
OFFERING MEMORANDUM

IMPORTANT: If you are in any doubt about the contents of this Offering Memorandum, you should seek independent professional financial advice.

This Offering Memorandum is distributed on a confidential basis in connection with a private placing of the Shares in the Company, none of which will be issued to any person other than a person to whom a copy of this Offering Memorandum is provided. No person receiving a copy of this Offering Memorandum in any jurisdiction may treat the same as constituting an invitation to him, unless in the relevant jurisdiction such an invitation may lawfully be made to him without compliance with any registration or other legal requirements.

The Directors accept full responsibility for accuracy of the information contained in this Offering Memorandum 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 misleading. However, neither the delivery of this Offering Memorandum nor the offer, allotment or issue of Shares shall under any circumstances constitute a representation that the information contained in this Offering Memorandum is correct as of any time subsequent to the date of its publication. This Offering Memorandum may from time to time be updated. Prospective investors should ask the Manager or the Company if any supplements to this Offering Memorandum or any later Offering Memorandum has been issued.

UBS (CAY) Investment Fund SPC

(a segregated portfolio company incorporated with limited liability under the laws of the Cayman Islands under registration number WK-247186)

UBS Asset Management (Hong Kong) Limited
(MANAGER)

The contents of this Offering Memorandum are not to be construed as a recommendation or legal, investment, tax or other advice to any prospective investor in relation to the subscription, purchase, holding or disposition of Shares and prospective investors should consult their professional advisers accordingly.

This Offering Memorandum is intended solely for the use of the person to whom it has been delivered for the purpose of evaluating a possible investment by the recipient in the Shares. It is not to be reproduced in any form or manner nor is it to be distributed or disclosed to any other persons (other than professional advisers of the prospective investor).

No person is authorised to give any information or make any representation or warranty, express or implied, not contained in this Offering Memorandum and, if given or made, any such information or representation or warranty, express or implied, may not be relied upon as having been authorised by any person.

WARNING: The contents of this document have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.

7 June 2021

IMPORTANT INFORMATION

Reliance on Offering Memorandum

The Shares are offered solely on the basis of the information and representations contained in this Offering Memorandum and any further information given or representations made by any person may not be relied upon as having been authorised by the Company or the Directors. Neither the delivery of this Offering Memorandum nor the allotment or issue of Shares shall under any circumstances create any implication that there has been no change in the affairs of the Company since the date of this document.

Registration in the Cayman Islands

The Company has been registered as a regulated "mutual fund" with the Cayman Islands Monetary Authority (the "Authority") pursuant to section 4(3) of the Mutual Funds Act (Revised) of the Cayman Islands (the "Mutual Funds Act") and accordingly is regulated pursuant to the Mutual Funds Act. However, the Company is not required to be licensed or to employ a licensed mutual fund administrator since the minimum interest which may be subscribed by a prospective investor in the Company is greater than USD100,000. Accordingly the obligations of the Company are: (a) to file with the Authority prescribed details of this Offering Memorandum and any changes to it; (b) to file annually with the Authority accounts audited by an approved auditor; and (c) to pay a prescribed annual mutual fund fee.

As a regulated mutual fund the Company is subject to the supervision of the Authority and the Authority may at any time instruct the Company to have its accounts audited and to submit them to the Authority within such time as the Authority specifies. Failure to comply with these requests by the Authority may result in substantial fines. For instance, it has wide powers to take action if it is satisfied that a regulated mutual fund:

- (a) is or is likely to become unable to meet its obligations as they fall due; or
- (b) has contravened any provision under the Mutual Funds Act or of the Anti-Money Laundering Regulations (Revised);
- (c) 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;
- (d) is not being managed in a fit and proper manner; or
- (e) has persons appointed as director, manager or officer that is not a fit and proper person to hold the respective position..

The Authority may take certain actions 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 Authority include, amongst others: (i) the power to require a Director and/or the Manager to be replaced; (ii) the power to appoint a person, at the expense of the Company to advise the Company on the proper conduct of its affairs; (iii) the power to appoint a person, at the expense of the Company, to assume control of the affairs of the Company, including for the purpose of terminating the business of the Company; and (iv) the power to cancel or impose conditions on any mutual fund registration granted under the Mutual Funds Act. The Authority also has other remedies available to it including applying to the courts of the Cayman Islands for approval of other actions, and requiring the Company to re-organise its affairs in a manner specified by the Authority.

The Authority has a discretionary power to impose substantial administrative fines upon the Company in connection with any breaches by the Company of prescribed provisions of certain regulatory laws and regulations of the Cayman Islands including the Mutual Funds Act and the Anti-Money Laundering Regulations (Revised) of the Cayman Islands and upon any Director or officer of the Company who either consented to or connived in the breach, or to whose neglect the breach is proved to be attributable. To the extent any such administrative fine is payable by the Company, the Company will bear the costs of such fine and any associated proceedings.

A MUTUAL FUND LICENCE ISSUED OR A FUND REGISTERED BY THE CAYMAN ISLANDS MONETARY AUTHORITY DOES NOT CONSTITUTE AN OBLIGATION OF THE AUTHORITY TO ANY INVESTOR AS TO THE PERFORMANCE OR CREDITWORTHINESS OF THE FUND.

FURTHERMORE, IN ISSUING SUCH A LICENCE OR IN REGISTERING A FUND, THE AUTHORITY SHALL NOT BE LIABLE FOR ANY LOSSES OR DEFAULT OF THE FUND OR FOR THE CORRECTNESS OF ANY OPINIONS OR STATEMENTS EXPRESSED IN ANY PROSPECTUS OR OFFERING DOCUMENT.

Structure

The Company is incorporated as a segregated portfolio company with limited liability in the Cayman Islands. A segregated portfolio company is permitted to create one or more segregated portfolios in order to segregate the assets and liabilities of the Company held within or on behalf of one segregated portfolio of the Company from the assets and liabilities of the Company held within or on behalf of any other segregated portfolio or the general assets of the Company (being the assets and liabilities of the Company which are not held within or on behalf of any segregated portfolio of the

Company). Notwithstanding the segregation of assets and liabilities within portfolios, the Company is a single legal entity and no segregated portfolio constitutes a legal entity separate from the Company itself.

Restrictions on Distribution

The distribution of this Offering Memorandum and the offering of Shares may be restricted in certain jurisdictions. The information below is for general guidance only, and it is the responsibility of any person or persons in possession of this Offering Memorandum and wishing to make application for Shares to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction. Prospective applicants for Shares should inform themselves as to legal requirements also applying and any applicable exchange control regulations and applicable taxes in the countries of their respective citizenship, residence or domicile.

This Offering Memorandum does not constitute an offer or solicitation to any person in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it would be unlawful to make such offer or solicitation. This Offering Memorandum has been prepared solely for the information of the person to whom it has been delivered by or on behalf of the Company, and should not be reproduced or used for any other purpose.

Australia: This Offering Memorandum is not a prospectus or product disclosure statement under the Corporations Act 2001 (Cth) (the “Corporations Act”) and does not constitute a recommendation to acquire, an invitation to apply for, an offer to apply for or buy, an offer to arrange the issue or sale of, or an offer for issue or sale of, any securities in Australia except as set out below. The Fund has not authorised nor taken any action to prepare or lodge with the Australian Securities & Investments Commission an Australian law compliant prospectus or product disclosure statement.

Accordingly, this Offering Memorandum may not be issued or distributed in Australia and the Shares may not be offered, issued, sold or distributed in Australia by the Manager, or any other person, under this Offering Memorandum other than by way of or pursuant to an offer or invitation that does not need disclosure to investors under Part 6D.2 or Part 7.9 of the Corporations Act or otherwise.

This Offering Memorandum does not constitute or involve a recommendation to acquire, an offer or invitation for issue or sale, an offer or invitation to arrange the issue or sale, or an issue or sale, of Shares to a ‘retail client’ (as defined in section 761G of the Corporations Act and applicable regulations) in Australia.

Cayman Islands: No offer or invitation to subscribe for the Shares may be made to the public in the Cayman Islands. The Company does not intend to establish a place of business or otherwise intend to conduct business in the Cayman Islands.

Hong Kong: WARNING – The contents of this Offering Memorandum have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this Offering Memorandum, you should obtain independent professional advice. This Offering Memorandum has not been registered by the Registrar of Companies in Hong Kong. The Company is a collective investment scheme as defined in the Securities and Futures Ordinance of Hong Kong (the “Ordinance”) but has not been authorised by the Securities and Futures Commission pursuant to the Ordinance. Accordingly, the Shares may only be offered or sold in Hong Kong to persons who are “professional investors” as defined in the Ordinance and any rules made under the Ordinance or in circumstances which are permitted under the Companies (Winding Up and Miscellaneous Provisions) Ordinance of Hong Kong and the Ordinance. In addition, this Offering Memorandum may not be issued or possessed for the purposes of issue, whether in Hong Kong or elsewhere, and the Shares may not be disposed of to any person unless such person is outside Hong Kong, such person is a “professional investor” as defined in the Ordinance and any rules made under the Ordinance or as otherwise may be permitted by the Ordinance.

Japan: The Shares have not been and will not be registered pursuant to Article 4, Paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law no. 25 of 1948, as amended) and, accordingly, none of the Shares nor any interest therein may be offered or sold, directly or indirectly, in Japan or to, or for the benefit, of any Japanese person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese person except under circumstances which will result in compliance with all applicable laws, regulations and guidelines promulgated by the relevant Japanese governmental and regulatory authorities and in effect at the relevant time. For this purpose, a “Japanese person” means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

South Korea: Neither the Company nor the Manager is making any representation with respect to the eligibility of any recipients of this Offering Memorandum to acquire the Shares therein under the laws of South Korea, including but without limitation the Foreign Exchange Transaction Act and Regulations thereunder. The Shares have not been registered under the Financial Investment Services and Capital Markets Act of South Korea, and none of the Shares may be offered, sold or delivered, or offered or sold to any person for re-offering or resale, directly or indirectly, in South Korea or to any resident of South Korea except pursuant to applicable laws and regulations of South Korea.

People’s Republic of China: This Offering Memorandum does not constitute a public offer of the Company or the Shares, whether by sale or subscription, in the People’s Republic of China (the “PRC”). The Shares are not being offered or sold directly or indirectly in the PRC to or for the benefit of, legal or natural persons of the PRC.

Further, no legal or natural persons of the PRC may directly or indirectly purchase any of the Shares or any beneficial interest therein without obtaining all prior PRC’s governmental approvals that are required, whether statutorily or otherwise. Persons who come into possession of this Offering Memorandum are required by the Company and its representatives to observe these restrictions.

Singapore: The offer or invitation of the Shares of Funds of the Company, which is the subject of this Offering Memorandum, does not relate to collective investment schemes which are authorised under section 286 of the Securities

and Futures Act, Chapter 289 of Singapore (the “SFA”) or recognised under section 287 of the SFA. The Company and the Funds are not authorised or recognised by the Monetary Authority of Singapore (the “MAS”) and Shares are not allowed to be offered to the retail public. Each of this Offering Memorandum and any other document or material issued in connection with the offer or sale of Shares is not a prospectus as defined in the SFA. Accordingly, statutory liability under the SFA in relation to the content of prospectuses would not apply. Investors should consider carefully whether the investment is suitable for them.

This Offering Memorandum has not been registered as a prospectus with the MAS. Accordingly, this Offering Memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Shares may not be circulated or distributed, nor may Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 304 of the SFA, (ii) to a relevant person pursuant to Section 305(1), or any person pursuant to Section 305(2) of the SFA, and in accordance with the conditions specified in Section 305 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where Shares are subscribed or purchased under Section 305 by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Shares pursuant to an offer made under Section 305 of the SFA except:

- (1) to an institutional investor or to a relevant person defined in Section 305(5) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 305A(3) (i) (B) of the SFA;
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law; or
- (4) as specified in Section 305A(5) of the SFA; or
- (5) as specified in Regulation 36 of the Securities and Futures (Offers of Investments) (Collective Investment Schemes) Regulation 2005 of Singapore.

Switzerland: The collective investment schemes mentioned in this Offering Memorandum have not been and will not be approved by the Swiss Financial Market Supervisory Authority (FINMA) for distribution to non-qualified investors in or from Switzerland. Investors in Switzerland shall be aware that this Offering Memorandum is exclusively addressed to qualified investors pursuant to art. 10 para. 3 and 3ter CISA. Addressees of this Offering Memorandum shall not pass it to anyone in any manner that might qualify as an activity of distribution to non-qualified investors.

The Manager and its agents may pay retrocessions as remuneration for distribution activity in respect of fund units in or from Switzerland. This remuneration may be deemed payment for the following services in particular: Promoting and rendering the distribution of fund units, training client advisers and salespersons, organization of and participation in road shows, events and shows of all kinds in connection with the distribution of fund units, contacting potential investors, central relationship management and servicing of existing client relationships, responding to specific requests from investors regarding the investment product or the provider, produce and issue marketing and legal fund documents, provide administrative services of all kinds in connection with the distribution of fund units, brokering and processing subscription and redemption of fund units, subscribe units as a nominee for clients on behalf of the provider, appointment and monitoring of sub-distributors, performing due diligence delegated by the Provider in areas such as ascertaining client needs and distribution restrictions, instruction of the external auditors to verify compliance (by the fund provider) with the legal and self-regulatory obligations of the Distributor, such as in particular the SFAMA Guidelines for the Distribution of Collective Investment Schemes, operation and maintenance of electronic distribution platforms, central reporting for fund providers and distribution distributors, and providing administrative services of all kinds including fulfilment of the due diligence obligations in combating money laundering and the financing of terrorism in connection with the distribution of fund units.

Retrocessions are not deemed to be rebates even if they are ultimately passed on, in full or in part, to the investors. The recipients of the retrocessions must ensure transparent disclosure and inform investors, unsolicited and free of charge, about the amount of remuneration they may receive for distribution. On request, the recipients of retrocessions must disclose the amounts they actually receive for distributing the collective investment schemes of the investors concerned.

In respect of distribution in or from Switzerland, the Manager and its agents do not pay any rebates to reduce the fees or costs incurred by the investor and charged to a respective Fund.

Taiwan: The Shares are being made available in Taiwan, the Republic of China (the “ROC”) on a private placement basis only to banks, bills houses, trust enterprises, financial holding companies and other qualified entities or institutions (collectively, “Qualified Institutions”) and other entities and individuals meeting specific criteria (“Other Qualified Investors”) pursuant to the private placement provisions of the ROC Rules Governing Offshore Funds. No other offer or sale of the Shares in the ROC is permitted. ROC purchasers of the Shares may not sell or otherwise dispose of their holdings except

by redemption, transfer to a Qualified Institution or Other Qualified Investor, transfer by operation of law or other means approved by the ROC Financial Supervisory Commission.

United States: The Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the “1933 Act”) or the securities laws of any of the states of the United States. The Shares may not be offered, sold or delivered directly or indirectly in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the 1933 Act and any applicable state laws. The Shares may not be sold to US Persons and US Persons may not subscribe for Shares.

There is no public market for the Shares and no such market is expected to develop in the future. The Shares offered hereby are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the 1933 Act and applicable state securities laws pursuant to registration or exemption therefrom. Prospective investors should be aware that they may be required to bear the financial risks of an investment in the Company for an indefinite period of time.

The Shares are suitable only for sophisticated investors who do not require immediate liquidity for their investments, for whom an investment in the Company does not constitute a complete investment program and who fully understand and are able to bear the loss of their investment in the Fund. The investment programme of the Company or a Fund, by its nature, may be considered to involve a substantial degree of risk. Subscribers for Shares must represent that they are acquiring the Shares for investment.

Offering materials for the offering of the Shares have not been filed with or approved or disapproved by the United States Securities and Exchange Commission or any other state or federal regulatory authority, nor has any such regulatory authority passed upon or endorsed the merits of this offering or passed upon the accuracy or completeness of any offering materials. Any representation to the contrary is unlawful.

This Offering Memorandum has been prepared solely for the information of the person to whom it has been delivered by or on behalf of the Company, and should not be reproduced or used for any other purpose.

The Shares are not being directly or indirectly offered or placed at the initiative of the Manager or on behalf of the Manager to or with persons in Europe. Accordingly, the distribution of this Offering Memorandum and the offering of Shares is not being made in Europe.

Confidentiality

Except as may be outlined in the subscription application for the relevant Fund, any information forwarded to the Company by a potential investor will be treated on a confidential basis. If required to do so by law or regulation, the Company may pass on that information to a relevant third party. By subscribing for Shares, each subscriber is deemed to have consented to such release of confidential information pursuant to Section 3(1)(b) (or any amendment of that provision) of the Confidential Information Disclosure Act, 2016 of the Cayman Islands.

Risk Factors

Investment in the Company carries substantial risk. There can be no assurance that the investment objective of any segregated portfolio of the Company will be achieved and investment results may vary substantially over time. Investment in the Company is not intended to be a complete investment programme for any investor. Prospective investors should carefully consider whether an investment in the Shares is suitable for them in light of their circumstances and financial resources (see further under “Risk Factors”). If you are in any doubt about the contents of this document you should consult your stockbroker, accountant or other professional adviser.

DIRECTORY

UBS (CAY) Investment Fund SPC

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Cayman Islands

Directors

Suet Ting WONG (Sherry)
Richard RUFFER
Christine FLETCHER

Manager

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Administrator

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Grand Cayman KY1-1104
Cayman Islands

Administrator's Delegate

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Auditors to the Company

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Legal Adviser to the Company as to Cayman Islands law

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DEFINITIONS

In this Offering Memorandum the following capitalised terms have the following meanings (unless the context otherwise requires):

“1933 Act”	the United States Securities Act of 1933, as amended.
“1940 Act”	the United States Investment Company Act of 1940, as amended.
“Administration Fee”	the administration fee payable by the Company to the Administrator in respect of a Fund, details of which are set out in the relevant Appendix.
“Administrator”	HSBC Trustee (Cayman) Limited.
“Administrator’s Delegate”	HSBC Institutional Trust Services (Asia) Limited.
“Appendix”	an appendix to this Offering Memorandum containing information in respect of a particular Fund.
“Articles”	the Memorandum and Articles of Association of the Company.
“Auditors”	means PricewaterhouseCoopers, Cayman Islands, or such other persons as may be appointed auditors of the Company from time to time.
“AUD” or “Australian dollar”	the lawful currency of the Commonwealth of Australia.
“Authority”	the Cayman Islands Monetary Authority.
“Business Day”	unless otherwise specified in the relevant Appendix, any day (other than Saturday and Sunday) on which banks and securities exchanges are open for normal business in the PRC and Hong Kong and/or such date or dates as the Directors may from time to time determine provided that where, as a result of a number 8 typhoon signal, black rainstorm warning or similar event, the period during which banks in Hong Kong are open on any day is reduced, such day shall not be a Business Day unless the Directors otherwise determine.
“Calculation Period”	in respect of any Fund, a calculation period as specified in the relevant Appendix.
“Cayman Privacy Notice”	means the privacy notice adopted in respect of the Data Protection Act, 2017 of the Cayman Islands, as appended from time to time, and included in the subscription application documentation for the relevant Fund.
“CFTC”	the Commodity Futures Trading Commission of the United States.
“CHF” or “Swiss francs”	the lawful currency of Switzerland.

“Class”	a class of ordinary participating shares in the Company attributable to a particular Fund.
“Class Account”	a class account as defined in the section headed "Net Asset Value" under the heading "Calculation of Net Asset Value".
“Code”	the United States Internal Revenue Code of 1986, as amended.
“Company” or “UBS (CAY) Investment Fund”	UBS (CAY) Investment Fund SPC.
“connected person”	<p>in relation to a company means:</p> <ul style="list-style-type: none"> (a) any person or company beneficially owning, directly or indirectly, 20% or more of the ordinary share capital of that company or able to exercise directly or indirectly, 20% or more of the total votes in that company; or (b) any person or company controlled by a person who or which meets one or both of the descriptions given in (a); or (c) any member of the group of which that company forms part; or (d) any director or officer of that company or of any of its connected persons as defined in (a), (b) or (c).
“Currency Hedging Fee”	the currency hedging fee which may be payable by the Company to the Manager in respect of a Class, details of which are set out in the relevant Appendix.
“Custodian”	in respect of each Fund, HSBC Institutional Trust Services (Asia) Limited or if so specified in the relevant Appendix, The Hongkong and Shanghai Banking Corporation Limited, in its capacity as the custodian of such Fund's investments and uninvested cash outside of the PRC.
“Custodian Fee”	the custodian fee payable by the Company to the Custodian in respect of a Fund, details of which are set out in the relevant Appendix.
“Dealing Day”	in respect of each Class, the days on which Shares of that Class may be subscribed or redeemed, as specified in the relevant Appendix.
“Directors”	the members of the board of directors of the Company for the time being and any duly constituted committee of the relevant board and any successors to such members as may be appointed from time to time.
“Dodd-Frank Act”	the United States Dodd-Frank Wall Street Reform and Consumer Protection Act.
“ERISA”	the United States Employee Retirement Income Security Act of

	1974, as amended.
“EUR” or “Euro”	the official currency of the Eurozone.
“Founder Shares”	shares of par value RMB1.00 in the Company issued as Founder Shares.
“Fund”	a segregated portfolio established and maintained in accordance with the Articles, details of which are set out in an Appendix.
“Fund Assets”	the assets of the Company held within or on behalf of any Fund.
“Fund Servicing Fee”	the fund servicing fee which may be payable by the Company to the Manager in respect of a Fund, details of which are set out in the relevant Appendix.
“General Assets”	any assets of the Company which are not Fund Assets.
“HKD” or “Hong Kong dollar”	the lawful currency of Hong Kong.
“Hong Kong”	the Hong Kong Special Administrative Region of the People's Republic of China.
“IFRS”	International Financial Reporting Standards issued by the International Accounting Standards Board.
“Ineligible Applicant”	an ineligible applicant as described under the section headed "Subscriptions" under the heading "Ineligible Applicants".
“Initial Issue Price”	in relation to any Class during the Initial Offer Period, the price at which Shares are first offered for subscription, as specified in the relevant Appendix.
“Initial Offer Period”	in relation to any Class, the period determined by the Directors during which Shares of that Class will be offered for subscription at the Initial Issue Price, as specified in the relevant Appendix.
“Intertrust”	Intertrust Fund Services (Cayman) Limited.
“Investment Manager”	any investment manager of a Fund appointed by the Manager.
“IRS”	the United States Internal Revenue Service.
“JPY” or “Japanese Yen”	the lawful currency of Japan.
“Legal Adviser”	as specified in the Directory above.
“Macau”	the Macau Special Administrative Region of the People's Republic of China.
“Management Fee”	the management fee payable by the Company to the Manager in respect of a Fund, details of which are set out in the relevant Appendix.

“Manager”	UBS Asset Management (Hong Kong) Limited.
“Minimum Holding”	in relation to any Class, the amount or number of Shares (if any) specified as such in the relevant Appendix.
“Mutual Funds Act”	the Mutual Funds Act (Revised) of the Cayman Islands.
“Net Asset Value”	the net asset value of the Company, a Fund or a Class Account, as the case may be, determined in accordance with the Articles.
“Net Asset Value per Share”	the Net Asset Value of the relevant Class Account divided by the number of Shares of the relevant Class in issue or deemed to be in issue.
“Non-United States Person”	<p>means:</p> <ul style="list-style-type: none"> (a) a natural person who is not a resident of the United States, (b) a partnership, corporation or other entity, other than an entity organised principally for passive investment, organised under the laws of a non-US jurisdiction and which has its principal place of business in a non-US jurisdiction, (c) an estate or trust, the income of which is not subject to United States income tax regardless of source, (d) an entity organised under the laws of a non-US jurisdiction principally for passive investment such as a pool, investment company or other similar entity, provided that units of participation in the entity held by persons who do not qualify as Non-United States Persons or otherwise as qualified eligible persons represent in the aggregate less than 10% of the beneficial interest in the entity and that such entity was not formed principally for the purpose of facilitating investment by persons which do not qualify as Non-United States Persons in a commodity pool with respect to which the commodity pool operator is exempt from certain requirements of Part 4 of the CFTC’s regulations by virtue of its participants being Non-United States Persons, and (e) a pension plan for employees, officers or principals of an entity organised and with its principal place of business outside the United States.
“Performance Fee”	the performance fee payable by the Company to the Manager in respect of a Fund (if any), details of which are set out in the relevant Appendix.
“PRC” or “China”	the People’s Republic of China excluding (for the purposes of interpretation) Hong Kong, Macau and Taiwan.
“PRC Custodian”	in respect of a Fund which invests onshore PRC securities, a custodian of such Fund’s investments and uninvested cash in

	the PRC, details of whom are set out in the relevant Appendix.
“RMB” or “Renminbi”	the lawful currency of the PRC.
“Redemption Price”	the price per Share at which Shares are redeemed, calculated in the manner described in the relevant Appendix.
“SEC”	the US Securities and Exchange Commission.
“Service Providers”	the Manager, each Investment Manager, the Administrator, the Administrator’s Delegate, the Custodians, the Auditors, the Legal Advisers and the registered office service provider, each of which provides services to the Company, in respect of all or certain Funds.
“SFC”	the Securities and Futures Commission of Hong Kong.
“SFO”	the Securities and Futures Ordinance (Cap 571) of Hong Kong.
“SGD” or “Singapore dollar”	the lawful currency of the Republic of Singapore.
“Shareholder”	a person recorded as a holder of Shares in the Company’s register of shareholders.
“Shares”	ordinary participating shares of par value RMB0.01, RMB10, RMB0.00001 or USD0.01, as the case may be, each in the Company and allocated to a Fund, as further set out in the relevant Appendix.
“Side Letter”	a separate agreement or arrangement with a Shareholder as defined in the section headed "Risk Factors" under the heading "Information, reporting and side arrangements".
“Subscription Price”	the price per Share at which Shares may be issued after the close of the relevant Initial Offer Period, calculated in the manner described in the relevant Appendix.
“Taiwan”	Taiwan, the Republic of China.
“United States” or “US”	the United States of America (including the states and District of Columbia) and any of its territories, possessions and other areas subject to its jurisdiction.
“US Person”	<p>a person who is included in the definition of “US Person” under Rule 902 of Regulation S under the 1933 Act and excluded from the definition of a Non-United States Person.</p> <p>(a) A “US Person” under Rule 902 of Regulation S under the 1933 Act generally includes the following: (i) any natural person resident in the United States; (ii) any partnership or corporation organised or incorporated under the laws of the United States; (iii) any estate of which any executor or administrator is a US person; (iv) any trust of which any trustee is a US person; (v) any agency or branch of a foreign entity located in the United States; (vi) any</p>

non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a US person; (vii) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated, or (if an individual) resident in the United States; or (viii) any partnership or corporation if: (A) organised or incorporated under the laws of any non-US jurisdiction; and (B) formed by a US person principally for the purpose of investing in securities not registered under the 1933 Act unless it is organised or incorporated, and owned, by accredited investors (as defined in Rule 501(a) of Regulation D under the 1933 Act) who are not natural persons, estates or trusts.

- (b) Notwithstanding (a) above, any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-US person by a dealer or other professional fiduciary organised, incorporated, or (if an individual) resident in the United States shall not be deemed a "US person".
- (c) Notwithstanding (a) above, any estate of which any professional fiduciary acting as executor or administrator is a US person shall not be deemed a "US person" if: (i) an executor or administrator of the estate who is not a US person has sole or shared investment discretion with respect to the assets of the estate; and (ii) the estate is governed by non-US law.
- (d) Notwithstanding (a) above, any trust of which any professional fiduciary acting as trustee is a US person shall not be deemed a "US person" if a trustee who is not a US person has sole or shared investment discretion with respect to the trust assets, and no beneficiary of the trust (and no settlor if the trust is revocable) is a US person.
- (e) Notwithstanding (a) above, an employee benefit plan established and administered in accordance with the law of a country other than the United States and customary practices and documentation of such country shall not be deemed a "US person".
- (f) Notwithstanding (a) above, any agency or branch of a US person located outside the United States shall not be deemed a "US person" if: (i) the agency or branch operates for valid business reasons; and (ii) the agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located.
- (g) The International Monetary Fund, the International Bank for Reconstruction and Development, the Inter-American

Development Bank, the Asian Development Bank, the African Development Bank, the United Nations, and their agencies, affiliates and pension plans, and any other similar international organisations, their agencies, affiliates and pension plans shall not be deemed “US persons”.

“USD” or “US dollar”

the lawful currency of the United States.

“Valuation Day”

unless otherwise specified in the relevant Appendix, each Dealing Day and/or such other day or days as the Directors may from time to time determine.

“Valuation Point”

the close of business in the last relevant market to close on each Valuation Day or such other time on each Valuation Day as the Directors may from time to time determine.

INVESTMENT OBJECTIVE, APPROACH AND RESTRICTIONS

Investment objective

The specific investment objective of each Fund is set out in the relevant Appendix. There can be no assurance that a Fund will achieve its investment objective.

Investment approach

The Company in respect of each Fund has maximum flexibility to invest in a wide range of instruments including, but not limited to, listed and unlisted equities, preferred stocks, convertible securities, equity-related instruments, debt securities and obligations (which may be below investment grade), currencies, commodities, futures (including index futures), forwards (including non-deliverable forwards), options, warrants, swaps and other derivative instruments. Derivative instruments may be exchange-traded or traded over-the-counter. The Company in respect of each Fund may engage in short sales, margin trading, hedging and other investment strategies. The Company may retain amounts in cash or cash equivalents (including money market funds) pending reinvestment, for use as collateral or as otherwise considered appropriate to the investment objective.

The specific investment approach of each Fund and any applicable investment restrictions are set out in the relevant Appendix.

Currency hedging

The Manager may seek to hedge the currency exposure of any Fund to currencies other than the base currency through the use of spot and forward foreign exchange contracts or other methods of reducing exposure to currency fluctuations.

Borrowing and leverage

When deemed appropriate, the Company may in respect of each Fund employ borrowing and/or leverage including, without limitation, through borrowing cash, securities and other instruments and entering into derivative transactions and repurchase agreements (in which leverage may be embedded). The Company may pledge assets as security for borrowings. The use of leverage by the Company in respect of a Fund will increase the risk of an investment in such Fund.

Securities Lending and Repurchase / Reverse Repurchase Transactions

The Company (including each Fund) does not currently intend to engage in securities lending, repurchase or reverse repurchase transactions. Should the Manager and/or an Investment Manager decide to enter into such arrangements in the future, this Offering Memorandum will be amended to provide details of the arrangements. Underwriting

The Company does not currently intend to engage in underwriting transactions.

Risk Management

The Manager has adopted risk management procedures intended to identify, measure, manage and monitor risks in connection with the investment of the assets of each of the Funds, including market risk, liquidity risk, issuer and counterparty and credit risk and operational risk, taking into account the nature, scale and complexity of the business of the Manager and the investment objective and strategy of each of the Funds. Other risks may arise from time to time. There is no

guarantee that such risk management procedures will be effective to mitigate the effect of such risks on the relevant Fund or the Company.

Liquidity Risk Management Policy

Liquidity risk is the risk that a particular position cannot be easily unwound or offset due to insufficient market depth or market disruption; or that the relevant Fund's financial obligations (such as investor redemptions) cannot be met. An inability to sell a particular investment or portion of the relevant Fund's assets may have a negative impact to the value of the Fund (and the Company) and to the relevant Fund's ability to meet its investment objectives. Additionally, an inability to sell the relevant Fund's assets may have negative implications for investors being able to redeem in a timely fashion, and also to Shareholder of that Fund.

A summary of the liquidity risk management policy of the Manager is set out in Schedule 1 to this Offering Memorandum.

Investment restrictions

The Articles do not contain any restrictions in respect of the investment of assets of the Company or any Fund. However, as a matter of policy, the Directors may adopt investment restrictions in respect of a particular Fund. Details of any investment restrictions applicable to a Fund are set out in the relevant Appendix.

Authorisation by the SFC

The Company may seek authorisation of the Company and any Fund by the SFC pursuant to Section 104 of the SFO. If a Fund is authorised by the SFC, such authorisation of the Fund will be reflected in the relevant Appendix. Where such authorisation is sought in respect of the Company and/or any Fund, any changes as may be required by the SFC for the purposes of authorisation may be made to the Articles, this Offering Memorandum, any Appendix and/or the investment objective, approach or restrictions relating to any Fund, and affected Shareholders will be given at least one month's prior notice in writing before such changes are implemented.

Listing on a stock exchange

The Company may seek to list any Fund or any Class on the Irish Stock Exchange or any other stock exchange without approval of Shareholders.

MANAGEMENT AND ADMINISTRATION

The Manager

UBS Asset Management (Hong Kong) Limited has been appointed as the Manager to manage and invest the assets of the Company and each Fund.

The Manager was appointed pursuant to a management agreement with the Company (the “Management Agreement”). Under the Management Agreement, the Manager has agreed to manage and invest the assets of each Fund on a discretionary basis, in pursuit of the investment objective and in accordance with the investment approach and restrictions described in the relevant Appendix, subject to the control and review of the Directors.

The Manager was incorporated with limited liability in Hong Kong on 9 April 1992. The Manager is licensed for type 1 (dealing in securities), type 4 (advising on securities) and type 9 (asset management) regulated activities by the SFC under the SFO with CE number AGP568. The Manager is subject to the regulatory supervision of the SFC, 35/F, Cheung Kong Centre, 2 Queen's Road Central, Hong Kong (Tel: (852) 2231 1222).

The Manager's licence is subject to the conditions that the Manager shall not hold client assets. The terms "hold" and "client assets" are as defined under the Securities and Futures Ordinance.

The Manager shall, and shall procure that any Investment Manager shall, assist the Company and, where relevant, the relevant Fund, in the selection, appointment and ongoing monitoring of the Auditor and other Service Providers.

The directors of the Manager are David HANZL, Adolfo OLIETE GALIANO and Mary Ann YARISANTOS.

- **David HANZL**

David Hanzl joined the Manager as the Chief of Staff APAC & Head Regional Operating Office in September 2014. He is a board member of UBS Hana Korea and the Manager. In addition, he is the Chair of UBS Asset Management APAC's Front to Back (F2B) Committee and a member of the UBS Asset Management Operating Committee (global), the UBS Asset Management APAC Management Committee and the UBS APAC Operating Committee (until it was dissolved in 2018).

Mr. Hanzl joined UBS AG (Zurich office) in 1995 as an Apprentice and became a JUNA Program (UBS Zurich Trainee Program) participant in 1998; he subsequently moved into different roles and divisions. Mr. Hanzl then moved to Hong Kong in 2008 to become a Client Advisor in the Asian Clients High Networth and Ultra High Networth teams in the Wealth Management Division. In July 2010, Mr. Hanzl assumed the Portfolio Specialist role covering the Ultra High Networth and SEA Markets in Investment Platforms & Services of the Wealth Management Division. In July 2011, he moved on to assume the Head Fund Advisory Center Asia role.

- **Adolfo OLIETE GALIANO**

Adolfo Oliete Galiano is the Head of Asia Pacific Investments for UBS Hedge Fund Solutions. He is primarily responsible for spearheading investment research in the region. He is a member of the UBS Asset Management APAC Committee and the Management Committee. Mr. Oliete Galiano leads research on markets, hedge fund investment due

diligence and co-investments in Asia. He has a senior management role in Asia and represents the region in portfolio management meetings.

Mr. Oliete Galiano joined UBS Asset Management's A&Q investment team in London in 2012. Prior to joining UBS in 2012, he spent one year as a hedge fund consultant at Casteel Capital (2011-2012). Before that, Mr. Oliete Galiano worked at Highbridge Capital Management in New York and London where he was a Senior Vice President (1997-2009). During his last six years at Highbridge, he traded European convertible bonds and helped manage the European convertible bond arbitrage portfolio.

Mr. Oliete Galiano has over 22 years of investment industry experience and holds a BBA from the University of Massachusetts at Amherst in the United States.

- **Mary Ann YARISANTOS**

Since June 2016, Mary Ann Yarisantos has been the Regional Head of Risk Control of UBS Asset Management, Asia Pacific, based in Hong Kong. In June 2018, she also became the Global Head of UBS Asset Management Counterparty Risk Control. Ms. Yarisantos is the primary point of contact and responsible for risk oversight for all Asia Pacific UBS Asset Management Risk Control activities. She is a member of the UBS Asset Management Global Risk Management Committee and the APAC Risk Executive Committee.

Prior to her current role, Ms. Yarisantos had a short stint as Head of Credit and Operational Risk, Hong Kong for the National Bank of Abu Dhabi with responsibility for the risk management of the entire credit portfolio and oversight of the operational risk of the Hong Kong Branch. Prior to that role, she was the Head of Credit Risk, North Asia for UBS Investment Bank based in Hong Kong and also held various credit risk roles that covered monitoring, approval and review of UBS Investment Bank's counterparties and borrowers in Emerging Markets Asia. Ms. Yarisantos was with UBS Investment Bank for about 15 years and was a member of the APAC Risk Management Committee. Prior to joining UBS Investment Bank, she also held positions in Credit Risk Management with Chase Manhattan NA, ING Bank and Mellon Bank, all based in Hong Kong.

Ms. Yarisantos graduated with a Bachelor of Science in Management Engineering from the Ateneo de Manila University in The Philippines.

The Manager may delegate any of its powers under the Management Agreement to any other person or persons as the Manager considers appropriate, either generally in respect of the Company or specifically in respect of any Fund.

The Manager shall not be liable in respect of any act or omission of any person, firm or company through whom transactions in investments are effected for the Company's account, of the Custodian, of any party having custody or possession of the Company's assets from time to time, or of any clearance or settlement system (for the avoidance of doubt, the Manager shall remain liable for the acts or omissions of any person to whom it has delegated any of its functions, powers and duties under the Management Agreement). The Manager shall not be liable to the Company for any act or omission in the course of or in connection with the services rendered by it under the Management Agreement or for any loss or damage which a Fund may sustain or suffer as the result of, or in the course of, the discharge by the Manager of its duties under or pursuant to the Management Agreement in the absence of negligence, wilful default or fraud on the part of the Manager. No warranty is given by the Manager as to the performance or profitability of any Fund or any part of it or the achievement of any specific or general result.

The Company shall indemnify and keep indemnified the Manager and the directors, officers and employees of the Manager from and against any and all liabilities, obligations, losses, damages,

suits and expenses (each a “Loss”) which may be incurred by or asserted against the Manager in its capacity as Manager of the Company, other than those Losses resulting from the negligence, wilful default or fraud of the person seeking to rely on this indemnity and other than expenses incurred by the Manager for which it is responsible under the Management Agreement.

The Manager may appoint and delegate discretionary management responsibilities to an affiliated or unaffiliated Investment Manager in respect of any Fund. The Manager may also appoint an affiliated or unaffiliated investment adviser in respect of any Fund. The Manager will be responsible for the fees of any Investment Manager or investment adviser it appoints. Details of any Investment Manager or investment adviser appointed in respect of a Fund will be set out in the relevant Appendix. There may be a conflict of interest in respect of the Manager when determining to appoint an affiliated Investment Manager or investment adviser.

In respect of any Fund which may be authorised by the SFC, the Manager will conduct on-going supervision and regular monitoring of the competence of any delegate to whom investment management discretion has been delegated, to ensure that the Manager’s accountability to investors is not diminished, and although the investment management role of the Manager may be sub-contracted to third parties, the responsibilities and obligations of the Manager may not be delegated.

Subject to applicable law, the Manager (and/or its directors, employees, shareholders, related entities and connected persons) may subscribe, directly or indirectly, for Shares.

The Company has authorised the Manager to disclose information relating to the Company’s portfolio to potential investors in the Company, subject to such investors agreeing not to disclose such information to any third party.

The Directors

Directors’ functions

The Directors are responsible for the overall management and control of the Company. The Directors will review the operations and investment performance of the Company at regular meetings. For this purpose, the Directors will receive periodic reports from the Manager detailing the performance of the Company and providing an analysis of its investment portfolio. The Manager will provide such other information as may from time to time be reasonably required by the Directors for the purpose of such meetings.

Directors of the Company

- **Suet Ting WONG (Sherry)**

Sherry is an independent director based in Singapore. She was Head of Products, APAC at UBS Asset Management from 2015 to 2021, responsible for the design and management of UBS Asset Management’s product suite, as well as executing product strategy in the APAC region. Her responsibilities also include providing product communication to all relevant functions and promoting regional connectivity on global and regional product initiatives.

Sherry expanded her role as the Head of Asset Management business for Singapore and South East Asia in 2018 and was a Board of Director of the Singapore Asset Management entity from 2018 to 2021.

Prior to UBS, Sherry headed up regional product development and management teams in Legg Mason and Eastspring Investments in Singapore. Before that, she had regional product responsibilities at Fidelity and Jardine Fleming in Hong Kong. She has experience

in the formation, structuring and the product life cycle of investment funds in international domiciles such as Cayman Islands, Ireland and Luxembourg, as well as various Asian jurisdictions including Australia, China, Hong Kong, Japan, Korea, Singapore and Taiwan.

Sherry obtained a Bachelor of Commerce Degree from the University of Western Australia in 1997. She is a CFA charter holder and received the Sustainable Finance certificate from the University of Cambridge in May 2021. Sherry is registered as a Director with the Cayman Islands Monetary Authority pursuant to the Directors Registration and Licensing Law.

- **Richard RUFFER**

Richard Ruffer is a Director at Ironstone Global Solutions, an Intertrust Group company. Based in New York City, Mr. Ruffer serves as an independent director on hedge funds, private equity funds, special purpose vehicles and holding companies. Richard also serves as Partnership Representative or Designated Individual in connection with US tax filings and audits.

Prior to joining Intertrust Group in 2008, Mr. Ruffer co-founded an opportunity fund focused on commercial real estate debt investments, both cash and synthetic, and asset-based lending. Until 2007, Mr. Ruffer was a Senior Managing Director at Bear, Stearns & Co. Inc. in New York City where he was Head of Commercial Mortgage Securitization and Co-Head of Commercial Real Estate CDO Banking. Mr. Ruffer also sat on the Bear Stearns commercial mortgage loan credit committee. After graduating from law school in 1990, Mr. Ruffer practiced as a tax attorney in New York City at Brown & Wood (which has since merged with Sidley Austin) and at Rogers & Wells (which has since merged with Clifford Chance), where he specialized in investment funds and structured finance. Richard also worked on tax controversy matters, including audit settlements and court appeals. In 1994, he joined Moody's Investors Service as a Senior Analyst in their mortgage finance group.

Mr. Ruffer received a BA, magna cum laude, from Hamilton College, a JD, cum laude, from Cornell Law School and an LLM in Taxation from New York University School of Law. Mr. Ruffer is a retired member of the New York and New Jersey Bars and is licensed as a Director with the Authority pursuant to the Directors Registration and Licensing Act, 2014 of the Cayman Islands.

- **Christine FLETCHER**

Christine is an independent director with the fiduciary team of Ironstone Global Solutions. Christine was previously an Associate at the international law firm Mourant Ozannes for almost 10 years and left their investment funds practice group to join Intertrust Group. At Mourant Ozannes Christine specialized in all areas of corporate/commercial work, with a particular emphasis on investment funds.

She has experience advising a broad range of clients in respect of the formation, restructuring, management and termination of Cayman investment funds. Prior to moving to the Cayman Islands Christine articulated in the Legal Affairs Department of Kraft Canada in Ontario, Canada, working in corporate law, marketing and advertising law and intellectual property law. Christine has also worked for Myers, Fletcher & Gordon, working in the corporate department and real estate department.

Christine obtained a Bachelor of Arts Degree with Honours from the University of the West Indies in 1994 and a Bachelor of Laws Degree with Honours from the University of Liverpool, England in 1998. She was admitted as an Attorney in New York in 1999 (currently non-practicing), as an Attorney in the Supreme Court of Jamaica in 2000 (currently

non-practicing), as a Solicitor and Barrister-at-Law in Ontario, Canada 2005 (currently non-practicing) and as an Attorney in the Grand Court of the Cayman Islands in 2005 (currently non-practicing). Christine is an Accredited Director with the Chartered Governance Institute of Canada and is registered as a Director with the Cayman Islands Monetary Authority pursuant to the Directors Registration and Licensing Act. For the purposes of this Offering Memorandum, the address of the Directors is the registered office of the Company, as set out in the Directory.

Administrator and Administrator's Delegate

HSBC Trustee (Cayman) Limited has been appointed as the administrator of the Company and each Fund.

The Administrator was incorporated as an exempted company in the Cayman Islands on 10 November 1981. It is licensed as an unrestricted trust company under the Banks and Trust Companies Act (Revised) of the Cayman Islands, as well as being licensed as a mutual fund administrator under the Mutual Funds Act (Revised).

The Administrator is responsible for the general administration of the Company and each Fund which includes keeping the register of Shareholders, arranging for the issue and redemption of Shares, the calculation of asset valuations and fees and administration of uninvested cash and providing money anti-money laundering services to the Company. The Administrator will also act as registrar to the Company and each Fund.

The Administrator is entitled to be indemnified by the Company against all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever (other than those resulting from the fraud, gross negligence or wilful default on the part of the Administrator) which may be imposed on, incurred by or asserted against the Administrator in performing its obligations or duties.

The Administrator in no way acts as guarantor or offeror of the Company's Shares or any underlying investment. The Administrator is a service provider to the Company and has no responsibility or authority to make investment decisions, or render investment advice, with respect to the assets of the Company or any Fund. The Administrator is not responsible for, and accepts no responsibility or liability for any losses suffered by the Company or any Fund or any investors in the Company or any Fund as a result of any failure by the Company or the Manager, as the case may be, to adhere to the investment objective, policy, investment restrictions, borrowing restrictions or operating guidelines. The Administrator will not participate in transactions or activities or make any payments denominated in US dollars, which, if carried out by a US person, would be subject to sanctions of the Office of Foreign Assets Control ("OFAC") of the US Department of the Treasury.

The Administrator shall not be liable or otherwise responsible for any loss suffered by any person by reason of (i) any act or omission of any person prior to the commencement date of the Administration Agreement, (ii) any defect, error, inaccuracy, breakdown or delay in any product or service provided to the Administrator by any third party service provider, and (iii) any inaccuracy, error or delay in information provided to the Administrator by or for the Company, the Manager or the relevant Fund or any person associated with, or appointed by any of them, which may include an Investment Manager and/or investment adviser appointed by the Manager, (including any broker, market maker or intermediary). The Administrator shall not otherwise be liable for any loss to the Company or any other person unless direct loss is sustained as a result of its fraud, gross negligence or wilful default.

The Administrator is an indirect wholly-owned subsidiary of HSBC Holdings plc, a public company incorporated in England and Wales. The HSBC Group is one of the largest banking and financial

services organisations in the world with well-established businesses in Europe, the Asia-Pacific region, the Americas, the Middle East and Africa.

The appointment of the Administrator may be terminated by not less than 90 days' notice in writing (or such shorter notice as the parties may agree).

Under the terms of the Administration Agreement, the Administrator is able to delegate certain of its functions and duties to the Administrator's affiliates. The Administrator has accordingly delegated certain of its functions and duties to HSBC Institutional Trust Services (Asia) Limited as Administrator's Delegate apart from the keeping of the register of Shareholders which will be maintained in the Cayman Islands by the Administrator.

None of the Administrator, the Administrator's Delegate nor any of their respective delegates, employees or agents are or will be directly involved in the business affairs, organisation, sponsorship or investment management of the Company or any Fund; nor responsible for the preparation or issue of this Offering Memorandum other than the description above.

Custodian

In respect of each Fund, HSBC Institutional Trust Services (Asia) Limited or, if so specified in the relevant Appendix, The Hongkong and Shanghai Banking Corporation Limited (the "Custodian" in respect of the relevant Fund) has been appointed as the custodian of the investments and uninvested cash of such Fund outside of the PRC which are delivered to and accepted by the Custodian. Any investments and uninvested cash of any Fund within the PRC will be held by a PRC Custodian. The duty of the Custodian and each PRC Custodian will be to safeguard the relevant investments and uninvested cash of the relevant Fund.

HSBC Institutional Trust Services (Asia) Limited was incorporated in Hong Kong in 1974 and is registered as a trust company under the Trustee Ordinance in Hong Kong, and approved by the Mandatory Provident Fund Scheme Authority to provide trustee services. The Hongkong and Shanghai Banking Corporation Limited was established in Hong Kong in 1865 and is the founding member of the HSBC Group – one of the world's largest banking and financial services organisations.

The Custodian is entitled to be indemnified by the Company for the account of the relevant Fund from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever in accordance with the relevant Custodian Agreement (other than those resulting from the fraud, negligence or wilful default on the part of the Custodian or those it would otherwise be liable under the Custodian Agreement) which may be imposed on, incurred by or asserted against the Custodian in performing its obligations or duties. In performing its duties, the Custodian may, at the expense of the relevant Fund, appoint such agents, sub-custodians and delegates as it thinks fit to perform in whole or in part any of its duties and discretion (if applicable, with the power of sub-delegation). The extent of the Custodian's liability for the acts and omissions of such agents, sub-custodians and delegates is set out in the relevant Custodian Agreement. The Custodian will not be responsible for any loss suffered by the relevant Fund by reason of liquidation, bankruptcy or insolvency of any agent, sub-custodian or delegate.

The Custodian will not be responsible for any cash, securities and/or other assets of the Company which are not deposited with or held to the Custodian's order. In particular, the Custodian will not be responsible for (i) any cash, securities and/or other assets placed with co-custodians, prime brokers, brokers or any other party outside the Custodian's global custodian network or (ii) any cash placed in any account with any bank or financial institution which is not in the name of the Custodian. In addition, the Custodian will not be responsible for any investment or cash of the Company or any Fund held in the PRC, which will be held by a PRC Custodian.

The Custodian will not participate in transactions or activities or make any payments denominated in US dollars, which, if carried out by a US Person, would be subject to sanctions by OFAC of the US Department of the Treasury. The appointment of the Custodian may be terminated by notice given by the Custodian or the Company on behalf of the relevant Fund of not less than the period required under the relevant Custodian Agreement (or such shorter notice in accordance with the relevant Custodian Agreement or the parties may otherwise agree).

Neither the Custodian nor any of its delegates, employees or agents are or will be directly involved in the business affairs, organisation, sponsorship or investment management of the Company; nor responsible for the preparation or issue of this Offering Memorandum other than the description above.

HSBC Institutional Trust Services (Asia) Limited's address is as follows:

1 Queen's Road Central
Hong Kong

The Hongkong and Shanghai Banking Corporation Limited's address is as follows:

1 Queen's Road Central
Hong Kong

SUBSCRIPTIONS

A summary of the Shares being offered is set out in the table below.

Shares	Eligibility	Smallest Tradable Unit	Initial Issue Price
Class A Shares Class A-mdist Shares Class A-qdist Shares	Available to all investors	0.001	Unless the Company decides otherwise, the initial issue price of these shares amounts to AUD 100, CAD 100, CHF 100, CZK 2,000, EUR 100, GBP 100, HKD 1,000, JPY 10,000, NZD 100, PLN 500, RMB 1,000, RUB 3,500, SEK 700, SGD 100 or USD 100.
Class F Shares	Available to UBS AG or one of its subsidiaries. The Class F Shares may only be acquired by UBS AG or one of its subsidiaries for their own account or as part of discretionary asset management mandates concluded with UBS AG or one of its subsidiaries. In the latter case, the Class F Shares will be returned to the Company at the prevailing Net Asset Value at no charge upon termination of the mandate.	0.001	Unless the Company decides otherwise, the initial issue price of these shares amounts to AUD 100, CAD 100, CHF 100, CZK 2,000, EUR 100, GBP 100, HKD 1,000, JPY 10,000, NZD 100, PLN 500, RMB 1,000, RUB 3,500, SEK 700, SGD 100 or USD 100.
Class K-1 Shares Class K-1-mdist Shares Class K-1-qdist Shares	Available to all investors	0.1 or 0.001	Unless the Company decides otherwise, the initial issue price of these shares amounts to AUD 5 million, CAD 5 million, CHF 5 million, CZK 100 million, EUR 3 million, GBP 2.5 million, HKD 40 million, JPY 500 million, NZD 5 million, PLN 25 million, RMB 35 million, RUB 175 million, SEK 35 million, SGD 5 million or USD 5 million.

Class Q Shares Class Q-mdist Shares Class Q-qdist Shares	Available for distribution pursuant to UBS AG advisory and/or discretionary agreements in Switzerland only; or Admission of investors in further distribution countries shall be decided by the Directors at their sole discretion and disclosed on www.ubs.com/funds .	0.001	Unless the Company decides otherwise, the initial issue price of these shares amounts to AUD 100, CAD 100, CHF 100, CZK 2,000, EUR 100, GBP 100, HKD 1,000, JPY 10,000, NZD 100, PLN 500, RMB 1,000, RUB 3,500, SEK 700, SGD 100 or USD 100.
Class FR-qdist Shares	Available to all investors.	0.001	Unless the Company decides otherwise, the initial issue price of these shares amounts to USD 100.
Class K-1 FR-qdist Shares	Available to all investors.	0.001	Unless the Company decides otherwise, the initial issue price of these shares amounts to USD 100, SGD 100 or EUR 100.

Initial fee

An initial fee may be payable by applicants when subscribing for Shares. Details of any initial fee payable in respect of any Class are set out in the relevant Appendix.

Initial offer

Shares are available for subscription during the relevant Initial Offer Period at the Initial Issue Price. Unless specified in the relevant Appendix, there is no minimum aggregate subscription required to launch any Fund.

Subsequent subscriptions

Following the close of the relevant Initial Offer Period, Shares will be available for subscription at the relevant Subscription Price on each Dealing Day. Unless otherwise stated in the relevant Appendix, the latest Subscription Price will be available on request from the Administrator and/or the Administrator's Delegate.

Notwithstanding any provision in any Appendix, the Directors, in consultation with the Manager, may at any time determine to close the Company, a Fund or any Class to new subscriptions, either for a specified period or until they otherwise determine and either in respect of all investors or new investors only.

Procedure

Unless otherwise specified in the relevant Appendix, the following procedures will apply to all applications for Shares.

Applicants for Shares during an Initial Offer Period must complete a subscription application and send it to the Administrator's Delegate so as to be received by no later than 6:00 pm (Hong Kong time) on the last Business Day of the relevant Initial Offer Period, or such later time or date as determined by the Manager. Cash subscription monies must be sent by wire transfer, net of bank charges, so that cleared funds are received in the Company's account by no later than 11:59 pm (Hong Kong time) on the last Business Day of the relevant Initial Offer Period, or such later time or date as determined by the Manager.

After the relevant Initial Offer Period, applicants for Shares and Shareholders wishing to apply for additional Shares must complete a subscription application and send it to the Administrator's Delegate so as to be received by no later than 6:00 pm (Hong Kong time) on the relevant Dealing Day, and any subscription application received after this time will be held over to the next following Dealing Day. Cash subscription monies must be sent by wire transfer, net of bank charges, so that cleared funds are received in the Company's account by no later than 11:59 pm (Hong Kong time) on the third Business Day following the relevant Dealing Day. Subscription applications may be sent by facsimile or electronic means, provided the original is then promptly forwarded to the Administrator's Delegate. Applicants should note that none of the Company, the Administrator, the Administrator's Delegate, the Manager, either Investment Manager, or any of their duly appointed agents will accept any responsibility for any loss caused as a result of the illegibility or non-receipt of any subscription application sent by facsimile or electronic means or for any loss caused in respect of any action taken as a consequence of instructions believed in good faith to be signed by and originated from properly authorised persons.

Applicants may apply for Shares through a distributor appointed by the Company. Distributors may have different dealing procedures, including earlier cut-off times for receipt of subscription applications and/or cleared funds. Applicants who intend to apply for Shares through a distributor should consult the distributor for details of the relevant dealing procedures. Where an applicant applies for Shares through a distributor, the Company will treat the distributor (or its nominee) as the applicant. The distributor (or its nominee) will be registered as holder of the relevant Shares. The Company will not be responsible for any arrangements between the relevant applicant and the distributor regarding the subscription for and redemption of Shares or any related matters.

Upon receipt by the Administrator's Delegate of a duly completed subscription application by the applicable time referred to above on a Dealing Day, Shares will be issued at the relevant Subscription Price on that Dealing Day. Subscription monies must be paid by the applicant in cleared funds in full no later than 11:59 pm (Hong Kong time) on the third Business Day following the relevant Dealing Day. If cleared funds are not received in full by 11:59 pm (Hong Kong time) on the third Business Day following the relevant Dealing Day, the Company reserves the right to redeem compulsorily the relevant Shares issued on the relevant Dealing Day. In such event, any gain or losses incurred by the Company as a result of the compulsory redemption of Shares shall be for the account of the relevant Fund, and the Manager may require the applicant to pay to the Company, for the account of the relevant Fund, in respect of each Share redeemed, the amount (if any) by which the Subscription Price on the relevant Dealing Day exceeds the applicable Redemption Price on the date of redemption, in addition to any reasonable handling fees and charges. Applicants will be required to indemnify and hold harmless each of the Company, the Directors, the Manager, the Administrator, the Administrator's Delegate and the Custodian against any losses, costs or expenses incurred by any of them as a result of the failure or default of the applicant to transmit subscription monies in immediately available funds to the account of the Company within the time specified, and the Company may, in the Directors' discretion, bring an action against any applicant who fails to submit payment on time. Subject to this and unless otherwise indicated in the relevant Appendix, Shares are deemed to be issued immediately on the close of the Initial Offer Period and subsequently on the relevant Dealing Day.

Fractions of Shares will, if necessary, be issued (rounded up to 3 decimal places unless otherwise specified in the relevant Appendix).

All subscription monies must originate from an account held in the name of the applicant. No third party payment will be permitted. Interest on subscription monies will accrue to the Company.

The Company may reject any application in whole or part and without giving any reason for doing so. In the event of an application being rejected, the amount paid on application or the balance thereof, as the case may be, will be returned (without interest) as soon as practicable in RMB or the currency of subscription, as applicable at the risk and cost of the applicant.

Once a completed subscription application has been received by the Company it is irrevocable. Written confirmation detailing the Shares which have been issued will be sent to successful applicants as soon as practicable after the last day of the Initial Offer Period or the relevant Dealing Day, as the case may be.

Minimum investment

The minimum initial investment per applicant and the minimum amount of additional subscription in respect of a Fund is set out in the relevant Appendix.

Anti-dilution levy

Where in respect of a Dealing Day net subscription for Shares of a Fund (including exchanges of Shares of another Fund for Shares of the relevant Fund) exceeds a specified percentage of the relevant Fund's Net Asset Value prior to such subscription, the Manager may in its discretion impose an anti-dilution levy of a percentage of the value of each applicant's subscription(s) or exchange(s) on the relevant Dealing Day. Details of any anti-dilution levy will be specified in the relevant Appendix.

An anti-dilution levy is intended to reflect the costs incurred by the Fund in purchasing additional portfolio securities. Any anti-dilution levy will be retained by the relevant Fund. The purpose of any anti-dilution levy is to protect existing Shareholders from bearing the costs of such subscriptions or exchanges.

Ineligible Applicants

Each applicant for Shares will be required to represent and warrant to the Company that, amongst other things, it is able to acquire and hold Shares without violating applicable laws.

The Shares may not be offered, issued or transferred to any person in circumstances which, in the opinion of the Directors, might result in the Company incurring any liability to taxation or suffering any other pecuniary disadvantage which the Company might not otherwise incur or suffer, or would result in the Company being required to register under any applicable US securities laws.

Shares may not be issued or transferred to any US Person. Shares will not be sold to any "Benefit Plan Investor", as defined under Section 3(42) of ERISA, and any regulations promulgated thereunder, including, but not limited to: (i) an "employee benefit plan" that is subject to the provisions of Title I of ERISA; (ii) a "plan" that is not subject to the provisions of Title I of ERISA, but that is subject to the prohibited transaction provisions of Section 4975 of the Code, such as individual retirement accounts and certain retirement plans for self-employed individuals; or (iii) a pooled investment fund whose assets are treated as "plan assets" under Section 3(42) of ERISA and any regulations promulgated thereunder because "employee benefit plans" or "plans" hold 25% or more of any class of equity interest in such pooled investment fund.

Each applicant for Shares will be required to warrant that it has the knowledge, expertise and experience in financial matters to evaluate the risks of investing in the Company, is aware of the risks inherent in investing in the assets in which the Company will invest and the method by which

these assets will be held and/or traded, and can bear the loss of its entire investment in the Company. Any transferee of Shares will be required to warrant in like terms before any transfer is registered.

Subject as mentioned above and under “General and Statutory Information” below, Shares are freely transferable.

Form of Shares

All the Shares will be registered Shares and will only be issued in book entry form, meaning that a Shareholder’s entitlement will be evidenced by an entry in the Company’s register of Shareholders, as maintained by the Administrator, and not by a share certificate.

Suspension

The Directors may declare a suspension of the issue of Shares in certain circumstances as described under “Suspension of calculation of Net Asset Value and the issue and redemption of Shares” in the section headed “Net Asset Value” below. No Shares will be issued during any such period of suspension.

Anti-money laundering

An applicant for Shares must provide proof of his identity to the sales agent or distributor that accepts his subscription. The sales agent or distributor must request, at a minimum, the following identification documents from applicants: for individuals – a certified copy of the passport/identity card (certified by the sales agent or distributor or by the local administrative authority); for companies or other legal entities – a certified copy of the articles of incorporation, a certified copy of the extract from the Authority, a copy of the most recently published annual accounts and the full name of the beneficial owner. The sales agent or distributor may, depending on the case, be required to request additional identification documents from investors requesting subscriptions or redemptions.

The sales agent must ensure that its distributors adhere strictly to the aforementioned identification procedures. The Administrator or the Administrator’s Delegate and the Company may, at any time, demand assurance from the sales agent that the procedures are being adhered to. The Administrator or the Administrator’s Delegate will monitor compliance with the aforementioned provisions for all subscription and redemption orders they receive from sales agents or distributors in countries in which such sales agents or distributors are not subject to requirements equivalent to Cayman Islands law on fighting money laundering and terrorist financing.

The Company, the Administrator and the Administrator’s Delegate reserve the right to request such evidence as is necessary to verify the identity, address and source of funds of a prospective investor. The Company, the Administrator and the Administrator’s Delegate 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 Company, or the Administrator or the Administrator’s Delegate 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 any person resident in the Cayman Islands knows or suspects or has reasonable grounds for knowing or suspecting that another person is engaged in criminal conduct or is involved with terrorism or terrorist property and the information for that knowledge or suspicion came to their attention in the course of business in the regulated sector, or other trade, profession, business or employment, the person will be required to report such knowledge or suspicion to: (i) the Financial

Reporting Authority of the Cayman Islands ("FRA") or a nominated officer (appointed in accordance with the Proceeds of Crime Act (Revised) of the Cayman Islands), if the disclosure relates to criminal conduct or money laundering; or (ii) the FRA or a police constable or a nominated officer, pursuant to the Terrorism Act (Revised), if the disclosure relates to involvement with terrorism or terrorist financing and terrorist property; and such a report shall not be treated as a breach of confidence or of any restriction upon the disclosure of information imposed by any enactment or otherwise.

By subscribing for Shares, applicants consent to the disclosure by the Company, the Manager, any Investment Manager, the Administrator, the Administrator's Delegate and their delegates, agents and affiliates, of any information about them to regulators and others upon request in connection with money laundering and similar matters both in the Cayman Islands and in other jurisdictions.

Each applicant for Shares will be required to make such representations as may be required by the Company in connection with anti-money laundering programmes, including, without limitation, representations that such applicant is not a prohibited country, territory, individual or entity listed on the United States Department of Treasury's Office of Foreign Assets Control ("OFAC") website or on the sanctions lists adopted by the United Nations, the European Union or the United Kingdom ("UK") to such extent such sanctions are extended by the UK Government to the Cayman Islands by virtue of Order in Council passed by the UK Government, as such lists may be amended from time to time ("Sanctions Lists") and that it is not directly or indirectly affiliated with any country, territory, individual or entity named on an OFAC list or prohibited by any OFAC sanctions programmes or on any Sanctions List and is not operationally based or domiciled in a country or territory in relation to which sanctions imposed by the United Nations, the European Union or the UK apply or otherwise subject to such sanctions. Each applicant will also be required to represent that subscription monies are not directly or indirectly derived from activities that may contravene Cayman Islands, United States federal or state, or international, laws and regulations, including anti-money laundering laws and regulations.

Furthermore, sales agents and distributors must obey all regulations to prevent money laundering and terrorist financing which are in force in the respective countries.

None of the Company, the Administrator nor the Administrator's Delegate will be liable for any loss or damages incurred by an applicant or Shareholder arising as a result of a failure or delay to process an application for Shares if such information and documentation as has been requested by the Manager, the Administrator and/or the Administrator's Delegate has not been provided by the applicant.

In accordance with the Anti-Money Laundering Regulations of the Cayman Islands and guidance issued by the Cayman Islands Monetary Authority, the Company is required to appoint natural persons to serve as its Anti-Money Laundering Compliance Officer, Money Laundering Reporting Officer and Deputy Money Laundering Reporting Officer ("AML Officers"). To obtain further information in respect of the AML Officers, please contact the AML officer provider, Ogier Global (Cayman) Limited using the following details:

89 Nexus Way
Camana Bay
Grand Cayman KY1-9009
Cayman Islands
Email: AMLOfficers@ogier.com

"New Issue" securities

The Company may, from time to time, purchase New Issue securities in respect of a Fund. A New Issue is an initial public offering of an equity security which is subject to the provisions of the Rules

of the United States Financial Industry Regulatory Authority (the “FINRA”), as amended, extended, consolidated, substituted or re-enacted from time to time, and includes any initial public offering of an equity security as defined in Section 3(a)(11) of the United States Securities Exchange Act 1934, as amended. Under the Rules of FINRA, members of the FINRA may not sell such securities to a private investment fund if the fund has investors who are “Restricted Persons”, which includes persons employed by or affiliated with a broker and portfolio managers of hedge funds and other registered and unregistered investment advisory firms, or “Covered Investors”, which includes certain persons who are affiliated with certain companies that are current, former or prospective investment banking clients of the broker, unless the fund excludes or restricts such Restricted Persons and/or Covered Investors from receiving allocations of profits and losses from New Issues.

Applicants for, and transferees of, Shares may be required to provide such representations, warranties or documentation as may be required to determine whether they are Restricted Persons or Covered Investors. To enable participation in New Issues, the Company may create a new Class of Shares in respect of the relevant Fund that will not participate in any investment in New Issue securities. In such event the Company may compel the exchange of Shares held by Restricted Persons and/or Covered Investors for Shares of the new Class. The same investment objective, approach and restrictions will be applied to each Class of Shares except in respect of the profits and losses attributable to New Issues, which will not be allocated to the Class of Shares held by Restricted Persons or Covered Investors.

However, the Company may avail itself of a “*de minimis*” exemption pursuant to which a portion of any profits and losses from New Issues may be allocated to Restricted Persons and Covered Investors.

Requests for information

Subject to applicable laws and regulations, the Company, the Service Providers or any of their delegates may be required to report or disclose to any government agency, regulatory authority or tax or fiscal authority in any jurisdiction (including but not limited to the IRS), certain information in relation to the Company, the Funds or any Shareholder, including but not limited to information relating to leverage, the assets and liabilities and securities financing transactions of the Company and/or the Funds, a Shareholder’s name, address, tax identification number (if any), social security number (if any) and certain information relating to the Shareholder’s holdings of Shares, to enable the Company, the Service Providers or any of their delegates to comply with any applicable law or regulation or any agreement with a tax authority (including, but not limited to, any applicable law, regulation or agreement under FATCA (defined below)).

REDEMPTIONS

Redemption fee

A redemption fee may be payable on the redemption of Shares. Details of any redemption fee payable in respect of any Class are set out in the relevant Appendix.

The redemption proceeds will be reduced by the amount of any redemption fee and the net amount will be paid by the Company to the redeeming Shareholder. The redemption fee will be retained by the Manager and/or an authorised distributor, unless otherwise set out in the relevant Appendix. The Manager or the authorised distributor (as the case may be) may waive the payment of all or part of the redemption fee.

Redemption Price

Shares will be redeemed at the relevant Redemption Price. Unless otherwise stated in the relevant Appendix, the latest Redemption Price will be available on request from the Administrator and/or the Administrator's Delegate.

Procedure

Unless otherwise specified in the relevant Appendix, Shares will be redeemable at the option of the Shareholder on any Dealing Day in accordance with the following procedures.

A completed redemption request must be received by the Administrator's Delegate prior to the specified time on the relevant Dealing Day in accordance with the requirements set out in the relevant Appendix.

Redemption requests may be sent by facsimile or electronic means, but redemption proceeds will not be remitted until the Administrator's Delegate has received the required know-your-customers ("KYC") documents. Where a redemption request is sent by facsimile or electronic means, the Shareholder sending such request bears the risk of it not being received. None of the Company, the Administrator nor the Administrator's Delegate accept any responsibility for any loss caused as a result of the non-receipt or illegibility of any redemption request sent by facsimile or electronic means. None of the Company, the Administrator, the Administrator's Delegate nor the Manager will accept any responsibility for any loss caused as a result of the illegibility or non-receipt of any redemption request sent by facsimile or electronic means or for any loss caused in respect of any action taken as a consequence of instructions believed in good faith to be signed by and originated from properly authorised persons. Shares will be redeemed on a "first in first out" basis.

A request for a partial redemption of Shares may be refused, or the holding redeemed in its entirety, if, as a result of such partial redemption, the Net Asset Value of the Shares retained by the Shareholder would be less than any Minimum Holding.

The Company may refuse to accept a redemption request if it is not accompanied by such additional information (including KYC documents) as the Company or the Administrator (including the Administrator's Delegate) reasonably require. This power may, for example and without limitation, be exercised where proper information has not been provided for anti-money laundering verification purposes as described under "Subscriptions". None of the Company, the Administrator nor the Administrator's Delegate will have any liability for any loss arising as a result of any failure to, or delay in, processing a redemption request if such documentation has not been provided.

A redemption request, once given, is irrevocable save with the consent of the Directors (which the Directors may withhold without giving any reason for doing so).

Anti-dilution levy

Where in respect of a Dealing Day net redemption for Shares of a Fund (including exchanges of Shares of the relevant Fund for Shares of another Fund) exceeds a specified percentage of the relevant Fund's Net Asset Value prior to such redemption, the Manager may in its discretion impose an anti-dilution levy of a percentage of the value of each relevant Shareholder's redemption(s) or exchange(s) on the relevant Dealing Day. Details of any anti-dilution levy will be specified in the relevant Appendix.

An anti-dilution levy is intended to reflect the costs incurred by the Fund in selling portfolio securities to meet such requests for redemptions or exchanges. Any anti-dilution levy will be retained by the relevant Fund. The purpose of any anti-dilution levy is to protect remaining Shareholders from bearing the costs of such redemptions or exchanges.

Settlement

Payment of redemption proceeds will normally be made within seven Business Days (or such other period as may be specified in the relevant Appendix) of the later of: (i) the relevant Dealing Day; and (ii) the date on which the Administrator's Delegate has all documentation (including KYC documents) as may be required. It should be noted the settlement period may be longer where the markets in which a substantial portion of a Fund's direct or indirect investments is made is subject to legal or regulatory requirements (such as foreign currency controls or capital repatriation constraints) which may render the payment of redemption proceeds within the aforesaid period not practicable.

If stated in the relevant Appendix, payment of redemption proceeds in respect of compulsory redemptions, particularly where compulsory redemption is being made in respect to the expiry of the term of the Fund or with a view to subsequently terminate the relevant Fund, will normally be within one calendar month of the relevant Dealing Day upon which the compulsory redemption is effective, but may be longer where liquidation of the Fund's relevant assets would result in a disadvantage to the Fund because of market conditions and/or legal or regulatory requirements (such as foreign currency controls or capital repatriation constraints).

If stated in the relevant Appendix, the Fund may hold back a portion of the redemption proceeds payable to a Shareholder in respect of redeemed Shares (whether such redemption is voluntary or compulsory) to satisfy estimated or accrued expenses, fees, contingencies or potential obligations including, for the avoidance of doubt, audit fees. The amount of the redemption proceeds held back shall be determined by the Directors in their discretion in good faith with reasonable grounds and in compliance with any applicable law and regulation, taking into account such factors as they consider relevant, including, without limitation, the period during which the Shareholder has been a Shareholder of the Fund and the proportion of such Shareholder's Shares being redeemed. Any residual surplus proceeds after the payment of such outstanding costs and expenses of the relevant Fund will be paid to the redeeming Shareholder at such time as the Directors shall reasonably determine.

Payment will be made in the reference currency of the relevant Class of Shares by direct transfer to the account in the name of the Shareholder.

If so specified in the relevant Appendix, redemptions may, at the discretion of the Directors and subject to the approval of the Shareholder requesting the redemption of Shares, be effected *in specie* by the appropriation of assets of the Company of the relevant value (which shall be determined conclusively by the Directors) in satisfaction of the redemption proceeds. Any such appropriation will be effected in such manner as not to materially prejudice the interests of the continuing Shareholders in the Company as a whole. The redemption proceeds will be reduced by such sum (if any) as the Directors consider to be representing an appropriate provision for any

fiscal, transfer, registration or other charges, fees or duties (including stamp duties) associated with the appropriation and transfer of the assets upon such redemption of Shares.

Suspension

The Directors may declare a suspension of the redemption of Shares in certain circumstances as described under “Suspension of calculation of Net Asset Value and the issue and redemption of Shares” in the section headed “Net Asset Value” below. No Shares will be redeemed during any such period of suspension.

Compulsory redemption

The Company may compulsorily redeem all Shares held by or for the benefit of a Shareholder if the Directors determine that the Shares are held by or for the benefit of any Shareholder who is or becomes an Ineligible Applicant as described under “Subscriptions”.

Subject to any rights or restrictions attaching to any Class as specified in the relevant Appendix, the Company may also compulsorily redeem all Shares held by a Shareholder (i) if such Shareholder’s holding is less than the relevant Minimum Holding, (ii) if such Shareholder’s holding is inconsistent with any requirement described in the relevant Appendix as applicable to the rights or restrictions attaching to the relevant Class, and (iii) in certain other circumstances as described under “General and Statutory Information”.

In such circumstances, unless otherwise specified in the relevant Appendix, the Company will notify the Shareholder in writing and, in the case of a holding less than the relevant Minimum Holding, allow such Shareholder thirty days to purchase additional Shares to meet the minimum requirement.

Deferred redemption

In the event that redemption requests are received on a Dealing Day for the redemption of Shares representing, in aggregate, more than the percentage specified in the relevant Appendix (the “Applicable Percentage”) of the total number of Shares attributable to the relevant Fund then in issue, the Company is entitled to reduce the requests rateably and pro rata amongst all Shareholders seeking to redeem such Shares on the relevant Dealing Day and to carry out only sufficient redemptions which, in aggregate, amount to the Applicable Percentage of the Shares attributable to the relevant Fund then in issue. Unless otherwise specified on the relevant Appendix, Shares which are not redeemed on the original requested Dealing Day will be redeemed on the next Dealing Day (subject to further deferral if the deferred requests themselves exceed the Applicable Percentage of the Shares attributable to the relevant Fund then in issue). Shares will be redeemed at the Redemption Price on the Dealing Day on which they are actually redeemed, on a pro-rata basis amongst all redeeming Shareholders until the deferred redemption requests are fully carried out. The Company is entitled to reject any further redemption requests received after the redemption limit in respect of a Dealing Day has been reached.

Potential Withholding Requirements

The Directors may reduce the redemption proceeds (including, for the avoidance of doubt, the proceeds of any compulsory redemption) in respect of, and/or any other distribution payable to, any Shareholder to the extent that the Company and/or any Fund is required by any applicable law and/or by agreement with any government division or department in any jurisdiction whatsoever to withhold in respect of a payment of redemption proceeds, and/or any other distribution, to such Shareholder and to pay any such withheld amounts over to any such government division or department.

EXCHANGES

If specified in the relevant Appendix, Shareholders may exchange any or all Shares of one Class for Shares of another Class and vice versa on any Dealing Day of the Class held which is a Dealing Day of the Class to be acquired (an “Exchange Dealing Day”), subject to maintaining the relevant Minimum Holding in each Class if only some Shares of a Class are exchanged. Shares of a Class in one Fund may also, if specified in the relevant Appendix, be exchanged for Shares of a Class in another Fund and in such circumstances these provisions shall also apply.

A Share exchange will be effected by way of a redemption of Shares of one Class (and thus may result in the payment of any Performance Fee accrued in respect of such Shares) and a simultaneous subscription (at the most recent Subscription Price) for Shares of the other Class. Accordingly, the general provisions and procedures relating to redemptions and subscriptions of Shares will apply. If applicable, redemption proceeds will be converted into another currency at the rate of exchange available to the Administrator or the Administrator’s Delegate and the cost of conversion will be deducted from the amount applied in subscribing for Shares of the other Class. No redemption fee will be payable but an exchange fee may be payable. The amount of any exchange fee will be specified in the relevant Appendix. The exchange fee will be retained by the Manager and/or an authorised distributor. The Manager or the authorised distributor (as the case may be) may waive the payment of any exchange fee at their discretion. The redemption proceeds of the Shares which are being exchanged will be reduced by the amount of the exchange fee (if any) and the net amount applied in subscribing for Shares of the other Class.

A completed exchange request must be received by the Administrator’s Delegate prior to the Exchange Dealing Day in accordance with the requirements set out in the relevant Appendix, unless decided otherwise by the Manager at its discretion.

NET ASSET VALUE

Calculation of Net Asset Value

The Net Asset Value of the Company, each Fund and the Net Asset Value per Share of each Class will be calculated by the Administrator or the Administrator's Delegate as at the Valuation Point in accordance with the Company's Net Asset Value calculation policy (the "NAV Policy"). The Net Asset Value of each Fund will be equal to the value of the total assets attributable to the Fund less the total liabilities of the Fund.

In respect of each Class, a separate Class account (a "Class Account") will be established in the books of the Company. An amount equal to the proceeds of issue of each Share will be credited to the relevant Class Account. Any increase or decrease in the Net Asset Value of the portfolio of assets of the Company attributable to the Shares (disregarding for these purposes any increase in the Net Asset Value due to new subscriptions or decreases due to redemptions or any designated Class Adjustments (as defined below)) will be allocated to the relevant Class Account based on the previous Net Asset Value of each such Class Account. There will then be allocated to each Class Account the "designated Class Adjustments" being those costs, pre-paid expenses, losses, dividends, profits, gains, income, foreign exchange items, assets and liabilities which the Directors determine relate to a single Class.

The below represents a summary of the NAV Policy. A copy of the NAV Policy is available on request from the Manager.

Assets will be valued in accordance with the following principles:-

- (a) the value of any cash on hand or on deposit, bills, demand notes, accounts receivable, prepaid expenses, cash dividends and interest declared or accrued and not yet received will be deemed to be the full amount thereof unless the Manager determines that any such deposit, bill, demand note or account receivable is not worth the full amount thereof in which event the value thereof will be deemed to be such value as the Manager deems to be the reasonable value thereof;
- (b) except in the case of any interest in a unit trust, mutual fund corporation, open-ended investment company or other similar open-ended investment vehicle (a "managed fund") to which paragraph (c) below applies and subject as provided in paragraphs (d), (e) and (f) below, all calculations based on the value of investments quoted, listed, traded or dealt in on any stock exchange, commodities exchange, futures exchange or over-the-counter market will be made by reference to the last traded price or "exchange close" on the principal exchange or market or evaluation price from vendors for such investments as at the close of business in such place on the day as of which such calculation is to be made and where there is no stock exchange, commodities exchange, futures exchange or over-the-counter market all calculations based on the value of investments quoted by any person, firm, vendor or institution making a market in that investment (and if there shall be more than one such market maker then such particular market maker as the Manager may designate) will be made by reference to the price quoted thereby; provided always that if the Manager in its discretion considers that the prices ruling on an exchange or market other than the principal exchange or market provide in all the circumstances a fairer criterion of value in relation to any such investment, such prices may be adopted;
- (c) subject as provided in paragraphs (d), (e) and (f) below, the value of each unit, share or other interest in any managed fund which is valued as at the same day as the Company will be the net asset value per unit, share or other interest in such managed fund calculated as at that day or, if the Manager so determine or if such managed fund is not valued as at the same day as the Company, the last published net asset value per unit, share or other

interest in such managed fund (where available) or (if the same is not available) the last published redemption or bid price for such unit, share or other interest;

- (d) the value of any investment which is unquoted or not ordinarily dealt in on a market shall be the initial value thereof which is equal to the amount expended out of the relevant Sub-Fund in the acquisition of such investment (including in each case the amount of fiscal and purchase charges) and the Manager shall cause a revaluation to be made on a regular basis by a professional person;
- (e) if no net asset value, bid, asked or redemption prices or price quotations are available as provided in paragraphs (b) or (c) above, the value of the relevant asset will be determined from time to time in such manner as the Manager will determine;
- (f) for the purpose of ascertaining quoted, listed, traded or market dealing prices, the Directors, the Manager, the relevant Investment Manager, any relevant investment adviser, the Administrator, the Administrator's Delegate or their agents will be entitled to use and rely upon mechanised and/or electronic systems of valuation dissemination with regard to valuation of investments of the Company and the prices provided by any such system will be deemed to be the last traded prices for the purpose of paragraph (b) above;
- (g) notwithstanding the foregoing, the Manager may, in its absolute discretion, permit some other method of valuation to be used if it considers that such valuation better reflects the fair value; and
- (h) any value (whether of a security or cash) denominated in a currency other than base currency of the relevant Fund will be converted into base currency of the relevant Fund at the rate (whether official or otherwise) which the Manager in its absolute discretion deems appropriate in the circumstances having regard, inter alia, to any premium or discount which it considers may be relevant and to costs of exchange.

Notwithstanding the foregoing, the Directors have ultimate responsibility for oversight of the valuation process of the assets of the Company and each Fund.

The term "last traded price" referred to in paragraph (b) above, refers to the last traded price reported on the exchange or market for the day, commonly referred to in the market as the "settlement" or "exchange price", and represents a price at which members of the exchange settle between their outstanding positions. Where a security has not traded, the last traded price will represent the "exchange close" price as calculated and published by that exchange in accordance with its local rules and customs.

The Net Asset Value per Share on any Valuation Day will be calculated by dividing the Net Asset Value of the relevant Class Account by the number of Shares of the relevant Class in issue as at the close of business on that Valuation Day, rounded to the nearest 3 decimal places (except in respect of a Share whose reference currency is Japanese Yen, in which case the resulting number will be rounded to the nearest whole number). The benefit of any rounding will be retained in the relevant Class Account.

In valuing the assets of the Company, the Administrator or the Administrator's Delegate, as applicable, shall be entitled, without verification, further enquiry or liability on the Administrator's or the Administrator's Delegate's part, to rely on pricing information in relation to specified investments held by the Company or each Fund which is provided by price sources stipulated in the Administration Agreement, this Offering Memorandum or the Articles, or in the absence of any such stipulated price sources, any price sources on which the Administrator or the Administrator's Delegate may choose to rely. Without limiting the foregoing, certain of a Fund's assets and liabilities may not have readily observable market prices and the valuation of such assets may rely

on quoted prices in inactive markets or models that have observable inputs. Certain other categories of assets (principally level 3 assets) may lack any readily available market information and, accordingly, the valuation of such assets may rely substantially on models and significant unobservable inputs including assumptions from market participants or the Administrator or the Administrator's Delegate, as applicable, may seek approval of prices from the Manager. As such assets are not actively traded, their value can only be estimated using a combination of complex market prices, mathematical models and subjective assumptions. Without prejudice to the generality of the foregoing, the Administrator and the Administrator's Delegate shall not be responsible or liable to any person for the valuation or pricing of any assets or liabilities of the Company or any Fund (save as set out in the Administration Agreement) or for any inaccuracy, error or delay in pricing information supplied to the Administrator or the Administrator's Delegate, as applicable.

The Administrator and the Administrator's Delegate will use reasonable endeavours to independently verify the price of any such assets or liabilities of the Company or any Fund using its network of automated pricing services, brokers, market makers, intermediaries or other third parties.

In the absence of readily available independent pricing sources, the Administrator or the Administrator's Delegate, as applicable, may rely solely upon any valuation or pricing information (including, without limitation, fair value pricing information) about any such assets or liabilities of the Company or any Fund (including, without limitation, private equity investments) which is provided to it by: (i) the Company, (ii) the Directors (or other governing body) or the Manager; and/or (iii) any valuer, third party valuation agent, intermediary or other third party which in each such case is appointed or authorised by the Company, the Directors (or other governing body) or the Manager (which may include any Investment Manager) to provide valuations or pricing information of the assets or liabilities of the Company or any Fund to the Administrator or the Administrator's Delegate, as applicable.

The Administrator, the Administrator's Delegate, and the Manager to the extent it is involved in the calculation of the Net Asset Value and Net Asset Value per Share, will apply all methodologies associated with the calculation of Net Asset Value on a consistent basis. The involvement of the Manager in valuing hard to value assets and in connection with management exceptions is an integral part of the Company's established valuation policy. This is because there are certain circumstances in which the Manager is party to information regarding the a Fund's assets which is not generally available or because there is no publicly available information upon which the Administrator or the Administrator's Delegate, as applicable, may rely in calculating the net asset value of a certain asset. This is particularly the case with respect to level 3 assets in respect of which subjective assumptions may be key to mark to model valuation. Consistent methodologies are applied in respect of unobservable inputs and sensitivity analysis wherever applicable.

Accounting principles adopted in the calculation of the Net Asset Value

Under IFRS, if an asset or liability measured at fair value has a bid price and an ask price (for example, an input from a dealer market), the price within the bid-ask spread that is most representative of fair value in the circumstances shall be used to measure fair value. The use of bid prices for asset positions and ask prices for liability positions is permitted, but is not required. IFRS does not preclude the use of mid-market pricing or other pricing conventions that are used by market participants as a practical expedient for fair value measurements within a bid-ask spread. However, under the valuation basis described above, listed investments are generally expected to be measured at the last traded price but there could be instances or circumstances where such last traded price used is not within the bid-ask spread as required under IFRS which may lead to different valuation had the valuation be performed in accordance with IFRS.

To the extent that the valuation basis adopted by the Company and/or a Fund (as appropriate) deviates from IFRS, the Directors may make necessary adjustments in the annual audited statements for the financial statements in compliance with IFRS.

Publication of Net Asset Value

The most recent Net Asset Value per Share of the relevant Fund will be available from the Manager and the Administrator and/or the Administrator's Delegate on request. The Net Asset Value per Share of the relevant Fund will generally be available for reporting to investors following completion of the calculation of Net Asset Value of that Fund.

The Net Asset Value per Share of the relevant Fund will be published on Bloomberg at regular intervals.

The Manager may apply to newspapers or periodicals for publication of the Net Asset Value per Share at its discretion, provided that the Net Asset Value per Share for any Fund authorised by the SFC is published at least once a month in one English language and one Chinese language daily newspaper in Hong Kong.

Suspension of calculation of Net Asset Value and the issue and redemption of Shares

The Articles provide that the Directors may, from time to time, in their absolute discretion and for any reason, declare a suspension of (i) the calculation of the Net Asset Value of any Class; (ii) the issue of Shares of any Class; (iii) the right to require redemption of Shares of any Class; and/or (iv) the payment of redemption proceeds (even where neither calculation of Net Asset Value nor the right to redeem has been suspended) (each a "Suspension"). Notwithstanding the generality of the foregoing, the Directors reserve the right to declare a Suspension in respect of any Fund for the whole or any part of a period:

- (a) during which any stock exchange, commodities exchange, futures exchange or over-the-counter market on which any significant portion of the investments of the Fund is quoted, listed, traded or dealt in is closed (other than customary weekend and holiday closing) or trading on any such exchange or market is restricted or suspended; or
- (b) where an underlying collective investment scheme in which the Fund holds a material holding does not publish the requisite net asset value for the relevant Valuation Day and/or is not open for subscriptions or redemptions and/or subscriptions, redemptions or payment of redemption proceeds in respect of shares or interests in such underlying scheme are restricted or suspended and/or the calculation of valuations by such underlying fund are suspended; or
- (c) when circumstances exist as a result of which in the reasonable opinion of the Directors it is not reasonably practicable for the Fund to dispose of investments or as a result of which any such disposal would be materially prejudicial to the Shareholders; or
- (d) when a breakdown occurs in any of the systems and/or means normally employed in ascertaining the value of investments of the Fund or the Net Asset Value or the Net Asset Value per Share or when for any other reason the value of any of the investments or other assets of the Fund or the Net Asset Value or the Net Asset Value per Share cannot in the opinion of the Directors reasonably or fairly be ascertained; or
- (e) during which the Fund is unable to repatriate funds for the purpose of making payments on the redemption of Shares or during which any transfer of funds involved in the realisation or acquisition of investments of the Fund or payments due on redemption of Shares is

restricted or cannot in the opinion of the Directors be effected at normal rates of exchange;
or

- (f) when the business operations of the Manager, the relevant Investment Manager, the Administrator or the Administrator's Delegate in respect of the Company and or any Fund are substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riot, strikes, pandemic or acts of God.

Notice of the Suspension and its termination will be given to all persons who have applied for or requested redemption or exchange of Shares, as the case may be, in the relevant Fund, provided that in respect of any Fund authorised by the SFC, a notice of the Suspension will be published in one English language and one Chinese language daily newspaper in Hong Kong as soon as practicable after the Directors' declaration of such Suspension and, thereafter, at least once monthly for the duration of such Suspension. Any Suspension will be lifted as soon as practicable after the Directors have reasonably determined that a termination of Suspension will not adversely affect the interests of the Shareholders. In respect of a Fund authorised by the SFC, a notice will also be published as soon as practicable after any Suspension is terminated.

FEES, CHARGES AND EXPENSES

Management Fee

The Company will pay the Manager, in respect of each Fund, the Management Fee specified in the relevant Appendix.

The Manager will also be entitled to be reimbursed for all out of pocket expenses properly incurred by it in the performance of its duties for the Company.

The Manager will be responsible for remunerating any Investment Manager and any investment adviser it appoints in respect of any Fund.

Fund Servicing Fee

The Manager will be entitled to receive a Fund Servicing Fee from the Company in respect of a Fund (the amount of any Fund Servicing Fee payable will be set out in the relevant Appendix) for providing administrative services to a Fund including but not limited to accepting and coordinating any necessary response to notices or correspondence amongst the Company, any Shareholder and any relevant regulator, providing Shareholders with information (including financial reports and sales literature) on the Company and/or any Fund and delivering to any relevant regulator any documents relating to the Fund upon request.

Currency Hedging Fee

The Manager may be entitled to receive a Currency Hedging Fee from the Company in respect of a Class of a Fund (the amount of any Currency Hedging Fee payable will be set out in the relevant Appendix) for hedging the currency exposure of the relevant Class to currencies other than the base currency through the use of spot and forward foreign exchange contracts or other methods of reducing exposure to currency fluctuations.

Performance Fee

The Manager may also be entitled to receive a Performance Fee from the Company in respect of a Fund. Any Performance Fee will be calculated in the manner specified in the relevant Appendix and will normally be payable to the Manager in arrears as soon as reasonably practicable after the end of the relevant Calculation Period.

If the Management Agreement is terminated during a Calculation Period, the Performance Fee in respect of the then current Calculation Period will be calculated and paid as though the date of termination was the end of the relevant Calculation Period.

The Manager may, from time to time, rebate part or all of the Management Fee and/or Performance Fee to some or all Shareholders. Any such rebate may be applied in paying up additional Shares to be issued to the relevant Shareholder or may be paid in cash.

Directors' Fees

As at the date of this Offering Memorandum, fees paid to Directors and details regarding reimbursement of any expenses to Directors is set out below under the heading "General and Statutory Information" and the sub-heading "Directors' remuneration".

Administration Fee

The Company will pay the Administrator, in respect of each Fund, the Administration Fee, such fee being a customary fee charged at rate(s) to be agreed between the Company and the Administrator from time to time.

The Administrator will be entitled to be reimbursed for all out-of-pocket expenses incurred in the course of carrying out its duties. The Administrator will be responsible for any fees payable to the Administrator's Delegate for services provided in respect of the Company.

Custodian Fee

The Company will pay the Custodian, in respect of each Fund, the Custodian Fee, such fee being a customary fee charged at rate(s) to be agreed between the Company and the Custodian from time to time.

The Custodian will be entitled to be reimbursed for all out-of-pocket expenses incurred in the course of carrying out its duties. The fees of any sub-custodian appointed by the Custodian for the account of any Fund will be agreed and borne by the Custodian.

Auditor's fee

The Company will pay the Auditor a customary fee charged at rate(s) to be agreed between the Company and the Auditor from time to time and reflective of services rendered.

Other fees, costs, charges and expenses

The Company will also pay the fees, costs, charges and expenses of (i) all transactions carried out by it or on its behalf (which, for the avoidance of doubt, may include costs and expenses that are incurred by the relevant Fund immediately following the close of its Initial Offer Period, including any initial investment that the Fund may make into a managed fund) and (ii) the administration of the Company, including (a) the charges and expenses of legal advisers and auditors in any jurisdiction and any regulatory fees, (b) brokers' commissions (if any), fees relating to any collateral or credit support arrangements relating to the Company's investments, borrowing charges on securities sold short and any issue or transfer taxes chargeable in connection with any securities transactions, (c) all taxes and corporate fees payable to governments or agencies and all expenses relating to the reporting and/or filing of taxes or corporate fees to such governments or agencies, (d) Directors' fees (if any) and expenses, (e) interest on borrowings, including any overdraft interest incurred in respect of any overdraft facility of the Company, (f) fees and expenses incurred by the Manager or any Investment Manager or investment adviser in connection with the provision of their investment management and/or advisory services including, but not limited to, research related expenses, (g) communication expenses with respect to investor services and all expenses of meetings of Shareholders and of preparing, printing and distributing financial and other reports, proxy forms, placement memoranda and similar documents, (h) the cost of insurance (if any) for the benefit of the Directors, (i) fees and expenses of any custodian appointed by the Company, (j) litigation and indemnification expenses and extraordinary expenses not incurred in the ordinary course of business, (k) costs and expenses of listing the Shares of any Class on any stock exchange (if applicable), (l) fees and expenses relating to currency hedging and (m) all other organisational and operating expenses.

The Company will also pay fees to legal counsel for services and advice rendered to the Company. Such fees are calculated on a combination of a fixed fee and time spent basis in connection with the formation and launch of the Company and each Fund and the Company's legal counsel may continue to receive fees on such basis in connection with ongoing legal and regulatory advice provided to the Company and/or a Fund.

Investors should note that the fees, costs, charges and expenses described in the paragraph immediately above may be amortised over a period of time to be determined by the Directors from time to time. Such amortisation may result in a deviation from IFRS but the Manager does not expect this to materially affect the results of the Company.

Expenses arising out of any advertising or promotional activities in connection with the Company or a Fund will not be charged to the Company or any Fund.

Expenses which relate to a specific Fund will be charged to that Fund. Any other expenses will be apportioned among all Funds on a proportionate basis according to the Net Asset Value of each Fund or such other reasonable basis as the Directors may determine.

Establishment costs

The total costs and expenses of establishing the Company and the first Fund were approximately USD90,000 and were paid out of the proceeds of the initial issue of Shares. Such costs and expenses were amortised over the first three financial years of the Company unless the Directors decide that some other method shall be applied. In the event that further Funds are established, the Directors may reallocate any unamortised costs and expenses such that a proportion of them is borne by the additional Funds. The costs and expenses of establishing any additional Fund may be amortised over the period specified in the relevant Appendix.

Investors should note that, under IFRS, the establishment costs should be expensed as incurred. However, under the amortisation paragraph described immediately above, the establishment costs were amortised over the first three financial years of the Company.

DIVIDEND POLICY

Where specified in the relevant Appendix, distributions may be made by the Company by way of dividend in respect of a Fund. In the event that a dividend is declared and remains unclaimed after a period of six years from the date of declaration, such dividend will be forfeited and will revert to the Company. To the extent that a dividend may be declared, it will be paid in compliance with any applicable laws.

REPORTS AND FINANCIAL STATEMENTS

The financial year for the Company ends on 31 December in each year.

An annual report with audited financial statements of the Company are prepared in accordance with IFRS for each financial year. Unaudited semi-annual reports will also be prepared in respect of any Fund authorised by the SFC. Save where otherwise required by law or regulation, annual and any semi-annual reports and financial statements will be available in English only.

In respect of any Fund authorised by the SFC, such reports will be published and sent to the Shareholders within four months after the end of the financial year in the case of annual reports and audited financial statements. Once issued the annual and semi-annual reports of a Fund authorised by the SFC will be available for inspection at the Manager's office free of charge during normal working hours.

The annual reports and audited accounts of the Fund will also be made available to investors free of charge upon request from the offices of the Manager.

Information on past (historical) performance of the Company and the annual report for the Company, including audited accounts for each financial year, can be obtained from the Manager and, on request, at the registered office of the Company. In respect of any Fund not authorised by the SFC, annual reports with audited financial statements will be sent to the Shareholders on or before the issue date of the relevant report, which will be 30 June in each year. In such cases, no semi-annual reports will be produced.

CONFLICTS OF INTEREST

The Directors, the Manager, each Investment Manager, any investment adviser, the Custodian, the Administrator, the Administrator's Delegate, any PRC Custodian and any of their respective affiliates or connected persons may from time to time act as director, manager, investment manager, investment adviser, custodian, registrar, broker, administrator, distributor, dealer or service provider in relation to, or be otherwise involved in, other investment funds (including investment funds which invest directly or indirectly in any Fund), which have similar or different objectives to those of, or invest in similar securities to those held by, the Funds. It is, therefore, possible that any of them may, in the course of business, have potential conflicts of interest with the Company. Each will, at all times, have regard in such event to its obligations to the Company and will endeavour to ensure that such conflicts are managed and minimised so far as reasonably practicable and that measures are adopted that seek to ensure such conflicts are resolved fairly, taking into account the interests of Shareholders as a whole. In any event, the Manager will ensure that all investment opportunities will be fairly allocated.

There may be a conflict of interest in respect of the Manager when determining to appoint an affiliated Investment Manager or investment adviser.

It is expected that transactions for the relevant Fund may be carried out with or through connected persons of the Company, the relevant Fund, the Directors, the Manager, the relevant Investment Manager or an investment adviser. There is no limit on the volume of transactions which may be conducted with or through such connected persons but the Manager will use due care in the selection of such connected persons to ensure that they are suitably qualified in the circumstances, and will monitor and ensure that all such transactions are conducted on an arm's length basis and are consistent with best execution standards. The fees or commissions payable to any such connected persons will not be greater than those which are payable at the prevailing market rate for such transactions.

All such transactions and the total commissions and other quantifiable benefits received by such connected persons will be disclosed in the Company's annual report.

The Manager may be involved in the valuation of a Fund's assets for the purposes of calculating the Net Asset Value of the Fund and/or the Net Asset Value per Share. The Manager's role with respect to the valuation of the Fund's assets may on occasion conflict with the Manager's portfolio management role on behalf of the Fund. Where the Manager is involved in the valuation of a Fund's assets, it is possible that the value of the assets of the Fund as set out in the Fund's financial statements and/or reports may not always represent the actual fair value of such assets, and the performance and general financial position of the Fund may as a result be understated or overstated to the Shareholders and/or any potential investors. In light of this, potential conflicts of interest may arise, for example, where an inflated valuation of the assets of the Fund increases the Management Fee, the Fund Servicing Fee, the Currency Hedging Fee and/or the Performance Fee (if any) to which the Manager is entitled to. The Manager is aware of such possible conflict and has operational procedures in place to endeavour to operate in such a manner as to reduce any such conflict.

The Manager or an Investment Manager may also act as the manager, investment manager or investment adviser of other funds whose investment objectives, investment approach and investment restrictions are similar to those of the Funds. The Manager, an Investment Manager or any of their affiliates may invest in, directly or indirectly, or manage or advise other investment funds or accounts which invest in assets which may also be purchased or sold by the relevant Fund. Neither the Manager, any Investment Manager nor any of their affiliates is under any obligation to offer investment opportunities of which any of them become aware to the Company or to account to the Company in respect of (or share with the Company or to inform the Company of) any such transactions or any benefit received by any of them from any such transaction, but will allocate

appropriate investment opportunities on a fair and equitable basis between the Company and other clients.

Each of the Manager, an Investment Manager and their affiliates reserve the right to co-invest on its own account or for other funds and/or other clients with the Funds, although any such co-investment must be made on terms no better than those in which the relevant Fund is investing. Each of the Manager, an Investment Manager and their affiliates may hold and deal in Shares or in investments held by the Funds either for their own account or for the account of their clients.

In addition, subject to the paragraphs below relating to the Manager and the Investment Managers, any of the foregoing may deal, as principal or agent, with the Company (including each Fund) provided that such dealings are carried out in good faith and as if effected on normal commercial terms negotiated on an arm's length basis.

The Manager and an Investment Manager may enter into transactions for the account of the Company and/or the Company for and on behalf of the relevant Fund with affiliated brokers or dealers, provided that such transactions are carried out on arm's length terms, consistent with best execution standards and at a commission rate no higher than customary institutional rates. The Company and the Funds may deposit funds with or borrow funds from the Manager, an Investment Manager or their affiliates, provided that (i) in the case of a deposit, interest is received at a rate not lower than the prevailing commercial rate for a deposit of that size and term, and (ii) in the case of a loan, interest charged and fees levied in connection with the loan are no higher than the prevailing commercial rate for a similar loan.

The Manager and an Investment Manager may enter into trades for the account of the Company for and on behalf of a Fund with the accounts of other clients of the Manager, an Investment Manager or their affiliates ("cross trades"). Such cross trades will only be undertaken where the sale and purchase decisions are in the best interests of both clients and fall within the investment objective, restrictions and policies of both clients, the cross trades are executed on arm's length terms at current market value, and the reasons for such cross trades are documented prior to execution.

The Manager, any Investment Manager and their respective associates or delegates will not deal with the Company or the Funds as beneficial owner on the sale or purchase to or from the Company or the Funds, except on a basis approved by the Directors from time to time, or without the consent of the Directors, otherwise deal with the Company or the Funds as principal.

The Manager may share with any other person (including, but not limited to, any investor or any person introducing investors) any fees and other benefits to which it may be entitled from the Company or the relevant Fund. The Manager and any person connected with it, including any employee of the Manager or its associated companies, may invest in the Funds, and the Manager may allow to any such person a reduction in the subscription fee (if any) and/or a rebate of any fees to which the Manager may be entitled from the relevant Fund.

The foregoing does not purport to be a complete list of all potential conflicts of interest involved in an investment in a Fund.

CASH REBATES AND SOFT COMMISSION

None of the Manager, the relevant Investment Manager, any investment adviser nor any of their connected persons will retain cash or other rebates from brokers or dealers in consideration of directing transactions for a Fund to such brokers or dealers, save that goods and services (soft commissions) may be retained if, such goods and services are of demonstrable benefit to the Shareholders, and the transaction execution is consistent with best execution standards and brokerage rates are not in excess of customary institutional full-service brokerage rates. Any such cash commission or rebates received from any such brokers or dealers shall be for the account of the relevant Fund. Details of any such commissions will be disclosed in the annual report and accounts of the relevant Fund.

The Manager, the relevant Investment Manager, any investment adviser and/or any of their connected persons reserves the right to effect transactions by or through the agency of another person with whom the Manager, the relevant Investment Manager, any investment adviser and/or any of their connected persons has an arrangement under which that party will from time to time provide to or procure for the Manager, the relevant Investment Manager and/or any of their connected persons goods, services or other benefits (such as research and advisory services, economic and political analysis, portfolio analysis including valuation and performance measurement, market analysis, data and quotation services, research and trading related products and services as well as computer software incidental to the foregoing goods and services to facilitate delivery of these products, clearing and custodian services and investment-related publications) the nature of which is such that their provision can reasonably be expected to benefit the relevant Fund as a whole and may contribute to an improvement in the performance of the relevant Fund or of the Manager, the relevant Investment Manager, any investment adviser and/or any of their connected persons in providing services to the relevant Fund and for which no direct payment is made but instead the Manager, the relevant Investment Manager and/or any of their connected persons undertakes to place business with that party. For the avoidance of doubt, such goods and services do not include travel, accommodation, entertainment, general administrative goods or services, general office equipment or premises, membership fees, employee salaries or direct money payments.

RISK FACTORS

The nature of the Company's investments involves certain risks and the Company utilises investment techniques which may carry additional risks. An investment in Shares therefore carries substantial risk and is suitable only for persons which can assume the risk of losing their entire investment. Prospective investors should consider, among others, the following factors before subscribing for Shares as applicable to the relevant Fund (and additional risk factors applicable to each Fund are set out in the relevant Appendix):

Amortisation of organisational costs

The Company's financial statements will be prepared in accordance with IFRS. IFRS does not permit the amortisation of organisational costs. Notwithstanding this, the Company may, at the discretion of the Directors, amortise its organisational costs, or the organisational costs of any Fund, over a period of time and this may result in the Directors making adjustments in the annual financial statements in order for the financial statements to be in compliance with IFRS or a qualification in the auditor's report.

Availability of investment strategies

The success of the Company's investment activities in respect of any Fund will depend on the ability of the Manager or the relevant Investment Manager, as applicable, to identify overvalued and undervalued investment opportunities and to exploit price discrepancies in the financial markets, as well as to assess the import of news and events that may affect the financial markets. Identification and exploitation of the investment strategies to be pursued in respect of any Fund involves a high degree of uncertainty. No assurance can be given that the Manager or the relevant Investment Manager, as applicable, will be able to locate suitable investment opportunities in which to deploy all of the assets attributable to a Fund or to exploit discrepancies in the securities and derivatives markets. Market factors including, but not limited to, a reduction in market liquidity or the pricing inefficiency of the markets in which the Company will seek to invest in respect of any Fund, may reduce the scope for the investment approach of the relevant Fund.

The investment performance of any Fund may be adversely affected by unforeseen events involving, without limitation, such matters as changes in interest rates or the credit status of an issuer, forced redemptions of securities or acquisition proposals, break-up of planned mergers, unexpected changes in relative value, short squeezes, inability to short stock or changes in tax treatment.

Borrowing

The Company may use borrowings for the purpose of making investments in respect of any Fund. The use of borrowing creates special risks and may significantly increase the investment risk of the relevant Fund. Borrowing creates an opportunity for greater yield and total return but, at the same time, will increase the exposure of the relevant Fund to capital risk and interest costs. Any investment income and gains earned on investments made through the use of borrowings that are in excess of the interest costs associated therewith may cause the Net Asset Value of the relevant Fund to increase more rapidly than would otherwise be the case. Conversely, where the associated interest costs are greater than such income and gains, the Net Asset Value of the relevant Fund may decrease more rapidly than would otherwise be the case.

Business

There can be no assurance that the investment objective of any Fund will be achieved. There is little operating history by which to evaluate the likely future performance of any Fund. The

investment results of any Fund are reliant upon the success of the Manager or the relevant Investment Manager, as applicable, and no guarantee or representation is made in this regard.

Concentration of investments

The Company is not subject to any requirement to diversify its investments and may from time to time hold relatively few investments in respect of any Fund. A Fund could be subject to significant losses if, in respect of the Fund, the Company holds a large position in a particular investment that declines in value or is otherwise adversely affected (including as a result of default by the issuer).

Conflicts of Interest

There will be no limitation with respect to the Manager's other activities and investments or with respect to the activities of other investment portfolios managed by the Manager. Accordingly, conflicts of interest may occur. Please refer to the section headed "Conflicts of Interest" above for further information.

Counterparty

The Company is subject to the risk of the inability of any counterparty (including any prime broker(s) and custodian(s)) to perform with respect to transactions, whether due to insolvency, bankruptcy or other circumstances. The Company is subject to the risk that counterparties may not have access to finance and/or assets at the relevant time and may fail to comply with their obligations under the relevant sale and repurchase agreements. Recent well-publicised weaknesses in certain financial institutions may be indicative of increased counterparty risk. In the event of any counterparty (including a prime broker or custodian) entering an insolvency procedure, the Company could experience delays in liquidating its positions and incur significant losses, including the loss of that portion of a Fund's portfolio financed through such a transaction, a decline in value of its investment during the period in which the Company seeks to enforce its rights, an inability to realise any gains on its investment during such period and fees and expenses incurred in enforcing its rights. During an insolvency procedure (which may last many years) the use by the Company of assets held by or on behalf of the relevant prime broker, custodian or counterparty may be restricted and accordingly (i) the ability of the Manager or the relevant Investment Manager, as applicable, to fulfil the investment objective of a Fund may be severely constrained, (ii) the Company may be required to suspend the calculation of the Net Asset Value and as a result subscriptions for and redemptions of Shares, and/or (iii) the Net Asset Value may be otherwise affected. During such a procedure, the Company is likely to be an unsecured creditor in relation to certain assets (including those in respect of which it had previously been a secured creditor) and accordingly the Company may be unable to recover such assets from the insolvent estate of the relevant prime broker, custodian or counterparty in full, or at all.

Cross Class liabilities

Although separate Class Accounts will be established for each Class and assets and liabilities will be allocated to the relevant Class Account and the Company is a segregated portfolio company registered under Cayman Islands law, if the liabilities of a Class within a Fund exceed its assets, the Fund Creditors may have recourse to the assets attributable to the other Classes of the relevant Fund.

Cross Fund liability

The Company is a segregated portfolio company under Cayman Islands law and, as a matter of Cayman Islands law, the assets of one Fund will not be available to meet the liabilities of another. However, the Company is a single legal entity which may operate or have assets held on its behalf

in or be subject to claims in, other jurisdictions which may not recognise such segregation. In such circumstances, the assets of one Fund may be exposed to the liabilities of another Fund.

Currency exposure

Assets attributable to a particular Fund may be invested in securities and other investments which are denominated in currencies other than the currency or currencies in which the relevant Shares are denominated. Accordingly, the value of such assets may be affected favourably or unfavourably by fluctuations in currency rates. The Company may seek to hedge foreign currency exposure of a Fund but the Fund will necessarily be subject to foreign exchange risks and there can be no assurance that any hedges which are put in place will be effective. Prospective investors whose assets and liabilities are predominantly in currencies other than the currency in which their Shares will be denominated should take into account the potential risk of loss arising from fluctuations in value between the currency in which their Shares will be denominated, the currency of investment and the currencies of their assets and liabilities.

Custodial, clearance and settlement risks

The Custodian or any PRC Custodian may appoint directly or indirectly sub-custodians in local markets for the purposes of the safekeeping of assets in those markets. There can be no assurance that losses will not arise to a Fund from the actions or inactions of such sub-custodians, particularly in the case where regulation and standards of administration in certain emerging or developing economies or markets in which a Fund may invest are underdeveloped and not of the standard experienced in most developed economies or markets.

The lack of adequate custodial, clearance and settlement systems in some emerging economies or markets may prevent either partial or total investment in such economies or markets or may require a Fund to accept greater custodial, clearance and/or settlement risks in order to make any such investment. There are risks arising from the inadequacy of systems to ensure the transfer, evaluation, compensation and/or recording of securities, the procedure for registering securities, the custody of securities and liquidation of transactions. These risks do not occur as frequently in more developed economies or markets.

The clearance and settlement systems available to effect trades on certain emerging or developing economies or markets as well as the local banking and telecommunications systems may be significantly less developed than those in more developed economies or markets, which may result in delays and other material difficulties in settling trades and in registering transfers of securities. Since the local postal and banking systems in these emerging or developing economies or markets may not meet the same standards as those of more developed economies or markets, no guarantee can be given that all entitlements attaching to securities acquired by a Fund can be realised. There is the risk that payments of interest or other distributions by bank wire or by cheque sent through the mail could be delayed or lost. In addition, there is the risk of loss in connection with the insolvency of an issuer's bank, particularly because these institutions may not be guaranteed by the local government.

In certain emerging or developing economies or markets, there have been times when clearance and settlements have been unable to keep pace with the volume of securities transactions, making it difficult to conduct such transactions. Problems with clearance and settlement in these economies or markets may affect the value and liquidity of a Fund. The inability of a Fund to make intended securities purchases due to clearance and settlement problems could cause the Fund to miss attractive investment opportunities. Inability to dispose of a portfolio security caused by such problems could result either in losses to a Fund due to subsequent declines in value of the portfolio security or, if a Fund has entered into a contract to sell the security, could result in potential liability to the purchaser.

In addition, such emerging or developing economies or markets may have less developed clearance and settlement procedures. A Fund will be exposed to credit risks of parties with or through whom it trades and will also bear the risk of settlement default. Market practice in certain emerging or developing economies or markets, in which a Fund may invest, in relation to the clearance and settlement of securities transactions, may increase such risks. In certain securities markets, in particular those in emerging or developing economies, transactions may not be executed on a delivery versus payment/receive versus payment (DVP/RVP) basis and there may be a difference in settlement dates for cash and securities, which creates counterparty risk.

Assets held as collateral by a prime broker in relation to facilities offered to the Funds, assets held as collateral by counterparties to derivative transactions with the relevant Fund and assets deposited as margin with either a prime broker, counterparties or with executing brokers might not be segregated from the assets of a prime broker, counterparties or such executing brokers. Such assets might therefore be available to the creditors of such persons in the event of their insolvency. Bank accounts in which the cash of the Company are held are generally operated by the Manager and/or the Administrator under authority from the Company.

Similarly, cash held or received for the Funds by or on behalf of a prime broker will not normally be treated as client money and will not be subject to the client money protections under applicable laws. Accordingly each of the Fund's cash will also be collateral and will not be segregated from the cash of the relevant prime broker. As a consequence such cash may be used by the relevant prime broker in the course of its business and the relevant Fund will rank as a general creditor of the relevant prime broker in the event of the relevant prime broker's insolvency. This may also result in an adverse effect on the net asset value of the Company and the relevant Fund.

Where a Fund invests in markets where custodial and/or settlement systems are not fully developed, in case of liquidation, bankruptcy or insolvency of a custodian or sub-custodian, the Fund may take a longer time to recover its assets. In extreme circumstances such as the retroactive application of legislation and fraud or improper registration of title, the Fund may even be unable to recover all of its assets. The costs borne by the Fund in investing and holding investments in such markets will be generally higher than in organised securities markets.

Debt instruments

Interest rate, credit and downgrade risks

Debt instruments, such as notes and bonds, are subject to interest rate risk, credit risk and downgrade risks.

There is a general inverse relationship between interest rate and price of debt instruments. Interest rate risk is the risk that interest rates may increase, which tends to reduce the resale value of certain debt instruments. A common way to measure interest rate risk is with reference to a bond's duration – in essence, the number of years required to recover the true cost of a bond, considering the present value of all coupon and principal payments received in the future. The duration of a bond is generally expressed as a number of years from its purchase date. Other things being equal, debt instruments with longer maturities are generally more sensitive to interest rate changes than those with shorter maturities. Changes in interest rates may extend or shorten the duration of certain types of instruments, thereby affecting their value and the return on an investment in a Fund.

Changes in market interest rates do not affect the rate payable on an existing fixed rate debt instrument which can increase its exposure to interest rate risk – this is because rising interest rates will make the fixed debt instrument less valuable because of the inverse relationship mentioned. An instrument which has adjustable or variable rate features will in contrast be comparatively less sensitive to interest rate risk. Fluctuations in interest rates of the currency(ies) in which the Shares

are denominated and/or fluctuations in interest rates of the currency(ies) in which a Fund's investments are denominated may also affect the value of the Shares.

Credit risk (sometimes known as issuer default risk) is the possibility that an issuer of an instrument will be unable or unwilling to make interest payments or repay principal when due, or to otherwise honour its obligations. An issuer suffering an adverse change in its financial condition or future prospects could lower the credit quality of a security thereby increasing its credit risk, leading to greater price volatility of the security. This may have adverse effects on the value of a Fund's investments. If the Fund invests in lower quality debt instruments, in particular securities which are rated lower than investment grade, it is more susceptible to these problems and its value may be more volatile. (Please see below for more information relating to investments in non-investment grade debt instruments.)

Downgrade risk is the risk that the credit rating of an issuer or a debt instrument may subsequently be downgraded or even fall below investment grade due to changes in the financial strength of an issuer or changes in the credit rating of a debt instrument. Downgraded securities, and securities issued by issuers whose ratings may be downgraded, may be subject to higher risks, as they could be subject to higher volatility, liquidity and credit risk. In the event of downgrading, a Fund's investment value in such security may be adversely affected. The Fund may continue to hold such investment and higher risks may result. Investors may suffer substantial loss of their investments in the Fund.

Risk associated with non-investment grade debt instruments

To the extent a Fund invests in debt instruments which are rated lower than investment grade or unrated ("non-investment grade instruments"), the Fund may realise a higher current yield than the yield offered by higher-rated securities, but such investments associated with greater risks because of generally reduced credit worthiness and liquidity, greater price volatility, greater risk of loss of income and principal including the chance of default by or bankruptcy of the issuers of such securities.

Derivatives

The Company may, in respect of any Fund, utilise both exchange-traded and over-the-counter derivatives, including, but not limited to, futures, forwards, swaps, options and contracts for differences, as part of its investment policy and for hedging purposes.

The successful use of derivatives requires sophisticated management, and a Fund will depend on the ability of the Manager or the relevant Investment Manager, as applicable, to analyse and manage derivatives transactions. In addition, correlation between the particular derivative and an asset or liability of a Fund may prove not to be what the Manager or the relevant Investment Manager, as applicable, expected.

Derivatives can be highly volatile and expose investors to a high risk of loss. Some derivatives are "leveraged" and therefore may magnify or otherwise increase investment losses to the Fund, creating conceptually the risk of unlimited loss.

Over-the-counter ("OTC") instruments such as swap transactions also involve the risk that the other party will not meet its obligations to the Fund. This exposes the Fund to risk that a counterparty will not settle a transaction in accordance with its terms and conditions, thus causing the relevant Fund to suffer a loss. Transactions in OTC contracts may involve additional risk as there is no exchange market on which to close out an open position. It may be impossible to liquidate an existing position, to assess the value of a position or to assess the exposure to risk.

Derivative contracts may also involve legal risk which may result in loss due to the unexpected application of a law or regulation or because contracts are not legally enforceable or documented correctly. Contractual asymmetries and inefficiencies can also increase risk, such as break clauses, whereby a counterparty can terminate a transaction on the basis of a certain reduction in Net Asset Value, incorrect collateral calls or delays in collateral recovery. The Company may also, in respect of any Fund, sell covered and uncovered options on securities. To the extent that such options are uncovered, the relevant Fund could incur an unlimited loss.

OTC market risk and regulation of OTC transactions

Transactions in OTC markets generally tend to be subject to less government regulation and supervision and offer less market breadth and depth than transactions entered into on organised exchanges. In addition, many of the protections afforded to participants on some organised exchanges, such as the performance guarantee of a central clearinghouse may not be available in connection with certain OTC transactions. Therefore, any OTC transactions will be subject to the risk that the direct counterparty will not perform its obligations under the transactions. Accordingly where a Fund acquires securities in OTC markets, there is no guarantee that the Fund will be able to realise the fair value of such securities due to their tendency to have comparatively limited liquidity, high price volatility and greater risk of counterparty default.

There has been an international effort to increase the stability of the financial system in general, and the OTC derivatives market in particular, in response to the recent financial crisis. The leaders of the G20 have agreed that all standardised OTC derivatives contracts should be traded on exchanges or electronic trading platforms, where appropriate, and cleared through central counterparties, that OTC derivatives contracts should be reported to trade repositories and non-centrally cleared contracts should be subject to higher capital requirements.

In particular, in the United States, the Dodd-Frank Act, enacted in July 2010, includes provisions that comprehensively regulate the OTC derivatives markets for the first time. The Dodd-Frank Act requires that a substantial portion of OTC derivatives must be executed in regulated markets or electronic facilities and submitted for clearing to regulated derivatives clearing organisations. OTC trades submitted for clearing will be subject to minimum initial and variation margin requirements set by the relevant clearing house, as well as possible margin requirements mandated by the SEC or the CFTC. The regulators also have broad discretion to impose margin requirements on non-cleared OTC derivatives. Swap dealers (as defined in the United States Commodity Exchange Act (the “CEA”)) will also be required to post margin to the clearing houses through which they clear their customers’ trades instead of using such margin in their operations for cleared derivatives, as is currently permitted. The SEC and CFTC may also require a substantial portion of derivative transactions that are currently executed on a bilateral basis in the OTC markets to be executed through a regulated securities, futures, or swap exchange or execution facility. Such requirements may make it more difficult and costly for investment funds, including the Company, to enter into highly tailored or customised transactions. They may also render certain strategies in which the Company, in respect of any Fund, might otherwise engage impossible or so costly that they will no longer be economical to implement. Swap dealers and major swap participants (as defined in the CEA) will be required to register with the SEC and/or the CFTC. These requirements may apply irrespective of whether the OTC derivatives in question are exchange-traded or cleared. OTC derivatives dealers will also be subject to new business conduct standards, disclosure requirements, additional reporting and record keeping requirements, transparency requirements, position limits, limitations on conflicts of interest, and other regulatory burdens. A Fund will be subject to position limits on certain swaps as well as record keeping and, depending on the identity of the swaps counterparty, reporting requirements. Position limits may limit a Fund’s ability to concentrate in a particular type of contract, and reporting requirements may result in increased regulatory compliance expense. The requirements under the Dodd-Frank Act will increase the swap dealers’ costs, and these increased costs are expected to be passed through to other market

participants in the form of higher upfront and mark-to-market margin, less favourable trade pricing, and possible new or increased fees.

Because many provisions of the Dodd-Frank Act require rulemaking by the applicable regulators before becoming fully effective and the Dodd-Frank Act mandates multiple agency reports and studies (which could result in additional legislative or regulatory action), it is difficult to predict the impact of the Dodd-Frank Act on the Company, the Funds, the Manager, the Investment Managers, any investment adviser and the markets in which any Fund trades and invests or the counterparties with which it does business. It is unclear how the derivatives markets will adapt to this new regulatory regime.

In Europe, the European Union Regulation No 648/2012 on OTC derivatives, central counterparties and trade repositories (also known as the European Market Infrastructure Regulation, or “EMIR”), which came into force on 16 August 2012, introduces uniform requirements in respect of OTC derivative contracts by requiring certain “eligible” OTC derivatives contracts to be submitted for clearing to regulated central clearing counterparties and by mandating the reporting of certain details of OTC derivatives contracts to trade repositories. In addition, EMIR imposes requirements for appropriate procedures and arrangements to measure, monitor and mitigate operational counterparty credit risk in respect of OTC derivatives contracts which are not subject to mandatory clearing. These requirements are likely to include the exchange and segregation of collateral by the parties, including any Fund.

While some of the obligations under EMIR have come into force, a number of the requirements are subject to phase-in periods and certain key issues have not been finalised by the date of this Offering Memorandum. It is as yet unclear how the OTC derivatives market will adapt to the new regulatory regime. Accordingly, it is difficult to predict the full impact of EMIR on a Fund, which may include an increase in the overall costs of entering into and maintaining OTC derivatives contracts. The Directors, the Manager and the relevant Investment Manager will monitor the position. However, prospective investors and Shareholders should be aware that the regulatory changes arising from EMIR may in due course adversely affect a Fund’s ability to adhere to its investment approach and achieve its investment objective.

Steps are also underway to regulate and increase regulation over OTC derivatives markets across other jurisdictions. The introduction and/or increased level of regulation over the OTC derivative markets and any related regulatory changes could result in certain investment strategies in which a Fund proposes to engage or may have otherwise engaged becoming non-viable or non-economical to implement. Any legislation and regulation in this area may materially adversely affect a Fund’s ability to implement its investment approach and achieve its investment objective.

Early termination risk

Although the Company was incorporated and established for an unlimited duration, the Company may be wound up pursuant to a special resolution passed by the Shareholders. If the Company shall be wound up the liquidator shall apply the Fund Assets and the General Assets in accordance with the Companies Act (Revised) of the Cayman Islands in satisfaction of the claims of the creditors (whether a creditor of a Segregated Portfolio or otherwise).

The Directors may in their absolute discretion by a resolution (but shall not be obliged to) resolve to redeem compulsorily all the outstanding Shares of the Class or Classes relating to a Fund if the Net Asset Value of the Fund is at any time below USD50 million (or its equivalent in another currency) or such other amount as the Directors may from time to time determine either generally or in respect of any Fund and as may be specified in the relevant Appendix. In addition, the Directors may in their absolute discretion by a resolution (but shall not be obliged to) resolve to redeem compulsorily all the outstanding Shares of a Class if the Net Asset Value of the relevant Class Account is at any time below USD10 million (or its equivalent in another currency) or such other amount as the Directors

may from time to time determine either generally or in respect of any Fund and as may be specified in the relevant Appendix. Further details are discussed under “Compulsory redemption” in the section headed “General and Statutory Information”.

In the event of such early termination, Shareholders will generally be entitled to receive their pro rata interest in the assets of the Company, the relevant Fund or the relevant Class (as the case may be). It is possible that at the time of any sale, realisation, disposal or distribution of these assets, certain investments held by the Company, the relevant Fund or in the relevant Class Account (as the case may be) may be worth less than the initial cost of such investments, resulting in a substantial loss to the Shareholders. Moreover, any organisational expenses with regard to the Company, the relevant Fund or the relevant Class (as the case may be) that had not yet become fully amortised would be debited against the Company’s or relevant Fund’s (as the case may be) account at that time.

Emerging markets

The Company may, in respect of any Fund, invest in equities, debt securities or other securities of companies incorporated in, or whose business operations are in or substantially connected with, emerging markets and therefore additional risks may be encountered. These include, but are not limited, the following:

- (a) *Political and economic factors:* Investing in emerging markets involves certain risks not typically associated with investing in the securities of issuers in more established markets, including: (i) political and economic risks, such as greater risks of expropriation, nationalisation and lower social, political and economic stability; (ii) a greater level of government involvement in and control over the economy; (iii) substantially higher rates of inflation; (iv) certain national policies which may restrict the investment opportunities of the relevant Fund, including restrictions on investing in issuers or industries deemed sensitive to the national interest; and (v) bureaucratic restraints relating to investment in the country.
- (b) *Developing legal system:* At present, the securities market and the regulatory framework for the securities industry in many emerging markets is at an early stage of development. Tax and associated laws are also evolving on a continuing basis. As these laws, regulations and legal requirements are relatively recent, interpretation and enforcement involve significant uncertainty. In particular, laws governing business organisations, bankruptcy and insolvency in emerging markets may provide substantially less protection to security holders than that provided by the laws of more developed countries.
- (c) *Market considerations:* As emerging markets are at an early stage of development, they typically have less volume, are less liquid and experience greater volatility than more established markets. Settlement of transactions may be subject to delay and administrative uncertainties.
- (d) *Currency:* The currencies in which investments are denominated may be unstable and/or subject to significant depreciation. Such currencies may not be freely convertible.
- (e) *Custody risk:* Custodians are not able to offer the level of service and safe-keeping in relation to the settlement and administration of securities that is customary in more developed markets. In particular, there is a risk that the relevant Fund will not be recognised as the owner of securities held on its behalf by a sub-custodian.

- (f) *Disclosure:* Less complete and reliable fiscal and other information may be available to investors.

Forward foreign exchange contracts

The Company may, in respect of any Fund, enter into forward foreign exchange contracts. A forward foreign exchange contract is a contractually binding obligation to purchase or sell a particular currency at a specified date in the future. Forward foreign exchange contracts are not uniform as to the quantity or time at which a currency is to be delivered and are not traded on exchanges. Rather, they are individually negotiated transactions. Forward foreign exchange contracts are effected through a trading system known as the interbank market. It is not a market with a specific location but rather a network of participants electronically linked. Documentation of transactions generally consists of an exchange of telex or facsimile messages. There is no limitation as to daily price movements on this market and in exceptional circumstances there have been periods during which certain banks have refused to quote prices for forward foreign exchange contracts or have quoted prices with an unusually wide spread between the price at which the bank is prepared to buy and that at which it is prepared to sell. Transactions in forward foreign exchange contracts are not regulated by any regulatory authority nor are they guaranteed by an exchange or clearing house. The relevant Fund will be subject to the risk of the inability or refusal of counterparties to perform with respect to such contracts. Any such default would eliminate any profit potential and compel the Company to cover its commitments for resale or repurchase, if any, at the then current market price. These events could result in significant losses to the relevant Fund.

Hedging

A Fund is permitted, but not obligated to use hedging techniques to attempt to offset market and/or currency risks. There is no guarantee that hedging transactions will achieve the desired result and they can also limit potential gains. While a Fund may enter into such hedging transactions to seek to reduce risks, unanticipated changes in currency, interest rates, equity markets and debt markets may result in a poorer overall performance of a Fund. A Fund may not obtain a perfect correlation between hedging instruments and the portfolio holdings being hedged. Such imperfect correlation may prevent the intended hedge or expose the relevant Fund to risk of loss.

Hedging of foreign currency exposure for currency-hedged Class Accounts

The Manager will seek to hedge the exposure of each currency-hedged Class Account to the relevant Fund's pricing currency, through the use of spot and forward foreign exchange contracts (including non-deliverable forwards) or other methods of reducing exposure to currency fluctuations, with the aim of minimising the impact of such fluctuations on the Net Asset Value of the relevant hedged Class Account.

There can be no guarantee that it will be possible to fully hedge the total Net Asset Value of a relevant hedged Class Account in its reference currency. It should be noted that various factors, including but not limited to changes in the value of the hedged portion of assets attributable to the hedged Share Class and the volume of subscriptions and redemptions, may have an impact on the level of currency hedging held in the hedged Class Account.

Illiquidity

It is not anticipated that there will be an active secondary market for the Shares and it is not expected that such a market will develop.

Information, reporting and side arrangements

The Company, in respect of any Fund, may enter into separate agreements with certain Shareholders, including, without limitation, those deemed to involve a significant or strategic relationship, to provide them with additional or different information and reporting which information other Shareholders will not receive. Such information and reporting may provide the recipient greater insights into the relevant Fund's activities than is included in standard reports to Shareholders, thereby enhancing the recipient's ability to make investment decisions with respect to that Fund and with respect to the investment of its own assets. The Company, in respect of the relevant Fund, may not, and is not required to, provide the same type or level of disclosure regarding such information to all Shareholders. Accordingly, certain Shareholders may invest on terms that provide access to information that is not generally available to other Shareholders and, as a result, may be able to act on such additional information (e.g., request redemptions) that other Shareholders do not receive.

The Directors may in their absolute discretion agree to provide certain strategic investors in the relevant Fund with information about that Fund and its investments which is not available to investors generally.

Subject to applicable law, the Manager, the relevant Investment Manager and the Company, in respect of the relevant Fund, may, in their sole discretion, negotiate and enter into agreements ("Side Letters") on behalf of a Fund with certain Shareholders that may result in different terms of an investment in that Fund than the terms applicable to other Shareholders. As a result of such Side Letters, certain Shareholders may receive additional or different information, reporting and/or other benefits which other Shareholders will not receive. Such information and reporting may provide the recipient greater insights into that Fund's activities than is included in standard reports to Shareholders, thereby enhancing the recipient's ability to make investment decisions with respect to that Fund and with respect to the investment of its own assets. Except as described in this Offering Memorandum or as required by law or regulation, in general, none of the Manager, the relevant Investment Manager or the Company will be required to notify any or all of the other Shareholders of any such Side Letters or any of the rights and/or terms or provisions thereof, nor will the Manager, the relevant Investment Manager or the Company be required to offer such additional and/or different rights and/or terms to any or all of the other Shareholders. As a result, Shareholders which have entered into Side Letters may be able to act on additional information (for example, to request redemptions) that other Shareholders do not receive.

Investment and repatriation restrictions

The laws and regulations of some of the emerging or developing economies or markets through which a Fund may invest and which affect foreign investment business continue to evolve in an unpredictable manner. Laws and regulations, particularly those involving taxation, foreign investment and trade and currency regulation and control are relatively new and can change quickly. Although basic commercial laws are in place, they are often unclear or contradictory and subject to varying interpretation and may at any time be amended, modified, repealed or replaced in a manner adverse to the interests of the Company or any Fund.

Investments in these economies or markets may also require the procurement of a substantial number of licences, regulatory consents, certificates and approvals, including licences for the Company, registration of relevant securities trading code(s) for a Fund to conduct securities transactions at the relevant securities trading centre(s) or markets and clearance certificates from tax authorities. The inability to obtain a particular licence, regulatory consent, certificate or approval could adversely affect the Company's operations and in extreme circumstances could lead to the Directors convening a Shareholders' meeting for the purpose of winding-up the Company or the Fund.

Legal risks

The economies of some of the emerging or developing economies or markets through which a Fund may invest are substantially less developed than those of other geographic regions such as the United States and Europe. The laws and regulatory apparatus affecting such economies or markets are also in a relatively early stage of development and are not as well established as the laws and the regulatory apparatus of regions such as the United States and Europe. Local securities laws and regulations of these economies or markets are still in their development stages and not drafted in a very concise manner which may be subject to interpretation. In the event of a securities-related dispute involving a foreign party, the local laws shall apply (unless an applicable international treaty provides otherwise). The local court systems may not be as transparent and effective as court systems in more developed economies or markets and there can be no assurance of obtaining effective enforcement of rights through local legal proceedings and generally the judgements of foreign courts are not recognised.

Limited US regulation

The offering of Shares has not been and will not be registered under the 1933 Act or with any state within the United States in reliance on an exemption from registration pursuant to the 1933 Act and applicable state securities law exemptions. Neither the Company nor any of the Funds is, or currently intends to be, registered as an investment company under the 1940 Act.

The Manager is not and currently does not intend to be, registered under the United States Investment Advisers Act of 1940, as amended (the “Advisers Act”). However, the Manager may also be subject to state registration, reporting or other obligations. The Company, any of the Funds and the Manager could become subject to additional regulatory and compliance requirements associated with such legislation. Any such additional requirements, or any different requirements, may be costly and/or burdensome to the Manager and could result in the imposition of restrictions and limitations on the operations of the Company and/or any of the Funds and/or the disclosure of information to US regulatory authorities regarding the operations of the Company (regardless of whether the Manager is exempted from registration as an investment adviser under the Advisers Act).

Notwithstanding the foregoing, the Dodd-Frank Act may result in the Company in respect of a Fund being regulated in the United States on the basis of its trading activity in the OTC derivatives markets (if any). Please refer to the risk factor headed “OTC market risk and regulation of OTC transactions” above for further information on the risks relating to the Dodd-Frank Act.

Liquidity and market characteristics

In some circumstances, investments may be relatively illiquid making it difficult to acquire or dispose of them at the prices quoted on the various exchanges. Accordingly, the Manager’s or an Investment Manager’s ability to respond to market movements may be impaired may experience adverse price movements upon liquidation of its investments. Settlement of transactions may be subject to delay and administrative uncertainties.

The market prices, if any, for such investments tend to be volatile and may not be readily ascertainable, and it may not be possible to sell them when they desire to do so or to realise what they perceive to be their fair value in the event of a sale. The sale of restricted and illiquid securities often requires more time and results in higher brokerage charges or dealer discounts and other selling expenses than does the sale of securities eligible for trading on national securities exchanges or in the over-the-counter markets. The Company may not be able to readily dispose of such illiquid investments and, in some cases, may be contractually prohibited from disposing of such investments for a specified period of time or certain consents may be required before any

disposal or transfer can take place. Restricted securities may sell at a price lower than similar securities that are not subject to restrictions on resale.

Market crisis and governmental intervention

The global financial markets have recently undergone pervasive and fundamental disruptions which have led to extensive and unprecedented governmental intervention. Such intervention was in certain cases implemented on an “emergency” basis without much or any notice with the consequence that some market participants’ ability to continue to implement certain strategies or manage the risk of their outstanding positions was suddenly and/or substantially eliminated. In addition, as one would expect given the complexities of the global financial markets and the limited timeframe within which governments were able to take action, these interventions were sometimes unclear in scope and application, resulting in confusion and uncertainty which in itself was materially detrimental to the efficient functioning of such markets as well as previously successful investment strategies.

The United States Federal Reserve and certain non-US governments and supra-governmental agencies and organisations have previously taken, and in certain cases continue to take significant steps to intervene in the financial markets. Current and future government and/or supra-governmental interventions may lead to a change in valuations of securities that is detrimental to a Fund’s investments. Such intervention is subject to inherent uncertainties relating to prevailing economic conditions and political considerations.

The Manager believes that it is possible that emergency intervention may take place again in the future. The Manager also believes that the regulation of financial markets is likely to be increased in the future. It is impossible to predict the impact of any such intervention and/or increased regulation on the performance of a Fund or the fulfilment of its investment objective.

Market disruptions

A Fund may incur major losses in the event that disrupted markets and/or other extraordinary events affect markets in a way that is not consistent with historical pricing relationships. The risk of loss from the disconnection from historical prices during periods of market disruption is compounded by the fact that in disrupted markets many positions become illiquid, making it difficult or impossible to close out positions against which the markets are moving. The financing available to the Fund from its banks, dealers and other counterparties will typically be reduced in disrupted markets. Such a reduction may result in substantial losses to the Fund. In 1994, in 1998 and again in the “financial crisis” of 2007 to 2009, a sudden restriction of credit by the dealer community resulted in forced liquidations and major losses for a number of investment vehicles focused on credit-related investments. However because market disruptions and losses in one sector can cause ripple effects in other sectors, many investment vehicles suffered heavy losses even though they were not heavily invested in credit-related investments.

In addition, the global financial markets may undergo further fundamental disruptions in the future, which could result in renewed governmental and/or supra-governmental interventions which may be materially detrimental to the performance of a Fund. Furthermore, market disruptions caused by unexpected political, military and terrorist events may from time to time cause dramatic losses for a Fund, and such events may result in otherwise historically low-risk strategies performing with unprecedented volatility and risk. A financial exchange may from time to time suspend or limit trading. Such a suspension could render it difficult or impossible for a Fund to liquidate affected positions and thereby expose it to losses. There is also no assurance that off-exchange markets will remain liquid enough for a Fund to close out positions.

Market liquidity

A Fund may be adversely affected by a decrease in market liquidity for the instruments in which that Fund is invested which may impair the ability of the Manager or the relevant Investment Manager, as applicable, to adjust positions. The size of the relevant Fund's positions may magnify the effect of a decrease in market liquidity for such instruments. Changes in overall market leverage, deleveraging as a consequence of a decision to reduce the level of leverage available by any prime broker, custodian or other counterparty with which the Company enters into derivative transactions, or the liquidation by other market participants of the same or similar positions may also adversely affect the relevant Fund's portfolio.

Net Asset Value considerations

The Net Asset Value per Share is expected to fluctuate over time with the performance of the relevant Fund's investments. A Shareholder may not fully recover his initial investment when he chooses to redeem his Shares or upon compulsory redemption if the Net Asset Value per Share at the time of such redemption is less than the Subscription Price paid by such Shareholder or if there remain any unamortised costs and expenses of establishing the Company or the relevant Fund.

Performance Fee

In addition to receiving a Management Fee, the Manager may also receive a Performance Fee based on the appreciation in the Net Asset Value per Share and accordingly the Performance Fee will increase with regard to unrealised appreciation, as well as realised gains. A Performance Fee may therefore be paid on unrealised gains which may subsequently never be realised. The Performance Fee may create an incentive for the Manager or the relevant Investment Manager, as applicable, to make investments in respect of any Fund which are riskier than would be the case in the absence of a fee based on the performance of the Fund.

The Performance Fee will not be calculated on a Share-by-Share basis and accordingly will not reflect the individual performance of each Share. The Subscription Price will however reflect an accrual for the Performance Fee. Investors may be advantaged or disadvantaged as a result of this method of calculation, depending on the Net Asset value per Share at the time of subscription relative to the performance of the Fund during the relevant Calculation Period and the timing of the subscription during the Calculation Period.

Portfolio manager

The investment performance of each Fund will be substantially dependent on the services of key individuals who will be primarily responsible for managing the investment of the assets of the Funds. In the event of the death, incapacity, departure, insolvency or withdrawal of any such individual, the performance of the Funds may be adversely affected.

Price fluctuations

The value of Shares and the income (if any) derived from them can go down as well as up.

Registration

There is generally a limited choice of service providers in emerging or developing economies or markets who can act as share registrars of underlying investments of a Fund as these share registrars may not be subject to effective government supervision, and it is possible for the Fund to lose its registration of underlying investments through default, fraud, negligence, or mere oversight on the part of such registrar. Such registrars often do not maintain insurance against such occurrences, nor are they likely to have assets sufficient to compensate the affected Fund as a

result thereof. Whilst such registrar and the relevant investee company may be legally obliged to remedy such loss, there is no guarantee that either of them would do so, nor is there any guarantee that the Fund would be able to successfully bring a claim against either of them as a result of such loss. Furthermore, these registrars of the underlying investments or the relevant investee company could wilfully refuse to recognise the Fund as registered holders of shares previously purchased by the Fund due to the destruction of the company's register.

Investments may also sometimes be evidenced in the form of confirmation delivered by local registrars, which are neither subject to effective oversight nor always independent from issuers. The possibility of fraud, negligence or refusal to recognise ownership exists, which could result in the registration of an investment being completely lost. Investors should be aware that such Funds could be exposed to a loss arising from such registration problems.

Regulatory

A Fund's investments are also subject to regulatory risks, for example, the introduction of new laws, the imposition of exchange controls (or additional controls or restrictions), the adoption of restrictive provisions by individual companies or where a limit on the holding of a Fund in a particular company, sector or country by non-residents (individually or collectively) has been reached. A Fund must comply with various legal requirements, including securities laws and tax laws as imposed by the jurisdictions under which it operates. Should any of those laws change over the life of a Fund, the legal requirements to which that Fund and the Shareholders may be subject, could differ materially from current requirements.

Foreign investment in the primary and secondary securities markets of many emerging or developing economies or markets through which a Fund may invest is still at a nascent stage. Much of these economies' or markets' existing securities laws are ambiguous and/or have been developed to regulate direct investment by foreigners rather than portfolio investment.

Securities market laws and the regulatory environment for primary and secondary market investments by foreign investors are in the early stages of development, and remain untested. The regulatory framework of the primary and secondary securities markets is still in the development stage compared to many of the world's leading securities markets, and accordingly there may be a lower level of regulatory monitoring of the activities of these primary and secondary securities markets.

Changes in the regulatory environment for hedge funds may adversely affect the value of investments held by a Fund and/or the ability of that Fund to obtain the leverage it might otherwise obtain or to continue to implement its investment approach and achieve its investment objective. 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. In addition, the regulatory or tax environment for derivative and related instruments and funds that engage in such transactions is evolving and may be subject to modification by government or judicial action which may adversely affect the value of the investments held by a Fund. The effect of any future regulatory or tax change on the Company and/or any of the Funds is impossible to predict.

Market disruptions and the dramatic increase in the capital allocated to alternative investment strategies during the past decade have led to increased governmental as well as self-regulatory scrutiny of the "hedge fund" and financial services industry in general. Certain legislation proposing greater regulation of the industry, such as the Dodd-Frank Act, is considered periodically by the US Congress as well as by the governments of non-US jurisdictions. It is impossible to predict what, if any, changes in the regulations applicable to the Company, the Funds, the Manager, any Investment Manager, any investment adviser, the markets in which the Funds trade and invest or the counterparties with which it does business may be instituted in the future. Any such laws or

regulations may materially adversely affect a Fund's ability to implement its investment approach and achieve its investment objective, as well as require increased transparency as to the identity of the Shareholders.

In addition, securities and futures markets are subject to comprehensive statutes, regulations and margin requirements. Regulators and self-regulatory organisations, including but not limited to the CFTC, and exchanges are authorised to take extraordinary actions in the event of market emergencies including, for example, the retroactive implementation of speculative position limits or higher margin requirements, the establishment of daily price limits and the suspension of trading. The regulation of swaps, futures and/or other derivative transactions and funds that engage in such transactions is an evolving area of law and is subject to modification by governmental, regulatory and judicial actions. The effect of any future regulatory change on the Company and/or the Funds could be substantial and adverse including, for example, increased compliance costs, terms relating to margin, increased disclosure requirements, the prohibition of certain types of trading and/or the inhibition of a Fund's ability to implement its investment approach and achieve its investment objective.

Restrictions on redemption and transfer of Shares

Although Shareholders may require the Company to redeem any or all of their Shares on any Dealing Day at the Net Asset Value per Share or may wish to transfer all or any of their Shares, certain restrictions on redemptions and transfers apply in certain circumstances.

Risks associated with the ongoing global pandemic

In December 2019, a novel strain of coronavirus (known as COVID-19) surfaced in Wuhan, China, which resulted in the temporary and in some cases, ongoing closure of many corporate offices, retail stores, and manufacturing facilities across the globe. These closures have caused the disruption of manufacturing supply chains and local and global economies, the duration of which remains uncertain.

The outbreak could have a continued adverse impact on economic and market conditions and trigger a period of continued global economic slowdown. The rapid development of this situation precludes any prediction as to the ultimate adverse impact of the novel coronavirus. There are no comparable recent events in the global economy which provide guidance as to the effect of the spread of COVID-19 and a potential pandemic on the economy as a whole and the specific sectors that the Fund is invested in. COVID-19 presents material and specific uncertainty and risk with respect to the Fund's performance and financial results. There is substantial uncertainty around regulatory and market reactions to COVID-19 and the potential effect that these reactions will have on the financial condition and liquidity of the Fund's investments.

The extent to which COVID-19 may negatively affect the operations of the Manager and the performance of the Fund is difficult to predict. Any potential impact on such operations and performance will depend to a large extent on future developments and new information that may emerge regarding the duration and severity of COVID-19 and the actions taken by authorities and other entities to contain COVID-19 or treat its impact.

Short selling

Subject to the terms of such Funds' investment approach and restrictions, the investment portfolio of any Fund may include short positions. Short selling involves selling securities that may or may not be owned and borrowing the same securities for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows the investor to profit from a decline in the price of a particular security. A short sale creates the risk of an unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the

cost to the relevant Fund of buying those securities to cover the short position. There can be no assurance that the security necessary to cover the short position will be available for purchase. Purchasing securities to close out the short position can itself cause the price of the securities to rise further, thereby exacerbating the loss. In addition, if a sufficient number of market participants have entered into a short position, the short position may not react in the same way as a security would with no or limited short interest. In the case of a market downturn the short position may therefore not provide the investment return the Manager or the relevant Investment Manager expected.

Due to regulatory or legislative action taken by regulators around the world as a result of recent volatility in the global financial markets, taking short positions on certain securities has been restricted. The levels of restriction vary across different jurisdictions and are subject to change in the short to medium term. These restrictions have made it difficult and in some cases impossible for numerous market participants either to continue to implement their investment strategies or to control the risk of their open positions. Accordingly, the Manager or the relevant Investment Manager may not be in a position to fully express its negative views in relation to certain securities, companies or sectors and the ability of the Manager or the relevant Investment Manager, as applicable, to fulfil the investment objective of the relevant Fund may be constrained.

Tax considerations

Where the Company invests in securities that are not subject to withholding tax at the time of acquisition, there can be no assurance that tax may not be withheld in the future as a result of any change in applicable laws, treaties, rules or regulations or the interpretation thereof. The Company may not be able to recover such withheld tax and so any such change could have an adverse effect on the Net Asset Value of the relevant Fund. Where the Company, in respect of any Fund, makes investments into other collective investments schemes, the relevant Fund will be subject to any specific tax considerations associated with such underlying schemes, and further details may be set out in the relevant Appendix.

Transaction costs

The investment approach of any Fund may involve a high level of trading and turnover of investments which may generate substantial transaction costs which will be borne by the relevant Fund.

Undervalued securities

One of the objectives of a Fund may be to identify and invest in undervalued securities. The identification of investment opportunities in undervalued securities is a difficult task, and there can be no assurance that such opportunities will be successfully recognised. While investment in undervalued securities offer opportunities for above-average capital appreciation, these investments involve a high degree of financial risk and can result in substantial losses. Returns generated from the investments may not adequately compensate for the business and financial risks assumed.

The Company may, in respect of any Fund, make certain speculative investments in securities which the Manager, or the relevant Investment Manager, as applicable, believes to be undervalued; however, there can be no assurance that the securities purchased will in fact be undervalued. In addition, the Company may be required to maintain positions in such securities for a substantial period of time before realising their anticipated value. During this period, a portion of the relevant Fund's capital may be committed to the securities, thus possibly preventing the Company from investing in other opportunities in respect of that Fund. In addition, the Company may finance any such purchases with borrowed funds and thus will have to pay interest on such funds during such waiting period.

No separate counsel

Ogier acts as legal counsel to the Company and the Funds as to matters of Cayman Islands laws. Ogier does not represent investors in the Company (including the Funds), and no independent counsel has been retained to act on behalf of the Shareholders or any Directors. Ogier is not responsible for any acts or omissions of the Manager, the Company (including their compliance with any guidelines, policies, restrictions or applicable law, or the selection, suitability or advisability of their investment activities) or any administrator, accountant, custodian/prime broker or other service provider to the Manager or the Company.

TAXATION

The following is based on the Company's understanding of certain aspects of the law and practice currently in force in the Cayman Islands and Hong Kong. There can be no guarantee that the tax position or proposed tax position at the date of this Offering Memorandum or at the time of an investment will endure indefinitely.

Investors should consult their professional advisers on the possible tax and other consequences of their subscribing for, purchasing, holding, selling or redeeming Shares under the laws of their country of incorporation, establishment, citizenship, residence or domicile.

Cayman Islands

The Company has received from the Financial Secretary of the Cayman Islands an undertaking that, in accordance with section 6 of the Tax Concessions Act (Revised) of the Cayman Islands, for a period of 20 years from 9 November 2010 no laws of the Cayman Islands imposing any tax on profits, income, gains or appreciation shall apply to the Company and that no tax in the nature of estate duty or inheritance tax shall be payable on the shares, debentures or other obligations of the Company.

Under current Cayman Islands law no tax will be charged in the Cayman Islands on profits or gains of the Company and dividends (if any) of the Company will be payable to Shareholders without deduction of tax. No stamp duty is levied in the Cayman Islands on the transfer or redemption of Shares in the Company. The Cayman Islands is not a party to a double-taxation treaty with any country other than the United Kingdom.

Hong Kong

a) Taxation of the Company

The Company has not registered, and does not intend to register, a branch in Hong Kong pursuant to Part 16 of the Companies Ordinance (Cap 622) of Hong Kong. It is not intended that the Company will have any place of business in Hong Kong. However, the Company may be considered to have a permanent establishment in Hong Kong by virtue of the activities of the Manager. As such no assurance can be given that the Company, notwithstanding being incorporated offshore Hong Kong, will not be considered by the Hong Kong Inland Revenue Department to be subject to Hong Kong profits tax. It is intended that the affairs of the Company will be conducted and managed in a manner which seeks to minimise any potential liability to Hong Kong profits tax.

Hong Kong imposes profits tax at a flat rate of 16.5% on incorporated persons, such as the Company, on profits (i) which have a Hong Kong source, and (ii) which are attributable to a trade, business or profession carried on in Hong Kong. Capital gains derived from the sale of investments generally are not considered to be profits for Hong Kong tax purposes, and thus are not subject to any Hong Kong tax. However, gains which are considered to be derived from a trading activity as opposed to mere investment activity carried on in Hong Kong may potentially be subject to Hong Kong profits tax.

Under Section 20 AN of the Inland Revenue Ordinance ("IRO"), a fund will be exempt from Profits Tax under the Profit Tax exemption effective 1 April 2019 ("Funds Exemption") where:

- The fund falls within the definition of a fund under Section 20AM of the IRO;
- The fund's profits are derived from qualifying transactions or incidental transactions; and
- The qualifying transactions have been carried out through or arranged by a specified

person, which includes a corporation holding any licenses issued by the SFC under Part V of the SFO, or, (ii) the fund is otherwise a qualified investment fund.

Qualifying transactions are broadly defined to include transactions in securities such as shares, debentures, loan stock, funds, bonds or notes of, or issued by, an incorporated or unincorporated body, a government, and a private company or a Special Purpose Entity (“SPE”) and the related rights, options or certificates of interest. In this context, a “private company” is defined to mean a company incorporated in or outside of Hong Kong that is not allowed to issue any invitation to the public to subscribe for any shares or debentures of the company. Subject to certain carve-outs, the investment in certain Hong Kong private companies is permissible under the Funds Exemption (excluding investment in Hong Kong real property).

Qualifying transactions also include futures contracts, foreign exchange contracts, and deposits other than by way of money-lending business, foreign currencies and exchange-traded commodities.

If a transaction is not a qualifying transaction, but it is considered to be incidental to the carrying out of a qualifying transaction, the income from the incidental transaction will be exempt under the Funds Exemption provided that such income does not exceed 5% of the fund’s total receipts derived from incidental transactions and qualifying transactions in a particular year. Examples of transactions which could be considered incidental to a qualifying transaction are dividends earned from listed securities and interest income derived from debentures, notes or bonds. If the income from the incidental transaction exceeded 5% of the total receipts derived from incidental transactions and qualifying transactions, the Hong Kong sourced income from such incidental transactions would be subject to tax in Hong Kong unless it is specifically exempt under another provision of the IRO (e.g. dividend income).

If a fund carries out transactions that do not fall within the definition of qualifying transactions, profits from such transactions may be subject to tax if they are considered as Hong Kong sourced and are not specifically otherwise exempt from tax.

It is intended that the activities of the Company will be conducted and managed in a manner such that the Company should qualify as exempt from Hong Kong Profits Tax under the Funds Exemption, or the Company would not derive any Hong Kong sourced profits / income. However, no assurance can be given that gains, profits and other income from certain investments will not give rise to a liability to Profits Tax in Hong Kong. By way of example, the Company could be exposed to Hong Kong Profits Tax to the extent that it trades certain non-qualifying investments and derives Hong Kong sourced profits from such investments.

b) Taxation of the Shareholders

Profits Tax

Profits arising from the disposal or redemption of shares in the Company will be subject to Profits Tax only if Shareholders are considered as carrying on a trade, profession or business in Hong Kong and such profits (except gains from the sale of capital assets) arose in or are derived from Hong Kong from such trade, profession or business carried on in Hong Kong. The nature of an asset as trading or capital will depend on the particular circumstances of each Shareholder. Shareholders should seek their own independent Hong Kong tax advice on this issue.

Hong Kong does not impose withholding tax on dividends and interest. Any distribution received by Shareholders from their investment in the Company should generally not be chargeable to tax in Hong Kong (whether by way of withholding or otherwise) under the current law.

Under the Funds Exemption, Hong Kong resident investors in the Company may be deemed to be taxable on their share of the Company's underlying Hong Kong sourced trading profits made in the relevant year of income, notwithstanding the Company itself is exempted and no distribution has been made by the Company. These deeming provisions generally apply only where the Hong Kong resident, inter alia, alone or jointly with associates, holds a 30% or more beneficial interest in the Fund which is tax exempt under the IRO. The deeming provisions can also apply where the Hong Kong resident investor holds any percentage of the beneficial interest in such exempt fund that is an associate of the Hong Kong resident investor. The deeming provision would not apply to a Hong Kong investor where the exempt fund is otherwise considered a bona fide widely held fund.

If a fund is authorised by the SFC under the SFO as a public fund, profits of that fund arising from the sale or disposal of securities, net investment income received by or accruing to that fund and other profits of that fund will be exempt from profits tax.

Stamp Duty

The registers of members of the Company will be maintained outside Hong Kong. Accordingly the Shares will not be considered as 'Hong Kong Stock' under the Stamp Duty Ordinance (Cap 117) of Hong Kong and a charge to Hong Kong stamp duty should not arise on the redemption or transfer of any Shares. There are no exchange controls in Hong Kong.

Foreign Account Tax Compliance Act

US Requirements

The Foreign Account Tax Compliance Act ("FATCA") provisions of the Hiring Incentives to Restore Employment Act ("HIRE Act") provide that the Company must disclose the name, address and taxpayer identification number of certain United States persons that own, directly or indirectly, an interest in the Company, as well as certain other information relating to any such interest, pursuant to the terms of the intergovernmental agreement between the United States and the Cayman Islands ("US IGA") and implementing legislation and regulations which have been adopted by the Cayman Islands. If the Company fails to comply with these requirements, then a 30% withholding tax will be imposed on certain payments to the Company of United States source income. Although the Company will attempt to satisfy the obligations imposed on them to avoid the imposition of this withholding tax, no assurance can be given that the Company will be able to satisfy these obligations. In this regard, the Company may require investors to provide any documentation or other information regarding the investors and their beneficial owners that the Company determines is necessary or desirable for the Company to avoid the withholding tax and otherwise comply with the HIRE Act. If the Company becomes subject to a withholding tax as a result of the HIRE Act, the value of Shares held by all Shareholders may be materially affected. The Cayman Islands legislation requires the Company to make an annual report to the Cayman Islands Tax Information Exchange Authority ("Cayman TIA"). Any information provided by the Company to the Cayman TIA will be shared with the IRS.

Other Intergovernmental Agreements

It is possible that further inter-governmental agreements ("future IGAs") similar to the US IGA may be entered into with other third countries by the Cayman Islands Government to introduce similar regimes for reporting to such third countries' fiscal authorities.

OECD Multilateral Competent Authority Agreement

Over 100 countries have signed the Organisation for Economic Cooperation and Development ("OECD") Multilateral Competent Authority Agreement and Common Reporting Standard ("CRS") for the implementation of the automatic exchange of tax information based on the OECD's

Multilateral Convention on Mutual Administrative Assistance in Tax Matters. The CRS is similar in form and substance to the US IGA and applies in respect of each “participating jurisdiction” (as identified in a list published by the Cayman TIA). The implementation in the Cayman Islands is governed by the Tax Information Authority (International Tax Compliance) (Common Reporting Standard) Regulations (Revised) (“CRS Regulations”). As a result of this, Cayman Islands financial institutions, including the Company, have substantially expanded international tax compliance obligations and substantially expanded reporting obligations.

By investing (or continuing to invest) in the Company, investors shall be deemed to acknowledge that: (i) the Company (or its agent) may be required to disclose to the Cayman TIA certain confidential information in relation to the investor, including, but not limited to, the investor's name, address, tax identification number (if any), social security number (if any) and certain information relating to the investor's investment; (ii) the Cayman TIA may be required to automatically exchange information as outlined above with the IRS, HM Revenue & Customs, the United Kingdom tax authority (“HMRC”) and other fiscal authorities (“Competent Authorities”) of CRS “participating jurisdictions”; (iii) the Company (or its agent or delegate) may be required to disclose to the IRS, HMRC and other Competent Authorities certain confidential information when registering with such authorities and if such authorities contact the Company (or its agent or delegate directly) with further enquiries; (iv) the Company may require the investor to provide additional information and/or documentation which the Company may be required to disclose to the Cayman TIA; (v) in the event an investor does not provide the requested information and/or documentation and/or has not itself complied with the applicable requirements, whether or not that actually leads to compliance failures by the Company, or a risk of the Company's or its investors' being subject to withholding tax under the relevant legislative or inter-governmental regime, the Company reserves the right to take any action and/or pursue all remedies at its disposal, including, without limitation, compulsory redemption or withdrawal of the investor concerned; and (vi) no investor affected by any such action or remedy shall have any claim against the Company (or its agent or delegate) for any form of damages or liability as a result of actions taken or remedies pursued by or on behalf of the Company in order to comply with any of the US IGA, the CRS Regulations or any future IGAs or agreements, laws or regulations entered into or implemented by the Cayman Islands for the purpose of ensuring and/or enhancing international tax transparency.

General

The receipt of dividends (if any) by Shareholders, the redemption, exchange or transfer of Shares and any distribution on a winding-up of the Company may result in a tax liability for the Shareholders according to the tax regime applicable in their various countries of residence, citizenship or domicile. Shareholders resident in or citizens of certain countries which have anti-offshore fund legislation may have a current liability to tax on the undistributed income and gains of the Company. The Directors, the Company and the Company's agents (including the Administrator, the Administrator's Delegate and the Custodian) have no liability in respect of the individual tax affairs of Shareholders.

Where specified in the relevant Appendix, distributions may be made by the Company by way of dividend in respect of a Fund. Investors in some jurisdictions may incur a higher rate of tax on distributions than might be the case on any capital gains which are realised by that investor upon redemption or disposal of its Shares.

Distributions may be made before any deduction or accrual for fees and expenses. Such distributions may be made out of capital or capital gains. Distributions out of capital or capital gains may cause a reduction of an investor's original capital invested in the Fund. Furthermore, any distributions from income and/or involving the Fund's capital and/or capital gains may result in an immediate reduction of the Net Asset Value per Share of the relevant Fund.

GENERAL AND STATUTORY INFORMATION

The information in this section includes a summary of some of the provisions of the Memorandum and Articles of Association of the Company and material contracts described below and is provided subject to the general provisions of each of such documents.

The Company

The Company is segregated portfolio company incorporated with limited liability in the Cayman Islands on 29 October 2010 and registered as a segregated portfolio company under the provisions of the Companies Act (Revised) of the Cayman Islands. Its constitution is defined in its Memorandum and Articles of Association. The Company's objects, as set out in Clause 3 of its Memorandum of Association, are unrestricted and so include the carrying on of the business of an investment company.

The Company has been registered as a regulated "mutual fund" under Section 4(3) of the Mutual Funds Act and will comply with the provisions of that law. The fact that it has been registered should not, however, be taken to imply that the Cayman Islands Government accepts any responsibility for overseeing or regulating its investment activities.

Base currency

The base currency of the Company and, unless otherwise specified in the relevant Appendix, of each Fund is the Renminbi.

Share capital

The Company has an authorised share capital of RMB13,000,100 and USD1,000,000 divided into: (i) 100 Founder Shares of RMB1.00 par value each; (ii) 779,959,993.70 segregated portfolio shares of RMB0.01 par value each which may be issued as Shares; (iii) 520,000 segregated portfolio shares of RMB10 par value each which may be issued as Shares; (iv) 40,006,300 segregated portfolio shares of RMB0.00001 par value each which may be issued as Shares; and (v) 100,000,000 segregated portfolio shares of USD0.01 par value each which may be issued as Shares.

The authorised share capital of the Company may be increased or reduced subject to the provisions of the Articles and the Companies Act (Revised) of the Cayman Islands. The Directors are authorised under the Articles to resolve from time to time the Class and Fund to which Shares are to be designated and/or redesignated.

The Founder Shares are held by Intertrust as trustee of UBS (CAY) Investment Fund SPC Star Trust, pursuant to a declaration of trust by the trustee, and acknowledged by GTCS Enforcers Limited as the enforcer.

The Articles provide that unissued ordinary shares of the Company are at the disposal of the Directors who may offer, allot, grant options over or otherwise dispose of them to such persons, at such times and for such consideration and upon such terms and conditions as the Directors may determine. All ordinary shares will be issued in registered form only.

Prospective investors should note that there are no provisions under the laws of the Cayman Islands or under the Articles conferring pre-emption rights on the holders of ordinary shares of the Company or Founder Shares.

No capital of the Company is under option or agreed conditionally or unconditionally to be put under option.

Rights of the Founder Shares

The Founder Shares carry no right to dividends and on a winding up rank only for the return of the capital paid up thereon after the return of the capital paid up on the Shares. Founder Shares are not redeemable.

The holders of the Founder Shares have the exclusive right to vote (to the exclusion of the holders of the Shares) in respect of: (i) the appointment or removal of any Director; (ii) any alteration or amendment of the authorised share capital of the Company; (iii) any change in the name of the Company or any Fund; (iv) the winding up of the Company; and (v) any resolution to approve an application to the SFC for the authorisation of the Company and/or any Fund pursuant to section 104 of the SFO and any change to the Articles as may be required in connection with such an application. The holders of the Founder Shares may, at any time, resolve to relinquish their right to appoint and remove Directors and in that event, such right will vest in the holders of the Shares to be exercised by ordinary resolution.

Subject to the foregoing, the holders of Founder Shares are not entitled to any votes in respect of the Founder Shares held by them except during any period when there are no Shares in issue, in which event each holder of Founder Shares is entitled to one vote for each such Founder Share held by him.

Rights of the Shares

The Shares of a particular Class carry an equal right to such dividends and other distributions as the Directors may declare. Except where voting rights attach exclusively to the Founder Shares, on a show of hands at a general meeting of the Company every Shareholder who is present in person or by proxy shall have one vote and on a poll every Shareholder present in person or by proxy shall be entitled to one vote in respect of each Share held by him. On a winding-up, the Shares are entitled, in priority to the Founder Shares, to the return of the capital paid up thereon and the surplus assets of the Company attributable to each Class in the relevant Fund will be distributed among the holders of Shares of that Class according to the number of such Shares held by each of them.

Change in share capital

The Company may increase or reduce its authorised share capital, divide all or any of its share capital into shares of smaller amount or combine all or any of its share capital into shares of larger amount.

Variation of rights attaching to a Class

For so long as the authorised share capital is divided into different classes of Shares, the rights attached to any Class may only be materially and adversely varied with the sanction of a special resolution passed at a general meeting of the holders of the Shares of that Class. For such purposes the Directors may treat all Classes as forming one class if they consider that all such Classes would be affected in the same way by the proposals under consideration but in any other case shall treat them as separate Classes.

Any resolution by the holders of the Founder Shares to relinquish their right to appoint and remove Directors or to approve an application to the SFC for the authorisation of the Company and/or any Fund pursuant to section 104 of the SFO or any change to the Articles as may be required in connection with such an application will not be deemed to vary the rights of any class of Shares.

Meetings and voting rights

One or more Shareholders present in person or by proxy who are entitled to vote and are registered as the holders of, in aggregate, not less than 10% of the Shares then in issue and carrying the right to vote shall be a quorum for all purposes at any general meeting of the Company (save where there is only one Shareholder then such Shareholder shall be a quorum), provided that for the purposes of considering a resolution which is to be proposed as a special resolution at least one or more Shareholders present in person or by proxy who are entitled to vote and are registered as the holders of, in aggregate, not less than 25% of the Shares then in issue and carrying the right to vote shall be a quorum (save where there is only one Shareholder then such Shareholder shall be a quorum).

Subject to any special terms as to voting upon which any Shares in the Company may be issued or may for the time being be held, at any general meeting on a poll every member who is present in person or by proxy shall have one vote for every share held by him which carries the right to vote.

To be passed, resolutions (other than special resolutions) of the Company in general meeting require a simple majority of the votes cast at the meeting at which the resolution is proposed. A special resolution is a resolution which is passed by not less than three quarters of such members of the Company for the time being entitled to vote as may be present, in person or by proxy, and includes a unanimous written resolution, at any general meeting of which notice specifying the intention to propose such resolution as a special resolution has been duly given.

Segregated portfolios

The Articles provide that the Directors may from time to time establish one or more segregated portfolios (each, a "Fund"). Each Fund shall be separately designated by reference to a name that includes the words "Segregated Portfolio". The Directors shall identify:

- (a) each asset as either a General Asset or a Fund Asset and in the case of a Fund Asset, the Fund to which it is attributed;
- (b) each liability as being that of a creditor in respect of a particular Fund (a "Fund Creditor") and/or a general creditor and in the case of a Fund Creditor, the Fund of which such person is a creditor; and
- (c) each Class by reference to a Fund.

The proceeds from the issue of Shares of each Class shall be applied to the Fund in respect of which that Class is issued. The assets and liabilities and income and expenditure attributable to that Fund shall be applied to such Fund and, subject to the provisions of the Articles, to no other Fund.

The assets held in each Fund shall be applied solely in respect of the liabilities of such Fund in accordance with the provisions of the Companies Act (Revised) of the Cayman Islands. Any surplus in a Fund shall be held, subject to the provisions of the Companies Act (Revised) of the Cayman Islands and the Articles, for the benefit of the holders of the relevant Shares attributed to such Fund.

Income, receipts and other property or rights of or acquired by the Company not otherwise attributable to any Fund shall be applied to and comprised in the General Assets. Liabilities of the Company not attributable to any particular Fund shall be discharged from the General Assets.

The Directors may transfer Fund Assets to the General Assets (and, if more than one Fund is then in existence, pro rata in proportion to the Net Asset Value of each Fund or in such other proportion

as the Directors may determine) in order to discharge the following liabilities: establishment costs and expenses of the Company, government registration fees, annual return fees, professional fees, service provider fees, the cost of insurance for the benefit of the Directors, taxes, fines and penalties and any other liabilities necessarily incurred in maintaining the continued existence and good standing of the Company.

Transfer of Shares

Subject to the restrictions set out under “Subscriptions” above, Shares are transferable by written instrument of transfer signed by (or in the case of a transfer by a body corporate, signed on behalf of or sealed by) the transferor and the transferee and containing the name and address of the transferor and the transferee. The instrument of transfer shall be in such form as the Directors approve.

In the case of the death of any one of joint Shareholders, the survivor(s) will be the only person or persons recognised by the Company as having any title to the interest of the deceased joint Shareholder in the Shares registered in the names of such joint Shareholders.

Shareholders wishing to transfer Shares must sign the transfer in the exact name or names in which the Shares are registered, indicate any special capacity in which they are signing and supply all other required details. The completed form of transfer, duly stamped if applicable, together with such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer, must be sent to the Administrator. The transfer shall take effect upon the registration of the transferee in the register of Shareholders. If the transferee is not already a Shareholder, he will be required to complete a subscription application and comply with all eligibility and identification requirements for an applicant for Shares.

No transfer may be made which would result in either the transferor or the transferee remaining or being registered (as the case may be) as the holder of Shares valued at less than the Minimum Holding at the time of such intended transfer.

The Directors may suspend the registration of transfers for not more than a total of thirty days in any year. The Directors decline to register a transfer without giving any reason for doing so.

Compulsory redemption

Shareholders are required to notify the Company and the Administrator immediately if at any time they become a US Person or hold Shares for the account or benefit of a US Person or are otherwise an Ineligible Applicant.

When the Directors become aware that a Shareholder: (A) has become an Ineligible Applicant; (B) is holding Shares in breach of any law or regulation or otherwise in circumstances having or which may have adverse regulatory, tax, pecuniary or material administrative disadvantages for the Company or its Shareholders; or (C) has failed to provide any information or declaration required by the Directors within ten days of being requested to do so, the Directors may either (i) direct such Shareholder to redeem the relevant Shares or to transfer them to a person who is qualified or entitled to own or hold such Shares or (ii) redeem the relevant Shares.

Any person who becomes aware that he is holding Shares in contravention of any of the above provisions and who fails to transfer or redeem his Shares pursuant to the above provisions shall indemnify and hold harmless each of the Directors, the Company, the Manager, the Administrator and the Shareholders (each an “Indemnified Party”) from any claims, demands, proceedings, liabilities, damages, losses, costs and expenses directly or indirectly suffered or incurred by such Indemnified Party arising out of or in connection with the failure of such person to comply with his obligations pursuant to any of the above provisions.

The Directors may redeem Shares which have been issued pursuant to a valid subscription application but in respect of which subscription monies in cleared funds have not been received from the relevant applicant by the applicable time specified to in the section headed "Subscriptions".

The Directors may redeem Shares held by a Shareholder if such Shareholder's holding is less than the relevant Minimum Holding or if such Shareholder's holding is inconsistent with any requirement described in the relevant Appendix as being applicable to the rights or restrictions attaching to the relevant Class, as set out in further detail in the section headed "Redemptions".

The Directors may redeem Shares where during a period of six years no cheque in respect of any dividend on the Shares has been cashed and no acknowledgement has been received in respect of any confirmation of ownership of the Shares sent to the Shareholder and require the redemption proceeds to be held in a separate interest-bearing account. Any unclaimed dividends may be forfeited after six years and, on forfeiture, form part of the assets of the Company.

The Directors may resolve to redeem compulsorily all outstanding Shares in respect of a Fund if the Net Asset Value of the Fund falls below USD50 million (or its equivalent in another currency) or such other amounts as the Directors may from time to time determine either generally or in respect of any Fund and as may be specified in the relevant Appendix. In addition, the Directors may resolve to redeem compulsorily all outstanding Shares of a Class if the Net Asset Value of the relevant Class Account is at any time below USD10 million (or its equivalent in another currency) or such other amount as the Directors may from time to time determine either generally or in respect of any Fund and as may be specified in the relevant Appendix.

The Directors may also redeem compulsorily all outstanding Shares in respect of a Fund where a limited duration or term is fixed for the Fund and specified in the relevant Appendix.

Directors' interests

The interests of the Directors and their interests in companies associated with the management, administration, promotion and marketing of the Company and the Shares are set out below:

- (a) Ms. Wong is a director of SHRK Pte. Ltd. which receives a fee from the Company for the provision of a Director pursuant to a director services agreement entered into between the Company and SHRK Pte. Ltd. Mr. Ruffer and Ms. Fletcher are directors of Ironstone Global Solutions, an Intertrust Group company. Intertrust holds the Founder Shares, while Ironstone Global Solutions receives a fee from the Company for the provision of such Directors pursuant to a director services agreement entered into between the Company and Ironstone Global Solutions.
- (b) There are service agreements between the Company and all of the Directors, as detailed above.
- (c) No shareholding qualification for Directors is required under Cayman Islands law. The Directors or companies of which they are officers or employees, including the Manager may, however, subscribe for Shares in the Company.
- (d) Save as disclosed herein, no Director has any interest, direct or indirect, in the promotion of or in any assets which are proposed to be acquired, disposed of by or leased to the Company and no Director has a material interest in any contract or arrangement entered into by the Company which is unusual in nature or conditions or significant in relation to the business of the Company, nor has any Director had such an interest since the Company was incorporated.

Directors' remuneration

The remuneration of the Directors is determined by a resolution of the Directors. As at the date of this Offering Memorandum, Mr. Ruffer and Ms. Fletcher are entitled to receive: (i) a fee of USD8,000 per annum per director, which is paid out of the assets of each Fund on a pro rata basis; and (ii) a further USD2,000 per annum per director for each Fund in existence, which is paid out of the assets of the relevant Fund. As at the date of this Offering Memorandum, Ms. Wong is entitled to receive: (i) a fee of USD8,000 per annum paid out of the assets of each Fund on a pro rata basis; and (ii) a further USD2,000 per annum, which is paid out of the assets of the relevant Fund.

The Directors may be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or any committee of the Directors or general meetings of the Company or in connection with the business of the Company.

Transactions with Directors

- (a) No agreement or transaction between the Company and one or more of its Directors or any person in which any Director has a financial interest or to whom any Director is related, including as a director of that other person, is void or voidable for that reason only or by reason only that the Director is present at the meeting of Directors or at the meeting of the committee of Directors that approves the agreement or transaction, or that the vote or consent of that Director is counted for that purpose, provided that the material facts of the interest of each relevant Director in the agreement or transaction, and his interest in or relationship to any other party to the agreement or transaction, are disclosed in good faith to or known by the other Directors.
- (b) A Director who has an interest in any particular business to be considered at a meeting of the Directors or Shareholders may be counted for the purpose of determining whether the meeting is duly constituted and may vote at such meeting.

Retirement of Directors

There is no provision for the retirement of Directors on their attaining a certain age and the Articles do not provide for retirement of Directors by rotation.

Borrowing

As at the date of this document, the Company does not have any loan capital (including term loans) outstanding or created but unissued, and no outstanding mortgages, charges or other borrowings or indebtedness in the nature of borrowings, including bank overdrafts and liabilities under acceptances or acceptance credits, hire purchase or finance lease commitments, or guarantees or other contingent liabilities.

The Directors are authorised under the Articles to exercise all powers of the Company to borrow money.

Indemnity

The Directors and other officers of the Company are entitled to be indemnified by the Company against any and all liabilities, obligations, losses, damages, penalties, actions, judgements, suits, costs, expenses (including, without limitation, legal fees and expenses incurred in defence of any demands, claims or legal proceedings) or disbursements of any kind or nature whatsoever which may be imposed on, incurred by or asserted against any such Director or other officer in the performance of his or her functions and duties for the Company and/or for any person connected with the Company to the fullest extent permitted by applicable law and regulation (all of the

foregoing being the “Indemnified Amounts”). However, the Company shall have no obligation to indemnify any Director or other officer in respect of any Indemnified Amounts to the extent any such Indemnified Amounts resulted from the negligence, wilful default or fraud of such Director or other officer.

Restriction on Auditors' liability

The Company has entered into an engagement letter with PricewaterhouseCoopers, Cayman Islands (the “Auditors”).

PricewaterhouseCoopers, Cayman Islands has been appointed as the auditors for the Company and will provide annual audit services. Under the standard terms of the annual engagement letter which the Company has entered into with the Auditors, the Auditors' liability is capped. The liability cap is three times the fees paid to the Auditors by the Company under the engagement letter, except to the extent finally determined to have resulted from the wilful or intentional neglect or misconduct or fraudulent behaviour of the Auditors. Other provisions expected to be contained in the annual engagement letter include release and indemnity provisions by which the Company will indemnify the Auditors, relating to consequential loss, any and all third party claims, costs and expenses relating to the services provided and claims resulting from fraudulent acts or omissions, misrepresentations or wilful default on the part of the directors, employees or agents of the Company.

Cayman Islands Data Protection

For the purposes of the Data Protection Act, 2017 of the Cayman Islands, as amended from time to time (the “Data Protection Act”), the data controller in respect of any personal data provided in respect of Shareholders and their respective representatives, directors, officers, agents or beneficial owners in respect of whom personal data is provided in relation to a Fund shall be the Fund. Personal data shall be processed in accordance with the Cayman Privacy Notice set out in the subscription application documentation for the relevant Fund. The Cayman Privacy Notice sets out the purposes for which such personal data may be processed, the circumstances in which such data might be disclosed or transferred, Shareholders' rights in respect of such data, as well as other matters.

Each Fund has engaged the Administrator to act as data processor, as defined in the Data Protection Act. Pursuant to the Administration Agreement, the Administrator, as data processor, is permitted to do the following, including but not limited to, processing personal data (as defined in the Data Protection Act and the Administration Agreement) in order to provide services under the Administration Agreement and to carry out anti- money laundering checks and related actions; disclose or transfer the personal data to its affiliates, employees, agents, delegates, subcontractors, credit reference agencies, professional advisors or competent authorities for the provision of the services; and report tax or regulatory related information to competent bodies or authorities.

Material contracts

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Company which are, or may be, material:

- (a) A *Management Agreement* dated 19 November 2010 between the Company, for and on behalf of each Fund, and the Manager pursuant to which the Manager was appointed, subject to the overall supervision of the Directors, to manage each of the Fund's investments and affairs, with powers of delegation.

- (b) In respect of each Fund, an *Administration Agreement* between (1) the Company on behalf of and for the account of the relevant Fund and (2) the Administrator, pursuant to which the Company on behalf of and for the account of such Fund has appointed the Administrator to act as the administrator, registrar and transfer agent of such Fund and to provide certain administrative services to such Fund.
- (c) In respect of each Fund, a *Custodian Agreement* between (1) the Company on behalf of and for the account of the relevant Fund and (2) the Custodian, pursuant to which the Company on behalf of and for the account of such Fund has appointed the Custodian to act as the custodian of the investments and uninvested cash (outside of the PRC) of such Fund.

Winding up

The Company may be wound up by a special resolution of the holders of the Founder Shares.

On a winding up, the general assets of the Company not attributable to any particular Fund will be paid to the holder of the Founder Shares until such holder has received an amount equal to the par value of the Founder Shares and the balance, if any, will be transferred to the Funds in proportion which the Net Asset Value of each Fund bears to the aggregate Net Asset Value of all the Funds of the Company. The net assets of a Fund will then be allocated between the different classes of Shares in the same manner as when determining the Net Asset Value per Share of each class and the amount attributable to each class of Shares will be paid to the holders of each such class pro rata in relation to the number of Shares of the relevant class held.

Beneficial ownership regime

The Company is regulated as a mutual fund under the Mutual Funds Act and, accordingly, does not fall within the scope of the primary obligations under Part XVIIIA of the Companies Act (the "Beneficial Ownership Regime"). The Company is required to confirm its out-of-scope status to the relevant Cayman authority and failure to do so may result in an administrative fine payable by the Company. The Company may, however, be required from time to time to provide, on request, certain particulars to other Cayman Islands entities which are within the scope of the Beneficial Ownership Regime and which are therefore required to maintain beneficial ownership registers under the Beneficial Ownership Regime. Neither the beneficial ownership registers nor any information provided is publicly available.

Documents available for inspection

Copies of the following documents may be inspected free of charge during normal business hours on any week day (Saturdays and public holidays excepted) in Hong Kong at the office of the Manager:

- (a) the Articles;
- (b) the agreements referred to under "Material contracts" above; and
- (c) the Companies Act (Revised) of the Cayman Islands; and
- (d) the Mutual Funds Act (Revised) of the Cayman Islands.

Copies of the Articles and the latest financial reports of the Company may be obtained from the Manager, and on request at the registered office of the Company.

Enquiries and complaints handling

Enquiries or complaints concerning the Company, any Fund and the Shares (including information concerning subscription and redemption procedures and current Net Asset Value) should be directed to the Manager, attention: Customer Services team, at the address in the Directory above or by phone at (852) 2971 6330. The Manager will handle or channel to the relevant party any enquiries or complaints from Shareholders and will revert to the Shareholders accordingly.

Supervising regulatory authority

The Company is subject to the regulatory supervision of the Cayman Islands Monetary Authority, PO Box 10052, SIX, Cricket Square, Grand Cayman KY1-1001, Cayman Islands (Tel: (345) 949 7089).

Miscellaneous

- (a) Save as disclosed herein, no commissions are payable and no discounts, brokerages or other special terms have been granted by the Company in connection with the issue of the Shares.
- (b) Save as disclosed herein, no amount or benefit has been paid or given, or is intended to be paid or given, to any promoter.
- (c) No share or loan capital of the Company is under option or has been agreed conditionally or unconditionally to be put under option or has been issued or is proposed to be issued for a consideration other than cash.
- (d) The Company is not, nor has been since its incorporation, engaged in any litigation or arbitration and the Directors are not aware of any litigation or arbitration or claims pending or threatened against the Company.
- (e) The Company has not established and does not intend to establish a place of business in Hong Kong.
- (f) The Company has no subsidiaries and no employees.

Schedule 1

Policy summaries

Summary of Liquidity Risk Management Policy

(a) Governance Structure

The Manager has established comprehensive risk management policies and procedures to manage and mitigate the Company's exposure to significant market, liquidity and operational risks.

The board of directors (the "Board") of the Manager provides general oversight of the Company's and each Fund's investment programme and operations in accordance with the Manager's liquidity risk management policies and procedures.

(b) Liquidity Risk Management Policy

The Manager has, as part of its overall risk management programme, established liquidity risk management policies and procedures which are reviewed periodically from time to time.

The key elements to the Manager's risk management policy include (but not limited to) the following in accordance with its liquidity risk management policies and procedures:

Considering risk appetite – The Manager considers the liquidity risks facing the Funds to ensure that the Funds' dealing arrangements are appropriate for its investment strategy and underlying assets. Among other things, the Manager seeks to (a) understand and align the liquidity profile of the Funds' liabilities with the liquidity profile of the Funds' assets, (b) understand investors' historical and expected redemption patterns, and (c) determine an appropriate dealing frequency taking into account the liquidity profile of the Funds and investors' redemption patterns.

Ongoing liquidity risk assessment through qualitative and quantitative evaluations – The Manager assesses, on a regular basis, the liquidity profile of the Funds' assets and liabilities by taking into account various factors. Examples are as follows:

- Broad-based market conditions including interest rate and credit environments & market prices – historical and current
- Cash flows/ liquidity demands, i.e. large outflows, historical and expected redemptions
- Dealer inventories
- Transaction costs
- Significant market volatility impacting flows
- Fund closures
- Other potential sources of liquidity risks such as margin calls for derivatives
- Collateral needs
- Investor profile

The Manager assesses the Funds' liquidity position against the internal liquidity indicators.

- Stress-testing – Liquidity stress tests are conducted on an ongoing basis as appropriate based on various scenarios, including scenarios based on both backward-looking historical market conditions and redemption demands of the Funds as well as forward-looking hypothetical scenarios to assess the Funds' ability to meet redemption obligations and the impact on the remaining investors when there is a significant decrease in the liquidity of underlying assets or a significant increase in redemption requests. Stress test results will be reviewed by the Board to determine whether further action will be required.

(c) Liquidity Risk Management Tools

The Manager may recommend the following liquidity management tools to the Directors in order to protect the interests of the Shareholders:

- Deferred redemption – In the event that redemption requests are received on a Dealing Day for the redemption of Shares representing, in aggregate, more than the percentage specified in the relevant Appendix of the total number of Shares attributable to the relevant Fund then in issue, the Company is entitled to reduce the requests rateably and pro rata amongst all Shareholders seeking to redeem such Shares on the relevant Dealing Day and to carry out only sufficient redemptions which amount to the applicable percentage of the Shares then in issue. Please refer to sub-section "Deferred redemption" of the Offering Memorandum for more information.
- Suspension of redemption - The Directors have discretion to suspend redemption or delay the payment of any moneys or the transfer of any securities in specie under exceptional circumstances, such as the closure, suspension or restriction of trading on any markets. Please refer to sub-section "Suspension of calculation of the Net Asset Value and the issue and redemption of Shares" of the Offering Memorandum for more information.
- Redemptions in specie – Where specified in the relevant Appendix, the Directors have the discretion to agree with a redeeming Shareholder that the relevant Fund will meet part of the redemption request in specie, by transferring underlying assets of an equivalent value to the redeeming Shareholder. Please refer to sub-section "Settlement" of the Offering Memorandum and the relevant Appendix for more information.
- Anti-dilution levy – Where specified in the relevant Appendix, the Manager has the discretion to impose an anti-dilution levy if the net redemption for Shares of the relevant Fund in respect of a Dealing Day exceeds a specified percentage of that Fund's Net Asset Value prior to such redemption. Please refer to sub-section "Anti-dilution levy" of the Offering Memorandum and the relevant Appendix for more information.

APPENDIX 1 TO OFFERING MEMORANDUM

This Appendix forms part of and is, unless otherwise stated, qualified in its entirety by the contents of the Offering Memorandum dated November 2019, as amended, restated or supplemented from time to time (the “Offering Memorandum”) in respect of UBS (CAY) Investment Fund SPC (the “Company” or “UBS (CAY) Investment Fund”). This Appendix should only be read in conjunction with the Offering Memorandum.

This Appendix relates only to Shares of the UBS China Equity Select Cherry Segregated Portfolio II (the “Fund”).

UBS (CAY) Investment Fund SPC

(an open-ended segregated portfolio company incorporated with limited liability under the laws of the Cayman Islands under registration number WK-247186)

UBS China Equity Select Cherry Segregated Portfolio II

(a sub-fund and segregated portfolio of the Company)

27 January 2021

UBS CHINA EQUITY SELECT CHERRY SEGREGATED PORTFOLIO II

The following information relates to the Fund, a segregated portfolio of UBS (CAY) Investment Fund. The Fund was established by board resolution dated 27 January 2021. References in this Appendix to “Fund” and “Shares” relate to the UBS China Equity Select Cherry Segregated Portfolio II and Shares attributed to it respectively.

This Appendix forms part of, and must be read together with, the Offering Memorandum. A copy of the Offering Memorandum has been furnished to you together with this Appendix. If you have not received the Offering Memorandum please contact the Manager.

Statements in this Appendix are made as of the date of this Appendix. Statements made in the Offering Memorandum that are not revised by this Appendix are made as of the date of the Offering Memorandum. Neither the delivery of this Appendix and Offering Memorandum, nor any sale made pursuant to those documents, shall in any circumstances imply that the information contained in this Appendix or in the Offering Memorandum is correct as of any time other than, respectively, the date of this Appendix and the Offering Memorandum.

Where there is any inconsistency between this Appendix and the Offering Memorandum, the provisions of this Appendix shall prevail.

Capitalised terms not defined herein are defined in the Offering Memorandum.

DEFINITIONS

“Business Day”	in respect of the Fund, any day (other than Saturday and Sunday) on which banks and securities exchanges are open for normal business in the Cayman Islands, Hong Kong, China and the United States and/or such date or dates as the Directors may from time to time determine provided that where, as a result of a number 8 typhoon signal, black rainstorm warning or similar event, the period during which banks in Hong Kong are open on any day is reduced, such day shall not be a Business Day unless the Directors otherwise determine.
“Class”	the Class K-1 (USD) Shares.
“Class K-1 (USD) Share”	an ordinary participating share in the Company whose reference currency is USD and which is designated as a Class K-1 (USD) Share.
“Custodian”	The Hongkong and Shanghai Banking Corporation Limited.
“Dealing Day”	each Business Day or such other day or days as the Directors may from time to time determine.
“Fund”	UBS China Equity Select Cherry Segregated Portfolio II.
“Initial Issue Price”	the initial offer price per Share of Shares of each Class of the Fund, as set out in the section headed “Subscriptions” below.
“Initial Offer Period”	in respect of any Class, the period commencing at 9.00 am (Hong Kong time) on the relevant Offer Start Date and ending at such time and on such date as determined by the Manager (or any other

period as the Manager may determine in its discretion).

“Offer Start Date”

in respect of any Class, the date specified in the section headed “Subscriptions” below.

“Shares”

the Class K-1 (USD Shares, which has a par value of USD0.01 per Share and each of which will be attributable to a Class Account attributable to the Fund.

BASE CURRENCY

The base currency of the Fund will be USD.

INVESTMENT OBJECTIVE, APPROACH AND RESTRICTIONS

Investment objective

The investment objective of the Fund is to attract risk-adjusted absolute return from investing primarily in equities and other equity share of companies that are either domiciled or primarily active in China.

There can be no assurance that the Fund will achieve its investment objective.

Investment approach

The Fund is actively managed and shall invest primarily in equities, other equity shares such as cooperative shares and participation certificates (equities and equity rights), short-term securities, dividend-right certificates, warrants of companies, American depositary receipts, global depository receipts, participatory notes and convertible bonds (up to 15%) which are domiciled in or generate a predominate share of their sales and/or profits from China and which are listed or traded outside of China. Further, the Fund may also invest in China A-shares traded via the Stock Connect and China B-shares or any other lawful means as permitted by the Chinese regulators. The Fund also intends to engage in short exposure in securities via derivative instruments including equity options, futures and swaps.

Despite the above, the Fund has flexibility to invest in a wide range of instruments as set out under the heading "Investment Objective, Approach and Restrictions" in the Offering Memorandum.

Investment and borrowing restrictions

The Fund will not utilise leverage through borrowing cash for the purposes of making investments. However, the Fund, will be authorised to borrow up to 10% of its latest available Net Asset Value and may borrow cash or utilise other credit facilities for the purposes of foreign exchange hedging or the payment of the Fund's ongoing operational costs and payment of redemption proceeds. Cash may be borrowed from banks and other financial institutions. The assets attributable to the Fund may be charged or pledged as security for any such borrowings.

If the investment and borrowing restrictions set out above are breached, the Manager shall as a priority take all steps necessary within a reasonable period of time to remedy the situation, having regard to the interests of the Shareholders.

SUBSCRIPTIONS

Availability to investors

Shares in the Fund are available to all eligible investors.

Admission of investors in further distribution countries shall be decided by the Directors at their sole discretion.

Initial offer

Shares may be subscribed for during the relevant Initial Offer Period at the following Initial Issue Prices:

Class	Initial Issue Price (exclusive of any initial fee)	Offer Start Date
Class K-1 (USD) Shares	USD100	To be determined by the Manager

Applicants for Shares during an Initial Offer Period must complete a subscription application and send it to the Administrator's Delegate so as to be received by no later than 6:00 pm (Hong Kong time) on the last Business Day of the Initial Offer Period (or such later time or date as the Manager may determine). Cash subscription monies must be sent by wire transfer, net of bank charges, so that cleared funds are received in the Fund's account by no later than 11:59 pm (Hong Kong time) on the Business Day immediately following the last Business Day of the relevant Initial Offer Period (or such later time or date as the Manager may determine). Subject to this, Shares are deemed to be issued immediately on the close of the Initial Offer Period.

The Manager may determine that Shares of any Class will not be issued if subscriptions for Shares totalling less than USD70 million have not been received during the relevant Initial Offer Period. In such circumstances, subscription proceeds will be returned to applicants (without interest) by telegraphic transfer (at the risk of, and cost to, each such applicant) as soon as possible following the end of the Initial Offer Period.

Subsequent subscriptions

Following the close of the relevant Initial Offer Period, the below procedures will apply.

A completed subscription application must be received by the Administrator's Delegate by no later than 6:00 pm (Hong Kong time) on the relevant Dealing Day (or such later time or date as the Manager may determine). The Subscription Price will be equal to the Net Asset Value per Share as at the Dealing Day on which the application is effective (and is exclusive of any initial fee). The latest Subscription Price will be available from the Administrator and/or the Administrator's Delegate on request.

Subscription monies must be paid by the applicant in cleared funds in full, in the reference currency of the Class of Shares being subscribed, by no later than 11:59 pm (Hong Kong time) on the third Business Day following the relevant Dealing Day (or such later time or date as the Manager may determine). If cleared funds are not received in full by 11:59 pm (Hong Kong time) on the third Business Day following the relevant Dealing Day, the Company reserves the right to redeem compulsorily the relevant Shares issued on the relevant Dealing Day. In such event, any gain or losses incurred by the Company as a result of the compulsory redemption of Shares shall be for the account of the Fund, and the Manager may require the applicant to pay to the Company, for the account of the Fund, in respect of each Share redeemed, the amount (if any) by which the Subscription Price on the relevant Dealing Day exceeds the applicable Redemption Price on the date of redemption, in addition to any reasonable handling fees and charges. Applicants will be required to indemnify and hold harmless each of the Company, the Directors, the Manager, the Administrator, the Administrator's Delegate and the Custodian against any losses, costs or expenses incurred by any of them as a result of the failure or default of the applicant to transmit

subscription monies in immediately available funds to the account of the Company within the time specified, and the Company may, in the Directors' discretion, bring an action against any applicant who fails to submit payment on time.

Rejection of applications

The Company may reject any application in whole or part and without giving any reason for doing so. In the event of an application being rejected, the amount paid on application or the balance thereof, as the case may be, will be returned (without interest) as soon as practicable in the reference currency of the Class of Shares that was being subscribed at the risk and cost of the applicant.

Smallest tradable unit

Fractions of Shares will be issued, and accordingly subscriptions and redemptions will be subject to the following smallest tradable units:

Class	Smallest tradable unit
Class K-1 (USD) Shares	0.001 Share

Initial fee

The Company and/or the Manager may appoint one or more distributors to solicit subscriptions for Shares. Such distributors may charge applicants an initial fee of up to 3% of the amount subscribed for the Shares (exclusive of the amount subscribed for the Shares). The relevant distributor may waive the payment of all or part of the initial fee.

Minimum investment

In respect of each Class, the minimum initial investment per applicant is as follows:

Class	Minimum initial investment
Class K-1 (USD) Shares	USD3,000,000

The Directors may, generally or in any particular case, determine that the minimum initial investment per applicant of a lesser amount applies, provided that such lesser amount is consistent with the Fund being registered under section 4(3) of the Mutual Funds Law.

There is no minimum subsequent investment amount.

Distributors may impose different minimum initial or subsequent investment amounts from time to time. Investors should check with the distributors for details.

REDEMPTIONS

Shares will not be redeemable at the option of the Shareholder on a Dealing Day falling less than twenty-four calendar months after the launch of the Fund, unless the Directors, following consultation with the Manager, in their absolute discretion determine otherwise, either generally or in a particular case ("Lock Up Period").

Shares will be redeemable at the option of the Shareholder on any Dealing Day after the Lock Up Period. The Directors, following consultation with the Manager, waiving or reducing such period in their absolute discretion, either generally or in a particular case. A completed redemption request

must be received by the Administrator's Delegate by no later than 6:00 pm (Hong Kong time) on a Business Day.

For any intention to redeem that amount to at least 20% of the Net Asset Value at the point of notification, Shareholders will need to provide notice in writing to the Manager of at least two calendar months' prior to the intended Dealing Day.

The Redemption Price will be equal to the Net Asset Value per Share as at the relevant Dealing Day. The latest Redemption Price will be available from the Administrator and/or the Administrator's Delegate on request.

The redemption proceeds will be reduced by the amount of a redemption fee (if any), net of bank charges, an anti-dilution levy (if any) and any other fees and the net amount will be paid to the redeeming Shareholder.

Minimum redemption and minimum holding

Subject to the smallest tradable unit of each Class, the Fund does not impose any minimum redemption requirement or any minimum holding (although Shares may be compulsorily redeemed as described under the section headed "Compulsory redemption" below and in the Offering Memorandum).

Settlement

Payment of redemption proceeds will normally be made within three Business Days of the later of: (1) the relevant Dealing Day; and (2) the date on which the Administrator's Delegate has received all the documentation (including KYC documents) as may be required. It should be noted the settlement period may be longer where the markets in which a substantial portion of the Fund's direct or indirect investments will be made is subject to legal or regulatory requirements (such as foreign currency controls or capital repatriation constraints) which may render the payment of redemption proceeds within the aforesaid period not practicable. In such instances, settlement period may take longer than a month.

Payment will be made in the reference currency of the relevant Class of Shares by direct transfer to the account in the name of the Shareholder.

Redemptions may, at the discretion of the Directors and subject to the approval of the Shareholder requesting the redemption of Shares, be effected *in specie* by the appropriation of assets of the Fund of the relevant value (which shall be determined conclusively by the Directors) in satisfaction of the redemption proceeds. Any such appropriation will be effected in such manner as not materially to prejudice the interests of the continuing Shareholders in the Fund as a whole. The redemption proceeds will be reduced by such sum (if any) as the Directors consider represents an appropriate provision for any fiscal, transfer, registration or other charges, fees or duties (including stamp duties) associated with the appropriation and transfer of the assets upon such redemption of Shares.

Deferred redemption

In the event that redemption requests are received on a Dealing Day for the redemption of Shares representing in aggregate more than 10% (or such higher percentage as the Directors determine) (the "Applicable Percentage") of the total number of Shares then in issue, the Company is entitled to reduce the requests rateably and pro rata amongst all Shareholders seeking to redeem such Shares in the relevant Dealing Day and to carry out only sufficient redemptions which, in aggregate, amount to the Applicable Percentage of the Shares then in issue. Shares which are not redeemed on the original requested Dealing Day will be redeemed on the next Dealing Day (subject to further

deferral if the deferred requests themselves exceed 10% of the Shares attributable to the Fund then in issue). Shares will be redeemed at the Redemption Price on the Dealing Day on which they are actually redeemed, on a pro-rata basis amongst all redeeming Shareholders until the deferred redemption requests are fully carried out. The Company is entitled to reject any further redemption requests received after the redemption limit in respect of a Dealing Day has been reached.

Compulsory redemption

The Directors may resolve to redeem compulsorily all outstanding Shares if the Net Asset Value of the Fund falls below USD20 million (or its equivalent in another currency) or such other amounts as the Directors may determine from time to time. In addition, the Directors may resolve to redeem compulsorily all outstanding Shares of a Class if the Net Asset Value of the relevant Class Account is at any time below USD20 million (or its equivalent in another currency) or such other amount as the Directors may determine from time to time.

EXCHANGES

Unless the Manager determines otherwise, Shares of one Class in the Fund may not be exchanged for Shares of another Class in the Fund or shares attributable to another segregated portfolio of the Company. If exchanges are permitted in the future, the Manager reserves the right to impose an exchange fee on any such exchanges.

SUSPENSION

Directors may, from time to time, in their absolute discretion and for any reason, declare a suspension of: (a) the calculation of the Net Asset Value of any Class; (b) the issue of Shares of any Class; (c) the right to require redemption of Shares of any Class; and/or (d) the payment of redemption proceeds (even where neither the calculation of Net Asset Value nor the right to redeem has been suspended) (each a “Suspension”). Notwithstanding the generality of the foregoing, the Directors reserve the right to declare a Suspension in respect of the Fund in the circumstances described under “Suspension of calculation of Net Asset Value and the issue and redemption of Shares” in the section headed “Net Asset Value” of the Offering Memorandum, which include, but are not limited to, the whole or any part of a period:

- (i) during which any stock exchange, commodities exchange, futures exchange or over-the-counter market on which any significant portion of the investments of the Fund is quoted, listed, traded or dealt in is closed (other than customary weekend and holiday closing) or trading on any such exchange or market is restricted or suspended; or
- (ii) where an underlying collective investment scheme in which the Fund holds a material holding does not publish the requisite net asset value for the relevant Valuation Day and/or is not open for subscriptions or redemptions and/or subscriptions, redemptions or payment of redemption proceeds in respect of shares or interests in such underlying scheme are restricted or suspended and/or the calculation of valuations by such underlying fund are suspended.

DISTRIBUTION POLICY

General

The Directors have discretion as to whether or not to make any distributions, the frequency of distribution and amount of distributions. There can be no guarantee of regular distribution and, if distribution is made, the amount being distributed. Distributions (if any) will be paid out of lawfully available funds in the reference currency of the relevant Class in compliance with applicable laws.

The Directors do not currently intend to make any distributions on the Shares.

REPORTS AND FINANCIAL STATEMENTS

The financial year for the Company will end on 31 December in each year.

An annual report with audited financial statements of the Company will be prepared in accordance with IFRS for each financial year. The first financial statements for the Fund will cover the period from the date of its inception to 31 December 2021.

The annual report will be provided to Shareholders as soon as reasonably practicable and, in any event, within six (6) months of the financial year end.

FEES AND EXPENSES

Management Fee and Fund Servicing Fee

The Manager will be entitled to receive from the Company in respect of the Fund a Management Fee in respect of each Class. The Manager may from time to time at its sole discretion and out of its own resources rebate to some or all Shareholders or their agents or to intermediaries, part or all of its Management Fees. Any such rebates may be applied in paying up additional Shares to be issued to some or all Shareholders.

The Manager is also entitled to receive from the Fund a Fund Servicing Fee in respect of each Class.

The Management Fee and the Fund Servicing Fee in respect of each Class, calculated as at each Valuation Point and payable monthly in arrears, are as follows:

Class	Management Fee* (% per annum of the Net Asset Value of the Class Account)	Fund Servicing Fee* (% per annum of the Net Asset Value of the Class Account)
Class K-1 (USD) Shares	up to 1.80%	up to 0.05%

* before deduction of any accrued Management Fee and any Fund Servicing Fee

Performance Fee

The Manager does not intend to charge a Performance Fee in respect of the Fund.

Custodian Fee and Administration Fee

The Company will pay the Custodian and the Administrator, in respect of the Fund, a customary Custodian Fee and a customary Administration Fee respectively, such fees being at rate(s) agreed between the Company and the Administrator or the Custodian (as the case may be), from time to time. Fees paid to the Custodian will be a percentage of the Fund's assets under custody of the Custodian, unless otherwise agreed between the Company, on behalf of the Fund, and the Custodian from time to time. Fees paid to the Administrator will be a percentage of the Net Asset Value of the Fund, unless otherwise agreed between the Company, on behalf of the Fund, and the Administrator from time to time. No maximum amount of such fees has been agreed between the Company, in respect of the Fund, and the Custodian or the Administrator.

The Custodian and Administrator are also reimbursed from the Company for all out-of-pocket expenses incurred in performing their services to the Fund, including but not limited to any costs and expenses associated with sale and purchase transaction of securities, preparation of annual

and semi-financial statements, statutory filing in the Cayman Islands, and any additional duties as may be required from time to time and as agreed between the Manager and the Custodian or the Administrator (as the case may be).

Other fees and expenses

The total costs and expenses of establishing the Fund will be payable out of the proceeds of the initial issue of Shares. Such costs and expenses will be amortised within the first three financial years of the Fund unless the Directors decide that some other method shall be applied. The Directors may, in their absolute discretion, shorten the period over which such costs and expenses are amortised.

ADDITIONAL RISK FACTORS

The nature of the Fund's investments involves certain risks and the Fund will utilise investment techniques which may carry additional risks. An investment in Shares therefore carries substantial risk and is suitable only for persons who can assume the risk of losing their entire investment. Prospective investors should refer to the relevant risks mentioned in the section headed "Risk Factors" in the Offering Memorandum, and should also consider, among others, the following additional risk factors before subscribing for Shares.

Risks associated with the Fund's investment approach

Overall investment risk

All investments in securities risk the loss of capital. There may be increased risk due to the nature of the securities to be purchased and traded by the Fund and the investment techniques and strategies used to try to increase profits. While the Manager will devote its best efforts to the management of the Fund's portfolio, it cannot give an assurance that the Fund will not incur losses. Many unforeseeable events, including actions by various government agencies and domestic and international political events, may cause sharp market fluctuations.

Risks of executing investment approach

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 investments and appropriate hedging techniques, there is 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.

Risk of asset allocation

In developing and/or restricted markets, lack of availability or liquidity of securities may not at all times allow for implementation of the Fund's investment approach. This may lead to temporary deviations from the targeted asset allocation, which may have an adverse effect on the performance of the Fund.

Risks associated with concentration

In the event that one or only a few financial instruments make up a significant part of the total portfolio of the Fund or that financial instruments representing a certain market sector and/or a certain geographical region make up a significant part of the total portfolio, the Fund could suffer more substantial losses than would have been the case had the portfolio been more diversified (i.e. spread over different assets, market sectors and/or geographical regions).

Please also refer to the risk factor headed “Concentration of investments” of the Offering Memorandum for further general information relating to concentration risk.

Risks associated with illiquidity

The Fund’s assets may, at any time, include securities and other financial instruments or obligations that are illiquid or thinly-traded, making purchase or sale of such securities and financial instruments at desired prices or in desired quantities difficult or impossible. At times, it may be difficult to obtain price quotes at all. Furthermore, the sale of any such investments may be possible only at substantial discounts and it may be extremely difficult to value any such investments accurately. Accordingly, the Fund’s ability to respond to market movements may be impaired and the Fund may experience adverse price movements upon liquidation of its investments. Settlement of transactions may be subject to delay and administrative uncertainty.

Please refer to the risk factor headed “Liquidity and market characteristics” of the Offering Memorandum for further general information relating to the risk of illiquidity.

Risks associated with derivatives

The Fund may utilise both exchange-traded and over-the-counter derivatives, including, but not limited to, futures, forwards, swaps, options and contracts for differences, as part of its investment policy and for hedging purposes. The assets will be invested in interest rate derivatives (including but not limited to interest rate swaps and futures), while spot and forward foreign exchange contracts will be used for hedging purposes.

Please refer to the risk factor headed “Derivatives” of the Offering Memorandum for further general information relating to derivative risks.

Risks associated with over-the-counter derivatives

The Fund may use over-the-counter derivatives which create additional risks for the Fund. Please refer to the risk factor headed “OTC market risk and regulation of OTC transactions” of the Offering Memorandum for further general information relating to certain risks of investment in over-the-counter derivatives.

Risks associated with credit and credit spreads

Due to the nature of some of the investments that the Fund may make, the Fund may rely on the ability of the counterparty to a transaction to perform its obligations. If that party fails to complete its obligations for any reason, the Fund may suffer losses and 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. A default by a counterparty or a default on settlement could have a material adverse effect on the Fund.

The Fund will make investments that expose them to corporate credit spreads and movements in such spreads will thus impact on the Net Asset Value per Share of each Class.

Risks associated with equity securities generally

The Fund intends to invest in equity securities. Prices of equity securities may be highly volatile. Price movements of securities are difficult to predict and are influenced by, amongst other things, speculation, changing supply and demand relationships, governmental trade, fiscal, monetary and exchange control programs and policies, national and international political and economic events, the climate, changes in interest rates and the inherent volatility of the market place. In addition, governments from time to time may intervene, directly and by regulation, in certain markets. Such

intervention is often intended to influence price directly and may cause rapid movement in these markets. There can be no assurance that the Fund or its delegates will be able to predict future price levels correctly.

Convertible Securities

The Fund may invest in convertible securities, securities that may be exchanged or converted into a predetermined number of the issuer's underlying shares or the shares of another company or that are indexed to an unmanaged market index at the option of the holder during a specified time period. Convertible securities may take the form of convertible preferred stock, convertible bonds or debentures, stock purchase warrants, zero-coupon bonds or liquid-yield option notes, stock index notes, mandatories, or a combination of the features of these securities. Prior to conversion, convertible securities have the same general characteristics as non-convertible debt securities. As with all debt securities, the market value of convertible securities tends to decline as interest rates increase and conversely, increase as interest rates decline. Convertible securities, however, also appreciate when the underlying common stock appreciates, and conversely, depreciate when the underlying common stock depreciates.

Derivative Instruments

The Fund will utilize both exchange-traded and over-the-counter derivatives, including, but not limited to, futures, forwards, swaps, options and contracts for differences, as part of its investment policy. These instruments can be highly volatile and expose investors to a high risk of loss. Transactions in over-the-counter contracts may involve additional risk, as there is no exchange market on which to close out an open position. It may be impossible to liquidate an existing position, to assess the value of a position or to assess the exposure to risk. Contractual asymmetries and inefficiencies can also increase risk, such as break clauses, whereby a counterparty can terminate a transaction on the basis of a certain reduction in net asset value, incorrect collateral calls or delays in collateral recovery.

Futures contracts

The prices of futures contracts and options used for speculation and hedging purposes may not correlate with price movements of the underlying securities being hedged. Although the Fund intends to purchase or sell commodity futures contracts only if there is an active market for each such contract, no assurance can be given that a liquid market will exist for the contracts at any particular time. Futures exchanges and boards of trade limit the amount of fluctuation permitted in certain futures contract prices during a single trading day. Once the daily limit has been reached in a particular contract, no trades may be made that day at a price beyond that limit.

Options

Investing in options can provide a greater potential for profit or loss than an equivalent investment in the underlying asset. The value of an option may decline because of a change in the value of the underlying asset relative to the strike price, the passage of time, changes in volatility – the perception as to the future price behaviour of the underlying asset, or any combination thereof. In the case of the purchase of an option, the risk of loss of an investor's entire investment (i.e., the premium paid plus transaction charges) reflects the nature of an option as a wasting asset that may become worthless when the option expires. Where an option is written or granted (sold) uncovered, the seller may be liable to pay substantial additional margin, and the risk of loss may be unlimited, as the seller will be obligated to deliver, or take delivery of, an asset at a predetermined price which may, on expiration of the option, be significantly different from the market value.

Over-the-counter options are not assignable except by agreement between the parties concerned. No party or purchaser has any obligation to permit such assignments, and the over-the-counter

market for options may be illiquid, particularly for relatively small or extremely large transactions.

Leverage

As noted above, the Fund may utilize leverage. This results in the Fund controlling substantially more assets than the Fund has equity. Leverage increases the Fund's returns if the Fund earns a greater return on investments purchased with borrowed funds than the Fund's cost of borrowing such funds. However, the use of leverage exposes the Fund to additional levels of risk including: (i) greater losses from investments than would otherwise have been the case had the Fund not borrowed to make the investments; (ii) margin calls or changes in margin requirements may force premature liquidations of investment positions; and (iii) losses on investments where the investment fails to earn a return that equals or exceeds the Fund's cost of leverage related to such investments. In the event of a sudden, precipitous drop in value of the Fund's assets, the Fund might not be able to liquidate assets quickly enough to repay its borrowings, further magnifying the losses incurred by the Fund.

Borrowing

The Fund or the Manager on its behalf, is permitted to finance the Fund's operations with secured and unsecured borrowing to the maximum extent allowable under applicable credit regulations. The Fund may suffer losses if there are adverse changes in the level of market prices of the assets being financed with the borrowings.

Discretion of the Manager; concentration of investments

The Manager will seek to engage in the investment activities described in this Appendix. Nonetheless, the Manager may alter the Fund's portfolio. It can do so in its sole discretion and without the approval of any holder of Shares. Although, as a matter of general policy, the Manager will try to spread the Fund's capital among a number of investments, it may depart from that policy from time to time and may hold a few relatively large securities positions in relation to the Fund's capital. A loss on a large security position following such concentration could materially reduce the value of the Fund.

Difficult market for investment opportunities

The activity of identifying, completing and realising on attractive investments is highly uncertain. There is no assurance that the Fund will be able to locate and complete investments that satisfy the Fund's rate-of-return objective or to realise on the value of those investments; nor is there any assurance that the Fund will be able to fully invest its subscribed capital in a manner consistent with its investment strategy.

Trading Errors

The Fund will bear the financial consequences of all trade errors including, but not limited to, a technology error or malfunction in the computers, networks, and systems used by the Manager and its employees, agents, affiliates, counter-parties and service providers. The Manager will take all reasonable measures to ensure that trade errors do not occur and will monitor and document all trade errors but Shareholders must be prepared to bear the cost of a trade error.

Risks associated with the ongoing global pandemic

In December 2019, a novel strain of coronavirus (known as COVID-19) surfaced in Wuhan, China, which resulted in the temporary closure of many corporate offices, retail stores, and manufacturing facilities across the globe. These closures have caused the disruption of manufacturing supply chains and local and global economies, the duration of which remains uncertain.

The outbreak could have a continued adverse impact on economic and market conditions and trigger a period of continued global economic slowdown. The rapid development of this situation precludes any prediction as to the ultimate adverse impact of the novel coronavirus. There are no comparable recent events in the global economy which provide guidance as to the effect of the spread of COVID-19 and a potential pandemic on the economy as a whole and the specific sectors that the Fund is invested in. COVID-19 presents material and specific uncertainty and risk with respect to the Fund's performance and financial results. There is substantial uncertainty around regulatory and market reactions to COVID-19 and the potential effect that these reactions will have on the financial condition and liquidity of the Fund's investments.

The extent to which COVID-19 may negatively affect the operations of the Manager and the performance of the Fund is difficult to predict. Any potential impact on such operations and performance will depend to a large extent on future developments and new information that may emerge regarding the duration and severity of COVID-19 and the actions taken by authorities and other entities to contain COVID-19 or treat its impact.

Risks associated with investing in China

Risk relating to emerging markets

The Fund may invest in securities of companies incorporated in, or whose business operations are in or substantially connected with, emerging markets and therefore additional risks may be encountered. These include, but are not limited to, the following:

- (a) *Political and economic factors:* Investing in emerging markets involves certain risks not typically associated with investing in the securities of issuers in more established markets, including: (i) political and economic risks, such as greater risks of expropriation, nationalisation and lower social, political and economic stability; (ii) a greater level of government involvement in and control over the economy; (iii) substantially higher rates of inflation; (iv) certain national policies which may restrict the investment opportunities of the Fund, including restrictions on investing in issuers or industries deemed sensitive to the national interest; and (v) bureaucratic restraints relating to investment in the country.
- (b) *Developing legal system:* At present, the securities market and the regulatory framework for the securities industry in many emerging markets is at an early stage of development. Tax and associated laws are also evolving on a continuing basis. As these laws, regulations and legal requirements are relatively recent, interpretation and enforcement involve significant uncertainty. In particular, laws governing business organisations, bankruptcy and insolvency in emerging markets may provide substantially less protection to security holders than that provided by the laws of more developed countries.
- (c) *Market considerations:* As emerging markets are at an early stage of development, they typically have less volume, are less liquid and experience greater volatility than more established markets. Settlement of transactions may be subject to delay and administrative uncertainties.
- (d) *Currency:* The currencies in which investments are denominated may be unstable and/or subject to significant depreciation. Such currencies may not be freely convertible.
- (e) *Custody risk:* Custodians are not able to offer the level of service and safe-keeping in relation to the settlement and administration of securities that is customary in more developed markets. In particular, there is a risk that the Fund will not be recognised as the owner of securities held on its behalf by a sub-custodian.
- (f) *Disclosure:* Less complete and reliable fiscal and other information may be available to

investors.

China market risk

Investing in the securities markets in the PRC is subject to the risks of investing in emerging markets generally and the risks specific to the PRC market. Many of the PRC economic reforms are unprecedented or experimental and are subject to adjustment and modification, and such adjustment and modification may not always have a positive effect on foreign investment in listed securities such as China A-shares and China B-shares. There is no guarantee of the repayment of the principal investment. The profitability of the investments of the Fund could be adversely affected by a worsening of general economic conditions in the PRC or global markets. Factors such as PRC government policy, fiscal policy, interest rates, inflation, investor sentiment, the availability and cost of credit, the liquidity of the PRC financial markets and the level and volatility of equity prices could significantly affect the value of the Fund's underlying investments and thus the Share price.

The choice of China A-shares and China B-shares currently available to the Manager may be limited as compared with the choice available in other markets. There may also be a lower level of liquidity in the China A-shares and China B-shares markets, which are relatively smaller in terms of both combined total market value and the number of shares which are available for investment as compared with other markets. This could potentially lead to severe price volatility.

The national regulatory and legal framework for capital markets and joint stock companies in the PRC are still developing when compared with those of developed countries. However, the effects of such reform on the China A-shares and China B-shares markets as a whole remain to be seen. In addition, there is a relatively low level of regulation and enforcement activity in these securities markets. Settlement of transactions may be subject to delay and administrative uncertainties. Further, regulations continue to develop and may change without notice which may further delay redemptions or restrict liquidity. There may not be regulation and monitoring of the Chinese securities markets and activities of investors, brokers and other participants equivalent to that in certain more developed markets.

PRC companies are required to follow PRC accounting standards and practice which, to a certain extent, follow international accounting standards. However, there may be significant differences between financial statements prepared by accountants following PRC accounting standards and practice and those prepared in accordance with international accounting standards.

Both the Shanghai and Shenzhen securities markets are in the process of development and change. This may lead to trading volatility, difficulty in the settlement and recording of transactions and difficulty in interpreting and applying the relevant regulations. The PRC government has been developing a comprehensive system of commercial laws and considerable progress has been made in the promulgation of laws and regulations dealing with economic matters such as corporate organization and governance, foreign investment, commerce, taxation and trade. Because these laws, regulations and legal requirements are relatively recent, their interpretation and enforcement involve uncertainties. In addition, the PRC laws for investor protection are still in developing stage and may be less sophisticated than those in developed countries.

Investments in the PRC will be sensitive to any significant change in political, social or economic policy in the PRC. Such sensitivity may, for the reasons specified above, adversely affect the capital growth and thus the performance of these investments.

The PRC government's control of currency conversion and future movements in exchange rates may adversely affect the operations and financial results of the companies invested in by the Fund.

In light of the above mentioned factors, the price of China A-shares and/or China B-shares may fall significantly in certain circumstances.

Disclosure of interests and Short Swing Profit Rule

Under the PRC disclosure of interest requirements, the Fund may be deemed to be acting in concert with other funds or sub-funds managed within the Manager's group or a substantial shareholder of the Manager's group and therefore may be subject to the risk that the Fund's holdings may have to be reported in aggregate with the holdings of such other funds or sub-funds mentioned above should the aggregate holding triggers the reporting threshold under the PRC law, currently being 5% of the total issued shares of the relevant PRC listed company. This may expose the Fund's holdings to the public with an adverse impact on the performance of the Fund.

In addition, subject to the interpretation of PRC courts and PRC regulators, the operation of the PRC short swing profit rule may be applicable to the Fund's investments with the result that where the holdings of the Fund (possibly with the holdings of other investors deemed as concert parties of the Fund) exceed 5% of the total issued shares of a PRC listed company, the Fund may not reduce its holdings in such company within six months of the last purchase of shares of such company. If the Fund violates the rule and sells any of their holdings in such company in the six month period, they may be required by the listed company to return any profits realised from such trading to the listed company. Moreover, under PRC civil procedures, the Fund's assets may be frozen to the extent of the claims made by such company. These risks may greatly impair the performance of the Fund. The investments should comply with the requirements as set out in the relevant guidance catalogues on industries for foreign investment which will be updated from time to time.

Regulatory Risk

The national regulatory and legal framework for capital markets and joint stock companies in the PRC are still developing when compared with those of developed countries. The effects of such development on the China A-share market and China B-share market as a whole remain to be seen.

The regulatory framework of stock markets within the PRC are still developing when compared with many of the world's leading stock markets and accordingly there may be a lower level of monitoring of the activities of such stock markets. Furthermore, the legal infrastructure may not provide the same degree of investor protection or information to investors compared to developed markets.

Risk associated with the Stock Connect

The relevant rules and regulations on the Stock Connect are subject to change which may have potential retrospective effect. The Stock Connect is subject to quota limitations. Where a suspension in the trading through the programme is effected, the Fund's ability to invest in China A-shares, China B-shares or access the PRC market through the programme will be adversely affected. In such event, the Fund's ability to achieve its investment objective could be negatively affected.

Low level of monitoring risk

The regulatory framework of stock markets within the PRC is still developing when compared with many of the world's leading stock markets and accordingly there may be a lower level of monitoring of the activities of such stock markets.

Accounting standards and disclosure risk

Accounting, auditing and financial reporting standards in the PRC may be less rigorous than international standards. As a result, certain material disclosures may not be made by some companies.

Currency risk of the RMB

The base currency of the Fund is USD, the Fund will be directly exposed to any fluctuation in the exchange rate between USD and RMB.

The Fund invests primarily in securities denominated in RMB, but its Net Asset Value, subscription and redemption will be quoted in USD. Accordingly, a change in value of RMB against USD will result in a corresponding change in the USD Net Asset Value of the Fund.

The PRC government's control of currency exposure and future movements in exchange rates may adversely affect the operations and financial results of companies invested in by the Fund. RMB is not a freely convertible currency and it is subject to foreign exchange control policies of and repatriation restrictions imposed by the PRC government. If such policies or restrictions change in the future, the position of the Fund or its investors may be adversely affected.

Conversion between RMB and USD is subject to policy restrictions and promulgations relating to RMB and relevant regulatory requirements. Relevant policies may have impact on the ability of the Fund to convert between RMB and USD in respect of its onshore and offshore investments, applicable exchange rate and cost of conversion. There is no assurance that conversion will not become more difficult or impossible, or that the RMB will not be subject to devaluation, revaluation or shortages in its availability. There is no guarantee that RMB will not depreciate. The Fund will be subject to bid/offer spread on currency conversion and transaction costs. Such foreign exchange risk and costs of conversion may result in capital loss to the Fund and its investors.

Settlement risk

In the PRC, some securities transactions are not settled on a delivery versus payment basis, as a result of which the Fund may have an exposure to settlement risk.

PRC Tax Risk

By investing in securities (including China A-shares and China B-shares) issued by PRC tax resident enterprises, irrespective of whether such securities are issued or distributed onshore ("onshore PRC securities") or offshore ("offshore PRC securities"), and together with onshore PRC securities, the "PRC Securities", the Fund may be subject to PRC taxes.

The PRC government has implemented a number of tax reform policies in recent years. The current tax laws and regulations may be revised or amended in the future. Any revision or amendment in tax laws and regulations may affect the after-taxation profit of PRC companies and foreign investors in such companies.

Please refer to the section headed "PRC Tax Considerations" below for further information on the risks associated with PRC taxation.

TAXATION

The following is based on the Company's understanding of certain aspects of the law and practice currently in force. There can be no guarantee that the tax position or proposed tax position at the date of this document or at the time of an investment will endure indefinitely.

Investors should consult their professional advisers on the possible tax and other consequences of their subscribing for, purchasing, holding, selling or redeeming Shares under the laws of their country of incorporation, establishment, citizenship, residence or domicile.

PRC Tax Considerations

By investing in the PRC Securities, the Fund may be subject to withholding income tax and other taxes imposed by the PRC tax authorities.

PRC Corporate Income Tax

If the Fund is considered as a PRC tax resident enterprise, it will be subject to PRC Corporate Income Tax ("CIT") at 25% on its worldwide taxable income; if the Fund is considered as a non-PRC tax resident enterprise but has a permanent establishment ("PE") in the PRC, the profits and gains attributable to that PE would be subject to PRC CIT at 25%.

It is the intention of the Manager to operate the affairs of the Fund such that they should not be treated as tax resident enterprises of the PRC or non-tax resident enterprises with PE in the PRC for PRC CIT purposes, although this cannot be guaranteed. If the Fund is a non-PRC tax resident enterprise without PE in the PRC, the PRC sourced income derived by it from the investment in PRC Securities would be subject to 10% PRC withholding income tax ("WIT") in the PRC, unless exempt or reduced under the laws and regulations or any relevant tax treaty.

(i) Dividends and interest

Unless a specific exemption or reduction is available under current PRC tax laws and regulations or any relevant tax treaties, non-tax resident enterprises without PE in the PRC are subject to CIT on a withholding basis, generally at a rate of 10%, to the extent it directly derives PRC sourced passive income. PRC sourced passive income (such as dividend income or interest income) may arise from investments in the PRC Securities. Accordingly, the Fund may be subject to WIT on any cash dividends, distributions and interest it receives from its investment in PRC Securities.

On 22 November 2018, the Ministry of Finance ("MOF") and State Administration of Taxation ("SAT") of the PRC jointly released circular Caishui [2018] No. 108 ("Circular 108") to address the tax issues in relation to bond interest income received by foreign institutional investors from investments in the PRC bond market. Under Circular 108, for foreign institutional investors without a PE in the PRC (or having a PE in the PRC but the income so derived in the PRC is not effectively connected with such PE), such bond interest income received from 7 November 2018 to 6 November 2021 will be temporarily exempt from CIT. As this exemption granted under Circular 108 is temporary, it is uncertain whether such exemption policy would be extended after 6 November 2021.

Under the PRC CIT Law, interests derived from PRC government bonds issued by the in-charge Finance Bureau of the State Council and/or local government bonds approved by the State Council are exempt from PRC income tax under CIT law.

(ii) Capital gains – PRC equity investments (including China A-Shares)

On 14 November 2014 and 2 December 2016, the MOF, SAT and the China Securities Regulatory Commission ("CSRC") issued Circular Caishui [2014] No.81 ("Circular 81") and Circular Caishui [2016] No. 127 ("Circular 127") to clarify the PRC taxation issues on the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect. Pursuant to Circular 81 and Circular 127, effective 17 November 2014 and 5 December 2016 respectively, capital gains realised by overseas investors from the trading of A-Shares through the Stock Connect will be temporarily exempt from PRC CIT.

Gains derived from the disposal of B-shares and overseas listed shares (including H-shares) by a non-resident enterprise which has no establishment or place of business in China were specifically exempted from withholding tax pursuant to Circular Guoshuifa [1993] No. 45 issued by the SAT.

However, Circular Guoshuifa [1993] No. 45 was repealed by Bulletin of the STA [2011] No. 2.

After the PRC CIT Law took effect on January 1, 2008, in the absence of a specific rule, a non-resident enterprise which has no establishment or place of business in China should technically be subject to withholding tax on the gains derived from disposal of B-shares and overseas listed shares (including H-shares). The prevailing withholding tax rate for gains on disposal is 10%, with the possibility of reduction or exemption under an applicable double tax treaty or arrangement between China and the jurisdiction where the non-resident enterprise resides. At the current stage, the SAT has not enforced the withholding tax on such gains derived from disposal of B-shares and overseas listed shares (including H-shares).

(iii) Capital gains – PRC bond investments

There are no specific regulations on the taxation of capital gains made by foreign investors from trading PRC onshore bonds. In the absence of specific regulations, the application of CIT is governed by the general tax provisions of CIT law in the PRC and is subject to the interpretation of the PRC tax authorities. In relation to capital gains realized from the disposal of PRC onshore bonds, the PRC tax authorities have verbally indicated on numerous occasions, that such gains are non-PRC sourced income and hence not subject to PRC WIT. However, there is no specific written tax provision confirming this. In practice, no WIT is currently applied to capital gains made by foreign investors from trading PRC onshore bonds.

PRC Value-added Tax ("VAT"):

With the Circular Caishui [2016] No. 36 ("Circular 36") regarding the final stage of VAT reform which came into effect on 1 May 2016, the gains derived from the transfer of onshore Mainland Chinese securities are subject to VAT starting from 1 May 2016. According to Circular 36 and Circular 127, VAT is exempted on gains derived by overseas investors from the transfer of onshore Mainland Chinese securities through the Stock Connect.

Interest income earned by overseas investors on investments in PRC onshore bonds are subject to 6% VAT where no special exemption applies (see comments about Circular 108 below). Pursuant to Circular 36, interest income on deposits is not subject to VAT and interest income on government bonds is VAT-exempt. Circular 108 provides for VAT exemption in respect of bond interest income received by foreign institutional investors from investments in the China bond market during the period from 7 November 2018 to 6 November 2021. As this exemption granted under Circular 108 is temporary, it is uncertain whether such exemption policy would be extended after 6 November 2021.

Dividend income or profit distributions on equity investment derived from mainland China are not included in the taxable scope of VAT.

If VAT is applicable, there are also other surtaxes (which include urban construction and maintenance tax, education surcharge and local education surcharge) that would amount to as high as 12% VAT payable.

PRC Stamp Duty

The seller will be liable for stamp duty at the rate of 0.1% on the sale of PRC listed securities. The purchase and disposition of PRC unlisted equity investments will attract stamp duty at the rate of 0.05% on the transaction value, which will be payable by each of the buyer and the seller.

In order to meet the potential PRC tax liability, the Manager reserves the right to provide for PRC tax provision and withhold such taxes for the account of the Fund. Currently, after careful consideration of the PRC tax laws, regulations and practice, the Manager does not make any PRC

tax provision.

There is a possibility of the rules being changed and taxes being applied retrospectively. There is a risk that taxes may be levied in the future on the Fund for which no provision is made, which may potentially cause substantial loss to the Fund. The Manager will closely monitor any further guidance by the relevant PRC tax authorities and adjust PRC tax provisioning approach of the Fund if necessary.

Shareholders may be advantaged or disadvantaged depending upon the final tax liabilities, the level of provision and when they subscribed and/or redeemed their Shares. If no provision is made by the Manager in relation to all or part of the actual tax levied by the SAT in the future, investors should note that the Net Asset Value of the Fund may be lowered, as the Fund will ultimately have to bear the full amount of tax liabilities. In this case, the additional amount of tax liabilities will only impact Shares in issue at the relevant time, and the then existing Shareholders and subsequent Shareholders will be disadvantaged as such Shareholders will bear, through the Fund, a disproportionately higher amount of tax liabilities as compared to that borne before the actual tax liabilities are levied.

Shareholders should seek their own tax advice on their tax position with regard to their investments in the Fund.

STRICTLY PRIVATE AND CONFIDENTIAL

APPENDIX 3 TO OFFERING MEMORANDUM

This Appendix forms part of and is, unless otherwise stated, qualified in its entirety by the contents of the Offering Memorandum dated July 2016, as amended, restated or supplemented from time to time (the “Offering Memorandum”) in respect of UBS (CAY) Investment Fund SPC (the “Company” or “UBS (CAY) Investment Fund”). This Appendix should only be read in conjunction with the Offering Memorandum.

This Appendix relates only to Shares of the UBS Global Bonds Series 3 Segregated Portfolio (the “Fund”).

UBS (CAY) Investment Fund SPC

(an open-ended segregated portfolio company incorporated with limited liability under the laws of the Cayman Islands under registration number WK-247186)

UBS Global Bonds Series 3 Segregated Portfolio

(a sub-fund and segregated portfolio of the Company)

June 2019

UBS GLOBAL BOND SERIES 3 SEGREGATED PORTFOLIO

The following information relates to the UBS Global Bonds Series 3 Segregated Portfolio, a segregated portfolio of UBS (CAY) Investment Fund. Accordingly, references in this Appendix to “Fund” and “Shares” relate to the UBS Global Bonds Series 3 Segregated Portfolio and Shares attributed to it respectively.

This Appendix forms part of, and must be read together with, the Offering Memorandum. A copy of the Offering Memorandum has been furnished to you together with this Appendix. If you have not received the Offering Memorandum please contact the Manager.

Statements in this Appendix are made as of the date of this Appendix. Statements made in the Offering Memorandum that are not revised by this Appendix are made as of the date of the Offering Memorandum. Neither the delivery of this Appendix and Offering Memorandum, nor any sale made pursuant to those documents, shall in any circumstances imply that the information contained in this Appendix or in the Offering Memorandum is correct as of any time other than, respectively, the date of this Appendix and the Offering Memorandum.

Where there is any inconsistency between this Appendix and the Offering Memorandum, the provisions of this Appendix shall prevail.

Capitalised terms not defined herein are defined in the Offering Memorandum.

DEFINITIONS

“Business Day”	in respect of the Fund, any day (other than Saturday and Sunday) on which banks and securities exchanges are open for normal business in the Cayman Islands, Hong Kong, Singapore and the United States and/or such date or dates as the Directors may from time to time determine provided that where, as a result of a number 8 typhoon signal, black rainstorm warning or similar event, the period during which banks in Hong Kong are open on any day is reduced, such day shall not be a Business Day unless the Directors otherwise determine.
“Class”	Class A-qdist (USD) Shares; Class A-qdist (HKD) Shares; Class K-1-qdist (USD) Shares; and/or Class Q-qdist (USD) Shares, as the context requires, each of which will be attributable to a separate Class Account attributable to the Fund.
"Class A-qdist Shares"	Class A-qdist (USD) Shares and Class A-qdist (HKD) Shares.
“Class A-qdist (USD) Share”	an ordinary participating share in the Company whose reference currency is USD and which has a par value of USD0.01 and which is designated as a Class A-qdist (USD) Share attributable to the Fund.
“Class A-qdist (HKD) Share”	an ordinary participating share in the Company whose reference currency is HKD and which has a par value of USD0.01 and which is designated as a Class A-qdist (HKD) Share attributable to the Fund.

“Class K-1-qdist (USD) Share”	an ordinary participating share in the Company whose reference currency is USD and which has a par value of USD0.01 and which is designated as a Class K-1-qdist (USD) Share attributable to the Fund.
“Class Q-qdist (USD) Share”	an ordinary participating share in the Company whose reference currency is USD and which has a par value of USD0.01 and which is designated as a Class Q-qdist (USD) Share attributable to the Fund.
“Custodian”	The Hongkong and Shanghai Banking Corporation Limited.
“Dealing Day”	each Business Day or such other day or days as the Directors may from time to time determine.
“Fund”	UBS Global Bonds Series 3 Segregated Portfolio.
“Initial Issue Price”	the initial offer price per Share of Shares of each Class of the Fund, as set out in the section headed “Subscriptions” below.
“Initial Offer Period”	in respect of any Class, the period commencing at 9:00 am (Hong Kong time) on the relevant Offer Start Date and ending at such time and on such date as determined by the Manager (or any other period as the Manager may determine in its discretion).
“Investment Manager”	UBS Asset Management (Americas) Inc., Chicago.
“Offer Start Date”	in respect of any Class, the date specified in the section headed “Subscriptions” below.
“Term”	the period from the Offer Start Date (or if more than one, the first Offer Start Date) until a date to be determined by the Directors and notified to Shareholders, up to 60 calendar months from the first Business Day after the close of the Initial Offer Period (or if more than one, the first Initial Offer Period).
“Shares”	Class A-qdist (USD) Shares; Class A-qdist (HKD) Shares; Class K-1-qdist (USD) Shares; and/or Class Q-qdist (USD) Shares, as the context requires.

BASE CURRENCY

The base currency of the Fund will be USD.

INVESTMENT OBJECTIVE, APPROACH AND RESTRICTIONS

Investment objective

The investment objective is to seek to achieve total return from investing in a portfolio of primarily USD-denominated fixed income securities of global issuers. The Fund will in general take a

buy-and-hold to maturity approach, investing in a diversified portfolio of fixed income securities. However, the Investment Manager will regularly monitor and review all the securities in the portfolio and take appropriate actions as necessary.

There can be no assurance that the Fund will achieve its investment objective.

Investment approach

The Fund will be actively managed and will seek to achieve its investment objective by investing its assets in a portfolio of primarily USD-denominated global fixed income securities comprising sovereign, quasi-sovereign, government-related and corporate issuers. The portfolio split between investment grade and high yield bonds following completion of the initial investment period is expected to be a minimum of 50% in investment grade bonds with the remainder in high yield bonds. The portfolio will be allocated between both developed and emerging markets. Following completion of the initial investment period, emerging market exposure may be up to 60%. Developed market and emerging market classifications are determined by Bloomberg definitions using the Ultimate Parent Country of Risk and then the Country of Risk as a second determinant should the parent not be available. In some instances the Investment Manager may use their discretion to determine classification to accurately reflect where the ultimate risk resides. The expected portfolio allocations will only be applicable at completion of the initial investment period i.e. it will not strictly apply subsequently over the life of the Fund as the allocation may deviate due to cash flow and market movement.

The Investment Manager will in general adopt a buy-and-hold to maturity approach, but will also monitor and review all the securities in the Fund's portfolio on a regular basis, and take appropriate actions as necessary (including but not limited to re-investing securities that have matured prior to the Fund maturity date.) As such, the Fund is suitable for investors who wish to invest in a broadly diversified portfolio of bonds with a focus on the USD-denominated global bond market and whose investment horizon extends to the end of the Term.

In seeking to achieve the investment objective, the Investment Manager will select securities for the Fund's portfolio primarily through fundamental credit analysis of individual securities to determine if the credit quality of the securities in question is sufficient for a held-to-maturity mandate.

A relative-value approach to sector allocation and security selection is also adopted in order to select the most suitable investments for the Fund, rather than by attempting to predict the future direction of underlying bond yields. The asset allocation may change depending on prevailing market circumstances. The Fund does not attempt to follow benchmark indices in determining the sector weightings of the Fund. As such, there are no fixed sectorial weightings in the allocation of assets in the Fund.

Investment and borrowing restrictions

The Fund will not utilise leverage through borrowing cash for the purposes of making investments. However, the Fund, will be authorised to borrow up to 10% of its latest available Net Asset Value and may borrow cash or utilise other credit facilities for the purposes of foreign exchange hedging or the payment of the Fund's ongoing operational costs and payment of redemption proceeds. Cash may be borrowed from banks and other financial institutions. The assets attributable to the Fund may be charged or pledged as security for any such borrowings.

If the investment and borrowing restrictions set out above are breached, the Manager and/or the Investment Manager, as applicable, shall as a priority take all steps necessary within a reasonable period of time to remedy the situation, having regard to the interests of the Shareholders.

MANAGEMENT

The Investment Manager

The Manager has delegated the power to manage and invest certain assets of the Fund to the Investment Manager, UBS Asset Management (Americas) Inc., Chicago. The Investment Manager has full discretion to invest certain assets of the Fund in pursuit of the investment objective and approach and subject to the investment restrictions described herein.

The Investment Manager is a Delaware corporation and located in Chicago, Illinois. The Investment Manager is registered as an investment adviser under the United States Investment Advisers Act of 1940, as amended. The Investment Manager is part of the Asset Management Business Division of the UBS Group AG.

SUBSCRIPTIONS

Subscriptions for Shares of each Class will be closed upon the expiry of the relevant Initial Offer Period, and may be reopened at the discretion of the Manager.

Availability to investors

Shares in the Fund are available to all eligible investors.

Admission of investors in further distribution countries shall be decided by the Directors at their sole discretion.

Initial offer

Shares may be subscribed for during the relevant Initial Offer Period at the following Initial Issue Prices:

Class	Initial Issue Price (exclusive of any initial fee)	Offer Start Date
Class A-qdist (USD) Shares	USD100	To be determined by the Manager
Class A-qdist (HKD) Shares	HKD100	To be determined by the Manager
Class K-1-qdist (USD) Shares	USD100	To be determined by the Manager
Class Q-qdist (USD) Shares	USD100	To be determined by the Manager

Applicants for Shares during an Initial Offer Period must complete a subscription application and send it to the Administrator's Delegate so as to be received by no later than 6:00 pm (Hong Kong time) on the last Business Day of the Initial Offer Period (or such later time or date as the Manager may determine). Cash subscription monies must be sent by wire transfer, net of bank charges, so that cleared funds are received in the Fund's account by no later than 11:59 pm (Hong Kong time) on the Business Day immediately following the last Business Day of the relevant Initial Offer Period (or such later time or date as the Manager may determine). Subject to this, Shares are deemed to be issued immediately on the close of the Initial Offer Period.

The Manager may determine that Shares of any Class will not be issued if subscriptions for Shares totalling more than such amount as determined by the Manager in its absolute discretion have been

received during the relevant Initial Offer Period. In such circumstances, subscription proceeds will be returned to applicants (without interest) by telegraphic transfer (at the risk of, and cost to, each such applicant) as soon as possible following the end of the Initial Offer Period.

Subsequent subscriptions

Where Shares of any Class are reopened for subscription at the Manager's discretion following the close of the relevant Initial Offer Period, the following procedures will apply.

A completed subscription application must be received by the Administrator's Delegate by no later than 6:00 pm (Hong Kong time) on the relevant Dealing Day (or such later time or date as the Manager may determine). The Subscription Price will be equal to the Net Asset Value per Share as at the Dealing Day on which the application is effective (and is exclusive of any initial fee).

Subscription monies must be paid by the applicant in cleared funds in full, in the reference currency of the Class of Shares being subscribed, by no later than 11:59 pm (Hong Kong time) on the third Business Day following the relevant Dealing Day (or such later time or date as the Manager may determine). If cleared funds are not received in full by 11:59 pm (Hong Kong time) on the third Business Day following the relevant Dealing Day, the Company reserves the right to redeem compulsorily the relevant Shares issued on the relevant Dealing Day. In such event, any gain or losses incurred by the Company as a result of the compulsory redemption of Shares shall be for the account of the Fund, and the Manager may require the applicant to pay to the Company, for the account of the Fund, in respect of each Share redeemed, the amount (if any) by which the Subscription Price on the relevant Dealing Day exceeds the applicable Redemption Price on the date of redemption, in addition to any reasonable handling fees and charges. Applicants will be required to indemnify and hold harmless each of the Company, the Directors, the Manager, the Administrator, the Administrator's Delegate and the Custodian against any losses, costs or expenses incurred by any of them as a result of the failure or default of the applicant to transmit subscription monies in immediately available funds to the account of the Company within the time specified, and the Company may, in the Directors' discretion, bring an action against any applicant who fails to submit payment on time.

Rejection of applications

The Company may reject any application in whole or part and without giving any reason for doing so. In the event of an application being rejected, the amount paid on application or the balance thereof, as the case may be, will be returned (without interest) as soon as practicable in the reference currency of the Class of Shares that was being subscribed at the risk and cost of the applicant.

Smallest tradable unit

Fractions of Shares will be issued, and accordingly subscriptions and redemptions will be subject to the following smallest tradable units:

Class	Smallest tradable unit
Class A-qdist (USD) Shares	0.001 Share
Class A-qdist (HKD) Shares	0.001 Share
Class K-1-qdist (USD) Shares	0.001 Share
Class Q-qdist (USD) Shares	0.001 Share

Initial fee

The Company and/or the Manager may appoint one or more distributors to solicit subscriptions for Shares. Such distributors may charge applicants an initial fee of up to 3% of the amount subscribed for the Shares (exclusive of the amount subscribed for the Shares). The relevant distributor may waive the payment of all or part of the initial fee generally or in any particular case.

Anti-dilution levy

Where Shares of any Class are re-opened for subscription, in respect of any Dealing Day that falls after the close of the relevant Initial Offer Period, if net subscriptions for Shares (including exchanges of Shares, if permitted) exceeds 5% of the Fund's Net Asset Value prior to such subscription, the Manager may in its discretion impose an anti-dilution levy of up to 0.50% of the value of each applicant's subscription(s) (or exchange(s), if permitted) on the relevant Dealing Day. Such anti-dilution levy will be deducted from the subscription monies paid by each applicant and will be paid to the Fund.

Minimum investment

In respect of each Class, the minimum initial investment per applicant is as follows:

Class	Minimum initial investment
Class A-qdist Shares	USD100,000 (or an equivalent amount in the reference currency of the Shares being subscribed for)
Class K-1-qdist (USD) Shares	USD3 million
Class Q-qdist (USD) Shares	USD100,000

The Directors may, generally or in any particular case, determine that the minimum initial investment per applicant of a lesser amount applies, provided that such lesser amount is consistent with the Company being registered under section 4(3) of the Mutual Funds Law.

There is no minimum subsequent investment amount.

Distributors may impose different minimum initial or subsequent investment amounts from time to time. Investors should check with the distributors for details.

Closing of subsequent subscriptions

Where Shares of any Class are re-opened for subscription at the Manager's discretion following the close of the relevant Initial Offer Period, the Manager may determine that Shares of any Class will not be issued where: (i) the Net Asset Value of the Fund falls below USD100 million; or (ii) the Net Asset Value of the relevant Class falls below USD25 million, in each case during the Term of the Fund.

REDEMPTIONS

Shares will be redeemable at the option of the Shareholder on any Dealing Day. A completed redemption request must be received by the Administrator's Delegate by no later than 6:00 pm (Hong Kong time) on any Dealing Day.

The Redemption Price will be equal to the Net Asset Value per Share as at the relevant Dealing Day.

The redemption proceeds will be reduced by the amount of the redemption fee, net of bank charges, the anti-dilution levy (if any) and any other fees and the net amount will be paid to the redeeming Shareholder.

Minimum redemption and minimum holding

Subject to the smallest tradable unit of each Class, the Fund does not impose any minimum redemption requirement or any minimum holding (although Shares may be compulsorily redeemed as described under the section headed "Compulsory redemption" in the Offering Memorandum and as described below under the sections headed "Compulsory redemption" and "Compulsory redemption on expiry of the Term").

Redemption fee

A redemption fee of up to 1% of the value of each Shareholder's redemption(s) (or exchange(s), if permitted) is payable on Shares redeemed up to the final 12 months prior to the expiry of the Term. Redemptions thereafter will be subject to a redemption fee of up to 0.5% of the value of each Shareholder's redemption(s) (or exchange(s), if permitted).

Redemption fee will be deducted from the redeeming Shareholder's redemption proceeds and will be retained by the Fund. The Manager may in its absolute discretion waive or reduce the redemption fee generally or in respect of any Shareholder.

Settlement

Payment of redemption proceeds will normally be made within three Business Days of the later of: (1) the relevant Dealing Day; and (2) the date on which the Administrator's Delegate has received all the documentation (including KYC documents) as may be required. It should be noted the settlement period may be longer where the markets in which a substantial portion of the Fund's direct or indirect investments will be made is subject to legal or regulatory requirements (such as foreign currency controls or capital repatriation constraints) which may render the payment of redemption proceeds within the aforesaid period not practicable. In such instances, settlement period may take longer than a month.

Payment will be made in the reference currency of the relevant Class of Shares by direct transfer to the account in the name of the Shareholder.

Redemptions may, at the discretion of the Directors and subject to the approval of the Shareholder requesting the redemption of Shares, be effected *in specie* by the appropriation of assets of the Fund of the relevant value (which shall be determined conclusively by the Directors) in satisfaction of the redemption proceeds. Any such appropriation will be effected in such manner as not materially to prejudice the interests of the continuing Shareholders in the Fund as a whole. The redemption proceeds will be reduced by such sum (if any) as the Directors consider represents an appropriate provision for any fiscal, transfer, registration or other charges, fees or duties (including stamp duties) associated with the appropriation and transfer of the assets upon such redemption of Shares.

Deferred redemption

In the event that redemption requests are received on a Dealing Day for the redemption of Shares representing in aggregate more than 10% (or such higher percentage as the Directors determine) (the "Applicable Percentage") of the total number of Shares attributable to the Fund then in issue, the Company is entitled to reduce the requests rateably and pro rata amongst all Shareholders seeking to redeem such Shares on the relevant Dealing Day and to carry out only sufficient

redemptions which, in aggregate, amount to the Applicable Percentage of the Shares then in issue. Shares which are not redeemed on the original requested Dealing Day will be redeemed on the next Dealing Day (subject to further deferral if the deferred requests themselves exceed 10% of the Shares attributable to the Fund then in issue). Shares will be redeemed at the Redemption Price on the Dealing Day on which they are actually redeemed, on a pro-rata basis amongst all redeeming Shareholders until the deferred redemption requests are fully carried out. The Company is entitled to reject any further redemption requests received after the redemption limit in respect of a Dealing Day has been reached.

Compulsory redemption

The Directors may resolve to redeem compulsorily all outstanding Shares if the Net Asset Value of the Fund falls below USD50 million (or its equivalent in another currency) or such other amounts as the Directors may determine from time to time. In addition, the Directors may resolve to redeem compulsorily all outstanding Shares of a Class if the Net Asset Value of the relevant Class Account is at any time below USD20 million (or its equivalent in another currency) or such other amount as the Directors may determine from time to time.

Compulsory redemption on expiry of the Term

On the expiry of the Term, the Company will compulsorily redeem all outstanding Shares in respect of the Fund. Upon such compulsory redemption, each Shareholder whose Shares are being redeemed will be entitled to receive the Redemption Price in respect of his Shares so redeemed, such Redemption Price to be paid to such Shareholder in accordance with the Articles, and from the day on which such compulsory redemption is effected, the relevant Shareholder shall have no other Shareholder's rights except the right to receive the Redemption Price and the right to receive any dividends (if any) declared but not yet paid. Please refer to the details discussed under the section headed "Compulsory redemption" in the Offering Memorandum.

EXCHANGES

Subject to the approval of the Manager, Shares of one Class in the Fund may be exchanged for Shares of another Class in the Fund or shares attributable to another segregated portfolio of the Company. The Manager reserves the right to impose an exchange fee on any such exchanges.

SUSPENSION

Directors may, from time to time, in their absolute discretion and for any reason, declare a suspension of: (a) the calculation of the Net Asset Value of any Class; (b) the issue of Shares of any Class; (c) the right to require redemption of Shares of any Class; and/or (d) the payment of redemption proceeds (even where neither the calculation of Net Asset Value nor the right to redeem has been suspended) (each a "Suspension"). Notwithstanding the generality of the foregoing, the Directors reserve the right to declare a Suspension in respect of the Fund in the circumstances described under "Suspension of calculation of Net Asset Value and the issue and redemption of Shares" in the section headed "Net Asset Value" of the Offering Memorandum, which include, but are not limited to, the whole or any part of a period:

- (i) during which any stock exchange, commodities exchange, futures exchange or over-the-counter market on which any significant portion of the investments of the Fund is quoted, listed, traded or dealt in is closed (other than customary weekend and holiday closing) or trading on any such exchange or market is restricted or suspended; or
- (ii) where an underlying collective investment scheme in which the Fund holds a material holding does not publish the requisite net asset value for the relevant Valuation Day and/or

is not open for subscriptions or redemptions and/or subscriptions, redemptions or payment of redemption proceeds in respect of shares or interests in such underlying scheme are restricted or suspended and/or the calculation of valuations by such underlying fund are suspended.

DISTRIBUTION POLICY

General

The Directors have discretion as to whether or not to make any distributions, the frequency of distribution and amount of distributions. There can be no guarantee of regular distribution and, if distribution is made, the amount being distributed.

Distributions

Subject to applicable laws, the Directors intend to make quarterly distributions in relation to each Class of Shares, which may not be limited to the realised capital gains and net income of the Fund and which may reduce the Net Asset Value of the relevant Class. For the avoidance of doubt, such payments shall include net-of-fee distributions.

Distributions will be paid out of lawfully available funds in the reference currency of the relevant Class in compliance with applicable laws. The Fund's distribution policy may be amended by the Directors in their absolute discretion.

REPORTS AND FINANCIAL STATEMENTS

The financial year for the Company will end on 31 December in each year.

An annual report with audited financial statements of the Company will be prepared in accordance with IFRS for each financial year. The first financial statements for the Fund will cover the period from the date of its inception to 31 December 2019.

FEES AND EXPENSES

Management Fee and Fund Servicing Fee

The Manager will be entitled to receive from the Company in respect of the Fund a Management Fee in respect of each Class. The Manager may from time to time at its sole discretion and out of its own resources rebate to some or all Shareholders or their agents or to intermediaries, part or all of its Management Fees. Any such rebates may be applied in paying up additional Shares to be issued to some or all Shareholders.

The Manager is also entitled to receive from the Fund a Fund Servicing Fee in respect of each Class.

The Management Fee and the Fund Servicing Fee in respect of each Class, calculated as at each Valuation Point and payable monthly in arrears, are as follows:

Class	Management Fee* (% per annum of the Net Asset Value of the Class Account)	Fund Servicing Fee* (% per annum of the Net Asset Value of the Class Account)
Class A-qdist (USD) Shares	up to 0.54%	up to 0.060%

Class A-qdist (HKD) Shares		
Class K-1-qdist (USD) Shares	up to 0.43%	up to 0.060%
Class Q-qdist (USD) Shares	up to 0.35%	up to 0.060%

* before deduction of any accrued Management Fee and any Fund Servicing Fee

Performance Fee

The Manager does not intend to charge a Performance Fee in respect of the Fund.

Investment Manager

The Manager will be responsible for remunerating the Investment Manager.

Custodian Fee and Administration Fee

The Company will pay the Custodian and the Administrator, in respect of the Fund, a Custodian Fee and an Administration Fee respectively, such fees being at rate(s) agreed between the Company and the Administrator or the Custodian (as the case may be), from time to time. No maximum amount of such fees has been agreed between the Company, in respect of the Fund, and the Custodian or the Administrator.

The Custodian and Administrator are also reimbursed from the Company for all out-of-pocket expenses incurred in performing their services to the Fund, including but not limited to any costs and expenses associated with sale and purchase transaction of securities, preparation of annual and semi-financial statements, statutory filing in the Cayman Islands, and any additional duties as may be required from time to time and as agreed between the Manager and the Custodian or the Administrator (as the case may be).

Other fees and expenses

The total costs and expenses of establishing the Fund will be payable out of the proceeds of the initial issue of Shares. Such costs and expenses will be amortised within the first three financial years of the Fund unless the Directors decide that some other method shall be applied. The Directors may, in their absolute discretion, shorten the period over which such costs and expenses are amortised.

WINDING UP

Where: (i) the Net Asset Value of the Fund falls below USD50 million; or (ii) the Net Asset Value of the relevant Class falls below USD20 million, in each case during the Term of the Fund, the Company, following recommendations from the Manager, may cause the Fund or the relevant Class of Shares, whichever is applicable, to be terminated by compulsorily redeeming all outstanding Shares in the Fund or the relevant Class.

ADDITIONAL RISK FACTORS

The nature of the Fund's investments involves certain risks and the Fund will utilise investment techniques which may carry additional risks. An investment in Shares therefore carries substantial risk and is suitable only for persons who can assume the risk of losing their entire investment. Prospective investors should refer to the relevant risks mentioned in the section headed "Risk

Factors” in the Offering Memorandum, and should also consider, among others, the following additional risk factors before subscribing for Shares.

Risks associated with credit and credit spreads

The Fund could lose money if the issuer or guarantor of a fixed income security, or the counterparty to or guarantor of a derivative contract, is unable or unwilling to meet its financial obligations. This risk is likely to be greater for lower quality investments than for investments that are higher quality.

The Fund will make investments that expose them to corporate credit spreads and movements in such spreads will thus impact on the Net Asset Value per Share of each Class.

Risks associated with concentration

In the event that one or only a few financial instruments make up a significant part of the total portfolio of the Fund or that financial instruments representing a certain market sector and/or a certain geographical region make up a significant part of the total portfolio, the Fund could suffer more substantial losses than would have been the case had the portfolio been more diversified (i.e. spread over different assets, market sectors and/or geographical regions).

Please also refer to the risk factor headed “Concentration of investments” of the Offering Memorandum for further general information relating to concentration risk.

Risks associated with illiquidity

The Fund’s assets may, at any time, include securities and other financial instruments or obligations that are illiquid or thinly-traded, making purchase or sale of such securities and financial instruments at desired prices or in desired quantities difficult or impossible. At times, it may be difficult to obtain price quotes at all. Furthermore, the sale of any such investments may be possible only at substantial discounts and it may be extremely difficult to value any such investments accurately. Accordingly, the Fund’s ability to respond to market movements may be impaired and the Fund may experience adverse price movements upon liquidation of its investments. Settlement of transactions may be subject to delay and administrative uncertainty.

Please refer to the risk factor headed “Liquidity and market characteristics” of the Offering Memorandum for further general information relating to the risk of illiquidity.

Risks associated with derivatives

The Fund may utilise both exchange-traded and over-the-counter derivatives, including, but not limited to, futures, forwards, swaps, options and contracts for differences, as part of its investment policy and for hedging purposes. The assets will be invested in interest rate derivatives (including but not limited to interest rate swaps and futures), while spot and forward foreign exchange contracts will be used for hedging purposes.

Please refer to the risk factor headed “Derivatives” of the Offering Memorandum for further general information relating to derivative risks.

Risks associated with over-the-counter derivatives

The Fund may use over-the-counter derivatives which create additional risks for the Fund. Please refer to the risk factor headed “OTC market risk and regulation of OTC transactions” of the Offering Memorandum for further general information relating to certain risks of investment in over-the-counter derivatives.

Risks associated with debt securities and deposits

The Fund will be exposed to the credit risk of issuers of debt securities that the Fund may invest in and the institutions with which the Fund may place cash in fixed deposits. Such debt securities may be unsecured debt obligations and may not be supported by any collateral. In respect of such debt securities, the Fund will be fully exposed to the credit risk of their counterparties as unsecured creditors.

An increase in interest rates may adversely impact the value of debt securities held by the Fund, leading to a loss on their investments. The credit rating of the issuers of the fixed income instruments may be downgraded, thus adversely affecting the value and performance of the Fund.

For debt securities issued by issuers that are not rated, they may assume greater risks because of generally lower creditworthiness and liquidity, and greater fluctuation in value and higher chance of default than investment grade debt instruments.

In respect of the Fund's investments in investment grade debt securities, the credit quality and liquidity of the Fund's investment portfolio may deteriorate when any such investment or the credit rating of its issuer falls below investment grade. The Fund may continue to hold such investment, and higher risks may result as the investment may be subject to higher volatility, liquidity and credit risk. Investors may suffer substantial loss of their investments in the Fund.

In the event that the Fund places a significant amount of cash in fixed deposits, it will be exposed to the risk that, in order to meet redemption requests or respond to sudden changes in market circumstances, it may need to terminate a fixed deposit before the expiry of its term, in which case the Fund will need to bear any fees or penalties associated with such early termination. Any such fees or expenses will be borne by the Fund and may adversely affect its Net Asset Value.

Please refer to the risk factor headed "Debt instruments" of the Offering Memorandum for further general information relating to interest rate, credit and downgrade risks.

Risks relating to interest rates

An increase in prevailing interest rates typically causes the value of fixed income securities to fall. Changes in interest rates will likely affect the value of longer-duration fixed income securities more than shorter-duration securities and higher quality securities more than lower quality securities. When interest rates are falling, some fixed income securities provide that the issuer may repay them earlier than the maturity date, and if this occurs the Fund may have to reinvest these repayments at lower interest rates.

Distribution risk

To the extent lawfully possible, it is currently intended that distributions will be made in respect of each Class of Shares on a quarterly basis in the reference currency of the relevant Class. However, investors should note that the Directors have discretion as to whether or not to make any distributions, the frequency of distribution and amount of distributions. There can be no guarantee of regular distribution and, if distribution is made, the amount being distributed and whether such distributions can be lawfully made at the time.

Further, assets attributed to the Shares, in addition to being invested in primarily USD-denominated global fixed income securities comprising sovereign, quasi-sovereign and corporate issuers, will also be invested in interest rate derivatives (including but not limited to interest rate swaps and futures). In these circumstances, the Investment Manager will use interest rate derivatives to

switch the fixed yield to a floating yield. This means that the Net Asset Value of each Class of Shares may fluctuate from quarter to quarter, which, in turn, will mean that the distributions (if any) received by Shareholders in each Class will also fluctuate from quarter to quarter and are unlikely to be of a fixed value over the Term of the Fund.

US market risk

The recent financial crisis and/or economic climate, decreasing US imports, new trade regulations, changes in the US dollar exchange rates, and increasing public debt pose concerns on the development of the US economy. This may have an adverse impact on the US securities in which the Fund invests. The Fund's investment in the US securities may also be subject to US taxes.

Risk of asset allocation

In developing and/or restricted markets, lack of availability or liquidity of securities may not at all times allow for implementation of the Fund's investment approach. This may lead to temporary deviations from the targeted asset allocation, which may have an adverse effect on the performance of the Fund.

Risk relating to emerging markets

The Fund may invest in securities of companies incorporated in, or whose business operations are in or substantially connected with, emerging markets and therefore additional risks may be encountered. These include, but are not limited to, the following:

- (a) *Political and economic factors:* Investing in emerging markets involves certain risks not typically associated with investing in the securities of issuers in more established markets, including: (i) political and economic risks, such as greater risks of expropriation, nationalisation and lower social, political and economic stability; (ii) a greater level of government involvement in and control over the economy; (iii) substantially higher rates of inflation; (iv) certain national policies which may restrict the investment opportunities of the Fund, including restrictions on investing in issuers or industries deemed sensitive to the national interest; and (v) bureaucratic restraints relating to investment in the country.
- (b) *Developing legal system:* At present, the securities market and the regulatory framework for the securities industry in many emerging markets is at an early stage of development. Tax and associated laws are also evolving on a continuing basis. As these laws, regulations and legal requirements are relatively recent, interpretation and enforcement involve significant uncertainty. In particular, laws governing business organisations, bankruptcy and insolvency in emerging markets may provide substantially less protection to security holders than that provided by the laws of more developed countries.
- (c) *Market considerations:* As emerging markets are at an early stage of development, they typically have less volume, are less liquid and experience greater volatility than more established markets. Settlement of transactions may be subject to delay and administrative uncertainties.
- (d) *Currency:* The currencies in which investments are denominated may be unstable and/or subject to significant depreciation. Such currencies may not be freely convertible.
- (e) *Custody risk:* Custodians are not able to offer the level of service and safe-keeping in relation to the settlement and administration of securities that is customary in more developed markets. In particular, there is a risk that the Fund will not be recognised as the owner of securities held on its behalf by a sub-custodian.

- (f) *Disclosure:* Less complete and reliable fiscal and other information may be available to investors.

Risk associated with the redemption fee

Redemption fees will be retained by the Fund (and will therefore form part of the assets of the Fund). A lower redemption fee will be charged on Shares redeemed in the final 12 months prior to the expiry of the Term. In the event the redemption fee is insufficient to cover any adverse impact on the Fund's Net Asset Value caused by the need for the Investment Manager to liquidate assets of the Fund at unfavourable prices in order to satisfy substantial redemption requests, the remaining Shareholders in the Fund will be disadvantaged as they will ultimately bear this negative effect.

TAXATION

The following is based on the Company's understanding of certain aspects of the law and practice currently in force. There can be no guarantee that the tax position or proposed tax position at the date of this document or at the time of an investment will endure indefinitely.

Investors should consult their professional advisers on the possible tax and other consequences of their subscribing for, purchasing, holding, selling or redeeming Shares under the laws of their country of incorporation, establishment, citizenship, residence or domicile.

Distributions may be made by the Company by way of dividend in respect of the Fund. Investors in some jurisdictions may incur a higher rate of tax on distributions than might be the case on any capital gains which are realised by that investor upon redemption or disposal of its Shares. Quarterly distributions may be made in respect of one or more Classes of Shares before any deduction or accrual for fees and expenses. Such distributions may be made out of capital or capital gains. Distributions out of capital or capital gains may cause a reduction of an investor's original capital invested in the Fund. Furthermore, any distributions from income and/or involving the Fund's capital and/or capital gains may result in an immediate reduction of the Net Asset Value per Share of the Fund.

STRICTLY PRIVATE AND CONFIDENTIAL

APPENDIX 4 TO OFFERING MEMORANDUM

This Appendix forms part of and is, unless otherwise stated, qualified in its entirety by the contents of the Offering Memorandum dated November 2019, as amended, restated or supplemented from time to time (the “Offering Memorandum”) in respect of UBS (CAY) Investment Fund SPC (the “Company” or “UBS (CAY) Investment Fund”). This Appendix should only be read in conjunction with the Offering Memorandum.

This Appendix relates only to Shares of the UBS Global Bonds Series 2 Segregated Portfolio (the “Fund”).

UBS (CAY) Investment Fund SPC

(an open-ended segregated portfolio company incorporated with limited liability under the laws of the Cayman Islands under registration number WK-247186)

UBS Global Bonds Series 2 Segregated Portfolio

(a sub-fund and segregated portfolio of the Company)

7 May 2020

UBS GLOBAL BONDS SERIES 2 SEGREGATED PORTFOLIO

The following information relates to the UBS Global Bonds Series 2 Segregated Portfolio, a segregated portfolio of UBS (CAY) Investment Fund. Accordingly, references in this Appendix to “Fund” and “Shares” relate to the UBS Global Bonds Series 2 Segregated Portfolio and Shares attributed to it respectively.

This Appendix forms part of, and must be read together with, the Offering Memorandum. A copy of the Offering Memorandum has been furnished to you together with this Appendix. If you have not received the Offering Memorandum please contact the Manager.

Statements in this Appendix are made as of the date of this Appendix. Statements made in the Offering Memorandum that are not revised by this Appendix are made as of the date of the Offering Memorandum. Neither the delivery of this Appendix and Offering Memorandum, nor any sale made pursuant to those documents, shall in any circumstances imply that the information contained in this Appendix or in the Offering Memorandum is correct as of any time other than, respectively, the date of this Appendix and the Offering Memorandum.

Where there is any inconsistency between this Appendix and the Offering Memorandum, the provisions of this Appendix shall prevail.

Capitalised terms not defined herein are defined in the Offering Memorandum.

DEFINITIONS

“Business Day”	in respect of the Fund, any day (other than Saturday and Sunday) on which banks and securities exchanges are open for normal business in the Cayman Islands, Hong Kong, Singapore and the United States and/or such date or dates as the Directors may from time to time determine provided that where, as a result of a number 8 typhoon signal, black rainstorm warning or similar event, the period during which banks in Hong Kong are open on any day is reduced, such day shall not be a Business Day unless the Directors otherwise determine.
“Class”	the Class FR-qdist (USD) Shares; the Class FR-qdist (SGD hedged) Shares; the Class FR-qdist (EUR hedged) Shares; the Class K-1 FR-qdist (USD) Shares; the Class K-1 FR-qdist (SGD hedged) Shares; and/or the Class K-1 FR-qdist (EUR hedged) Shares, as the context requires.
“Class FR-qdist (USD) Share”	an ordinary participating share in the Company whose reference currency is USD and which is designated as a Class FR-qdist (USD) Share.
“Class FR-qdist (SGD hedged) Share”	an ordinary participating share in the Company whose reference currency is SGD and which is designated as a Class FR-qdist (SGD hedged) Share.
“Class FR-qdist (EUR	an ordinary participating share in the Company whose reference currency is EUR and which is designated as a Class FR-qdist (EUR

hedged) Share”	hedged) Share.
“Class K-1 FR-qdist (USD) Shares”	an ordinary participating share in the Company whose reference currency is USD and which is designated as a Class K-1 FR-qdist (USD) Share.
“Class K-1 FR-qdist (SGD hedged) Shares”	an ordinary participating share in the Company whose reference currency is SGD and which is designated as a Class K-1 FR-qdist (SGD hedged) Share.
“Class K-1 FR-qdist (EUR hedged) Shares”	an ordinary participating share in the Company whose reference currency is SGD and which is designated as a Class K-1 FR-qdist (EUR hedged) Share.
“Custodian”	The Hongkong and Shanghai Banking Corporation Limited.
“Dealing Day”	each Business Day or such other day or days as the Directors may from time to time determine.
“Distribution Shares”	the Class FR-qdist (USD) Shares; the Class FR-qdist (SGD hedged) Shares; and/or the Class FR-qdist (EUR hedged) Shares, as the context requires.
“Fund”	UBS Global Bonds Series 2 Segregated Portfolio.
“Hedged Class”	the Class FR-qdist (SGD hedged) Shares; the Class FR-qdist (EUR hedged) Shares; the Class K-1 FR-qdist (SGD hedged) Shares; and the Class K-1 FR-qdist (EUR hedged) Shares, as the context requires.
“Hedged Class Account”	the Class Account of the Hedged Class.
“Initial Issue Price”	the initial offer price per Share of Shares of each Class of the Fund, as set out in the section headed “Subscriptions” below.
“Initial Offer Period”	in respect of any Class, the period commencing at 9.00 am (Hong Kong time) on the relevant Offer Start Date and ending at such time and on such date as determined by the Manager (or any other period as the Manager may determine in its discretion).
“Investment Manager”	UBS Asset Management (Americas) Inc., Chicago.
“Offer Start Date”	in respect of any Class, the date specified in the section headed “Subscriptions” below.
“Term”	the period from the Offer Start Date (or if more than one, the first Offer Start Date) until a date to be determined by the Directors and notified to Shareholders, up to 54 calendar months from the first Business Day after the close of the Initial Offer Period (or if more

than one, the first Initial Offer Period).

“Shares”

the Class FR-qdist (USD) Shares;
the Class FR-qdist (SGD hedged) Shares;
the Class FR-qdist (EUR hedged) Shares;
the Class K-1 FR-qdist (USD) Shares;
the Class K-1 FR-qdist (SGD hedged) Shares; and/or
the Class K-1 FR-qdist (EUR hedged) Shares,

as the context requires, each of which has a par value of USD0.001 per Share and each of which will be attributable to a separate Class Account attributable to the Fund.

BASE CURRENCY

The base currency of the Fund will be USD.

INVESTMENT OBJECTIVE, APPROACH AND RESTRICTIONS

Investment objective

The investment objective of the Fund will be to seek to provide investors with income from investing in a portfolio of fixed income securities primarily denominated in USD of global issuers. The Fund will in general take a buy-and-hold to maturity approach, investing in a diversified portfolio of fixed income securities. However, the Investment Manager will regularly monitor and review all the securities in the portfolio and take appropriate actions as necessary.

There can be no assurance that the Fund will achieve its investment objective.

Investment approach

The Fund will be actively managed and will seek to achieve its investment objective by investing its assets in a portfolio of primarily USD-denominated global fixed income securities comprising sovereign, quasi-sovereign, government-related and corporate issuers. This portfolio will be approximately 40% developed markets focused and 60% emerging markets at inception. In addition, assets will also be invested in interest rate derivatives (including but not limited to interest rate swaps and futures) to switch the fixed rate yield earned on the Shares to a floating rate yield.

The Investment Manager will in general adopt a buy-and-hold to maturity approach, but will also monitor and review all the securities in the Fund's portfolio on a regular basis, and take appropriate actions as necessary (including but not limited to re-investing securities that have matured prior to the Fund maturity date.) As such, the Fund is suitable for investors who wish to invest in a broadly diversified portfolio of bonds with a focus on the USD-denominated global bond market and whose investment horizon extends to the end of the Term.

In seeking to achieve the investment objective, the Investment Manager will select securities for the Fund's portfolio primarily through fundamental credit analysis of individual securities to determine if the credit quality of the securities in question is sufficient for a held-to-maturity mandate.

A relative-value approach to sector allocation and security selection is also adopted in order to select the most suitable investments for the Fund, rather than by attempting to predict the future direction of underlying bond yields. The asset allocation may change depending on prevailing market circumstances. The Fund does not attempt to follow benchmark indices in determining the sector weightings of the Fund. As such, there are no fixed sectorial weightings in the allocation of

assets in the Fund.

Investment and borrowing restrictions

The Fund will not utilise leverage through borrowing cash for the purposes of making investments. However, the Fund, will be authorised to borrow up to 10% of its latest available Net Asset Value and may borrow cash or utilise other credit facilities for the purposes of foreign exchange hedging or the payment of the Fund's ongoing operational costs and payment of redemption proceeds. Cash may be borrowed from banks and other financial institutions. The assets attributable to the Fund may be charged or pledged as security for any such borrowings.

In addition to such borrowings, the Fund may also be implicitly leveraged through investment in financial derivative instruments and other investments with embedded leverage and/or through entry into stock borrowing, repurchase and other investment transactions. The expected maximum level of leverage which may be employed on behalf of the Fund through such implicit leverage is 125% of the latest available Net Asset Value of the Fund.

The Fund will use the "commitment approach" methodology to measure, monitor and manage the leverage resulting from the use of financial derivative instruments. The level of leverage using the commitment approach is expressed as a ratio between the market value of the equivalent positions in the underlying assets of the financial derivative instruments (taking into account the possible netting and hedging arrangements) and the Net Asset Value of the Fund.

If the investment and borrowing restrictions set out above are breached, the Manager and/or the Investment Manager, as applicable, shall as a priority take all steps necessary within a reasonable period of time to remedy the situation, having regard to the interests of the Shareholders.

Hedging of foreign currency exposure for currency Hedged Class Accounts

The Investment Manager will seek to hedge the exposure of each currency Hedged Class Account to SGD through the use of spot and forward foreign exchange contracts (including non-deliverable forwards) or other methods of reducing exposure to currency fluctuations, with the aim of minimising the impact of such fluctuations on the Net Asset Value of the relevant Hedged Class Account.

There can be no guarantee that it will be possible to fully hedge the total Net Asset Value of a Hedged Class Account in its reference currency. It should be noted that various factors, including but not limited to changes in the value of the hedged portion of assets attributable to the relevant Hedged Share Class and the volume of subscriptions and redemptions, may have an impact on the level of currency hedging held in the relevant Hedged Class Account.

MANAGEMENT

The Investment Manager

The Manager has delegated the power to manage and invest certain assets of the Fund to the Investment Manager, UBS Asset Management (Americas) Inc., Chicago. The Investment Manager has full discretion to invest certain assets of the Fund in pursuit of the investment objective and approach and subject to the investment restrictions described herein.

The Investment Manager is a Delaware corporation and located in Chicago, Illinois. The Investment Manager is registered as an investment adviser under the United States Investment Advisers Act of 1940, as amended. The Investment Manager is part of the Asset Management Business Division of the UBS Group AG.

SUBSCRIPTIONS

Subscriptions for Shares of each Class will be closed upon the expiry of the relevant Initial Offer Period, and may be reopened at the discretion of the Manager.

Availability to investors

Shares in the Fund are available to all eligible investors.

Admission of investors in further distribution countries shall be decided by the Directors at their sole discretion.

Initial offer

Shares may be subscribed for during the relevant Initial Offer Period at the following Initial Issue Prices:

Class	Initial Issue Price (exclusive of any initial fee)	Offer Start Date
Class FR-qdist (USD) Shares	USD100	To be determined by the Manager
Class FR-qdist (SGD hedged) Shares	SGD100	To be determined by the Manager
Class FR-qdist (EUR hedged) Shares	EUR100	To be determined by the Manager
Class K-1 FR-qdist (USD) Shares	USD100	To be determined by the Manager
Class K-1 FR-qdist (SGD hedged) Shares	SGD100	To be determined by the Manager
Class K-1 FR-qdist (EUR hedged) Shares	EUR100	To be determined by the Manager

Applicants for Shares during an Initial Offer Period must complete a subscription application and send it to the Administrator's Delegate so as to be received by no later than 6:00 pm (Hong Kong time) on the last Business Day of the Initial Offer Period (or such later time or date as the Manager may determine). Cash subscription monies must be sent by wire transfer, net of bank charges, so that cleared funds are received in the Fund's account by no later than 11:59 pm (Hong Kong time) on the Business Day immediately following the last Business Day of the relevant Initial Offer Period (or such later time or date as the Manager may determine). Subject to this, Shares are deemed to be issued immediately on the close of the Initial Offer Period.

The Manager may determine that Shares of any Class will not be issued if subscriptions for Shares totalling more than USD1 billion have been received during the relevant Initial Offer Period. In such circumstances, subscription proceeds will be returned to applicants (without interest) by telegraphic transfer (at the risk of, and cost to, each such applicant) as soon as possible following the end of the Initial Offer Period.

Subsequent subscriptions

Where Shares of any Class are reopened for subscription at the Manager's discretion following the close of the relevant Initial Offer Period, the following procedures will apply.

A completed subscription application must be received by the Administrator's Delegate by no later than 6:00 pm (Hong Kong time) on the relevant Dealing Day (or such later time or date as the Manager may determine). The Subscription Price will be equal to the Net Asset Value per Share as at the Dealing Day on which the application is effective (and is exclusive of any initial fee).

Subscription monies must be paid by the applicant in cleared funds in full, in the reference currency of the Class of Shares being subscribed, by no later than 11:59 pm (Hong Kong time) on the third Business Day following the relevant Dealing Day (or such later time or date as the Manager may determine). If cleared funds are not received in full by 11:59 pm (Hong Kong time) on the third Business Day following the relevant Dealing Day, the Company reserves the right to redeem compulsorily the relevant Shares issued on the relevant Dealing Day. In such event, any gain or losses incurred by the Company as a result of the compulsory redemption of Shares shall be for the account of the Fund, and the Manager may require the applicant to pay to the Company, for the account of the Fund, in respect of each Share redeemed, the amount (if any) by which the Subscription Price on the relevant Dealing Day exceeds the applicable Redemption Price on the date of redemption, in addition to any reasonable handling fees and charges. Applicants will be required to indemnify and hold harmless each of the Company, the Directors, the Manager, the Administrator, the Administrator's Delegate and the Custodian against any losses, costs or expenses incurred by any of them as a result of the failure or default of the applicant to transmit subscription monies in immediately available funds to the account of the Company within the time specified, and the Company may, in the Directors' discretion, bring an action against any applicant who fails to submit payment on time.

Rejection of applications

The Company may reject any application in whole or part and without giving any reason for doing so. In the event of an application being rejected, the amount paid on application or the balance thereof, as the case may be, will be returned (without interest) as soon as practicable in the reference currency of the Class of Shares that was being subscribed at the risk and cost of the applicant.

Smallest tradable unit

Fractions of Shares will be issued, and accordingly subscriptions and redemptions will be subject to the following smallest tradable units:

Class	Smallest tradable unit
Class FR-qdist (USD) Shares	0.001 Share
Class FR-qdist (SGD hedged) Shares	0.001 Share
Class FR-qdist (EUR hedged) Shares	0.001 Share
Class K-1 FR-qdist (USD) Shares	0.001 Share
Class K-1 FR-qdist (SGD hedged) Shares	0.001 Share
Class K-1 FR-qdist (EUR hedged) Shares	0.001 Share

Initial fee

The Company and/or the Manager may appoint one or more distributors to solicit subscriptions for Shares. Such distributors may charge applicants an initial fee of up to 3% of the amount subscribed for the Shares (exclusive of the amount subscribed for the Shares). The relevant distributor may waive the payment of all or part of the initial fee.

Anti-dilution levy

Where Shares of any Class are re-opened for subscription, in respect of any Dealing Day that falls after the close of the relevant Initial Offer Period, if net subscriptions for Shares (including exchanges of Shares, if permitted) exceeds 5% of the Fund's Net Asset Value prior to such subscription, the Manager may in its discretion impose an anti-dilution levy of up to 0.50% of the value of each applicant's subscription(s) (or exchange(s), if permitted) on the relevant Dealing Day. Such anti-dilution levy will be deducted from the subscription monies paid by each applicant and will be paid to the Fund.

Minimum investment

In respect of each Class, the minimum initial investment per applicant is as follows:

Class	Minimum initial investment
Class FR-qdist (USD) Shares	USD100,000
Class FR-qdist (SGD hedged) Shares	SGD150,000
Class FR-qdist (EUR hedged) Shares	EUR100,000
Class K-1 FR-qdist (USD) Shares	USD50,000,000
Class K-1 FR-qdist (SGD hedged) Shares	SGD65,000,000
Class K-1 FR-qdist (EUR hedged) Shares	EUR50,000,000

The Directors may, generally or in any particular case, determine that the minimum initial investment per applicant of a lesser amount applies, provided that such lesser amount is consistent with the Fund being registered under section 4(3) of the Mutual Funds Law.

There is no minimum subsequent investment amount.

Distributors may impose different minimum initial or subsequent investment amounts from time to time. Investors should check with the distributors for details.

Closing of subsequent subscriptions

Where Shares of any Class are re-opened for subscription at the Manager's discretion following the close of the relevant Initial Offer Period, the Manager may determine that Shares of any Class will not be issued where: (i) the Net Asset Value of the Fund falls below USD100 million; or (ii) the Net Asset Value of the relevant Class falls below USD25 million, in each case during the Term of the Fund.

REDEMPTIONS

Shares will be redeemable at the option of the Shareholder on any Dealing Day. A completed redemption request must be received by the Administrator's Delegate by no later than 6:00 pm (Hong Kong time) on any Dealing Day.

The Redemption Price will be equal to the Net Asset Value per Share as at the relevant Dealing Day.

The redemption proceeds will be reduced by the amount of the redemption fee, net of bank charges,

the anti-dilution levy (if any) and any other fees and the net amount will be paid to the redeeming Shareholder.

Minimum redemption and minimum holding

Subject to the smallest tradable unit of each Class, the Fund does not impose any minimum redemption requirement or any minimum holding (although Shares may be compulsorily redeemed as described under the section headed "Compulsory redemption" in the Offering Memorandum and as described below under the sections headed "Compulsory redemption" and "Compulsory redemption on expiry of the Term").

Redemption fee

The Manager, in its absolute discretion, may impose a redemption fee of up to 3% of the value of each Shareholder's redemption(s) (or exchange(s), if permitted) on the relevant Dealing Day. Such redemption fee will be deducted from each Shareholder's redemption proceeds and will be retained by the Fund.

Settlement

Payment of redemption proceeds will normally be made within three Business Days of the later of: (1) the relevant Dealing Day; and (2) the date on which the Administrator's Delegate has received all the documentation (including KYC documents) as may be required. It should be noted the settlement period may be longer where the markets in which a substantial portion of the Fund's direct or indirect investments will be made is subject to legal or regulatory requirements (such as foreign currency controls or capital repatriation constraints) which may render the payment of redemption proceeds within the aforesaid period not practicable. In such instances, settlement period may take longer than a month.

Payment will be made in the reference currency of the relevant Class of Shares by direct transfer to the account in the name of the Shareholder.

Redemptions may, at the discretion of the Directors and subject to the approval of the Shareholder requesting the redemption of Shares, be effected *in specie* by the appropriation of assets of the Fund of the relevant value (which shall be determined conclusively by the Directors) in satisfaction of the redemption proceeds. Any such appropriation will be effected in such manner as not materially to prejudice the interests of the continuing Shareholders in the Fund as a whole. The redemption proceeds will be reduced by such sum (if any) as the Directors consider represents an appropriate provision for any fiscal, transfer, registration or other charges, fees or duties (including stamp duties) associated with the appropriation and transfer of the assets upon such redemption of Shares.

Deferred redemption

In the event that redemption requests are received on a Dealing Day for the redemption of Shares representing in aggregate more than 10% (or such higher percentage as the Directors determine) (the "Applicable Percentage") of the total number of Shares then in issue, the Company is entitled to reduce the requests rateably and pro rata amongst all Shareholders seeking to redeem such Shares in the relevant Dealing Day and to carry out only sufficient redemptions which, in aggregate, amount to the Applicable Percentage of the Shares then in issue. Shares which are not redeemed on the original requested Dealing Day will be redeemed on the next Dealing Day (subject to further deferral if the deferred requests themselves exceed 10% of the Shares attributable to the Fund then in issue). Shares will be redeemed at the Redemption Price on the Dealing Day on which they are actually redeemed, on a pro-rata basis amongst all redeeming Shareholders until the deferred

redemption requests are fully carried out. The Company is entitled to reject any further redemption requests received after the redemption limit in respect of a Dealing Day has been reached.

Compulsory redemption

The Directors may resolve to redeem compulsorily all outstanding Shares if the Net Asset Value of the Fund falls below USD50 million (or its equivalent in another currency) or such other amounts as the Directors may determine from time to time. In addition, the Directors may resolve to redeem compulsorily all outstanding Shares of a Class if the Net Asset Value of the relevant Class Account is at any time below USD20 million (or its equivalent in another currency) or such other amount as the Directors may determine from time to time.

Compulsory redemption on expiry of the Term

On the expiry of the Term, the Company will compulsorily redeem all outstanding Shares in respect of the Fund. Upon such compulsory redemption, each Shareholder whose Shares are being redeemed will be entitled to receive the Redemption Price in respect of his Shares so redeemed, such Redemption Price to be paid to such Shareholder in accordance with the Articles, and from the day on which such compulsory redemption is effected, the relevant Shareholder shall have no other Shareholder's rights except the right to receive the Redemption Price and the right to receive any dividends (if any) declared but not yet paid. Please refer to the details discussed under the section headed "Compulsory redemption" in the Offering Memorandum.

EXCHANGES

Unless the Manager determines otherwise, Shares of one Class in the Fund may not be exchanged for Shares of another Class in the Fund or shares attributable to another segregated portfolio of the Company. If exchanges are permitted in the future, the Manager reserves the right to impose an exchange fee on any such exchanges.

SUSPENSION

Directors may, from time to time, in their absolute discretion and for any reason, declare a suspension of: (a) the calculation of the Net Asset Value of any Class; (b) the issue of Shares of any Class; (c) the right to require redemption of Shares of any Class; and/or (d) the payment of redemption proceeds (even where neither the calculation of Net Asset Value nor the right to redeem has been suspended) (each a "Suspension"). Notwithstanding the generality of the foregoing, the Directors reserve the right to declare a Suspension in respect of the Fund in the circumstances described under "Suspension of calculation of Net Asset Value and the issue and redemption of Shares" in the section headed "Net Asset Value" of the Offering Memorandum, which include, but are not limited to, the whole or any part of a period:

- (i) during which any stock exchange, commodities exchange, futures exchange or over-the-counter market on which any significant portion of the investments of the Fund is quoted, listed, traded or dealt in is closed (other than customary weekend and holiday closing) or trading on any such exchange or market is restricted or suspended; or
- (ii) where an underlying collective investment scheme in which the Fund holds a material holding does not publish the requisite net asset value for the relevant Valuation Day and/or is not open for subscriptions or redemptions and/or subscriptions, redemptions or payment of redemption proceeds in respect of shares or interests in such underlying scheme are restricted or suspended and/or the calculation of valuations by such underlying fund are suspended.

DISTRIBUTION POLICY

General

The Directors have discretion as to whether or not to make any distributions, the frequency of distribution and amount of distributions. There can be no guarantee of regular distribution and, if distribution is made, the amount being distributed.

Distribution Shares

Subject to applicable laws, the Directors intend to make quarterly distributions in relation to the Distributing Shares which may not be limited to the realised capital gains and net income of the Fund and which may reduce the Net Asset Value of the relevant Class. For the avoidance of doubt, such payments shall include net-of-fee distributions.

Distributions will be paid out of lawfully available funds in the reference currency of the relevant Class in compliance with applicable laws. The Fund's distribution policy may be amended by the Directors in their absolute discretion.

REPORTS AND FINANCIAL STATEMENTS

The financial year for the Company will end on 31 December in each year.

An annual report with audited financial statements of the Company will be prepared in accordance with IFRS for each financial year. The first financial statements for the Fund covered the period from the date of its inception to 31 December 2018.

FEES AND EXPENSES

Management Fee and Fund Servicing Fee

The Manager will be entitled to receive from the Company in respect of the Fund a Management Fee in respect of each Class. The Manager may from time to time at its sole discretion and out of its own resources rebate to some or all Shareholders or their agents or to intermediaries, part or all of its Management Fees. Any such rebates may be applied in paying up additional Shares to be issued to some or all Shareholders.

The Manager is also entitled to receive from the Fund a Fund Servicing Fee in respect of each Class.

The Management Fee and the Fund Servicing Fee in respect of each Class, calculated as at each Valuation Point and payable monthly in arrears, are as follows:

Class	Management Fee* (% per annum of the Net Asset Value of the Class Account)	Fund Servicing Fee* (% per annum of the Net Asset Value of the Class Account)
Class FR-qdist (USD) Shares	up to 0.60%	up to 0.05%
Class FR-qdist (SGD hedged) Shares	up to 0.60%	up to 0.05%
Class FR-qdist (EUR hedged) Shares	up to 0.60%	up to 0.05%

Class K-1 FR-qdist (USD) Shares	up to 0.40%	up to 0.05%
Class K-1 FR-qdist (SGD hedged) Shares	up to 0.40%	up to 0.05%
Class K-1 FR-qdist (EUR hedged) Shares	up to 0.40%	up to 0.05%

* before deduction of any accrued Management Fee and any Fund Servicing Fee

Performance Fee

The Manager does not intend to charge a Performance Fee in respect of the Fund.

Investment Manager

The Manager will be responsible for remunerating the Investment Manager.

Custodian Fee and Administration Fee

The Company will pay the Custodian and the Administrator, in respect of the Fund, a Custodian Fee and an Administration Fee respectively, such fees being at rate(s) agreed between the Company and the Administrator or the Custodian (as the case may be), from time to time. No maximum amount of such fees has been agreed between the Company, in respect of the Fund, and the Custodian or the Administrator.

The Custodian and Administrator are also reimbursed from the Company for all out-of-pocket expenses incurred in performing their services to the Fund, including but not limited to any costs and expenses associated with sale and purchase transaction of securities, preparation of annual and semi-financial statements, statutory filing in the Cayman Islands, and any additional duties as may be required from time to time and as agreed between the Manager and the Custodian or the Administrator (as the case may be).

Placement fee

The Company, on behalf of the Sub-Fund, and the Manager intend to enter into one or more arrangements with one or more distributors (the "Distributor(s)") who will hold Shares in the Sub-Fund on behalf of their underlying clients prior to the close of the Initial Offer Period. Under the arrangement the Distributor(s) will be paid a one-off placement fee of 1% for FR share classes and 0.50% for K-1 FR Share classes, respectively, of the Net Asset Value of the total subscriptions received by the Sub-Fund from the Distributor(s) on behalf of their underlying clients as at the close of the Initial Offer Period. The placement fee will be paid out of the assets of the relevant Class of the Sub-Fund to which the subscription monies received will be attributed.

Other fees and expenses

The total costs and expenses of establishing the Fund will be payable out of the proceeds of the initial issue of Shares. Such costs and expenses will be amortised within the first three financial years of the Fund unless the Directors decide that some other method shall be applied. The Directors may, in their absolute discretion, shorten the period over which such costs and expenses are amortised.

WINDING UP

Where: (i) the Net Asset Value of the Fund falls below USD50 million; or (ii) the Net Asset Value of

the relevant Class falls below USD20 million, in each case during the Term of the Fund, the Company, following recommendations from the Manager, may cause the Fund or the relevant Class of Shares, whichever is applicable, to be terminated by compulsorily redeeming all outstanding Shares in the Fund or the relevant Class.

ADDITIONAL RISK FACTORS

The nature of the Fund's investments involves certain risks and the Fund will utilise investment techniques which may carry additional risks. An investment in Shares therefore carries substantial risk and is suitable only for persons who can assume the risk of losing their entire investment. Prospective investors should refer to the relevant risks mentioned in the section headed "Risk Factors" in the Offering Memorandum, and should also consider, among others, the following additional risk factors before subscribing for Shares.

Risks associated with credit and credit spreads

The Fund could lose money if the issuer or guarantor of a fixed income security, or the counterparty to or guarantor of a derivative contract, is unable or unwilling to meet its financial obligations. This risk is likely to be greater for lower quality investments than for investments that are higher quality.

The Fund will make investments that expose them to corporate credit spreads and movements in such spreads will thus impact on the Net Asset Value per Share of each Class.

Risks associated with concentration

In the event that one or only a few financial instruments make up a significant part of the total portfolio of the Fund or that financial instruments representing a certain market sector and/or a certain geographical region make up a significant part of the total portfolio, the Fund could suffer more substantial losses than would have been the case had the portfolio been more diversified (i.e. spread over different assets, market sectors and/or geographical regions).

Please also refer to the risk factor headed "Concentration of investments" of the Offering Memorandum for further general information relating to concentration risk.

Risks associated with illiquidity

The Fund's assets may, at any time, include securities and other financial instruments or obligations that are illiquid or thinly-traded, making purchase or sale of such securities and financial instruments at desired prices or in desired quantities difficult or impossible. At times, it may be difficult to obtain price quotes at all. Furthermore, the sale of any such investments may be possible only at substantial discounts and it may be extremely difficult to value any such investments accurately. Accordingly, the Fund's ability to respond to market movements may be impaired and the Fund may experience adverse price movements upon liquidation of its investments. Settlement of transactions may be subject to delay and administrative uncertainty.

Please refer to the risk factor headed "Liquidity and market characteristics" of the Offering Memorandum for further general information relating to the risk of illiquidity.

Risks associated with derivatives

The Fund may utilise both exchange-traded and over-the-counter derivatives, including, but not limited to, futures, forwards, swaps, options and contracts for differences, as part of its investment policy and for hedging purposes. The assets will be invested in interest rate derivatives (including but not limited to interest rate swaps and futures), while spot and forward foreign exchange

contracts will be used for hedging purposes.

Please refer to the risk factor headed “Derivatives” of the Offering Memorandum for further general information relating to derivative risks.

Risks associated with over-the-counter derivatives

The Fund may use over-the-counter derivatives which create additional risks for the Fund. Please refer to the risk factor headed “OTC market risk and regulation of OTC transactions” of the Offering Memorandum for further general information relating to certain risks of investment in over-the-counter derivatives.

Risks associated with debt securities and deposits

The Fund will be exposed to the credit risk of issuers of debt securities that the Fund may invest in and the institutions with which the Fund may place cash in fixed deposits. Such debt securities may be unsecured debt obligations and may not be supported by any collateral. In respect of such debt securities, the Fund will be fully exposed to the credit risk of their counterparties as unsecured creditors.

An increase in interest rates may adversely impact the value of debt securities held by the Fund, leading to a loss on their investments. The credit rating of the issuers of the fixed income instruments may be downgraded, thus adversely affecting the value and performance of the Fund.

For debt securities issued by issuers that are not rated, they may assume greater risks because of generally lower creditworthiness and liquidity, and greater fluctuation in value and higher chance of default than investment grade debt instruments.

In respect of the Fund's investments in investment grade debt securities, the credit quality and liquidity of the Fund's investment portfolio may deteriorate when any such investment or the credit rating of its issuer falls below investment grade. The Fund may continue to hold such investment, and higher risks may result as the investment may be subject to higher volatility, liquidity and credit risk. Investors may suffer substantial loss of their investments in the Fund.

In the event that the Fund places a significant amount of cash in fixed deposits, it will be exposed to the risk that, in order to meet redemption requests or respond to sudden changes in market circumstances, it may need to terminate a fixed deposit before the expiry of its term, in which case the Fund will need to bear any fees or penalties associated with such early termination. Any such fees or expenses will be borne by the Fund and may adversely affect its Net Asset Value.

Please refer to the risk factor headed “Debt instruments” of the Offering Memorandum for further general information relating to interest rate, credit and downgrade risks.

Risks of hedging of foreign currency exposure for currency Hedged Class Accounts

The Investment Manager will seek to hedge the exposure of each currency Hedged Class Account to USD through the use of spot and forward foreign exchange contracts (including non-deliverable forwards) or other methods of reducing exposure to currency fluctuations, with the aim of minimising the impact of such fluctuations on the Net Asset Value of the relevant Hedged Class Account.

There can be no guarantee that it will be possible to fully hedge the total Net Asset Value of a Hedged Class Account in its reference currency. It should be noted that various factors, including but not limited to changes in the value of the hedged portion of assets attributable to the relevant

Hedged Class and the volume of subscriptions and redemptions, may have an impact on the level of currency hedging held in the relevant Hedged Class Account.

Risks of additional margin for multiple hedged share classes

The Investment Manager will seek to hedge the exposure of each currency Hedged Class Account to USD through the use of spot and forward foreign exchange contracts (including non-deliverable forwards) or other methods typically adopted to reduce exposure to currency fluctuations, with the aim of minimising the impact of fluctuations between the US dollar and the Singapore dollar on the Net Asset Value of the relevant Hedged Class Account. Further, the Investment Manager will seek to hedge the interest rate exposure of the Classes by utilizing interest rate derivatives or other methods of reducing exposure to interest rate fluctuations, with the aim of minimising the impact of such fluctuations on the Net Asset Value of the relevant Class.

In connection with the entry into foreign exchange contracts and interest rate derivatives, as described above, additional margin may be required depending on the mark-to-market movements of both. Investors in one Class could be impacted by the need to raise funds for a margin call made in respect of another Class. The Investment Manager may need to raise additional funds by selling some of the Fund's assets to meet such margin calls. The selling of the Fund's assets may impact the Net Asset Value of all Classes in the Fund, not just the Class in respect of which the margin call is being made, and may have an impact on all Shareholders' returns from the Fund.

Risks relating to interest rates

An increase in prevailing interest rates typically causes the value of fixed income securities to fall. Changes in interest rates will likely affect the value of longer-duration fixed income securities more than shorter-duration securities and higher quality securities more than lower quality securities. When interest rates are falling, some fixed income securities provide that the issuer may repay them earlier than the maturity date, and if this occurs the Fund may have to reinvest these repayments at lower interest rates.

Distribution risk

To the extent lawfully possible, it is currently intended that distributions will be made in respect of the Distribution Shares on a quarterly basis in the reference currency of the relevant Class. However, investors should note that the Directors have discretion as to whether or not to make any distributions, the frequency of distribution and amount of distributions. There can be no guarantee of regular distribution and, if distribution is made, the amount being distributed and whether such distributions can be lawfully made at the time.

Further, assets attributed to the Shares, in addition to being invested in primarily USD-denominated global fixed income securities comprising sovereign, quasi-sovereign and corporate issuers, will also be invested in interest rate derivatives (including but not limited to interest rate swaps and futures). In these circumstances, the Investment Manager will use interest rate derivatives to switch the fixed yield to a floating yield. This means that the Net Asset Value of each Class of Shares may fluctuate from quarter to quarter, which, in turn, will mean that the distributions (if any) received by Shareholders in each Class will also fluctuate from quarter to quarter and are unlikely to be of a fixed value over the Term of the Fund.

US market risk

The recent financial crisis and/or economic climate, decreasing US imports, new trade regulations, changes in the US dollar exchange rates, and increasing public debt pose concerns on the development of the US economy. This may have an adverse impact on the US securities in which the Fund invests. The Fund's investment in the US securities may also be subject to US taxes.

Risk of asset allocation

In developing and/or restricted markets, lack of availability or liquidity of securities may not at all times allow for implementation of the Fund's investment approach. This may lead to temporary deviations from the targeted asset allocation, which may have an adverse effect on the performance of the Fund.

Risk relating to emerging markets

The Fund may invest in securities of companies incorporated in, or whose business operations are in or substantially connected with, emerging markets and therefore additional risks may be encountered. These include, but are not limited to, the following:

- (a) *Political and economic factors:* Investing in emerging markets involves certain risks not typically associated with investing in the securities of issuers in more established markets, including: (i) political and economic risks, such as greater risks of expropriation, nationalisation and lower social, political and economic stability; (ii) a greater level of government involvement in and control over the economy; (iii) substantially higher rates of inflation; (iv) certain national policies which may restrict the investment opportunities of the Fund, including restrictions on investing in issuers or industries deemed sensitive to the national interest; and (v) bureaucratic restraints relating to investment in the country.
- (b) *Developing legal system:* At present, the securities market and the regulatory framework for the securities industry in many emerging markets is at an early stage of development. Tax and associated laws are also evolving on a continuing basis. As these laws, regulations and legal requirements are relatively recent, interpretation and enforcement involve significant uncertainty. In particular, laws governing business organisations, bankruptcy and insolvency in emerging markets may provide substantially less protection to security holders than that provided by the laws of more developed countries.
- (c) *Market considerations:* As emerging markets are at an early stage of development, they typically have less volume, are less liquid and experience greater volatility than more established markets. Settlement of transactions may be subject to delay and administrative uncertainties.
- (d) *Currency:* The currencies in which investments are denominated may be unstable and/or subject to significant depreciation. Such currencies may not be freely convertible.
- (e) *Custody risk:* Custodians are not able to offer the level of service and safe-keeping in relation to the settlement and administration of securities that is customary in more developed markets. In particular, there is a risk that the Fund will not be recognised as the owner of securities held on its behalf by a sub-custodian.
- (f) *Disclosure:* Less complete and reliable fiscal and other information may be available to investors.

TAXATION

The following is based on the Company's understanding of certain aspects of the law and practice currently in force. There can be no guarantee that the tax position or proposed tax position at the date of this document or at the time of an investment will endure indefinitely.

Investors should consult their professional advisers on the possible tax and other consequences of their subscribing for, purchasing, holding, selling or redeeming Shares

under the laws of their country of incorporation, establishment, citizenship, residence or domicile.

Distributions may be made by the Company by way of dividend in respect of the Fund. Investors in some jurisdictions may incur a higher rate of tax on distributions than might be the case on any capital gains which are realised by that investor upon redemption or disposal of its Shares. Quarterly distributions may be made in respect of Distribution Shares before any deduction or accrual for fees and expenses. Such distributions may be made out of capital or capital gains. Distributions out of capital or capital gains may cause a reduction of an investor's original capital invested in the Fund. Furthermore, any distributions from income and/or involving the Fund's capital and/or capital gains may result in an immediate reduction of the Net Asset Value per Share of the Fund.

**SUPPLEMENT TO APPENDIX 1 TO THE OFFERING MEMORANDUM DATED 27 JANUARY
2021**

IN RESPECT OF PARTICIPATING SHARES IN UBS (CAY) INVESTMENT FUND SPC

This Supplement updates, amends, modifies and supersedes the terms set out in Appendix 1 to the offering memorandum of UBS (CAY) Investment Fund SPC (the **Fund**) dated 27 January 2021, as may be amended from time to time (the **Memorandum**).

This Supplement forms part of, and must be read together with the Memorandum. A copy of the Memorandum has been furnished to you together with this Supplement. If you have not received the Memorandum please contact the Manager.

Capitalised terms not defined herein are defined in the Memorandum.

Addition of Further Information

The following wording is added to the sub-section of the Appendix titled 'Investment approach' that sits within the section titled 'Investment Objective, Approach and Restrictions':

"Investors may access the website of the Manager at <https://www.ubs.com/hk/en/assetmanagement> for further information, including information on UBS Asset Management's Environmental, Social, and Governance strategy.",

immediately following the second paragraph therein.

The Memorandum is amended to reflect the change above, which shall take effect from 18 November 2022.

18 November 2022