PRIVATE OFFERING MEMORANDUM

FA SPC
THE “COMPANY”

(an Exempted company incorporated with limited liability, registered as a segregated portfolio company under the laws of the Cayman Islands and regulated as a mutual fund for the purposes of the Mutual Funds Law (2009 Revision) of the Cayman Islands)

OFFER FOR SUBSCRIPTION OF GBP BASED, REDEEMABLE PARTICIPATING NON-VOTING SHARES OF USD 0.01 EACH IN THE COMPANY’S

ABSOLUTE RETURN GLOBAL SYSTEMATIC ALPHA FUND SEGREGATED PORTFOLIO
THE “FUND”

Investment Manager
ABSOLUTE RETURN ASSET MANAGEMENT

Investment Adviser
ABSOLUTE RETURN INVESTMENT ADVISERS (ARIA) LIMITED

Sponsor
ABSOLUTE RETURN INVESTMENT ADVISERS (ARIA) LIMITED

ISIN: KYG333491614
BLOOMBERG: GSAFGBP

GBP Class

November 2011

This Listing Document includes particulars given in compliance with the Listing Rules of the Channel Islands Stock Exchange for the purpose of giving information with regard to the issuer. The Directors, whose names appear on page 27, accept full responsibility for the information contained in this Listing Document and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.
Application has been made for admission of up to 4,999,990 FA SPC redeemable participating non-voting Shares of USD 0.01 each to the official list of the Channel Islands Stock Exchange (the “Exchange”). This Private Offering Memorandum (“Memorandum”) forms the listing documents in respect of the application for the Shares to be admitted to the official list of the Exchange.

Prospective investors should review this Memorandum carefully and consult with their legal and financial advisers to determine possible tax or other consequences of purchasing, holding or redeeming Shares. The distribution of this Memorandum and the offering or purchase of the Shares may be restricted in certain jurisdictions. No persons receiving a copy of this Memorandum or the accompanying Application Form in any such jurisdiction may treat this Memorandum or such Application Form as constituting an invitation to them to subscribe for Shares, nor should they in any event use such Application Form, unless in the relevant jurisdiction such an invitation could lawfully be made to them and such Application Form could lawfully be used without compliance with any registration or other legal requirements.

Neither the admission of the Shares to the official list of the Exchange (the “Official List”) nor the approval of the Memorandum pursuant to the listing requirements of the Exchange shall constitute a warranty or representation by the Exchange as to the competence of the service providers to or any other party connected with the listed fund, the adequacy and accuracy of the information contained in the Memorandum or the suitability of the issuer for the investment or any other purpose.
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CORPORATE DIRECTORY

Registered Office
FA SPC
c/o Cayman Management Ltd.
Ground Floor, Harbour Centre, P.O. Box 1569
George Town, Grand Cayman KY1-1110
Cayman Islands

Directors
David M. L. Roberts
Philip Mosely
Maurice P. Erb

Investment Manager
Absolute Return Asset Management
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75 Fort Street P.O. Box 1350
George Town, Grand Cayman KY1-1108
Cayman Islands

Investment Adviser
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4 Duke Street
Richmond
Surrey, TW9 1HP
United Kingdom

Sponsor
Absolute Return Investment Advisers (ARIA) Limited
4 Duke Street
Richmond
Surrey, TW9 1HP
United Kingdom

Prime Broker
Dexia Banque (Luxembourg) SA
69, route d’Esch
L-2953 Luxembourg
Luxembourg

Administrator, Registrar & Transfer Agent
IFIT Fund Services AG
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CH-6331 Hünenberg
Switzerland

Custodian
Dexia Banque (Luxembourg) SA
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L-2953 Luxembourg
Luxembourg

Banker
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L-2953 Luxembourg
Luxembourg

Legal Adviser as to Cayman Law
Priestleys, Attorneys-at-Law
Unit 11, Galleria Plaza
638 West Bay Road, P.O. Box 3031
George Town, Grand Cayman KY1-1202
Cayman Islands

Auditor
BDO Tortuga
Governor’s Square, 2nd Floor, Building 3
23 Lime Tree Bay Avenue, P.O. Box 31118
George Town, Grand Cayman KY1-1205
Cayman Islands

Listing Sponsor
Cannon Secretaries Limited
Kingsway House
Havilland Street
St Peter Port, Guernsey
Channel Islands

Distributor
Absolute Return Investment Advisers (ARIA) Limited
4 Duke Street
Richmond
Surrey, TW9 1HP
United Kingdom
NOTICE

References in this Offering Memorandum to the “Fund” are to be read as a reference to the Absolute Return Global Systematic Alpha Fund Segregated Portfolio, a segregated portfolio of FA SPC (the “Company”).

THIS OFFERING MEMORANDUM

This Offering Memorandum (“Memorandum” or “Offering Memorandum” or “Private Offering Memorandum”) relates to the offering of Shares (“Shares”) in the Absolute Return Global Systematic Alpha Fund Segregated Portfolio (the “Fund”) of FA SPC (the “Company”), a company incorporated under the Companies Law of the Cayman Islands as an exempted company limited by shares and registered as a segregated portfolio company.

This Memorandum is confidential and intended solely for the use of the person to whom it has been delivered for the purpose of enabling the recipient to evaluate an investment in the Fund, and it is not to be reproduced or distributed to any other persons (except to a prospective investor’s professional advisers). The latest annual audited accounts shall form part of this Memorandum and all together shall constitute the Memorandum for the offering of Shares.

The Directors of the Company whose names appear in the Directory accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the importance of such information.

It is not envisaged that the Shares will be listed on any other stock exchange although the Directors of the Company reserve the right to seek such a listing in the future if this is considered to be in the interests of existing or prospective investors in the Company.

INVESTOR RESPONSIBILITY

No representations or warranties of any kind are intended or should be inferred with respect to the economic return from, or the tax consequences of an investment in the Fund. No assurance can be given that existing laws will not be changed or interpreted adversely. Prospective investors are not to construe this Memorandum as legal, investment or tax advice. No person is authorised to make any representations concerning the Company or the Fund which are inconsistent with those contained in this Memorandum. This Memorandum supersedes all prior versions thereof and should be reviewed prior to making an investment decision.

Prospective investors should review this Memorandum carefully and in its entirety and consult with their legal, tax and financial advisers in relation to (i) the legal and regulatory requirements within their own countries for the purchase, holding, redeeming or disposing of Shares; (ii) any foreign exchange restrictions to which they are subject in their own countries in relation to the purchase, holding, redeeming or disposing of Shares; and (iii) the legal, tax, financial or other consequences of subscribing for, purchasing, holding, redeeming or disposing of Shares.
DISTRIBUTION AND SELLING RESTRICTIONS

Neither this Memorandum nor the Shares described herein have been qualified for offer, sale or distribution under the laws of any jurisdiction governing the offer or sale of mutual fund shares or other securities. The distribution of this Memorandum and the offering or purchase of the Shares may be restricted in certain jurisdictions.

No persons receiving a copy of this Memorandum or the accompanying Application Form in any such jurisdiction may treat this Memorandum or such Application Form as constituting an invitation to them to subscribe for Shares, nor should they in any event use such Application Form, unless in the relevant jurisdiction such an invitation could lawfully be made to them and such Application Form could lawfully be used without compliance with any registration or other legal requirements. Accordingly, this Memorandum does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation. It is the responsibility of any persons in possession of this Memorandum and any persons wishing to apply for Shares pursuant to this Memorandum to inform themselves of and to observe all applicable laws and regulations of any relevant jurisdiction.

Shares may be beneficially owned by persons resident, domiciled, established, incorporated or registered pursuant to the laws of the Cayman Islands. The Fund, however, will not undertake business with the public in the Cayman Islands other than so far as may be necessary for the carrying on of the business of the Fund exterior to the Islands. “Public” for these purposes does not include any exempted or ordinary non-resident company registered under the Companies Law or a foreign company registered pursuant to Part IX of the Companies Law or any such company acting as general partner of a partnership registered pursuant to section 9(1) of the Exempted Limited Partnership Law or any director or officer of the same acting in such capacity or the trustee of any trust registered or capable of registration pursuant to section 70 of the Trusts Law.

This Memorandum is not available to the general public in the United Kingdom. The Fund is not a recognised collective investment scheme for the purposes of the Financial Services and Markets Act 2000 of the United Kingdom (the “Act”). The promotion of the Fund and the distribution of this Memorandum in the United Kingdom is accordingly restricted by law. This Memorandum is being issued in the United Kingdom by the Fund, where permitted by applicable law and regulation, to persons who are of a kind to whom the Fund may lawfully be promoted by a person authorised under the Act by virtue of the Financial Services and Markets Act 2000 (Promotion of Collective Investment Schemes) (Exemptions) Order 2001 and Annex 5 to Chapter 3 of the FSA’s Conduct of Business Sourcebook or as otherwise permitted by applicable law and regulation. The Fund is not regulated by the FSA and investors may not have the benefit of the Financial Services Compensation Scheme of the United Kingdom and other protections afforded by the Act or any of the rules and regulations made thereunder.

The Shares described in this Memorandum have not been, and will not be, registered under the United States Securities Act of 1933, as amended, or any similar law, rule or regulation in any other jurisdiction (including without limitation any law, rule or regulation of England and Wales, the Cayman Islands or any of the states of the United States of America). Shares of the Fund may not be directly or indirectly offered or sold to or for the benefit of any United States Person (as defined herein). In addition, the Fund has not been and will not be registered under the United States Investment Company Act of 1940, as amended, or any similar law, rule or regulation in any other jurisdiction (including without limitation any law, rule or regulation of England and Wales, the Cayman Islands or any of the states of the United States of America). The Investment Manager is not, and will not be, registered under the United States Investment Advisers Act of 1940, as amended.

The Shares offered hereby may not be publicly offered, sold or advertised in Switzerland pursuant to Article 2 of the Swiss Investment Fund Act 1995 and this Memorandum may only be circulated to a limited number of persons in Switzerland. Therefore, no steps have been taken to register the Fund and/or this Memorandum as a prospectus in Switzerland.
RELIANCE ON THIS MEMORANDUM

The Shares are offered only on the basis of the information contained in this Memorandum and the latest audited annual accounts of the Fund. Any further information or representations given or made by any dealer, broker or other person should be disregarded and accordingly, should not be relied upon. No person has been authorised to give any information or to make any representations in connection with the offering of Shares in the Fund other than those contained in this Memorandum and in any subsequent annual report for the Fund and, if given or made, such information or representations must not be relied on as having been authorised by the Fund, the Company, the Directors or any of the Contractual Parties. Statements in this Memorandum are based on the law and practice currently in force in the Cayman Islands at the date hereof and are subject to change. Neither the delivery of this Memorandum nor the issue of Shares shall under any circumstances create any implication or constitute any representation that the affairs of the Fund have not changed since the date of this Memorandum.

RISKS

An investment in the Fund carries with it a degree of risk. The value of the Shares and the income from them may go down as well as up, and investors may not get back the amount invested. Because of the risks involved, investment in the Fund is only suitable for sophisticated investors who are able to bear the loss of a substantial portion or even all of the money they invest in the Fund, who understand the high degree of risk involved, believe that investment in the Fund is suitable for them based on their investment objectives and financial needs and have no need of liquidity of investment. Investors are therefore advised to seek independent professional advice on the implications of investing in the Fund. Certain risk factors for an investor to consider are set out in the Section headed “Certain Risk Factors”. There is no public market for the Shares and no such market is expected to develop in the future.

REGULATION

The Company is a regulated mutual fund for the purposes of the Mutual Funds Law (2009 Revision) of the Cayman Islands. The Company is registered with the Cayman Islands Monetary Authority (the “Monetary Authority”) pursuant to section 4(3) of that Law and this Memorandum has been filed with the Monetary Authority. Such registration does not imply that the Monetary Authority or any other regulatory authority in the Cayman Islands has approved this Memorandum or the offering of the Shares. For a summary of the continuing regulatory obligations of the Company and a description of the regulatory powers of the Monetary Authority, see the Section headed “The Company—Regulations”.

CONFIDENTIALITY

Any information forwarded to the Fund by any potential investors will be treated on a confidential basis except as outlined in the Data Protection policy in the Application Form and that such information may be passed on to a relevant third party by the Fund where so required by law or regulation and each investor upon subscribing for Shares shall be deemed to have consented to such release of such confidential information pursuant to the terms of Clause 3(2)(b)(i) (or any amendment thereto) of the Confidential Relationships (Preservation) Law (1995 Revision) of the Cayman Islands.

Notwithstanding anything herein to the contrary, each investor (and each employee, representative, or other agent of the investor) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of an investment in the Fund and all materials of any kind (including opinions or other tax analyses) that are provided to the investor relating to such tax treatment and tax structure.
DEFINITIONS

In this Offering Memorandum, in addition to words and phrases specifically defined elsewhere in this Memorandum, the following words and phrases have the meanings set forth below:

“Administration Agreement” — the agreement between the Fund and the Administrator, Registrar & Transfer Agent;
“Administration Fee” — the administration fee payable to the Administrator, Registrar & Transfer Agent in respect of each Share pursuant to the Administration Agreement;
“Administrator, Registrar & Transfer Agent” — IFIT Fund Services AG or such other person as may be appointed administrator, registrar and transfer agent of the Fund from time to time;
“Application Form” — an application form in the terms as set out in Appendix II of this Memorandum as amended by the Directors from time to time;
“Articles” — the Articles of Association of the Company for the time being in force and as may be amended from time to time;
“Auditor” — BDO Tortuga or such other person as may be appointed auditor of the Fund from time to time;
“Banker” — Dexia Banque (Luxembourg) SA or such other person as may be appointed banker of the Fund from time to time;
“Base Currency” — means the currency in which the accounts of the Fund will be prepared, which is GBP;
“Benchmark Rate” — 1M GBP LIBOR +4%;
“Business Day” — a day on which banks in both George Town, Grand Cayman and Luxembourg are authorised to open for business or such other day or days in addition thereto or in substitution therefore as the Directors may determine generally, or in any particular case;
“Class” — any class of shares designated by the Directors pursuant to the Articles;
“Closing Date” — means October 29, 2010 or such later date as the Directors may determine;
“Commencement Date” — means September 1, 2010 or such later date as the Directors may determine;
“Companies Law” — the Companies Law (2010 Revision) of the Cayman Islands as amended or re-enacted from time to time;
“Company” — FA SPC, an Exempted company incorporated with limited liability and registered as a segregated portfolio company under the laws of the Cayman Islands with registration number OG-188717; June 6, 2007;
“Contractual Parties” — the Investment Manager, the Administrator, Registrar & Transfer Agent, the Prime Broker & Custodian, the Banker, the Auditor, the Listing Sponsor and the Distributor to the Company on behalf of the Fund;
“CTA” — commodity trade advisors;
“Deferred Redemption Fee” — a contingent redemption fee to the benefit of the Fund, applied in connection to the repayment of any unamortised balance of the Distribution Fee;
“Directors” — the directors of the Company for the time being and any duly constituted committee thereof;
“Distribution Fee” — the distribution fee payable to the Distributor in respect of the subscription for Shares of their clients;
“Distributor” — Absolute Return Investment Advisers (ARIA) Limited or such other person as may be appointed as distributor of the Fund from time to time;
“Eligible Investors” — has the meaning set forth in Appendix I;
“Equalisation Factor” — the amount an investor may be required to pay as part of the Subscription Price in order to ensure that each Shareholder has the same amount of capital per Share at risk, and which will equal the difference between the Net Asset Value per Share before deduction of the Incentive Fee and the Net Asset Value per Share;
“Equalisation Procedure” an accounting procedure designed to ensure that the Incentive Fees are fairly allocated between each Shareholder in the Fund;

“EUR” means the lawful currency of the member states of the European Union that have adopted the single currency in accordance with the Treaty establishing the European Community, as amended;

“(External) Committee” means the external committee, consisting of independent market professionals, established by the Sponsor and the Investment Adviser;

“Fund” the Absolute Return Alternative Global Systematic Alpha Fund Segregated Portfolio, being a segregated portfolio of the Company;

“FSA” means the Financial Services Authority of the United Kingdom;

“GBP” the lawful currency of the United Kingdom;

“High Watermark (HWM)” means with respect to each Share, the greater of the Initial Offer Price or the highest Net Asset Value of such Share achieved as at the end of any previous period for which an Incentive Fee was calculated;

“IFRS” means International Financial Reporting Standards;

“Incentive Fee” means the incentive fee payable to the Investment Manager in respect of each Share pursuant to the Management Agreement;

“Initial Offering Period” the period beginning on the Commencement Date and ending on the Closing Date;

“Initial Offer Price” GBP 100 per Share;

“Investments” any property of whatever kind including, without limitation, securities and derivatives;

“Investment Adviser” Absolute Return Investment Advisers (ARIA) Limited or such other person as may be appointed as investment adviser to the Investment Manager of the Fund from time to time;

“Investment Manager” Absolute Return Asset Management (“ARAM”) or such other person as may be appointed investment manager of the Fund from time to time;

“Listing Sponsor” Cannon Secretaries Limited or such other person as may be appointed listing sponsor of the Fund from time to time;

“Management Agreement” the agreement between the Fund and the Investment Manager;

“Management Fee” the management fee payable to the Investment Manager in respect of each Share pursuant to the Management Agreement;

“Management Share” a voting, non-participating, management share of USD 0.01 par value each in the capital of the Company;

“Material Contracts” the Management Agreement, the Administration Agreement, the Anti-Money Laundering Agreement, the Prime Brokerage Agreement and the Anti-Money Laundering Agreement;

“Minimum Subscription” the minimum initial investment for Shares in the Fund is GBP 100,000 or such other amount as the Directors may in their sole discretion determine in respect of a particular Shareholder or group of Shareholders (though by Law in no case less than the equivalent of USD 100,000);

“Monetary Authority” the Cayman Islands Monetary Authority;

“Mutual Funds Law” or “Law” the Mutual Funds Law (2009 Revision) of the Cayman Islands as from time to time modified or re-enacted or consolidated, and shall include any subordinate legislation made from time to time under that law;

“Net Asset Value” means the net asset value of the Fund determined using the valuation principles described in the Section headed “Subscription, Redemption and Transfer of Shares” below;

“Net Asset Value per Share” in respect of each Share, the Net Asset Value of the Fund divided by the number of Shares then in issue;

“(Offering) Memorandum” this private offering memorandum and the Fund’s most recent annual report and accounts;

“Ordinary Resolution” a resolution passed at a quorate meeting of the Company by a simple majority of the votes cast in its favour by the holders of the Management Shares or a resolution
approved in writing by all such holders of Management Shares expressed to be an ordinary resolution;

**“Prime Brokerage Agreement”** means the contractual documents and agreements between the Fund and the Prime Broker and Custodian;

**“Prime Broker & Custodian”** Dexia Banque (Luxembourg) SA or such other person as may be appointed prime broker and custodian of the Fund from time to time;

**“Prohibited Persons”** has the meaning set forth in Appendix I;

**“Recognised Exchange”** any regulated market or exchange (which is an exchange within the meaning of the law of the country concerned relating to exchanges) in the United States of America, member states of the European Union or the Organisation for Economic Co-operation and Development or any other regulated exchange or market;

**“Redemption Day”** the last Business Day of each calendar month or such additional Business Day or Business Days as the Directors may in their sole discretion determine, either in any particular case or generally;

**“Redemption Price”** the redemption price of a Share which is based on the Net Asset Value per Share, on the first Valuation Day that occurs after notice of the redemption is received and approved by the Fund (as calculated in accordance with the Articles and described herein);

**“Redemption Request”** a redemption request form in the terms set out in Appendix IV of this Memorandum as amended by the Directors from time to time;

**“Segregated Portfolio”** a segregated portfolio of the Company;

**“Share”** a redeemable participating non-voting share of USD 0.01 par value each in the capital of the Fund;

**“Shareholder”** a holder of Shares;

**“Special Resolution”** a resolution passed at a quorate meeting of the Company by a two-thirds majority of the holders of the Management Shares thereat or approved in writing by all of such holders of Management Shares and expressed to be a special resolution;

**“Sponsor”** Absolute Return Investment Advisers (ARIA) Limited or such other person as may be appointed as sponsor of the Fund from time to time;

**“Subscription Day”** the first Business Day of each calendar month or such additional Business Day or Business Days as the Directors may in their sole discretion determine, either in any particular case or generally;

**“Subscription Fee”** a fee being charged on the issuance of Shares, within discretion of the Directors, that may be used to meet commission and brokerage costs in the Fund, or may be retained for the benefit of the Investment Manager and/or any other (contractual) parties that introduce investors to the Fund;

**“Subscription Price”** during the Initial Offering Period GBP 100 per Share; thereafter the subscription price of a Share is based on the Net Asset Value per Share on the first Valuation Day that occurs after notice of the subscription is received and approved by the Fund (as calculated in accordance with the Articles and described herein), plus an Equalisation Factor (if any);

**“Underlying Fund”** a diversified portfolio of listed and unlisted hedge funds in which Absolute Return Global Systematic Alpha Fund Segregated Portfolio can invest;

**“Underlying Managers”** managers of an underlying fund;

**“United States” or “U.S.”** the United States of America, its territories and possessions or areas subject to its jurisdiction;

**“USD”** the lawful currency of the United States of America;

**“U.S. Person”** as defined under Regulation S under the United States Securities Act of 1993, as amended;

**“Valuation Day”** with respect to each Share means the last Business Day of each month or any such other day or days as the Directors may determine generally or in any particular case.
EXECUTIVE SUMMARY

The following summary should be read in conjunction with the full text of this Memorandum, the Articles and other Material Contracts disclosed in this Memorandum and is qualified in its entirety by reference to such documents:

The Company

FA SPC is incorporated in the Cayman Islands as an exempted company with limited liability registered as a segregated portfolio company. It was incorporated on June 6, 2007. As a segregated portfolio company, the Company can operate Segregated Portfolios with the benefit of statutory segregation of assets and liabilities between each Segregated Portfolio.

It has an authorised share capital of USD 50,000 made up of 100 Management Shares and 4,999,900 Shares. As at the date of this Memorandum and including this Fund, the Company comprises five Segregated Portfolios.

The Directors of the Company are David M. L. Roberts, Philip Mosely and Maurice P. Erb.

The Company may in the future create additional Segregated Portfolios and additional Classes of shares within each Segregated Portfolio in its sole and absolute discretion.

Each Segregated Portfolio will be administered and maintained separate from each of the other Segregated Portfolios. Under the Companies Law, the debts, liabilities, obligations and expenses incurred by one Segregated Portfolio will only be enforceable against the assets of the same Segregated Portfolio (or, in certain circumstances, against the general assets of the Company) and not against the assets of any other Segregated Portfolio.

See the Section headed “Description of the Shares” below for full details.

The assets of each Segregated Portfolio will be invested separately in accordance with the investment objective, policies and guidelines for such Segregated Portfolio, and, in the case of the Fund, as specified in the Section “Investment Objective and Strategy”.

The Fund

The Absolute Return Global Systematic Alpha Fund Segregated Portfolio (the “Fund”) of the Company.

Investment Objective and Strategy

The investment objective of the Fund will be to generate capital gains over the medium to long term. The Fund will seek to achieve its objective by investing substantially all of its assets in a diversified portfolio of Underlying Funds implementing various strategies including, but not limited to, CTAs (Commodity Trade Advisors), trend following strategies and Managed Futures funds. The Fund may also invest in any other Underlying Fund strategy. The allocation among Underlying Funds will be adjusted in light of changing market and macro-economic conditions. The Fund may invest in cash and money market instruments including Underlying Funds investing in cash and money market instruments. The Fund may also invest in derivative securities or FX (foreign exchange) hedging instruments in order to manage the Fund's portfolio level exposures to (currency) market risks or economic events. Investment in FX hedging instruments may also be used to hedge
currency risks at the share class level.

Management, Advice and Administration

The Investment Manager is Absolute Return Asset Management ("ARAM").

The Investment Adviser and Sponsor is Absolute Return Investment Advisers (ARIA) Limited.

The Administrator, Registrar & Transfer Agent is IFIT Fund Services AG.

The Prime Broker & Custodian is Dexia Banque (Luxembourg) SA.

The Banker is Dexia Banque (Luxembourg) SA.

The Auditor is BDO Tortuga.

The Listing Sponsor is Cannon Secretaries Ltd.

The Distributor is Absolute Return Investment Advisers (ARIA) Limited.

Subscriptions

The Fund is offering Shares with Base Currency in GBP.

During the Initial Offering Period, Shares are offered at GBP 100 each. After the Initial Offering Period, Shares will be available for issue on the first Business Day of the month at the Net Asset Value per Share, plus an Equalisation Factor (if any). The cost of acquisition of the Shares may under certain circumstances also include a Subscription Fee of up to 5%.

See the Section headed “Subscription, Redemption and Transfer of Shares” below for full details.

Minimum Subscription

The minimum initial subscription amount for Shares in the Fund is GBP 100,000 or such other amount as the Directors may in their sole discretion determine in respect of a particular Shareholder or group of Shareholders (although by Law, in no case less than the equivalent of USD 100,000). Any subsequent investment for Shares shall be in minimum increments of GBP 25,000.

Eligible Investors

Only Eligible Investors may subscribe for Shares. See Appendix I.

Redemptions

A Deferred Redemption Fee of up to 5% may be applied in connection to the repayment of any unamortised balance of the Distribution Fee.

Shares generally may be redeemed on the last Business Day of the month at the Net Asset Value per Share.

Minimum redemption is set at GBP 10,000 and redemption proceeds will be paid in cash in GBP by electronic transfer at the Shareholder’s risk and expense or, in certain circumstances, in securities, or partly in cash and partly in securities.

Redemptions may be subject to certain restrictions and the Fund may compulsorily redeem Shares in certain circumstances. See the Section headed “Subscription, Redemption and Transfer of Shares” below for full details.

Transfers

Shares may not be transferred without the prior written consent of the Directors.

Dividends

The Fund may pay dividends or other distributions to Shareholders in the sole and absolute discretion of the Directors, although the generation of income is not a principal objective of the Fund, as distributions will be made by way of partial redemptions.
Fees and Expenses

The Investment Manager will receive a Management Fee of 1.5% per annum of the Net Asset Value of the Fund (before deduction of such Management Fee and any Incentive Fee), calculated and accrued monthly and payable monthly in arrears.

The Investment Manager will also be entitled to an Incentive Fee of 20%, subject to a hurdle rate of 1M GBP LIBOR + 4%, of the appreciation of the Net Asset Value per Share (before deduction of such Incentive Fee, if any, calculated on a monthly basis, but only to the extent that the Net Asset Value per Share exceeds the High Watermark.

The Administrator shall receive an Administration Fee equal to an annual percentage of the Net Asset Value of the Fund, calculated and accrued monthly and payable monthly in arrears.

The Fund bears all costs of its other appointed Contractual Parties and is also responsible for paying its own initial organisational expenses as well as a share of the initial expenses in the establishment of the Company.

See the Section headed “Fees and Expenses” below.

Risk Factors

An investment in the Fund entails certain risks. Prospective investors should review carefully the discussion under the Section headed “Certain Risk Factors” below.

Reporting

The Fund will make available to each Shareholder an annual report that will include audited financial statements as of the end of each fiscal year. Upon request, the Investment Manager will make available to the Shareholders a monthly report on the investment performance of the Fund.

Fiscal Year

June 30, with the first fiscal year ending June 30, 2011.

Tax

The Company is not subject to tax in the Cayman Islands (other than registration and annual filing fees) under the current laws of the Cayman Islands. Prospective investors should consult their own advisers as to the particular tax consequences to them of their proposed investment in the Fund.

Application Procedure

To participate, an investor must complete and return the Application Form found in Appendix II of this Memorandum and arrange for the transfer of their funds to the bank account of the Fund.
THE COMPANY

STRUCTURE

The Company is an exempted company limited by shares and registered as a segregated portfolio company. It was incorporated under the provisions of the Companies Law of the Cayman Islands on June 6, 2007. The location of the Company’s registered office is listed in the Corporate Directory.

The Company has been structured as a fund incubator to allow independent asset managers to create a fund using a Segregated Portfolio to reflect their respective investment strategies as each set out in a separate private offering memorandum.

The Company will only accept subscriptions for shares on behalf of each Segregated Portfolio from Eligible Investors and reserves the right to reject any subscriptions.

The Company may create one or more Segregated Portfolios in order to segregate the assets and liabilities held by the Company on behalf of each Segregated Portfolio from the assets and liabilities held by the Company on behalf of any other Segregated Portfolio or the general assets and liabilities of the Company.

In a segregated portfolio company, principles relating to the payment of dividends or other distributions, and the payment of the redemption price of shares are applied to each Segregated Portfolio in isolation. Payments in respect of dividends, distributions and redemptions of shares may only be paid out of the assets of the Segregated Portfolio in respect of which the relevant shares were issued. Segregated Portfolio assets are only available to meet liabilities to creditors of the Company who are creditors in respect of the relevant Segregated Portfolio and are protected from and are not available to creditors of the Company who are not creditors in respect of that Segregated Portfolio.

The Companies Law requires that any transaction or arrangement entered into by a segregated portfolio company on behalf of one or more of its Segregated Portfolios must be executed by a segregated portfolio company on behalf or for the account of such Segregated Portfolio(s), which must be identified in the relevant documents.

If the segregated portfolio company fails to meet this requirement, then (notwithstanding any provisions to the contrary in the segregated portfolio company’s Articles of Association or in any contract) its directors will incur personal liability for the liabilities of the Company and the relevant Segregated Portfolio(s) under the relevant contract or arrangement. The Cayman Islands courts may relieve a director of all or part of his personal liability if satisfied that (i) he was not aware of the circumstances giving rise to his liability and in being unaware was not fraudulent, reckless or negligent, and did not act in bad faith, or (ii) he expressly objected and exercised his rights as a director to try to prevent the circumstances giving rise to the liability.

It is also the duty of the directors to establish and maintain procedures for the segregation both of the general assets from the Segregated Portfolio assets and of the assets of each Segregated Portfolio from those of each other Segregated Portfolio such that the assets and liabilities of each Segregated Portfolio and any general assets or liabilities of the Company shall be separate and separately identifiable.

REGULATION

The Company is registered as a “mutual fund” under Section 4(3) of the Mutual Funds Law of the Cayman Islands and, accordingly, is regulated pursuant to that law. However, the Company is not required to be licensed or to employ a licensed mutual fund administrator since the minimum aggregate equity interest purchasable by a prospective investor in each Segregated Portfolio is at least USD 100,000 or its equivalent in any other currency.
In connection with its registration under the Mutual Funds Law, the Company has filed with the Monetary Authority a copy of this Offering Memorandum and certain details of this Memorandum prescribed by the Mutual Funds Law as well as the prescribed initial registration fee. The Company’s continuing obligations under the Mutual Funds Law are (i) to file with the Monetary Authority prescribed details of any changes to this Memorandum, (ii) to file annually with the Monetary Authority accounts audited by an approved Auditor, and (iii) to pay a prescribed annual fee.

The Company is a regulated mutual fund and, as such, is subject to the supervision of the Monetary Authority and the Monetary Authority may at any time instruct the Company to have its accounts audited and to submit them to the Monetary Authority within such time as the Monetary Authority specifies. Failure to comply with any supervisory request by the Monetary Authority may result in substantial fines. The Monetary Authority has wide powers to take certain actions if certain events occur, such as if it is satisfied that a regulated mutual fund is or is likely to become unable to meet its obligations as they fall due or is carrying on or is attempting to carry on business or is winding up its business voluntarily in a manner that is prejudicial to its investors or creditors. The powers of the Monetary Authority include, inter alia, the power to require the substitution of any Director, to (at the expense of the Company) appoint a person to advise the Company on the proper conduct of its affairs or to (at the expense of the Company) appoint a person to assume control of the affairs of the Company including, but not limited to, having the ability to terminate the business of the Company. There are other remedies available to the Monetary Authority including the ability to apply to the courts of the Cayman Islands for approval of other actions or requiring the Company to reorganise its affairs in a manner specified by the Monetary Authority.

**ADDITIONAL INFORMATION**

This Memorandum does not purport to be and should not be construed as a complete description of the Memorandum and Articles of Association of the Company, or the Material Contracts. Before investing in the Fund, each prospective investor should examine this Offering Memorandum, the Application Form, the Memorandum of Association and Articles of the Company and the Material Contracts and satisfy itself that an investment in the Fund is appropriate. Additionally, and prior to the sale of any Shares, the Fund will make available to each subscriber or his or her representative the opportunity to ask questions of and receive written answers from representatives of the Fund concerning any aspect of the investment and to obtain any additional information, to the extent that the Fund possesses such information or can acquire it without unreasonable effort or expense.

An investment in any one Fund may be deemed speculative and is not intended as a complete investment program, whilst the portfolio is multi asset class in construction. Some investments within the fund may have no secondary market or be illiquid in nature.
INVESTMENT OBJECTIVE AND STRATEGY

INVESTMENT OBJECTIVE

The investment objective of the Fund will be to generate capital gains over the medium to long term. The Fund will seek to achieve its objective by investing substantially all of its assets in a diversified portfolio of listed and unlisted hedge funds (the "Underlying Funds") implementing typically managed futures potentially including both discretionary and systematic strategies and managed by a variety of investment managers ("Underlying Managers").

INVESTMENT STRATEGY

The Fund will invest in a diversified portfolio of Underlying Funds covering a variety of investment styles and trading approaches. The Underlying Funds may include both external funds or managed accounts traded by an Underlying Manager.

The Fund will seek to achieve its objective by investing substantially all of its assets in a diversified portfolio of Underlying Funds implementing various strategies, including but not limited to, CTAs (Commodity Trade Advisors), trend following strategies and managed futures. The Fund may also invest in any other Underlying Fund strategy. The allocation among Underlying Funds will be adjusted in light of changing market and macro-economic conditions.

Certain Underlying Managers may use strategies which involve the purchase or short selling of financial instruments on margin or with other borrowed funds, and may invest in other investment vehicles similarly engaged in leveraged transactions. Whenever practical, and particularly in the case of managed accounts, the Investment Manager will endeavour to structure the Fund's investment to limit the liability associated with each investment to the amount invested therein. This may be accomplished by the legal structure of an investment fund itself or by use of separate trading subsidiaries.

The Fund may, at the sole and absolute discretion of the Investment Manager, invest in cash and money market instruments including Underlying Funds investing in cash and money market instruments. The Fund may directly trade in derivative securities or FX hedging instruments in order to manage the Fund's portfolio level exposures to (currency) market risks or economic events. Investment in FX hedging instruments may also be used to hedge currency risks at share class level (as such any profit or loss arising from FX hedging in relation to share class level hedging will only be attributable to that Share Class) for those Classes of Shares not denominated in USD. The purchase and sale of derivative, money market instruments or currencies other than for the purpose of efficient portfolio management will adhere to the general principle of risk spreading in respect of those investments.

Currency Management

The Base Currency of the Fund is GBP. Exchange rate fluctuations could significantly influence global investment returns. The Fund does not attempt to forecast exchange rates in its investing decisions. However, the Fund may well hedge the investments denominated in other currencies should research indicate that value will be enhanced by doing so.

There can be no assurance that the Fund will achieve any performance or volatility targets, nor does the Company give or make any assurances about the performance of the Fund.


**INVESTMENT PROCESS**

**Manager or Fund Selection**
The Advisers will actively seek prospective Underlying Managers utilising their extensive knowledge of the hedge fund industry and developing relationships to provide the Fund with access to a universe of high quality funds and strategies. Potential Underlying Managers will be subject to fundamental research and analysis, providing a pool of talented managers from which the portfolio will be constructed. However, it’s anticipated that managers who are well know and leaders in the broader ‘managed futures’ universe will figure prominently in the portfolio.

When analysing a potential new manager, the Advisers will score the manager on a wide variety of criteria, including: investment process and risk controls, performance record, transparency and liquidity, company quality and infrastructure. Moreover, risk management is ostensibly fundamental to the process, which would include an assessment of the risks associated with each potential investment, covering both quantitative and qualitative issues. Quantitative issues consider manager and portfolio beta, VAR, fat tail analysis and historic loss, whilst qualitative would consider business risk, manager experience, quality of existing and potential relationship with the manager.

The Advisers may well draw on outsourced legal due diligence and administrative due diligence performing a range of activities from desk top due diligence to on-site visits, including: checking of documents, subscription and redemption terms, site visits to the managers’ operations team and administrators, reviews of regulatory filings, accounts and investment reports.

The Advisers will ultimately decide whether to add the potential Underlying Managers to the Fund’s approved list, with the decision and rationale documented and recorded.

**Portfolio Construction**
The Advisers will determine the actual Underlying Manger mix within the portfolio, using Underlying Managers selected from the Investment Manager’s approved manager list, in accordance with the objectives of the Fund. Decisions regarding portfolio construction will be made by the Advisers supported by analysis using proprietary software systems. Analysis will include risk budgeting, quantitative back testing, correlation analysis (internal, external and overall portfolio correlation figures), expected return analysis, efficiency evaluation and stress testing.

The proposed portfolio will be checked for compliance with Fund guidelines and restrictions and any breach will result in adjustment and re-testing of the portfolio before it is finalised. Underlying Managers will be checked for capacity, lock-ups / liquidity and redemption restrictions to ensure they match the requirements of the Fund.

**Manager Monitoring**
The Adviser will keep in close contact with the Underlying Managers to maintain an understanding of the risk / return profile of the portfolio. The Adviser will aim to identify any changes or problems using regular weekly, fortnightly or monthly data feeds, as well as frequent conversations or meetings with the Underlying Managers.

**Active Portfolio Management**
The Fund’s portfolio will be managed on a day to day basis. The Investment Manager may remove an Underlying Manager from the portfolio after consideration in the context of macro market influences as well as the Underlying Manager's peer group. The Investment Manager may also remove an Underlying Manager from the portfolio if it shows signs of style drift, there are operational concerns, the Underlying Manager no longer adds value to the portfolio or a better substitute for the Underlying Manager can be found. Throughout the life of the investment, the Investment Manager will maintain its manager driven focus and commitment to transparency, risk management, capital preservation and diversification.
Performance Target and Volatility
The Fund targets a return of 9-12% per annum, with volatility meaning annualized standard deviation of monthly returns circa 17%. Up to 40 per cent of the value of the gross assets of the Fund may be invested in any Underlying Fund or may be allocated to any manager on a discretionary basis, provided that the Underlying Fund or manager has a risk management and diversification approach that is appropriate.

INVESTMENT RESTRICTIONS
There are no restrictions on the Fund subject to the general restrictions on the investment powers of the Company.

BORROWING AND LEVERAGE
The Fund may borrow for the purposes of making investments and pending redemption requests, but limited to 100% of NAV.

The Fund will use leverage to take advantage of market opportunities and to enhance returns from specific transactions. The Fund expects to leverage its investments primarily through borrowing against the portfolio as a whole rather than individual investments in order to reduce the risks associated with leverage. Investors should be aware of the significant risks and expenses in connection with the borrowing and use of other forms of leverage.

The Fund will bear no obligation to have a specified amount of money or margin invested in the market on a continuous basis. Leverage and margins will be used when deemed appropriate and when/if opportunities arise.

RISK MANAGEMENT
Comprehensive research is conducted both from a fundamental and technical standpoint before considering any position, or asset allocation change. Liquidity of the portfolio is at the forefront of the Manager’s investment process.

CASH
The Fund may maintain higher levels of cash and cash equivalents than are necessary to meet short-term cash needs. The Fund may invest its excess funds in short-term investment products (e.g. government securities, money market funds, commercial paper and certificates of deposit).

DISTRIBUTION POLICY
The Fund’s objective is to maximise capital appreciation and accordingly it is not envisaged that any income or gains derived from its investments will be distributed by way of dividend. This does not preclude the Directors from declaring a dividend at any time in the future if they consider it appropriate to do so. To the extent that a dividend may be declared, it will be paid in compliance with any applicable laws.

Any dividend which cannot be paid to a holder of Shares and/or which remains unclaimed after six months from the date of declaration of such dividend may, in the discretion of the Directors, be paid into a separate account in the Fund’s name, provided that the Fund shall not be constituted as a trustee in respect of that account and the dividend shall remain as a debt due to the holder of Shares. Any dividend which remains unclaimed after a period of six years from the date of declaration of such dividend shall be forfeited and shall revert to the Fund.
Regardless of whether Absolute Return Asset Management is the Investment Manager or if this mandate is delegated to a third party investment manager or adviser, neither Absolute Return Asset Management nor FA SPC makes any promise or accepts any responsibility for the performance of the investment.

**THE PRICE OF THE SHARES OF THE FUND FORMING THIS OFFER MAY GO DOWN AS WELL AS UP AFTER SUBSCRIBING.**
CERTAIN RISK FACTORS

There can be no assurance that the Fund’s investment policy will be successful or that the investment objectives of the Fund will be achieved. The Shares are a suitable investment only for sophisticated investors for whom an investment in the Fund does not constitute a complete investment program and who fully understand, are willing to assume, and have the financial resources necessary to withstand, the risks involved in the Fund’s specialised investment program.

Prospective investors, either individually or together with their advisers, must have the financial sophistication and expertise to evaluate the merits and risk of an investment in the Fund, and naturally the underlying funds in which this Fund invests. In evaluating the merits and suitability of an investment in the Shares of the Fund, prospective investors should give careful consideration to the following risk factors, among others (including other risks discussed elsewhere in this Memorandum).

GENERAL RISK FACTORS

Overall Investment Risk. All investments risk the loss of capital. The nature of the assets to be purchased and traded by the Fund and the investment techniques and strategies to be employed in an effort to increase profits may increase this risk. While the Investment Manager will devote its all reasonable efforts to the management of the Fund, there can be no assurance that the Fund shall achieve its performance objective and will not incur losses. Many unforeseeable events, including actions by various government agencies, and domestic and international political events, may cause sharp market fluctuations.

Difficult Market for Investment Opportunities. The activity of identifying, completing and realizing on attractive investments involves a high degree of uncertainty. There can be no assurance that the Fund will be able to locate and complete investments which satisfy the Fund’s rate of return objective or realise upon their values or that the Fund will be able to invest fully its subscribed capital in a manner consistent with its investment strategy.

Fees and Expenses. The performance of the Fund will be affected by charges related to investments of the Fund. The Fund will be subject to fees and expenses, some of which will be incurred regardless of whether the Fund’s investments are profitable.

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

Absence of Regulatory Oversight. Although the Company is a regulated mutual fund under the Mutual Funds Law (2009 Revision) of the Cayman Islands, the Company is not required to, and does not intend to, register under the laws of any other jurisdiction, and, accordingly, the provisions of statutes of certain jurisdiction (which may provide certain regulatory safeguards to investors) are not applicable. For example, the Fund is not required to maintain custody of its securities or place its securities in the custody of a bank or a member of a Recognised Exchange in the manner required under the statutes of certain jurisdiction. A registered investment company that places its securities in the custody of a member of a Recognised Exchange is generally required to have a written custodian agreement, which provides that securities held in custody will be at all times individually segregated from the securities of any other person and marked to clearly identify such securities as the property of such investment company and which contains other provisions complying with applicable regulations. The Fund may
maintain such accounts at brokerage firms that do not separately segregate such assets as would be required in the case of registered investment companies. The bankruptcy of any such brokerage firms might have a greater adverse effect on the Fund than would be the case if the Fund maintained its accounts to meet the requirements applicable to registered investment companies.

**Business and Regulatory Risks of Hedge Funds.** Legal, tax and regulatory changes could occur during the term of the Fund that may adversely affect the Fund. The regulatory environment for hedge funds is evolving, and changes in the regulation of hedge funds may adversely affect the value of Investments held by the Fund and the ability of the Fund to obtain the leverage it might otherwise obtain or to pursue its trading strategies. In addition, securities and futures markets are subject to comprehensive statutes, regulations and margin requirements. Regulators and self-regulatory organisations and exchanges are authorised to take extraordinary actions in the event of market emergencies. The regulation of derivative transactions and hedge funds that engage in such transactions is an evolving area of law and is subject to modification by government and judicial actions. The effect of any future regulatory change on the Fund could be substantial and adverse.

**Limited Rights of Shareholders.** Shareholders holding Shares will have no right to participate in the day to day operations of the Fund and will not be entitled to receive notice of, nor attend or vote at, general meetings of the Company other than general meetings to vote upon a variation of the rights of the Shares. Consequently, Shareholders will not have any control over the management of the Fund, the appointment and removal of the Directors of the Company and the Contractual Parties. Absolute Return Asset Management, Clifton House, 75 Fort Street, P.O. Box 1350 George Town, Grand Cayman, KY1-1108, Cayman Islands (“ARAM”), as holder of all the Management Shares, controls all of the voting interests in the Company, except on proposals to vary the rights of the Shares, and may make such changes to the Memorandum of Association and Articles of the Company as it deems appropriate, including increasing the share capital, consolidating the Shares and subdividing the Shares. Accordingly, only ARAM can appoint and remove the Directors of the Company and only the Directors may terminate the services of the Investment Manager, the Administrator and other Contractual Parties of the Fund. An investment in the Fund should be regarded as a passive investment.

**Valuation of the Fund’s Investments.** Valuation of the Fund’s Investments may involve uncertainties and judgmental determinations, and if such valuations should prove to be incorrect, the Net Asset Value per Share could be adversely affected. Independent pricing information may not at times be available regarding certain of the Fund’s Investments. Valuation determinations will be made in good faith in accordance with the Articles. The Fund may have some of its assets in Investments, which by their very nature may be extremely difficult to accurately value. To the extent that the value assigned by the Fund to any such investment differs from the actual value, the Net Asset Value per Share may be understated or overstated, as the case may be. In light of the foregoing, there is a risk that a Shareholder who redeems all or part of its Shares while the Fund holds such Investments will be paid an amount less than it would otherwise be paid if the actual value of such Investments is higher than the value designated by the Fund. Similarly, there is a risk that such Shareholder might, in effect, be overpaid if the actual value of such Investments is lower than the value designated by the Fund. In addition, there is risk that an investment in the Fund by a new Shareholder (or an additional investment by an existing Shareholder) could dilute the value of such Investments for the other Shareholders if the designated value of such Investments is higher than the value designated by the Fund. Further, there is risk that a new Shareholder (or an existing Shareholder that makes an additional investment) could pay more than it might otherwise if the actual value of such Investments is lower than the value designated by the Fund. The Fund does not intend to adjust the Net Asset Value per Share retroactively. None of the Directors, the Company, the Fund or the Administrator shall have any liability in the event that any price or valuation, used in good faith in connection with the above procedures, proves to be an incorrect or an inaccurate estimate or determination of the price or value of any part of the property of the Fund.

**Possible Effect of Substantial Redemptions.** Substantial redemptions of Shares could require the Fund to liquidate its positions more rapidly than otherwise desired in order to raise the cash necessary to fund the redemptions. Illiquidity in certain securities could make it difficult for the Fund to liquidate positions on favourable terms, which could result in losses or a decrease in the Net Asset Value of the Fund. The Fund is
permitted to borrow cash necessary to make payments in connection with redemption of Shares when the Investment Manager determines that it would not be advisable to liquidate portfolio assets for that purpose. The Fund is also authorized to pledge portfolio assets as collateral security for the repayment of such loans. In these circumstances, the continuing Shareholders will bear the risk of any subsequent decline in the value of the Fund’s assets.

**Redemption Proceeds.** Redemption proceeds paid by the Fund to an investor granted redemption may be less than the Net Asset Value of such Shares at the time a Redemption Request is made due to fluctuations in the Fund’s Net Asset Value between the date of the request and the applicable Valuation Day, or if there remain any unamortised expenses.

**In-Kind Distributions.** A redeeming Shareholder may, in the discretion of the Directors, receive securities owned by the Fund in lieu of, or in combination with, cash. The value of securities distributed may increase or decrease before the securities can be sold, and the investor will incur transaction costs in connection with the sale of such securities. Additionally, securities distributed with respect to a redemption by a Shareholder may not be readily marketable. The risk of loss and delay in liquidating these securities will be borne by the investor, with the result that such investor may receive less cash than it would have received on the date of redemption.

**Illiquidity of Shares.** Shares are not transferable without the approval of the Directors, and there will be no secondary market for Shares. Consequently, Shareholders may not be able to dispose of their Shares except by means of the redemption privilege and may receive securities rather than cash in exchange for their Shares. Redemptions may be subject to certain charges, and restrictions including, but not limited to, an overall limit of 7.5% of the Net Asset Value of the Fund at any one time or monthly dealing frequency per aggregated introducer, which could be one Nominee company.

**Investment in Exempt International Schemes or other Unregulated Collective Investment Schemes.** The Fund has the power to invest in Schemes which may not be subject to any form of authorisation or regulatory supervision. Such schemes are not required to have an independent custodian or any custodian at all. Therefore, investment in such schemes carries a higher potential risk and this should be taken into account in any investment decision.

**Accounting.** The Fund will amortise establishment costs over the first 60 months of the Fund’s operations.

**SEGREGATED PORTFOLIO RISK**

**Segregation of Assets in a Segregated Portfolio Structure.** The Company is registered as a segregated portfolio company. As a matter of Cayman Islands law, the assets of one Segregated Portfolio will not be available to meet the liabilities of another Segregated Portfolio. However, the Company may operate or have assets held on their behalf or be subject to claims in other jurisdictions which may not necessarily recognise such segregation. There is no guarantee that the courts of any jurisdiction will respect the limitations on liability associated with a segregated portfolio company. Further, individual shares issued within each Segregated Portfolio are not segregated. Accordingly, if the assets attributable to one Class of shares in a Segregated Portfolio were completely depleted by losses and a deficit remained, a creditor could enforce a claim against the assets of the other shares of the same Segregated Portfolio. As at the date of this document, the Directors are not aware of any such claim or contingent liability.

**SPECIFIC ASSET AND PORTFOLIO RISK FACTORS**

**Risks of Global Investing.** The Fund invests in various capital markets throughout the world. As a result, the Fund is subject to risks relating to (i) currency exchange matters, including fluctuations in the rate of exchange between the Base Currency of the Fund, which is GBP, and the various other currencies in which the Fund’s Investments may be denominated, and costs associated with conversion of investment principal and income from one currency into another and (ii) the possible imposition of withholding taxes on income received from the issuer of, or gains with respect to, such securities. In addition, investing in certain of these capital markets
involves certain factors not typically associated with investing in established securities markets, including risks relating to (i) differences between markets, including potential price volatility in and relative illiquidity of some securities markets, (ii) the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements, and less governmental supervision and regulation and (iii) certain economic and political risks, including potential exchange control regulations and potential restrictions on investment and repatriation of capital. None of these conditions are within the control of the Investment Manager, and no assurances can be given that the Investment Manager will anticipate these developments.

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

Currency Risks. A portion of the Fund’s assets may be denominated in various currencies and in other financial instruments, the price of which is determined with reference to such currencies. The account of the Fund will, however, be valued in GBP. To the extent unhedged, the value of the net assets of the Fund will fluctuate with GBP exchange rates as well as with price changes of its Investments in the various local markets and currencies. Forward currency contracts and options may be utilised by the Fund to hedge against currency fluctuations, but there can be no assurance that such hedging transactions will be effective. In addition, prospective investors whose assets are primarily denominated in currencies other than the GBP should take into account the potential risk of loss arising from fluctuations in the rate of exchange between the currency of investment and such other currency.

Derivative Instruments. The Fund may use various derivative instruments, including futures, options, forward contracts, swaps and other derivatives which may be volatile and speculative. Certain positions may be subject to wide and sudden fluctuations in market value, with a resulting fluctuation in the amount of profits and losses. Use of derivative instruments presents various risks, including the following:

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

**Illiquid Investments.** The Fund may make investments which are subject to legal or other restrictions on transfer or for which no liquid market exists. The market prices, if any, of such Investments tend to be more volatile and the Fund may not be able to sell them when it desires to do so or to realize what it perceives to be their fair value in the event of a sale. The Fund may encounter substantial delays in attempting to sell any type of securities.

**Credit Facility and Leverage.** The Fund may engage in various forms of leverage, although borrowing is limited to 100% of assets, and the Fund does not limit the use of leverage by individual fund assets in the aggregate. The Fund may pledge all of its assets in order to secure any such borrowing. Leverage may include both investments in derivatives, as well as direct secured and unsecured borrowings for any amount (to the maximum extent allowable under applicable credit regulations) and for any reason, including without limitation to fund settlement timing differences, to settle foreign currency exchange transactions, to fund redemptions and to purchase Investments ahead of expected subscriptions. To the extent that the Fund uses leverage, the value of its net assets will tend to increase or decrease at a greater rate than if no leverage were employed. The use of leverage by the Fund in a market that moves adversely to the Fund could result in a substantial loss to the Fund which would be greater than if the Fund were not leveraged. As a result, if the Fund’s losses were to exceed the amount of capital invested, the Fund could lose its entire investment.

**Limited Diversification & Concentration.** No minimum level of capital is required to be maintained by the Fund. As a result of subsequent losses or redemptions, the Fund may not have sufficient funds to diversify its Investments to the extent desired or currently contemplated. More generally, the Fund is not required to diversify its portfolio over various asset classes. No standards have been established to limit the concentration of the Fund’s portfolio. The degree of the market risk to which the Fund is exposed will be inversely proportional to the degree to which the Fund’s portfolio is diversified.

**Lending Portfolio Securities.** The Fund may lend its portfolio securities to brokers, dealers and financial institutions. In general, these loans will be secured by collateral (consisting of cash, government securities or irrevocable letters of credit) maintained in an amount equal to at least 100% of the market value, determined daily, of the loaned securities. The Fund would be entitled to payments equal to the interest and dividends on the loaned security and could receive a premium for lending the securities. Lending portfolio securities would result in income to the Fund, but could also involve certain risks in the event of the delay of return of the securities loaned or the default or insolvency of the borrower.

**SPECIFIC INVESTMENT MANAGEMENT RISK FACTORS**

**Lack of Operating History.** The Fund is newly formed and does not have any prior operating history of its own for prospective investors to evaluate prior to making an investment in the Fund. The Fund’s investment program should be evaluated on the basis that there can be no assurance that the assessment of the Investment Manager and its affiliates of the short-term or long-term prospects of its investment strategy will prove accurate, or that the Fund will achieve its investment objectives.

**Dependence on Key Personnel.** Investors will not have the ability to take part in the day-to-day management or investment operations of the Fund. As a result, the success of the Fund will depend largely upon the abilities of the Investment Manager and its personnel or where applicable such delegate of the Investment Manager or third party. The loss of one or more individuals could have a material adverse effect on the performance of the Fund. In addition, one or more of the Investments may be managed by only one or several key individuals. The loss of one or more key individuals could have a material adverse effect on such Investments.

**Reliance on Trading Platform.** Asset allocation and investment decisions and trading with respect to the assets of the Fund will be made using trading platforms. The Investment Manager and its affiliates will depend in large
part upon the trading platform software. If the Fund were to lose the services of the trading platform software, or should the trading platform software experience systems failure or adverse circumstances, the profitability of the Fund or the investments made may suffer.

**Strategy Drift.** The Fund may not attain its objectives. The Investment Manager intends to effectuate the strategies described above and will generally follow these strategies for as long as they are in accordance with the Fund’s objectives. However, the Investment Manager reserves the right to modify the Fund’s investment approaches or to formulate new approaches to carry out the objectives of the Fund, subject to the Investment Manager informing all investors and providing them with the opportunity to redeem prior to any changes in the investment strategy of the Fund.

**POTENTIAL CONFLICTS OF INTEREST**

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

**Other Business Activities.** The Investment Manager, Investment Adviser and their respective members, partners, officers, employees and affiliates could spend some time and attention on other business activities including investment management and advisory services for other clients and management of other investment vehicles. Further, they intend to engage in such business activities from time to time and may sponsor, manage or advise other pooled investment funds or separate accounts (collectively, “Other Clients”) with overlapping investment objectives with those of the Fund. The advice or action taken with respect to them may be the same or different from the advice given or action taken with respect to the Fund and the Fund’s investments. The Directors may be subject to similar conflicts of interest in its provision of services to the Company.

**Other Business Relationships.** The Investment Manager, Investment Adviser, which includes individuals on its Investment Committee, and their affiliates may have, and in the future may develop, business relationships that are independent of the investment management and advisory services provided. These may include, but are not limited to, lending, depository, brokerage, risk management, security distribution or banking relationships with counterparties, to transactions with the Fund or third parties that also provide investment management or other services to the Fund. The Fund may also invest in other funds managed or advised by the Investment Manager, Investment Adviser, which includes individuals on its Investment Committee, and their affiliates. Any such relationships or investments may involve potentially material conflicts of interest.

**Personal Account Trading.** The Investment Manager, Investment Adviser and their affiliates may from time to time trade in the securities and derivatives markets for their own accounts and the accounts of Other Clients, and in doing so may take positions opposite to, or ahead of, those held by the Fund or may be competing with the Fund for positions in the marketplace. Such trading may result in competition for investment opportunities or create other conflicts of interest on behalf of one or more such persons in respect of their obligations to the Fund. Records of this trading will not be available for inspection by Shareholders.

**Allocation of Investment Opportunities.** The Investment Manager and its affiliates will seek to allocate investment opportunities and dispositions fairly over time among the Fund and Other Clients, taking into consideration diversification, investment objectives, existing Investments, liquidity, contractual commitments or regulatory obligations and other considerations. Shares of the Fund are generally offered in private offerings and it is not uncommon for the Fund to become closed to new subscriptions due to size constraints or other considerations. Also, the Fund or Other Clients may not be Eligible Investors in all potential Investments. Therefore, it is likely that the Fund’s portfolio and those of Other Clients will have differences in the specific Investments held in their portfolios even when their investment objectives are the same or similar. These distinctions will result in differences in portfolio performance.

**Non-Public Information.** From time to time, the Investment Manager and its affiliates may come into possession of non-public information concerning specific companies although internal structures are in place to
prevent the receipt of such information. Under applicable securities laws, this may limit the Investment Manager’s flexibility to buy or sell portfolio securities issued by such companies. The Fund’s investment flexibility may be constrained as a consequence of the Investment Manager’s inability to use such information for investment purposes.

**Transactions Between the Fund and Other Clients.** The Investment Manager and its affiliates may cause the Fund to purchase securities from or sell securities or other assets to Other Clients when the Investment Manager believes such transactions are appropriate based on each party’s investment objectives.

**Side Letter Agreements Regarding Investment Opportunities.** When purchasing Investments, the Investment Manager and its affiliates may have an opportunity to negotiate agreements that provide more advantageous investment terms for the Fund and Other Clients than may be available to other investors. Although the Investment Manager endeavours to negotiate the same terms on behalf of all clients, there may be situations where regulatory, investment objectives or other considerations result in differences among clients in the terms or the availability of the benefits of any such agreements. Furthermore, there may be circumstances where the benefit provided cannot be exercised by all clients simultaneously or at all. Also, while the Investment Manager may negotiate terms that it considers more advantageous overall, concessions may be required to obtain such terms.

**Compensation of the Investment Manager.** Fees paid to the Investment Manager have not been established on the basis of an arm’s-length negotiation between the Fund and the Investment Manager. Incentive-based fees may create an incentive for the Investment Manager to approve and cause the Fund to make more speculative investments than it would otherwise make in the absence of such incentive-based compensation. By executing the Application Form, and by owning Shares, each investor is deemed to have individually agreed to such fees. Further, to the extent the Investment Manager may be consulted on the calculation of the Net Asset Value which will determine the amount of any Incentive Fee payable to the Investment Manager, the Investment Manager will have a conflict of interest as to the determination of valuation of the Net Asset Value.

**Allocation of Expenses.** The Investment Manager and its affiliates may from time to time incur expenses on behalf of the Fund and one or more existing or subsequent entities for which the Investment Manager or its affiliates act as investment manager, general partner, managing member or in a similar capacity. Although the Investment Manager and its affiliates will attempt to allocate such expenses on a basis that they consider equitable, there can be no assurance that such expenses will in all cases be allocated appropriately.

**Brokerage Commissions.** The Investment Manager and its affiliates are authorized to direct brokerage to firms which furnish or pay for quotation, research, research-related services, and other products and services within the “safe harbor” provided by Section 28(e) of the Securities Exchange Act of 1934, as amended, which permits the use of commissions or “soft dollars” to obtain “research and execution” services. In negotiating commission rates the Investment Manager will take into account the financial stability and reputation of the broker, the quality of the investment research, investment strategies, special execution capabilities, clearance, settlement, custody, recordkeeping and other services provided by such broker. The Investment Manager or affiliates may derive direct or indirect benefit from these services, particularly to the extent the Investment Manager or affiliates use soft dollars to pay for expenses which they would otherwise be required to pay. The investment information and soft dollar benefits received from brokers may be used by the Investment Manager or affiliates in servicing Other Clients, and not all such information and soft dollar benefits may be used by the Investment Manager or affiliates in connection with the Fund. The Investment Manager and affiliates are not required to allocate soft dollar benefits pro rata or on any other equitable basis among their accounts.

*The above list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in the Fund. Prospective investors should read this entire Memorandum and consult with their own legal, tax and financial advisers before deciding to invest in the Fund.*
By making an investment in the Fund, an investor will be deemed to have acknowledged the existence of such actual and potential risks and conflicts of interest and to have waived, to the fullest extent permitted by applicable law, any claim with respect to the existence of either.
MANAGEMENT, ADVICE AND ADMINISTRATION

BOARD OF DIRECTORS

The Directors are responsible for the overall management and control of the Company in accordance with its Memorandum and Articles of Association. However, the Directors are not responsible for the day-to-day operations and administration of the Fund, nor are they responsible for making or approving any investment decisions, having delegated such investment responsibilities to the Investment Manager pursuant to the Management Agreement and the day-to-day administrative functions to the Administrator, Registrar & Transfer Agent pursuant to the Administration Agreement in accordance with their powers of delegation as set out in the Articles of Association. The Directors will review, on a periodic basis, the performance of the Investment Manager and the Administrator, Registrar & Transfer Agent.

The Board of Directors of the Company consists of David M. L. Roberts, Philip Mosely and Maurice P. Erb and customary payment is made for their services. If additional Directors are elected, the Company may compensate such Directors (other than the Fund’s Investment Manager or any persons affiliated with the Investment Manager) with respect to services rendered in that capacity.

Aggregate fees, of up to USD 50,000 per annum, will be paid to the Directors for acting as such. In addition, the Directors will be reimbursed for reasonable travelling, hotel accommodation and other out-of-pocket expenses incurred by them while executing their duties as Directors.

A Director shall be at liberty to vote in respect of any contract or transaction in which he is interested provided, however, that the nature of the interest of that Director in any such contract or transaction shall be disclosed by him at the first opportunity.

Biographical information for Messrs. Roberts, Mosely and Erb is set forth below.

♦ David M. L. Roberts. Mr. Roberts is the Managing Director of Cayman Management Ltd., a licensed Companies Manager in the Cayman Islands providing a broad range of services. A particular specialisation is the provision of advisory, corporate administration and independent director services to hedge fund and investment management clients. Mr. Roberts has an extensive background in business administration, funds, general investment and international corporate matters. Mr. Roberts gained international experience with a publicly quoted company in the UK prior to becoming a Cayman Islands resident in 1982. He currently holds a range of executive and non-executive directorships, including hedge funds, insurance and reinsurance companies, investment companies and general operating companies utilising both standard company and Segregated Portfolio Company structures, as well as Exempt Limited Partnerships. He is a Fellow of the Institute of Chartered Secretaries and Administrators in the United Kingdom and is a registered Trust and Estate Practitioner. Mr. Roberts is a British citizen and holds the grant of Cayman Islands Status. He serves as a Director of Cayman Finance Ltd., the representative body for the Cayman Islands financial services industry, is a founding member of the Cayman Islands Directors Association and is on a number of financial sector representative boards.

♦ Philip Mosely. Mr. Mosely is a British citizen, holds a Law Degree from the University of London and is a Fellow of the Institute of Chartered Secretaries and Administrators. He is a Director of Cayman Management Ltd. and also serves as Director to a number of Funds and investment-related companies. He has excellent practical experience of corporate structures, including SPCs and Exempted Limited Partnerships. Mr. Mosely has an extensive professional background, having worked in the Corporate Secretariat of British Aerospace Plc and Raytheon subsidiaries in the UK, as well as holding Board and Corporate Secretarial appointments with a number of companies in the UK, Africa and the US. He was a
Partner in an FSA regulated Investment Management firm in the UK and has also worked in Corporate Management Services in the BVI and Bahamas prior to his time in the Cayman Islands.

♦ **Maurice P. Erb.** Mr. Erb (M.A.) is a Swiss citizen and studied Law, History, Computer Science and Communication Science at the University of Zurich. He has over five years of experience working as a leading software developer in the financial industry with a specialisation on business information systems and exchange platforms. Since 2009 he has been in charge as Fund Administration Manager for IFIT Fund Services AG which is the administrator of more than 60 funds.

Mr. Erb is a Director of FA SPC and is the Fund Administration Manager of IFIT Fund Services AG, the appointed Administrator, Registrar and Transfer Agent.

For the purposes of this Memorandum, the address of all the Directors is the registered office of the Company.

The Company may by Ordinary Resolution remove a Director from office and may by Ordinary Resolution appoint a person who is willing to act to be a Director either to fill a vacancy or as an additional Director under the terms of Articles 113 and 114 of the Articles of Association.

The Articles do not stipulate a retirement age for the Directors and do not provide for retirement of the Directors by rotation. There is no shareholding qualification for the Directors. The Directors are empowered to exercise all of the borrowing powers of the Company.

The Articles provide that, so long as the nature of their interest is or has been declared at the earliest opportunity, a Director or prospective Director may enter into any contract or arrangement with the Company and such contract or arrangement shall not be liable to be avoided and the Director concerned shall not be liable to account to the Company for any profit realised by any such contract or arrangement by reason of their holding of that office or the fiduciary relationship so established and may hold any other office or place of profit with the Company (except that of auditor) in conjunction with the office of Director on such terms as to tenure of office and otherwise as the Directors may determine.

As at the date of this Memorandum, other than as disclosed below, no Director nor any connected person has any interest, beneficial or non-beneficial, in the share capital of the Company nor any material interest in the Shares nor any options in respect of such Shares nor in any agreement or arrangement with the Company.

No Director has any direct or indirect interest in any contract or arrangement which was either unusual in its nature or significant to the business of the Company in previous years and remains outstanding.

The Articles provide certain rights of exculpation and indemnification in favour of Directors and officers of the Company against legal liability and expenses if such persons did not, in connection with the matter giving rise to a particular claim, engage in gross negligence or wilful default in the performance of their duties. Such indemnity does not protect the Directors for failing to meet the requirements for limiting contracts on behalf of segregated portfolio companies to the relevant Segregated Portfolio(s). Any such indemnity would be void by law. Further provisions regarding the Directors are included in the Articles.

The Directors may change any of the Contractual Parties, including the Auditor, without the consent of the Shareholders. In addition, the remuneration being paid to these Contractual Parties (and any other term of their respective service agreements) may be amended by the mutual consent of the Directors and the relevant Contractual Parties. This may be necessary from time to time to keep such remuneration in line with the prevailing market rates being charged.

**Loans**

The Fund has not granted and will not grant the Directors any loans nor has the Fund guaranteed any loans for the Directors.
INVESTMENT MANAGER

Investment Manager Appointment
The Fund has appointed Absolute Return Asset Management (the “Investment Manager” or “ARAM”) as the investment manager of the Fund. The Investment Manager is responsible for the investment decisions of the Fund.

ARAM was incorporated in the Cayman Islands on December 10, 2009 as an Exempted company under the Companies Law, with registration number HL-234531.

Its registered office is located at Clifton House, 75 Fort Street, P.O. Box 1350 George Town, Grand Cayman KY1-1108, Cayman Islands and its telephone number is +1 246 427 1267. The sole Director of the Investment Manager is Gérard Lussan. His biography is set out below:

♦ Gérard Lussan. Mr. Lussan has 40 years experience advising multi-national companies and large private estates. He is a well established figure in the international investment and asset allocation industry with broad international expertise. He is an international lawyer and Chairman of Concorde Bank, a private bank and trustee institution established in 1987. Mr. Lussan has been a member of the New York Bar International Association since 1988, a member of the International Tax Planning Association since 1998 and a member of the Society of Trust and Estate Planners since 1999.

Investment Manager Licensing Requirements
The Investment Manager is not required to be licensed in the Cayman Islands because it is providing investment management services within an exemption under the Securities Investment Business Law (Revised) of the Cayman Islands. Accordingly, the Investment Manager has filed an initial declaration of exemption with the Cayman Islands Monetary Authority under Section 5(2) and Schedule 4 of the Securities Investment Business Law (as amended) of the Cayman Islands and will update that filing on an annual basis. The Investment Manager will not be subject to regulation by the Cayman Islands Monetary Authority. The Investment Manager will not provide investment management services to any class of person which would require it to be licensed under the Securities Investment Business Law (Revised) without first obtaining such a license. The Investment Manager does not envisage obtaining such a license.

Management Agreement
Under the investment management agreement (the “Management Agreement”) dated September 1, 2010 between the Investment Manager and the Fund, the Investment Manager invests and will reinvest the assets of the Fund in accordance with the investment objective and strategies of the Fund. Under the terms of the Management Agreement, the Fund pays to the Investment Manager, for its services as Investment Manager in respect of each Share in the Fund, a Management Fee and an Incentive Fee as described below in the Section “Fees and Expenses”.

The Management Agreement is of an indefinite term and may be terminated by either party on 30 day’s notice in writing to the other party and in certain circumstances may be terminated forthwith.

The Management Agreement provides that in the absence of gross negligence, wilful misfeasance, fraud or bad faith, the Investment Manager shall not be liable for any loss or damage arising out of the performance of its obligations and duties under the Management Agreement. The Management Agreement provides further that the Fund shall indemnify the Investment Manager and each of its directors for any loss suffered by the Investment Manager in the performance of its obligations and duties under the Management Agreement unless such loss arises out of or in connection with any gross negligence, wilful default, fraud or bad faith by the Investment Manager or its directors in the performance of its obligations and duties under the Management Agreement. Such indemnity has been granted on a limited recourse basis such that any indemnification claim will be limited to the assets of the Fund.
The Investment Manager may also appoint one or more Investment Adviser(s) to assist in carrying out its duties. To the extent that the Investment Manager delegates any of its duties to a third party, the charges of such party (other than out-of-pocket expenses) shall be for the account of the Investment Manager and shall be paid by the Investment Manager from the fees it receives from the Fund.

The Management Agreement is governed by the laws of the Cayman Islands.

**INVESTMENT ADVISER**

**Investment Adviser Appointment**

The Investment Manager has appointed Absolute Return Investment Advisers (ARIA) Limited (the “Investment Adviser”) as the initial investment adviser to assist in carrying out its duties.

Absolute Return Investment Advisers (ARIA) Limited, a private limited company, was incorporated on December 1, 2009 under the laws of England and Wales and registered in England and Wales under the provisions of the Companies Act 2006 with company number 7091239.

Its registered office is located at Number 10, Coldbath Square, London EC1R 5HL, United Kingdom.

ARIA Capital Management and ARIA are trading names of Absolute Return Investment Advisers (ARIA) Limited, which is authorised and regulated by the Financial Services Authority with registration number 527557. For more information, please visit the FSA register or www.ariacm.com.

Its office is located at 4 Duke Street, Richmond, Surrey TW9 1HP, United Kingdom and its telephone number is +44 20 3137 3840. The Directors of the Investment Adviser are Matthew W. Brittain, Mark C. P. Denby and Jeremy R. Smith. Biographies of the directors are set out below:

♦ **Matthew W. Brittain.** Mr. Brittain began his career as a portfolio manager at Berkeley Fund Managers, managing both private client portfolios and award winning in house UK equity and global equity funds. From there he joined the UK operation of the South East Asian investment management firm Phillip Securities, once more running global equity and multi asset class mandates. He has experience in trading fixed income derivatives and spot foreign exchange as a proprietary trader, and is currently managing UK OEICs, the CF Absolute Return Portfolio Funds and EFA AR Portfolio Funds. An economics graduate, he has attained both IMC and part one of the Chartered Financial Analyst designation. He has written articles for industry publications and his interests include developing systematic or quantitative investment strategies, whilst drawing on behavioural, momentum and technical analysis. Mr. Brittain is a member of the ARIA Investment Management Committee.

♦ **Mark C. P. Denby.** Mr. Denby trained in London and New York as a private client stockbroker with Prudential-Bache Securities, advising in particular on equity investments, futures and options. More recently he sat on the investment committee and board of Berkeley Fund Managers, which ran the award winning CF Berkeley OEIC, as well as discretionary client portfolios, and was instrumental in the development of their alternative investment strategies. Since then he has built up a private client investment business, focusing on discretionary portfolio management and is currently managing a UK OEIC, the CF Absolute Return Portfolio Funds. A psychology graduate, he has a keen focus on technical and behavioural analysis and, having successfully completed levels one and two, is now concentrating on the final level of the Chartered Market Technician designation. Mr. Denby is a member of the ARIA Investment Management Committee.

♦ **Jeremy R. Smith.** Mr. Smith was the Chief Executive Officer of Richmond Fund Advisers Ltd, responsible for marketing and analysis as well as undertaking the statutory oversight and supervision functions for the firm. A graduate in Medieval and Modern History from King’s College London, Mr. Smith worked for the Inland Revenue for three years before entering the investment business in 1978, joining Buckmaster &
Moore, a London stock broking firm now subsumed into Credit Suisse Asset Management. In 1980 he joined Dominion Securities in London, now part of the Royal Bank of Canada group, where he headed up the technical analysis section for international markets, currencies and commodities. In 1999 Mr. Smith set up Richmond Fund Advisers Ltd, an investment management and advisory boutique which merged its regulated interests into ARIA in 2011. Mr. Smith is a member of the ARIA Investment Management Committee.

In addition to the directors, the ARIA Investment Management Committee includes:

♦ **Bent Voorhoof.** Mr. Voorhoof graduated in 1997 with a Master’s Degree in Applied Economics (cum laude) from the University of Antwerp (UFSIA) in Belgium and subsequently obtained an additional MSc Degree in Financial Economics and Taxation (magna cum laude) in 1998. He has more than 10 years of investment experience, obtained as a private investor as well as having worked at Petercam SA, one of the largest independent stockbrokers in the Benelux area, first in derivatives broking and sales (1998-1999) and subsequently as Head Trader of the proprietary derivatives desk (1999-2003). His key interests include technical and behavioural analysis, financial derivatives strategies and late-stage venture capital.

♦ **Dr. Roeland Philippe.** Dr. Philippe graduated in Mathematics from Leuven University and holds a Ph.D. in Theoretical Particle Physics. He spent most of his career in asset management within Generale Bank, Fortis Investments and KBC AM, where he was Head of Asset Allocation. He has been variously engaged in the development and management of a very broad range of fixed income, equity, currency overlay, asset allocation and hedge funds, fund of funds and structured products. In 2000 he was elected by the Wall Street Journal as the best European stock fund manager. Since 2004 he has worked on his own account, designing, testing and trading high-frequency algorithmic and long term mechanical strategies in the forex and financial and commodity futures markets. Over the last few years he has also been active in Risk Management consulting for institutional investors and family offices.

**Advisory Agreement**

The Investment Adviser will advise on investment opportunities for the Fund and generally assist the Investment Manager in the management of the Fund’s assets in order to ensure that the investment strategies of the Fund are followed. The Investment Manager is not bound to follow such advice.

The Investment Adviser shall be entitled to delegate part of its functions if approved by the Investment Manager. The fees (other than out-of-pocket expenses) of the Investment Adviser shall be payable by the Investment Manager and not out of the assets of the Fund.

**ARIA is a multi-asset class and multi-strategy investment management boutique, which focuses on delivering absolute return through a variety of approaches and strategies. ARIA has an unswerving focus on risk management, managing the volatility of returns and delivering attractive risk-adjusted capital growth. Our multi-strategy and multi-asset class product range seeks to offer funds, which generate excess returns (alpha) from a variety of sources. These include dynamic and active tactical asset allocation, superior external manager selection and opportunistic alpha-generation ideas or non-correlated strategies.**

ARIA’s capabilities are broad, typically specializing in a particular approach to generating absolute returns, across traditional equities and fixed-income investments to alternative investment strategies such as market-neutral investing and managed futures. ARIA can also demonstrate a long-established record in external manager selection across the full range of asset classes and geographic regions. External managers can provide portfolios of our funds with a particularly useful non-correlated source of alpha. Manager selection is informed by a disciplined top-down asset allocation process, understanding a particular strategy’s opportunity set to perform and operational due diligence processes.
**SPONSOR**

**Sponsor Appointment**
The Investment Manager has appointed Absolute Return Investment Advisers (ARIA) Limited (the “Sponsor”) as the sponsor of the Fund.

Its office is located at 4 Duke Street, Richmond, Surrey TW9 1HP, United Kingdom and its telephone number is +44 20 3137 3840. The directors of the Sponsor are Matthew W. Brittain, Mark C. P. Denby and Jeremy R. Smith. For biographies, please see above in the Investment Adviser section.

**Sponsor Agreement**
The Sponsor will assist the Investment Manager and its associates in growing and developing an alternative asset management business by providing primarily strategic support and consulting, financial assistance, infrastructure, technology and marketing support. By arranging capital commitment via its global network of investment professionals, qualified investors and other advisers, the Sponsor provides professional support whilst the Investment Manager still retains full investment autonomy and authority.

*ARIA currently acts as the sponsoring company to a UCITS III OIEC, a NURS OEIC as well as to other non-UK regulated investment schemes.*

**ADMINISTRATOR**

**Administrator, Registrar & Transfer Agent Appointment**
The Fund has appointed IFIT Fund Services AG as administrator, registrar & transfer agent of the Fund pursuant to an agreement between the Fund and the Administrator, Registrar & Transfer Agent (the “Administration Agreement”), dated September 1, 2010.

**Administration Agreement**
Under the Administration Agreement, the Administrator provides office facilities and personnel adequate to administer the affairs of the Fund and in connection therewith performs certain designated services for the Fund including maintaining the financial books and records of the Fund, preparing information for the Fund's reports to Shareholders, responding to Shareholder enquiries relating to the Fund, ensuring that the Fund complies with applicable anti-money laundering laws and regulations\(^1\), accepting and processing subscriptions and redemption requests from investors, maintaining the register of Shareholders, providing confirmations of share ownership to investors (and share certificates if required) and such other administrative services as may be required by the Fund.

The Administration Agreement is of an indefinite term and may be terminated by either party on 90 day’s notice in writing to the other party and in certain circumstances may be terminated forthwith.

The Administration Agreement provides that the Fund shall indemnify the Administrator, its permitted delegates, employees, officers or agents against any costs, claims, demands or proceedings made by any person and in any way arising from the Administrator’s appointment hereunder unless due to the gross negligence, wilful default, bad faith or fraud of the Administrator, its employees, officers or agents. Such indemnity has been granted on a limited recourse basis such that any indemnification claim will be limited to the assets of the Fund.

\(^1\) The anti-money-laundering duties, under the terms of the Anti-Money Laundering Agreement dated September 1, 2010, are handled by IFTT advisory AG, an affiliate of the Administrator. IFTT advisory AG, a Swiss stock company founded in 2005, is an investment advisory company regulated by the Association for Quality Assurance in Financial Services, Zug/Switzerland, a self-regulatory body established under the provisions of the Money Laundering Prevention Act and supervised by the Swiss Financial Market Supervisory Authority (FINMA). For further information, please visit IFTT advisory AG's website: [www.ifit.net](http://www.ifit.net).
The Fund pays the Administrator an annual fee as more fully described under “Fees and Expenses” below.

The Administration Agreement is governed by the laws of the Cayman Islands.

IFIT Fund Services AG is a fully independent financial services company based in Hünenberg, with a branch office in Zürich, Switzerland and provides fund administration and facilitation services to independent asset managers. The focus of the administration department is to ensure an efficient administration and to provide investors with reporting. A team of dedicated and highly skilled professionals operates a unique structure and custom engineered platform, allowing asset managers to concentrate on maximising return and servicing their clients.

**PRIME BROKER & CUSTODIAN**

**Prime Broker & Custodian Appointment**
The Fund has appointed Dexia Banque (Luxembourg) SA as prime broker & custodian of the Fund pursuant to an agreement between the Fund and the Prime Broker & Custodian (the “Prime Brokerage Agreement”), dated September, 2010.

The Fund reserves the right, in its discretion, to change or add prime brokers and/or custodians without further notice to the Shareholders. The Fund may also hire separate independent trading firms in order to obtain better price and/or execution, and such trading firms may be paid through additional commissions to be borne by the Fund.

**Prime Brokerage Agreement**
Under the Prime Brokerage Agreement, the Prime Broker will provide on-exchange order routed connectivity, execution and clearing, settlement and custody of securities, margin financing and stock lending services to the Fund. The Fund may use the services of third party executing brokers for clearing to the Prime Broker.

The Prime Brokerage Agreement provides that in the absence of fraud, negligence or wilful default, the Prime Broker will not be liable for any loss incurred by the Fund as a result of any act or omission of the Prime Broker in good faith in the performance of its duties under the Prime Brokerage Agreement, and the Fund agrees to indemnify the Prime Broker against any loss suffered by the Prime Broker in the performance of its duties under the Prime Brokerage Agreement, save where such loss arises as a result of fraud, negligence or wilful default on the part of the Prime Broker.

The Prime Brokerage Agreement shall continue in full force and effect unless and until terminated by either party giving to the other not less than 30 days' prior written notice or immediately in certain circumstances. The Prime Broker is a service provider to the Fund and does not have any responsibility or authority to make investment decisions, nor render investment advice, with respect to the assets of the Fund.

*Dexia is a European bank, with 35,234 members of staff and core shareholders’ equity of EUR 18.5 billion as at 31 December 2009. The Dexia Group focuses on Retail and Commercial Banking in Europe, mainly Belgium, Luxembourg and Turkey, and on Public and Wholesale Banking, providing local public finance operators with comprehensive banking and financial solutions, notably in France and Belgium. Asset Management and Services provides asset management, investor and insurance services, in particular to the clients of the other two business lines. The different business lines interact constantly in order to serve clients better and to support the Group’s commercial activity.*

**BANKER**
The Fund has appointed Dexia Banque (Luxembourg) SA as its Banker.

**AUDITOR**
The Fund has appointed BDO Tortuga to audit its financial statements.
BDO International was founded in Europe in 1963 and is one of the world’s top public accounting networks with 621 representative offices in 107 countries and over 30,000 professionals employed. Each independent BDO member firm serves local and international clients in its own country and offers a wide range of accounting and business advisory services. The unique BDO perspective combines local strength with global capabilities.

**LEGAL ADVISER**

The legal adviser to the Company as to matters of Cayman Islands law is Priestleys, Attorneys-at-Law.

*Priestleys is a Cayman Islands law firm headed by Daniel Priestley, who has practiced at internationally recognized law firms both in the Cayman Islands and London. Priestleys is a niche corporate/commercial practice which focuses on, inter alia, providing Cayman Islands legal advice to sponsors, investment managers and service providers in the investment funds industry.*

**LISTING SPONSOR**

The Fund has appointed Cannon Secretaries Limited as listing sponsor for the proposed listing on the Channel Islands Stock Exchange.

*Cannon Secretaries Limited is part of the Cannon Asset Management (“Cannon”) group. Cannon was established in Guernsey (Channel Islands) in 1997 to provide offshore trust and corporate administration services. Cannon has developed into a broad based financial services business that includes asset management, investment advice, and trust and company administration in Guernsey. Cannon is fully licensed by the Guernsey Financial Services Commission (“GFSC”).*

**DISTRIBUTOR**

The Distributor of the Fund is Absolute Return Investment Advisers (ARIA) Limited, which is also the Investment Adviser & Sponsor and brief details of which are set out above. The Distributor shall be responsible for the distribution of Shares, liaising with sub-distributors and other intermediaries that introduce investors to the Fund.

**FEES AND EXPENSES**

**PRELIMINARY EXPENSES**

The Fund will be responsible for paying the preliminary expenses of and incidental to, the initial offering. This includes a share of the expenses relating to the establishment of the Company in the Cayman Islands as well as its own initial organisational expenses (including the negotiation and preparation of the contracts to which it is a party, the costs of printing this Memorandum, the fees and expenses of its professional advisers and certain marketing expenses in connection with the launch and initial promotion of the Fund, and in connection with the offering, issue and listing of the shares). These preliminary expenses are estimated not to exceed GBP 100,000 of initial capital raised and they will be amortised on a straight line basis over the first 60 months of the Fund’s operations (with daily calculation and amortisation applied).

**MANAGEMENT FEE**

The Investment Manager will charge a Management Fee equal to 1.5% per annum of the Net Asset Value of the Fund (before deduction of such Management Fee and any Incentive Fee). The Management Fee will be calculated as at each Valuation Day and will generally be payable to the Investment Manager in arrears at the end of each month and as of any Redemption Date where Shares are redeemed prior to the end of any month.
The Management Fee payable with respect to any Shares redeemed prior to the end of a month will be determined solely by reference to such Shares.

In the event that the Investment Manager is not acting as Investment Manager for an entire period, the Management Fee payable by the Fund for such period will be prorated to reflect the portion of such period in which the Investment Manager is acting as such under the Management Agreement.

Notwithstanding the foregoing, the Investment Manager may waive or reduce the Management Fee in respect of any Share or Shares with regard to certain Shareholders that are employees or affiliates of the Investment Manager, relatives of such persons, and for certain large or strategic investors.

**INCENTIVE FEE**

The Investment Manager is also entitled to receive a performance fee ("Incentive Fee") in respect of each Class of share, calculated as set out, and at the end of each month ("Calculation Period"). The Incentive Fee will be calculated by the Administrator. For each Calculation Period, the Incentive Fee in respect of each Class of Shares will be equal to 20% of the performance of the relevant Class of Shares return in excess of 1M GBP LIBOR +4% over such period. If the performance of the relevant class of Shares is less than the Benchmark Rate, such underperformance, expressed as percentage points will be carried forward and no Performance Fee will be payable in any Calculation Period unless the performance of the relevant Class of Shares relative to the Benchmark Rate has recovered any accumulated percentage underperformance for previous Calculation Periods.

The Incentive Fee will be calculated and payable in arrears at the end of each month and as of any Redemption Date where Shares are redeemed prior to the end of any month. The Incentive Fee payable with respect to any Shares redeemed prior to the end of a month will be determined solely by reference to such Shares.

In the event that the Management Agreement is terminated before the last day of the relevant period, the Incentive Fee will be computed as though the termination date were the last day of such period.

In order to ensure that the Incentive Fee is properly charged only to those Shares that have appreciated in value, an Equalisation Procedure will be applied. See the Section headed “Subscription, Redemption and Transfer of Shares” below for full details.

Notwithstanding the foregoing, the Investment Manager may waive or reduce the Incentive Fee in respect of any Share or Shares with regard to certain Shareholders that are employees or affiliates of the Investment Manager, relatives of such persons, and for certain large or strategic investors.

Any reduction of the Management Fee and/or Incentive Fee for a Shareholder may be effected by capitalizing an amount equal to the amount of the reduction in the applicable fee and applying that amount to pay up for further Shares issued to the relevant Shareholder.

**ADMINISTRATION FEE**

The Administrator, Registrar & Transfer Agent shall receive an annual Administration Fee from the Fund in respect of the services provided to the Fund. The Administration Fee will be equal to an annual percentage of the Net Asset Value of the Fund, and will be calculated and accrued monthly and generally be payable in arrears at the end of each month. The following schedule will apply:

Administration fee: the greater of GBP 20,000 or 15 basis points of assets under management for the administration of both the EUR Class and the GBP Class of the Segregated Portfolio.

The Administrator, Registrar & Transfer Agent shall be entitled to reimbursement of out-of-pocket expenses incurred for the benefit of the Fund.
**PRIME BROKER & CUSTODIAN FEE**

The Prime Broker & Custodian provides a variety of brokerage services to the Fund on its normal terms of business.

**DIRECTORS’ FEE**

The Directors will receive an annual fee from the Fund on the basis of current market fees for similar work. The fee will be calculated and accrued daily and generally be payable in advance to the end of each year.

Aggregate fees, of up to USD 50,000 per annum, will be paid to the Directors for acting as such. In addition, the Directors will be reimbursed for reasonable travelling, hotel accommodation and other out-of-pocket expenses incurred by them while executing their duties as Directors.

**AUDIT FEE**

The Auditor will receive an annual fee from the Fund, to be negotiated by the Directors on the basis of current market fees for similar work. The fee will be calculated and accrued daily and generally be payable in arrears following the end of the fiscal year.

**SUBSCRIPTION FEE**

The Fund may impose a Subscription Fee on the issue of Shares of up to 5% of the Net Asset Value per Share subscribed by each investor. Such fee may be used to meet commission and brokerage costs in the Fund, or may be retained for the benefit of the Investment Manager and/or any other (contractual) parties that introduce investors to the Fund. The Subscription Fee may be reduced or waived at discretion.

**DISTRIBUTION & DEFERRED REDEMPTION FEE**

Upon the subscription for Shares of their clients, the Distributor or at its discretion any sub-distributors or intermediaries may receive a fee of up to 5% of the Net Asset Value attributable to the value thereof at the time of subscription (the ‘Distribution Fee’). This fee shall be amortised over a five year period and shall be recovered either: (i) out of the assets of the Fund at an annual rate of 1% of the value thereof (with such fee being calculated and accrued on each Valuation Day on the relevant Net Asset Value of the Shares and will be paid monthly in arrears); or (ii) by way of the levy of a contingent deferred redemption fee (the ‘Deferred Redemption Fee’). The Deferred Redemption Fee will initially be 5% of the Net Asset Value per Share at the time of subscription which will decline to 0% sixty months after the purchase date (calculated at 1% per year). This redemption fee is payable to the Fund and will be applied to repay the unamortised balance of the Distribution Fee (calculated on a first in first out basis).

**OTHER EXPENSES**

Some of the Contractual Parties and their affiliates will be reimbursed by the Administrator for all properly vouchered and reasonable out-of-pocket expenses incurred on behalf of the Fund including, but not limited to, expenses for travel, lodging and meals, marketing expenses, presentation expenses and investment related, consultative expenses incurred on behalf of the Fund. Out-of-pocket expenses that fall outside one of the above categories will have to be approved on a case-by-case basis by the Directors. Generally, the sum of all out-of-pocket expenses is estimated not to exceed 0.75% of the Net Asset Value of the Fund on a yearly basis. Any excess is subject to specific authorisation of the Directors.
Other than the fees set forth in detail above, the Fund will bear all reasonable expenses attributable to it including, but not limited to, the following where applicable:

(i) the costs of printing and distributing reports, accounts and any explanatory memoranda, publishing prices and any costs incurred as a result of periodic updates of this Memorandum and any other administrative or marketing expenses;

(ii) stamp duties, taxes, depository fees, currency hedging costs, brokerage or other expenses to transfer agents, registrars, brokers, (sub)custodians and escrow agents incurred in acquiring and disposing of Investments;

(iii) margin, premium and interest on financing and all applicable taxes;

(iv) fees for research and market data, consulting, marketing and promotional expenses, insurance, licensing, accounting, tax, regulatory, legal and other professional advisers and companies secretarial fees;

(v) the costs and expenses in connection with the application for and continuation of the admission of the Shares to any stock exchange or in publishing the dealing price;

(vi) all extraordinary expenses relating to the operation of the Fund including, without limitation, litigation or extraordinary regulatory expenses.

Fees and expenses that may be identifiable to a particular Shareholder may be charged against that Shareholder.

No reimbursement shall be made by the Fund to the Investment Manager for rent and salary expenses incurred with providing investment management services. The Investment Manager will be responsible for the fees of the Sponsor and/or Investment Adviser(s).
DESCRIPTION OF THE SHARES

GENERAL

The authorised share capital of the Company is USD 50,000 divided into 100 Management Shares of USD 0.01 par value each and 4,999,900 shares of USD 0.01 par value each, which may be issued in Classes. Each Class of shares participates in a Segregated Portfolio. Subject to the provisions of the Articles, the unissued shares of the Company are under the control of the Directors who may issue, allot and dispose of or grant options over them to such persons, or on such terms and in such manner as they may think fit and no member has any pre-emptive right to purchase such shares.

MANAGEMENT SHARES

100 Management Shares are in issue, fully paid and held by Absolute Return Asset Management ("ARAM"). The Management Shares are not transferable without the prior written consent of the Directors, who do not intend to give such consent except in respect of transfers to affiliates of ARAM. The Management Shares have the entire voting power of the Company except on a variation of rights issue. However, they do not entitle the holder to participate in any Segregated Portfolio’s profits and losses and they are not redeemable. Upon the winding up of the Company the holders of Management Shares are entitled to receive their paid in capital of USD 0.01 per Management Share.

SHARES

The holders of the Shares have no right to receive notice of or to attend or to vote at general meetings of the Company and have no other voting rights (except on a variation of rights issue – see the Section below entitled “Rights of Shareholders”) but they are entitled to receive, to the exclusion of the holders of the Management Shares, any dividends that may be declared by the Company except on a variation of rights issue. The Directors may designate further Classes of shares in the future in respect of any Segregated Portfolio. Each additional Class of shares may be offered on different terms from the Shares being offered hereunder (including the offering of shares in a different currency). Additionally, the Directors may, for administrative convenience, issue sub-classes of shares to effect the foregoing, and in this Memorandum, unless the context requires otherwise, references to the term “Class” shall include any Sub-Class or Sub-Classes derived from that Class.

The rights conferred upon the holders of the Shares of any Class shall not, unless otherwise expressly provided by the terms of issue of the Shares of that Class, be deemed to be varied by the creation or issue of further Shares ranking pari passu therewith.

SEGREGATED PORTFOLIOS

The Directors shall establish a separate Segregated Portfolio with its own distinct name or designation for certain Classes of shares, and the following provisions shall apply thereto:

(i) the proceeds from the allotment and issue of each such Class of Shares shall be applied in the books of the Company to the relevant Segregated Portfolio and the assets, profits, gains, income and liabilities, losses and expenses attributable thereto shall be applied in the books of the Company to such Segregated
Portfolio and assets required to satisfy any redemption of Shares of any such Class or paid as dividends, shall be accounted for out of the relevant Segregated Portfolio;

(ii) subject to the consent of the Auditor, where any subsequent event takes place that may affect the previous allocation of assets or liabilities to a Segregated Portfolio, the Directors may make such adjustment to the allocation as they deem appropriate to ensure any gain or loss of the Company and all liabilities and expenses are attributable to the Segregated Portfolios properly and fairly;

(iii) where any asset is derived from another asset (whether cash or otherwise) such derivative asset shall be applied in the books of the Company to the same Segregated Portfolio as the asset from which it was derived. On each revaluation of an asset, the increase or diminution in value shall be applied to the relevant Segregated Portfolio;

(iv) the assets of each Segregated Portfolio shall be kept separate and separately identifiable from assets attributable to other Segregated Portfolios and from the Company’s general assets;

(v) where any costs or expenses or any liabilities incurred by the Company are specifically attributable to a particular Segregated Portfolio, they shall be borne only by such Segregated Portfolio, and where they are not specifically attributable to a Segregated Portfolio, such costs, expenses, or liabilities shall be allocated among the Segregated Portfolios on an equitable basis as determined by the Directors in their discretion.

RECORDS

The Company shall, on behalf of each Segregated Portfolio, establish in its books for that Segregated Portfolio a separate record with its own distinct designation for each Class of Shares referable to such Segregated Portfolio. The proceeds from the allotment and issue of each Class of Shares shall be applied in the books of the Company for that Segregated Portfolio to the record established for that Class of Shares. The assets, profits, gains, income and liabilities, losses and expenses attributable to a particular Class shall be applied to the record relating to such Class at the end of each fiscal period – see the Section headed “Financial Information and Reports – Fiscal Periods” below.

RIGHTS OF SHAREHOLDERS

All shareholders are entitled to the benefit of, are bound by and are deemed to have notice of the provisions of the Memorandum and Articles of the Company.

Under the terms of the Company’s Memorandum and Articles, the liability of the shareholders is limited to any amount unpaid on their shares. As the shares can only be issued if they are fully paid, the shareholders will not be liable for any debt, obligation or default of the Company beyond their interest in a Segregated Portfolio of the Company.

The Company’s objects are set out in clause 3 of its Memorandum of Association and are unrestricted.

The Company’s Articles have been drafted in broad and flexible terms to allow the Directors:

(i) the flexibility to reorganise the Company into a master-feeder structure, if they consider it advantageous to do so; and

(ii) the authority to, in their discretion, determine a number of issues including the period of notice to be given for redemptions and whether or not to charge subscription or redemption fees, generally or in any particular case. In approving the offering of Shares on the terms set out in this Memorandum, the Directors have exercised a number of these discretions in accordance with the Company’s Articles.
General meetings of the holders of Management Shares may be called by the Directors and will be called at the request of the holders of Management Shares holding a simple majority of the outstanding Management Shares in issue. All meetings of the holders of Management Shares will be held in the Cayman Islands, or such other location as the Directors will determine. All meetings of the holders of Management Shares require 7 days' prior notice. Notice may be sent by hand, mail, fax or email, or alternatively, where the recipient has agreed, by posting the notice on a secure nominated website.

Except where a Special Resolution is otherwise required by the Companies Law, all decisions of the holders of Management Shares will be made by an Ordinary Resolution, provided that a quorum of the holders of one-third of the Management Shares is present by proxy or in person at the meeting. Any matter referred to herein may also be adopted by resolution in writing of all the holders of Management Shares.

The rights attaching to any Class of Shares may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of two-thirds of the issued Shares of that Class, or with the sanction of a resolution passed by a two-thirds majority of the holders of the issued Shares of that Class, at a separate meeting of the holders of the Shares of that Class.

Notwithstanding the foregoing, the Company on behalf of any Segregated Portfolio (with the consent, where required, of the Investment Manager) may enter into a written agreement with a prospective investor in respect of Shares of a certain Class or Sub-Class providing for offering terms that vary from those applicable to other shareholders of the same Class including, without limitation, the waiver or reduction of fees payable in respect of such Shares and different redemption terms, and in such circumstances the Directors may issue Shares of the same Class to such shareholder or may determine to issue a separate Class of Shares to such shareholder.

The shares have no conversion or pre-emptive rights. All Shares of the Company, when duly issued, will be fully paid and non-assessable. From time to time, the Company, by an Ordinary Resolution, may increase its authorised Share capital in order to have a substantial number of shares available at all times for issuance.

The Memorandum of Association and the Articles may be amended, and the Company may be wound up at any time, upon the passing of a Special Resolution by the holders of the Management Shares.

Subject to the provisions of the Law and the Articles, the Company on behalf of any Segregated Portfolio may purchase its own Shares (including any redeemable shares) provided that the holders of the Management Shares shall have approved the manner of purchase by Ordinary Resolution and the Company may make a payment in respect of the redemption or purchase of its own Shares from the Portfolio Assets attributable to such Shares in any manner authorised by the Law, including out of capital.

The Directors may, when making a payment in respect of the redemption or purchase of Shares, if so authorised by the terms of the issue of the Shares (or otherwise by agreement with the holder of such shares) make such payment in cash or in specie (or partly in one and partly in the other) in each case such payment being made from the Portfolio Assets attributable to the such Share.

Upon the date of redemption or purchase of Shares, the holder shall cease to be entitled to any rights in respect thereof (excepting always the right to receive (i) the price therefore and (ii) any dividend which had been declared in respect thereof prior to such redemption or purchase being effected) and accordingly his name shall be removed from the Register with respect thereto and the Shares shall be cancelled.
SUBSCRIPTION, REDEMPTION AND TRANSFER OF SHARES

SUBSCRIPTION FOR SHARES

Offering of Shares
The Fund is conducting an offer for subscription of its Shares to a limited number of experienced and sophisticated investors who are Eligible Investors. The purchase of Shares is not open to the general public and Shares will be privately offered only to Eligible Investors. The description of an Eligible Investor is set forth in Appendix I.

The minimum initial subscription for Shares in the Fund is GBP 100,000 or, in each case, such other amount as the Directors may in their sole discretion determine in respect of a particular Shareholder or group of Shareholders (provided that, as long as the Company is registered as a regulated mutual fund under Section 4(3) of the Mutual Funds Law and its shares are not listed on any stock exchange approved by the Monetary Authority, such amount shall in no event be less than USD 100,000 or its equivalent in any other currency).

Any subsequent investments may be made in minimum increments of GBP 25,000.

As the Fund’s Base Currency will be maintained in GBP, each Shareholder and not the Fund, will bear the risk of any currency exposure resulting from differences, if any, in the value of this Base Currency relative to the currency in which the Shareholder maintains its net worth.

Offer Price, Initial and Subsequent Issuance
Shares will initially be available for subscription during the Initial Offering Period and thereafter on the Subscription Day which is the first Business Day of each month or such other times as the Directors may determine in their sole and absolute discretion, either generally or in a particular case.

During the Initial Offering Period, Shares are offered at GBP 100 each. After the Initial Offering Period, Shares will be offered at the Net Asset Value per Share, as of the close of business on the first Valuation Day that occurs after notice of the subscription is received and approved by the Fund, plus an Equalisation Factor (if any).

The subscription of the Shares may be subject to an initial Subscription Fee of maximum 5% which may be used to meet commission and brokerage costs in the Fund, or may be retained for the benefit of the Investment Manager and/or any other (contractual) parties that introduce investors to the Fund. The Subscription Fee may be reduced or waived at discretion. Subscription amounts will be invested net of such charge.

Notice Period
Applications for subscriptions for Shares during the Initial Offering Period and payment for such subscriptions in cleared funds (including any initial charge) must be received by the Administrator between September 1, 2010 as of 9am and October 29, 2010 till 5pm. All times are Zurich time.

After the Closing Date, Shares will be issued on each Subscription Day at the Directors’ sole discretion. The first Subscription Day of the Fund after the Closing Date will be December 1, 2010. Applications for Shares and payment for such subscriptions in cleared funds (inclusive of any initial charge) must be received by the Administrator no later than 5pm (Zurich time) on the Business Day at least five (5) Business Days prior to the requested Subscription Day.

If any application or payment is received late, it will be dealt with on the next Subscription Day.
Payment
Payment for Shares must be made in cash by electronic transfer, net of bank charges, and is due in cleared funds in the Base Currency, which is GBP. Payment must be sent to the bank details noted on the Application Form.

The Directors may however accept subscriptions in kind. No subscriptions in kind will be accepted unless the Directors are satisfied that:

(i) the Investments to be transferred are valued in accordance with the valuation provisions set out in the Articles and summarised herein; and

(ii) the terms of any such transfer shall not materially prejudice the remaining Shareholders.

In the event that subscription monies are received in any currency other than the Base Currency, conversion into the Base Currency will be arranged by the Administrator at the risk and expense of the applicant. Any bank charges in respect of electronic transfers will be deducted from subscriptions and the net amount only invested in Shares.

Prevention of Money Laundering
To ensure compliance with applicable statutory requirements relating to anti-money laundering and anti-terrorism initiatives, the Administrator, on behalf of the Fund, will require verification of identity and source of funds from all prospective investors. Depending on the circumstances of each subscription, it may not always be necessary to obtain full documentary evidence of identity and/or source of funds where:

(i) the subscriber is a licensed entity or financial institution regulated in a country recognized as having an adequate anti-money laundering regime;

(ii) the subscriber is an entity or financial institution listed on the Cayman Islands or other approved stock exchange; or

(iii) the subscription funds have been paid from an account held in the name of the subscriber from a financial institution based in a country recognized as having an adequate anti-money laundering regime.

In addition, the Company expressly prohibits the purchase or ownership of Shares (whether directly or indirectly) in the Fund by any Prohibited Persons or Non-Eligible Investors, as defined in Appendix I.

As mentioned above, the Fund, or the Administrator on its behalf, reserves the right to request such evidence as is necessary to verify the identity and source of funds of a prospective investor. The Fund, or the Administrator on its behalf, also reserves the right to request such verification evidence in respect of a transferee of Shares.

In the event of delay or failure by the prospective investor or transferee to produce any evidence required for verification purposes, the Fund, or the Administrator on its behalf, may refuse to accept the application or (as the case may be) to register the relevant transfer, and (in the case of a subscription of Shares) any funds received will be returned without interest to the account from which such funds were originally debited.

If, as a result of any information or other matter which comes to its attention during the course of its business, trade, profession or employment, any person resident in the Cayman Islands (including the Company and its Directors) knows or suspects that payment to the Fund (by way of subscription or otherwise) is the proceeds of criminal conduct, such person is required to report such information or other matter pursuant to the Proceeds of Criminal Conduct Act 2004 (as amended). The list of acceptable countries are: Argentina, Austria, Bahamas, Bahrain, Belgium, Bermuda, Brazil, British Virgin Islands, Canada, Denmark, Dubai, Finland, France, Germany, Gibraltar, Greece, Guernsey, Hong Kong, Iceland, Ireland, Italy, Japan, Jersey, Isle of Man, Liechtenstein, Luxembourg, Malta, Mexico, Netherlands, New Zealand, Norway, Panama, Portugal, Singapore, Spain, Sweden, Switzerland, Turkey, United Arab Emirates, United Kingdom, United States of America.

2 A list of approved stock exchanges can be found under Appendix H of the Cayman Islands Money Laundering Regulations (as amended) which may be accessed on the Cayman Islands Monetary Authority website at www.cimoney.com.ky.
Crime Law (2008 Revision) of the Cayman Islands and such report shall not be treated as a breach of any restriction upon the disclosure of information imposed by law or otherwise.

**Procedure for the Purchase of Shares**
Applications are subject to the terms of this Memorandum, the Memorandum of Association and Articles of the Company and the attached Application Form. Only Eligible Investors may subscribe for Shares. Shares may only be issued in the names of companies, partnerships or individuals. Further, Shares purchased for those under 18 years of age must be registered in the name of the parent or legal guardian.

Application must be made in the form of the attached Application Form, which should be sent to the Administrator at the address or facsimile number set forth in the Application Form.

Where applications are made by facsimile, the original written form should be forwarded without delay to the Administrator. Shares will not be issued until the original Application Form and all other relevant due diligence documents have been received by the Administrator.

The Administrator will acknowledge and confirm in writing, usually within one (1) Business Day of receipt, all faxed Application Forms which are received in good order. Investors failing to receive such written confirmation from the Administrator within that period should contact the Administrator at +41 44 366 40 16 to obtain same. Failure to obtain such written confirmation will render faxed instructions void. Acknowledgements can be mailed, faxed or held on behalf of the investor.

Shares will be issued to two decimal places and any smaller fractions of a Share that would otherwise arise will be rounded down, with the relevant subscription monies being retained for the benefit of the Fund.

Any application may be rejected or scaled down in the absolute discretion of the Directors. Where applications are scaled down or rejected, subscription monies received by the Fund will be returned to the account from where the monies were initially remitted, without interest.

**Form of Shareholding**
Shares will be held in registered form. Share certificates will generally not be issued nor will any other documentation be issued, other than confirmation notices. Confirmation notices will include a Shareholder identification number and details of the Shares that have been allotted. Confirmation notices will be sent to subscribers usually within three (3) Business Days following subscription, however, only after approval of their Application Form and satisfactory completion of due diligence.

**REDEMPTION OF SHARES**

**General**
Each Shareholder is generally permitted to make complete or partial redemptions of its Shares, subject to certain restrictions, as of the last Business Day of any month or at such other times as the Directors may determine in their sole and absolute discretion, either generally or in a particular case.

Shareholders wishing to redeem their Shares should deliver an executed Redemption Request to the Administrator at the address specified in the Redemption Request.

**Notice Period**
The completed Redemption Request must be actually received by the Administrator no later than 5pm (Zurich time) on the Business Day at least ten (10) Business Days prior to the proposed Redemption Day on which the redemption is to be effected, and if received thereafter will be held over and dealt with on the next Redemption Day.
The Directors may provide for a redemption notice period of less in a particular case or generally if, in their discretion, they determine that, under the circumstances, to waive such requirement will not have an adverse effect on the Fund. In no event, however, will redemption requests be accepted for processing as of a particular Redemption Day if the Redemption Request is received by the Administrator after 5pm (Zurich time) on such Redemption Day.

**Procedure for the Redemption of Shares**

The Redemption Request may be delivered to the Administrator by facsimile, so long as the original Redemption Request is immediately forwarded to the Administrator. Neither the Company, the Directors, the Administrator nor any other agents of the Fund accept any responsibility for any errors in facsimile transmissions. Where a Redemption Request is forwarded by facsimile, no redemption proceeds will be paid to the Shareholder until the original Redemption Request for the Shares being redeemed has been received by the Administrator.

The Administrator will acknowledge and confirm in writing usually within one (1) Business Day of receipt all faxed Redemption Requests which are received in good order. Investors failing to receive such written confirmation from the Administrator within that period should contact the Administrator at +41 44 366 40 16 to obtain same. Failure to obtain such written confirmation will render faxed instructions void. Acknowledgements can be mailed, faxed or held on behalf of the investor.

Once given, a Redemption Request may not be revoked by the Shareholder save where determination of the Net Asset Value is suspended by the Directors in the circumstances set out below or except as otherwise agreed by the Directors.

On giving at least 30 calendar days’ notice to Shareholders, the Directors may amend the frequency of redemptions, provided that such change shall only take effect following the Redemption Day next succeeding such notice.

**Redemption Restrictions**

Shares may only be redeemed to the extent the Fund is itself able to liquidate its underlying Investments.

If, for any month, the aggregate amount of requests for redemption exceeds 7.5% of the Net Asset Value of the Fund for such month, the Directors may elect to limit the redemption of Shares with an aggregate value of not more than 7.5% of the Net Asset Value of the Fund, allocating such redemptions pro rata, according to the amount of Shares owned by each Shareholder requesting a redemption of Shares at such time.

Any unhonoured portion of a Redemption Request will remain invested in the Fund, and will not be deferred to the next Redemption Day. Rather, an additional Redemption Request will have to be made for a subsequent Redemption Day.

Cayman Islands law imposes certain restrictions on the redemption of Shares, particularly where the Fund is not funding such redemption out of profits or the proceeds of fresh issues of Shares made for the purposes of redemption. In particular, any redemption payment out of capital will only be possible if the Fund remains able to pay its debts as they fall due in the ordinary course of business after such redemption payment is made out of capital.

The Fund, or the Administrator on its behalf, also reserves the right to refuse to make any redemption payment or distribution to a Shareholder if any of the Directors or the Administrator suspects or is advised that the payment of any redemption or distribution moneys to such Shareholder might result in a breach or violation of any applicable anti-money laundering or other laws or regulations by any person in any relevant jurisdiction, or such refusal is considered necessary or appropriate to ensure the compliance by the Company, its Directors or the Administrator with any such laws or regulations in any relevant jurisdiction.

The minimum number of Shares demanded for redemption must be equal to a net redemption value of not less than GBP 10,000.
Confirmation Notice
Confirmation notices will include a Shareholder identification number and details of the Shares that have been redeemed. Confirmation notices will be sent to redeeming Shareholders usually within three (3) Business Days following redemption, however, only after approval of their Redemption Request and satisfactory completion of due diligence.

Redemption Proceeds
At redemption, Shareholders will be paid the Redemption Price, which is calculated in accordance with the Articles and is based on the Net Asset Value per Share on the first Valuation Day that occurs after notice of the redemption is received and approved by the Fund.

A Deferred Redemption Fee of up to 5% may be deducted from the Net Asset Value per Share in connection to the repayment of any unamortised balance of the Distribution Fee. This fee will be to the benefit of the Fund and it may be in addition to the Early Redemption Fee of 2% if a redemption takes place (in whole or in part) within 12 months of the initial subscription.

The Redemption Price will be paid in GBP by electronic transfer at the request and expense of the redeeming Shareholder usually within five (5) Business Days of the applicable Redemption Day.

The Fund aims to effect the payment of all redemption proceeds in cash. However, the Directors under circumstances of low liquidity or adverse market conditions may elect to effect the payment of the redemptions in assets of the Fund. No Investment will be transferred to a Shareholder unless the Directors are satisfied that:

(i) the value of the Investments to be transferred, calculated in accordance with the valuation provisions set out in the Articles and summarised herein, is equal to and does not exceed the Net Asset Value of the Shares to be redeemed less all fiscal duties and charges arising in connection with the vesting of such Investments in the Shareholder; and

(ii) the terms of any such transfer do not materially prejudice the interests of the remaining Shareholders.

Investments may be transferred directly to the redeeming Shareholder or may be transferred to a liquidating account and sold by the Fund for the benefit of the redeeming Shareholder, in which case payment of that proportion of the Redemption Price attributable to such Investments will be delayed until such Investments are sold and the amount payable in respect of such Investments will depend on the performance of such Investments through to the date on which they are sold. The cost of operating the liquidating account and selling the Investment(s) will be deducted from the proceeds of sale paid to the redeeming Shareholder.

Compulsory Redemption
The Fund reserves the right to compulsorily redeem any Shares in the event that:

(i) Shares are or become owned, directly or indirectly, by or for the benefit of any person who is not an Eligible Investor. Shareholders are required to notify the Fund and the Administrator immediately in the event that they cease to be Eligible Investors whereupon they may be required to, and the Fund shall be entitled to, redeem their Shares as at the next Redemption Day succeeding the date of such notification;

(ii) a redemption of part only of a Shareholder’s holding leaves the Shareholder holding a value of Shares less than the Minimum Subscription. The Fund may then redeem the whole of that Shareholder’s holding;

(iii) the Equalisation Procedure requires automatic redemption to be applied;

(iv) the holding of Shares by any person is unlawful or in the opinion of the Directors may result in the Fund or its Shareholders suffering a legal, pecuniary, taxation, fiscal, regulatory or other material administrative disadvantage;
it provides written notice (with or without cause) to the Shareholders being redeemed, to redeem all or any Shares on any day designated by the Directors, provided that any such Redemption Day shall be not less than five (5) Business Days from the date of such notice.

**EQUALISATION PROCEDURE**

The goal of the Equalisation Procedure is to ensure that:

(i) any Incentive Fees are fairly allocated between each Shareholder in the Fund

(ii) all Shareholders have the same amount of capital per Share at risk in the Fund;

(iii) all Shares of the Fund have the same Net Asset Value per Share.

The Fund has opted for the “Equalisation Adjustment Approach”, which is one of the accounting methods recommended by the Alternative Investment Management Organisation (AIMA) as described in its publication “Guide to Sound Practices for Hedge Fund Administrators” (Sep 2004).

In summary, this method will adjust a Shareholder’s number of Shares in the Fund, where applicable, by generating automatic issuances of Shares (credits) or automatic redemptions of Shares (deficits) at the end of the period for which the Incentive Fee is calculated.


**TRANSFER OF SHARES**

Shares may not be transferred without the prior written consent of the Directors, which consent may be withheld by the Directors in their absolute discretion. Furthermore, transfers of Shares may only be conducted in accordance with the anti-money laundering policies and procedures of the Administrator. A transferee will be required to complete an Application Form and will be subject to the requirements set forth for Eligible Investors in the Fund.

**DETERMINATION OF NET ASSET VALUE**

The Net Asset Value of the Fund and the Net Asset Value per Share will be calculated by the Administrator as of the close of business on each Valuation Day in accordance with the valuation provisions set out in the Articles and summarised below. The Net Asset Value of a Share will be calculated by dividing the assets of the Fund less the liabilities of the Fund, by the number of Shares in issue.

The value of the assets of the Fund will be determined on the accrual basis of accounting using IFRS (except for amortisation of organisational costs) as a guideline, unless otherwise deemed appropriate in the discretion of the Directors, and in accordance with the principles set out in the Articles and summarised below.

**Assets**

The assets of the Fund shall be deemed to include, without limitation, (1) all cash on hand or on deposit, including any interest accrued thereon, (2) all bills and demand notes and accounts receivable (including proceeds of Investments and other assets sold but not delivered), (3) all Investments and other assets owned or contracted for by the Fund (4) all dividends and distributions payable in stock, cash or other property receivable by the Fund, provided that the Administrator may make adjustments with respect to fluctuations in the market value of Investments caused by trading ex-dividend or ex-rights or by similar practices, (5) all interest accrued on any interest-bearing instruments owned by the Fund, except to the extent that the same is included or reflected in the valuation of such instruments, and (6) all other assets of every kind and nature, including prepaid expenses (it being understood that goodwill shall be deemed to have no value).
**Liabilities**
The liabilities of the Fund shall be deemed to include, without limitation, (1) all loans, bills and accounts payable, (2) all accrued or payable expenses and fees chargeable to the Fund including, but not limited to, dividends declared but unpaid, amortised organisational expenses (provided that expenses of a regular or recurring nature may be calculated on an estimated figure for yearly or other periods in advance and accrued over any such period), accrued management, administration and audit fees, and payable incentive fees (3) gross acquisition cost of Investments and other property contracted to be purchased in respect of the Fund, (4) such sum (if any) as the Directors consider appropriate to allow for brokerage, stamp duty and any other governmental tax or charges, (5) dividends declared on the Shares, but not yet paid, and (6) all other liabilities, including unknown or unfixed contingencies and such reserves as the Directors may reasonably deem advisable.

The amount of the Management Fee and Incentive Fee shall be deducted from the Net Asset Value attributable to the Shares.

**Valuations**
The value of positions in Investments shall be as follows:

(A) Each Investment that is traded on a Recognised Exchange will be valued on the Recognised Exchange or if traded on more than one Recognised Exchange, on the Recognised Exchange which the Directors, or the Administrator as their delegate, determine provides the fairest criterion of value for such Investment, by reference to the (i) closing price on the relevant Recognised Exchange as at a Valuation Day or, (ii) if no such closing price is available, or is unrepresentative of fair value in the opinion of the Directors or the Administrator as their delegate, such Investment shall be valued at the last traded price or (iii) if the last traded price is unavailable, or is unrepresentative of fair value in the opinion of the Directors, or the Administrator as their delegate, such Investment shall be valued at the probable realisation value as certified by a competent person; or (iv) at such other value as the Directors, or the Administrator as their delegate, consider in the circumstances to be fair;

(B) The value of any Investment that is not traded on a Recognised Exchange shall be at its cost save where there have been transactions in the relevant security which are known to the Administrator or Directors which indicate that a different valuation is appropriate;

(C) Cash deposits and similar liquid Investments will be valued at their nominal value together with all interest declared or accrued and not yet received thereon to the relevant Valuation Day;

(D) Securities may be valued on the basis of their net asset value or (if applicable) current bid price. Where definitive prices are not available on the applicable Valuation Day, the last definitive or estimated available prices, provided by the Administrator, may be used as the basis for the calculation of the Net Asset Value of the Fund. No adjustment shall be made to such prices, notwithstanding any subsequent adjustment to the definitive or estimated valuation provided;

(E) All other assets and liabilities of the Fund will be valued in the manner determined by the Directors;

(F) The Directors or the Administrator shall be entitled to adopt an alternative method of valuation in relation to any particular asset or liability if they consider that the method of valuation otherwise provided for in the Articles does not provide a fair valuation of that asset or liability.

Values of assets expressed in a currency other than the Base Currency will be converted into the Base Currency at the latest available exchange rate.

In calculating the Net Asset Value per Share, the Administrator may rely upon such automatic pricing services as it shall determine or, if so instructed by the Directors it may use information provided by particular pricing
services, brokers, market makers or other intermediaries. In such circumstances, the Administrator shall not, in
the absence of fraud, gross negligence or wilful default on the part of the Administrator, be liable for any loss
suffered by the Fund or any Shareholder by reason of any error in the calculation of the Net Asset Value per
Share resulting from any inaccuracy in the information provided by any such pricing service, broker, market
maker or other intermediary. Furthermore, in calculating the Net Asset Value per Share, the Administrator shall
use reasonable endeavours to verify pricing information supplied by the Investment Manager or any connected
person, but investors should note that in certain circumstances it may not be possible or practicable for the
Administrator to verify such information. In such circumstances, the Administrator shall not be liable for any
loss suffered by the Fund or any Shareholder by reason of any error in the calculation of the Net Asset Value per
Share resulting from any inaccuracy in the information provided by any such person.

Publication
Except where the determination of the Net Asset Value per Share has been suspended in the circumstances
described below, the Net Asset Value per Share shall be available at the registered office of the Administrator.
The Administrator will prepare a calculation of the Net Asset Value per Share of the relevant Valuation Day
usually within 2 Business Days of that Valuation Day. The Net Asset Valuation will be notified to the Channel
Islands Stock Exchange as soon as practicable after calculation.

TEMPORARY SUSPENSION OF DEALINGS
The Directors may, at any time after consultation with the Administrator, temporarily suspend the calculation of
the Net Asset Value in respect of the whole or any part of a period during which:

(i) any stock exchange on which a substantial part of Investments owned by the Fund are traded is closed,
    otherwise than for ordinary holidays, or dealings thereon are restricted or suspended;

(ii) there exists any state of affairs which constitutes a state of emergency as a result of which (1) disposal of a
    substantial part of the Investments owned by the Fund would not be reasonably practicable and might
    seriously prejudice the Shareholders or (2) it is not reasonably practicable for the Fund to fairly determine
    the value of its net assets;

(iii) none of the Redemption Requests which have been made, may lawfully be satisfied by the Fund in its Base
    Currency; or

(iv) there is a breakdown in the means of communication normally employed in determining the prices of a
    substantial part of the Investments of the Fund.

During such period, the valuation, sale, purchase and redemption of Shares will be suspended. The
Administrator will notify Shareholders of the declaration of such suspension, and will also notify Shareholders
when the period of such suspension has ended.

In the event that the Directors temporarily suspend the calculation of the Net Asset Value, an announcement will
be posted on the Channel Islands Stock Exchange and the listing of the Shares on the Official List of the
Channel Islands Stock Exchange would be suspended during that period.
FINANCIAL INFORMATION AND REPORTS

FISCAL YEAR

The fiscal year of the Fund will end on June 30 of each year.

FISCAL PERIODS

Since Shares may be issued and redeemed, and dividends may be declared on Shares, during the course of a fiscal year, the Company’s Articles of Association provide for fiscal periods, which are portions of a fiscal year, for the purpose of allocating net profits and net losses to the records maintained for each Class within a Segregated Portfolio. A new fiscal period will commence on the next date following the date of any redemption of Shares, the date of any issuance of Shares and the date established by the Directors for determining the record ownership of Shares of any Class for the payment of dividends, and the prior fiscal period will terminate on the date immediately preceding the first day of a new fiscal period.

FINANCIAL STATEMENTS

The Fund’s financial statements will be prepared using IFRS as a guideline and denominated in EUR, unless otherwise deemed appropriate in the sole discretion of the Directors. The books and records of the Fund will be audited at the end of each fiscal year by an Auditor selected by the Directors. The Fund’s first audit will be for the period from the commencement of the Fund’s operations through June 30, 2011.

As a regulated mutual fund, the Company on behalf of the Fund is required to file copies of its audited financial statements with the Monetary Authority within 180 days of the end of each financial year.

AUDITOR

BDO Tortuga is the Auditor for the Fund and has consented in writing to its appointment as Auditor of the Fund and to all references to them as such in this Memorandum. The Directors may replace the Auditor without prior notice to the Shareholders.

REPORTS TO SHAREHOLDERS

Each year, Shareholders will be given access to audited financial statements of the Fund within three months of the end of the year (or as soon as practicable thereafter) including a statement of profit or loss for such fiscal year and of an unaudited status of such Shareholder's holdings in the Fund at such time. Additionally, upon request made by a Shareholder to the Investment Manager, the Fund will make available to such Shareholder a monthly report on the investment performance of the Fund.
TAXATION

GENERAL

The following is a general discussion of certain of the anticipated Cayman Islands tax consequences to the Company and the Shareholders arising from the operation of the Company. This discussion is based on laws, regulations promulgated thereunder, published administrative rulings and judicial decisions currently in effect, all of which may change or be subject to different interpretations, possibly with retro-active effect.

In view of the number of different jurisdictions where local laws may apply to Shareholders, the discussion below does not address all the tax consequences to potential investors of the purchase, ownership, and disposition of Shares. Prospective investors are urged to consult their own tax advisers in determining the possible tax consequences to them under the laws of the jurisdictions of which they are citizens, residents or domiciliaries, jurisdictions in which they conduct business and jurisdictions in which they hold Shares. This discussion does not constitute tax advice.

CAYMAN ISLANDS

Company Level
The Company is not subject to any income, withholding or capital gains taxes in the Cayman Islands.

The Company is registered as an exempted limited company under Cayman Islands law and, as such, has obtained an undertaking from the Governor-in-Cabinet that, for a period of twenty years from the 14th day of August, 2007:

(i) no law which is thereafter enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciations shall apply to the Company or its operations; and

(ii) in addition, that no tax to be levied on profits, income gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable by the Company:

(a) on or in respect of the shares, debentures or other obligations of the Company or

(b) by way of the withholding in whole or in part of any relevant payment as defined in section 6(3) of the Tax Concessions Law (1999 Revision).

Shareholder Level
Shareholders will not be subject to any income, withholding or capital gains taxes in the Cayman Islands, with respect to the Shares owned by them and dividends received on such Shares, nor will they be subject to any estate or inheritance taxes in the Cayman Islands.

European Union Savings Directive
Dividends and other distributions of income made by the Company on behalf of the Fund, together with payment of the proceeds of sale and/or redemption of Shares (“Payments”), are not subject to any reporting requirements that arise as a result of the Cayman Islands legislation (the “Cayman EUSD Legislation”) implementing measures similar to the EU Council Directive 2003/48/EC of June 3, 2003 on taxation of savings income in the form of interest payments (the “EUSD”). For the purpose of the Cayman EUSD Legislation, the Company is a non-UCITS fund and therefore Payments by the Company on behalf of the Fund are “out of scope”.

Absolute Return Global Systematic Alpha Fund Segregated Portfolio

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If a Shareholder is based in the European Union or certain states that have equivalent measures to the EUSD (including Switzerland, Channel Islands, Monaco and the Cayman Islands) and is making an investment in the Fund on behalf of other underlying investors who are individuals or certain unincorporated entities resident in the European Union or certain of the states that have equivalent measures to the EUSD, then the provisions of the EUSD may apply. In such circumstances the Shareholder may become the paying agent for EUSD purposes pursuant to implementary measures in the investor’s country of residence and may be required pursuant to such measures to either obtain all relevant information relating to its underlying investors and their indirect investment in the Fund, and make returns to the appropriate tax authorities under EUSD, or withhold tax at applicable rates from any distribution made to an underlying investor in respect of a Payment.

OTHER JURISDICTIONS

It is possible that certain dividends, interest and other income received by the Company on behalf of the Fund from sources within certain countries will be subject to withholding taxes imposed by such countries. In addition, the Company may also be subject to capital gains taxes or other taxes in some of the countries where it purchases and sells securities or otherwise conducts business for the Fund. It is impossible to predict the rate of tax that the Company will pay in advance on behalf of the Fund since the amount of the Fund’s assets to be invested in various countries is not known.
GENERAL

DIRECTORS’ REPORT

As at the date of this Memorandum the Fund has not commenced operations, declared any dividends or made up any accounts. Neither the Fund nor the Company have, nor has it had since its incorporation, and is not expected to have, any employees.

Neither the Company nor the Fund have since their incorporation been, and are not currently, engaged in any litigation, arbitration or claim of material importance nor, so far as the Directors are aware, is there any litigation or claim pending or threatened against the Company or the Fund.

MATERIAL CONTRACTS

The following contracts, which are summarised in the Section “Management, Advice and Administration” above, have been entered into and are, or may be, material:

(i) Management Agreement between the Company on behalf of the Fund and the Investment Manager pursuant to which the Investment Manager was appointed to provide certain investment management services to the Fund;

(ii) Administration Agreement between the Company on behalf of the Fund and the Administrator, Registrar & Transfer Agent pursuant to which the Administrator, Registrar & Transfer Agent was appointed as Administrator, Registrar & Transfer Agent of the Fund; and

(iii) Prime Brokerage Agreement between the Company on behalf of the Fund and the Prime Broker & Custodian pursuant to which the Prime Broker & Custodian has been appointed as Prime Broker & Custodian of the Fund.

(iv) Anti-Money Laundering Agreement between the Company on behalf of the Fund, the Administrator and IFIT advisory AG pursuant to which the Administrator has delegated the anti-money laundering duties and responsibilities to IFIT advisory AG.

DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available for inspection and copies may be obtained free of charge during the normal business hours, on weekdays (Saturdays, Sundays and public holidays excepted) at the registered office of the Company:

(i) the Memorandum and Articles of Association of the Company;

(ii) the Companies Law (2010 Revision) and the Mutual Funds Law (2009 Revision) of the Cayman Islands;

(iii) the Material Contracts referred to above; and

(iv) any audited annual reports of the Fund.
**ENQUIRIES**
Enquiries concerning the Fund and this Offering Memorandum (including information concerning subscription and procedures) should be directed to:

**The Sponsor**
Absolute Return Investment Advisers (ARIA) Limited
4 Duke Street
Richmond
Surrey, TW9 1HP
United Kingdom

Attention: Matt Brittain, James Hindmarch
Phone: +44 20 3137 3840
Fax: +44 20 8332 2522
E-mail: enquiries@ariacm.com
Web: www.arciacm.com

**OR**

**The Administrator, Registrar & Transfer Agent**
IFIT Fund Services AG
Voltastrasse 61
CH-8044 Zürich
Switzerland

Attention: Maurice Erb, Oliver Saager
Phone: +41 44 366 40 16
Fax: +41 44 366 40 39
E-mail: funds_settle@ifit.net
Web: www.ifit.net
APPENDIX I
ELIGIBLE INVESTORS

FA SPC – ABSOLUTE RETURN GLOBAL SYSTEMATIC ALPHA FUND SEGREGATED PORTFOLIO

The Directors may in their discretion amend the criteria for determining who is an Eligible Investor for the purpose of an investment in the Fund from time to time. Initially all subscribers will be “Eligible Investors” except the following:

(i) any subscriber whose acquisition of Shares would cause a breach of the law or requirements of any country or governmental authority including anti-money laundering regulations or conventions; or

(ii) any subscriber acting directly or indirectly on behalf of terrorists or terrorist organisations, including those persons or entities that are included on the List of Specially Designated Nationals and Blocked Persons maintained by the US Treasury Department’s Office of Foreign Asset Control (“OFAC”) as such List may be amended from time to time; or

(iii) any subscriber acting directly or indirectly for a senior foreign political figure, any member of a senior foreign political figure’s immediate family or any close associate of a senior foreign political figure (a “politically exposed person” or “potentate”) unless the Fund, after being specifically notified by the subscriber in writing that it is such a person, conducts further due diligence, and determines that such investment shall be permitted, or

(iv) any subscriber or any entity acting as trustee, agent, representative or nominee for a subscriber that is a foreign shell bank; or

(v) any subscriber who has given representations in an Application Form that were not true when given or have ceased to be true; or

(vi) any subscriber in circumstances (whether directly or indirectly affecting such person or persons and whether taken alone or in conjunction with any other person or persons, connected or not, or any other circumstances appearing to the Directors to be relevant) in which in the opinion of the Directors the continuing ownership of Shares by such person or persons would cause an undue risk of adverse tax or other consequences to the Fund or any of its Shareholders; or

(vii) any subscriber, or any subscriber that is an entity acting as trustee, agent, representative or nominee for a person who is a “United States person” (within the meaning of Regulation S of the United States Securities Act). The subscriber will notify the Fund immediately if the subscriber becomes a United States person or becomes aware that any person for whom the subscriber holds Shares as trustee, agent, representative or nominee, has become a United States person.

All persons who do not fall into the above categories are “Eligible Investors”. All persons in categories (i) to (iv) are collectively known as “Prohibited Persons”.

4 The OFAC list may be accessed on the web at http://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx

5 Senior foreign political figure means a senior official in the executive, legislative, administrative, military or judicial branches of a foreign government (whether elected or not), a senior official of a major foreign political party or a senior executive of a foreign government-owned corporation. In addition, a senior foreign political figure includes any corporation, business or other entity that has been formed by, or for the benefit of, a senior foreign political figure. The immediate family of a senior foreign political figure typically includes the political figure’s parents, siblings, spouse, children and in-laws. A close associate of a senior foreign political figure is a person who is widely and publicly known internationally to maintain an unusually close relationship with the senior foreign political figure, and includes a person who is in a position to conduct a substantial domestic and international financial transactions on behalf of the senior foreign political figure.

6 Foreign shell bank means a foreign bank without a physical presence in any country, but does not include a regulated affiliate.
APPENDIX II
APPLICATION FORM

FA SPC – ABSOLUTE RETURN GLOBAL SYSTEMATIC ALPHA FUND SEGREGATED PORTFOLIO
ISIN: KYG333491614
BLOOMBERG: GSAFGBP

This Form duly completed, together with all relevant anti-money laundering documents (see Schedule I), should be sent by fax, with the original to follow by mail or courier to:

FA SPC – Absolute Return Global Systematic Alpha Fund Segregated Portfolio
c/o IFIT Fund Services AG
PO-Box 2520
8033 Zurich
Switzerland
Facsimile: +41 44 366 40 39
Telephone: +41 44 366 40 16
Attention: Shareholder Services

Dear Sirs,

1. Application

(a) The undersigned (the “Subscriber”) hereby irrevocably applies for such number of Shares of the Segregated Portfolio (the “Fund”) selected below in FA SPC (the “Company”) in accordance with the terms of the Offering Memorandum of the Fund dated October 2010, as amended or supplemented from time to time (the “Memorandum”), as may be subscribed for with the subscription amount shown below. Capitalised terms, unless otherwise defined herein, have the same meanings as in the Offering Memorandum.

Name of Fund: Absolute Return Global Systematic Alpha Fund Segregated Portfolio

Subscription Amount in GBP: _______________________

(b) The Subscriber undertakes to settle for the said amount invested in full, net of bank charges, by electronic transfer for value on _________________________________ to:

| Bank Name: | Dexia Banque (Luxembourg) SA |
| Mailing Address: | 69, route d’Esch |
| | L-2953 Luxembourg |
| SWIFT (BIC): | BILLLULL |
| Account Name: | FA SPC – Absolute Return Global Systematic Alpha Fund SP |
| IBAN: | LU50 0026 1988 0039 9800 |
| Currency: | GBP |
| Reference: | Name of Subscriber |

Notes:

(i) The initial minimum investment in the Fund is GBP 100,000.
(ii) Any Subscription Fee payable will be deducted by the Administrator from subscription money remitted to the Fund, prior to the investment of such money in the Fund.
(iii) The Application Form and payment for such subscription must be received no later than 5pm (Zurich time) on the Business Day at least five (5) Business Days prior to the relevant Subscription Day.
2. **Representations, warranties and covenants**

The undersigned Subscriber (or, if more than one, each of them):

(a) hereby acknowledges that it has received and considered the Memorandum and this application is made on the terms thereof and subject to the provisions of the Company’s Memorandum and Articles of Association from time to time in force. The Subscriber further hereby undertakes to observe and be bound by the provisions of the Memorandum and Articles of Association (as amended from time to time) of the Company and hereby applies to be entered in the register of Shareholders as the holder of the Shares issued in relation to this application;

(b) hereby acknowledges that it has read and fully considered and understand the Memorandum in connection with this application for Shares in the Fund and that it has evaluated its proposed investment in the Fund in the light of its financial condition and resources. The Subscriber confirms that (i) it is aware of the risks involved in investing in the Fund and that an inherent risk in this investment is the potential to lose all of its investment; (ii) it is applying for Shares on the basis of the Memorandum and that it has not relied on any representations or statements made or information provided by or on behalf of the Fund other than information contained in the Memorandum; (iii) it has such knowledge and experience in financial, investment and business matters as to be capable of evaluating the merits and risks associated with an investment in the Shares, and is able to bear the economic risk of such investment; and (iv) the Fund has made available to it all material contracts described in the Memorandum together (where applicable) with the most recent annual report and accounts of the Fund and has given it an opportunity to verify and to clarify any information contained in the Memorandum and such documents;

(c) hereby represents and warrants to the Fund that it is an Eligible Investor as defined in Appendix I to the Memorandum and that it is not acting on behalf of or for the benefit of nor does it intend transferring any Shares in the Fund which it may purchase to any person who is not an Eligible Investor;

(d) acknowledges that the Fund or the Administrator has the right to reject this application, in whole or in part, and need not give a reason for such rejection. In such circumstances, the full amount of funds tendered, or the excess in respect of a scaled down subscription, will be refunded without interest to the bank account from which the original subscription funds were remitted;

(e) acknowledges that due to anti-money laundering requirements, the Administrator and the Fund (as the case may be) may require further verification of the identity and source of funds of the Subscriber before the application can be processed. If the verification evidence supplied is not satisfactory, the Administrator will return the subscription money to the bank account from which they were remitted, at the Subscribers expense and with no interest accruing thereon. The Subscriber hereby releases and waives the rights to any claim against the Fund or the Administrator in respect of any loss suffered as a result of such action being taken. The Administrator and the Fund shall be held harmless and indemnified against all loss arising as a result of a failure to process the application;

(f) acknowledges and understands that under the Proceeds of Criminal Conduct Law of the Cayman Islands (as amended), a person who is a resident in the Cayman Islands must, if he knows or suspects that a payment to the Fund (by way of subscription or otherwise) represents proceeds of criminal conduct, report his knowledge or suspicion to the reporting authority, and such report shall not be treated as a breach of any restriction upon the disclosure of information imposed by law or otherwise;

(g) agrees to accept the number of Shares that shall be allotted by the Fund for the subscription amount which it has tendered, in accordance with the terms of the Memorandum and subject to the Memorandum and Articles of Association of the Company and to have such Shares registered exactly as provided in the registration details in section 9 below;

(h) if acting as trustee, agent, representative or nominee for a Subscriber (a “Beneficial Owner”), understands and acknowledges that the representations, warranties and agreements made herein are made by the Subscriber (i) with respect to the Subscriber and (ii) with respect to the Beneficial Owner. The Subscriber further represents and warrants that it has all requisite power and authority from said Beneficial Owner to execute and perform the obligations under this Application Form. The Subscriber also agrees to indemnify the Fund, the Investment Manager, the Administrator and their respective directors, members, partners, officers and agents from and against any and all costs, fees and expenses (including legal fees and disbursements) in connection with any damages resulting from the Subscriber’s misrepresentation or misstatement contained herein, or the improper assertion of the Subscriber’s proper authorization from the Beneficial Owner to enter into this Subscription Form or perform the obligations hereof;
(i) acknowledges that payments in respect of subscription and redemption will be made in GBP and that adverse fluctuations in exchange rates could reduce the return to it upon the redemption of Shares;

(j) understands and agrees that any redemption proceeds paid to it will be paid to the same account from which the Subscriber’s investment in the Fund was originally remitted, unless the Fund or the Administrator, in its sole discretion, agrees otherwise;

(k) acknowledges and agrees to the use of its personal data as set out under “Data Protection” as defined under section 8 below;

(l) shall notify the Administrator or the Fund immediately in the event that the Subscriber becomes aware that the Subscriber or any person for whom the Subscriber holds the Shares has ceased to be an Eligible Investor or if any of the representations, declarations or statements contained herein are no longer accurate and complete in all respects; and

(m) agrees to provide these representations, warranties and covenants to the Fund at such times as the Fund may request, and to provide on request such certifications, documents or other evidence as the Fund may reasonably require to substantiate such representations, warranties and covenants.

3. Anti-money laundering

(a) The Subscriber represents, warrants and covenants that: (i) it is not, nor is any person or entity controlling, controlled by or under common control with the Subscriber, a Prohibited Person (as defined in Appendix I of the Memorandum), and (ii) to the extent the Subscriber has any beneficial owners, (1) it has carried out thorough due diligence to establish the identities of such beneficial owners, (2) based on such due diligence, the Subscriber reasonably believes that no such beneficial owners are Prohibited Persons, (3) it holds the evidence of such identities and status and will maintain all such evidence for at least five years from the date of the Subscriber’s complete redemption from the Fund, and (4) it will make available such evidence and any additional evidence that the Fund may require upon request in accordance with applicable regulations.

(b) If any of the foregoing representations, warranties or covenants in (a) above ceases to be true or if the Fund no longer reasonably believes that it has satisfactory evidence as to their truth, notwithstanding any other agreement to the contrary, the Fund may, in accordance with applicable regulations, be obligated to take certain actions relating to the Subscriber’s holding of Shares and the Fund may also be required to report such action and to disclose the Subscriber’s identity to OFAC or other authority. In the event that the Fund is required to take any of the foregoing actions, the Subscriber understands and agrees that it shall have no claim against the Fund, the Investment Manager, the Administrator, and their respective affiliates, directors, members, partners, shareholders, officers, employees and agents for any form of damages as a result of any of the aforementioned actions.

(c) In order to comply with the anti-money laundering regulations applicable to the Fund and the Administrator, the Subscriber acknowledges that Shares will not be issued until such time that the Administrator or the Fund is satisfied that evidence regarding the source of the subscription amounts, the identity of the Subscriber and the payment instructions for redemptions, is satisfactory. Wire confirmations for subscriptions from the Subscriber must match the information provided below. Redemption proceeds will only be made to an account identified below. Subscriptions may be rejected if this information is incomplete or the wire confirmation does not match the information given below.

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7 For these purposes, beneficial owners will include, but not be limited to: (i) shareholders of a corporation; (ii) partners of a partnership; (iii) members of a limited liability company; (iv) investors in a fund-of-funds; (v) the grantor of a revocable or grantor trust; (vi) the beneficiaries of an irrevocable trust; (vii) the individual who established an IRA; (viii) the participant in a self-directed pension plan; (ix) the sponsor of any other pension plan; and (x) any person being represented by the Subscriber in an agency, representative, intermediary, nominee or similar capacity. If the beneficial owner is itself an entity, the information and representations set forth herein must also be given with respect to its individual beneficial owners. If the Subscriber is a publicly-traded company, it need not conduct due diligence as to its beneficial owners.
If the following information changes, the Subscriber or an authorized representative of the Subscriber must notify the Fund or Administrator in writing.

Bank Name: ________________________________
Fed Routing N°: ________________________________
SWIFT: ________________________________
Account Name: ________________________________
Account N°: ________________________________
IBAN: _______________ ________________
In favour of: ________________________________

Note:
To avoid return of funds, the wire transfer must be sent from an account in the name of the investor. The investor’s name must be included in line 50 of the SWIFT wire transfer message (or equivalent CHIP or Fed Wire indication), OR the wire transfer must state “From the Account of: (Investor Name)”. The wire should be effected by SWIFT MT103.

4. Power and authority

(a) If the Subscriber is an entity, the person executing this Application Form for the Subscriber represents that it has the full power and authority under the Subscriber’s governing instruments to do so and the Subscriber has the full power and authority under its governing instruments to acquire Shares of the Fund. If the Subscriber is acting as trustee, agent, representative or nominee for another person or entity, the Subscriber understands and acknowledges that the representations, warranties and agreements made in this Application Form are made by the Subscriber (i) with respect to the Subscriber, and (ii) with respect to such other person or entity. Furthermore, the Subscriber represents and agrees that (1) it is duly organized, validly existing and in good standing under the laws of its jurisdiction of organization, (2) the execution, delivery and performance by it of this Application Form are within its powers, have been duly authorized by all necessary actions on its behalf, require no action by or in respect of, or filing with, any governmental body, agency or official (except as disclosed in writing to the Fund) in order to make this investment, and does not contravene, or constitute a breach of or default under any provision of applicable law or governmental rule, regulation or policy statement or of its certificate of incorporation or other comparable organizational documents or any agreement, judgment, injunction, order, decree or other instrument binding upon it, and (3) this Application Form constitutes a valid and binding agreement of the Subscriber and is enforceable against the Subscriber in accordance with its terms.

(b) If the Subscriber is an individual, the Subscriber agrees that this Application Form constitutes a valid and binding agreement of the Subscriber and is enforceable against the Subscriber in accordance with its terms, and the Subscriber has legal competence and capacity to execute the same.

5. Proper instructions

(a) Set forth below are the names of persons authorised by the Subscriber to give and receive instructions between the Fund (or its Administrator) and the Subscriber, together with their respective signatures. Such persons are the only persons so authorised until further written notice to the Administrator signed by one or more of such persons.
<table>
<thead>
<tr>
<th>Names</th>
<th>Signatures</th>
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</tbody>
</table>

(b) The Administrator and the Fund are each hereby authorised and instructed to accept and execute any instructions in respect of the Shares to which this application relates given by the Subscriber in written form or by facsimile. If instructions are given by facsimile the Subscriber undertakes to send the original letter of instructions to the Administrator and the Fund and agree to keep each of them indemnified against any loss of any nature whatsoever arising to any of them as a result of any of them acting upon facsimile instructions. The Administrator and the Fund may rely conclusively upon and shall incur no liability in respect of any action taken upon any notice, consent, request, instructions or other instrument believed in good faith to be genuine or to be signed by properly authorised persons.

6. **Indemnification**

The Subscriber agrees to indemnify and hold harmless the Fund, the placement agent(s), if any, the Administrator, their respective officers, directors and affiliates and anyone acting on their behalf from and against all damages, losses, costs and expenses (including, without limitation, reasonable attorneys’ fees) which they may incur by reason of the Subscriber’s failure to fulfill any of the terms or conditions of this Application Form or by reason of any material breach of the representations and warranties made by the Subscriber herein.

7. **Data Protection**

(a) A Subscriber’s personal data may be utilised by the Administrator: (i) to properly identify the Subscriber in accordance with anti-money laundering regulatory requirements; (ii) to properly record the Subscriber’s interest in the Fund in accordance with relevant corporate laws and regulations; (iii) to advise the Subscriber of matters relative to his/her investment in the Fund, including current values and changes to Fund documentation etc; (iv) unless the Subscriber notifies the Administrator otherwise, to advise the Subscriber of other investment opportunities that may be or become available from the Fund’s sponsors.

(b) By agreeing to invest in the Fund, the Subscriber acknowledges and accepts that the Administrator may hold and process personal data for the purposes outlined above and further acknowledges and accepts that the Administrator may, in order to fulfill its duties to the Fund and comply with regulatory requirements: (i) retain such personal data for prescribed periods after the Subscriber has redeemed its holding in the Fund; (ii) transfer such personal data, by any method including electronically, to the Fund’s registered agent in its country of incorporation, including countries which may not have enacted data protection legislation; (iii) transfer such information to the Directors, Investment Manager, legal advisers or any other agent of the Fund entitled to receive such information; (iv) transfer such personal data to any person or entity to which the Administrator has a legal obligation to disclose such information; (v) maintain such information on the Administrator’s computer systems which may be based or maintained in countries which have not enacted data protection legislation.
8. Subscriber Details

(Complete in block capital please)

(a) Registration details

Name of Subscriber: ___________________________________________

Registered Address:
_________________________________________
_________________________________________
_________________________________________

Telephone N°: __________________ Facsimile N°: __________________

Email address: __________________ Contact name: __________________

(b) Correspondence details

If you wish your correspondence to be sent to an address other than the registered address in (a) above, please state below.

Name

Address

Daytime Tel N° __________________ Daytime Fax N° __________________

Email address

Note:

In the case of joint Subscribers, please use separate sheets for each joint Subscriber.

9. General

(a) In this Application Form, unless the contrary intention appears:

(i) references to any statute include references to that statute as amended or re-enacted or as other statutes modify its application from time to time and to any subordinate legislation made or to be made under that statute; and

(ii) references to the singular include the plural and vice versa; and

(iii) references to the masculine gender include the feminine and neuter genders and vice versa; and

(iv) references to persons include individuals, companies, firms, partnerships, government bodies or agencies and corporations sale and aggregate; and

(v) any obligations entered into by more than one person in this Application Form are entered into jointly and severally; and

(vi) the headings shall not affect the interpretations of this Application Form.

(b) This Application Form shall be binding upon the Subscriber and its successors and permitted assigns and shall inure to the benefit of the Fund’s successors and assigns. This Application Form shall survive the acceptance of the subscription.

(c) If any provision hereof shall be found invalid or unenforceable under any applicable law, it shall be deemed inoperable to that extent and its invalidity or inoperability shall not affect any other provision hereof.

(d) This Application Form shall be irrevocable and shall be governed by and construed in accordance with the laws of the Cayman Islands.
THE SUBSCRIBER HAS EXECUTED THIS APPLICATION ON _____________________.

If more than one Subscriber, please check the appropriate box:

☐ Joint Shareholders (all Shareholders must sign any Redemption Request Form)
☐ Joint and Several Shareholders (any one Shareholder can sign any Redemption Request Form)

Signature(s) of Subscriber(s)                      Name(s) of Subscriber(s) in full and title
____________________________________________
____________________________________________
____________________________________________

Notes:

(i) To be valid, Application Forms must be signed by each applicant, including all joint holders.
(ii) A corporation should complete this Application Form under seal or under the hand of a duly authorised corporate officer(s) who should state his capacity.
(iii) In the case of a firm or partnership (not a limited company), applications should be in the name of and signed by all partners.
(iv) If this Application Form is signed under power of attorney, such power of attorney or a duly certified copy thereof must accompany this Application Form.
(v) In respect of joint applicants only, on the death of one, the Shares will be held in the name of and to the order of the survivor or survivors or the executor or administrator of such survivor or survivors.
APPENDIX III
APPLICATION FORM FOR SUBSEQUENT SUBSCRIPTIONS

FA SPC – ABSOLUTE RETURN GLOBAL SYSTEMATIC ALPHA FUND SEGREGATED PORTFOLIO
ISIN: KYG333491614
BLOOMBERG: GSAFGBP

This Form duly completed should be sent by fax, with the original to follow by mail or courier to:

FA SPC – Absolute Return Global Systematic Alpha Fund Segregated Portfolio
c/o IFIT Fund Services AG
PO-Box 2520
8033 Zurich
Switzerland

Facsimile: +41 44 366 40 39
Telephone: +41 44 366 40 16
Attention: Shareholder Services

Dear Sirs,

1. Application

(a) The undersigned (the “Subscriber”) hereby irrevocably applies for such number of Shares in the Segregated Portfolio (the “Fund”) selected below in FA SPC (the “Company”) in accordance with the terms of the Offering Memorandum of the Fund dated October 2010, as amended or supplemented from time to time (the “Memorandum”), as may be subscribed for with the subscription amount shown below. Capitalised terms, unless otherwise defined herein, have the same meanings as in the Offering Memorandum.

Name of Fund: Absolute Return Global Systematic Alpha Fund Segregated Portfolio

Subscription Amount in GBP: ________________

(b) The Subscriber undertakes to settle for the said amount invested in full, net of bank charges, by electronic transfer for value on ____________________ to:

<table>
<thead>
<tr>
<th>Bank Name:</th>
<th>Dexia Banque (Luxembourg) SA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mailing Address:</td>
<td>69, route d’Esch</td>
</tr>
<tr>
<td></td>
<td>L-2953 Luxembourg</td>
</tr>
<tr>
<td>SWIFT (BIC):</td>
<td>BILLULL</td>
</tr>
<tr>
<td>Account Name:</td>
<td>FA SPC – Absolute Return Global Systematic Alpha Fund SP</td>
</tr>
<tr>
<td>IBAN:</td>
<td>LU50 0026 1988 0039 9800</td>
</tr>
<tr>
<td>Currency:</td>
<td>GBP</td>
</tr>
<tr>
<td>Reference:</td>
<td>Name of Subscriber</td>
</tr>
</tbody>
</table>

Notes:

(i) The initial minimum subsequent investment in the Fund is GBP 25,000.
(ii) Any Subscription Fee payable will be deducted by the Administrator from subscription money remitted to the Fund, prior to the investment of such money in the Fund.
(iii) The Application Form and payment for such subscription must be received no later than 5pm (Zurich time) on the Business Day at least five (5) Business Days prior to the relevant Subscription Day.
(c) The investor’s Subscriptions will be delivered from the following account:

Bank Name: ____________________________________________
Fed Routing N°: __________________________________________
SWIFT: _________________________________________________
Account Name: ___________________________________________
Account N°: _____________________________________________
IBAN: __________________________________________________
In favour of: ______________________________________________

Note:
To avoid return of funds, the wire transfer must be sent from an account in the name of the investor. The investor’s name must be included in line 50 of the SWIFT wire transfer message (or equivalent CHIP or Fed Wire indication), OR the wire transfer must state “From the Account of: (Investor Name)”. The wire should be effected by SWIFT MT103.

2. Reaffirmation

BY EXECUTION AND DELIVERY OF THIS APPLICATION FORM FOR SUBSEQUENT SUBSCRIPTIONS, THE SUBSCRIBER REAFFIRMS AS OF THE DATE OF THIS FORM THE REPRESENTATIONS, WARRANTIES, COVENANTS AND INFORMATION CONTAINED IN THE SUBSCRIBER’S ORIGINAL APPLICATION FORM IN RESPECT OF THE SUBSCRIBER’S INITIAL INVESTMENT IN SHARES.

3. General

(a) In this Application Form, unless the contrary intention appears:

(i) references to any statute include references to that statute as amended or re-enacted or as other statutes modify its application from time to time and to any subordinate legislation made or to be made under that statute; and
(ii) references to the singular include the plural and vice versa; and
(iii) references to the masculine gender include the feminine and neuter genders and vice versa; and
(iv) references to persons include individuals, companies, firms, partnerships, government bodies or agencies and corporations sole and aggregate; and
(v) any obligations entered into by more than one person in this Application Form are entered into jointly and severally; and
(vi) the headings shall not affect the interpretations of this Application Form.

(b) This Application Form shall be binding upon the Subscriber and its successors and permitted assigns and shall inure to the benefit of the Fund’s successors and assigns. This Application Form shall survive the acceptance of the subscription.

(c) If any provision hereof shall be found invalid or unenforceable under any applicable law, it shall be deemed inoperable to that extent and its invalidity or inoperability shall not affect any other provision hereof.

(d) This Application Form shall be irrevocable and shall be governed by and construed in accordance with the laws of the Cayman Islands.
THE SUBSCRIBER HAS EXECUTED THIS APPLICATION ON ________________, 20_____.

If more than one Subscriber, please check the appropriate box:

☐ Joint Shareholders (all Shareholders must sign any Redemption Request Form)
☐ Joint and Several Shareholders (any one Shareholder can sign any Redemption Request Form)

Signature(s) of Subscriber(s) Name(s) of Subscriber(s) in full and title

_______________________________________________
_______________________________________________
_______________________________________________

Notes:
(i) To be valid, Application Forms must be signed by each applicant, including all joint holders.
(ii) A corporation should complete this Application Form under seal or under the hand of a duly authorised corporate officer(s) who should state his capacity.
(iii) In the case of a firm or partnership (not a limited company), applications should be in the name of and signed by all partners.
(iv) If this Application Form is signed under power of attorney, such power of attorney or a duly certified copy thereof must accompany this Application Form.
(v) In respect of joint applicants only, on the death of one, the Shares will be held in the name of and to the order of the survivor or survivors or the executor or administrator of such survivor or survivors.
APPENDIX IV
REDEMPTION REQUEST FORM

FA SPC – ABSOLUTE RETURN GLOBAL SYSTEMATIC ALPHA FUND SEGREGATED PORTFOLIO
ISIN: KYG333491614
BLOOMBERG: GSAFGBP

This Form duly completed should be sent by fax, with the original to follow by mail or courier to:

FA SPC – Absolute Return Global Systematic Alpha Fund Segregated Portfolio
c/o IFIT Fund Services AG
PO-Box 2520
8033 Zurich
Switzerland

Facsimile: +41 44 366 40 39
Telephone: +41 44 366 40 16
Attention: Shareholder Services

Dear Sirs,

1. The undersigned hereby requests redemption of Shares of the Segregated Portfolio (“Fund”) set forth below in FA SPC (the “Company”) on the terms and subject to the conditions of the Offering Memorandum of the Fund dated October 2010, as amended or supplemented from time to time (the “Memorandum”), and the Memorandum and Articles of Association of the Company with a Net Asset Value (as described in the Memorandum) equal to (or rounded to the nearest whole Share) the amount indicated below, or the number of Shares indicated below held by the undersigned at a Redemption Price equal to the Net Asset Value (as described in the Memorandum) of such Shares on the relevant Redemption Day. Capitalised terms, unless otherwise defined herein, have the same meanings as in the Offering Memorandum.

Name of Fund: Absolute Return Global Systematic Alpha Fund Segregated Portfolio

Amount to be redeemed in GBP: _______________________

OR

Number of Shares requested to be redeemed: _______________________

Notes:

(i) The minimum redemption amount in the Fund is GBP 10,000.

(ii) A Deferred Redemption Fee of up to 5% may be deducted by the Administrator in connection to the repayment of any unamortised balance of the Distribution Fee.

(iii) The Redemption Request Form must be received no later than 5pm (Zurich time) on the Business Day at least ten (10) Business Days prior to the relevant Redemption Day.
2. If we (either in my individual capacity or as an authorized representative of an entity, if applicable) hereby represent and warrant that:

(a) I am the true, lawful and beneficial owner or registered holder, as the case may be, of the Shares to which this Redemption Request relates;

(b) I have full power and authority to request redemption of such Shares;

(c) I have full lawful power and authority, as a duly authorized officer or representative of [name of corporation, etc] to request redemption of such Shares;

(d) Such Shares are not subject to any pledge or otherwise encumbered in any fashion.

3. In addition to the above, by execution and delivery of this Redemption Request, the undersigned reaffirms as of the date of this Redemption Request the representations, warranties, covenants and information contained in the original Application Form in respect of its initial investment in Shares.

Please complete the following information in block letters. Name(s) and signature(s) must be identical to the name(s) in which the Shares are registered.

<table>
<thead>
<tr>
<th>Signature(s) of Subscriber(s)</th>
<th>Name(s) of Subscriber(s) in full and title</th>
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Notes:

(a) To be valid, this Redemption Request must be signed by each registered holder of the Shares to be redeemed. If the Redemption Request is signed under power of attorney, such power of attorney or a duly certified copy thereof must accompany this Redemption Request.

(b) Notwithstanding the foregoing, as set forth in the Shareholder’s Application Form for Shares, and in order to comply with the anti-money laundering regulations applicable to the Fund and the Administrator, the Shareholder acknowledges that any redemption proceeds paid to the Shareholder will be paid to the same account from which the Shareholder’s investment in the Fund was originally remitted, unless the Fund, in its sole discretion, agrees otherwise.

(c) If the Shareholder was exempted from the provision of full verification evidence at the time of the original subscription, due to payment being made from an account held in the Subscribers name at a financial institution based in a country which is recognized as having an adequate anti-money laundering regime, additional Subscriber verification evidence may be required before redemption proceeds can be made.

(d) The Shareholder acknowledges that redemption proceeds will not be made until such time that the Administrator or the Fund is satisfied that verification of the identity of the Shareholder and the payment instructions for redemptions, is satisfactory.

(e) Redemption requests may be made by mail or facsimile. An executed copy of the Redemption Form should be sent to the Administrator, at the address provided above, if sent via facsimile the original should be sent via overnight mail or courier. Although redemption requests may be sent by facsimile, Shareholders should be aware of the risks associated with sending documents in this manner. The Administrator will not be responsible in the event any Redemption Request sent is not received.
SCHEDULE I
ANTI-MONEY LAUNDERING REQUIREMENTS

A. EXEMPTED SUBSCRIBERS - DECLARATIONS
Provision of full subscriber verification evidence may, at the discretion of the Fund or Administrator, be waived where the Subscriber is regulated in a country which is recognized as having an adequate anti-money laundering regime\(^8\) or quoted on an approved stock exchange\(^9\) or where payment has been made from an account held in the Subscribers name from a financial institution based in a country which is recognized as having an adequate anti-money laundering regime. If the Subscriber thinks that it falls within an exemption, it should provide a letter to the Fund setting out the applicable declaration as set forth below.

(a) The Subscriber declares that we are licensed as [type of licence] by the [name of regulatory body] and are hereby subject to regulations and/or guidelines which to the best of our knowledge and understanding are equivalent to the anti-money laundering laws and regulations of the Cayman Islands; or

(b) The Subscriber declares that we are a company/mutual fund listed on an approved stock exchange [name of stock exchange]; or

(c) We declare that the subscription funds have been made from an account held in our name at [name of financial institution] in [name of country] – The Source of Funds Exemption Letter under Exhibit I must be completed.

B. NON-EXEMPTED SUBSCRIBERS
The documentation listed below is required to verify the identity and source of funds of all Subscribers who do not qualify under the Exempted Subscribers Declaration above.

For individuals:
(i) notarized or certified copy of passport or national identity card with photographic identification;
(ii) evidence of permanent address by certified copy or original bank- or credit card statement, utility- or phone bill;
(iii) occupation;
(iv) nationality; and
(v) source of subscription funds.

For companies:
(i) copy of the Certificate of Incorporation or its equivalent and any change of name certificate;
(ii) copy of the Memorandum and Articles of Association or its equivalent;
(iii) certificate of good standing;
(iv) register or other acceptable list of directors and officers;
(v) identification, as described for individuals above, of all directors and authorised signatories;
(vi) additional details on the identity of the Shareholders, if considered necessary by the Administrator of the Fund; and
(vii) source of subscription funds.

For partnerships and unincorporated businesses:
(i) certified copy of the declaration of trust or its equivalent;
(ii) copy of any certificate of registration and certificate of good standing, if registered;
(iii) identification, as described for individuals and companies above, of the general partner, or its equivalent, and the authorised signatories;
(iv) additional details on the identity of the limited partners, or their equivalent, if considered necessary by the Administrator of the Fund; and
(v) source of subscription funds.

Certification must be done by a public authority (for instance notary public or local government office). The Administrator will notify a Subscriber if further documents are required.

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\(^8\) The list of acceptable countries are: Argentina, Austria, Bahamas, Bahrain, Belgium, Bermuda, Brazil, British Virgin Islands, Canada, Denmark, Dubai, Finland, France, Germany, Gibraltar, Greece, Guernsey, Hong Kong, Iceland, Ireland, Italy, Japan, Jersey, Isle of Man, Liechtenstein, Luxembourg, Malta, Mexico, Netherlands, New Zealand, Norway, Panama, Portugal, Singapore, Spain, Sweden, Switzerland, Turkey, United Arab Emirates, United Kingdom, United States of America.

\(^9\) A list of approved stock exchanges can be found under Appendix H of the Cayman Islands Money Laundering Regulations (as amended) which may be accessed on the Cayman Islands Monetary Authority website at www.cimoney.com.ky.
EXHIBIT I
SOURCE OF FUNDS EXEMPTION

PLEASE GIVE THIS LETTER TO YOUR REMITTING FINANCIAL INSTITUTION FOR RETURN TO
THE ADMINISTRATOR AT THE SAME TIME THAT THE SUBSCRIPTION MONIES ARE WIRED.

(IMPORTANT: In order for this exemption to be effective, the remitting financial institution must be
based in a country recognized as having an adequate anti-money laundering regime and the ‘Subscriber
Account’ being debited must be in the name of the Subscriber)

SAMPLE LETTER
[to be replaced on letterhead of the financial institution remitting payment]

Date
Via mail and facsimile

FA SPC – ABSOLUTE RETURN GLOBAL SYSTEMATIC ALPHA FUND SEGREGATED
PORTFOLIO
c/o IFIT Fund Services AG
PO-Box 2520
8033 Zurich
Switzerland

Facsimile: +41 44 366 40 39
Attention: Shareholder Services

Dear Sirs:

RE: FA SPC – ABSOLUTE RETURN GLOBAL SYSTEMATIC ALPHA FUND SEGREGATED PORTFOLIO

Name of Remitting Financial Institution:
Address of Remitting Financial Institution:
Name of Subscriber:
Address of Subscriber:
Name of Subscriber Account Being Debited:
Account Number Being Debited:

We have credited your account at [ ], Account Number [number] for [amount] by order of
[subscriber] on [date].

The above information is given in strictest confidence for your own use only and without any guarantee,
responsibility or liability on the part of the institution or its officials.

Yours faithfully,

Signed _________________________
Full Name ______________________
Position ________________________