one or more currencies other than U.S. dollars. Weiss may, to the degree it deems appropriate, cause the Private Funds to enter into arrangements in an attempt to hedge the Private Funds' exposure to significant currency fluctuations between the U.S. dollar and the applicable currency or currencies. Weiss may also determine not to hedge a particular currency exposure as part of its investment strategy. There can be no assurance that the hedging arrangements, if any, entered into on behalf of the Private Funds will be sufficient to address all currency risks. More particularly, the success of such hedging arrangements, if any, is subject to the ability of Weiss to correctly hedge against movements in the direction of currency rates. Therefore, while Weiss may enter into such transactions to seek to reduce currency exchange rate risks, unanticipated

changes in currency rates may result in a poorer overall performance for the Private Funds than if Weiss had not engaged in any such hedging transaction.

With respect to the Listed Fund, its assets are generally expected to be denominated principally in South Korean won, but dividends will be paid to shareholders of the Listed Fund in British pound sterling. The Listed Fund has not generally engaged in hedging activities and thus is exposed to movements in currency exchange rates.

Risks Particular to the Listed Fund

Risks Particular to the Listed Fund Being Quoted on AIM.

The shares of the Listed Fund have been admitted to AIM. An investment in shares quoted on AIM may be less liquid and may carry a higher risk than an investment in shares quoted on the Official List of the UK Listing Authority (the “Official List”). The rules of AIM are less demanding than those of the Official List. Further, the London Stock Exchange plc has not itself examined or approved the contents of the Listed Fund’s offering materials. A prospective investor in the Listed Fund should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser.

The market price of the shares of the Listed Fund may not reflect the underlying value of the Fund’s net assets. The price at which investors may dispose of their shares will be influenced by a number of factors, some of which will be outside the Listed Fund’s control. On any disposal shareholders may realize less than the original amount invested. Stock markets have also from time to time experienced extreme price and volume fluctuations, which have affected the market prices of securities and which have been unrelated to the operating performance of the companies affected. These broad market fluctuations, as well as general economic and political conditions, could adversely affect the market price of the Listed Fund’s shares.

Investors should be aware that the value of the Listed Fund’s shares may be volatile and may go down as well as up and investors may therefore not recover their original investment. In addition, the price at which investors may dispose of their shares may be influenced by a number of factors, some of which may pertain to the Listed Fund, and others of which are extraneous. These factors could include the performance of the Fund’s investments, large market purchases or sales of the Listed Fund’s shares on AIM, liquidity (or absence of liquidity) in the shares, currency fluctuations, legislative or regulatory or taxation changes and general economic and political conditions. The value of the Listed Fund’s shares may therefore fluctuate and may not reflect their underlying asset value.

Potential Escalation in Tensions With North Korea

South Korea may be adversely affected by political, military, economic and other factors related to North Korea, including the possibility of war. Relations between South Korea and North Korea have been tense throughout South Korea’s modern history. The level of tension between the two countries has fluctuated and is currently high; the tension may increase abruptly as a result of current and future events. In recent years, there have been heightened security concerns stemming from North Korea’s nuclear weapon and long-range missile programs and increased uncertainty regarding North Korea’s actions and possible responses from the international community. There can be no assurance that the level of tension on the Korean peninsula will not continue to escalate in the future. Any further increase in tension, rhetoric or actual war would likely have a material adverse effect on the Korean stock market and the Listed Fund’s assets.

South Korean Equity Market Risk

Weiss does not currently intend to hedge the Listed Fund's investments, the value of the Listed Fund's assets will likely fluctuate as the South Korean stock market fluctuates. South Korean equity market indices could decline, perhaps severely, over short or long time periods. Such a decline would likely adversely affect the value of the Listed Fund's assets.

South Korean Preferred Share Portfolio Concentration of the Listed Fund

South Korean preferred shares are concentrated with a small number of issuers, which could result in significant industry, company and other concentrated risks. The market capitalization and trading volume of issuers in South Korean securities markets, particularly preferred shares, are concentrated in a small number of issuers, which results in potentially fewer investment opportunities for the Listed Fund than the South Korean equity market as a whole. The Listed Fund's investments will likely be concentrated in a small number of issuers and may not be diversified as a result. The Listed Fund may also have a significant proportion of its assets invested in multiple preferred share classes related to the same issuer. As a result, the Listed Fund is likely to have a high degree of portfolio concentration. Investors should be aware that the risk of investing in the Listed Fund could be greater than the risk of investing in an entity that is more diversified.

IFRS Financial Statements Differ From Those Prepared Under US GAAP

The Listed Fund's financial statements are prepared under the International Financial Reporting Standards ("IFRS") rather than the United States Generally Accepted Accounting Principles ("US GAAP"). Financial Statements prepared under IFRS differ from those prepared under US GAAP in a number of respects including, but not limited to, revenue recognition, accounting for business combinations and acquisitions of intellectual property and accounting for capital instruments. Potential investors in the Listed Fund are advised to consult their own professional advisers as to the significance of these differences.

The Listed Fund is Closed-End with no Redemption Right for Shareholders

The Listed Fund has been established as a listed closed-ended vehicle. Accordingly, it is subject to decisions by its directors to make share repurchases. Shareholders will have no right to have their shares in the Listed Fund redeemed or repurchased by the Listed Fund at any time (other than under the circumstances specifically set forth in the offering documents of the Listed Fund). Shareholders wishing to realize their investment in the shares of the Listed Fund will therefore generally be required to dispose of their shares through AIM. Accordingly, shareholders' ability to realize their investment in the Listed Fund at net asset value or at all is in part dependent on the continued existence of a market for the Listed Fund's shares.

Item 9. Disciplinary Information

There are no legal or disciplinary events to report that are material to a client's or prospective client's evaluation of Weiss' advisory business or the integrity of its management.

Item 10. Other Financial Industry Activities and Affiliations

Weiss and its affiliates and employees and principals may engage in other activities, including providing investment management and advisory services to other accounts and investing directly, and shall not be required to refrain from any activity, to disgorge profits from any such activity or to devote all or any particular amount of time or effort of any of its officers, directors or employees to the Funds and their affairs. The General Partner, which is an affiliate of Weiss, serves as the general partner of the U.S. Fund.

Weiss currently serves as the investment manager to each Fund. As noted in Item 8, each of the two Private Funds has a trading strategy substantially similar to that of the other; the Listed Fund has a different strategy. Weiss may also serve as investment manager for additional funds or accounts in the future. Such other funds or accounts may pursue substantially similar strategies to those of the Funds. When it is determined by Weiss that it would be appropriate for the Funds and one or more such other accounts or funds to participate in an investment opportunity, Weiss will seek to execute orders for all of the participating investment accounts, including the Funds, on an equitable basis under the circumstances, taking into account such factors as the relative amounts of capital available for new investments, relative exposure to the particular type of assets in question and the investment programs and portfolio positions of the Funds and the affiliated entities for which participation is appropriate. Weiss and its affiliates may give advice and recommend securities to other managed accounts or funds which may differ from advice given to, or securities recommended or bought for, the Funds, even though their investment objectives may be the same or similar.

Some issuers in which a Fund may wish to invest may limit the percentage of outstanding shares that any one stockholder or group of stockholders, directly or indirectly, can own or exercise certain rights in corporate actions. Depending on the provisions of the particular issuer, a Fund may be considered part of a “group” with another Fund or other funds or accounts managed by Weiss in the future. In such cases, a Fund may be forced to limit its investment in an issuer to a level below what it might otherwise wish to invest. Moreover, if one of such funds already has a pre-existing investment in such issuer and the limit on ownership or corporate action rights has already been reached by the investment of such fund, a different fund in the “group” (including a Fund) may be precluded from investing in that issuer altogether.

Weiss or its affiliates may provide investment management services to other collective investment vehicles (including closed-end funds) in which a Fund may invest; provided, however, that a Fund shall not be subject to additional layers of management and/or performance-based fees with respect to such other collective investment vehicles. The officers, directors and employees of Weiss and its affiliates may trade in securities for their own accounts, subject to restrictions and reporting requirements as may be required by law or otherwise determined from time to time by Weiss. A Fund may engage in certain transactions with its affiliates provided the terms thereof are commercially reasonable, as determined by Weiss.

Weiss has certain responsibilities with respect to valuing securities. A conflict may arise with respect to this responsibility given the Performance-Based Compensation to be earned by Weiss and the General Partner, as applicable, from the Private Funds and the Management Fee to be paid to Weiss from all three Funds. Individual representatives of Weiss or its affiliates may serve on the board of directors of one or more entities which securities the Funds trade. In their capacity as board members, such individuals may become subject to fiduciary, reporting or other duties which may adversely affect the Funds.

Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Weiss has adopted a written code of ethics (the “Code”) pursuant to Rule 204A-1 under the Advisers Act. The Code sets out basic principles to guide the officers and employees of Weiss in discharging their duties for Weiss. The Code has been adopted with the objectives of deterring wrongdoing and promoting, among other things: (1) honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships, (2) full, fair, accurate, timely and understandable disclosure in all public communications made by Weiss, (3) compliance with applicable laws, rules and regulations, (4) prompt internal reporting of violations of the Code, and (5) accountability for adherence to the Code. The Code includes policies and procedures related to personal securities transactions by officers and employees considered to be “access persons.” The Code requires access persons to obtain prior written authorization from the Chief Compliance Officer of Weiss (or his designee) in order to buy or sell certain securities for their own account. The Code also requires access persons to provide periodic reports regarding transactions and holdings in all reportable securities. Access persons are required to submit quarterly reports regarding securities transactions and newly opened accounts, as well as annual reports regarding holdings and existing accounts. The officers and employees of Weiss or its affiliates and their household members may invest in securities for their own accounts, or the accounts of foundations or trusts for which they are fiduciaries, subject to restrictions and reporting requirements as may be required by law or otherwise determined by the Code. Additionally, individual representatives of Weiss or its affiliates may serve on the board of directors of one or more entities in which a Fund invests, subject to restrictions and reporting requirements as may be required by law or otherwise determined by the Code. Weiss will provide a copy of the Code to any client or prospective client upon request.

Weiss and its employees may invest in the Funds, and in securities or other assets in which the Funds may invest, subject to applicable law, the Code, and to applicable investor eligibility requirements of each Fund.

Weiss and its affiliates may cause a security to be traded between the Funds or any of the other funds or accounts it (or any of its affiliates) manages where it believes such trade to be in the interest of each fund or account and otherwise in compliance with applicable laws (a “cross transaction”). Weiss and/or its affiliate’s duty to be fair to the clients on both sides of a cross transaction may pose inherent conflict of interests. Weiss will seek to be fair and equitable to each client in a cross transaction in determining the appropriateness of the transaction for each client, and will determine market prices based on market quotations. The Funds may also engage in certain other transactions with affiliates of Weiss and/or the funds or accounts they manage, provided the terms thereof are commercially reasonable, as determined by Weiss and otherwise in compliance with applicable laws.

Item 12. Brokerage Practices

Weiss is responsible for selecting broker-dealers to execute trades and negotiating any commissions paid on such transactions. Weiss' primary consideration in placing transactions with particular broker-dealers is to obtain execution in the most effective manner possible, which generally includes primary factors of quantity purchased/sold and net execution price. Weiss may take into account a variety of factors, including the availability and supply of buyers or sellers sourced by a broker-dealer, the commissions charged by the broker-dealer and the financial strength, integrity and stability of the broker-dealer. Weiss may also consider the quality, comprehensiveness and frequency of available research, ability of a broker-dealer to source certain hard-to-find securities or provide access to certain markets, and other products and services considered to be of value. The products and services furnished by broker-dealers may include, among other things, written information and analyses concerning specific securities, companies or sectors; investment ideas; market, financial and economic studies and forecasts; statistics and pricing or appraisal services, discussion with research personnel and special execution capabilities.

Weiss is authorized to pay higher prices for the purchase of securities from, or accept lower prices for the sale of securities to, brokerage firms that provide it with such research products and execution services or to pay higher commissions to such firms if Weiss determines such prices or commissions are reasonable in relation to the overall services provided. Accordingly, a portion of expenses for research related products and services might be paid with "soft dollars" generated through the Funds' investment activities. However, Weiss has committed to the Private Funds that it will not use "soft dollars" generated by the Private Funds to pay for any product or service that the Private Funds would not otherwise pay for directly as a fund expense in accordance with the Private Funds' governing documents, and Weiss will use such soft dollars only if it believes it is in the best interest of the Private Funds. It is anticipated that any use of commissions or "soft dollars" to pay for research products or services would fall within the safe harbor created by Section 28(e) of the Securities Exchange Act of 1934, as amended.

While Weiss will not use "soft dollars" generated by the Private Funds to pay for any product or service that the Private Funds would not otherwise pay for directly as fund expenses and when Weiss believes such use is in the best interests of the Private Funds, the use of brokerage commissions to obtain research services can nonetheless create a conflict of interest between Weiss and the Funds. The use of "soft dollars" may result in the Funds paying higher brokerage commissions than might be paid if transactions were effected through brokers that do not provide such services. To the extent that Weiss is able to acquire certain products and services at reduced prices or without spending money from each Fund directly, Weiss' use of "soft-dollars" may prevent investors from seeing a complete picture of the composition of Fund expenses. Moreover, while all Funds are eligible to benefit from products and services obtained with "soft dollars," not all products and services obtained with "soft dollars" may benefit all Funds equally or in proportion to the "soft dollars" generated by that Fund.

Currently, Weiss receives a discount on certain electronic news and research services in recognition of brokerage commissions paid to an electronic broker affiliated with the news and research provider. This discount is deducted by the provider and thus passed along to the Funds in accordance with the Funds' expense policies. In addition, from time to time, brokers may call Weiss with research regarding potential investment opportunities that the broker believes fit within the strategies of the Funds. If Weiss determines to pursue any such investment opportunity on behalf of the Funds, Weiss may use the broker that brought the idea to Weiss to execute trades relating to that opportunity, and Weiss may pay higher commissions to that broker in recognition of the research provided. Any such commissions must be approved by a senior portfolio manager at Weiss.

From time to time, representatives of Weiss may speak at conferences and programs for investors interested in investing in hedge funds or other investment opportunities that are sponsored by prime brokers and other brokers. These conferences and programs may provide opportunities by which Weiss is introduced to potential investors in the Funds or other investment vehicles it manages. The prime brokers are not generally compensated by Weiss, the Funds, or potential investors for providing such “capital introduction” opportunities.

Prime brokers and other brokers may provide financing and other services to the Funds and Weiss. Such additional services by a prime broker or other broker may influence Weiss in deciding whether to use the services of such prime broker or other broker in connection with the activities of the Funds.

Weiss will seek to allocate securities transactions in a manner that is fair to each Fund in light of each Fund’s investment strategy, size, diversification, cash availability, tax or regulatory impact, and any other relevant factors. When the purchase or sale of a security is considered to be in the best interest of more than one of the Funds (which is typically the case), the securities to be purchased or sold may be aggregated in order to obtain superior execution and/or lower brokerage expenses. Furthermore, if Weiss or an affiliate manages other accounts or funds, such aggregation may also occur when the purchase or sale of a security is considered to be in the best interest of more than one fund or account (including a Fund). Execution prices for identical securities purchased or sold on behalf of multiple accounts in any one business day may be averaged. In such instance, allocation of prices, as well as expenses incurred in the transaction, shall be made in a manner Weiss considers to be equally as favorable to each Fund as to any other participating account or fund.

Item 13. Review of Accounts

Weiss provides continuous advisory services for the Funds. The portfolio managers and certain designated analysts review and monitor the portfolios and aggregate portfolio risk exposures of the funds on a regular basis. Such review may involve an examination of the current market value of portfolio investments, developments in portfolio companies, recent transactions and other factors affecting investment decisions with respect to the portfolio. A formal risk report is produced on a regular basis to review risks to which the Funds are exposed. The portfolio managers also review the liquidity requirements of the Funds and are informed of margin requirements at the various counterparties. The Chief Compliance Officer or his designee regularly reviews positions and transactions for compliance with regulatory requirements.

Weiss' settlements group works to ensure that each trade is reconciled with the appropriate broker-dealer on a timely basis, and communicates with the Funds' third-party administrators, who independently maintain the official records for the Funds and reconcile positions and activity. The settlements staff monitors and communicates with brokers and the administrators to detect trade breaks, improper allocations, or other potential trade errors.

Investors in each Private Fund receive month-end unaudited statements of performance and net asset value from the Private Fund's independent third-party administrator. In addition, Weiss expects to provide quarterly investment letters to investors in the Private Funds, which typically include commentary about performance and various metrics of exposures, liquidity and performance. Audited financial statements of each Private Fund are prepared and delivered to such Private Fund's investors annually.

The Listed Fund makes certain public news announcements as required by applicable law, rules of AIM, and as stated in the Listed Fund's admission document. Generally, the Listed Fund announces its net asset value weekly and as of the end of each month. Weiss also prepares a monthly investment manager's report which is publicly released by the Listed Fund. The Listed Fund also prepares annual audited financial statements that are included in the Listed Fund's annual report to shareholders and unaudited semi-annual financial statements.

Item 14. Client Referrals and Other Compensation

No persons that are not investors in the Funds provide Weiss with an economic benefit for providing investment advice or other advisory services to the Funds and investors in the Funds. Neither Weiss nor any related person compensates any person for client referrals. However, the Funds and Weiss may enter into agreements with one or more third parties providing for, among other things, (i) payments to such third parties of a fully disclosed sales charge, which may be paid from the investments of certain investors that agree thereto, or (ii) payments by Weiss to one or more of such third parties of a one-time or ongoing fee based upon the capital contributions of certain investors.

Item 15. Custody

Weiss is deemed to have custody of the U.S. Fund's assets because of the authority the General Partner (an affiliate of Weiss) has over those assets. Weiss is also deemed to have custody over the Offshore Fund's assets because Weiss has the authority to automatically deduct funds from the Offshore Fund to pay its fees in accordance with the Investment Management Agreement of the Offshore Fund. To satisfy the SEC's custody rule requirements, the Private Funds will provide each investor in the Private Fund with audited financial statements within 120 days of the end of each year.

Weiss is not deemed to have custody of the Listed Fund's assets.

Item 16. Investment Discretion

Weiss has discretionary authority to manage the assets of each Fund. This discretionary authority is conferred to Weiss pursuant to an Investment Management Agreement between Weiss and each respective Fund. Each Investment Management Agreement provides that Weiss has complete discretion regarding the investment of the applicable Fund's assets in accordance with the investment objectives, policies and parameters set forth in the applicable offering documents of such Fund.

Item 17. Voting Client Securities

Weiss has authority to vote proxies on behalf of the Funds. Weiss has adopted proxy voting procedures designed to ensure that proxies are properly identified and voted and that any conflicts of interest are addressed appropriately. Weiss will generally seek to exercise its proxy voting authority in a way that seeks to maximize the value of the Funds' assets. Weiss evaluates proxies to determine whether the vote is material in relation to the value of the investment, whether it has beneficial value to the Funds to vote, and if so, whether it requires special attention or handling. In connection with any vote that either (i) Weiss determines is not material, or (ii) Weiss determines that it may have a material conflict of interest, then Weiss may choose to outsource the proxy voting decision to an outside proxy voting service or consultant. If Weiss does not outsource a proxy voting decision and Weiss identifies a material conflict of interest, Weiss' Compliance Committee will review the relevant votes to monitor whether the votes are consistent with Weiss' proxy voting procedures, including whether the votes are made in a manner that seeks to maximize the value of the applicable Fund's assets.

A client may obtain a copy of Weiss' proxy voting policy, as well as information regarding how Weiss voted proxies on behalf the client, by sending a request to Weiss' Investor Relations staff at info@weissasset.com or calling (617) 778-7780.

Item 18. Financial Information

Weiss does not require or solicit prepayment of any fees six months or more in advance, is not aware of any financial condition that is reasonably likely to impair its ability to meet contractual commitments to its clients, and has not been the subject of a bankruptcy petition at any time.