

Auroville Investment Management (HK) Limited

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This brochure provides information about the qualifications and business practices of Auroville Investment Management (HK) Limited. If you have any questions about the contents of this brochure, please contact the Auroville Investment Management (HK) Limited's Chief Compliance Officer, Amar Anand at +852-2158-9250 or email aanand@auroim.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. Additional information about Auroville Investment Management (HK) Limited is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2: Material Changes

This brochure is in connection with the initial registration filing and therefore there is no relevant information to disclose in response to this Item.

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Item 4: Advisory Business

Auroville Investment Management (HK) Limited ("**Auroville**" or the "**Firm**") a privately-owned investment advisory firm incorporated in Hong Kong on November 15, 2016 with limited liability, and a wholly owned subsidiary of a Cayman incorporated Investment Manager, Auroville Investment Management Ltd (the "**Investment Manager**" or "**Manager**"). Auroville Investment Management (HK) Limited is controlled by its principal owner, Amarjyot Singh Anand (the "**Principal Owner**"). Auroville provides investment advisory services to private funds via a master feeder structure, whereby Auroville Investment Management US Feeder Fund (the "**Domestic Feeder Fund**") and Auroville Investment Management Offshore Feeder Fund (the "**Offshore Feeder Fund**") invest substantially all of its assets in Auroville Master Fund (the "**Master Fund**"). Hereinafter unless otherwise specified, the Domestic Feeder fund, the Offshore Feeder Fund and the Master fund are each referred to as a "**Fund**" or "**Client**" and collectively, as the "**Funds**" or "**Clients**".

The Investment Manager provides investment management services to its Clients pursuant to investment guidelines within the relevant organization documents, limited partnership agreement, investment management agreement, offering memorandum and/or subscription agreements, as the case may be (each an "**Offering Document**", and collectively, the "**Offering Documents**"). Auroville does not tailor its services to the individual investors in the Funds, or provide investors with the right to specify, restrict, or influence the Funds' investment objectives or any investments or trading decisions.

In advising the Clients, Auroville implements a fundamental bottom-up data-driven approach to security selection and intends to invest globally, with a strong Asia thematic bias. Auroville's investment objective in managing the Clients is to achieve absolute compound annual returns over time with diversified exposure across sectors, countries and investment themes to yield lower volatility and higher risk adjusted returns than the broad market indices.

Auroville generally invests in a diversified portfolio of American depository receipts, equities, exchange traded funds, and derivatives. Auroville may utilize significant leverage in its investment program, and its portfolio includes both long and short positions. Investments may be made on exchanges, over-the-counter and in private transactions. Positions may be held in cash, as well as forward, futures, spot, index, options and swap markets.

Auroville does not participate in wrap fee programs.

As of December 31, 2019, Auroville's regulatory assets under management were \$4,928,875 all managed on a discretionary basis.

Item 5: Fees and Compensation

Auroville or its affiliates receive a management fee and performance-based compensation from Clients. Such compensation arrangement is set forth in the relevant Offering Documents with each Client.

The management fees paid by the Funds are generally equal to an annual rate of 1.25% - 2.0%, depending on the particular share class of the Funds and the investment management agreements. The Firm or its affiliates may reduce, waive or calculate differently the

management fee for certain investors or Clients, including members, employees and affiliates of the Firm.

The management fee paid by the Clients is deducted and calculated monthly in arrears at the end of each calendar month as a percentage of the Net Asset Value (before deduction for any accrued Profit Allocation and the deduction of that month's Management Fee). See item 6 below for a description of the performance-based fees.

Fees are deducted and allocations are made from each Client's account. Auroville's fees are exclusive of brokerage commissions, transaction fees, custodial fees and other related costs and expenses which shall be incurred by Clients. Auroville expects that certain Funds will be responsible for investment-related expenses (including brokerage (see Item 12 below)), as well as for their organizational and offering expenses.

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

Auroville or the General Partner may be entitled to a performance-based fee or performance allocation with respect to each Client. Performance based fees are calculated based upon a percentage of the net capital appreciation of the relevant Client. The performance-based fees or allocations are charged in compliance with rule 205-3 of the Investment Advisers Act of 1940, as amended (the "**Advisers Act**").

Auroville or its affiliates receive performance-based compensation from Clients, generally equal to 7.5% - 20% of the net profits for each Client (as well as depending on the net asset value of each particular share class of each investor in the funds). Additional information regarding such compensation arrangements are set forth in the relevant Offering Documents with each Client. Auroville or its affiliates may reduce, waive or calculate differently the performance-based compensation for certain investors or Clients, including members, employees and affiliates of the Firm.

The performance allocation is subject to a "high water mark." The "high water mark" feature prevents Auroville from receiving a performance-based fee as to profits that simply restore previous losses and is intended to ensure that each performance allocation is based on the long-term performance of the Funds.

The terms of the performance-based compensation may differ among the Clients. This may result in a conflict of interest with allocating opportunities among clients, as Auroville may have an incentive to favor clients that have a higher performance-based compensation. To avoid such a conflict of interest, Auroville has developed documented procedures for allocating opportunities among Clients in a fair and equitable manner.

As management fees and performance-based compensation are based directly on Clients' net asset values, Auroville may have a conflict of interest in valuing the assets held in Client accounts.

Auroville follows documented valuation policies and procedures and consults with each Client's third-party administrator, as applicable, in order to mitigate this risk.

Item 7: Types of Clients

Auroville provides investment advice to the Funds.

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

Investment Objective and Strategy

Auroville's investment objective is to achieve attractive absolute compound annual returns over time with diversified exposure across sectors, countries and investment themes to yield lower volatility and higher risk adjusted returns than the broad market indices. Auroville may from time to time invest on an exceptional, opportunistic basis in Designated Investments.

The Firm seeks to implement a fundamental bottom-up data-driven approach to security selection and intends to invest globally, with a strong Asia thematic bias. In implementing the investment strategy, the Firm may use investment techniques such as leverage and hedging.

Investment Philosophy

Auroville utilizes a fundamental bottom-up data-driven approach to security selection and intends to invest globally, with a strong Asia thematic bias.

Auroville aims to adopt an investment approach driven by deep fundamental bottom-up research and security selection.

The research process is augmented by a data-driven approach to underwriting where the Firm is assisted by a data science team. Idea generation and portfolio construction is augmented by a top-down analysis of country/sector.

The Client's investment philosophy entails the following:

- (a) The Client's portfolio will generally be constructed one idea at a time from the tails of the risk-adjusted return distribution.
- (b) The Firm will generally place a greater focus on the numerator rather than the denominator in the net present value calculation.
- (c) Specialization in four sectors - Financial & Business Services, Technology Media & Telecom (TMT), Consumer, and Industrials.
- (d) Security selection will focus on asymmetric risk-reward with special attention paid to the bear market case (including from exogenous market events) in order to minimize permanent loss of capital. However, the Fund will seek to capitalize on volatility and drawdowns to maximize returns.
- (e) Long positions will generally have a quality bias, with a mix of compounders, value creators, industry leaders/disruptors and including businesses with a long runway for growth and stable to rising returns on incremental invested capital.
- (f) Short positions will generally be alpha generating and be a mix of frauds, fads and failures or situations where there is a short-term catalyst that the Firm thinks will play out.

The Firm may from time to time invest on an exceptional, opportunistic basis in designated investments, which are typically equity securities in private companies up to 36 months prior

to an anticipated initial public offering or liquidity event. Aggregate exposure to designated investments will be capped at 10% of the Fund's NAV.

Hedging

The Client's may employ hedging strategies, including the use of futures, ETFs, volatility instruments, 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.

Neither the Clients nor the Manager is obligated and will not attempt to hedge all market or other risks inherent in the Client's position.

Leverage

The Manager may employ significant leverage, through borrowing including (but not limited to) by entering into margin lending agreements, and through the use of futures, forwards contracts, options and other derivative instruments, on a secured basis or an unsecured basis.

Risk Management

The Manager's risk management is imbedded in its investment philosophy and portfolio construction approach where capital preservation both on long and short side is a primary objective.

Security selection will focus on asymmetric risk-reward with special attention paid to the bear case (including from exogenous market events) in order to minimize permanent loss of capital. Long positions will typically have a quality bias.

In particular, the Manager will manage risk as follows:

- *Conservative gross and net exposures:* the Manager will not use excessive leverage to inflate gross exposures while keeping net exposures tight in order to limit the 'market risk' in the portfolio. Special attention will be paid to avoiding any beta mismatches between long and short exposures.
- *Diverse exposure across country, industry and investment theme:* the diversification will help mitigate market risk thereby dampening portfolio volatility while enhancing returns.
- *Position management:* every security is monitored on a case-by-case basis.
- *Macro risk:* there is a focus on correlations across securities in a country, sharp foreign exchange devaluations, liquidity shocks, and counterparty risk limit issues.
- *Data Science:* the Manager will attempt to track and assess both fundamental (e.g. causality vs. correlation) and technical measures of risk associated with the Client's positions where possible.

The Manager has broad investment discretion in seeking to achieve the Client's investment objective. The Client is not subject to any formal policies in relation to diversification and may shift its capital allocation among the various strategies it deploys as opportunities change in the markets.

The Client's investment objective and strategy may be altered by the Manager from time to time, subject to the approval by the Board. In this regard, the Manager has flexibility in managing the Client's investment activities, including but not limited to, changing the deployment of the principal investment strategies identified above, adopting other strategies or discontinuing the use of any strategy.

If the Manager proposes to materially change the Client's investment strategies as outlined above, the Manager will inform Shareholders within five (5) Business Days of the change being implemented and Shareholders will be permitted to redeem all or any portion of their Shares on the next Redemption Day in accordance with the Negative Consent Procedure that is described in greater detail in the Offering Documents.

Certain Risk Factors

Investing in securities involves risk of loss that Clients and investors in the Funds should be prepared to bear. The following explanation of certain risks is no exhaustive, but rather highlights some of the more significant risks involved in Auroville's investment strategy. For a more complete list of expected risk factors, prospective Clients should review the Offering Documents.

Legal and Regulatory Environment for Private Investment Funds and their Managers

The legal, tax and regulatory environment worldwide for private investment funds (such as the Funds) and their managers is evolving. Changes in the regulation of private investment funds, their managers, and their trading and investing activities may have a material adverse effect on the ability of the Funds to pursue their investment programs and the value of investments held by the Funds. There has been an increase in scrutiny of the private investment fund industry by governmental agencies and self-regulatory organizations. New laws and regulations or actions taken by regulators that restrict the ability of the Funds to pursue their investment programs or employ brokers and other counterparties could have a material adverse effect on the Funds and the investors' investments therein. In addition, Auroville may, in its sole discretion, cause the Funds to be subject to certain laws and regulations if the Firm believes that an investment or business activity is in the Funds' interest, even if such laws and regulations may have a detrimental effect on one or more investors.

Dodd-Frank Act.

The U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") was enacted in July 2010. The Dodd-Frank Act has resulted in extensive rulemaking and regulatory changes that affect private fund managers, the funds that they manage and the financial industry as a whole. Under the Dodd-Frank Act, the U.S. Commodity Futures Trading Commission and the SEC have mandated (and will mandate) new recordkeeping, reporting, central clearing and trading on electronic facilities requirements for investment advisers, which add costs to the legal, operational and compliance obligations of Auroville and the Clients and increase the amount of time that Auroville spends on non-investment-related activities. The Dodd-Frank Act affects a broad range of market participants with whom the Clients interact or may interact, including banks, non-bank financial institutions, rating agencies, mortgage brokers, credit unions, insurance companies, payday lenders and broker dealers, which may change the way in which the Firm conducts business with its counterparties. It may take years to understand the impact of the Dodd-Frank Act on the financial industry as a whole, and therefore, the continued uncertainty may make markets more volatile and may make it difficult for Auroville to execute the investment strategy of the Clients.

Limited Operating History

The Fund, the Master Fund, the Manager and the Investment Adviser are all recently formed and have a limited operating history and performance record. There can be no assurance that the Fund or the Master Fund will achieve their objectives. The markets in which the Master Fund operates have been severely disrupted over the past several years, therefore results observed in earlier periods may have little relevance to the results observable in the current environment.

Reliance on the Manager and key persons

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

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 the Master Fund has invested, could move against the Master Fund's portfolio and the Master Fund could suffer losses. The performance of the Master Fund's portfolio depends to a great extent on the accuracy of the assessments of the Manager on the future course of market price movements. There can be no assurance that the Manager will be able to predict accurately these price movements.

Liquidity

Under certain conditions liquidity of a particular market or security may be restricted, thus affecting the performance of the Master Fund. Lack of liquidity or market depth can affect the valuation of the Master Fund's assets as it looks to realize securities at quoted prices. The Directors may, in their absolute discretion, classify certain of the Master 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 favorable or desirable price or in a sufficient quantity to meet the investment objectives of the Master Fund. In addition, in the case of substantial redemptions, the Master 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 Rate Fluctuations

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 even where investment performance in respect of those Classes is positive.

In addition, while the Master 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, the Master 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 the Master Fund wishes to use them or will be able to be liquidated when the Master Fund wishes to do so. In addition, the

Master Fund may choose not to enter into hedging transactions with respect to some or all of its positions.

Market and Issuer Volatility

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

The Master 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 can occur as a result of multiple unpredictable factors such as market sentiment, as well as 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.

Repatriation

Repatriation of investment income, capital and the proceeds from sales of securities by investors such as the Master Fund may require governmental registration and approval in some jurisdictions in which the Master Fund invests. The Master 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.

Less Information and Regulation

The Master 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, the Master 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.

Leverage and Financing Risk

The Master Fund may leverage its capital because the Manager believes that the use of leverage may enable the Master Fund to achieve a higher rate of return. Accordingly, the Master Fund may pledge its securities in order to borrow additional funds for investment purposes. The Master Fund may also leverage its investment return with options, short sales, swaps, forwards and other derivative instruments. The amount of borrowings which the Master Fund may have outstanding at any time may be substantial in relation to its capital. Leverage at Fund level is limited to not more than 250% of the Net Asset Value of the Fund from time to time (excluding leverage arising from the use of derivatives).

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

Limited Diversification

Subject to the Manager's risk framework, in the normal course of making investments on behalf of the Master Fund, the Manager may select investments for the Master 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 the Manager to increase the concentration of certain investment strategies. Such concentration of risk may expose the Master Fund to losses disproportionate to those incurred by the market in general if the areas in which the Master 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.

Hedging Transactions

The Master 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.

Absolute Return Strategy

The Manager seeks initially to use an absolute return strategy whose performance is not correlated with major market indices. Although the use of such strategy may mitigate losses in generally declining markets, there is no assurance that losses will be avoided. Investment strategies that have historically been uncorrelated or demonstrated low correlation to one another or to major world market indices may become correlated at certain times, such as during a liquidity crisis in global financial markets. During such periods, certain hedging strategies may cease to function as anticipated, and there may be few or no buyers for certain assets. The liquidation of assets by the Fund to pay redemptions, prevent losses or for other purposes in such circumstances may be difficult or impossible.

Event Driven Investing

Event driven investing requires the Fund to make predictions about: (i) the likelihood that an event will occur; and (ii) the impact such event will have on the value of a company's securities. If the event fails to occur or it does not have the effect foreseen, losses can result. Because of the inherently speculative nature of event driven investing, the results of the Fund's operations may be expected to fluctuate from period to period. Accordingly, investors should understand that the results of a particular period will not necessarily be indicative of results that may be expected in future periods.

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 the Master Fund's portfolio similar to the effects of leverage. The Master 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. The Master 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 the Master Fund's position or margin levels are increased, the Master Fund may be called upon to pay substantial additional funds on short notice to maintain its position. If the Master Fund were to fail to make such payments, its position could be liquidated at a loss, and the Master Fund would be liable for any resulting deficit in its account.

Convertible Securities

The Master 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. The Master 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

The Master Fund may invest in fixed income securities including, without limitation, bonds. The Master 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 the Master Fund purchases particular securities, in which case the Master 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

The Master Fund may utilize derivative instruments (including but not limited to swaps) 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. The use of derivative instruments presents various risks, including but 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 the Master Fund from achieving the intended hedging effect or expose the Master 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 the Master 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 the Master Fund may conduct its transactions in derivative instruments may prevent prompt liquidation of positions, subjecting the Master 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 the Master Fund and could cause the Net Asset Value of the Master Fund to be subject to wider fluctuations than would be the case if the Master Fund did not use the leverage feature in derivative instruments. Leverage increases the risk of loss.

Risks Related to Investments in Asia and Emerging Economies

Development of the Asian Economies

The economies of the various nations in Asia differ from the economies of most developed countries in many aspects, including as to: (a) the political structure; (b) the degree of government involvement; (c) the degree of development; (d) the level and control of capital reinvestment; (e) the control of foreign exchange; and (f) the allocation of resources.

Certain economies in Asia have been transitioning from centrally planned economies to more market-oriented economies. For example, for more than two decades, the government of the PRC has implemented economic reform measures emphasizing utilization of market forces in the development of the PRC economy. Although the Manager intends to monitor various systemic and systematic risks, the Manager cannot ensure that changes in economic, political and social conditions, laws, regulations and policies in the Asia region will not have an adverse effect on the Fund, including its financial condition or results of operation, or that such changes will not have an adverse "knock-on" effect on other target markets within Asia.

Legal and Tax Systems

The legal and tax systems of certain countries in Asia are less predictable than most legal and tax systems in countries with fully developed capital markets. Currently, the tax rules and regulations prevailing in certain countries in Asia are, as a general matter, either new or under varying stages of review and revision, and there is considerable uncertainty as to whether new tax laws will be enacted and, if enacted, the scope and content of such laws. Reliance on oral administrative guidance from regulators and procedural inefficiencies hinder legal remedies in many areas, including bankruptcy and the enforcement of creditors' rights. Moreover, companies often experience delays when obtaining governmental licenses and approvals. These factors contribute to the exogenous, systemic risks to which the Master Fund may be exposed. In some countries, especially developing or emerging countries, regulatory, political or diplomatic developments could lead to programs that would adversely affect investments, such as confiscatory taxation or expropriation.

There can be no assurance that current taxes will not be increased or that additional sources of revenue or income, or other activities, will not be subject to new taxes, charges or similar fees in the future. Any such increase in taxes, charges or fees payable by the Master Fund itself may reduce returns for the Shareholders. In addition, changes to tax treaties (or their interpretation) between countries in which the Master Fund invests, and countries through which the Master Fund conducts its investment program, may have significant adverse effects on the Master Fund's ability to efficiently realize income or capital gains. Consequently, it is possible that the Master Fund may face unfavorable tax treatment resulting in an increase in the taxes payable by the Master Fund on its Investments. Any such increase in taxes could reduce the investment returns that might otherwise be available to the Shareholders.

Less Company Information and Regulation

Generally, there is less publicly available information about Asian companies. This may make it more difficult for the Manager to stay informed of corporate action that may affect the price of a particular security. Further, many countries lack uniform accounting, auditing and financial reporting standards, practices and requirements. These factors can make it difficult to analyze and compare the performance of certain Asian companies.

Less Supervision of Stock Markets

The stock markets in certain Asian countries are not as developed or efficient as the securities markets in other jurisdictions such as the U.S. or the United Kingdom. There is generally less government supervision and regulation of certain Asian exchanges, brokers and listed companies. Existing laws and regulations may be inconsistently applied.

Greater Volatility of the Stock Exchanges

The stock exchanges of certain Asian countries have smaller market capitalization and are more volatile than the securities markets in the U.S. and the United Kingdom. Certain of these stock exchanges have experienced substantial fluctuations in the prices and trading volumes of listed securities from time to time. Certain of the Asian governments have also been known to intervene in the securities market in a manner that may affect market price and liquidity of the Master Fund's Investments.

Problems with structural risks in the Stock Markets

The stock exchanges in certain Asian countries have experienced certain problems, including market manipulation, insider trading and payment defaults. The recurrence of these or similar problems could have a material adverse effect on the market price and liquidity of the securities of certain Asian companies, which may, in turn, have an adverse impact on the Master Funds' Investments.

Local Intermediary Risks

Certain of the Fund's transactions may be undertaken through local brokers, banks or other organizations in Asia. The Fund will be subject to the risk of default, insolvency or fraud of such organizations. There can be no assurance that any money advanced to such organizations will be repaid or that the Fund would have any recourse in the event of default. The collection, transfer and deposit of bearer securities and cash expose the Fund to a variety of risks including theft, loss and destruction. The Fund will also be dependent upon the general soundness of the banking systems throughout Asia which, in some cases, remain relatively under-developed or unstable compared to developed markets such as the U.S. and the United Kingdom.

Higher Commissions

Commissions for trades on certain Asian exchanges, and related custody expenses, are generally higher than those applicable in the U.S. and United Kingdom markets.

More complicated Investment Structures

In certain cases, the structures used to make trades in certain Asian securities may be more complex and entail significant counterparty exposure.

Risk of Natural Disasters and Epidemics

Certain regions of Asia face relatively high systemic risks in connection with natural disasters that may have a severe impact on the value of the Investments. Certain regions of Asia are particularly susceptible to earthquakes, typhoons and tsunamis, for example, as has been th

recent experience in Sichuan Province in the PRC, as well as in Taiwan, Indonesia, Japan and other Asian nations.

Certain regions in Asia also face relatively high systemic risks in connection with epidemics such as Severe Acute Respiratory Syndrome ("SARS") or Avian flu. Past occurrences of epidemics, depending on their scale of occurrence, have caused different degrees of damage to the national and local economies throughout Asia. A recurrence of SARS or an outbreak of any other epidemic in Asia, such as the H5N1 avian flu or the H1N1 "Swine flu" may adversely affect the Fund's financial condition and results of operation.

The Master Fund does not carry any insurance to cover damages caused by earthquakes, typhoons or tsunamis, or to cover any resulting business interruption that may arise from these events. In the event of a major earthquake, typhoon, tsunami or other natural disaster, the Master Fund's Investments could be severely disrupted and adversely affected.

Political and Economic Instability

The economies of many countries in which the Master Fund may invest are less stable than the more developed economies, due to, among other things, volatile internal political environments, less stable monetary systems and/or external political risks. The governments of such countries may participate in their economies through ownership or regulation in ways that can have a significant effect on securities prices. The economies of certain countries depend heavily on international trade and can be adversely affected by the enactment of trade barriers or changes in the economic conditions of their trading partners. In some countries, especially developing or emerging countries, political or diplomatic developments could lead to programs that would adversely affect investments, such as confiscatory taxation or expropriation. Further, although the recent general trend in many of the less developed economies of the countries in Asia has been towards more open markets and the promotion of private business initiatives, no assurance can be given that the governments of these countries will continue to pursue such policies or that such policies may not be altered significantly. Political instability, economic distress, the difficulties of adjustment to a market economy, social instability, organized crime or other factors beyond the Manager's control could have a material adverse effect on the performance of the Fund.

QFII and RQFII

Under prevailing regulations in the PRC (which excludes Hong Kong, Macau and Taiwan), except for investors trading eligible Shanghai-listed A-Shares through the Northbound Trading of the Shanghai-Hong Kong Stock Connect scheme ("Connect Scheme"), only certain qualifying foreign institutions that have been approved as Qualified Foreign Institutional Investors ("QFIIs") or Renminbi Qualified Foreign Institutional Investors ("RQFIIs") by the China Securities Regulatory Commission ("CSRC") can invest directly in China A shares, PRC government bonds, convertible bonds, warrants, fixed-income products in the interbank bond markets, managed funds or stock index futures and other financial instruments permitted by the CSRC (collectively referred to as "Chinese Securities"). As at the date of this PPM, the Fund is not a QFII or RQFII itself and therefore may only invest indirectly in Chinese Securities via participating notes, equity-linked notes, contracts for difference, low exercise price options and total return swaps that have exposures to China A shares issued by QFIIs or RQFIIs, among other things ("Market Access Products") and/or via the Connect Scheme. Investors should note that investments in China A Shares through QFIIs, RQFIIs and the Connect Scheme are subject to compliance with relevant regulatory restrictions in the PRC, as amended from time to time (including in relation to investment restrictions, minimum investment holding periods and restrictions with respect to the repatriation of capital and profits out of the PRC).

Accordingly, any risk or restriction in relation to the licenses of QFIIs and RQFIIs and the Connect Scheme represents a risk or restriction for the Fund which will affect its ability to invest in China A Shares. Further, the Manager will rely on the existing arrangements entered into between QFIIs, RQFIIs and/ or the Connect Scheme with their respective local custodians ("PRC Custodian") with respect to the custody of their (and therefore the

Fund's) assets in Chinese Securities, and their brokers ("PRC Broker") in relation to the execution of transactions in Chinese Securities in the PRC markets. The Fund may, therefore, incur losses due to the acts or omissions of the PRC Brokers or the PRC Custodians in the execution or settlement of any such transaction, or in the transfer of any such funds or securities. QFIs and RQFIs are required by applicable regulations to disclose to the Chinese regulatory authorities certain information (such as name, registration place, portfolio) of the clients (such as the Fund or the Manager) which invest in Chinese A Shares through QFIs or RQFIs (as applicable).

Changes in Chinese Securities Eligible for Trading Through the Northbound Trading Link

Broadly, Chinese Securities eligible for trading on the Northbound Trading Link include A-Shares traded on the SSE that are: (a) constituent stocks of the SSE 180 Index, constituent stocks of the SSE 380 Index, and A-Shares that have corresponding China H Shares trading on the Stock Exchange of Hong Kong Limited ("SEHK"); (b) not traded on the SSE in currencies other than RMB; and (c) not included in the risk alert board. The Fund's ability to trade in Chinese Securities may be adversely affected if the SEHK changes the types of securities that are eligible for trading through the Northbound Trading Link. In addition, the Fund will only be permitted to sell Chinese Securities and will be restricted from further buying if: (i) the Chinese Securities subsequently cease to be constituent stocks of the relevant indices; (ii) the Chinese Securities are subsequently specified on the risk alert board; or (iii) the corresponding H share of the relevant Chinese Security subsequently ceases to be traded on the SEHK, as the case may be.

PRC Tax Risk

Pursuant to Circular Caishui [2014] No.79 ("Circular 79"), QFIs and RQFIs without an establishment or place of business in the PRC, or those with an establishment in the PRC but whose income so derived in the PRC is not effectively connected with such establishment, are temporarily exempt from PRC corporate income tax in respect of gains realized on or after 17 November 2014 from the trading of PRC equity investments such as China A shares. Similarly, pursuant to Circular Caishui [2014] No.81 ("Circular 81"), effective 17 November 2014, capital gains realized by foreign investors from the trading of China A shares through the Connect Scheme will be temporarily exempt from PRC corporate income tax, individual income tax and business tax. Although no capital gains tax is currently levied in the PRC on capital gains recognized by QFIs, RQFIs or the Connect Scheme based on their investment in China A Shares or Market Access Products, investors should note that there remains considerable uncertainty as to the application of PRC capital gains tax to the Fund's investments. There is no assurance that QFIs, RQFIs, the Connect Scheme and/or Market Access Products will not be required to pay capital gains tax in the future and/or retrospectively. Based on Circular 79 and Circular 81, the Fund does not currently intend to provide for PRC capital gains tax on gains realized from its investment in China A Shares of Market Access Products through QFIs and RQFIs, or on China A shares through the Connect Scheme. However, the Fund may change its PRC tax provision policy on the above in the future should there be a change in PRC tax rules, regulations or policy. Any change in PRC tax provision policy may affect the Net Asset Value of the Fund thereby adversely impacting the existing and/or future investors of the Fund. Dividends derived from Chinese Securities are generally subject to a 10% PRC withholding tax (subject to any tax treaties which are applicable to the investor). PRC stamp duty is also payable for transactions in Chinese Securities under the Connect Scheme. The Chinese tax authorities may issue further guidance or different policies relating to the taxation payable in respect of Chinese Securities at any time and, as a result, the Fund's positions in the Chinese Securities may be adversely impacted by such changes in applicable taxation.

Inflation

Some of the countries in which the Master Fund intends to invest have experienced extremely high rates of inflation for many years. Inflation and rapid fluctuations in inflation rates have had and may continue to have negative effects on the economies and securities

markets of certain emerging countries. Therefore, the performance of the Master Fund could be affected by rates of inflation in countries in which the Master Fund invests.

Restrictions on Investment and Repatriation

Some countries impose restrictions and controls regarding investment by foreigners. Among other things, they may require prior governmental approvals, impose limits on the amount or types of securities that may be held by foreigners or impose limits on the types of companies in which foreigners may invest. These restrictions may at times limit or preclude the Master Fund's investment in certain countries and may increase the Master Fund's costs and expenses. In addition, certain countries impose restrictions and controls on repatriation of investment income and capital. In this regard, there can be no assurance that the Fund will be permitted to repatriate capital or profits, if any, over the life of its activities. The Master Fund could be adversely affected by delays in, or a refusal to grant, any required governmental approval for repatriation of capital, as well as by the application to the Master Fund of any restrictions on investments. Investing in entities either in, or which have a substantial portion of their operations in, Asia may require the Master Fund to adopt special procedures, seek local government approvals or take other actions, each of which may involve additional costs to the Master Fund.

Dislocated Assets

Other than Designated Investments made on behalf of Shareholders, the Master Fund does not intend to invest in illiquid securities, instruments or other assets for which no market or only a limited market may exist. The Board may designate a particular Investment or certain Investments of the Master Fund to be Dislocated Assets. The Master Fund does not expect that a material portion of its assets to be Dislocated Assets at any time, although this may change in exceptional circumstances. Certain of the Fund's investments that become Dislocated Assets may be held through special purpose vehicles owned by the Master Fund. Using a special purpose vehicle provides, among other things, limited liability protection to the Master Fund. The Master Fund has full discretion to determine the structure, capitalization, and sources of capital for each special purpose vehicle, as well as the terms on which existing Shareholders may participate in Dislocated Assets, including, whether new Shares of a different Series referable to such Dislocated Assets will be issued or whether shares of the special purpose vehicles will be issued directly to Shareholders, and the valuation and timing at which Dislocated Assets may be exited out of. The Manager does not intend to charge any management fees or performance allocations in respect of its management of Dislocated Assets.

In circumstances where no exchange, broker-dealer, bank, market maker or pricing service will issue pricing information for a security or other investment held in the Master Fund including Dislocated Assets, the Manager will use its reasonable efforts and all appropriate means to value such investments at fair value. Since determining fair value in a dislocated market depends on the facts and circumstances, the Master Fund will have broad discretion in determining the fair value of any Dislocated Assets, including the discretion to write down to zero the value of any such Dislocated Assets. Investors should be aware that an exposure to Dislocated Assets could result in a loss of some or all invested capital. Valuations of Dislocated Assets are necessarily based on estimates, which may cause inequities for Shareholders, both redeeming or remaining invested in the Fund.

Notwithstanding anything to the contrary contained herein, the Fund may refuse to make a redemption payment to a Shareholder if the Directors suspect or are advised that the payment of any redemption proceeds to such Shareholder may result in a breach or violation of any applicable laws or regulations (including, without limitation, any anti-money laundering or anti-terrorism laws and regulations) by the Fund or any other person in any relevant jurisdiction, or such refusal is necessary or appropriate to ensure compliance by the Fund, the Master Fund, the Manager, its Directors, the Board or the Administrator with any such applicable law or regulation in any relevant jurisdiction. In such circumstances, and until otherwise instructed by the relevant authority, the Directors may deposit such redemption proceeds in a separate bank account. If the Directors are given permission to pay out such

redemption proceeds to the relevant Shareholder, that Shareholder's only right against the Fund will be the right to receive the monies so deposited (without interest).

Designated Investments

The Manager may invest a substantial portion (up to the Designated Investment Cap in the absence of Shareholder approval) of the Master Fund's assets in Designated Investments, being securities for which there is no public market or for which there is limited liquidity in the public market. Designated Investments may be difficult to value and to sell or otherwise liquidate, and the risk of investing in such securities is generally much greater than the risk of investing in publicly traded securities. Companies whose securities are not publicly traded are not subject to the same disclosure and reporting requirements that are generally applicable to companies with publicly traded securities. The Master Fund will not be able to promptly liquidate its Designated Investments if the need should arise or may be able to liquidate Designated Investments only at substantial discounts from cost, and it may be extremely difficult to value any Designated Investment accurately. In the event that the Master Fund is dissolved, the Fund may be required to make in-kind distributions to the Shareholders of securities for which no public market exists.

Portfolio Turnover

The Manager'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

The Fund intends to make investments that will create long-term value. However, investments that the Fund makes may not appreciate in value and, in fact, may decline substantially in value. Accordingly, no assurance can be given that the 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 and Profit Allocation allocable by the Fund are based in part upon unrealized gains and that such unrealized gains may never be realized by the 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 the Master Fund engages in short sales depends upon the Manager'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 the Master Fund of buying those securities to cover the short position. There can be no assurance that the Master Fund will be able to maintain the ability to borrow securities sold short. In such cases, the Master Fund can be "bought in" (i.e., forced to repurchase securities in the open market to return to the lender). There also can be no assurance that the securities necessary to cover a short position will be available for purchase at or near prices quoted in the market. Purchasing securities to close out the short position can itself cause the price of the securities to rise further, thereby exacerbating the loss.

No Limitations on Strategies

Other than as specifically set forth above and in this PPM, there are no material limitations on the investment strategies which the Manager may use when investing assets on behalf of the Master Fund pursuant to the Manager's investment approach.

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

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

The Manager will not be required to implement any particular strategy or strategies and may discontinue employing any particular strategy on behalf of the Master Fund, whether such strategies are specifically described in this PPM, and without notice to Shareholders.

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

Regulations

With the exception of registration under the Cayman Islands Mutual Funds Law, the Master Fund and the Fund are not currently registered pursuant to any other applicable law, rule or regulation including the Company Act. Consequently, Shareholders will not benefit from certain of the protections afforded by such other laws or regulations.

If the Directors of the Fund and/or the Master Fund determine that it is in the best interests of the Fund and/or the Master Fund (as applicable) to become registered pursuant to any other applicable law, rule or regulation (including the Company Act) then the Fund and/or the Master Fund (as applicable) 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 the Master Fund, the Fund and/or the Manager which may adversely affect it. Should any of those laws change, the legal requirements to which the Master Fund, the Fund and/or the Manager may be subject could differ materially from the current requirements.

Regulatory Approvals

The Master 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 the Master Fund's ability to invest, or to dispose of Investments, in countries in which such restrictions or policies exist.

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 the Master Fund, and hence the Master Fund may be exposed to a credit risk to such parties.

In some jurisdictions, the Master 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 the Master 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 the Master 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-capitalization of the banking sector as a whole. A general banking crisis in any of the countries in which the Master Fund invests would have a material adverse effect on the Master Fund.

Counterparty Risk

The Master Fund will transact most of its investments through financial institutions including brokers, dealers and banks. 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, the Master Fund may be forced to unwind certain transactions and the Master Fund may encounter delays and difficulties with respect to court procedures in seeking recovery of 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 the Master 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 the Master Fund.

Recourse to All Assets / Cross Class Liability

The Fund and the Master Fund are each separate legal entities. Accordingly, all of the assets of the Fund and the Master Fund, including any Investments made by the Master Fund, are available to satisfy all liabilities and obligations of the Fund and the Master Fund respectively, 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 the Fund or the Master Fund become subject to a liability, parties seeking to have the liability satisfied may have recourse to the Fund's or the Master 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 the Manager disposing assets of the Master Fund in order to satisfy liabilities arising from other assets.

In practice, cross class liability is only expected to arise where any Class becomes insolvent and cannot meet all of its liabilities.

In this case, all of the assets of the Fund or the Master Fund attributable to another Class of Participating Shares may be applied to cover the liabilities of the insolvent Class.

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 the Manager will monitor on an ongoing basis the creditworthiness of firms (including the prime brokers and custodians) with which the Master 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, the Master 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 the Master Fund being less than if the Master 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 the Master 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 the Master 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, the Master 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 the Master 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 generalize about the effect of their insolvency on the Master Fund and its assets. Investors should assume that the insolvency of any counterparty would result in a loss to the Master Fund, which could be material.

Prime Brokers may hold investments of the Master Fund in custody and use such assets as collateral subject to a security interest in favor 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 the Master Fund in which case any such collateral will be held by the Prime Brokers absolutely as their property, in order to collateralize the Master 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 the Master Fund will have a right against the Prime Brokers for the return of assets equivalent to the collateral so used. In relation to the Master Fund's right to the return of such collateral, the Master Fund will rank as an unsecured creditor and, in the event of the insolvency of the Prime Brokers, the Master Fund may not be able to recover such equivalent assets in full. In addition, the Master 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 businesses and the Master Fund will, therefore, rank as an unsecured creditor in relation thereto in the event of the insolvency of the Prime Brokers, the Master 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 Brokers' 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 the Master 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 the Master 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 the Master Fund associated with the Shares (for example, the transactions

that the Prime Broker has entered into on behalf of the Master Fund as principal as well as the margin payments that the Master 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 the Master Fund's assets associated with the Participating Shares could become part of the insolvent Prime Broker's estate, to the detriment of the Master Fund.

No Separate Counsel

DLA Piper Hong Kong acts as international counsel to the Manager and the Investment Adviser. No separate counsel has been retained to act on behalf of the Shareholders.

Maples and Calder (Hong Kong) LLP ("**Maples and Calder**") acts as Cayman Islands counsel to the Fund and the Master Fund.

In connection with the Fund's offering of Participating Shares and subsequent advice to the Fund, the Master Fund and/or the Manager and the Investment Adviser (respectively), DLA Piper Hong Kong and Maples and Calder (collectively, "**Counsel**") will not represent the Shareholders. No independent legal counsel has been retained to represent the Shareholders. Counsel's representation of the Fund, the Master Fund and/or the Manager is limited to specific matters (as applicable) as to which it has been consulted by the Fund, the Master Fund and/or the Manager (as applicable). There may exist other matters that could have a bearing on the Fund, the Master Fund and/or the Manager (as applicable) as to which Counsel has not been consulted. In addition, Counsel does not undertake to monitor compliance by the Manager and its Affiliates with the investment program, valuation procedures and other guidelines set forth herein, nor does Counsel monitor on-going compliance with applicable laws. In connection with the preparation of this PPM, Maples and Calder's responsibility is limited to matters of Cayman Islands law. Counsel does not accept responsibility in relation to any other matters referred to or disclosed in this PPM. In the course of advising the Fund and the Master Fund, there are times when the interests of Shareholders may differ from those of the Fund and the Master Fund. Counsel does not represent the Shareholders' interests in resolving these issues. In reviewing this PPM, Counsel has relied upon information furnished to it by the Fund and the Master Fund and has not investigated or verified the accuracy and completeness of information set forth herein concerning the Fund or the Master Fund.

Disclosure of Investment Portfolio

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

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 the Fund. The Manager holds all of the voting shares of the Fund and the Master Fund.

Third-Party Service Providers

Neither the Fund nor the Master Fund has any employees and is therefore reliant upon the performance of third-party service providers for administrative functions. In addition to the Manager, the Investment Adviser, the Administrator, the Administrator's Delegate and each Prime Broker will be performing services that are integral to the operations of the Fund and the Master Fund. Failure by any service provider to carry out its obligations to the Fund or the Master Fund in accordance with the terms of appointment could have a materially detrimental impact on the operations of the Fund and the Master Fund and could affect the

ability of the Fund or the Master Fund to meet its investment objective. There can be no assurance that the termination of the Fund's or the Master 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 the Fund's or the Master Fund's performance.

Handling of Mail

Mail addressed to the Fund or the Master Fund and received at their registered office will be forwarded unopened to the forwarding address supplied by the Fund or the Master Fund, as applicable, to be dealt with. None of the Fund, the Master Fund, their directors, officers, advisors or service providers (including the organization 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 which is addressed to them personally (as opposed to mail which is addressed just to the Fund or the Master Fund).

Effect of Redemptions

If significant redemptions of Participating Shares are requested, it may not be possible to liquidate the Master 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 the Master Fund to liquidate all of the Master Fund's investments and distribute only cash to the Shareholders, there can be no assurance that this objective will be attained.

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

Subscription Monies

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

Side Letters

Subject to applicable laws and the Articles of the Fund, the Directors, in their sole discretion and without notice to the other Shareholders of the 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 favorable (or less favorable) investment terms than the terms associated with an investment by Shareholders in the Fund pursuant to the terms offered pursuant to this PPM. The 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 the Fund nor the Manager 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 the Fund.

Reliance on Information from Third Parties

In order to value the assets and liabilities of the Master Fund, the Manager and the Administrator will rely on information provided by outside parties, such as Bloomberg (and, in the case of the Administrator, information provided by the Manager or the Directors), and such persons may provide inaccurate, incomplete, outdated or otherwise unreliable information. Accordingly, the valuation of the Master Fund's assets and liabilities may be inaccurate, causing the Master Fund to restate its accounts and causing losses to the Master Fund, the Fund and the Shareholders. The Manager and the Administrator will not be liable to the Fund, the Master Fund or the Shareholders for any loss resulting as a result of inaccurate, incomplete, outdated 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 the Manager or the Directors).

Operational Risks

The Fund and the Master Fund rely on the Manager to establish appropriate systems and procedures to control operational risks relating to the management of the business of the Fund and the Master Fund, including the evaluation, making, holding, monitoring and divesting of the Master Fund's investments, the valuation of the Master Fund's assets, and the making up of the Fund's and the Master Fund's books and accounts. The Master Fund is dependent on third-parties, such as the Administrator and each Prime Broker and other specialist third party providers appointed by the Manager or the Investment Adviser, 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 the Fund or the Master Fund may cause the Fund or the Master Fund to suffer significant disruption as well as liability to third parties or other financial losses.

Indemnification

Each of the Master Fund and the Fund has, where applicable, entered into agreements with the Manager, the Administrator, the Auditor and each Prime Broker. Under certain circumstances, the Fund and the Master Fund, directly or indirectly, may be obligated to indemnify, among others, the Manager, the Investment Adviser, the Administrator, the Auditor and each Prime Broker. In addition, the Master Fund and the Fund are also required to indemnify each of their respective 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 the Fund or the Master Fund would be made out of the assets of the Fund or, as the case may be, the Master Fund and could have a material adverse effect on the Net Asset Value of the Participating Shares.

"Master-feeder" structure

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

Restriction on Transferability

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

Contingency Reserves

The Directors, in consultation with the Manager, 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 Fund's assets from being at risk, and such assets may still be traded by the Fund. A pro-rata portion of any reserve may be withheld from distribution to a redeeming Shareholder.

Valuation Risk, Use of Estimates

The 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 the Fund could be adjusted following the year-end audit.

Item 9: Disciplinary Information

The Firm has not been subject to any disciplinary action, whether criminal, civil or administrative (including regulatory) in any jurisdiction. Likewise, no persons involved in the management of the Firm have been subject to such action.

Item 10: Other Financial Industry Activities and Affiliations

The management of multiple Clients may result in conflicts of interests when Auroville or its related persons allocate their time and investment opportunities among Clients. In addition, the compensation earned by Auroville and its related persons from each of Client may differ from one another.

The Principal Owner (and/or other related persons) may have a greater portion of her personal assets invested in a Fund(s). As a result, Auroville may have a conflict of interest in allocating investment opportunities among the Clients.

In light of the foregoing, Auroville has established procedures for allocating opportunities among Clients in a fair and equitable manner.

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

Code of Ethics

Auroville has adopted a Code of Ethics (the "Code of Ethics"), which is designed to ensure that it conducts its business in accordance with all applicable laws and regulations and in an ethical and professional manner. The Code of Ethics applies to all Auroville employees. In addition, Auroville recognizes that it has a fiduciary duty to its Clients, and that all of its employees need to conduct their business on Auroville behalf in a manner that enables Auroville to fulfil this fiduciary duty. In this regard, Auroville has developed policies and procedures in the Code of Ethics that are premised on the fundamental principles of

openness, integrity, honesty and trust. Employees are provided with a copy of the Code of Ethics and are annually required to sign and acknowledge that they will comply with its provisions. Auroville will provide a copy of the Code of Ethics to any Client or prospective Client upon request.

Material, Non-Public Information

Auroville seeks to produce high alpha returns over the long term through superior stock-picking based on proprietary research. In pursuing this goal, Auroville seeks to be regarded as a team of highly capable investment and operations professionals united by a strong culture rooted in the highest ethical standards and commitment to integrity in everything we do.

The members of Auroville's investment team and data science team conduct exhaustive fundamental research. While all Employees are expected to have comprehensive knowledge of the Firm's policies and the Hong Kong SFO's regulations aimed to uphold the integrity of markets, it is critical for Auroville's investment and data science professionals understand nature and categorization of the information they handle as part of Auroville's research processes.

The Firm strictly forbids and will not tolerate any Employee from trading, either personally or on behalf of others, including the Funds on the basis of material, non-public information, or communicating material, non-public information to others in violation of the law.

Personal Trading

Auroville has adopted policies for Personal Account Dealing by Auroville Employees (the "PA Dealing Policy"), containing rules about owning and trading securities for personal benefit. Given the large amount of proprietary investment information available to Employees and in the interest of avoiding the appearance of impropriety or Conflicts of Interest, the Firm maintains a strictly enforced PA Dealing Policy.

Employees are prohibited from buying and selling individual equities and any derivative products related to an individual equity. Investments in mutual funds, exchange-traded funds, treasuries, agencies, municipal bonds, and other non-corporate fixed-income investments are permitted. In addition, investments through accounts managed by third parties (e.g. family limited partnerships, trusts, investment managers) not controlled by Employees are permitted, provided that Employees disclose the details of such investments upon joining and when prompted throughout their employment with the Firm.

The Firm acknowledges that Employees may wish to hold existing positions that were purchased prior to commencing employment at the Firm ("Legacy Positions"). While the Firm strictly prohibits the purchase or buying of additional securities, Employees may sell or trade out of such holdings only with the express written permission of the Firm's Compliance Officer or Responsible Officers prior to the transaction. Employees must submit the Personal Account Trade Authorization form found in Appendix 5 of this Manual. Once approved, the authorization will remain valid for five (5) days.

Employees are required to send their trading or brokerage account statements to the Compliance Officer every quarter. Employees are required to disclose and re-affirm the status of such accounts on an annual basis or more frequently if prompted. The same transparency may be requested for related persons, including spouses, family members, persons for whom Employees provide, or other adults living in the Employee's household.

Failure to adequately disclose any individual trading or brokerage account(s), or any other perceived violation of the PA Dealing Policy may result in disciplinary action, including termination. Employees are encouraged to address any questions about the policy to the Compliance Officer.

Participation and Interest in Client Transactions

Subject to applicable law, Auroville may effect transactions between Client accounts whereby one Client account will purchase securities from or sell securities to another account. Auroville does not currently intend to engage in such activity. Nonetheless, if it plans on effecting such transactions in the future, it will develop documented procedures for doing so, including requiring pre-approval from the CCO.

Item 12: Brokerage Practices

Selection of Brokers

The Firm has a fiduciary duty to ensure that all Clients receive best execution. In placing portfolio transactions for Clients, the Firm seeks to obtain the best execution for the Clients' accounts, which may take into account a number of the following factors, among others: price, timeliness of execution, the availability of financing, the financial stability and reputation of a broker, the value of research, brokerage and other services provided, the responsiveness of a broker-dealer, a broker-dealer's financial resources, counterparty credit risk, and access to liquidity for certain less liquid products.

Research and Other Soft Dollar Benefits

Auroville does not currently engage in any soft dollar arrangements with brokers but it intends to enter into such arrangements in future. The Firm will obtain products or services other than the execution of securities transactions from brokers in exchange for the direction of brokerage transactions of the Funds to the broker ("soft dollars"). The soft dollars may include products or services from brokers or other third parties (for example through commission sharing agreement) such as (without limitation) research and advisory services, economic and political analysis, portfolio analysis (including valuation and performance measurement), market analysis, data and quotation services, computer hardware and software incidental to the above soft dollars, clearing and custodian services and investment related publications. Any "soft dollars" obtained in connection with portfolio transactions for the Funds are intended to fall within the "safe harbor" of Section 28(e) of the Securities Exchange Act of 1934, as amended. Under Section 28(e) and to the extent possible and appropriate, research obtained with "soft dollars" generated by the Funds may be used by the Firm to service other investment funds, client accounts and proprietary accounts it may manage in the future. Where a product or service obtained with "soft dollars" provides both research and non-research assistance to the Funds, the Funds will make a reasonable allocation of the cost which may be paid for with "soft dollars".

Aggregation of Orders

To the extent that Auroville aggregates Client orders, it is Auroville's policy to allocate all investment opportunities among the Clients in a manner that is considered fair and equitable to all the Clients, considering all factors potentially applicable to each Client. Among the factors that we may consider in allocating trades among the Clients are: investment policies; guidelines or restrictions applicable to each Client; tax considerations; cash availability; liquidity requirements for payment of redemptions or other purposes; risk tolerances;

restrictions under ERISA or other applicable laws or regulations; available credit lines; counterparty arrangements; and hedging objectives and activity. However, we will have no obligation to purchase, sell or exchange any security for one Client which Auroville may purchase, sell or exchange for another Client if Auroville believes in good faith at the time the investment decision is made that such investment would be unsuitable, impractical or undesirable for a particular Client.

Cross Trades

The Firm may determine that it would be in the best interests of one Client and one or more other Clients to transfer a security from one Client account to another (each such transfer, a "Cross Trade") for a variety of reasons, including, without limitation, tax purposes, liquidity purposes, to rebalance the portfolios of the Client accounts, or to reduce transaction costs that may arise in an open market transaction. If Auroville decides to engage in a Cross Trade, Auroville will determine that the trade is in the best interests of both of the Client accounts involved and take steps to ensure that the transaction is consistent with the duty to obtain best execution for each of those Client accounts. The Firm generally intends to execute Cross Trades, if at all, with the assistance of a broker-dealer that executes and books the transaction at the close of the market on the day of the transaction. Alternatively, a cross transaction between two Clients may occur as an "internal cross", where Auroville instructs the custodian for the Client accounts to book the transaction at the price determined in accordance with the Valuation Policy. If Auroville effects an internal cross, Auroville will not receive any fee in connection with the completion of the transaction.

Principal Transactions

To the extent that Cross Trades may be viewed as principal transactions (as such term is used under the Advisers Act) due to the ownership interest in the Funds by the General Partner, Auroville or its personnel, the General Partner and Auroville will comply with the requirements of Section 206(3) of the Advisers Act. In connection with principal transactions, Cross Trades, related-party transactions and other transactions and relationships involving potential conflicts of interest, the General Partner (in its capacity as general partner of the Fund and the Master Fund) is authorized to select one or more persons who are not affiliated with Auroville (such as an independent director of the Offshore Fund) to serve on a committee (the "Advisory Committee"), the purpose of which is to consider and, on behalf of the investors in the Funds, approve or disapprove, to the extent required by applicable law or deemed advisable by the General Partner, such transactions and conflicts of interest. The Advisory Committee may approve such transactions prior to or contemporaneous with, or ratify such transactions subsequent to, their consummation. In no event will any such transaction be entered into unless it complies with applicable law. The member(s) of the Advisory Committee may be exculpated and indemnified by the Funds. Any decision of the Advisory Committee will be binding on all investors in the Funds.

Trade Errors

Trade Errors are defined as events giving rise to actual or potential financial losses or profits that result from a failure of, or an absence of, controls or procedures, or as a result of human error by Employees. All Trade Errors must be fully documented with satisfactory explanation to the Compliance Officer and to Senior Management of the incident causing the error.

While executing orders, Employees should act with due skill, care and diligence. If a Trade Error occurs, it must be resolved in the best interests of the Client so as to avoid any potential conflicts of interest or appearance thereof.

Losses suffered by a Client as a result of a Trade Error will be repaid by the Firm to the Client unless the Firm is indemnified by the Client pursuant to applicable agreements. Any realized profits as a result of a Trade Error shall accrue for the benefit of the Client. Where the Firm is not indemnified by the Client for losses incurred thereby as a result of a Trade Error, the Firm shall offset such losses against profits realized by the Client resulting from a Trade Error, to the extent that additional transactions were affected by the Firm to correct one or more Trade Errors, and where such losses and profits occurred within the same calendar month. Any such offsetting must be approved by the Compliance Officer / Chief Operating Officer and notified to the Client.

Item 13: Review of Accounts

The Principal Owner and Risk Committee review the Clients' accounts continually for overall adherence to the investment strategy and investment guidelines. The Firm engages in active management of the Clients' accounts and accordingly reviews transactions, positions and cash balances on a daily basis.

Auroville provides Fund investors with annual audited financial statements and additional periodic reporting (see item 15).

Item 14: Client Referrals and Other Compensation

Auroville does not currently and does not expect to receive any economic benefits from third parties in connection with the provision of investment advice to Clients. Additionally, other than considerations regarding capital introduction programs (described above under Item 12), Auroville does not currently (although Auroville reserves the right in the future) compensate any person for investor referrals.

Item 15: Custody

Auroville will comply with the requirements of the Rule 206(4)-2 of the Advisers Act with regards to Auroville custody of the Funds' assets. Auroville is deemed to have custody of the Funds because it has the authority to obtain the funds or securities of the Funds, for example, by deducting advisory fees from the Funds custodial account or otherwise withdrawing funds from the Funds.

Auroville does not expect to be required to comply (or expects to be deemed to have complied) with certain requirements of the Custody Rule with respect to each Fund because it complies with the provisions of the so-called "Pooled Vehicle Annual Audit Exception", which, among other things, requires that (i) each Fund be subject to audit at least annually by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, (ii) each Fund's audited financial statements are prepared in accordance with U.S. generally accepted accounting principles (GAAP), and (iii) each Fund distributes its audited financial statements to all investors within 120 days of the end of its fiscal year.

Item 16: Investment Discretion

Auroville has discretionary authority to manage securities accounts on behalf of the Clients, which includes the authority to determine, without obtaining specific consent, the securities to be bought or sold, the amount of securities to be bought or sold, the broker-dealer to be used and the commission rates to be paid. The investors in the Funds generally will not have the ability to place any limits on Auroville's authority beyond the limitations set forth in the Offering Documents.

Item 17: Voting Client Securities

Auroville has established proxy voting policies and procedures (the "**Proxy Voting Policy**") designed to ensure that proxies are voted in the best interest of the Clients.

The Proxy Voting Policy requires Auroville, when voting proxies, to follow procedures designed to identify and address material conflicts that may arise between its interests and those of its Clients. Accordingly, prior to voting any proxy, the CCO will determine whether a material conflict of interest exists and will either resolve the conflict or refer the proxy vote to an outside service provider for its independent consideration.

In the absence of a material conflict, Auroville will follow the voting guidelines set forth in its Proxy Voting Policy to determine whether and how to vote a proxy.

Upon request by a Client, Auroville will disclose to such Client how it voted securities owned by such Client. Clients may also contact Auroville via e-mail or telephone to request a copy of its Proxy Voting Policy.

Item 18: Financial Information

The Firm has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to Clients and has not been the subject of a bankruptcy proceeding.