

SEPHIRA INVESTMENT ADVISORS (UK) LIMITED

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This “**Brochure**” provides information about the qualifications and business practices of Sephira Investment Advisors (UK) Limited (hereinafter “Sephira”, “**we**”, “**us**”, “**our**” or the “**Firm**”). If you have any questions about the contents of this Brochure, please contact our Chief Compliance Officer (“**CCO**”), Trevor Kensit (+44 (0) 203 598 5419, trevor.kensit@sephira-em.com). The information in this Brochure has not been approved or verified by the U.S. Securities and Exchange Commission (the “**SEC**”) or by any state securities authority.

Sephira Investment Advisors (UK) Limited has applied as an “Investment Adviser Expecting to be Eligible for Commission Registration within 120 Days” with the SEC. Registration as an investment adviser does not imply that Sephira or any of its principals or employees possesses a particular level of skill or training in the investment advisory business or any other business.

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

Item 2: Material Changes

This Brochure is Sephira's initial Form ADV Part 2A which has been submitted with our application for registration with the SEC; therefore, there are no material changes to report. In the future, if the Brochure contains material changes from our last update, we will identify and discuss those changes in this section.

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Item 4: Advisory Business

Sephira Investment Advisors (UK) Limited (hereinafter “Sephira”, “we”, “us”, “our” or the “Firm”) is a limited company under the laws of the United Kingdom. Sephira was incorporated on 12th December 2016.

Sephira Investment Advisors (UK) Limited provide discretionary investment management services to qualified investors through its private funds:

- Sephira GEM Absolute Return Master Fund Limited (a Cayman Island domiciled Master Fund);
- Sephira GEM Absolute Return Fund Limited (a Cayman Island domiciled Feeder Fund)

The above are collectively known as the “Fund”.

Sephira Investment Advisors (UK) Limited are sub-advisers for the following funds:

- PRELUDE OPPORTUNITY FUND LP
- BOOTHBAY ABSOLUTE RETURN STRATEGIES LP
- BOOTHBAY DIVERSIFIED ALPHA MASTER FUND LP

We serve as the investment adviser, with discretionary trading authority, to private, pooled investment vehicles, the securities of which are offered through a private placement memorandum to accredited investors, as defined under the Securities Act of 1933, as amended, and qualified purchasers, as defined under the Investment Company Act of 1940, as amended. We do not tailor our advisory services to the individual needs of any particular investor.

We do not currently participate in any Wrap Fee Programs.

Regulatory Assets Under Management

As of date of this Brochure, Sephira has \$ 74,873,271 in assets managed on a discretionary basis.

Item 5: Fees and Compensation

The fees applicable to each of the Funds are set forth in detail in the corresponding Offering Documents. A brief summary of such fees is provided below.

Management Fee

Sephira Investment Advisors (UK) Limited is paid an investment management fee ("**Management Fee**") in respect of each Class of Shares, payable by the Master Fund to Sephira. The annual rate at which such fee is payable in respect of each Class of Shares is specified in the Offering Document. The Management Fee is calculated and payable on a monthly basis in arrears at a rate of 1/12 of the annual rate specified as below, with reference to the Net Asset Value (before deduction of that month's management fee and before deduction of any accrued Performance Fees) of each Class at each Valuation Day. The Management Fee is due and payable in respect of each preceding month on each Valuation Day.

The Fee will range from 0.75% to 1.50%

The Investment Manager, in its sole discretion, may waive or modify the Management Fee for any Investor.

Other Types of Fees or Expenses

Sephira Investment Advisors (UK) Limited is authorized to incur and pay in the name and on behalf of the Funds all expenses which they deem necessary or advisable.

The Firm is responsible for and shall pay, or cause to be paid, all of their own ordinary administrative and overhead expenses, including, without limitation, all costs and expenses related to rent, furniture, fixtures, equipment, office supplies, clerical expenses and all salaries, bonuses and benefits paid to, or on behalf of, personnel of the Firm.

The Funds bear all other expenses, which include, without limitation, the following expenses incurred by or allocable to the Funds: (a) organizational and offering expenses; (b) expenses associated with all investments and transactions considered, evaluated and/or consummated by the Funds, including, without limitation, those expenses incurred before the initial closing of the Funds, including, without limitation, expenses associated with sourcing, negotiating, investigating, researching, financing and structuring of investments and potential investments, whether or not consummated, including, without limitation, third-party research, data, analytics, modeling, structuring, pricing, execution and other third-party information systems, software and service fees (including, without limitation, the expenses with respect to data feeds, subscriptions, expert networks, political intelligence providers, and reports); (c) research-related computer hardware and software expenses, including, without limitation, Bloomberg terminals; (d) the Funds' pro rata share of the Firm's order management system, portfolio management system and any other software used for accounting and/or monitoring of the portfolio; (e) expenses associated with holding, financing, monitoring, hedging, maintaining and disposing of all investments of the Funds and all transaction and other costs associated therewith; (f) travel and related expenses associated with investments and potential investments; (g) professional fees associated with investments and potential investments, including, without limitation, consulting, due diligence, accounting, valuation, financial, legal, and other advisory fees and expenses; (h) transaction fees, brokerage commissions, custodial fees, clearing and settlement charges and similar fees and expenses associated with the acquisition, disposition and settling of investments and potential investments; (i) expenses associated with legal and regulatory filings of the Funds (including, without limitation, pursuant to Section 13 and 16 of the Securities and Exchange Act of 1934, as amended (the "**Exchange Act**")) and

the Funds' pro rata portion of the expenses associated with preparation of the Firm's Form 13F, Form 13H and Form PF, and any other similar filing in any other U.S. or non-U.S. jurisdiction; (j) administrative, custodial, appraisal, valuation, legal, regulatory, compliance, consulting, advisory and similar fees and expenses associated with the Funds' operations, investments and transactions, including, without limitation, fees and expenses of the Funds' administrator; (k) expenses incurred in connection with responding to requests or inquiries from any U.S. federal, state, local or non-U.S. governmental entity or authority, regulatory body or self-regulatory organization and all extraordinary expenses; (l) broken-deal, failed transaction, break-up and similar fees, costs and expenses, if any; (m) costs and expenses of leverage or any other borrowings of the Funds, including, without limitation, interest charges and fees; (n) expenses incurred in the collection of monies owed to the Funds, as applicable; (o) auditing and accounting expenses of the Funds, including, without limitation, expenses associated with the preparation of financial statements, tax returns and Schedules K-1 and the fees and expenses of the auditor; (p) any entity level taxes, fees or other governmental charges on the Funds, including, without limitation, any withholding taxes not due to the status or noncompliance of a particular Investor; (q) costs and expenses associated with investor communications and reports and the delivery thereof to investors; (r) the costs of service providers or software to measure or monitor risk metrics, to aggregate positions and/or to provide reporting with respect to risk metrics and/or positions; (s) costs and expenses associated with meetings of the Investors; (t) insurance expenses; including, without limitation, directors' and officers' liability insurance, general partner liability insurance, errors and omissions insurance and other policies, if any; (u) costs and expenses (including, without limitation, entity-level taxes, fees or other governmental charges) associated with the formation, organization and operation of any subsidiary, special purpose vehicle, alternative investment vehicle, holding company, or similar entity formed with respect to investments, credit facilities or other transactions entered into for the benefit of the Funds; (v) wind-up, liquidation, termination and dissolution expenses; (w) costs, fees and expenses related to registration, qualification and/or exemption under any applicable U.S. federal, state, local or non-U.S. laws, rules or regulations, including, without limitation, blue sky fees, Form D, Form 8.3, CFTC filings and notices and other securities and/or investment-related filing expenses; (x) costs related to any transfers of interests in the Funds, unless otherwise charged to or borne by the applicable transferor and/or transferee; (y) expenses incurred in connection with the preparation of any amendment to the Funds' governing documents and/or Offering Documents; (z) expenses incurred in connection with pursuing, defending or participating in any litigation, arbitration, mediation or similar proceeding by the Funds; (aa) any extraordinary expenses (including, without limitation, all litigation-related and indemnification and contribution expenses, including, without limitation, the amount of any judgment or settlement paid in connection therewith); (bb) the Management Fee; and (cc) all other fees, costs, charges and expenses associated with the business, affairs and/or operations of the Funds.

In general, each Investor will bear its proportionate share of the Fund expenses on a pro rata basis with respect to the size of such Investor's capital account(s) or with respect to the relative net asset value of the shares held by such Investor, as applicable.

Notwithstanding the foregoing, the Fund General Partner and/or the Firm, as applicable, may specially allocate the expenses described herein in any other manner, including by allocating certain expenses to certain (but not all) Investors, if the Fund General Partner and/or the Firm, as applicable, reasonably determines, in its discretion, that it is more equitable to do so.

To the extent that expenses to be borne by the Funds are paid by the Firm or its affiliates, the Funds will reimburse the Firm or its affiliates for such expenses. We may waive any such reimbursement with respect to any Fund expenses. Any waiver by us for reimbursement of any Fund expenses shall not serve as a waiver of reimbursement for any future Fund expenses to be paid by us or our affiliates.

Neither the Firm nor its employees accept compensation, including sales charges or service fees, from any person for the sale of securities or other investment products.

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

We and our affiliates are entitled to a performance-based compensation. As a result, we and our affiliates do not face certain conflicts of interest that may arise when an investment adviser accepts performance-based fees from some clients, but not from other clients.

Performance-based allocation arrangements may create an incentive for us to recommend investments which may be riskier or more speculative than those which we would recommend under a different arrangement.

Sephira receives a Performance Fee, which is paid by the Master Fund to Sephira in respect of each Class of Shares as stated in the Offering Document. Any Performance Fee charged is subject to a high-water mark (as described below). The Performance Fee in respect of each Performance Period will be calculated by reference to the net asset value after the deduction of Management Fees but before the deduction of any accrued Performance Fee.

The Performance Fee will be equivalent to 17.5 per cent. per annum in respect of Class A and 15 per cent. per annum in respect of Class C1, Class C2 and Class C3, in each case of the increase in the net asset value per Share of each Series above the High Water Mark after adding back any relevant distributions of the applicable Series.

The use of a High-Water Mark ensures that investors will not be charged a Performance Fee until any previous losses are recovered. The methodology used by the Company ensures that each Share is effectively charged a fee which equates with that Share's performance.

The Performance Fee will be accrued and taken into account in the calculation of the net asset value per Share of the applicable Class and Series on each Valuation Day. The Performance Fee is payable in arrears in respect of each Performance Period. However, if Shares are redeemed prior to the end of a Performance Period, an amount equal to any accrued but unpaid Performance Fee in respect of such Shares will crystallise and be paid to the Investment Manager promptly thereafter. Subject to the Directors discretion to determine otherwise: (i) a transfer of Shares that does not involve a change of beneficial ownership will not usually result in a crystallisation of a Performance Fee; and (ii) a transfer of Shares that does involve a change of beneficial ownership will be treated as a redemption and subscription for Shares and any accrued Performance Fee will crystallise accordingly.

No separate Performance Fee is charged at the level of the Master Fund.

A separate Series will be issued on each Subscription Dealing Day in respect of which Shares are subscribed, beginning with the Series issued on the first Subscription Dealing Day (such Series, being the "Initial Series"). Each new Series will be issued at the issue price as set out under "Subscriptions and Redemptions" below. At the end of a Performance Period (or, if earlier, upon redemption), any Performance Fee accruing and payable for each Series will crystallise. Subsequently, each issued Series as at that date will be consolidated with the Initial Series, provided that each of the Series concerned has a net asset value per Share above its High-Water Mark and the net asset value per Share of the Initial

Series is also above its High-Water Mark. If consolidation is not achieved, the Series will be consolidated at the end of the next Performance Period in which the above criteria are met. To the extent that the “Initial Series” is fully redeemed prior to the end of a Performance Period (and thus before a consolidation of the other subsequently issued Series above their High-Water Mark with the Initial Series) the next issued Series will be designated as the “Initial Series” into which subsequently issued Series will be consolidated as described above. In the event that the “Initial Series” is not above its High-Water Mark, two or more subsequently issued Series which are above their respective High-Water Mark may be consolidated as described above.

For each Series, the “**High Water Mark**” is the greater of:

- the net asset value per Share of such Series on the last day of the most recent Performance Period for which a Performance Fee is crystallised and paid; and
- the issue price per Share of such Series,

in each case adjusted to take account of any relevant distributions made.

No Performance Fee is payable in respect of Management Shares.

The Performance Fee is subject to adjustment upon completion of the relevant audit for the Performance Period.

Item 7: Types of Clients

Our clients are the Funds, as described in Item 4 above, and the Funds are generally open to, among others, institutions, pension plans, endowments, high net-worth individuals, financially sophisticated individuals, and other sophisticated investors.

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

The descriptions set forth in this Brochure of specific advisory services that we offer to Clients, and investment strategies pursued and investments made by us on behalf of our Clients, should not be understood to limit in any way our investment activities. We may offer any advisory services, engage in any investment strategy and make any investment, including any not described in this Brochure, that we consider appropriate, subject to each Client’s investment objectives and guidelines as set forth in the Offering Documents. The investment strategies we pursue are speculative and entail substantial risks. Clients should be prepared to bear a substantial loss of capital. There can be no assurance that the investment objectives of any Client will be achieved.

Investment Objective

The investment objective of the Master Fund is to deliver consistent, risk-adjusted absolute returns through a global emerging markets focused investment strategy. The Company

seeks to achieve its investment objective by investing substantially all of its assets in the Master Fund (save for subscriptions awaiting contribution to the Master Fund, distributions from the Master Fund awaiting distribution to shareholders and amounts pending expenditure for fees and expenses).

There can be no assurance that the Master Fund will achieve its investment objective and losses may be incurred.

Risk Management

The Investment Manager operates risk management systems for identifying, measuring, managing and monitoring the risks relevant to the investment objective and policy of the Company and the Master Fund. The Investment Manager meets its risk management objectives by operating according to its risk management policy. The policy and the related procedures allocate risk management responsibilities, stipulate necessary systems and controls and define the main areas of risk.

In accordance with the AIFMD Rules, the Investment Manager has established a permanent, independent risk management function and given it the necessary authority to fulfil its policy objectives.

The Investment Manager seeks to control risk by regularly monitoring exposure to stock specific and non-stock specific factors (including but not limited to country, sector and factor exposures). The Investment Manager expects to have a fundamentally driven investment thesis for each investment position with a return objective that builds in a prudent margin to account for risk. Risk management at the position level includes an ongoing review of the investment thesis and valuation targets in the light of new information, peer group analysis and price action. Position size is a function of upside potential versus downside risk, liquidity, duration, volatility and correlation/hedging characteristics with other fund exposures. The Investment Manager may adjust position sizes or liquidate positions as appropriate, including due to changes in these factors, as guided by a proprietary position sizing methodology.

The Investment Manager monitors the exposure of the Master Fund to individual sectors and countries. The exposure of the Master Fund to particular sectors and countries is driven by the Investment Manager's view of the number of suitable investment opportunities. Overall portfolio risk characteristics are analysed by tracking portfolio volatility, value at risk (VaR) and periodic stress tests.

The Investment Manager's risk management systems are subject to robust controls and backup arrangements as well as regular testing and review as part of operational risk management. Additional information regarding the Investment Manager's risk management policy may be obtained, free of charge, upon request at the office of the Investment Manager.

The risk management function is independent of the portfolio management function within the Investment Manager in accordance with the AIFMD Rules.

Potential investors should pay particular attention to the section headed "Risk Factors" for further

information about the risk associated with the Investment Programme within the Offering Document.

As of the date of this Form ADV Part 2A, there is an ongoing outbreak of a novel and highly contagious form of coronavirus ("**COVID-19**"), which the World Health Organization declared a pandemic on March 11, 2020. The outbreak of COVID-19 has caused a worldwide public health emergency with a substantial number of hospitalizations and deaths and has 18 significantly adversely impacted global commercial activity and contributed to both volatility and material declines in equity and debt markets. The global impact of the outbreak is rapidly evolving, and many country, state and local governments have reacted by instituting mandatory or voluntary quarantines, travel prohibitions and restrictions, closure or reduction of offices, businesses, schools, retail stores and other public venues and/or cancellation, suspension or postponement of certain events and activities, including certain non-essential government and regulatory activity. Businesses are also implementing their own precautionary measures, such as voluntary closures, temporary or permanent reductions in work force, remote working arrangements and emergency contingency plans. Such measures, as well as the general uncertainty surrounding the dangers, duration and impact of COVID-19, are creating significant disruption in supply chains and economic activity, impacting consumer confidence and contributing to significant market losses, including having particularly adverse impacts on transportation, hospitality, tourism, sports, entertainment and other industries dependent upon physical presence. As COVID-19 continues to spread, potential additional adverse impacts, including a global, regional or other economic recession of indeterminate duration, are increasingly likely and difficult to assess.

The extent of the impact of COVID-19 on Sephira Investment Advisors (UK) Limited's and/or the Funds' operational and financial performance and a Fund's investments will depend on many factors, including the duration and scope of the resulting public health emergency, the extent of any related restrictions implemented, the impact of such public health emergency on overall supply and demand, goods and services, investor liquidity, consumer confidence and levels of economic activity, and the extent of its disruption to important global, regional and local supply chains and economic markets, all of which are highly uncertain and cannot be predicted. The effects of the COVID-19 pandemic may materially and adversely impact the value, performance and liquidity of a Fund's investments, Sephira Investment Advisors (UK) Limited's ability to source, manage and divest investments and Sephira Investment Advisors (UK) Limited's ability to achieve its investment objectives on behalf of the Funds, all of which could result in significant losses to the Funds and the Funds' Investors.

COVID-19 may also adversely impact the financial condition of one or more beneficial owners of a Fund, which could result in redemption requests by such beneficial owner as a result of their individual liquidity situations and irrespective of a Fund's performance. Such beneficial redemption requests could also adversely affect the Funds.

In addition, COVID-19 and the resulting changes to global businesses and economies likely will adversely impact the business and operations of the Funds, Sephira Investment Advisors (UK) Limited, and their respective affiliates. Certain businesses and activities may be temporarily or permanently halted as a result of government or other quarantine measures, voluntary and precautionary restrictions on travel or meetings and other factors, including the potential adverse impact of COVID-19 on the health of key personnel.

Risk of Loss Factors

The following risk factors do not purport to be a complete list or explanation of the risks involved in an investment in the clients advised by us. These risk factors include only those risks we believe to be material, significant or unusual and relate to particular significant investment strategies or methods of analysis employed by us.

An investment involves significant risks and is suitable only for those persons who can bear the economic risk of the loss of their entire investment, who have limited need for liquidity in their investment, and who have met the conditions set forth in the Offering Documents. There can be no assurances that we will achieve our investment objectives. An investment carries with it the inherent risks associated with investments in publicly traded stocks and bonds, options, and related instruments, including, without limitation, the risks described below. Each prospective investor should carefully review the Offering Documents and the documents referred to herein before deciding to invest with Sephira Investment Advisors (UK) Limited.

There are significant risks associated with an investment in the Company (**'Sephira GEM Absolute Return Fund Limited'**) . Investment in the Company may not be suitable for all investors. It is intended for sophisticated investors who can accept the risks associated with such an investment including a substantial or complete loss of their investment. No assurance can be given that investors will realise a profit on their investment. Prospective investors should review this Information Memorandum carefully and in its entirety and consult with their professional advisors before making an application for Shares. The discussion below as to risks to which the Company and the Master Fund may be subject is not intended to be exhaustive.

As a shareholder in the Master Fund, the Company is subject to the risks of the Master Fund.

Prospective investors should take into account the following factors in determining whether an investment in the Company is a suitable investment.

General Risks

Operating History – There can be no assurance that the Company or the Master Fund will achieve its investment objectives. The past investment performance of the directors or other personnel or secondees of the Investment Manager cannot be construed as an indication of the future results of an investment in the Company or the Master Fund. The Company and/or the Master Fund may not grow to or maintain an economically viable size, in which case the Directors may determine to wind up the Company and/or the Master Fund at a time that may not be opportune for investors.

Business Dependent Upon Key Individuals – The success of the Company and the Master Fund is significantly dependent upon the expertise of members of the investment management team at the Investment Manager and at Sephira GEM Equity LLP and any future unavailability of their services could have an adverse impact on the performance of the Company and the Master Fund.

Fees and Expenses – The Company and/or the Master Fund pays fees, costs and expenses incurred in its operation, including, without limitation, taxes, expenses for legal, auditing, administration, custody, promotional activities, registration fees and other expenses due to supervisory authorities, insurance, interest, the fees of service providers and the cost of the

publication of the net asset value. In addition, the Manager and the Investment Manager are authorized to incur all expenses on behalf of the Company and the Master Fund which they deem necessary or desirable. The fees, allocations and expenses to which the Company and the Master Fund will be subject could be substantial and will dilute the returns realised by investors.

Amortisation of Organisational Costs – The financial statements of the Company and the Master Fund are prepared in accordance with International Financial Reporting Standards which do not permit the amortisation of costs. Notwithstanding this, the Master Fund intends to amortise costs over a period not exceeding five years, subject to the Directors' discretion to vary this if they consider it prudent to do so. Although this is not anticipated by the Directors, this could result in a qualified audit opinion.

Valuation Policies – The Company's and the Master Fund's valuation policies may employ practices which are contrary to International Financial Reporting Standards and may, in certain circumstances, result in a qualified audit opinion. The Company and/or the Master Fund may decide to make International Financial Reporting Standards conforming changes for financial reporting purposes, but use the valuation policies detailed under "Valuations" for the purpose of calculating net asset value. In such circumstances, there would be a divergence in the Company's or the Master Fund's fiscal year-end net asset value and the net asset value reported in the Company's or the Master Fund's financial statements in any year where International Financial Reporting Standards conforming changes are made only to the Company's and/or the Master Fund's financial statements for financial reporting purposes.

Lack of Portfolio Transparency in Financial Statements – The Company and the Master Fund each prepare their financial statements under International Financial Reporting Standards. Although the Company and the Master Fund reconcile their financial statements to United States Generally Accepted Accounting Principles ("U.S. GAAP"), specific positions that would typically be identified in financial statements prepared in accordance with U.S. GAAP are not included in the reconciliation, for reasons of confidentiality and protection of the value of the Master Fund's positions.

Rehypothecation and Transfer of Ownership of Assets – The Prime Brokers may borrow, lend or otherwise use the Master Fund's money, investments and other assets for its or their own purposes and may take such investments as collateral. Such assets will cease to be the property of the Master Fund and, in the event of an insolvency of a Prime Broker may be available to creditors of that Prime Broker. As a result, the Master Fund may not be able to recover such assets in full.

"Master-Feeder" structure – The Company invests through a "master-feeder" structure which presents certain risks to investors. For example, a smaller feeder fund investing into the Master Fund may be materially affected by the actions of a larger feeder fund which also invests in the Master Fund. If another feeder fund withdraws from the Master Fund, the remaining feeder fund may experience higher pro rata operating expenses, producing lower returns. The withdrawal of another feeder fund may also cause the Master Fund to become less diverse and result in increased portfolio risk for the Company. Creditors of the Master Fund (including its Service Providers) may enforce claims against all assets of the Master Fund which may adversely affect the Company which would not otherwise be party to such claim. The different tax considerations for the Company, additional feeder funds and the Master Fund may cause the Master Fund to structure or dispose of investments in a manner or at a

time that are more advantageous or disadvantageous for the Company relative to other feeder funds.

Counterparty Risk – The Master Fund will be subject to the risk of the inability of any trading counterparty to perform with respect to transactions, whether due to its own insolvency or that of others, bankruptcy, market illiquidity or disruption or other causes and whether resulting from systemic or other reasons. Systemic risk may arise through a default by one of several large institutions that are dependent upon one another to meet their liquidity or operational needs, such that a default by one institution causes a series of defaults by the others. This may adversely affect financial intermediaries such as clearing agencies, clearing houses, brokers and listed companies in certain countries.

Restrictions in Dealings in Investments – In providing investment services in relation to the Company, the Master Fund and other clients, the Investment Manager may recommend and/or advise on and/or give effect to activist and/or other strategies in relation to securities and/or issuers involving the acquisition on behalf of the Company and the Master Fund and/or other clients, or in concert with other parties, of positions in companies and/or other issuers. In connection with such positions, in order to comply with laws and regulations relating to insider dealing, market abuse, concert parties, takeovers and market standards generally and also as a means of dealing with conflicts of interest, the Investment Manager may from time to time be prevented, or elect to restrict itself and the Company and the Master Fund from dealing in and/or advising on certain strategies, securities or instruments, either in particular circumstances or generally. As a result of this, the Investment Manager may be unable to realise a position in a particular security or instrument and/or advise as to, make or act on certain investment decisions which they would otherwise have made or implemented on behalf of its clients including the Company and the Master Fund. This may result in, *inter alia*, the Company and the Master Fund being unable to realise a position in order to meet redemption requests or margining or other financing obligations or take advantage of certain opportunities in the market to the detriment of the Company and its investors.

Subscriptions and Redemptions – Shares will be issued to a subscriber as of a Subscription Dealing Day. Prospective investors should note that all cleared subscription money will be available for use by the Company (including through investment in the Master Fund) prior to the relevant Subscription Dealing Day. Where subscription money is used in this way, the subscriber will rank as an unsecured creditor of the Company for the net value of their subscription and, in the event of the insolvency of the Company would be entitled to repayment of such amount in priority over the claims of shareholders to the return of their equity capital. Furthermore, any fall in the value of the subscription prior to the Subscription Dealing Day will result in a corresponding reduction in the net asset value. Subscribers should be aware that they will not participate in any increase or fall in the value of the subscription prior to the physical allotment of Shares on the relevant Subscription Dealing Day.

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

Save in the event of a suspension of dealings, subscription applications and redemption requests once submitted may only be withdrawn with the prior consent of the Directors. Any interest earned on subscription money in respect of a rejected subscription will accrue to the benefit of the Company and/or the Master Fund.

Restrictions on Redemptions – Investors are subject to restrictions relating to the redemption of Shares.

The ability of the Company to meet redemption requests by investors will depend on numerous factors including the liquidity available to the Company and the Master Fund and the speed at which the Master Fund may realise investments in securities and structures in which investment may be made. The delay in disposal of investments may adversely affect both the value of the investment being disposed of, and the value and liquidity of the investment.

In addition, the Directors may suspend the calculation of the net asset value and/or redemptions of Shares in the circumstances set out under “Valuations; Possible Suspension” from page 50.

Compulsory Redemption and Transfer – The Directors may compulsorily redeem or require the transfer of all or some of an investor’s holding of Shares as more specifically disclosed in this Information Memorandum and the Articles.

In Specie Redemptions – The Directors may elect in their absolute discretion to effect redemption payments, either in whole or in part, in specie and/or in kind rather than in cash. Investments so distributed may not be readily marketable or saleable and may have to be held by a shareholder for an indefinite period of time. The risk of loss or delay in liquidating these securities will be borne by the shareholder, and such shareholder may therefore receive less cash than would have been received should cash have been received on the date of redemption.

Conflicts of Interest – The prospect of the Performance Fee may lead the Investment Manager to make investments that are riskier than would otherwise be the case. The Performance Fee is calculated on unrealised as well as realised gains and hence may arise although the relevant gains are not realised.

Other clients of the Investment Manager may have similar investment objectives although the Investment Manager, in particular in relation to the allocation of investment opportunities, will act fairly as between all of its clients. (See also “Conflicts of Interest” below.)

Business, Legal, Tax and Other Regulatory Risks – Legal, tax, and regulatory changes, as well as judicial decisions, could adversely affect the Company, the Master Fund, the Manager, the Investment Manager and/or the investment strategies used by the Master Fund. The regulatory environment continues to evolve. Changes in applicable regulations may adversely affect the value of the Company’s and the Master Fund’s investments and the ability of the Company and the Master Fund to implement their investment strategy (including the use of short positions, derivatives and leverage). The financial services industry generally and the activities of private investment funds (such as hedge funds) and their investment advisers, in particular, have been the subject of increasing legislative and regulatory scrutiny. Such scrutiny may increase the Company’s, the Master Fund’s, the Manager’s and/or the

Investment Manager's legal, compliance, administrative and other related burdens and costs as well as regulatory oversight or involvement in the Company, Master Fund, the Manager and/or the Investment

Manager or result in ambiguity or conflict among legal or regulatory schemes applicable to the Company, the Master Fund, the Manager or the Investment Manager. In addition, securities and futures markets are subject to extensive statutes, regulations and margin requirements. Various regulators, self-regulatory organisations and exchanges may be authorised to take extraordinary actions in the event of market emergencies. The regulation of derivative transactions and entities that engage in such transactions is an evolving area of law and is subject to further development and modification by governmental and judicial action. There can be no assurances that the Company, the Master Fund, the Manager or the Investment Manager will not in the future be subject to regulatory review or discipline. The effects of any future legal or regulatory changes or developments on the Company and the Master Fund may affect the manner in which it is managed and may be substantial and adverse.

Side Letter Risk – Subject to the requirements of the AIFMD Rules, the Company, the Master Fund and/or the Investment Manager may from time to time enter into side letter agreements or other similar agreements with one or more investor(s) (as the Directors may determine in their sole discretion from time to time) which provide such investor(s) with additional and/or different rights than such investor(s) would otherwise have under this Information Memorandum. As a result of such side agreements, certain investors may receive additional benefits which other investors will not receive. The other investors will have no recourse against the Company and/or the Master Fund, the Investment Manager and/or any of its affiliates in the event that certain shareholders receive additional and/or different terms as a result of such side agreements.

A description of the material terms of such side letters, the type of investors who obtain such preferential treatment and (if relevant) their legal or economic links with the Company, the Master Fund and/or the Investment Manager is available to any investor or prospective investor on request to the Investment Manager.

Fraud and Misconduct Risk – The Master Fund will be exposed to the risk of fraud or misconduct by Service Providers, employees, and third-party service providers to, or the directors, officers or agents of, an investment entity in which the Master Fund is invested. The Master Fund will adopt measures to select reliable service providers and prevent and deter employee misconduct, and intends to seek to obtain transparency and monitor the activities of service providers and other agents of investment entities in which the Master Fund invests. However, there is no guarantee that the measures taken will be effective in eliminating the risk of fraud or other bad faith acts or practices.

Auditor's and Administrator's Limitation of Liability – The Auditor, in common with current Cayman Islands practice, has severely limited its liability under the terms of its engagement, which will limit the Company's and the Master Fund's rights of possible recourse against the Auditor. The Administrator has also limited its liability in relation to the provision of certain of its services under the Administration Agreement which will limit the Company's and the Master Fund's rights of possible recourse against the Administrator.

Currency – Shares will be issued and redeemed in the currency applicable to each Class and Series. The underlying instruments held by the Master Fund may be denominated in other currencies. Changes in foreign currency exchange rates may therefore have a separate effect,

favourable or unfavourable, on the gain or loss otherwise made on the instruments held by the Master Fund. Accordingly, the value of an investment in the Company may be affected favourably or unfavourably by fluctuations in exchange rates, notwithstanding any efforts made to hedge such fluctuations. In addition, prospective investors whose assets and liabilities are primarily denominated in currencies other than the currency of investment should take into account the potential risk of loss arising from fluctuations in the rate of exchange between the US dollar and such other currency. The Master Fund may enter into back-to-back currency borrowing or utilise derivatives such as forwards, futures, options and other derivatives to hedge against currency fluctuations, but there can be no assurance that such hedging transactions will be undertaken or if undertaken will be effective or beneficial or that there will be a hedge in place at any given time.

Funding Liquidity Risk – Where investors redeem their investments in the Company in an amount which exceeds the amount of cash or other liquid assets immediately available to fund such redemptions the Master Fund may need to liquidate additional assets to fund the redemption costs incurred. This in turn may limit or otherwise affect the ability of the Master Fund to operate or manage investment positions and strategies within its portfolio and restrict or materially affect investment performance and returns.

Cross Class Liability – The Company and the Master Fund have multiple Classes and further Classes may be created in the future. However, the Company and the Master Fund may be treated as one entity. Thus all of the assets of Company and the Master Fund, may be available to meet all of the liabilities of the Company and the Master Fund regardless of the separate Classes to which such assets or liabilities are attributable. In practice, cross class liability will usually only arise where any Class becomes insolvent or exhausts its assets and is unable to meet all of its liabilities. In this case, all of the assets of the Company and the Master Fund attributable to the other Classes may be applied to cover the liabilities of the insolvent Class. As at the date of this Information Memorandum, the Directors are not aware of any such existing or contingent liability.

Winding-Up - If the Directors, in consultation with the Investment Manager, decide that the investment strategy is no longer viable they may resolve that the Company and the Master Fund be managed with the objective of realising assets in an orderly manner and distributing the proceeds to shareholders in such manner as they determine to be in the best interests of the Company and the Master Fund, in accordance with the terms of the Articles and this Information Memorandum, including, without limitation, compulsorily redeeming Shares, paying any dividend proceeds in specie and/or declaring a suspension while assets are realised. This process is integral to the business of the Company and the Master Fund and may be carried out without recourse to a formal liquidation under the Companies Law (Revised) of the Cayman Islands or any other applicable bankruptcy or insolvency regime, but shall be without prejudice to the right of the shareholder(s) to place the Company and the Master Fund into liquidation.

Tax Considerations – Applicable taxation laws, treaties, rules or regulations or the interpretation thereof may change, possibly with retrospective effect. Accordingly, it is possible that the Company and/or the Master Fund could become subject to taxation (including by way of withholding tax) in respect of its investments and the income, profit and gains derived therefrom in a manner that is not currently anticipated. Any such change may have an adverse effect on the net asset value of the Company and/or the Master Fund. Although the Investment Manager intends that, so far as it is within its control, the affairs of the Company and the Master Fund and the Investment Manager will be conducted so that

the Company and the Master Fund do not become subject to corporation tax or income tax on its profits, there can be no guarantee that all of the requirements to ensure this will at all times be satisfied.

Tax Reporting and Withholding – Certain countries have adopted tax laws which require reporting and/or withholding in certain circumstances in connection with an investor's acquisition, holding and/or disposal of an investment in the Company. Depending on the nature of the requirements, these tax laws impose (or will impose in the future) reporting and/or withholding obligations. To the extent that the Company determines to incur the costs of compliance with tax or other laws, the Directors may require that investors whose acquisition, holding or disposal triggers the compliance requirements to share *pro rata* the cost to the Company of doing so with other such investors.

Taxation of Dividends/Deemed Dividends – The Company will not ordinarily, but may at the Directors' discretion, pay dividends to shareholders. However, in so far as dividends are paid, shareholders should note that the Company does not intend to operate dividend equalisation in respect of any Class of Share. Accordingly, shareholders could receive a greater or lesser share of dividend income than anticipated in certain circumstances such as when, respectively, Class size is shrinking or expanding prior to the payment of a dividend. To the extent actual dividends are not declared in relation to all income of a Class with reporting fund status for a period, further reportable income under the reporting fund rules will be attributed only to those shareholders in the relevant Class who remain as shareholders at the end of the relevant accounting period. This could have the effect of increasing the proportion of income (rather than capital gains) tax paid by a shareholder subject to U.K. taxation.

Terrorist Action and Catastrophe Risk – There is a risk of terrorist attacks causing significant loss of life and property and damage and disruptions in global markets. Economic and diplomatic sanctions may be in place or imposed on certain states and military action may be commenced. Losses may also arise from exposure, directly or indirectly, to events such as hurricanes, earthquakes and other natural disasters and other events which adversely affect health or life expectancy. The impact of such events is unclear, but could have a material effect on general economic conditions and market liquidity, which may in turn adversely affect the Master Fund and the Company.

European Economic Risks – In recent years, European financial markets have periodically experienced volatility and been adversely affected by concerns about government debt levels, credit rating downgrades, and or restructuring, of government debt. There have been concerns that certain member states within the Eurozone may default on meeting their debt obligations or funding requirements. These states may be reliant on continuing assistance from other governments and institutions and/or multilateral agencies and offices, and could be detrimentally affected by any change in or withdrawal of such assistance. Any sovereign default is likely to have adverse consequences for the member state concerned, the Eurozone and the wider world economy.

It is possible that one or more EU member states within the Eurozone could at some point exit the euro and return to a national currency and/or that the euro will cease to exist as a single currency in its current form. The effects of a member state's exit from the euro are impossible to predict, but are likely to be negative and may include, without limitation, flight of capital from perceived weaker countries to stronger countries in the EU, default on the exiting state's domestic debt, collapse of its domestic banking system, seizure of cash or assets, imposition of capital controls that may discriminate in particular against foreigners'

asset holdings, and political or civil unrest. The exit of any country from the euro is likely to have an extremely destabilising effect on all Eurozone countries and their economies and a negative effect on the global economy as a whole.

Events of this nature could have an adverse impact on the Company and the Master Fund including, among other things, causing extreme fluctuations in the value and exchange rate of the euro, market disruption, governmental intervention, and difficulties in valuing assets, obtaining funding or credit, transacting business with counterparties and managing investment risk.

Data Protection Legislation – The Master Fund’s, Company’s, the Manager’s and Investment Manager’s processing of personal data entails legal and regulatory risks and the legal and regulatory requirements relating to the collection, storage, handling and transfer of personal data continue to develop. The Master Fund, the Company, the Manager, the Investment Manager and/or their affiliates may become subject to new legislation or regulation concerning the personal information they may store or maintain. In addition, they may have obligations under existing law and regulation, including the requirements of the General Data Protection Regulation (the “GDPR”) and the Cayman DPL. The GDPR came into force on 25 May 2018 and introduced a range of new compliance obligations regarding the handling of personal data and new obligations on data controllers and data processors and rights for data subjects. The GDPR also significantly increased fines for non-compliance.

Whilst the Master Fund, the Company, the Manager, the Investment Manager and their affiliates intend to comply with any obligations arising out of the GDPR, if it is interpreted or applied in a manner inconsistent with the Master Fund’s, the Company’s, the Manager’s and the Investment Manager’s policies and procedures, they may be fined or ordered to change their business practices in a manner that adversely impacts their operations. The Master Fund, the Company, the Manager, the Investment Manager and their affiliates may also be subject to data protection laws and regulations of other jurisdictions (whether as controllers or processors or both) including, without limitation, those of the Cayman Islands. Compliance with these laws and regulations may divert the Investment Manager’s time and effort away from the management of the Company and the Master Fund and entail substantial expense. Any failure to comply with these laws and regulations by the Master Fund, the Company, the Manager, the Investment Manager or their affiliates could result in negative publicity and may subject the Master Fund and/or the Company and their directors to significant costs or penalties associated with litigation and/or regulatory action.

Requests for Information – The Company, the Master Fund, the Directors and/or their agents may be compelled to provide information subject to a request for information made by a regulatory or governmental authority or agency under applicable law (for example, by the Cayman Islands Monetary Authority or the Cayman Islands Tax Information Authority). Disclosure of confidential information under such laws will not be regarded as a breach of confidentiality and, in certain circumstances, the Company, the Master Fund, the Directors and/or their agents may be prohibited from disclosing that such information requests have been made.

United Kingdom’s Withdrawal from the European Union – The U.K. withdrew from the EU and the EEA on 31 January 2020.

Following withdrawal from the EU, the U.K. has entered a transition period, during which EU law will continue to apply in the U.K. New EU legislation that takes effect before the end of the

transition period will also apply to the UK. As at today's date the transition period will last until 31 December 2020 but may be extended. During and following the transition period there is likely to be considerable uncertainty as to the U.K.'s post-transition framework, and in particular as to the arrangements which will apply to its relationships with the EU and with other countries.

This process and/or the uncertainty associated with it may, at any stage, adversely affect the Company and the Master Fund and their investments and/or the Manager. There may be detrimental implications for the value of the Master Fund's investments and/or its ability to implement its investment programme. This may be due to, among other things:

- (i) increased uncertainty and volatility in U.K., EU and other financial markets;
- (ii) fluctuations in asset values;
- (iii) fluctuations in exchange rates;
- (iv) increased illiquidity of investments located, listed or traded within the U.K., the EU or elsewhere;
- (v) changes in the willingness or ability of financial and other counterparties to enter into transactions, or the price at which and terms on which they are prepared to transact; and/or
- (vi) changes in legal and regulatory regimes to which the Master Fund, the Company, the Manager, the Investment Manager, certain of the Master Fund's assets and/or service providers are or become subject.

The U.K.'s vote to leave the EU has created a degree of political uncertainty, as well as uncertainty in monetary and fiscal policy, which is expected to continue during the transition period. It may have a destabilising effect on some of the remaining members of the EU, the effects of which may be felt particularly acutely by Member States within the Eurozone.

The withdrawal of the United Kingdom from the EU could have a material impact on the United Kingdom's economy and its future growth, impacting adversely the Master Fund's investments in the United Kingdom. It could also result in prolonged uncertainty regarding aspects of the United Kingdom economy and damage customers' and investors' confidence. Any of these events could have a material adverse effect on the Master Fund (and consequently the Company).

AIFM Directive – The AIFMD regulates AIFMs (such as the Investment Manager) established in the EEA. As an authorised AIFM, the Investment Manager is subject to various obligations in relation to the Company and the Master Fund which may create significant additional costs that may be borne by investors. Any regulatory changes arising from such implementation that impair the ability of the Investment Manager to manage the investments of the Company and the Master Fund, or limit its ability to market Shares in the future, may materially adversely affect the Company's and the Master Fund's ability to continue to implement their investment approach and achieve their investment objectives. It is difficult to predict the precise impact of the AIFMD on the Company, the Master Fund and the Investment Manager. The Directors and/or the Investment Manager will continue to monitor the position and reserve the right to adopt such arrangements as they deem necessary or desirable to comply

with the applicable requirements of the AIFMD and AIFMD Rules.

MiFID II Regulatory Risk - MiFID II came into effect on 3 January 2018. It is a wide ranging piece of legislation which introduced changes to, among other things, European financial market structure, trading and clearing obligations, product governance and investor protection. While MiFIR and a majority of the MiFID II “Level 2” measures are directly applicable across the EU as EU regulations, the revised MiFID directive was “transposed” into national law by Member States. In the course of transposition individual Member States and their national competent authorities were permitted to introduce requirements over and above those in the European text and apply MiFID II provisions to market participants that would not otherwise be caught by MiFID II. Aspects of MiFID II and its implementation may be unclear in scope and subject to differences in regulatory interpretation. Market participants who are not directly subject to MiFID II may be indirectly impacted by its requirements and related regulatory interpretations. It is not possible to predict how these factors may impact on market participants including the Company, the Master Fund, the Manager, the Investment Manager, the operation and performance of the Master Fund, and the ability of the Investment Manager to implement the Company’s and the Master Fund’s investment objective.

European Market Infrastructure Regulation – EU Regulation No 648/2012 on over-the-counter derivatives, central counterparties and trade repositories (as amended by EU Regulation No 2019/834 and also known as the European Market Infrastructure Regulation, or “**EMIR**”) which is now in force, introduces requirements in respect of derivative contracts by requiring certain “eligible” over-the-counter (“**OTC**”) derivative contracts to be submitted for clearing to regulated central clearing counterparties (the clearing obligation) and by mandating the reporting of certain details of OTC and exchange-traded (“**ETD**”) derivative contracts to registered trade repositories (the reporting obligation). In addition, EMIR imposes requirements for appropriate procedures and arrangements to measure, monitor and mitigate operational and counterparty risk in respect of OTC derivative contracts which are not subject to mandatory clearing (the risk mitigation requirements) including the posting of collateral in respect of uncleared OTC trades. The Master Fund will be a “Financial Counterparty” for the purposes of EMIR and will be subject to the clearing obligation (where applicable), the reporting obligation and the risk mitigation requirements. The clearing obligation and the requirement to post collateral in respect of uncleared OTC trades are being phased in over a period of several years and, while it is difficult to predict their long-term impact, may well result in an increase in the overall costs of entering into and maintaining OTC and ETD derivative contracts.

Dodd-Frank Wall Street Reform and Consumer Protection Act – With the passage of the Dodd-Frank Wall Street Reform and Consumer Protection Act (“**Dodd-Frank**”) in the United States, there has been extensive rulemaking and regulatory changes that have affected and will continue to affect private fund managers, the funds that they manage and the financial industry as a whole. Under Dodd-Frank, the SEC has mandated additional registration reporting and recordkeeping requirements for investment advisers, which are expected to add costs to the legal, operations and compliance obligations of the Investment Manager, the Manager, the Company and the Master Fund and increase the amount of time that the Investment Manager and the Manager spend on non-investment related activities. Until the U.S. Federal regulators implements all of the new requirements of Dodd-Frank, it is unknown how burdensome such requirements will be. Dodd-Frank affects a broad range of market participants with whom the Company and the Master Fund interact or may interact,

including commercial banks, investment banks, other non-bank financial institutions, rating agencies, mortgage brokers, credit unions, insurance companies and broker-dealers. Regulatory changes that affect other market

participants are likely to change the way in which the Investment Manager conducts business with its counterparties. It may take several years to understand the impact of Dodd-Frank on the financial industry as a whole, and therefore, such continued uncertainty may make markets more volatile, and it may be more difficult for the Investment Manager to execute the investment strategy of the Company and the Master Fund. Moreover, the current administration has suggested that parts of Dodd-Frank may be delayed, modified or eliminated and legislation has been proposed that would make numerous changes to Dodd-Frank. As a result, there is substantial uncertainty surrounding the regulatory environment for the financial industry in the United States.

*U.S. Foreign Account Tax Compliance Act (“**FATCA**”)* – Pursuant to FATCA, the Company and the Master Fund will be required to comply with extensive reporting and withholding requirements designed to inform the U.S. Department of the Treasury of U.S.-owned foreign investment accounts. Failure to comply (or be deemed compliant) with these requirements will subject the Company and the Master Fund U.S. withholding taxes on certain U.S.-source income. Pursuant to an intergovernmental agreement between the United States and the Cayman Islands (the “**Cayman IGA**”) and any existing legislation enacted in the Cayman Islands to give effect to the terms of the Cayman IGA, the Company and the Master Fund each may be deemed compliant, and therefore not subject to the withholding tax and generally not required to withhold on investors, if they identify and report U.S. investor information directly to the Cayman Islands government. Investors may be requested to provide additional information to the Company or the Master Fund to enable the Company and the Master Fund to satisfy these obligations. Failure to provide such information when requested or (if applicable) satisfy its own FATCA obligations may subject an investor to liability for any resulting U.S. withholding taxes or U.S. tax information reporting or compulsory redemption. Detailed guidance as to the mechanics and scope of this reporting and withholding regime is continuing to develop. There can be no assurance as to the timing or impact of any such guidance on future operations of the Company and the Master Fund.

OECD Common Reporting Standard – Drawing extensively on the intergovernmental approach to implementing FATCA, the OECD developed the Common Reporting Standard (“**CRS**”) to address the issue of offshore tax evasion on a global basis. Aimed at maximising efficiency and reducing cost for financial institutions, the CRS provides a common standard for due diligence, reporting and exchange of financial account information. Pursuant to the CRS, participating jurisdictions will obtain from reporting financial institutions, and automatically exchange with tax authorities in other participating CRS jurisdictions in which the investors of the reporting financial institutions are tax resident on an annual basis, financial information with respect to all reportable accounts identified by financial institutions on the basis of common due diligence and reporting procedures. The first information exchanges began in September 2017. The Cayman Islands has implemented the CRS. As a result, each of the Company and the Master Fund will be required to comply with the CRS due diligence and reporting requirements, as adopted by the Cayman Islands. Investors may be required to provide additional information to the Company or the Master Fund to enable the Company and the Master Fund to satisfy their obligations under the CRS. Failure to provide requested information may subject an investor to liability for any resulting penalties or other charges and/or mandatory termination of its interest in the Company and the Master Fund.

OECD's BEPS Action Points – In 2013 the OECD published its report on Addressing Base Erosion and Profit Shifting (“BEPS”) and its Action Plan on BEPS. The aim of the report and Action Plan was to address and reduce aggressive international tax planning. On 5 October 2015, the OECD published its final reports, analyses and sets of recommendations (deliverables) with a view to implementing internationally agreed and binding rules which could result in material changes to relevant tax legislation of participating OECD countries. The final package of deliverables was subsequently approved by the G20 Finance Ministers on 8 October 2015. On 24 November 2016, the OECD announced that more than 100 jurisdictions concluded negotiations on a multilateral instrument that will amend their respective tax treaties (more than 2,000 tax treaties worldwide) in order to implement the tax treaty-related BEPS recommendations. The multilateral instrument was signed on 7 June 2017 and entered into force on 1 July 2018. The multilateral instrument will then enter into effect for a specific tax treaty after all parties to that treaty have ratified the multilateral instrument. The final actions to be implemented in the tax legislation of the countries in which the Company and the Master Fund will have investments, in the countries where the Company and the Master Fund is domiciled or resident, or changes in tax treaties negotiated by these countries, could adversely affect the returns from the Company and the Master Fund to its investors.

AEOL consequences for investors - The Company and/or the Master Fund may take such action as it considers necessary in relation to investments or redemption proceeds, as a result of relevant legislation and regulations, including but not limited to AEOL, as further detailed under the heading “Tax Considerations”. Such actions may include, but are not limited to, the following:

- (i) A disclosure by the Company and/or the Master Fund, the Service Providers or their delegates, of certain information relating to investors to the Cayman Islands Tax Information Authority or equivalent authority and any other foreign government body as required by AEOL. Such information may include, without limitation, confidential information such as financial information concerning investments in the Company and/or the Master Fund, and any information relating to any shareholders, principals, partners, beneficial owners (direct or indirect) or controlling persons (direct or indirect) of such investor.
- (ii) The Company and/or the Master Fund may compulsorily redeem any Shares or Master Fund Shares held by an investor in the Company or the Master Fund, as applicable, in accordance with the terms of this Information Memorandum and may deduct relevant amounts from a recalcitrant investor so that any withholding tax payable by the Company and/or the Master Fund or any related costs, debts, expenses, obligations or liabilities (whether internal or external to the Company and/or the Master Fund) are recovered from such investor(s) whose action or inaction (directly or indirectly) gave rise or contributed to such taxes, costs or liabilities. Failure by an investor to assist the Company and/or the Master Fund in meeting its obligations pursuant to AEOL may therefore result in pecuniary loss to such investor.

Structured Product Demand – An investment in the Company may be attractive to structured product providers. Such providers may not apply the same investment criteria as other investors when deciding whether to purchase or sell investments in the Company and certain features of those structured products, such as fixed maturity dates, may cause such providers to dispose of all or a significant portion of their investments at certain times, which will result in the liquidation of assets and may be detrimental to other investors.

EU Bank Recovery and Resolution Directive – Pursuant to the EU Bank Recovery and Resolution Directive (2014/59/EU) (“**BRRD**”) EU member states were required to introduce a recovery and resolution framework for banks and significant investment firms (“institutions”) giving national competent and resolution authorities powers of intervention where such an institution is deemed to be failing or likely to fail. EU member states were required to transpose the BRRD into national law by January 2015 or in certain cases January 2016.

Among other things the BRRD provides for the introduction of a “bail-in tool” under which resolution authorities may write down claims of the institution’s shareholders and creditors and/or convert such claims into equity. Exceptions to this include secured liabilities, client assets and client money. If following a bail-in it is determined, based on a post-resolution valuation, that shareholders or creditors whose claims have been written down or converted into equity have incurred greater losses than they would have done had the institution had been wound up under normal insolvency proceedings, the BRRD provides that they are entitled to payment of the difference.

Other powers of intervention include the power to close out open derivatives positions, temporarily to suspend payment or delivery obligations, restrict or stay the enforcement of security interests and suspend termination rights.

The implementation of a resolution process in relation to an institution which is a counterparty to or obligor of the Master Fund could result in a bail-in being exercised in respect of any unsecured claims of the Master Fund, derivatives positions being closed out, and delays in the ability of the Master Fund to enforce its rights in respect of collateral or otherwise against the institution concerned. Any payment of compensation due to the Master Fund as a result of the Master Fund being worse off as a result of a bail-in is likely to be delayed until after the completion of the resolution process and prove to be less than anticipated or expected.

Cyber Crime and Security Breaches – With the increasing use of the internet and technology in connection with the operations of the Service Providers, the Company and the Master Fund are susceptible to greater operational and information security risks through breaches in cyber security. Cyber security breaches include, without limitation, infection by computer viruses and gaining unauthorised access to the Service Providers’ systems through “hacking” or other means for the purpose of misappropriating assets or sensitive information, corrupting data, or causing operations to be disrupted. Cyber security breaches may also occur in a manner that does not require gaining unauthorised access, such as denial-of-service attacks or situations where authorised individuals intentionally or unintentionally release confidential information stored on the Service Providers’ systems. A cyber security breach may cause disruptions and impact the Company’s and the Master Fund’s business operations, which could potentially result in financial losses, inability to determine the net asset value of the Company or the Master Fund, violation of applicable law, regulatory penalties and/or fines, compliance and other costs. The Master Fund, the Company and its shareholders could be negatively impacted as a result. Further, indirect cyber security breaches at an issuer of securities in which the Company or the Master Fund invests may similarly negatively impact the Master Fund, the Company and its shareholders. While the Service Providers have established risk management systems designed to reduce the risks associated with cyber security breaches, there can be no assurances that such measures will be successful.

Investment and Strategy Risks

Investment and Trading Risks in General – All securities investments present a risk of loss of capital. The Master Fund's investment policy may utilise such investment techniques as option transactions, margin transactions, short sales and futures and forward contracts which practices can, in certain circumstances, increase any losses. There can be no assurance that the Company or the Master Fund will achieve their investment objectives and losses may be incurred.

Risk of Loss – No guarantee or representation is made that the Master Fund's investment program, including the Master Fund's investment objective, diversification strategies or risk monitoring goals, will be successful. Investment results may vary substantially over time.

No assurance can be made that profits will be achieved or that substantial or complete losses will not be incurred. Past investment results of the Investment Manager (or investments otherwise made by the investment professionals of the Investment Manager) are not necessarily indicative of their future performance.

No Current Income – The Company's and the Master Fund's investment policies should be considered speculative, as there can be no assurance that the Investment Manager's assessment of the short-term or long-term prospects of investments will generate profit. The Company does not intend to pay dividends, and an investment in the Company is not suitable for investors seeking current income.

Long/Short – The success of the Master Fund's long/short investment strategy depends upon the Investment Manager's ability to identify and purchase securities that are undervalued and identify and sell short Securities that are overvalued. The identification of investment opportunities in the implementation of the Master Fund's long/short investment strategies is a difficult task, and there are no assurances that such opportunities will be successfully recognised or acquired. In the event that the perceived opportunities underlying the Master Fund's positions were to fail to converge toward, or were to diverge further from values expected by the Investment Manager, the Master Fund may incur a loss. In the event of market disruptions, significant losses can be incurred which may force the Master Fund to close out one or more positions. Furthermore, the valuation models used to determine whether a position presents an attractive opportunity consistent with the Investment Manager's long/short strategies may become outdated and inaccurate as market conditions change.

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

Concentration of Investments/Lack of Asset Diversification – The Master Fund is not subject to any diversification requirements and may invest a significant portion of its assets in a small number of investments. As a result, the Master Fund may be more susceptible to risks associated with a single economic, political or regulatory occurrence than would be the case with a more diversified portfolio and the Master Fund may be subject to significant losses in the event that it holds a large position in a particular investment that declines in value or is

otherwise adversely affected, including by default of the issuer.

Trading in Options – The Master Fund may purchase and sell (“write”) options on securities, currencies and commodities on a variety of commodities and securities exchanges and over-the-counter markets. The seller (“writer”) of a put or call option which is uncovered (i.e. the writer has effectively a long or a short position in the underlying security, currency or commodity) assumes the risk (which theoretically may be unlimited) of a decrease or increase in the market price of the underlying security, currency or commodity below or above the sales or purchase price. Certain custom instruments are also subject to the risk of non-performance by the counterparty. Trading in futures and options is a highly specialised activity and, although it may increase total return, it may also entail significantly greater than ordinary investment risk. There can be no assurance that a given exposure will be hedged at any given time or, even if the exposure is hedged, that such hedge will be effective.

Exchange-Traded Futures Contracts and Options on Futures Contracts – The Master Fund may invest in futures and related options to the extent that all necessary CFTC registrations or exemptions have been obtained. Such registrations or exemptions would not include review or approval by the CFTC of any offering memorandum or the trading strategies of the Master Fund. The Master Fund’s use of futures contracts and options on futures contracts will present the same types of volatility and leverage risks associated with transactions in derivative instruments generally (see below). In addition, such transactions present a number of risks which might not be associated with the purchase and sale of other types of investment products.

Prior to exercise or expiration, a futures or option position can be terminated only by entering into an offsetting transaction. This requires a liquid secondary market in the exchange on which the original position was established. There can be no assurance that an off-setting transaction will be available for any particular contract at any point in time. In that event, it might not be possible to establish or liquidate a position.

The Master Fund’s ability to utilise futures or options on futures to hedge its exposure to certain positions or as a surrogate for investments in instruments or markets will depend on the degree of correlation between the value of the instrument or market being hedged, or to which exposure is sought and the value of the futures or option contract. Because the instrument underlying a futures contract or option traded by the Master Fund will often be different from the instrument or market being hedged or to which exposure is sought, the correlation risk could be significant and could result in substantial losses to the Company and the Master Fund. The use of futures and options involves the risk that changes in the value of the underlying instrument will not be fully reflected in the value of the futures contract or option.

The liquidity of a secondary market in futures contracts and options on futures contracts is also subject to the risk of trading halts, suspensions, exchange or clearing house equipment failures, government intervention, insolvency of a brokerage firm, clearing house or exchange or other disruptions of normal trading activity.

Forward Trading – The Master Fund may invest in forward contracts and options on forward contracts which, unlike futures, are not traded on exchanges and are not standardised. They are instead negotiated on an individual basis by banks and dealers acting as principals. Forward and “cash” trading is broadly unregulated, there is no limitation on daily price movements and speculative position limits are not applicable. Principals who deal in the

forward markets are not required to continue to make markets in the currencies or commodities in which they trade and these markets can consequently experience significant periods of illiquidity. Market participants may refuse to quote prices for certain currencies or commodities, or may quote prices with an unusually wide spread between the price at which they are prepared to buy and sell. Disruptions can occur in any market traded by the Master Fund due to unusually high trading volume, political intervention or other factors. Controls imposed by government authorities may also limit forward trading to less than that which the Investment Manager may otherwise recommend, to the possible detriment of the Master Fund.

Contracts for Differences – Contracts for differences (“CFDs”) are privately negotiated contracts between two parties, buyer and seller, stipulating that the seller will pay to or receive from the buyer the difference between the nominal value of the underlying instrument at the opening of the contract and that instrument's value at the end of the contract. The underlying instrument may be a single security, stock basket or index. A CFD can be set up to take either a short or long position on the underlying instrument. The buyer and seller are both required to post margin, which is adjusted daily. The buyer will also pay to the seller a financing rate on the notional amount of the capital employed by the seller less the margin deposit. As is the case with trading any financial instrument, there is the risk of loss associated with trading a CFD. There may be liquidity risk if the underlying instrument is illiquid because the liquidity of a CFD is based on the liquidity of the underlying instrument. A further risk is that adverse movements in the underlying security will require the posting of additional margin. CFDs also carry counterparty risk, i.e., the risk that the counterparty to the CFD transaction may be unable or unwilling to make payments or to otherwise honour its financial obligations under the terms of the contract. If the counterparty were to do so, the value of the contract may be reduced. Entry into a CFD transaction may, in certain circumstances, require the payment of an initial margin and adverse market movements against the underlying stock may require additional margin payments. CFDs may be considered illiquid. To the extent that there is an imperfect correlation between the return on the Master Fund's obligation to its counterparty under the CFDs and the return on related assets in its portfolio, the CFD transaction may increase the Master Fund's financial risk.

Market Disruption – The Company and the Master Fund could incur major losses in the event of disrupted markets and other extraordinary events which may affect markets in a way that is not consistent with historical pricing relationships. A disconnect from historic prices may be compounded with positions becoming illiquid in disrupted markets, making it difficult or impossible to close out positions against which the market is moving. The financing available to the Master Fund from the Prime Brokers and from its trading counterparties will typically be reduced in disrupted markets. A sudden restriction of credit by dealers may result in forced liquidations and major losses. As market disruption and losses in one sector can affect other sectors, losses may be incurred despite the Master Fund not investing heavily in the primarily disrupted market.

Business Investment Risks - The Master Fund may invest directly in companies or joint ventures which may involve both operating and financial risks. Entities in which the Master Fund may invest will be subject to changes in economic climate, technology and competition as well as other operating risks. For these and other reasons capital appreciation sought by the Master Fund may not be achieved. Furthermore, the Master Fund may not be able to exercise any control over the management of entities in which it invests.

Commodity Pool Operator – “De Minimis Exemption” – While the Master Fund (and the

Company, indirectly through the Master Fund) may trade commodity interests (which includes commodity futures

contracts, commodity options contracts and/or swaps), including security futures products, each of the Manager and the Investment Manager is exempt from registration with the CFTC as a CPO pursuant to CFTC Rule 4.13(a)(3). Therefore, unlike registered CPOs, the Manager and the Investment Manager are not required to deliver a CFTC disclosure document to prospective investors, nor are they required to provide investors with certified annual reports that satisfy the requirements of CFTC rules applicable to registered CPOs.

The potential consequence of this exemption, the so-called “de minimis exemption”, includes a limitation on the Master Fund’s exposure to the commodity markets. CFTC Rule 4.13(a)(3) requires that a pool for which such exemption is filed must meet one or the other of the following tests with respect to its commodity interest positions, including positions in security futures products, whether entered into for bona fide hedging purposes or otherwise: (a) the aggregate initial margin, premiums, and required minimum security deposit for retail forex transactions, will not exceed 5 per cent. of the liquidation value of the pool’s portfolio, after taking into account unrealised profits and unrealised losses on any such positions it has entered into; or (b) the aggregate net notional value of such positions does not exceed 100 per cent. of the liquidation value of the pool’s portfolio, after taking into account unrealised profits and unrealised losses on any such positions it has entered into.

Short Sales – The Master Fund intends to engage in short selling. A short sale involves the sale of a security that the Master Fund does not own in the expectation of purchasing the same security (or a security exchangeable therefore) at a later date at a lower price. In order to deliver to the buyer, the Master Fund must borrow the security and later purchase the security to return to the lender. A short sale involves a risk of a theoretically unlimited increase in the market price of the security. Short selling allows the investor to profit from a decline in market price to the extent such decline exceeds the transaction costs and the costs of borrowing the securities. The extent to which the Master Fund engages in short sales will depend upon the investment strategy and the opportunities available. A short sale creates the risk of 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 repurchase securities in the open market to return to the lender. There also can be no assurance that the securities necessary to cover a short position will be available for purchase at or near prices quoted in the market. Purchasing securities to close out a short position can itself cause the price of the securities to rise further, thereby exacerbating the loss.

Execution of Orders – The Master Fund’s trading strategy depends on its ability to establish and maintain an overall market position in a combination of selected financial instruments. Trading orders may not be executed in a timely and/or efficient manner due to circumstances including, without limitation, system failure or human error. The Master Fund may, in such circumstances, only be able to acquire some of the components of an intended position, or be unable to make adjustments to an overall position. As a result, the Master Fund may be unable to achieve the intended market position and may incur loss in liquidating its position. The Master Fund also relies heavily on electronic execution systems, and a failure of these systems may cause an interruption to trading orders made by the Master Fund which may result in loss.

Leverage, Interest Rates and Margin – The Master Fund may borrow funds from brokerage

firms, banks and other financial institutions in order to increase the amount of capital available for investment. Consequently, the level of interest rates at which the Master Fund can borrow may affect the operating results of the Company and the Master Fund. In addition, the Master Fund may in effect borrow funds through entry into repurchase agreements and may “leverage” its investment return with such instruments as forwards, futures, options and other derivative contracts. The low margin or premiums normally required for these instruments may provide a large amount of leverage, and a relatively small change in the price of a security or contract can produce a disproportionately large profit or loss.

The Master Fund’s use of borrowing and leverage results in certain additional risks.

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

Should the securities pledged to brokers to secure the Master Fund’s margin accounts decline in value, the Master Fund could be subject to a “margin call” and need to deposit additional funds with the broker or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. In the event of a sudden drop in the value of the Master Fund’s assets, the Master Fund might not be able to liquidate assets quickly enough to pay off its margin debt. In the futures markets, margin deposits are typically low. Low margin deposits mean that a relatively small price movement in a futures contract may result in immediate and substantial losses. For example, if at the time of purchase ten per cent. of the price of a futures contract is deposited as margin, a ten per cent. decrease in the price of the futures contract would, if the contract is then closed out, result in a total loss of the margin deposit before any deduction for the brokerage commission.

Any limitation on the availability of leverage and/or borrowing facilities will have a detrimental effect on the ability of the Master Fund to maintain the intended level of leverage.

Depending on market conditions, from time-to-time leverage, borrowing and margin may not be available to the Master Fund or may not be available to the Master Fund at a price the Master Fund is willing to pay.

No Established Rating Criteria – The Master Fund may invest in low rated (considered to be those that are below “investment grade”) and unrated debt securities. Low rated and unrated debt securities are the equivalent of high yield, high risk bonds, commonly known as “junk bonds” and are generally considered to be speculative with respect to the issuer’s capacity to pay interest and repay principal in accordance with the terms of its obligations under such securities.

Securities and Other Investments of the Master Fund May Be Illiquid – Certain investment positions may be illiquid. Futures positions may be illiquid because, for example, some exchanges limit fluctuations in certain futures contract prices during a single day by regulations referred to as “daily price fluctuation limits” or “daily limits”. Once the price of a contract for a particular future has increased or decreased by an amount equal to the daily limit, positions in the future can neither be taken nor liquidated unless traders are willing to

effect trades at or within the limit. Similar occurrences could prohibit the Master Fund from promptly liquidating unfavourable positions and subject the Company and the Master Fund to substantial losses. In addition, the Master Fund may not be able to execute futures contract trades at favourable prices if little trading in the contracts involved is taking place. It is also possible that an exchange may suspend trading in a particular contract, order immediate liquidation and settlement of a particular contract, or order that trading in a particular contract be conducted for liquidation only. The use of certain exchanges in certain countries which are essentially “principals’ markets”, in which performance of a futures contract is the sole responsibility of the individual with whom the trader has entered into the contract with, may expose the Master Fund to the risk of an inability or refusal by the counterparty to settle the transaction or perform its obligations under the contract. Further, the factors relating to illiquid investment positions may also be applicable to an investor whose assets are used in any in specie redemption.

The percentage of illiquid securities in the investment portfolio may increase as a result of redemptions. In order to manage liquidity in the investment portfolio in light of redemptions, the Directors may determine to take any of a number of actions including, *inter alia*, creating side pockets for illiquid assets or spinning out illiquid assets into a special purpose vehicle. These measures may result in redeeming investors holding an investment in the Company, the Master Fund or an entity created by the Master Fund beyond the redemption date, which investment is likely to have terms and conditions different from the terms and conditions applicable to the original interests in the Company purchased by the investor and are likely to be highly illiquid and may be non-transferable.

Hedging Transactions and Other Methods of Risk Management – The Master Fund may utilise financial instruments such as derivatives for investment purposes and for risk management purposes, for example in order to: (i) protect against possible changes in the relative values of the Master Fund’s portfolio position as a result of fluctuations in the securities markets and changes in interest rates; (ii) protect the unrealised gains in the value of the investment portfolio; (iii) facilitate the sale of any investment; (iv) enhance or preserve returns, spreads or gains on any investment in the portfolio; (v) hedge the interest rate or currency exchange rate on any liabilities or assets; (vi) protect against any increase in the price of any securities which the Investment Manager anticipates purchasing at a later date; or (vii) for any other reason that the Investment Manager deems appropriate. Such hedging transactions may not always achieve the intended effect and can also limit potential gains.

While the Master Fund may enter into such transactions to seek to reduce currency, exchange rate and interest rate risks, unanticipated changes in currency, interest rates and equity markets may result in a poorer overall performance by the Master Fund. For a variety of reasons, the Master Fund may not obtain a perfect correlation between such hedging instruments and the portfolio holdings being hedged. Such imperfect correlation may prevent the intended hedge or expose the Master Fund to risk of loss.

There can be no assurance that a given exposure will be hedged at any given time, or, even if the exposure is hedged, that such hedge will be effective.

The success of the risk management strategies for the Master Fund will depend in part upon the ability of the Investment Manager to assess correctly the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the portfolio investments being hedged. Since the characteristics of many securities change as markets change or time passes, the success of their hedging strategy will also be subject to

their ability to continually recalculate, readjust and execute hedges in an efficient and timely manner. While the Master Fund may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for the Master Fund than if they had not engaged in such hedging transactions. For a variety of reasons the Investment Manager may not seek to establish a perfect correlation between the hedging instruments utilised and the portfolio holdings being hedged. Such an imperfect correlation may prevent the Master Fund from achieving the intended hedge or expose the Master Fund to risk of loss. The Investment Manager may not hedge against a particular risk because it does not regard the probability of the risk occurring to be sufficiently high as to justify the cost of the hedge, or because it does not foresee the occurrence of the risk. The successful utilisation of hedging and risk management transactions by the Master Fund requires skills complementary to those needed in the selection of its investment portfolio.

Interest Rate Risk – The Master Fund is subject to several risks associated with changes in interest rates on their financings and investments which may affect profitability. The interest payments on the financings of the Master Fund may increase relative to the interest earned on their investments. In a period of rising interest rates, interest payments by the Master Fund could increase while the interest earned on certain investments (e.g. fixed rate investments) would not change. The Master Fund may rely on short-term financings to acquire investments with long-term maturities. Similarly, the Master Fund may acquire investments with short term maturities which are secured by long dated assets. Certain investments of the Master Fund may be adjustable rate instruments in which interest rates vary over time, based upon changes in an objective index (e.g., LIBOR) which generally reflect short-term interest rates. The interest rates on the financings of the Master Fund similarly vary with changes in an objective index but may adjust more frequently than the interest rates of the investments of the Master Fund.

Collateral Management Risk – In seeking to reduce credit risk through the posting or receiving of collateral in derivative contracts and Securities Financing Transactions (as discussed under “Securities Financing Transactions, Derivative Instruments and Collateral and Asset Re-use Arrangements” above), the management of the collateral posted/received will be subject to liquidity and counterparty risks associated with the relevant collateral instruments. Collateral is also subject to other types of risks:

(i) operational risks: including that the valuation of the underlying instrument for which it is posted is inaccurate due to inadequate or failed internal processes, people or systems which may cause the Master Fund to have an incorrect level of margin posted or received; (ii) legal risks: these include risks associated with contracts and change of regulations in the relevant jurisdiction as well as the risk that collateral provided in cross-border transactions could result in conflicts of law preventing the Master Fund from recovering collateral lost or from enforcing its rights in relation to collateral received; (iii) custody risk. collateral received by the Master Fund on a title transfer basis will be held in custody by the Prime Broker on the terms and subject to the risks described under “Prime Brokers” above; and (iv) reinvestment of cash collateral: cash collateral that is reinvested may realise a loss, which would reduce the value of the collateral and result in the Master Fund being less protected if there is a counterparty default. While commercially reasonable efforts are utilised to ensure that collateral management is effective, such risks cannot be eliminated. Where the Master Fund has posted collateral, counterparties will generally have a right to sell, pledge, rehypothecate, assign, use or otherwise dispose of such collateral. This could increase the Master Fund’s exposure to counterparty risk. In addition, counterparties have an interest in maximising the return from such collateral and this interest could conflict with the interests

of the Master Fund in preserving and protecting its portfolio.

LIBOR Reform – Where any of the Master Fund’s investments calculate interest by reference to the London Inter-Bank Offered Rate (“**LIBOR**”), a change in the method of calculation or the discontinuance of LIBOR (or any currency or period in respect of which LIBOR is calculated) could have a negative impact on the value of any such adjustable-rate investments.

LIBOR was previously administered by the British Bankers’ Association. Since 1 February 2014, LIBOR has been administered by ICE Benchmark Administration Limited (“**IBA**”), a subsidiary of the Intercontinental Exchange Group. IBA has published position papers and several feedback statements regarding potential changes, including changes to the methodology for determining LIBOR and IBA published its Roadmap for ICE LIBOR for the evolution of LIBOR on 18 March 2016. IBA methodological changes could change the level of LIBOR, which in turn may adversely affect the value of the relevant investments. It may also lead to changes to LIBOR which could alter, discontinue or suspend calculation or dissemination of LIBOR in respect of certain currencies or periods. If the rate of interest on the relevant investments is calculated with reference to a discontinued currency or period, or the proposed changes when implemented otherwise change the way in which LIBOR is calculated, this could result in the rate of interest being lower than anticipated, which would adversely affect the Master Fund. Neither IBA nor any successor administrator of LIBOR will have any obligation to any investor in respect of any adjustable-rate investments.

At the EU level, Regulation (EU) 2016/1011 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (the “**Benchmark Regulation**”) was published in the Official Journal of the EU on 29 June 2016. The Benchmark Regulation entered into force on 30 June 2016 and will apply from 1 January 2018. This may further affect the way in which LIBOR is calculated and administered and may adversely affect the Master Fund and the value of its adjustable-rate investments.

Further, on 27 July 2017, the head of the FCA announced that the FCA intended to phase-out LIBOR by the end of 2021, replacing it with one or more alternative reference rates based on transaction data, which could negatively impact the value of the Master Fund’s adjustable-rate investments which calculate interest by reference to LIBOR.

Convertible Securities – The Master Fund may invest in convertible securities. Convertible securities are bonds, debentures, notes, preferred stocks or other securities that may be converted into or exchanged for a specified amount of common stock of the same or different issuer within a particular period of time at a specified price or formula. A convertible security entitles the holder to receive interest that is generally paid or accrued on debt or a dividend that is paid or accrued on preferred stock until the convertible security matures or is redeemed, converted or exchanged. Convertible securities have unique investment characteristics in that they generally: (i) have higher yields than common stocks, but lower yields than comparable non-convertible securities; (ii) are less subject to fluctuation in value than the underlying common stock due to their fixed-income characteristics; and (iii) provide the potential for capital appreciation if the market price of the underlying common stock increases.

Convertible Arbitrage Transactions – The Master Fund may engage in convertible arbitrage transactions. Convertible arbitrage transactions are designed to be relatively market neutral, *i.e.* they hedge out the directional risks generally associated with unhedged investments in

the underlying instruments. However, should the credit status of an issuer weaken, losses may result from decreases in the market conversion premium or a loss of liquidity with respect to the security. These losses will be limited by the short hedge on the underlying security, but may be substantial in relation to the Master Fund's and the Company's net asset value. The Company and the Master Fund may also suffer losses if an issuer is acquired for cash or debt securities at a price that does not generate profits on the unhedged portion of a position sufficient to recover the premium paid to acquire the convertible security and any unpaid accrued interest that would be lost should conversion become necessary. Losses may result when securities are called for redemption at prices below the current market prices. Frequently, these losses will include interest accrued but not paid upon conversion of the called securities. In addition, losses may occur if an issuer declares a special dividend or spin-off which causes a reduction in the conversion premium or the Master Fund is forced to convert a security earlier than anticipated.

Trading in Indices, Financial Instruments and Currencies – The Investment Manager may place an emphasis on trading indices, financial instruments and currencies. The effect of any governmental intervention may be particularly significant at certain times in currency and financial instrument futures and options markets. Such intervention (as well as other factors) may cause all of these markets to move rapidly in the same or varying directions which may result in sudden and significant losses.

OTC Derivative Instrument Transactions – The Master Fund may invest a substantial portion of its assets in investments which are not traded on organised exchanges to the extent that all necessary CFTC registrations or exemptions have been obtained. Such registrations or exemptions would not include review or approval by the CFTC of any offering memorandum or the trading strategies of the Master Fund. Such transactions, known as over-the-counter ("OTC" transactions), are not standardised and may include forward contracts, options, swaps or other derivatives. Whilst some OTC markets are highly liquid, transactions in OTC derivatives may involve greater risk than investing in exchange traded derivatives because there is no exchange market on which to close out an open position. It may be impossible to liquidate an existing position, to assess the value of the position arising from an off-exchange transaction or to assess the exposure to risk. Bid and offer prices need not be quoted and, even where they are, they will be established by dealers in these instruments and consequently it may be difficult to establish what is a fair price. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as members of "exchange-based" markets. This exposes the Master Fund to the risk (i) of counterparty failure (ii) that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem and (iii) of the inability or refusal of a counterparty to perform with respect to such contracts or redeliver cash or securities delivered by the Master Fund to support such contracts, thus causing the Master Fund to suffer a loss. Such "counter-party risk" is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Master Fund has concentrated its transactions with a single or small group of counterparties. Market illiquidity or disruption could result in major losses to the Master Fund.

The instruments, indices and rates underlying derivative transactions expected to be entered into by the Master Fund may be extremely volatile in the sense that they are subject to sudden fluctuations of varying magnitude, and may be influenced by, among other things, government trade, fiscal, monetary and exchange control programmes and policies, national and international political and economic events and changes in interest rates. The volatility

of such instruments, indices or rates, which may render it difficult or impossible to predict or anticipate fluctuations in the value of instruments traded by the Master Fund, could result in losses.

Emerging and Developing Markets – The Master Fund will invest a substantial proportion of its assets in emerging markets and/or developing markets. Investment in such markets involves risk factors and special considerations, including those set out below which may not be typically associated with investing in more developed markets. Such risks include, among other things, trade balances and imbalances and related economic policies, unfavourable currency exchange rate fluctuations, restrictions on foreign investment, imposition of exchange control regulation by governments and other adverse government policies, withholding taxes, limitations on the removal of funds or other assets, policies of governments with respect to possible nationalisation of their industries, political difficulties, including expropriation or other confiscations of assets, confiscatory taxation and social, economic or political instability in foreign nations and other developments in the laws and regulations of emerging and developing countries which could result in loss to the Master Fund. These factors may affect the level and volatility of securities prices and the liquidity of the investments of the Master Fund. Unexpected volatility or illiquidity could impair the profitability of the Master Fund or result in losses. Political or economic change and instability may be more likely to occur in emerging and developing markets and have a greater effect on the economies and markets of emerging and developing countries. By comparison with more developed securities markets, most emerging countries' securities markets are comparatively small, less liquid and more volatile. In addition, settlement, clearing and registration procedures may be underdeveloped enhancing the risks of error, fraud or default. Furthermore, the legal infrastructure and accounting, auditing and reporting standards in emerging and developing markets may not provide the same degree of investor information or protection as would generally apply to more developed markets. Many of the laws governing private and foreign investment, securities transactions and other contractual relationships in emerging and developing countries are new and largely untested. As a result, the Company and/or the Master Fund may be subject to risks arising from contradictory, incomplete or changing legislation, ignorance or breaches of regulations on the part of other market participants, lack of established or effective avenues for legal redress, and/or lack of standard practices.

Prior governmental approval for foreign investment is required in certain emerging and developing markets. Attractive securities may not be available to the Master Fund due to foreign investors holding the maximum permitted amount or due to minimum eligibility criteria. Repatriation of investment income, assets and the proceeds of sales by foreign investors may also require governmental registration and/or approval. The Master Fund may be adversely affected by delays or refusal to grant approval.

The economies of countries differ in such respects as growth of gross domestic product, rate of inflation, currency depreciation, asset reinvestment, resource self-sufficiency and balance of payments position. Further, certain economies are heavily dependent upon international trade and, accordingly, have been and may continue to be adversely affected by trade barriers, measures imposed or negotiated by the countries with which they trade. The economies of certain countries may be based, predominantly, on only a few industries and may be vulnerable to changes in trade conditions and may have higher levels of debt or inflation.

Equity Securities – The Master Fund may invest in equity securities and equity derivatives.

The value of these financial instruments will generally vary with the performance of the issuer and movements in equity markets. The Master Fund may suffer losses if it invests in equity instruments whose performance diverges from the Investment Manager's expectations, or if equity markets generally move in a single direction and the Master Fund has not hedged against such a movement. The Master Fund may also be exposed to a risk that issuers will not fulfil their contractual obligations, such as delivering marketable common stock upon conversion of convertible securities or registering restricted securities for public resale.

Global Listed Equity Securities – The Master Fund may invest in listed equity securities on a global basis. An investment in equity securities is subject to the risk that the value of the securities held by the Master Fund will fall due to general market and economic conditions, perceptions regarding the industries in which the issuers of securities held by the Master Fund participate or factors relating to specific companies in which the Master Fund invests. For example, an adverse event, such as an unfavourable earnings report, may depress the value of equity securities of an issuer held by the Master Fund the price of common stock of an issuer may be particularly sensitive to general movements in the stock market; or a drop in the stock market may depress the price of most or all of the common stocks and other equity securities held by the Master Fund. In addition, common stock of an issuer in the Master Fund's portfolio may decline in price if the issuer fails to make anticipated dividend payments because, among other reasons, the issuer of the security experiences a decline in its financial condition. Common stock is subordinated to preferred stocks, bonds and other debt instruments in a company's capital structure, in terms of priority to corporate income, and therefore will be subject to greater dividend risk than preferred stocks or debt instruments of such issuers. In addition, while broad market measures of common stocks have historically generated higher average returns than fixed income securities, common stocks have also experienced significantly more volatility in those returns.

Certain Securities Markets – Stock markets in certain countries may have a relatively low volume of trading. Securities of companies in such markets may also be less liquid and more volatile than securities of comparable companies elsewhere. There may be low levels of government regulation of stock exchanges, brokers and listed companies in certain countries. In addition settlements of trades in some markets is slow and subject to failure.

Highly Volatile Markets – The Master Fund may hold financial instruments, the prices of which may be highly volatile. Price movements of forward and other derivative contracts in which the assets of the Master Fund may be invested will be influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. The Master Fund is subject to the risk of failure of any of the exchanges on which its positions trade or of its clearing houses.

Interpositioning – The Master Fund may execute OTC trades on an agency basis rather than on a principal basis. In these situations, the broker used by the Master Fund may acquire or dispose of a security through a market-maker or other dealer (a practice known as "interpositioning"). The transaction may thus be subject to both a commission payable to the broker and a markup or markdown included in the price quoted by the dealer. The use of a broker can provide anonymity in connection with a transaction. In addition, a broker, in certain cases, may have greater expertise or capability in connection with both accessing the market and executing a given transaction.

Fixed Income Securities – The Master Fund may invest in bonds or other fixed income

securities, including, without limitation, commercial paper, “distressed debt”, bank debt, asset-backed securities and “higher yielding” (including non-investment grade and, therefore, higher risk) debt securities. The Master Fund will, therefore, be subject to credit, liquidity and interest rate risks. Higher-yielding debt securities are generally unsecured and may be subordinated to certain other outstanding securities and obligations of the issuer, which may be secured on substantially all of the issuer’s assets. The lower rating of debt obligations in the higher-yielding sectors reflects a greater probability that adverse changes in the financial condition of the issuer or in general economic conditions or both may impair the ability of the issuer to make payments of principal and interest. Non-investment grade debt securities may not be protected by financial covenants or limitation on additional indebtedness. In addition, evaluation of credit risk for debt securities involves uncertainty because credit rating agencies throughout the world have different standards, making comparison across countries difficult. Also, the market for credit spreads is often inefficient and illiquid, making it difficult to accurately calculate discounting spreads for valuing financial instruments. It is likely that a major economic event, such as a recession or reduction of liquidity in the market, could severely disrupt the market for such securities and may have an adverse impact on the value of such securities. In addition, it is likely that any such economic event could adversely affect the ability of issuers of such securities to repay principal and pay interest thereon and increase the incidence of default for such securities.

Investments in Unlisted Securities – The Master Fund may invest in unlisted securities. Because of the absence of any trading market for these investments, it may take longer to liquidate these positions than would be the case with publicly traded securities. Accordingly, the ability of the Master Fund to respond to market movements may be impaired and the Master Fund may experience adverse price movements upon liquidation of their investments. Although these securities may be resold in privately negotiated transactions, prices realised on these sales could be less than those originally paid by the Master Fund. Settlement of transactions may be subject to delay and administrative uncertainties. Further, companies whose securities are not publicly traded will generally not be subject to public disclosure and other investor protection requirements applicable to publicly traded securities. The lack of publicly available information and the lack of an actively traded market in unlisted securities will also give rise to uncertainty in valuing such securities.

Synthetic Securities – The Master Fund may invest in synthetic securities for investment purposes. Synthetic securities are securities in which the value is determined by reference to changes in the value of specific currencies, interest rates, bonds (or bond portfolios), commodities, indices, or other financial indicators (a “Reference”) or the relative change in two or more References. The interest rate or the principal amounts payable upon maturity or redemption may be increased or decreased depending upon changes in the applicable Reference. Synthetic securities may be positively or negatively indexed, so that appreciation of the Reference may produce an increase or decrease in the interest rate or value of the security at maturity. In addition, changes in the interest rates or the value of the security at maturity may be a multiple of changes in the value of the Reference. Consequently, synthetic securities may present a greater degree of market risk than other types of securities and may be more volatile, less liquid and more difficult to value accurately than less complex securities.

Preferred Shares – The Master Fund may invest in convertible or non-convertible preferred shares issued by companies or securitisation vehicles, which may have fixed or variable dividend rates. Preferred shares generally have a preference as to dividends and liquidation over an issuer’s common shares but rank junior to debt securities in an issuer’s capital

structure. Unlike interest payments on debt securities, preferred share dividends are payable only if declared by an issuer's board of directors. If a company suspends the dividends of the preferred shares then there may not be a provision for the preferred shareholder to recover the lost dividends at a later date. Preferred shares may be subject to optional or mandatory redemption provisions and may be illiquid. The ability of preferred shares to generate income is dependent on the earnings and continuing declaration of dividends by the issuers of such preferred shares.

Swap Agreements – The Master Fund may enter into swap agreements. Swap agreements can be individually negotiated and structured so as to include exposure to a variety of different types of investments or market factors. Depending on their structure, swap agreements may increase or decrease the exposure of the Master Fund to long-term or short-term interest rates, currency values, corporate borrowing rates or other factors such as security prices, baskets of equity securities or inflation rates. Swap agreements can take many different forms and are known by a variety of names. The Master Fund may not be limited to any particular form of swap agreement if consistent with its investment objective and policy.

Swap agreements tend to shift the investment exposure from one type of investment to another. For example, if the Master Fund agrees to exchange payments in US dollars for payments in euro, the swap agreement would tend to decrease the exposure of the Master Fund to US dollar interest rates and increase its exposure to the euro and its interest rates. Depending on how they are used, swap agreements may increase or decrease the overall volatility of the Master Fund's portfolio. The most significant factor in the performance of swap agreements is the change in the specific interest rate, currency, individual equity value or other factors that determine the amounts of payments due to and from the Master Fund. If a swap agreement calls for payments by the Master Fund it must be prepared to make such payments when due. In addition, if a counterparty's credit worthiness declines, the value of swap agreements with such counterparty can be expected to decline, potentially resulting in losses by the Master Fund.

Credit Default Swaps – The Master Fund may enter into credit default swap agreements. The "buyer" in a credit default contract is obligated to pay the "seller" a periodic stream of payments over the term of the contract provided that no event of default on an underlying reference obligation has occurred. If an event of default occurs, the seller must pay the buyer the full notional value, or "par value", of the reference obligation in exchange for the reference obligation. The Master Fund may be either the buyer or seller in a credit default swap transaction. If the Master Fund is a buyer and no event of default occurs, the Master Fund will lose its investment and recover nothing. However, if an event of default occurs, the Master Fund (if the buyer) will receive the full notional value of the reference obligation that may have little or no value. As a seller, the Master Fund receives a fixed rate of income throughout the term of the contract, which typically is between six months and three years, provided that there is no default event. If an event of default occurs, the seller must pay the buyer the full notional value of the reference obligation. Credit default swap transactions involve greater risks than if the Master Fund had invested in the reference obligation directly. These contracts are typically marked-to-market and the Master Fund may be obliged to pay amounts into a margin account whether or not a default occurs. Much of the settlement in CDS contracts is manual and there is a general settlement risk if backlogs arise and counterparties are not able to meet their obligations. This may be part of a broader crisis in markets.

High Risk Investments – The Master Fund may acquire assets secured by real property interests, including distressed residential mortgages, liens on high-risk collateral, or notes or pledges made by high-risk borrowers, including sub-prime and non-performing loans, trade in carbon credits and weather-related derivatives and participate in other relatively new or illiquid markets. Such assets generally carry below-investment grade credit ratings or lack credit ratings altogether. These assets and/or the loans underlying these types of assets may be in default or may have a greater than normal risk of future defaults, delinquencies, bankruptcies or fraud losses. There can be no assurance that the assets will perform, the borrowers will pay as expected or, if subject to default, that the underlying assets will be able to be foreclosed upon and liquidated in a cost-effective manner. In addition to the risks of borrower default, the Master Fund will be subject to a variety of risks in connection with such debt instruments, including risks arising from mismanagement or a decline in the value of collateral, contested foreclosures, bankruptcy of the debtor, claims for lender liability, violations of usury laws and the imposition of common law or statutory restrictions on the exercise of contractual remedies by the Master Fund for defaults on such investments.

Undervalued Securities – The Master Fund may invest in what it considers to be undervalued securities. The identification of investment opportunities in undervalued securities is a difficult task, and there are no assurances that such opportunities will be successfully realised or acquired. While investment in undervalued securities offer an opportunity for above-average capital appreciation, such investments involve a high degree of financial risk and can result in material losses. Returns generated from the Master Fund's investments may not adequately compensate for business and financial risks assumed. The Master Fund may also be required to hold such securities for a substantial period of time before realising their anticipated value, preventing the Master Fund from investing in other opportunities. The Master Fund may finance investments in undervalued securities with borrowed funds and would be required to pay interest during the holding period, reducing returns.

Credit Risk – The Master Fund is also subject to credit risk, i.e., the risk that an issuer of securities will be unable to pay principal and interest when due, or that the value of the security will suffer because investors believe the issuer is less able to pay. This is broadly gauged by the credit ratings of the securities in which the Master Fund invests. However, ratings are only the opinions of the agencies issuing them, may change less quickly than the relevant circumstances and are not absolute guarantees of the quality of the securities. Furthermore, the investments of the Master Fund may not be rated by any rating agency or may be below investment grade. The Master Fund will be more dependent upon the judgment of the Investment Manager as to the credit quality of such unrated securities. A default, downgrade or credit impairment of any of its investments could result in a significant or even total loss of the investment.

Subordination Risk – Certain debt investments acquired by the Master Fund will be subject to certain additional risks. Such investments may be unsecured and structurally or contractually subordinated to substantial amounts of senior indebtedness, all or significant portion of which may be secured. Moreover, such investments may not be protected by financial covenants or limitations upon additional indebtedness.

Repurchase Agreements – The Master Fund may enter into repurchase and reverse repurchase agreements. When the Master Fund enters into a repurchase agreement, it "sells" securities to a broker-dealer or financial institution and agrees to repurchase such securities on a mutually agreed date for the price paid by the broker-dealer or financial institution, plus interest at a negotiated rate. In reverse repurchase transactions, the Master

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

Liquidity of Small and Mid-Cap Securities – The Master Fund may invest in small and mid-cap securities. Small and mid-cap issuers generally have lower daily trading volume than issuers with larger capitalisation. This lower trading volume may affect the ability of the Master Fund to build or reduce the size of a position in a short time frame. In addition, it may sometimes be difficult to obtain price quotes in significant size for stocks of such small and mid-cap issuers. Investments in small and mid- cap issuers typically involve a higher degree of business and financial risk and can result in substantial losses due to special risk factors. For example, such issuers are typically subject to a greater degree of change in earnings and business prospects than are issuers with larger market capitalisations.

Portfolio Turnover – Turnover of the Master Fund’s investments may be higher than the average for other more traditional portfolios and accordingly the level of commissions paid and other transaction costs are likely to be higher than average.

Transaction Costs – As the Master Fund intends to utilise leverage, transaction costs are expected to be significantly higher than they would be for more traditional portfolios that employ lower leverage. Whilst estimated transaction costs are an input into the Investment Manager’s investment process, there can be no assurance that actual transaction costs incurred by the Master Fund will not be materially higher than the estimates used by the Investment Manager. Furthermore, the actual performance of the Master Fund’s portfolio may be lower than expected (or negative), and therefore may not offset transaction costs. The Master Fund will be exposed to transaction costs in addition to any losses incurred on the portfolio.

Investment Through Subsidiaries – The Master Fund may establish subsidiaries for tax efficiency, to mitigate uncertain tax positions, for efficient investment structuring or for other reasons. For such an approach to be effective, the Investment Manager and/or the subsidiary company may also need to register with a particular country’s regulator. Where this is the case the Investment Manager and/or the subsidiary company will be required to fulfil any conditions imposed by the regulator. Investments may therefore be dependent on compliance with any requirements imposed by the relevant regulator and the continuing registration of the Investment Manager and/or the subsidiary company with the relevant regulator. Periodically any such registration may expire and consequentially require renewal. There can be no assurance that such renewal will be granted by the regulator in question. The expiry of the Investment Manager’s and/or the subsidiary’s registration could result in

mandatory divestment of investment by the subsidiary which could adversely impact the net asset value of the subsidiary and effect its ability to invest. No assurance can be given that the terms of any relevant tax treaty will not be subject to re-negotiation in the future and any change could have a material adverse effect on the returns of the relevant subsidiary. There can be no assurance that such treaties will continue and will be in full force and effect during the life of the relevant subsidiary.

Position of the Company – As a shareholder in the Master Fund, the Company will be subject to the risks of the Master Fund and the foregoing risk factors are therefore equally relevant to all investors in the Company.

The foregoing list of risk factors is not exhaustive. Prospective investors should consult with their own professional advisors before deciding to subscribe.

Item 9: Disciplinary Information

To the best of our knowledge, there are no legal or disciplinary events that are material to an Investor's or prospective investor's evaluation of our advisory business or the integrity of our management.

Item 10: Other Financial Industry Activities and Affiliations

Neither we nor our management persons are registered as broker-dealers, and neither of us has any application pending to register with the SEC as a broker-dealer or registered representative of a broker-dealer, respectively.

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

Code of Ethics

Sephira Investment Advisors (UK) Limited has adopted a “**Code of Ethics**” that establishes the high standard of conduct that we expect of our employees and procedures regarding our employees’ personal trading of securities. Our employees are required to certify their adherence to the terms set forth in the Code of Ethics upon commencement of employment and annually thereafter. Employees also are required to provide quarterly certifications of compliance with certain Code of Ethics provisions.

The foundation of our Code of Ethics is based upon the following underlying fiduciary principles:

- Employees must at all times place the interests of the Funds and Investors first;
- Employees must ensure that all personal securities transactions are conducted consistent with the Code of Ethics’ Employee Personal Investment Policy (described below); and
- Employees should not take inappropriate advantage of their position at the Firm.

Employees are not permitted to maintain personal brokerage accounts for the purpose of trading “**Reportable Securities**” (as defined in the Code of Ethics, and which includes a wide variety of investments such as stocks, bonds, fixed income, options, warrants, futures, and

derivatives) except for the purpose of holding or liquidating any such holdings after the commencement of employment. Employees are permitted to liquidate positions held at the time of employment in Reportable Securities (a “**Liquidating Trade**”) subject to pre-clearance by the CCO. Employees are prohibited from participating in Initial Public Offerings (“**IPOs**”). Employees are also prohibited from personally, or on behalf of a Client, purchasing or selling securities that appear on the Firm’s Restricted List.

Employees must obtain pre-approval from the CCO before: (i) engaging in any outside business activities; or (ii) making any private investments.

We will provide a copy of our Code of Ethics to our Investors, or any prospective investor, upon request, to be viewed on the premises.

Item 12: Brokerage Practices

Sephira Investment Advisors (UK) Limited) is authorized to determine the broker-dealer to be used for executing securities transaction for the Funds. In selecting broker-dealers to execute transactions, we do not need to solicit competitive bids and do not have an obligation to seek the lowest available commission cost. It is not our practice to negotiate “execution only” commission rates; therefore, the Funds may be deemed to be paying for research, brokerage or other services provided by the broker which are included in the commission rate.

We shall also have the authority to select and appoint custodians of the assets of the Funds. The Firm’s authority is limited by its own internal policies and procedures and each Fund’s investment guidelines.

Best Execution

In selecting an appropriate broker-dealer to effect a client trade, we seek to obtain “**Best Execution**,” meaning generally the execution of a securities transaction for a client in such a manner that a client’s total costs or proceeds in the transaction are most favorable under the circumstances. Accordingly, in seeking Best Execution, we will take into consideration the price of a security offered by the broker-dealer, as well as a broker-dealers’ full range and quality of their services including, among other things, their facilities, reliability and financial responsibility, execution capability, commission rates, responsiveness to us, brokerage and research services provided to us (for example, research ideas, analysis, and investment strategies), special execution and block positioning capabilities, clearance, and settlement and custodial services.

Soft Dollars

The Firm may use “**Soft Dollars**”. In such cases, Soft Dollar credits, generated by the Fund’s trading activities, would be used to purchase brokerage and research services or products that would otherwise have been Fund expense. We intend to keep any such arrangements within the parameters of the safe harbor of Section 28(e) of the Exchange Act.

Neither Sephira Investment Advisors (UK) Limited nor any related person receives client referrals from any broker-dealer or third party. However, subject to best execution, we may consider, among other things, capital introduction and marketing assistance with respect to Investors in the Funds in selecting or recommending broker-dealers for the Funds.

The provision by a broker of research and other services and property to us creates an incentive for us to select such broker since we would not have to pay for such research and other services and property as opposed to solely seeking the most favorable execution for a client. Any research, services or property provided by a broker may benefit any client and such benefits may not be proportionate to commission dollars related to the provision of such research, services or property.

Item 13: Review of Accounts

Our Portfolio Manager and investment professionals continuously monitor and analyze the transactions, positions, and investment levels of the Fund to ensure that they conform with the investment objectives and guidelines that are stated in the Fund's Offering Documents. In these reviews, the Firm pays particular attention to any changes in the investment's fundamentals, overall risk management and changes in the markets that may affect price levels.

Account Reporting

We perform various periodic reviews of each client's portfolio. Such reviews are conducted by our officers.

We will distribute an audited financial report with respect to the previous fiscal year to all Investors within 120 days of fiscal year end. We may also distribute quarterly unaudited net asset value statements, quarter-end performance reports, and a quarterly investor letter to all Investors.

Item 14: Client Referrals and Other Compensation

We do not receive economic benefits from non-clients for providing investment advice and other advisory services. Neither we nor any of our related persons, directly or indirectly, compensate any person who is not a supervised person for client referrals.

Item 15: Custody

We will be deemed to have custody of Client funds and securities because we have the authority to obtain Client funds or securities, for example, by deducting advisory fees from a Client's account or otherwise withdrawing funds from a Client's account. Account statements related to the Clients are sent by qualified custodians to Sephira Investment Advisors (UK) Limited.

We will comply with Rule 206(4)-2 of the Investment Advisers Act of 1940, as amended (the "**Advisers Act**") (i.e., the "custody rule") by meeting the conditions of the pooled vehicle annual audit approach. Upon completion of the relevant Fund's annual audit by an independent auditor that is registered with, and subject to inspection by, the Public Company Accounting Oversight Board (PCAOB), we will distribute the Fund's audited financials to Investors within 120 days of such Fund's fiscal year end.

Item 16: Investment Discretion

We will have full discretionary investment authority with respect to the Funds, including authority to make decisions with respect to which securities to be bought and sold, as well as the amount and price of those securities.

Item 17: Voting Client Securities

In compliance with Rule 206(4)-6 of the Advisers Act (i.e., the “proxy voting rule”), we have adopted proxy voting policies and procedures. The general policy is to vote all proxy proposals, amendments, consents or resolutions (collectively, “**Proxies**”) in a prudent and diligent manner that will serve the applicable Client’s best interests and is in line with the Client’s investment objectives.

We may take into account all relevant factors, as determined by us in our discretion, including, without limitation:

- the impact on the value of the securities or instruments owned by the relevant client and the returns on those securities;
- the anticipated associated costs and benefits;
- the continued or increased availability of portfolio information; and
- industry and business practices.

Generally, clients may not direct our vote in a particular solicitation.

Clients may obtain a copy of our Proxy voting policies and our Proxy voting record upon request.

Item 18: Financial Information

We are not required to include a balance sheet for our most recent fiscal year, are not aware of any financial condition reasonably likely to impair our ability to meet contractual commitments to Clients, and have not been the subject of a bankruptcy petition at any time during the past ten years.