

FORM ADV - PART 2

**THIS DOCUMENT IS BEING PROVIDED UNDER THE REQUIREMENTS OF
THE INVESTMENT ADVISERS ACT OF 1940**



GUARD CAPITAL MANAGEMENT LIMITED
(a limited company incorporated in Hong Kong)

3202-04 ICBC Tower
Citibank Plaza
3 Garden Road
Central, Hong Kong
Telephone: +852 3698 9200
Fax: +852 3698 9212

10 March 2015

Form ADV Part 2A - Firm Brochure

This Brochure provides information about the qualifications and business practices of Guard Capital Management Limited ("Guard"). If you have any questions about the contents of this Brochure, please contact Guard at +852 3698 9200 and/or via electronic mail to: allan.bedwick@guardcapitalmgt.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Guard is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an adviser provides you with information about which you determine to hire or retain an adviser.

Additional information about Guard is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2: Material Changes

The Material Changes section of this Brochure will be updated annual when material changes occur since the previous release of the Brochure.

If we amend this disclosure Brochure, we are to send you either a new copy of the brochure or at least this Item 2, describing the changes made so that you can decide if you want us to send you a complete, new copy of this Brochure. A summary of material changes is included here as part of this updated disclosure Brochure.

Accordingly, please note the following material changes made to this Brochure since the initial version filed on 4 June 2014:

- (i) in Item 4, we have updated the assets under management, as part of the annual updating amendment;
- (ii) in Item 7, we have updated the minimum initial investment size for participating in a segregated managed account;
- (iii) throughout, we have updated the regulatory details of Guard, Guard Cayman and Guard Macro Fund in order to reflect regulatory filings made and completed since the initial registration of Guard with the SEC;
- (iv) throughout, we have updated the telephone contact details of Guard; and
- (v) throughout, we have updated the date of this updated disclosure Brochure.

Guard will provide you with a new brochure as necessary based on changes and new information from time to time

Item 3: Table of Contents

Item 1	Cover Page.....	1
Item 2	Material Changes.....	2
Item 3	Table of Contents	3
Item 4	Advisory Business.....	4
Item 5	Fees and Compensation	6
Item 6	Performance-Based Fees and Side-By-Side Management.....	8
Item 7	Types of Clients	9
Item 8	Risk of Loss	10
Item 9	Disciplinary Information	41
Item 10	Other Financial Industry Activities and Affiliations.....	42
Item 11	Code of Ethics	43
Item 12	Brokerage Practices	44
Item 13	Review of Accounts	47
Item 14	Client Referrals and Other Compensation.....	48
Item 15	Custody	49
Item 16	Investment Discretion	50
Item 17	Voting Client Securities	51
Item 18	Financial Information	52
Item 19	Requirements for State-Registered Advisers.....	53

Brochure Supplement(s)

(1) **Leland Lim**

Item 4: Advisory Business

Guard Capital Management Limited ("**Guard**") is a Hong Kong limited liability company.

Guard was incorporated in Hong Kong on 11 February 2014 and has its principal place of business at 3202-04 ICBC Tower, Citibank Plaza, 3 Garden Road, Central, Hong Kong.

Guard was established by Leland Lim and Allan Bedwick and is focused on managing a primarily foreign exchange and interest rate portfolio across global markets with a focus on Asia. The principal owner of Guard is Leland Lim.

Guard Macro Master Fund

Guard will serve as the investment adviser to Guard Capital Management, an exempted company with limited liability incorporated in the Cayman Islands ("**Guard Cayman**") in connection with investment management services to be provided by Guard Macro Master Fund ("**Guard Macro Fund**") (and its associated feeder funds), an investment fund established as an exempted company with limited liability incorporated in the Cayman Islands. Guard Cayman will serve as the investment manager of Guard Macro Fund, but will delegate its entire investment advisory function to Guard. All of the investors in Guard Macro Fund will be both: (i) "accredited investors" for the purpose of the Securities Act of 1936 ("**Securities Act**"); and (ii) "qualified eligible persons" for the purpose of the Commodity Exchange Act of 1936 ("**CEA**") ("**Eligible Investors**").

Investment advisory services provided by Guard in its capacity as investment adviser to Guard Cayman will include advisory services regarding instruments to be held by Guard Macro Fund and such other managed accounts such as futures contracts and options on futures contracts, structured notes, inverse floating rate securities, currency linked securities, index linked securities, currency forwards, pre-paid forwards, swaps, interest only or principal only securities, and foreign currencies, on both spot and forward exchange markets.

Guard Macro Fund - Investment Strategy

Guard Macro Fund sees risk deployed broadly into two primary categories: thematic portfolio strategies and tactical portfolio strategies (each a "**Portfolio Strategy**").

(1) Thematic Portfolio Strategies

The thematic portion of the Guard Macro Fund's portfolio is the central driver of returns, with Guard Macro Fund typically embracing two to four major thematic Portfolio Strategies in any calendar year. These thematic expressions are designed to capture significant shifts in market pricing and generally have holding periods of roughly six to twelve months.

Deviations from fundamental value regularly manifest across markets. Guard Macro Fund has a disciplined approach which allows for profitable engagement with such price anomalies, typically only once the price correction phase has catalyzed.

(2) Tactical Portfolio Strategies

Guard Macro Fund also deploys risk to numerous Portfolio Strategies with a shorter term hold horizon, referred to as Tactical Portfolio Strategies.

Tactical Portfolio Strategies seek to opportunistically capture market mispricings, exploit supply/demand imbalances, and capitalize on shorter time-framed asymmetric risk/reward opportunities.

The Portfolio Strategies among which Guard Macro Fund's assets are allocated, and the relative weightings among them, are expected to vary from time to time.

Guard has the sole discretion to allocate Guard Macro Fund's assets among the Portfolio Strategies depending on market conditions and Guard's judgment as to how to achieve the Guard Macro Fund's investment objective.

Guard Macro Fund's diversification among various Portfolio Strategies is intended to achieve positive returns under a wide range of market conditions and to moderate the variability of the return on its portfolio overall. Different Portfolio Strategies may generate above average performance over complete market cycles, but periods of above average and below average performance for Portfolio Strategies within such cycles will not necessarily coincide.

Guard Macro Fund may, from time to time, invest in additional Portfolio Strategies or reduce or eliminate its investment in any of the Portfolio Strategies.

For Guard Macro Fund, Guard does not tailor its advisory services to the specific needs of Guard Macro Fund. Investors in Guard Macro Fund may not impose restrictions on investing in certain securities or types of securities.

Managed Accounts

Guard may also serve as investment adviser to Guard Cayman with respect to managed accounts established for certain Eligible Investors. Such managed accounts will follow investment strategies identical to Guard Macro Fund.

For such managed accounts, Guard does not tailor its advisory services to the specific needs of the investors in such managed accounts.

Assets under management

Guard Macro Fund has assets under management of approximately US\$116million.

Wrap Fee Programs

Guard currently does not participate in wrap fee programs.

Item 5: Fees and Compensation

Guard is compensated for the investment advisory services provided to Guard Cayman according to the fee arrangement between Guard and Guard Cayman, which are, in turn, dependent on the fee arrangements agreed between Guard Cayman and Guard Macro Fund, or the relevant managed account (as applicable). Such fee may be based on a percentage of the market value of the assets in Guard Macro Fund, or the relevant managed account (as applicable), the “management fee”. In addition, Guard Macro Fund and each managed account will pay a performance-based profit allocation, payable to the holder of the management shares of Guard Macro Fund (and of each managed account).

The advisory arrangement between Guard and Guard Cayman is terminable in accordance with the termination provisions outlined in the relevant investment advisory agreement. The advisory arrangement between Guard Cayman and Guard Macro Fund / the relevant managed account (as applicable) are terminable in accordance with the termination provisions outlined in the relevant investment management agreement. If a contract is terminated, all fees are subject to pro-rata adjustment based upon the date of termination.

Management Fee

Guard (through Guard Cayman) charges fees as a percentage of assets under management (management fees). Management fees charged by Guard Cayman to Guard Macro Fund (or the relevant managed account) a percentage of assets under management are ordinarily equivalent to up to 2.00% (per annum) of assets under management.

The management fee paid by Guard Macro Fund (or the relevant managed account) to Guard Cayman is calculated on a monthly basis and payable monthly in arrears as soon as practicable after the end of each calendar month. The management fee is debited from the value of Guard Macro Fund (or the relevant managed account) and applied pro-rata across all investors in Guard Macro Fund (or the relevant managed account).

Profit Allocation / Performance Fee

In addition, Guard Macro Fund and each managed account will pay a performance-based profit allocation. Such profit allocation will be paid to the holder of the management shares in Guard Macro Fund (and of each managed account).

For each calculation period, the profit allocation will be equal to the profit allocation percentage of the realized and unrealized appreciation in the net asset value per participating share during the applicable calculation period above the current base net asset value per participating share. The profit allocation percentage will vary depending on the class of the participating shares, but is expected to be not more than 20%.

Guard Cayman may, in its sole discretion, waive, rebate or decrease the profit allocation that is payable in whole or in part, in respect of each, or any one or more class and/or series, or for certain shareholders in Guard Macro Fund within each class and/or series at any time, including in particular during any wind down of Guard Macro Fund's business

General

Guard reserves the right to negotiate fees with respect to certain managed accounts. Some managed accounts are expected to pay more or less than others depending on certain factors such as the type and size of the account. The negotiated fee is specified in the agreement between Guard and Guard Cayman, and subject to the agreement between Guard Cayman and the relevant managed account.

Other Fees and Expenses

In addition to the advisory fees discussed above, Guard Macro Fund and each managed account may incur brokerage and other transaction costs, in addition to the management fee paid to Guard Cayman and/or the profit allocation (please refer to Item 12: Brokerage Practices). These fees may be assessed by custodians, the administrator, prime brokers, auditors and other third parties, and may include non-affiliated manager fees, custodial fees, prime brokerage fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions.

Item 6: Performance-based fees and side-by-side management

Pursuant to the management agreement between: (i) Guard Cayman; and (ii) Guard Macro Fund / each managed account; Guard Cayman charges a management fee. In addition, Guard Macro Fund and each managed account may declare a profit allocation, which represents a performance-based payment charged against Guard Macro Fund / each managed account and is paid to the holder of the management shares in Guard Macro Fund.

The profit allocation is a performance-based allocation generated in accordance with the relevant offering document for Guard Macro Fund / the managed account (as applicable). The calculation of the performance based profit allocation is described in Item 5. The profit allocation is paid to the holder of the management shares of Guard Macro Fund / each managed account (as applicable).

The payment of a performance-based profit allocation creates conflicts of interest. Performance-based payments paid to investment advisers may be significantly higher than the asset based fees paid on traditional managed accounts, thus creating an incentive to favour these accounts.

The potential management of Guard Macro Fund alongside other management accounts (which may have different fee arrangements ("side-by-side" management)) may give rise to potential conflicts of interest. Investment funds, for example, generally pay management fees based on a fixed percentage of assets under management while separate accounts and private funds may have more varied fee structures potentially including performance-based incentives. Guard may have a material incentive to favour certain more lucrative accounts over those that may be less lucrative.

In addition, the payment of a performance-based profit allocation may create an incentive to make investments that are riskier or more speculative than would be the case in the absence of a performance-based profit allocation.

To mitigate the effect of such conflict, Guard will monitor for conflicts by implementing best execution trading procedures and reviewing account allocation and performance. In addition, Guard will adopt policies and procedures to ensure that investment decisions are made based in the best interests of the relevant fund / managed account and without consideration of the financial interests of Guard. Guard has adopted a detailed policy dealing with conflicts of interest (including conflicts of interest between clients).

Item 7: Types of Clients

Clients

Guard will offer investment advice to Guard Cayman, for use with respect to Guard Macro Fund. In addition, Guard will offer investment advice to Guard Cayman, for use with respect to each managed account established from time to time.

The prospective investors in each of Guard Macro Fund and each managed account are expected to include a variety of institutional clients including high-net worth individuals, corporate plans, foundations and endowments, trusts, estates, non-profit organizations, public plans, governments, private investors, multi-employer plans, financial institutions, intermediaries, sub-advised funds and pooled investment vehicles, including both affiliated and unaffiliated US and non-US registered funds and US and non-US unregistered funds, among others. All prospective investors in each of Guard Macro Fund and each managed account will be Eligible Investors.

The arrangements between Guard Cayman and Guard Macro Fund and each managed account are discretionary, and Guard (acting through Guard Cayman) selects the investments and initiates trades on behalf of Guard Macro Fund / the relevant managed account, without prior consultation of underlying investors.

A minimum initial investment size of US\$5,000,000 applies for external investors participating in Guard Macro Fund.

A minimum initial investment size of US\$100,000,000 applies for each external investor participating in a separate managed account. Minimum initial investment size for managed accounts are negotiated separately.

Privacy Policy

Guard recognizes and respects the privacy concerns of its customers. The business of Guard, its clients and investors is strictly confidential.

Guard is strongly committed to protecting the privacy of client information and will not disclose any non-public personal information about our customers or former customers to anyone, except as permitted by law or by the relevant market regulator.

Information acquired by an employee while carrying out his or her responsibilities must not be used for any purpose other than the proper performance of their duties and must not be disclosed to outside persons or companies. Information may be given to other departments within Guard only where permitted under the client agreement, applicable regulation or is necessary for the operation of the business. This obligation continues to apply to employees after they have left Guard. Confidential waste must be destroyed in accordance with local archiving policies.

Guard will maintain physical, electronic and procedural safeguards that comply with the requirements of the Hong Kong Securities and Futures Commission in order to protect all non-public personal information. Guard has also adopted privacy policies and procedures that are designed to prevent the unauthorized disclosure and use of client non-public personal information.

Guard has adopted a detailed confidentiality policy as part of its internal compliance manual, consistent with market best practice.

Item 8: Risk of Loss

Material Risks

A. Risks associated with management

Risk Management

Guard Cayman applies a risk management approach that it believes is appropriate for Guard Macro Fund. The application of any risk management approach involves numerous judgments and qualitative assessments. No risk management system is fail-safe, and no assurance can be given that Guard Macro Fund's risk control framework will achieve its objectives. From time to time, without notice to the investors in Guard Macro Fund, Guard Cayman may modify or change Guard Macro Fund's risk management system and procedures.

Reliance on Guard Cayman and key persons

Although the directors of Guard Macro Fund (the "**Directors**") have the ultimate authority and responsibility for the management of Guard Macro Fund, the decisions relating to the investment of Guard Macro Fund's assets has been delegated to Guard Cayman. Guard Macro Fund's expertise in trading is therefore largely dependent on the continuation of an agreement with Guard Cayman and the services and skills of its officers and employees. The loss of Guard Cayman's services (or that of one of its key personnel) or any key persons could materially and negatively impact the value of Guard Macro Fund as it may lead to the loss of the use of any proprietary investment methodology developed by Guard Cayman or any key persons. Participating Shareholders will have no right or power to take part in the management of Guard Macro Fund.

Furthermore, in the event that Guard Cayman were to commit a fraud, were to be negligent, exercise poor judgment or were to intentionally or inadvertently deviate from the investment strategy or investment restrictions, Guard Macro Fund may suffer losses and its performance could be adversely and materially affected.

Profit Allocation

The Profit Allocation payable to the holder of Guard Macro Fund's management shares (being Guard Cayman) may create an incentive to make investments that are riskier or more speculative than would be the case in the absence of a Profit Allocation. Prospective investors should note that: (i) the Management Fee payable to Guard Cayman; (ii) and the Profit Allocation payable to the holder of Guard Macro Fund Management Shares; is based in part upon unrealised gains (as well as unrealised losses), and that such unrealized gains and losses may never be realised by Guard Macro Fund.

Related Parties

The articles of Guard Macro Fund, the applicable investment management agreement, and Guard Macro Fund's investment strategy and investment restrictions were not drafted based on arm's length negotiations, but instead were drafted by affiliates or service providers of Guard Macro Fund. Because these arrangements were negotiated between related parties, their terms, including terms relating to compensation, contractual duties, conflicts of interest and Guard Cayman's ability to engage in outside activities, including activities that compete with Guard Macro Fund, and limitations on liability and indemnification, may be less favorable than

otherwise might have resulted if the negotiations had involved unrelated parties. Under the terms of the relevant offering document, persons who acquire participating shares and their transferees will be deemed to have agreed to all of the terms of all agreements and arrangements with Guard Cayman.

B. General Market Risks

Market Risk

Any investment made in a specific group of securities is exposed to the universal risks of the securities market. However, there can be no guarantee that losses equivalent to or greater than the overall market will not be incurred as a result of investing in such securities.

Markets generally, or any particular market or segment of a market in which Guard Macro Fund has invested, could move against Guard Macro Fund's portfolio and Guard Macro Fund could suffer losses. The performance of Guard Macro Fund's portfolio depends to a great extent on the accuracy of the assessments of Guard Cayman on the future course of market price movements. There can be no assurance that Guard Cayman will be able to predict accurately these price movements.

Economic Conditions

Changes in economic conditions, including, for example, interest rates, inflation rates, employment conditions, competition, technological developments, political and diplomatic events and trends, and tax laws can affect substantially, adversely and materially the business and prospects of Guard Macro Fund. None of these conditions is within the control of Guard Cayman and no assurances can be given that Guard Cayman will anticipate these developments.

Liquidity

Under certain conditions liquidity of a particular market or security may be restricted, thus affecting the performance of Guard Macro Fund. Lack of liquidity or market depth can affect the valuation of Guard Macro Fund's assets as it looks to realize securities at quoted prices. The Directors may, in their absolute discretion, classify certain of Guard Macro Fund's investments as illiquid on the basis that the Directors have determined that such investments: (i) do not have a readily ascertainable market value; and/or (ii) may be valued but are not freely transferable. Reduced liquidity may also make it difficult to purchase or sell specific securities at a favourable or desirable price or in a sufficient quantity to meet the investment objectives of Guard Macro Fund. In addition, in the case of substantial redemptions, Guard Macro Fund may be forced to sell its more liquid positions at a disadvantageous time, resulting in a greater percentage of the portfolio consisting of illiquid securities and assets for the continuing Shareholders.

Exchange Fluctuations

Participating shares in Guard Macro Fund will be issued and redeemed in US\$.

It may not be possible, or practicable to hedge successfully against currency risk exposure in all circumstances. Further, exchange rate fluctuations and the costs of the currency hedging arrangements utilized may prejudicially affect the net asset value per participating share of such classes or series even where investment performance in respect of those classes or series is positive.

Guard Macro Fund's underlying investments may be invested in securities and other investments denominated in currencies other than US\$. To the extent unhedged, the value of Guard Macro Fund's assets will fluctuate with U.S. dollar exchange rates as well as the price changes of Guard Macro Fund's investments in the various local markets and currencies. Thus, an increase in value of the U.S. dollar compared to the other currencies in which Guard Macro Fund makes its investments will reduce, all other economic factors being constant, the effect of increases and magnify the effect of decreases in the prices of Guard Macro Fund's securities in its local markets. Conversely, a decrease in the value of the U.S. dollar will have the opposite effect on Guard Macro Fund's non-U.S. dollar securities. Transactions undertaken to hedge adverse currency exchange movements may also involve the risk that a counterparty to any transaction may default on its obligation thereunder. While Guard Macro Fund will endeavour only to enter into transactions with counterparties who are reputable financial institutions, there is still a risk that a counterparty may default on its obligations.

A substantial portion of Guard Macro Fund's assets may be invested in investments denominated in a functional currency other than the US dollar. While Guard Cayman does not implement an active hedging strategy to protect against exchange rate fluctuations, Guard Cayman may use hedging techniques for and on behalf of Guard Macro Fund with the objective of protecting against loss through the fluctuation of the valuation of foreign currencies, particularly the forward markets in foreign exchange, currency options and currency futures.

While the markets for currency forward contracts are not currently regulated, they may in the future become subject to regulation under the Dodd Frank Reform Act (the "**Reform Act**"), a development which may entail increased costs and result in burdensome reporting requirements.

In addition, Guard Macro Fund seeks to hedge its foreign currency exposure, it may not always be practicable to do so. Moreover, hedging may not neutralize all currency risks. Furthermore, Guard Macro Fund may incur costs in connection with conversions between various currencies. There can be no guarantee that instruments suitable for hedging currency or market shifts will be available at the time Guard Macro Fund wishes to use them or will be able to be liquidated when Guard Macro Fund wishes to do so. In addition, Guard Macro Fund may choose not to enter into hedging transactions with respect to some or all of its positions.

Finally, for certain currencies there may not be a reliable and cost efficient method of hedging currency risk. Consequently, currency exchange rate fluctuations, currency devaluations and exchange control regulations may adversely and materially affect the performance of individual positions in Guard Macro Fund's investment portfolio and the return realized on Guard Macro Fund's investments.

Market and issuer volatility

Markets are volatile and can decline significantly in response to adverse issuer-specific, political, regulatory, market or economic developments. While Guard Cayman and Guard may seek to take advantage of such volatility, such volatility may also adversely affect Guard Macro Fund's performance.

Guard Macro Fund will purchase securities of specific issuers. The value of an individual security or particular type of security can be more volatile than the market as a whole and can perform differently from the value of the market as a whole.

Price movements as a result of multiple unpredictable factors such as market sentiment, economic and political conditions. Volatility can cause historical or theoretical pricing relationships to be disrupted, causing otherwise comparatively low risk positions to incur losses. Lack of volatility can also result in losses for certain positions that profit from price changes.

Interest Rate Fluctuations

Guard Macro Fund will invest in interest rate markets. Unexpected fluctuations in interest rates could cause the corresponding prices of a position to move in directions that were not initially anticipated. To the extent that interest rate assumptions underlie the hedge ratios implemented in hedging a particular position, fluctuations in interest rates could invalidate those underlying assumptions and expose Guard Macro Fund's assets to losses.

Guard Cayman may attempt to minimize the exposure of Guard Macro Fund's portfolio to interest rate changes through the use of interest rate swaps, interest rate futures and/or interest rate options. However, there can be no guarantee that Guard Cayman will be successful in fully mitigating the impact of interest rate changes on Guard Macro Fund's portfolio.

Investments in developing countries generally

As Guard Macro Fund can make investments globally, it may invest in the markets of developing countries. Many of the laws that govern foreign investment, equity securities transactions and other contractual relationships in certain developing countries in which Guard Macro Fund will invest are new and largely untested. As a result, Guard Macro Fund may be subject to a number of unusual risks, including inadequate investor protection, contradictory legislation, incomplete, unclear and changing laws, ignorance or breaches of regulations on the part of other market participants, lack of established or effective avenues for legal redress, lack of standard practices and confidentiality customs characteristic of developed markets and lack of enforcement of existing regulations. Furthermore, it may be difficult to obtain and enforce a judgment in certain countries in which assets of Guard Macro Fund are invested. There can be no assurance that this difficulty in protecting and enforcing rights will not have a material adverse effect on Guard Macro Fund and its operations. In addition, the income and gains of Guard Macro Fund may be subject to withholding taxes imposed by foreign governments for which Shareholders may not receive a full foreign tax credit.

Repatriation

Repatriation of investment income, capital and the proceeds from sales of securities by investors such as Guard Macro Fund may require governmental registration and approval in some jurisdictions in which Guard Macro Fund invests. Guard Macro Fund could be adversely and materially affected by delays in or a refusal to grant required governmental registration or

approval for any such proposed repatriation.

Market dislocation

The global financial crisis beginning in 2007-2008, and the more recent Eurozone crisis have caused significant dislocations, illiquidity and volatility in global financial markets and the general economy.

The economic downturn resulting from the crisis could continue to adversely affect the instruments in which Guard Macro Fund invests, which would, in turn, have an adverse effect on Guard Macro Fund's returns. Such events may also restrict the ability of Guard Macro Fund to sell or liquidate investments at favourable times or for favourable prices. There can be no certainty as to the duration of the current market dislocation.

Settlement and Liquidity Risks

In certain countries in Asia in which Guard Macro Fund invests, there may be limited organized public trading markets for securities with little liquidity or transparency, resulting in relatively slow and cumbersome execution of transactions.

In particular, there may be no approved settlement procedure and trades may be settled by a free delivery of stock with payment of cash in an uncollateralized manner. This may give rise to a credit risk in relation to the counterparty. In general, there may be an increased risk of default and delay in settlement in such countries compared to the markets in more developed economies. As a result, Guard Macro Fund may experience difficulty in realizing all entitlements attaching to the positions in which Guard Macro Fund has invested.

No liquid secondary markets may exist for some of the instruments in which Guard Macro Fund invests. Reduced secondary market liquidity may have an adverse effect on market price and Guard Macro Fund's ability to dispose of particular instruments when necessary to meet its liquidity requirements or in response to specific economic events such as a deterioration in the creditworthiness of the issuer.

Reduced secondary market liquidity for certain instruments may also make it more difficult for Guard Macro Fund to obtain accurate market quotations for the purpose of valuing its portfolio and calculating its net asset value.

Market quotations are generally available on many instruments in which Guard Macro Fund invests only from a limited number of dealers and may not necessarily represent the firm bids of those dealers or the prices for actual sales.

Investments in Asia Generally

While Guard Macro Fund will make investments globally, Guard Macro Fund retains a bias towards the Asian market. Many of the laws that govern foreign exchange markets, interest rate markets and equity securities transactions and other contractual relationships in certain Asian countries in which Guard Macro Fund will invest are new and largely untested. As a result, Guard Macro Fund may be subject to a number of unusual risks, including inadequate investor protection, contradictory legislation, incomplete, unclear and changing laws, ignorance or breaches of regulations on the part of other market participants, lack of established or effective avenues for legal redress, lack of standard practices and confidentiality customs characteristic of developed markets and lack of enforcement of existing regulations.

Furthermore, it may be difficult to obtain and enforce a judgment in certain countries in which assets of Guard Macro Fund are invested. There can be no assurance that this difficulty in protecting and enforcing rights will not have a material adverse effect on Guard Macro Fund and its operations. In addition, the income and gains of Guard Macro Fund may be subject to withholding taxes imposed by foreign governments for which shareholders may not receive a full foreign tax credit.

Regulatory controls, corporate governance, anti-fraud and anti-insider trading legislation in developing countries generally confers little protection, and is often rudimentary or is largely unenforced. The concept of fiduciary duty by officers and directors is also limited when compared to such concepts in more developed markets and there is generally a greater risk of fraud by officers or persons holding controlling interests. In certain instances, management may take significant actions without outside consent and anti-dilution protection also may be limited.

There are differences between the accounting and auditing standards, reporting practices and disclosure requirements applicable in certain Asian countries and those generally accepted internationally. In many countries in which Guard Macro Fund is likely to invest, less audited information is available than would be customary or required in more developed countries. Tax rules may change unpredictably or be subject to unforeseeable interpretation or application without prior notice, which could have an adverse effect on Guard Macro Fund.

There is also the possibility of nationalization, expropriation or confiscatory taxation, political changes, government regulation, social instability or diplomatic developments, including war or terrorist attacks. All of these factors could adversely and materially affect the economy of countries in which Guard Macro Fund will invest, make the prices of such countries' assets or securities generally more volatile than the prices of assets or securities in more developed countries and increase the risk of loss to Guard Macro Fund.

Less Information and Regulation

Guard Macro Fund may invest in the instruments in various jurisdictions, including emerging market jurisdictions which may have corporate governance and financial reporting standards that are relatively less regulated, when compared to developed markets. Accordingly, Guard Macro Fund may not be able to obtain as much as disclosure in terms of financial and corporate due diligence, as well as not being provided the same level of governance protections, as compared to the regimes of other developed markets.

Political Instability and Political Developments

The markets in the countries in which Guard Macro Fund may invest have, in the past, experienced substantial price volatility which could have an adverse impact on the value of the investments. Periods of economic and political uncertainty may result in further volatility in the value of the investments. There can be no assurance that the investments will not be sold at prices below their acquisition costs.

Political Risks and Catastrophic Events

The instruments that Guard Macro Fund invest in may be adversely affected by political developments and catastrophic and other force majeure events such as fire, civil disturbances, terrorist activities, acts of war and other similar events. Political and economic instability in any of the countries in which Guard Macro Fund invests could adversely affect the Investments.

Guard Macro Fund does not intend to obtain political risk insurance. In addition, in certain markets, any economic reforms enacted that lead to a more open market and encourage foreign investment may be curtailed or stalled by political opposition. Political opposition could lead to restrictions on foreign investment, including limitations on investment returns, and such restrictions would have an adverse effect on the Investments.

The value of Guard Macro Fund can also be influenced by political developments. For example, the price of an investment can be negatively affected by changes to laws and tax legislation, restrictions on foreign investments and restrictions on the freedom of exchange transactions in countries in which the investment invests.

General Economic Conditions

General economic conditions, including interest rates and the price and value of securities, may affect the value of the instruments that Guard Macro Fund may invest in. The economies of the countries in which Investments are made may differ unfavorably from the economies of other regions with respect to the rate of growth of gross domestic product, the rate of inflation, capital reinvestment, resource self-sufficiency and balance of payments. There can be no assurance that the economies of the countries in which Investments will experience stable economic growth, if any. Changes in international trade, including trade barriers, commodity prices, foreign aid, global securities markets and foreign investment levels may have material adverse effects on Guard Macro Fund. Further, the previous global credit crisis has had a significant negative impact on the markets in the countries which Investments are made.

C. Risks associated with Guard Macro Fund's Investment Strategy

Investment Strategy Implementation

Guard Macro Fund has a very broad investment strategy and Guard Cayman has broad discretion when selecting, acquiring and disposing of investments, including in determining the types of investments that it deems appropriate, the investment approach that it follows when making investments and the timing of investments. While the Directors will periodically review Guard Cayman's compliance with Guard Macro Fund's investment strategy and investment restrictions, it will not review or approve individual investment decisions. It may be difficult or impossible to identify investments that are not consistent with investment strategy. Even where Guard Cayman conforms to the investment strategy and investment restrictions, there is no guarantee that Guard Cayman will be successful in implementing Guard Macro Fund's investment strategy. Consequently, Guard Macro Fund may not achieve its investment objective.

Leverage and Financing Risk

Guard Macro Fund may leverage its capital because Guard Cayman believes that the use of leverage may enable Guard Macro Fund to achieve a higher rate of return. Accordingly, Guard Macro Fund may pledge its securities in order to borrow additional funds for investment purposes. Guard Macro Fund may also leverage its investment return with options, short sales, swaps, forwards and other derivative instruments. The amount of borrowings which Guard Macro Fund may have outstanding at any time may be substantial in relation to its capital. Guard Macro Fund has not imposed any specific limit on leverage. Guard Macro Fund may also engage in borrowing for operating purposes, including fund redemption requests, and may be leveraged as deemed appropriate by Guard Cayman in connection with any direct investments made by Guard Macro Fund.

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

In general, the anticipated use of short-term margin borrowings results in certain additional risks to Guard Macro Fund. For example, should the securities pledged to brokers to secure Guard Macro Fund's margin accounts decline in value, Guard Macro Fund could be subject to a "margin call," pursuant to which Guard Macro Fund must either deposit additional funds or securities with the broker, or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. In the event of a sudden drop in the value of Guard Macro Fund's assets, Guard Macro Fund might not be able to liquidate assets quickly enough to satisfy their margin requirements.

Limited Diversification

Subject to Guard Cayman's risk framework, in the normal course of making investments on behalf of Guard Macro Fund, Guard Cayman may select investments for Guard Macro Fund that potentially could be concentrated, for example, in a limited number or type of financial instruments or in any one asset class, issuer, industry, sector, strategy, emerging market or geographic region. Market conditions may create opportunities within certain investment strategies, which cause Guard Cayman to increase the concentration of certain investment strategies. Such concentration of risk may expose Guard Macro Fund to losses disproportionate to those incurred by the market in general if the areas in which Guard Macro Fund's investments are concentrated are disproportionately adversely affected by price movements. Also, the use of a single Manager applying generally similar trading programs could mean lack of diversification and, consequentially, higher risk.

Margin Risk

When financial instruments are traded on a leveraged basis, the financial instrument can be purchased by depositing only a percentage of the instrument's face value and borrowing the remainder (margin). As a result, a relatively small adverse price movement in a financial instrument's value may result in immediate and substantial losses to the investor. Like other leveraged investments, any purchase or sale of a financial instrument on margin may result in losses in excess of the amount invested. The interest expense and other costs incurred in connection with such borrowing may not be recovered by appreciation in the investments purchased. In addition Guard Macro Fund may be subject to additional risks, including the possibility of a "margin call", pursuant to which Guard Macro 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 the event of a sudden, precipitous drop in the value of Guard Macro Fund's assets, Guard Macro Fund might not be able to liquidate assets quickly enough to pay off its margin debt. Such an event would adversely affect Guard Macro Fund's investment.

Hedging Transactions

Guard Macro Fund may employ hedging strategies, including the use of options and other derivatives, short selling, interest rate instruments and arbitrage positions, in order to mitigate various risks, such as market and interest rate risks related to specific securities, issuers,

sectors or markets. Hedging against a decline in the value of a portfolio position does not eliminate fluctuations in the value of portfolio positions or prevent losses if the values of such positions decline, but establishes other positions designed to gain from those same developments, thus, moderating the decline in the portfolio positions' value. Such hedge transactions also limit the opportunity for gain should the value of the portfolio position increase. The degree of correlation between price movements of the instruments used in a hedging strategy and price movements in the portfolio position being hedged may vary. Moreover, for a variety of reasons, Guard Cayman may not seek or be able to establish sufficiently accurate correlation between such hedging instruments and the portfolio holdings being hedged. No assurance can be given that hedging strategies will be successful. It is possible that the assessments of Guard Cayman underlying a hedge will prove inaccurate, or market conditions or other events could cause a hedge to be ineffective. For example, Guard Cayman may choose to hedge a long exposure in one security by shorting another security, but the long position could fall in value at the same time as the short position rises in value, thereby compounding losses dramatically.

As a general matter, Guard Macro Fund's portfolio will be exposed to basic risks relating to the financial markets and interest rates, as well as issuer and event risk and other risks attendant to its investment strategy, which risks will not be hedged as a matter of course. Neither Guard Macro Fund nor Guard Cayman is obligated, and will not attempt to hedge all market or other risks inherent in Guard Macro Fund's position.

Value Driven Investing

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

Futures and Commodities

The trading of commodities and commodity interests (e.g., futures contracts on commodities, securities indices or currencies) is highly speculative and may entail risks that are greater than the risks associated with investing in securities. Prices of commodity interests are generally more volatile than prices of securities. Futures trading will have effects on Guard Macro Fund's portfolio similar to the effects of leverage. Guard Macro Fund may participate in market price fluctuations of securities or commodity interests underlying futures (or options on futures), while investing only a small percentage of the value of those underlying securities or commodity interests. Guard Macro Fund may open a futures position by placing with a futures commission merchant an initial margin that is small relative to the value of the futures contract, making the transaction "leveraged". If the market moves against Guard Macro Fund's position or margin levels are increased, Guard Macro Fund may be called upon to pay substantial additional funds on short notice to maintain its position. If Guard Macro Fund were to fail to make such

payments, its position could be liquidated at a loss, and Guard Macro Fund would be liable for any resulting deficit in its account.

Futures positions may be illiquid because, among other things, most commodity exchanges limit fluctuations in certain futures contract prices during a single day. Once the price of a contract for a particular future has increased or decreased by an amount equal to the “daily limit”, positions can be neither taken nor liquidated unless traders are willing to effect trades at or within the limit. Such an occurrence could prevent Guard Macro Fund from liquidating unfavourable positions and subject it to substantial losses. In addition, Guard Macro Fund may not be able to effect futures contract trade at favorable prices if trading volumes in those contracts is low.

Guard Macro Fund’s futures trading activities may involve futures and options traded in new or less-established markets. The risks of these activities may be greater than trading in futures on exchanges in more long-established markets.

Convertible Securities

Guard Macro Fund may invest in convertible securities, which are bonds, debentures, notes, preferred stocks, or other securities that may be converted into or exchanged for a specified amount of common stock of the same or different issuer within a particular period pursuant to a specified price or formula. The value of a convertible security is a function of the underlying stock price, the volatility of the stock, the stock dividend, stock borrow fee and credit spread of the underlying credit. Generally, the value of a convertible security will decrease when the underlying stock price decreases, or the volatility of the stock decreases, or the stock dividend payout increases, or the stock borrow fee increases, or the credit spread of the underlying credit widens. Guard Macro Fund also assumes the risk of losing its investment in the option premium of the convertible security. The value of the convertible security is also subject to fluctuations due to interest rate changes. Adverse corporate events could also affect the issuer of such securities to repay principal and pay interest and therefore, increase the risk of default of such securities.

Fixed Income Securities

Guard Macro Fund may invest in fixed income securities including, without limitation, bonds. Guard Macro Fund will be subject to credit liquidity and interest rate risk. In particular, bonds below investment grade or unrated, are regarded as being predominantly speculative as to the issuer’s ability to make payments of principal and interest. Investment in such securities involves substantial risk. Such securities are especially subject to adverse changes in general economic conditions, to changes in the financial condition of their issuers and to price fluctuations in response to changes in interest rates. Issuers of high yield debt may be highly leveraged or have enterprise risk that renders unavailable to them more traditional methods of financing. Therefore, the risks associated with acquiring the securities of such issuers generally are greater than is the case with issuers of higher quality. For example, during an economic downturn or a sustained period of rising interest rates, issuers of high yield bonds may be more likely to experience financial stress, especially if such issuers are highly leveraged. During such periods, such issuers may not have sufficient revenues to meet their interest payment obligations. The issuer’s ability to service its debt obligations also may be adversely affected by specific issuer developments, or the issuer’s inability to meet specific projected business forecasts, or the unavailability of additional financing. The risk of loss due to default by the issuer is significantly greater for the holders of high yield instruments because such securities may be unsecured and may be subordinated to the other creditors of the issuer. There can be

no assurance that such events will not occur after Guard Macro Fund purchases particular securities, in which case Guard Macro Fund may experience losses and incur costs. Adverse publicity and investor perceptions may also decrease the value and liquidity of securities with a low credit rating, especially in markets characterized by a low volume of trading.

Derivative Instruments

Guard Macro Fund may utilise derivative instruments which seek to modify or replicate the investment performance of particular securities, commodities, currencies, interest rates, indices or markets on a leveraged or unleveraged basis. Other risks related to the use of derivative instruments include, but are not limited to:

- *Tracking* – When used for hedging purposes, an imperfect or variable degree of correlation between price movements of the derivative instrument and the underlying investment sought to be hedged may prevent Guard Macro Fund from achieving the intended hedging effect or expose Guard Macro Fund to the risk of loss.
- *Liquidity* – Derivative instruments, especially when traded in large amounts, may not be liquid in all circumstances, so that in volatile markets Guard Macro Fund may not be able to close out a position without incurring a loss. In addition, daily limits on price fluctuations and speculative position limits on exchanges on which Fund may conduct its transactions in derivative instruments may prevent prompt liquidation of positions, subjecting Guard Macro Fund to the potential of greater losses.
- *Leverage* – Trading in derivative instruments can result in large amounts of leverage. Thus, the leverage offered by trading in derivative instruments will magnify the gains and losses experienced by Guard Macro Fund and could cause the net asset value of Guard Macro Fund to be subject to wider fluctuations than would be the case if Guard Macro Fund did not use the leverage feature in derivative instruments. Leverage increases the risk of loss.
- *Over-the-Counter Trading* – Derivative instruments that may be purchased or sold by Guard Macro Fund may include instruments not traded on an exchange. The risk of non-performance by the obligor on such an instrument may be greater and the ease with which Guard Macro Fund can dispose of or enter into closing transactions with respect to such an instrument may be less than in the case of an exchange traded instrument. In addition, significant disparities may exist between “bid” and “asked” prices for derivative instruments that are not traded on an exchange. Derivative instruments not traded on exchanges are also not subject to the same type of government regulation as exchange traded instruments, and many of the protections afforded to participants in a regulated environment may not be available in connection with such transactions.

Use of derivative instruments presents various risks. When used for hedging purposes, an imperfect or variable degree of correlation between price movements of the derivative instrument and the underlying investment sought to be hedged may prevent Guard Macro Fund from achieving the intended hedging effect or expose Guard Macro Fund to the risk of loss. Derivative instruments may not be liquid in all circumstances, so that in volatile markets Guard Macro Fund may not be able to close out a position without incurring a loss. In addition, daily limits on price fluctuations and speculative position limits on exchanges on which Guard Macro Fund may conduct its transactions in certain derivative instruments may prevent prompt liquidation of positions, subjecting Guard Macro Fund to potential losses. The leverage offered

by trading in derivative instruments may magnify the gains and losses experienced by Guard Macro Fund and could cause Guard Macro Fund's net asset value to be subject to wider fluctuations than would be the case if Guard Macro Fund did not use the leverage feature in derivative instruments. These instruments may not be traded on an exchange.

Over-the-counter ("**OTC**") derivatives, unlike exchanged-listed securities, are two-party contracts with price and other terms negotiated by the buyer and seller. The risk of non-performance by the obligor on such an instrument may be greater and the ease with which Guard Macro Fund can dispose of or enter into closing transactions with respect to such an instrument may be less than in the case of an exchange-listed security. Derivatives also do not entitle the holder to the beneficial interest in the security underlying such instrument or to make any claim against the underlying security issuer. In addition, significant disparities may exist between "bid" and "ask" prices for derivative instruments that are not traded on an exchange. Derivative instruments not traded on exchanges are also not subject to the same type of government regulation as exchange traded instruments, and many of the protections afforded to participants in a regulated environment may not be available in connection with such transactions.

Nature of Investments

Guard Cayman has broad discretion in making investments for Guard Macro Fund. Investments may be affected by, among other things, business, financial market or legal uncertainties. There can be no assurance that Guard Cayman will correctly evaluate the nature and magnitude of the various factors that could affect the value of and return on investments. Prices of investments may be volatile, and a variety of factors that are inherently difficult to predict, such as domestic or international economic and political developments, may significantly affect the results of Guard Macro Fund's activities and the value of its investments. No guarantee or representation is made that Guard Macro Fund's investment objective will be achieved.

Long and Short Fundamental Investments

The identification of investment opportunities in undervalued and overvalued instruments is a difficult task, and there are no assurances that such opportunities will be successfully recognized or executed. While investments in undervalued and overvalued instruments offer the opportunities for high or above average capital appreciation, these investments involve a high degree of financial risk and can result in substantial losses.

Convergence Risk

Guard Macro Fund may pursue relative value strategies by taking long positions in instruments believed to be undervalued and short positions in instruments believed to be overvalued. In the event that the perceived mis-pricings underlying Guard Macro Fund's trading positions were to fail to converge toward, or were to diverge further from, Guard's expectations, Guard Macro Fund may incur a loss.

Illiquid Investments

Guard Macro Fund may invest in securities which are subject to legal or other restrictions on transfer or for which no liquid market exists. The market prices, if any, for such securities tend to be volatile and may not be readily ascertainable and Guard Macro Fund may not be able to sell them when they desire to do so or to realize what they perceive to be their fair value in the

event of a sale. The sale of restricted and illiquid securities often requires more time and results in higher brokerage charges or dealer discounts and other selling expenses than does the sale of securities eligible for trading on national securities exchanges or in the over-the-counter markets. Restricted securities may sell at a price lower than similar securities that are not subject to restrictions on resale.

For any such investments, held by Guard Macro Fund, the net asset value of participating shares, and the amounts paid on redemption, may be based on the fair value of such investments and/or the ultimate proceeds upon realisation. Such investments could eventually be realized at significantly lower values or could be rendered valueless. In that event the redeeming Shareholders will have received redemption proceeds from Guard Macro Fund's other assets and non-redeeming Shareholders will bear the loss of such assets, as well as the loss in value of any illiquid investments.

Uncertain Exit Strategies

Due to the illiquid nature of certain positions which Guard Macro Fund may acquire, Guard is unable to predict with confidence what the exit strategy will ultimately be for certain positions, or that one will definitely be available. Exit strategies which appear to be viable when an investment is initiated may be precluded by the time the investment is ready to be realized due to economic, legal, political or other factors.

Forward Trading

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

Contingent Liabilities

Guard Macro Fund may from time to time incur contingent liabilities in connection with an investment. For example, Guard Cayman may cause Guard Macro Fund to purchase from a lender a revolving credit facility that has not yet been fully drawn. If the borrower subsequently draws down on the facility, Guard Macro Fund would be obligated to fund the amounts due. Guard Macro Fund may also enter into agreements pursuant to which it agrees to assume responsibility for default risk presented by a third party, and may, on the other hand, enter into agreements through which third parties offer default protection to Guard Macro Fund.

Portfolio Turnover

Guard Cayman's trading decisions may be made on the basis of short-term market considerations. The portfolio turnover rate could be substantial, potentially involving substantial brokerage commissions and fees. Increased portfolio turnover may not result in higher returns, but would result in higher costs.

Gains and Losses

Guard Macro Fund intends to make investments that will create long-term value. However, investments that Guard Macro Fund makes may not appreciate in value and, in fact, may decline substantially in value. Accordingly, no assurance can be given that Guard Macro Fund's investments will generate gains or income or that any gains or income that may be generated will be sufficient to offset any losses that may be sustained. Prospective investors should also note that the Management Fee payable to Guard Cayman and the Profit Allocation payable to the holders of Guard Macro Fund preference shares are based in part upon unrealised gains and that such unrealized gains may never be realised by Guard Macro Fund.

Short Selling

Short selling involves selling securities which are not owned and borrowing them for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows the investor to profit from declines in market prices to the extent such decline exceeds the transaction costs and the costs of borrowing the securities, and can also involve borrowing and other costs which can reduce profits or create losses in particular positions. The extent to which Guard Macro Fund engages in short sales depends upon Guard Cayman's investment strategy and opportunities. A short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost to Guard Macro Fund of buying those securities to cover the short position. There can be no assurance that Guard Macro Fund will be able to maintain the ability to borrow securities sold short. In such cases, Guard Macro Fund can be "bought in" (i.e., forced to repurchase securities in the open market to return to the lender). There also can be no assurance that the securities necessary to cover a short position will be available for purchase at or near prices quoted in the market. Purchasing securities to close out the short position can itself cause the price of the securities to rise further, thereby exacerbating the loss.

Necessity for Counterparty Trading Relationships: Counterparty Risk

Guard Macro Fund has established relationships to obtain financing, derivative exposure and prime brokerage services that permit Guard Macro Fund to trade in a variety of markets or asset classes; however, there can be no assurance that Guard Macro Fund will be able to maintain such relationships or establish additional relationships. An inability to establish or maintain such relationships would limit Guard Macro Fund's trading activities and could create losses, preclude Guard Macro Fund from engaging in certain transactions, financing, derivative intermediation and prime brokerage services and prevent Guard Macro Fund from trading at optimal rates and terms. Moreover, a disruption in the financing, derivative intermediation and prime brokerage services provided by any such relationships before Guard Macro Fund establishes additional relationships could have a significant impact on Guard Macro Fund's business due to Guard Macro Fund's reliance on such counterparties.

Some of the markets in which Guard Macro Fund may effect transactions are not "exchange-based," including "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. The lack of evaluation and oversight of over-the-

counter markets exposes Guard Macro Fund to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing Guard Macro Fund to suffer a loss. Such "counterparty risk" is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where Guard Macro Fund has concentrated its transactions with a single or small group of counterparties. Generally, Guard Macro Fund will not be restricted from dealing with any particular counterparties. Guard Cayman's evaluation of the creditworthiness of Guard Macro Fund's counterparties may not prove sufficient. The lack of a complete and "foolproof" evaluation of the financial capabilities of Guard Macro Fund's counterparties and the absence of a regulated market to facilitate settlement may increase the potential for losses by Guard Macro Fund.

Counterparty Default

The stability and liquidity of financing agreements, swap transactions, forward transactions and other over-the-counter derivative transactions depend in large part on the creditworthiness of the parties to the transaction. Guard Macro Fund monitors on an on-going basis the creditworthiness of firms with which they have such arrangements. If there is a default by the counterparty to such a transaction, Guard Macro Fund will under most normal circumstances have contractual remedies pursuant to the agreements related to the transaction. However, exercising such contractual rights may involve delays or costs which could result in the net asset value of Guard Macro Fund being less than if Guard Macro Fund had not entered into the transaction. Furthermore, there is a risk that any of such counterparties could become insolvent and/or the subject of insolvency proceedings. If one or more of Guard Macro Fund's counterparties were to become insolvent or the subject of insolvency proceedings in the United States (either under the Securities Investor Protection Act or the United States Bankruptcy Code), there exists the risk that the recovery of Guard Macro Fund's securities and other assets from such prime broker or broker-dealer will be delayed or be of a value less than the value of the securities or assets originally entrusted to such prime broker or broker-dealer.

In addition, Guard Macro Fund may use counterparties located in jurisdictions outside the United States. Such local counterparties are subject to laws and regulations in non-U.S. jurisdictions that are designed to protect their customers in the event of their insolvency. However, the practical effect of these laws and their application to Guard Macro Fund's assets are subject to substantial limitations and uncertainties. Because of the large number of entities and jurisdictions involved and the range of possible factual scenarios involving the insolvency of a counterparty, it is impossible to generalize about the effect of their insolvency on Guard Macro Fund and its assets. Investors should assume that the insolvency of any counterparty would result in a loss to Guard Macro Fund, which could be material.

Sovereign Risks

Governmental interference with international currency transactions, interest rates and/or with sovereign or other debt obligations through various means, including, regulation of the local exchange market, restrictions on foreign investment by residents, changes to banking and insurance laws, limits on flows of investment funds from abroad, debt moratoria, curtailment of contract rights, expropriation, confiscatory taxation, renunciation of foreign debt or nationalization of assets may expose Guard Macro Fund to unanticipated losses.

Lending of Portfolio Instruments

Guard Macro Fund may lend instruments on a collateralized and an uncollateralized basis, from its portfolios to creditworthy securities firms and financial institutions. While a loan of instruments is outstanding, Guard Macro Fund will continue to receive the equivalent of the interest, dividends or return paid by the issuer on the instruments, as well as interest on the investment of the collateral or a fee from the borrower. The risks in lending instruments, as with other extensions of secured credit, if any, consist of possible delay in receiving additional collateral, if any, or in recovery of the instruments or possible loss of rights in the collateral, if any, should the borrower fail financially.

Fundamental and Technical Analysis

Fundamental research and analysis is subject to the risk that technical or other factors may dominate the market during certain periods.

Technical model is subject to the risk that unexpected fundamental or other factors may dominate the market during certain periods.

The influx of different market participants, structural changes in the markets, the introduction of new financial products and other developments could materially and adversely affect the profitability of investments made based upon technical analysis.

Difficulty in Translating Macro Economic Conclusions into Trading Positions

Guard Cayman may not necessarily be able to correctly identify a macro opportunity. Even though Guard Cayman may be able to correctly do so, it is not necessarily that Guard Cayman will be able to capitalize on the opportunity, and, may in fact, incur material and or additional losses, due to the Investment chosen in an attempt to exploit such opportunity due to:

(a) difficulty of identifying an efficient means of acquiring market exposure so as to profit from this conclusion and/or;

(b) Factors extraneous to that conclusion may influence the pricing of the chosen medium.

Directional Trading

Certain strategies of Guard Cayman may be designed to profit from forecasting absolute price movements in a particular instrument. Predicting future prices is inherently uncertain and the losses incurred, if the market moves against a position, will often not be hedged. The speculative aspect of attempting to predict absolute price movements is generally perceived to exceed that involved in attempting to predict relative price fluctuations.

Trade Execution Risk

Investment strategy may require the rapid and efficient execution of transactions. Inefficient execution can negatively impact, possibly materially, the profitability of positions.

Reliance on Corporate Management and Financial Reporting

The investment strategies implemented by Guard Macro Fund may rely on the financial information made available by issuers in which Guard Macro Fund invests and such issuers' trustees or managers.

Guard Cayman has no ability to independently verify the financial information disseminated by these third parties and is dependent upon the integrity of both the management of these third parties and the financial reporting process in general. Recent events have demonstrated the material losses that investors can incur as a result of corporate mismanagement, fraud and accounting irregularities.

Disparity between Quoted and Actionable Values

The prices quoted by dealers for certain Investments for some purposes may differ materially from the prices at which such dealers are willing to execute transactions in such Investments. This disparity can result in unexpected losses when such investments are bought or sold at prices that differ from those quoted by dealers.

No Limitations on Strategies

Other than as specifically set forth above and in the relevant offering document, there are no material limitations on the investment strategies which Guard Cayman may use when investing assets on behalf of Guard Macro Fund pursuant to Guard Cayman's investment approach.

Guard Cayman will opportunistically implement whatever strategies or discretionary approaches Guard Cayman believes from time to time may be best suited to prevailing market conditions.

Over time, the strategies implemented on behalf of Guard Macro Fund can be expected to expand, evolve and change, perhaps materially.

Guard Cayman will not be required to implement any particular strategy or strategies and may discontinue employing any particular strategy on behalf of Guard Macro Fund, whether or not such strategies are specifically described in the relevant offering document, and without notice to Shareholders.

There can be no assurance that the various investment strategies which Guard Cayman expects from time to time to employ for Guard Macro Fund will be successful or that strategies that have been successful will continue to be profitable.

D. Risks specific to some securities or instruments

OTC Derivatives

Guard Macro Fund may enter into various OTC transactions involving or relating to, among other things, interest rates, currencies, or securities. Such transactions may include individually negotiated, non-standardized agreements between two parties.

OTC derivatives are not traded on exchanges; rather, banks and dealers act as principals in these markets. As a result, Guard Macro Fund will be subject to the risk of the inability or refusal to perform with respect to such contracts on the part of any counterparties with which Guard Macro Fund trades. OTC derivatives markets are generally not regulated by any governmental authority and are not guaranteed by an exchange or clearing house. Participants in OTC markets are not required to make continuous markets in the contracts they trade. Accordingly, OTC derivatives may not have continuously liquid markets. There can be no assurance that Guard Macro Fund will be able to liquidate an OTC derivative at a favorable price, or, where relevant, at any time prior to its expiration.

In addition, if a counterparty to an OTC transaction becomes insolvent, Guard Macro Fund may be unable to liquidate an OTC instrument. In addition, a failure by a dealer to take delivery of the underlying securities in connection with an OTC derivative transaction (for example, an option) would result in the loss of the premium paid by Guard Macro Fund as well as the loss of the expected benefit of the transaction.

Please also refer to the risk factor “**OTC Derivatives and structured products**” below.

Investing in High Yield Instruments

Guard Macro Fund may invest in bonds or other fixed income securities, including, without limitation, “higher yielding” (and, therefore, higher risk) debt securities, when **Guard** believes that such securities offer opportunities for capital growth and income. Such securities are generally not exchange traded and, as a result, these instruments trade in the over-the-counter marketplace, which is less transparent than the exchange-traded marketplace. In addition, Guard Macro Fund may invest in bonds of issuers that do not have publicly traded equity securities, making it more difficult to hedge the risks associated with such investments. High yield instruments face ongoing uncertainties and exposure to adverse business, financial or economic conditions which could lead to the issuer's inability to meet timely interest and principal payments. The market values of certain of these lower-rated and unrated debt securities tend to reflect individual corporate developments to a greater extent than do higher-rated securities which react primarily to fluctuations in the general level of interest rates, and tend to be more sensitive to economic conditions than are higher-rated securities. The issuers of such securities are often highly leveraged and may not have available to them more traditional methods of financing.

High yield instruments may be below “investment grade” and face ongoing uncertainties and exposure to adverse business, financial or economic conditions which could lead to the issuer's inability to meet timely interest and principal payments. It is likely that a major economic recession could have a materially adverse impact on the value of such securities. In addition, adverse publicity and investor perceptions, whether or not based on fundamental analysis, may also decrease the value and liquidity of securities rated below investment grade.

Debt Securities Generally

Guard Macro Fund may invest in debt instruments that are unrated, and whether or not rated, the debt instruments may have speculative characteristics. The issuers of such instruments (including sovereign issuers) may face significant ongoing uncertainties and exposure to adverse conditions that may undermine the issuer's ability to make timely payment of interest and principal. Such instruments are regarded as predominantly speculative with respect to the issuer's capacity to pay interest and repay principal in accordance with the terms of the obligations and involve major risk exposure to adverse conditions.

Non-Performing Nature of Debt

It is anticipated that certain debt instruments purchased by Guard for Guard Macro Fund will be non-performing and possibly in default. Furthermore, the obligor or relevant guarantor may also be in bankruptcy or liquidation. There can be no assurance as to the amount and timing of payments, if any, with respect to the loans. Any costs or delays, including collection costs, associated with non-performing debt will further reduce the proceeds and thus increase the loss.

Equity Securities Generally

Guard Macro Fund may invest in equity securities and equity derivatives. Numerous inter-related and difficult-to-quantify economic factors, as well as market sentiment, and subjective and extraneous political, climate-related and terrorist factors, influence the prices of equities. There can be no assurance that Guard Cayman will be able to predict future price levels correctly.

E. Legal, Tax and Regulatory Risks

Regulations

With the exception of registration under the Cayman Islands Mutual Funds Law, Guard Macro Fund is not currently registered pursuant to any other applicable law, rule or regulation including the United States Investment Company Act of 1940 (the "**Company Act**"). Consequently, Participating Shareholders will not benefit from certain of the protections afforded by such other laws or regulations.

If the Directors of Guard Macro Fund determine that it is in the best interests of Guard Macro Fund (as applicable) to become registered pursuant to any other applicable law, rule or regulation (including the Company Act) then the Guard Macro Fund shall take all necessary steps in order to achieve such registration.

Legal, tax and regulatory changes in various jurisdictions could occur during the lifetime of Guard Macro Fund and/or Guard Cayman which may adversely affect it. Should any of those laws change, the legal requirements to which Guard Macro Fund and/or Guard Cayman may be subject could differ materially from the current requirements.

Over-the-counter (OTC) derivatives and structured products

The international regulatory landscape for OTC derivatives and structured products is currently undergoing significant changes, in particular in relation to the requirements for clearing OTC transactions with central counterparties, trade reporting, the use of collateral and enhanced capital prudential and market conduct rules. New legislation relating to OTC derivatives has already been introduced in the U.S. in 2010 (in the form of the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act) and legislation has been published in the European Union, with further domestic legislation expected to be implemented during 2014. Over the next few years, it is expected that the trend for further regulation of the OTC derivatives market to continue in the US, the European Union and many other jurisdictions in Asia and around the world, particularly in jurisdictions of those members of the G20 (including China, India, Indonesia, Japan and South Korea). Investors in Guard Macro Fund should be aware that increased regulation of the OTC derivatives and structured products market could have substantial and adverse consequences for Guard Macro Fund and its investors.

Tax

Although it is the intention of the Directors to conduct the affairs of Guard Macro Fund as far as possible in such a manner as to minimize the risk of Guard Macro Fund being considered to be carrying on a trade or business in Hong Kong, the United States or any other jurisdiction, no assurance can be given that profits from the disposal or holding of investments will not give rise to a liability for profits tax, corporate tax or other similar tax in Hong Kong, the United States or other jurisdictions. If Guard Macro Fund is regarded as carrying on a trade or business in Hong

Kong, for example, either on its own account or through another person carrying on business in Hong Kong on its behalf (e.g. Guard Cayman) or Guard Macro Fund, as the case may be, will be liable to Hong Kong Profits Tax on its Hong Kong source profits that are not profits of a capital nature at the prevailing tax rate of 16.5%. Guard Macro Fund could also be subject to similar profits taxes in the United States or other jurisdictions if it is deemed to be carrying on a trade or business in such other jurisdictions, or if it is deemed that under the legal regimes of such jurisdictions there is a nexus of events or circumstances that exposes Guard Macro Fund to such taxes. In the event Guard Macro Fund is required to pay profits, corporate or other taxes, the performance of Guard Macro Fund would be negatively impacted and the value of the participating shares would decline. Although the Directors intend to operate Guard Macro Fund in such a way as to avoid such taxes, and do not intend to pay such taxes, Guard Macro Fund could nevertheless become subject to such taxes as a result of an audit or other legal measures by a taxing authority, in which event Guard Macro Fund could be subject to substantial penalties and interest, which could further adversely impact the net asset value of Guard Macro Fund.

Exempt Offering

Guard Macro Fund offers participating shares on a continuing basis without registration under any securities laws, except as disclosed in its offering document.

While Guard Macro Fund intends to rely on exemptions from such registration requirements that Guard Cayman believe are available in certain jurisdictions, there can be no assurance that factors such as the scope of disclosure, the manner in which such offers and sales are made, or changes in applicable law and regulation will not make such exemptions unavailable.

A violation of securities registration requirements could result in the rescission of investors' purchases of shares at prices higher than the current value, which potentially may affect the Guard Macro Fund's performance and business in a materially adverse manner.

Regulatory Approvals

Guard Macro Fund may be restricted in its investments in various countries as a foreign company and may require the approval of various regulatory bodies.

There is no guarantee that the policies of relevant regulatory authorities towards investment by foreign companies will remain unchanged.

Any adverse changes in such policies may have a significant impact on Guard Macro Fund's ability to invest, or to dispose of Investments, in countries in which such restrictions or policies exist.

Market Disruptions; Governmental Intervention; Dodd-Frank Wall Street Reform and Consumer Protection Act

The global financial markets have in the past few years gone through pervasive and fundamental disruptions that have led to extensive and unprecedented governmental intervention.

Such intervention has in certain cases been implemented on an "emergency" basis, suddenly and substantially eliminating market participants' ability to continue to implement certain strategies or manage the risk of their outstanding positions.

In addition, as one would expect given the complexities of the financial markets and the limited time frame within which governments have felt compelled to take action, these interventions have typically been unclear in scope and application, resulting in confusion and uncertainty which in itself has been materially detrimental to the efficient functioning of the markets as well as previously successful investment strategies.

Guard Macro Fund may incur major losses in the event of disrupted markets and other extraordinary events in which historical pricing relationships become materially distorted. The risk of loss from pricing distortions is compounded by the fact that in disrupted markets many positions become illiquid, making it difficult or impossible to close out positions against which the markets are moving.

The financing available to Guard Macro Fund from its dealers and other counterparties is typically reduced in disrupted markets. Such a reduction may result in substantial losses to Guard Macro Fund. Market disruptions may from time to time cause dramatic losses for Guard Macro Fund, and such events can result in otherwise historically low-risk strategies performing with unprecedented volatility and risk.

In response to the recent financial crises, the Obama Administration and the US Congress proposed sweeping reform of the US financial regulatory system. After over a year of debate, the Reform Act became law in July 2010. The Reform Act seeks to regulate markets, market participants and financial instruments that previously have been unregulated and substantially alters the regulation of many other markets, market participants and financial instruments. Because many provisions of the Reform Act require rulemaking by the applicable regulators before becoming fully effective and the Reform Act mandates multiple agency reports and studies (which could result in additional legislative or regulatory action), it is difficult to predict the impact of the Reform Act on Guard Macro Fund, Guard Cayman, and the markets in which Guard Macro Fund trades and invests. The Reform Act could result in certain investment strategies in which Guard Macro Fund engages or may have otherwise engaged becoming non-viable or non-economic to implement. The Reform Act and regulations adopted pursuant to the Reform Act could have a material adverse impact on the profit potential of Guard Macro Fund. Please also refer to the risk factor “**OTC Derivatives Markets**”.

Limited Regulatory Oversight

While Guard Macro Fund may be considered similar to an investment company, Guard Macro Fund is not, and does not intend to be, registered under the US Company Act, in reliance upon an exemption available to privately-offered investment companies. Accordingly, the provisions of the US Company Act (which, among other matters, require investment companies to have disinterested directors, require securities held in custody to at all times be individually segregated from the securities of any other person and marked to clearly identify such securities as the property of such investment company and regulate the relationship between the advisor and the investment company) will not be afforded to Guard Macro Fund or the shareholders. Although Guard is registered under the Investment Advisers Act as an investment advisor, Guard Cayman is not registered under the Investment Advisers Act as an investment advisor. Although Guard is registered as a commodity pool operator, both Guard and Guard Cayman benefit from exemption from certain provisions of the Commodity Exchange Act. Accordingly, consistent with many funds managed by foreign (non-US based) advisors, the protections offered by such US-based legislation may not be available to the Shareholders. Guard Macro Fund will trade on certain foreign security and/or futures exchanges as well as OTC markets. Such exchanges and markets are not subject to regulation by any US

governmental agency and, accordingly, the protections afforded by such US-based legislation will not be available to such investments.

Notwithstanding the foregoing, the Reform Act may result in Guard Macro Fund being regulated in the United States on the basis of its trading activity in the OTC derivatives markets. Compliance with this new regulatory regime may entail burdensome reporting and registration requirements, minimum capital and variation margin requirements, adherence to business conduct standards, and recordkeeping requirements. The costs associated with such compliance may result in certain investment strategies in which Guard Macro Fund engages or may have otherwise engaged becoming non-viable or non-economic to implement.

Regulatory Change

The regulation of the non-US securities markets and of investment funds such Guard Macro Fund has undergone substantial change in recent years, and such change is expected to continue for the foreseeable future.

The effect of regulatory change on Guard Macro Fund is impossible to predict, and therefore may be substantial and have a materially adverse impact on Guard Macro Fund.

There have recently been certain well-publicized incidents of regulators unexpectedly announcing regulatory changes or interpretations that prohibited strategies that had been implemented in a variety of formats for many years. For instance, in September 2008 the SEC and various non-US regulatory bodies imposed temporary bans on short-selling in a variety of stocks, and adopted permanent regulations that may have the effect of making short-selling more difficult or costly.

These actions were generally regarded as disrupting market fundamentals and causing unexpected and volatile increases in the stock prices of a variety of issuers, as short sellers closed out their positions by buying securities.

Market disruptions like those experienced in the credit-driven equity market collapse in 2008, as well as the dramatic increase in the capital allocated to alternative investment strategies during recent years have led to increased governmental, as well as self-regulatory scrutiny of the hedge fund industry generally.

Revised Regulatory Interpretations Could Make Certain Strategies Obsolete

In addition to proposed and actual accounting changes, there have recently been certain well-publicised incidents of regulators unexpectedly taking positions that prohibited strategies which had been implemented in a variety of formats for many years.

In the current unsettled regulatory environment, it is impossible to predict if future regulatory developments might adversely affect Guard Macro Fund.

F. Risks with certain counterparties

Custody Risk

There are risks involved in dealing with custodians or brokers who settle fund trades. Securities and other assets deposited with custodians or brokers may not be clearly identified as being

assets of Guard Macro Fund, and hence Guard Macro Fund may be exposed to a credit risk to such parties.

In some jurisdictions, Guard Macro Fund may only be an unsecured creditor of its broker in the event of bankruptcy or administration of such broker. There may be practical or time problems associated with enforcing Guard Macro Fund's rights to its assets in the event of the insolvency of any such party.

Recent losses incurred by some hedge funds in connection with the financial crisis and the bankruptcy of several large financial institutions illustrate the risks in derivatives trading and custody/brokerage arrangements. Assets held as collateral by the brokers in relation to facilities offered to Guard Macro Fund and assets deposited as margin with the brokers may therefore be available to the creditors of such persons in the event of their insolvency.

The banking and financial systems in certain countries in Asia might not be well developed or well regulated. Delays in transfers by banks may result, as may liquidity crises and other problems arising as a result of the under-capitalisation of the banking sector as a whole. A general banking crisis in any of the countries in which Guard Macro Fund invests would have a material adverse effect on Guard Macro Fund.

Counterparty Risk

Guard Macro Fund will transact most of its investments through financial institutions including brokers, dealers, banks, and etc. All purchases and sales of securities carry counterparty risks (the risk that the counter party might default) until the transactions are settled.

All financing transactions such as borrowing or lending of funds or securities will carry counterparty risks until such borrowing or lending has terminated and the relevant collateral is returned. Deposits of securities or cash with a custodian, bank or financial institution will carry counterparty risk.

Upon default by a counterparty, Guard Macro Fund may be forced to unwind certain transactions and Guard Macro Fund may encounter delays and difficulties with respect to court procedures in seeking recovery of the such assets.

These risks could differ materially where transactions are not exchange-traded transactions, which normally are backed by clearing organization guarantees, daily mark-to-market and settlement, and segregation and minimum capital requirements. Transactions entered directly between two counterparties may not benefit from such protections and expose the parties to the risk of counterparty default.

Institutional Risk

Institutions, such as brokerage firms, banks and broker-dealers, generally have custody of Guard Macro Fund's portfolio assets and may hold such assets in "street name". An unforeseen event such as bankruptcy or fraud at one of these institutions could impair the operational capabilities or the capital position of Guard Macro Fund.

Recourse to All Assets/Cross Class Liability

Guard Macro Fund are each separate legal entities. Accordingly, all of the assets of Guard Macro Fund, including any investments made by Guard Macro Fund, are available to satisfy all

liabilities and obligations of Guard Macro Fund, regardless of the class to which such assets or liabilities are attributable, and regardless of the fact that Investments may be held through special purpose trading subsidiaries.

If Guard Macro Fund become subject to a liability, parties seeking to have the liability satisfied may have recourse to the Guard Macro Fund's assets generally and not be limited to any particular asset, such as the asset representing the investment giving rise to the liability. This may result in Guard Cayman disposing of assets Guard Macro Fund in order to satisfy liabilities arising from other assets.

In practice, cross class liability will usually only arise where any class become insolvent and cannot meet all of its liabilities.

In this case, all of the assets of Guard Macro Fund attributable to another class of participating shares may be applied to cover the liabilities of the insolvent class.

Restriction on Auditor's Liability

Cayman Islands law does not restrict the ability of auditors to limit their liability and consequently the engagement letter with the auditors may contain such provisions as well as provisions indemnifying the auditors in certain circumstances.

Counterparty risk in respect of prime brokers

A large part of Guard Macro Fund's assets will normally be held in accounts maintained for Guard Macro Fund by its prime brokers. While the prime brokers are subject to various laws and regulations designed to protect their customers from the consequences of an insolvency of a prime broker, the actual extent of such protection may be limited due to uncertainties and contractual carve-outs. Investors should assume that the insolvency of any of Guard Macro Fund's prime brokers would result in the loss of all or a substantial portion of Guard Macro Fund's assets held by or through such prime broker.

Lack of segregation and rehypothecation risk

The stability and liquidity of repurchase agreements, swap transactions, forward transactions and other over-the-counter derivative transactions depend in large part on the creditworthiness of the parties to the transactions. It is expected that Guard Cayman will monitor on an ongoing basis the creditworthiness of firms (including the prime brokers and custodians) with which Guard Macro Fund will enter into repurchase agreements, interest rate swaps, caps, floors, collars or other over-the-counter derivatives. If there is a default by the counterparty to such a transaction, Guard Macro Fund will under most normal circumstances have contractual remedies pursuant to the agreements related to the transaction. However, exercising such contractual remedies may involve delays or costs which could result in the net asset value of Guard Macro Fund being less than if Guard Macro Fund had not entered into the transaction. Furthermore, there is a risk that any of such counterparties could become insolvent. If one or more of Guard Macro Fund's counterparties were to become insolvent or the subject of liquidation proceedings in the United States (either under the Securities Investor Protection Act or the United States Bankruptcy Code), there is a risk that the recovery of Guard Macro Fund's securities and other assets from such counterparty will be delayed or be of a value less than the value of the securities or assets originally entrusted to such counterparty.

In addition, Guard Macro Fund may use counterparties located in various jurisdictions around the world. Such local counterparties are subject to various laws and regulations in various jurisdictions that are designed to protect their customers in the event of their insolvency. However, the practical effect of these laws and their application to Guard Macro Fund's assets will be subject to substantial limitations and uncertainties. Because of the large number of entities and jurisdictions involved and the range of possible factual scenarios involving the insolvency of a counterparty, it is impossible to generalise about the effect of their insolvency on Guard Macro Fund and its assets. Investors should assume that the insolvency of any counterparty would result in a loss to Guard Macro Fund, which could be material.

Prime brokers may hold investments of Guard Macro Fund in custody and use such assets as collateral subject to a security interest in favour of the prime brokers. The prime brokers may, at their option and instead of holding collateral in custody, also take full legal and beneficial ownership of investments transferred to them by Guard Macro Fund in which case any such collateral will be held by the prime brokers absolutely as their property, in order to collateralize Guard Macro Fund's obligations to the prime brokers. Any such collateral transferred to the prime brokers in this manner will not be segregated from other investments belonging to the prime brokers and may be available to creditors of the prime brokers in the event of their insolvency.

Any collateral may be sold, lent or otherwise used by the prime brokers for their own purposes, whereupon such collaterals will become the property of the prime brokers and Guard Macro Fund will have a right against the prime brokers for the return of assets equivalent to the collateral so used. In relation to Guard Macro Fund's right to the return of such collateral, Guard Macro Fund will rank as an unsecured creditor and, in the event of the insolvency of the prime brokers, Guard Macro Fund may not be able to recover such equivalent assets in full. In addition, Guard Macro Fund's cash held with the prime brokers will not be segregated from the prime brokers' own cash and will be used by the prime brokers in the course of their business and Guard Macro Fund will, therefore, rank as an unsecured creditor in relation thereto in the event of the insolvency of the prime broker, Guard Macro Fund may not be able to recover such equivalent assets in full.

Prime brokers may also transfer collateral to accounts with different entities within the prime broker's group, which may be unregulated entities and hence not subject to the regulatory oversight to which the prime brokers are subject. The lack of regulatory oversight of such unregulated entities may increase the risk that Guard Macro Fund may not recover all or part of its assets, or that the recovery of such assets is delayed.

Prime brokers will trade with an exchange as a principal on behalf of Guard Macro Fund in a "debtor-creditor" relationship, unlike other clearing broker relationships in which the broker is merely facilitator of the transaction. Such prime broker could, therefore, have title to all of the assets of Guard Macro Fund associated with the shares (for example, the transactions that the prime broker has entered into on behalf of Guard Macro Fund as principal as well as the margin payments that Guard Macro Fund provides). In the event of the insolvency of such prime broker, the prime broker could default on the transactions that it has entered into as principal and Guard Macro Fund's assets associated with the participating shares could become part of the insolvent prime broker's estate, to the detriment of Guard Macro Fund.

G. Other risks

Foreign Taxation

Guard Macro Fund trades in markets located in many jurisdictions around the world with different tax regimes some which may subject Guard Macro Fund to withholding or other taxation, which may impact Guard Macro Fund's returns. Although not currently under review, it is possible that the taxing authorities of certain jurisdictions, will not agree with the tax positions taken by Guard Macro Fund and will successfully assert a tax liability (plus interest and possibly penalties) against Guard Macro Fund.

No Separate Counsel

In connection with the offering of participating shares and subsequent advice to Guard Macro Fund, Guard Macro Fund has appointed external legal counsel (collectively, "**Counsel**"), who will not represent the investors.

No independent legal counsel has been retained to represent the investors. Counsel's representation of Guard Macro Fund is limited to specific matters as to which it has been consulted by Guard Macro Fund. There may exist other matters that could have a bearing on Guard Macro Fund as to which Counsel has not been consulted.

In addition, legal counsel does not undertake to monitor compliance by Guard Cayman and its Affiliates with the investment program, valuation procedures and other guidelines set forth herein, nor does legal counsel monitor on-going compliance with applicable laws. In connection with the preparation of the relevant offering document, Counsel does not accept responsibility in relation to any other matters referred to or disclosed in the relevant offering document. In the course of advising Guard Macro Fund, there are times when the interests of shareholders may differ from those of Guard Macro Fund. Counsel does not represent the shareholders' interests in resolving these issues. In reviewing the relevant offering document, legal counsel has relied upon information furnished to it by Guard Macro Fund and has not investigated or verified the accuracy and completeness of information set forth herein concerning Guard Macro Fund.

Disclosure of Investment Portfolio

Guard Cayman intends to give very limited transparency into Guard Macro Fund's portfolio. Furthermore, Guard Macro Fund's audited financial statements will not include a detailed listing of positions held by Guard Macro Fund. Such confidentiality is maintained for the purpose of preventing third-parties from using information concerning Guard Macro Fund or Guard Macro Fund's position to its detriment. Consequently, investors will have very limited information with which to evaluate Guard Cayman's implementation of the investment strategy.

Absence of Regulatory Oversight

While Guard Macro Fund may be considered similar to investment companies, neither is required nor intends to register as such under the Company Act, and, accordingly, the provisions of the Company Act (which may provide certain regulatory safeguards to investors) are not applicable to investors.

No Participation in Management

Except in certain limited circumstances, the participating shares are limited-voting and as such will not entitle any of the holders thereof to participate in the management of Guard Macro Fund.

Third-Party Service Providers

Guard Macro Fund does not have any employees and is therefore reliant upon the performance of third-party service providers for administrative functions. In addition to Guard Cayman, Guard, the administrator and each prime broker will be performing services that are integral to the operations of Guard Macro Fund. Failure by any service provider to carry out its obligations to Guard Macro Fund in accordance with the terms of appointment could have a materially detrimental impact on the operations of Guard Macro Fund and could affect the ability of Guard Macro Fund to meet its investment objective. There can be no assurance that the termination of Guard Macro Fund's relationship with any third-party service provider, and any delay in appointing a replacement for such service provider will not have an adverse effect on Guard Macro Fund's performance.

Classes or Series

Guard Macro Fund has the power to issue participating shares in classes and series. The articles provide for the manner in which the liabilities are to be attributed across the various classes and series (liabilities are to be attributed to the specific class or series in respect of which the liability was incurred). However, Guard Macro Fund is a single legal entity and there is no limited recourse protection for any class or series. Participating shareholders of one or more classes or series of participating shares may be compelled to bear the liabilities incurred in respect of other classes or series which such participating shareholders do not themselves own if there are insufficient assets in that other class or series to satisfy those liabilities. Accordingly, there is a risk that liabilities of one class or series may not be limited to that particular class or series and may be required to be paid out of one or more other classes or series.

Effect of Redemptions

If significant redemptions of participating shares are requested, it may not be possible to liquidate Guard Macro Fund's investments at the time such redemptions are requested or may be able to do so only at prices which the Directors believe do not reflect the true value of such investments, resulting in an adverse effect on the return to the holders of participating shares. In addition, although it is expected on termination of Guard Macro Fund to liquidate all of Guard Macro Fund's investments and distribute only cash to the investors, there can be no assurance that this objective will be attained.

Lock-up period

Certain classes of shares in Guard Macro Fund are subject to the lock-up period. During the applicable lock-up period, such shares may not be redeemed as of any redemption day, subject to the absolute discretion of the directors of the relevant feeder fund to permit a redemption in whole or in part.

Operating Deficits

The expenses of operating Guard Macro Fund (including the fees payable to Guard Cayman, the administrator and other service providers) may exceed Guard Macro Fund's income, thereby requiring that the difference be paid out of Guard Macro Fund's capital, reducing the value of Guard Macro Fund's investments and potential for profitability.

Calculation of net asset value

There is no assurance that the determination of the net asset value as described above reflects the actual sales prices of the securities, even when such sales occur very shortly after a valuation day. If sales of investments result in fewer proceeds than estimated, the remaining investors will see the net asset value of Guard Macro Fund reduced.

Dividends and Distributions

Guard Macro Fund does not intend to pay dividends or other distributions to investors, but intends instead to reinvest Guard Macro Fund's income and gain. Accordingly, an investment in Guard Macro Fund may not be suitable for investors seeking current returns for financial or tax planning purposes. Subject to applicable laws, the Directors do however reserve the right to declare and pay dividends to investors.

Side Letters

Subject to the "Variation of Share Rights" Article pursuant to the articles of Guard Macro Fund, the directors, in their sole discretion and without notice to the other participating shareholders of Guard Macro Fund, may enter into side letters or agreements (to satisfy regulatory requirements or for any other reason) with certain investors granting them, among other things, fee waivers or reductions, different voting rights or restrictions, additional rights to reports or other information and other more favourable (or less favourable) investment terms than the terms associated with an investment by participating shareholders in Guard Macro Fund pursuant to the terms offered pursuant to the relevant offering document. Guard Macro Fund has the power to create different classes of participating shares for certain investors and may create additional classes having different rights for the purposes of implementing such agreements. Neither Guard Macro Fund nor Guard Cayman has any obligation to disclose if or when they have entered into such side letters or their terms, or offer such additional rights, terms or conditions granted to other or all investors in Guard Macro Fund.

Disclosure of Other Directorships

The directors and key management team of Guard Cayman may serve as directors of other investment vehicles. Accordingly, to the extent that the interests of Guard Macro Fund and such other investment vehicles are inconsistent, such directors may have a conflict of interest.

Handling of Mail

Mail addressed to Guard Macro Fund and received at its registered office will be forwarded unopened to the forwarding address supplied by Guard Macro Fund or Guard Cayman to be dealt with. None of Guard Macro Fund, its directors, officers, advisers or service providers (including the organisation which provides registered office services in the Cayman Islands) will bear any responsibility for any delay howsoever caused in mail reaching the forwarding address. In particular, the directors will only receive, open or deal directly with mail that is addressed to them personally (as opposed to mail which is addressed generally to the Guard Macro Fund).

System Risk

Guard Macro Fund relies to a significant extent on computer systems and software used by Guard Cayman, the administrator, each prime broker and other parties to develop and execute

investment strategies, analyse investment opportunities, price Guard Macro Fund's assets, execute and settle trades, conduct risk management, and operate and administer the business of Guard Macro Fund. Such systems and software may be subject to errors, defects, interruptions or failure. In the event of such malfunction, Guard Macro Fund may incur significant losses to the extent its or its service providers' ability to evaluate, make, hold, monitor, or dispose of investments, or to monitor risks or operate is affected. Guard Cayman may not be in a position to verify the accuracy of the operation or results of the systems used by it or other service providers and may rely on erroneous computations or data, causing losses to Guard Macro Fund. Guard Cayman and other service providers will not be liable to Guard Macro Fund for such errors, defects, interruptions or failure.

Reliance on Information from Third Parties

In order to value the assets and liabilities of Guard Macro Fund, Guard Cayman and the administrator will rely on information provided by outside parties, such as Bloomberg (and, in the case of the administrator, information provided by Guard Cayman or the Directors), and such persons may provide inaccurate, incomplete, out-dated or otherwise unreliable information. Accordingly, the valuation of Guard Macro Fund's assets and liabilities may be inaccurate, causing Guard Macro Fund to restate its accounts and causing losses to Guard Macro Fund and the shareholders. Guard Cayman and the administrator will not be liable to Guard Macro Fund or the shareholders for any loss resulting as a result of inaccurate, incomplete, out-dated or otherwise unreliable information provided by outside third parties (and, in the case of the administrator, the administrator will not be liable for information provided by Guard Cayman or the directors).

Operational Risks

Guard Macro Fund rely on Guard Cayman to establish appropriate systems and procedures to control operational risks relating to the management of the business of Guard Macro Fund, including the evaluation, making, holding, monitoring and divesting of Guard Macro Fund's investments, the valuation of Guard Macro Fund's assets, and the making up of Guard Macro Fund's books and accounts. Guard Macro Fund is dependent on third-parties, such as the administrator and each prime broker, to monitor, process and book a large number of transactions and positions on a daily basis and it also relies heavily on the accuracy, integrity and continuous operation of their financial and data processing systems. Errors or failures occurring in the operation of Guard Macro Fund may cause Guard Macro Fund to suffer significant disruption as well as liability to third parties or other financial losses.

Litigation

Guard Macro Fund or Guard Cayman could be named as a defendant in a lawsuit or regulatory action, or become the subject of a regulatory investigation, stemming from the conduct of its business. In the event any litigation or investigation occurs, substantial amounts of time may be required to be spent to defend against a claim or cooperate with such investigation. Any litigation or investigation, even one without merit, could result in significant costs and diversion of resources, which could materially and adversely affect the ability of Guard Cayman to manage Guard Macro Fund's business or investments or result in judgments or fines to the Guard Macro Fund.

Indemnification

Guard Macro Fund has, where applicable, entered into agreements with Guard Cayman, the

administrator and each prime broker. Under certain circumstances, Guard Macro Fund, directly or indirectly, may be obligated to indemnify, among others, Guard Cayman, Guard, the administrator, and each prime broker. In addition, Guard Macro Fund is also required to indemnify its directors for any liability incurred as a result of any act or failure to act in carrying out his functions, other than a liability that arose through such director's gross negligence, willful default or actual fraud. Any indemnification by Guard Macro Fund would be made out of the assets of Guard Macro Fund and could have a material adverse effect on the net asset value of the participating shares.

"Master-feeder" structure

Guard Macro Fund generally invests through a "master-feeder" structure. The "master-feeder" fund structure presents certain unique risks to investors. Guard Macro Fund is a single entity and creditors of Guard Macro Fund may enforce claims against all assets of Guard Macro Fund, whether these assets are attributable to a feeder fund or otherwise. Given that Guard Macro Fund will hold and make substantially all of the investments, this may result in the loss of all or a significant portion of Guard Macro Fund's assets. The use of a master-feeder structure may also create a conflict of interest in that Guard Macro Fund may structure or dispose of an investment in a manner that may not take into account the tax considerations of a feeder fund.

Non-Disclosure of Positions

In an effort to protect the confidentiality of its positions, Guard Macro Fund may not generally disclose any or all of its positions to shareholders on an ongoing basis, although Guard Cayman, in its sole discretion, may permit such disclosure on a selective basis to certain investors, if it determines that there are sufficient confidentiality agreements and procedures in place.

US Dollar Denominated Shares

Shares issued in initial period will be USD based, but new classes with other currency may be issued in the future. An investor whose local currency is not the US dollar will be subject to exchange rate risk.

Fund Expenses and Charges

Guard Macro Fund has substantial fees, charges, allocations and expenses, including the Management Fee and the Profit Allocation. Guard Macro Fund will also pay other fees and expenses. The expenses of Guard Macro Fund may be a higher percentage of net assets than many other private investment funds.

Possible Indemnification Obligations

Guard Macro Fund may indemnify the administrator, the prime brokers, Guard Cayman and other parties under various agreements against liability they or their respective affiliates.

Possible Effect of Redemptions

Large amounts of redemption requests could lead to Guard Cayman to close positions more rapidly than desirable or, in undesirable market conditions, to raise the cash to fund redemption requests and achieve a market position that reflects a smaller asset base. These could

adversely affect the net asset value. Guard Macro Fund could become significantly less liquid for non-redeeming shareholders following the satisfaction of one or more redemption requests.

Restriction on Transferability

Participating shares in Guard Macro Fund may only be transferred in accordance with the articles, subject to written consent of the Directors, in consultation with Guard Cayman, and such transfer restrictions applicable to certain jurisdictions, by using such form or forms as may from time to time be prescribed by Guard Cayman and signed by both the transferor and the transferee.

Contingency Reserves

The Directors of Guard Macro Fund, in consultation with Guard Cayman, at any time in their discretion, could establish reserves for contingencies (including general reserves for unspecified contingencies).

The establishment of these reserves will not insulate any portion of the Guard Macro Fund's assets from being at risk, and such assets may still be traded by Guard Macro Fund. A pro-rata portion of any reserve may be withheld from distribution to a redeeming shareholder.

Valuation Risk, Use of Estimates

Guard Macro Fund's net asset value will be based to the extent possible on quotes provided by exchanges, brokers and other third-party pricing sources. Investors should note that the net asset value calculations of Guard Macro Fund could be adjusted following the year-end audit.

THE FOREGOING RISK FACTORS DO NOT PURPORT TO BE A COMPLETE EXPLANATION OF THE RISKS INVOLVED. POTENTIAL INVESTORS MUST READ THE RELEVANT OFFERING DOCUMENT AND MUST CONSULT THEIR OWN PROFESSIONAL ADVISERS, BEFORE DECIDING TO MAKE AN INVESTMENT

Item 9: Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events (i.e., criminal and/or civil action, administrative proceeding, self-regulatory proceeding) that would be material to your evaluation of them or the integrity of their management.

There has been no legal or disciplinary action taken against Guard or any member of the organization.

Item 10: Other Financial Industry Activities and Affiliations

Guard's management persons are not registered, nor do any management persons have an application pending to register, as a broker-dealer, representative of a broker-dealer, futures commission merchant, or an associated person of the foregoing entities.

Guard, together with its relevant principals and associated persons, is registered as a "commodity pool operator" with the National Futures Association. Guard is registered under the "CFTC lite" regime in accordance with Regulation 4.7 of the CFTC Regulations.

Guard, together with its relevant principals and associated persons, benefits from an exemption from registration as a "commodity trading adviser" (with respect to Guard Macro Fund) pursuant to the exemption provided in Regulation 4.14(a)(10) of the CFTC Regulations.

Guard serves as the investment adviser to Guard Cayman. Guard and Guard Cayman have common ownership.

Guard does not recommend or select other investment advisers for clients.

Item 11: Code of Ethics

Guard has adopted an internal compliance manual which includes a Code of Ethics policy (the "**Code**"). The Code fosters a high standard of business conduct for Guard and its employees. The Code addresses:

- (a) personal account dealing staff trading rules, pre-clearance, IPOs, blackout periods, holding periods, outside brokers, disclosures);
- (b) bribery (gifts and hospitality policy);
- (c) prohibited market practices (false trading and market rigging, disclosure of information, market manipulation, fraud, front running and naked short selling); and
- (d) insider dealing.

Specifically, employees of Guard are required to comply with all applicable securities laws and maintain privacy and confidentiality with respect to: (1) client transactions, holdings, and personal information as set forth in the Compliance Manual; (2) firm securities recommendations and other non-public material information; and (3) guidelines related to gifts and contributions.

The Code includes the policies and procedures developed to protect the interests of the fully justify clients of Guard in relation to the following topics:

- (a) the duty to act in the best interest of the client at all times;
- (b) the requirement that all personal securities transactions be conducted in such a manner as to be consistent with the Code and to avoid any actual or potential conflict of interest or any abuse of an employee's position of trust and responsibility;
- (c) the duty to maintain the confidentiality of Guard's client's security holdings and financial circumstances; and
- (d) acting independently with respect to all aspects of the investment decision-making process.

All employees must accept, in writing, the terms of the Code upon employment, annually or as amended.

The Code document is available upon request by clients and/or prospective clients and is offered to clients annually.

Item 12: Brokerage Practices

Dealer Selection

Where Guard outsources brokerage functions to third parties, the Responsible Officers of Guard (Allan Bedwick and Leland Lim) are responsible for ensuring that there is ongoing supervision and regular monitoring of the competence of the third parties to ensure that Guard's accountability to its investors is not reduced.

Where a formal outsourcing arrangement is entered into the SFC will require notification. The SFC uses the IOSCO definition of outsourcing, which can be found on IOSCO's website, in assessing whether an arrangement is outsourcing or simply contracting for services.

Where Guard has the discretion to select the broker that it uses for client transactions and the commission rates that clients pay such brokers, Guard may consider a number of factors to make that selection, including, for example:

- (a) net price, clearance, settlement and reputation;
- (b) financial strength and stability;
- (c) efficiency of execution and error resolution;
- (d) block trading and block positioning capabilities;
- (e) willingness to execute related or unrelated difficult transactions in the future;
- (f) special execution capabilities;
- (g) offering to Guard on-line access to computerized data regarding clients' accounts;
- (h) computer trading systems; and
- (i) the availability of stocks to borrow for short trades.

Soft Dollar Arrangements

Soft commission may be received only if the arrangements are consistent with best execution standards and brokerage rates are not in excess of customary brokerage rates. Guard is permitted to receive goods or services from brokers in consideration of directing business on behalf of its clients to brokers if:

- (a) the goods or services are of demonstrable benefit to the funds;
- (b) execution is consistent with best execution standards and brokerage rates are not in excess of customary full service brokerage rates;
- (c) the client has consented in writing to the receipt of such goods and services;
- (d) adequate prior disclosure of Guard's practices for receiving such goods and services (including a description of the goods and services received) is included in the offering document of the fund or the client agreement; and

- (e) periodic disclosure is made of Guard's soft dollar practices, including a description of the goods and services received by Guard.

Guard will only soft the following services:

- (a) research and advisory services;
- (b) economic and political analysis;
- (c) portfolio analysis including valuation and performance measurement;
- (d) market analysis;
- (e) data and quotation services;
- (f) computer hardware and software incidental to the above goods and services;
- (g) clearing and custodian services; and
- (h) investment related publications.

Guard will not soft the following services:

- (a) travel;
- (b) accommodation;
- (c) entertainment;
- (d) general administrative goods or services;
- (e) general office equipment or premises;
- (f) membership fees;
- (g) employee salaries; and
- (h) direct money payment.

Guard's compliance officer must pre-approve all services to be softened. The compliance officer will ensure that any soft dollar agreement with a broker states:

- (a) the commission rates to be paid to the broker in each market;
- (b) the multiple or percentage of commission rate that the broker has agreed will be used to pay for services; and
- (c) the manner in which invoices should be rendered and debits and/or credits utilised.

Guard has not yet commenced operations and therefore during its last fiscal year, it did not purchase products or services with client brokerage commissions or mark-ups

Section 28(e) of the Securities Exchange Act of 1934 provides a “safe harbour” to investment advisers who use commission dollars of their advised accounts to obtain investment research and brokerage services that provide lawful and appropriate assistance to the adviser in performing investment decision-making responsibilities.

Conduct outside of the safe harbour of section 28(e) is subject to the traditional standards of fiduciary duty under State and Federal law.

If Guard uses commission dollars to pay for products or services that provide administrative or other non-research type assistance to itself or its affiliates, such payments may not fall within the safe harbour provided by section 28(e).

Guard may pay to a broker commissions and mark-ups that exceed those that another broker or futures commission merchant might charge for effecting the same transaction because of the value of the brokerage, research, other services and soft dollar relationships that such broker or futures commission merchant provides.

Guard determines in good faith that such compensation is reasonable in relation to the value of such brokerage, research, other services and soft dollar relationships, in terms of either the specific transaction or Guard's overall fiduciary duty to its clients.

An account may, however, pay higher commissions and mark-ups than are otherwise available or may pay more commissions or mark-ups based on account trading activity. The research and other benefits resulting from Guard's brokerage relationships benefit Guard's operations as a whole and all accounts that it manages, including those that do not generate the soft dollars that pay for such research and other benefits and accounts of clients that direct Guard to use a broker or futures commission merchant that does not provide Guard with soft dollar services. Guard does not allocate soft dollar benefits to client accounts proportionately to the soft dollar credits that the accounts generate.

Item 13: Review of Accounts

Account Review Process

Guard strives to ensure compliance with Guard Macro Fund's (and each managed account's) investment guidelines consistent with our fiduciary responsibility to manage an account in the best interest of the relevant fund and aims to complete reviews on an on-going and continuous basis.

Guard regularly reviews all accounts. At least quarterly, all Guard accounts are reviewed for asset mix, position sizes, specific holdings, etc. The frequency of the reviews depends on market conditions and other factors that a prudent, professional investor would deem necessary. Any information that is likely to change our outlook on the economic factors that constituted the basis of our position in the investment is discussed by the investment team.

An account may be reviewed immediately to the extent that information concerning economic or market conditions, individual companies or industries could affect the account. Reviews of accounts also occur when investment strategies and objectives are changed by a client.

Guard works closely with Guard Cayman and Guard Macro Fund (and each managed account) to make sure guidelines are implemented, where applicable. Periodic reviews are also undertaken by the Guard's internal compliance team. Guard has policies and procedures in place to address any breaches and our senior management receives monthly reports on all trading errors.

Reports to Clients

Guard will provide each investor in Guard Macro Fund with written monthly or quarterly market and investment reports which includes cash balance, transaction records, position reports and account valuation. Additional reports may be provided, subject to the discretion of Guard.

Item 14: Client Referrals and Other Compensation

Guard Macro Fund may receive client referrals from brokers. If so, the accounts of Guard Macro Fund (or a managed account) could be considered directed, relative to commissions, and trades could be placed with the respective broker.

Guard may enter into solicitation agreements with broker dealers. Any broker dealers would not be affiliated with Guard, other than a separate written agreement covering the solicitation of business on the behalf of Guard. All fees to be paid to these broker dealers would be in hard dollars. Guard has a standard fee schedule and a differential would not be added to the schedule to compensate the broker dealers for any solicitations by them.

Guard, or its affiliates, may be compensated in connection with the sale of shares in Guard Macro Fund. In addition, our sales and client service employee's compensation may be linked to sales goals relating to the sale of shares in Guard Macro Fund.

Guard does not currently receive compensation from any non-clients.

Item 15: Custody

Guard does not act as a custodian for the assets of Guard Macro Fund or any of the managed accounts. Guard is not permitted under Hong Kong regulation to accept or maintain custody of investors' assets.

Guard Macro Fund expects to appoint Goldman Sachs International and Deutsche Bank AG, London Branch, as prime brokers. It is expected that each managed account would also appoint Goldman Sachs International and Deutsche Bank AG, London Branch, as prime brokers.

The custodians and the administrator to Guard Macro Fund and each managed account will each send monthly statements to Guard addressing (respectively): (i) assets under management; and (ii) the net asset value of Guard Macro Fund and, as applicable, each managed account.

Guard will provide monthly account statements to investors. Investors in Guard Macro Fund and each managed account should carefully review their monthly report statements to ensure they reflect the appropriate activity in their account.

Item 16: Investment Discretion

Guard accepts discretionary authority to manage the assets of Guard Macro Fund and each managed account.

Guard has investment discretion to buy and sell securities on behalf of Guard Macro Fund and on behalf of each managed account. Each investor in Guard Macro Fund and each investor in a managed account will provide Guard Macro Fund / the managed account with a signed subscription documenting the investment contract between that investor and Guard Macro Fund / the managed account (as applicable).

Guard Macro Fund / the relevant managed account delegates the investment management function to Guard Cayman pursuant to an investment management agreement entered into with that entity. Guard Cayman delegates investment advisory authority to Guard pursuant to a separate investment advisory agreement between Guard and Guard Cayman.

Item 17: Voting Client Securities

Guard Macro Fund / the relevant managed account delegates the investment management function to Guard Cayman pursuant to an investment management agreement entered into with that entity. Guard Cayman delegates investment advisory authority to Guard pursuant to a separate investment advisory agreement between Guard and Guard Cayman.

Guard Macro Fund / the relevant managed account may **not** direct Guard as to how to vote in a particular solicitation.

Guard has established policies for voting proxies in the best interests of its clients (Guard Macro Fund / the relevant managed account). When voting on proxies, Guard will rely on its own in-house research and analysis. Guard will vote any interests in securities in accordance with the long term economic interest of investors in the respective the fund being advised in each situation.

In the instance of a conflict, Guard may cross-reference its voting decision against a third-party service provider recommendation.

Guard recognizes that there may be a potential conflict of interest if it votes on a security in which Guard owns the holding in a personal account. Another conflict may exist if Guard has a business relationship with (or are actively soliciting business from) either a company soliciting the proxy or a third-party that has a material interest in the outcome of a proxy vote. In order to avoid any perceived or actual conflict of interests, Guard has established procedures to ensure that our voting decisions are based on our clients' best interests and are not the product of a conflict.

Guard recognizes its obligation to vote proxies for investments held by clients over which it exercises full discretionary authority. Guard also understands its obligation to vote in the best interest of its clients, believes it is in the best position to do so – to the extent that it researches, recommends, and monitors clients' investments – and has established internal voting policies and procedures ("**Voting Procedures**") that it believes are reasonably designed to ensure votes are handled properly.

Clients may obtain a free copy of Guard's Voting Procedures (which includes provisions regarding how conflicts of interests will be handled) and/or proxy voting records for their account by contacting Guard at +852 3698 9200 and/or via electronic mail to: allan.bedwick@guardcapitalmgt.com .

Item 18: Financial Information

Registered investment advisers are required to provide you with certain financial information or disclosures about Guard's financial condition.

Guard has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients. In addition, Guard has not been the subject of a bankruptcy proceeding.

Item 19: Requirements for State-Registered Advisers

Guard is not a state-registered adviser.

BROCHURE SUPPLEMENT

Part 2B of Form ADV

NAME: LELAND LIM

GUARD CAPITAL MANAGEMENT LIMITED
(a limited company incorporated in Hong Kong)

3202-04 ICBC Tower
Citibank Plaza
3 Garden Road
Central, Hong Kong
Telephone: +852 3698 9200
Fax: +852 2592 8762

Date of Supplement: 10 March 2015

This brochure supplement provides information about Leland Lim that supplements the Guard Capital Management Limited brochure. You should have received a copy of that brochure. Please contact Allan Bedwick if you did not receive Guard Capital Management Limited's brochure or if you have any questions about the contents of this supplement.

Item 2: Educational Background and Business Experience

Name: Leland Lim

Date of birth: 2 March 1976

Education

1993 - 1997 Brown University, Applied Mathematics and Economics (BS, magna cum laude).

Professional Experience

1997 - 2014 Goldman Sachs

Leland served with Goldman Sachs Asia from 1999 to 2014. He was promoted to Managing Director (2006) and subsequently Partner (2010). Leland served as co-head of Macro Trading for Asia, sat on the firm's Asia Pacific Risk Committee and chaired the Asia Operational Risk Committee.

Item 3: Disciplinary Information

There are no disciplinary items to report for Mr. Lim.

Item 4: Other Business Activities

Mr. Lim's only business activity is as a director and advisory representative of Guard.

With respect to Guard , Mr. Lim is: (i) an approved National Futures Association ("**NFA**") associate member; (ii) an approved principal; (ii) an approved swap associated person; and (iv) a registered associated person.

He is also a director of Guard Capital Management (Cayman Islands company).

Item 5: Additional Compensation

Mr. Lim receives no compensation other than from his position as an investment advisory representative and member of Guard.

Item 6: Supervision

Mr. Lim is his own supervisor. He maintains on file in Guard's offices, general reports of his trading activities and the formulation of his recommendations, for the regulator to review as required.

Mr. Allan Bedwick (Chief Operating Officer of Guard) is responsible for reviewing Mr. Lim's trading activity, through frequent office interactions.

Mr. Allan Bedwick serves as the Chief Risk Officer of Guard, the Chair of the Risk committee at Guard. Mr. Allan Bedwick is also responsible for monitoring trading activities (including the trading activity of Mr. Lim) within certain agreed parameters.

Item 7: Requirements for State-Registered Advisers

Not applicable.