

OFFERING MEMORANDUM

for

FRANKLIN TEMPLETON CAYMAN SPC FUND

(a Cayman Islands exempted company registered as a segregated portfolio company)

This Offering Memorandum and the related Supplements are distributed on a confidential basis in connection with a private offering of Participating Shares, none of which will be issued to any person other than a person to whom a copy of this Offering Memorandum and/or a related Supplement is sent. No person receiving a copy of this Offering Memorandum and/or a related Supplement in any jurisdiction may treat it as constituting an offer to him, unless in the relevant jurisdiction such an offer could lawfully be made to him without compliance with any registration or other legal requirements.

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

Investment Manager

Franklin Templeton Investments Australia Limited

Level 19

101 Collins Street

Melbourne, VIC 3000

Australia

1 April 2019

This document and the related Supplements have been prepared in connection with the offering of Participating Shares ("**Participating Shares**") in Franklin Templeton Cayman SPC Fund, an exempted company incorporated in the Cayman Islands and registered as a segregated portfolio company (the "**Company**").

The specific terms relating to any Segregated Portfolio will be contained in the relevant Supplement relating to such Segregated Portfolio. In the case of inconsistency between the terms set forth in this Offering Memorandum and the terms set forth in the relevant Supplement, the terms of the Supplement shall prevail. Prospective investors should review this Offering Memorandum and the supplement applicable to the relevant Class of Shares in the applicable Segregated Portfolio (the "Supplement") (together the "Memorandum") carefully and in its entirety and consult with their legal, tax and financial advisers in relation to: (i) the legal requirements within their own countries for the purchase, holding, exchange, redemption or disposal of redeemable, non-voting, participating shares (the "Participating Shares"); (ii) any foreign exchange restrictions to which they are subject in their own countries in relation to the purchase, holding, exchange, redemption or disposal of Participating Shares; and (iii) the legal, tax, financial or other consequences of subscribing for, purchasing, holding, exchanging, redeeming or disposing of Participating Shares. Prospective investors should seek the advice of their legal, tax, financial and accounting advisers if they have any doubts regarding the contents of the Memorandum.

Any information given or representation made by any dealer, salesman or other person and (in either case) not contained herein should be regarded as unauthorised and, accordingly, should not be relied upon. Neither the delivery of this Offering Memorandum or a related Supplement nor the offer, issue or sale of Participating Shares shall, under any circumstances, constitute a representation that the information contained in this Offering Memorandum or the related Supplement is correct at any time subsequent to the date of this Offering Memorandum or the related Supplement.

The Company is regulated as a mutual fund under the Mutual Funds Law (2019 Revision) of the Cayman Islands ("**Mutual Funds Law**"). The Cayman Islands Monetary Authority ("**CIMA**") has supervisory and enforcement powers to ensure compliance with the Mutual Funds Law. Regulation under the Mutual Funds Law entails the filing of prescribed details and audited accounts annually with CIMA. As a regulated mutual fund, CIMA may at any time instruct the Company to have its accounts audited and to submit them to CIMA within such time as CIMA specifies. Failure to comply with these requests by CIMA may result in substantial fines on the part of the directors of the Company (the "**Directors**") and may result in CIMA applying to the court to have the Company wound up.

The Company is not, however, subject to supervision in respect of its investment activities or the constitution of any Segregated Portfolio's portfolio by CIMA or any other governmental authority in the Cayman Islands, although CIMA does have power to investigate the activities of the Company in certain circumstances. Neither CIMA nor any other governmental authority in the Cayman Islands has commented upon or approved the terms or merits of this Offering Memorandum. There is no investment compensation scheme available to investors in the Cayman Islands.

CIMA 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 CIMA include the power to require the substitution of Directors, to appoint a person to advise the Company on the proper conduct of its affairs or to appoint a person to assume control of the affairs of the Company. There are other remedies available to CIMA including the ability to apply to court for approval of other actions.

No action has been taken to permit the distribution of this Offering Memorandum in any jurisdiction where action would be required for such purpose. Accordingly, no person receiving a copy of this Offering Memorandum, Supplement and/or a Subscription Agreement in any jurisdiction may treat it as constituting an invitation to him to purchase or subscribe for Participating Shares nor should he in any

event use such Offering Memorandum Supplement and/or Subscription Agreement unless in the relevant jurisdiction such an invitation could lawfully be used without compliance with any registration or other legal requirement.

In particular: (i) no offer or invitation to subscribe for Participating Shares may be made to the public in the Cayman Islands (non-resident or exempted entities established in the Cayman Islands and registered foreign companies and registered foreign limited partnerships in the Cayman Islands however may subscribe); and (ii) the Participating Shares have not been registered under the United States Securities Act of 1933 and are not being offered in the United States of America, nor may they be directly or indirectly offered or sold in the United States of America or in its territories or possessions or areas subject to its jurisdiction or to or for the benefit of nationals, citizens or residents thereof or persons who are normally resident therein (including the estate of such person and corporations or partnerships created or organised therein) except pursuant to an exemption available under the United States Securities Act of 1933.

Selling Restrictions

This Offering Memorandum does not constitute an offer to anyone or solicitation by anyone in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so. The Directors particularly draw prospective investors' attention to the following restrictions. Further selling restrictions may be set forth in the applicable Supplement for the Segregated Portfolio:

Canada

The Company is not registered in any provincial or territorial jurisdiction in Canada and Participating Shares of the Company have not been qualified for sale in any Canadian jurisdiction under applicable securities laws. The Participating Shares made available under this offer may not be directly or indirectly offered or sold in any provincial or territorial jurisdiction in Canada or to or for the benefit of residents thereof, unless such Canadian resident is, and will remain at all times during their investment, a "permitted client" as that term is defined in Canadian securities legislation. Prospective Investors may be required to declare that they are not a Canadian resident and are not applying for Participating Shares on behalf of any Canadian residents. If an Investor becomes a Canadian resident after purchasing Participating Shares of the Company, the Investor will not be able to purchase any additional Participating Shares of the Company.

Cayman Islands

No offer or invitation to the public in the Cayman Islands to subscribe for Participating Shares is permitted to be made unless the Participating Shares are listed on the Cayman Islands Stock Exchange. As at the date of this Offering Memorandum, no such listing is anticipated to be made.

United States of America

The Company is not registered in the United States of America under the Investment Company Act of 1940. The Participating Shares of the Company have not been registered in the United States of America under the Securities Act of 1933. The Participating Shares made available under this offer may not be directly or indirectly offered or sold in the United States of America or any of its territories or possessions or areas subject to its jurisdiction or to or for the benefit of residents thereof, unless pursuant to an exemption from registration requirements available under US law, any applicable statute, rule or interpretation. US Persons are not eligible to invest in the Company. Prospective Investors shall be required to declare that they are not a US Person and are not applying for Participating Shares on behalf of any US Person. In the absence of written notice to the Company to the contrary, if a prospective investor provides a non-US address on the application form for investment in the Company, this will be deemed to be a representation and warranty from such investor that he/she/it is not a US Person and

that such investor will continue to be a non-US Person unless and until the Company is otherwise notified of a change in the investor's US Person status.

The term "US Person" shall mean any person that is a United States person within the meaning of Regulation S under the United States Securities Act of 1933 or as defined by the U.S. Commodity Futures Trading Commission for this purpose, as the definition of such term may be changed from time to time by legislation, rules, regulations or judicial or administrative agency interpretations.

Distribution and Offering of Shares

The distribution of this Offering Memorandum or any Supplement and the offering of the Participating Shares may be restricted in certain other jurisdictions. It is the responsibility of any persons wishing to make an application for Participating Shares pursuant to this Offering Memorandum or any Supplement to inform themselves of and to observe all applicable laws and regulations of any relevant jurisdictions. Attention of Investors is also drawn to the entry charge which may be levied on transactions by Distributors and local paying agents in certain jurisdictions. Prospective subscribers for Participating Shares should make themselves aware of the legal requirements with respect to such application and of any applicable taxes in the countries of their respective citizenship, residence or domicile.

It is not the intention of the Company to seek a listing on any stock exchange.

Franklin Templeton Investments (Asia) Limited, acting as principal distributor of the Company (the "Principal Distributor"), will organise and oversee the distribution of the Participating Shares. The Principal Distributor may engage sub-distributors, intermediaries, brokers and/or professional investors (who may be affiliates of Franklin Templeton Investments and who may receive part of any charges or fees that it may receive from the Company). Notwithstanding the foregoing, the Principal Distributor will monitor the appointment and activities of the sub-distributors, intermediaries, brokers and/or professional investors as part of its activity as Principal Distributor.

The Company may not be available for distribution through Franklin Templeton Investments' global network of distributors as exclusive distribution rights may be reserved for distribution in certain countries and to selected distributors, sub-distributors, intermediaries and/or Brokers/Dealers by invitation only. Any transaction of Participating Shares of the Company can only be made through such distributors, sub-distributors, intermediaries and/or Brokers/Dealers.

Distributors, sub-distributors, intermediaries and Brokers/Dealers engaged in the activity of marketing and distributing the Participating Shares shall abide by and enforce all the terms of this Offering Memorandum and applicable Supplement including, where applicable, the terms of any laws and regulations relating to the distribution of the Participating Shares. They shall also abide by the terms of any laws and regulations applicable to them in the country where their activity takes place, including, in particular, any relevant requirements to identify and know their clients. They must not act in any way that would be damaging or onerous on the Company and/or the Investment Manager in particular by submitting the Company and/or the Investment Manager to regulatory, fiscal or reporting information it would otherwise not have been subject to. They must not hold themselves out as representing the Company.

Whenever applicable, all references in this Offering Memorandum relating to the Principal Distributor should therefore also read as references to such other parties appointed by the Principal Distributor.

Company Enquiries

Enquiries relating to the Company, any Segregated Portfolio and/or the Shares should be directed to the following:

**Senior Corporate Counsel
Franklin Templeton Investments (ME) Limited**

Gate Building, East Wing, Second Floor
Dubai International Financial Centre
Dubai
United Arab Emirates

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Directory

Directors of the Company:	Gwen Shaneyfelt William Yun Tilak Lal
Registered office of the Company:	c/o Maples Corporate Services Limited P.O. Box 309 Ugland House Grand Cayman KY1-1104 Cayman Islands
Investment Manager:	FRANKLIN TEMPLETON INVESTMENTS AUSTRALIA LIMITED Level 19 101 Collins Street Melbourne, VIC 3000 Australia
Administrator:	FRANKLIN TEMPLETON SERVICES, LLC 300 South East 2nd Street Ft. Lauderdale, FL 33301 U.S.A.
Principal Distributor:	FRANKLIN TEMPLETON INVESTMENTS (ASIA) LIMITED 17/F Chater House 8 Connaught Road Central Hong Kong
Investor Services:	FRANKLIN TEMPLETON INVESTMENTS (ASIA) LIMITED 17/F Chater House 8 Connaught Road Central Hong Kong
Auditor:	PRICEWATERHOUSECOOPERS PO Box 258 Strathvale House Grand Cayman KY1-1104 Cayman Islands
Legal Adviser to the Company as to Cayman Islands Law:	Maples and Calder P.O. Box 309 Ugland House Grand Cayman KY1-1104 Cayman Islands

Definitions

For the purposes of this Offering Memorandum, the following expressions have the following meanings:

"Administrator"	means, in respect of a Segregated Portfolio, the person, firm or corporation appointed, and from time to time acting, as administrator of the Segregated Portfolio.
"Administration Agreement"	means, in respect of a Segregated Portfolio, the agreement pursuant to which the Company for the account of the Segregated Portfolio has appointed the Administrator as administrator of the Segregated Portfolio.
"Articles"	means the articles of association of the Company.
"Business Day"	means any day normally treated as a business day in the Cayman Islands and/or such other day or days as the Directors may from time to time determine.
"Calculation Agent"	means, in respect of a Segregated Portfolio, the person, firm or corporation appointed, and from time to time acting, as calculation agent of the Segregated Portfolio.
"Calculation Agent Agreement"	means, in respect of a Segregated Portfolio, the agreement pursuant to which the Company for the account of the Segregated Portfolio has appointed the Calculation Agent as calculation agent of the Segregated Portfolio.
"Cayman Islands"	means the British Overseas Territory of the Cayman Islands.
"Class"	means a separate class of Participating Share (and includes any sub-class of any such class).
"Companies Law"	means the Companies Law (2018 Revision) of the Cayman Islands.
"Custodian"	means, in respect of a Segregated Portfolio, the person, firm or corporation appointed, and from time to time acting, as custodian of the Segregated Portfolio.
"Custodian Agreement"	means, in respect of a Segregated Portfolio, the agreement pursuant to which the Company for the account of the Segregated Portfolio has appointed the Custodian as custodian of the Segregated Portfolio.
"Designated Investments"	means the investments of a Segregated Portfolio that are in illiquid or restricted investments.
"Designated Investment Shares"	has the meaning given in the section headed Designated Investments below.

"Directors"	means the directors for the time being of the Company.
"Eligible Investor"	means any person who is not a Non-Eligible Investor
"Company"	means Franklin Templeton Cayman SPC Fund, an exempted company incorporated in the Cayman Islands and registered as a segregated portfolio company.
"Investment Management Agreement"	means, in respect of a Segregated Portfolio, the agreement by which the Company for the account of the Segregated Portfolio has appointed the Investment Manager to manage the Segregated Portfolio's investments.
"Investment Manager"	means, in respect of a Segregated Portfolio, the person, firm or corporation appointed, and from time to time acting, as investment manager of the Segregated Portfolio, being Franklin Templeton Investments Australia Limited unless otherwise specified in the Supplement relating to the Segregated Portfolio.
"Investor"	means a person who is registered on the register of members of the Company as the holder of a Participating Share.
"Issue Price"	means US\$1,000 for each Participating Share.
"Management Fee"	means, in respect of a Segregated Portfolio, the management fee to be paid to the Investment Manager, as further described in this Offering Memorandum and/or the Supplement relating to the Segregated Portfolio.
"Management Share"	means a voting non-participating share in the capital of the Company of \$0.01 par value designated as a Management Share and having the rights provided under the Articles.
"Memorandum"	means the memorandum of association of the Company.
"Mutual Funds Law"	means the Mutual Funds Law (2019 Revision) of the Cayman Islands, as amended from time to time.
"Net Asset Value"	means, in respect of a Segregated Portfolio, the value of the assets less the liabilities of the Segregated Portfolio calculated in accordance with the Articles, this Offering Memorandum and the Supplement relating to the Segregated Portfolio.

"Net Asset Value per Participating Share"	means, in respect of each Class or Series of Participating Shares issued in respect of a Segregated Portfolio, the value of the assets less the liabilities of the Segregated Portfolio attributable to that Class or Series calculated in accordance with the Articles, this Offering Memorandum and the Supplement relating to the Segregated Portfolio divided by the number of Participating Shares of such Class or Series issued.
"Non-Eligible Investor"	means those persons who are not eligible to hold Participating Shares, as determined from time to time by the Directors.
"Offering Memorandum"	means this offering memorandum.
"Ordinary Resolution"	means a resolution passed by a simple majority of the holders of Management Shares who vote in person or, where proxies are allowed, by proxy at a general meeting, and includes a unanimous written resolution.
"Participating Share"	means a non-voting participating redeemable Share in the capital of the Company of \$0.00001 par value designated as a Participating Share.
"Performance Fee"	means, in relation to a Segregated Portfolio, the performance-based fee (if any) payable to the Investment Manager, as described in the Supplement relating to the Segregated Portfolio.
"Principal Distributor"	means, in respect of a Segregated Portfolio, the person, firm or corporation appointed, and from time to time acting, as principal distributor of the Segregated Portfolio, being Franklin Templeton Investments (Asia) Limited unless otherwise specified in the Supplement relating to the Segregated Portfolio.
"Redemption Day"	means in relation to any class of Participating Share, such days as set forth in the related Supplement and/or such other days as the Directors may from time to time determine.
"Redemption Notice"	means a notice in a form approved by the Directors by which a holder of Participating Shares may require the Company to redeem his Participating Shares.
"Redemption Price"	means, in respect of any Participating Share, the price, calculated in accordance with the Articles, this Offering Memorandum and relevant Supplement at which the Participating Share will be redeemed.

"Registrar and Transfer Agent"	means, in respect of a Segregated Portfolio, the person, firm or corporation appointed, and from time to time acting, as registrar and transfer agent of the Segregated Portfolio.
"Registrar and Transfer Agent Agreement"	means, in respect of a Segregated Portfolio, the agreement pursuant to which the Company for the account of the Segregated Portfolio has appointed the Registrar and Transfer Agent as registrar and transfer agent of the Segregated Portfolio.
"Segregated Portfolio"	a segregated portfolio of the Company.
"Series"	means a separate series of Participating Share (and includes any sub-series of any such series).
"Shares"	means the shares in the Company including the Participating Shares and the Management Shares.
"Special Resolution"	means a resolution passed by a majority of not less than two-thirds of the holders of the Management Shares as, being entitled to do so, vote in person, or where proxies are allowed, by proxy at a general meeting of which notice specifying the intention to propose the resolution as a special resolution has been duly given, and includes a unanimous written resolution.
"Subscription Agreement"	means the subscription agreement used to make subscriptions for Participating Shares, in the form approved by the Directors from time to time.
"Subscription Day"	means in relation to any class of Participating Share, such days as set forth in the related Supplement and/or such other days as the Directors may from time to time determine.
"Supplement"	means any supplement to this Offering Memorandum in respect of a Segregated Portfolio.
"Suspension"	means a determination by the Directors to suspend the calculation of the Net Asset Value of any Class of Participating Shares and/or the issue or redemption of any Class of Participating Shares and/or the payment of related redemption proceeds.
"US dollars", "US\$" and "cent"	means the currency of the United States of America.
"Valuation Day"	means in relation to any class of Participating Share, such days as set forth in the related Supplement and/or such other days as the Directors may from time to time determine, upon which the Net Asset Value per Participating Share is calculated.

Summary of Offering Memorandum

The following is a summary only and is qualified in its entirety by the more detailed information appearing elsewhere in this Offering Memorandum, in the Memorandum and Articles of the Company and other agreements referred to herein. In relation to each Segregated Portfolio, it is also qualified in its entirety by the information in the Supplement of the Segregated Portfolio.

The Company

The Company is an exempted company incorporated with limited liability in the Cayman Islands and registered as a segregated portfolio company on 25 February 2019 under the Companies Law.

Share Capital

The Company has an authorised share capital of \$50,000 divided into 4,999,900,000 shares of non-voting, participating shares (the "**Participating Shares**") each having a par value of \$0.00001 per share and 100 voting non-participating shares (the "**Management Shares**") with a par value of \$0.01 per share.

The 100 Management Shares in issue are held by Franklin Templeton Capital Holdings Private Limited. The Management Shares carry voting rights, each Management Share conferring upon the holder thereof the right to receive notice of, and to attend and vote at, general meetings of the Company. The Management Shares do not participate in the profits of the Company or any Segregated Portfolio and they are not redeemable. On the winding up of the Company, the holders of the Management Shares are only entitled to receive their paid-up capital of \$0.01 per Management Share.

Investment Objective

The investment objective of each Segregated Portfolio is set forth in the Supplement relating to such Segregated Portfolio.

Minimum Investment

The minimum initial subscription for Participating Shares is US\$100,000 (or the foreign currency equivalent thereof) or as otherwise set out in the Supplement relating to such Segregated Portfolio.

Participating Shares

Pursuant to the terms of this Offering Memorandum, the Memorandum and Articles, subscription agreement and applicable Supplement, the Company is offering for subscription non-voting Participating Shares in the capital of the Company of \$0.00001 par value. The details of each Class, Series, tranche or sub-class of Participating Shares offered by the Company from time to time in each Segregated Portfolio are set out in the relevant Supplement. The Company may issue additional Classes, Series, tranches or sub-classes of Participating Shares from time to time on such terms and conditions and with such rights and restrictions as the Directors shall determine (in certain circumstances without any prior notice to or consent of the Investors) in their absolute discretion.

In addition, the Company may enter into "side letter" agreements with certain Investors that alter, modify or change the terms of the Participating Shares held by such Investors and which may differ from the Participating Shares offered pursuant to this Offering Memorandum (including the relevant Supplement) in terms of, among other things, preferential fee terms, currency denomination, minimum and additional subscription amounts, Functional Currency, distribution policies, capacity rights, investor eligibility, voting rights, informational rights, risk and related reporting and other rights.

Subscriptions

Participating Shares will generally be available for issue on any Subscription Day. The details of each Class, Series, tranche or sub-class of Participating Shares offered by the Company from time to time in each Segregated Portfolio are set out in the relevant Supplement. Notwithstanding any other provisions in the Offering Memorandum, the Board of Directors or the Investment Manager may, in its absolute discretion, accept or reject any subscription within or during the Offer Period or thereafter.

Subscriptions for Participating Shares must be made in accordance with the relevant Supplement.

Redemptions

Investors have the right to redeem all or, subject to any minimum redemption amount set out in a Supplement in respect of a Segregated Portfolio, a portion of their Participating Shares on a Redemption Day at the Redemption Price then prevailing.

The Redemption Price on any Redemption Day shall be the amount equal to the Net Asset Value per Participating Share of the relevant Class or Series on the relevant Redemption Day (or if the Redemption Day is not a Valuation Day, then on the immediately preceding Valuation Day) subject to any deductions, holdbacks or adjustments provided for in the Articles, this Offering Memorandum or the relevant Supplement.

In order for a redemption request in respect of Shares in respect of a Segregated Portfolio to take effect on a particular Redemption Day, the Redemption Notice must be received in accordance with and by the deadline set out in the relevant Supplement.

Subject to the terms of the relevant Supplement, the Directors may compulsorily redeem some or all of an Investor's Participating Shares, at any time, in their sole and absolute discretion. An Investor whose Shares have been compulsorily redeemed will have no shareholder rights with respect to the Participating Shares that are compulsorily redeemed after the close of business on the Redemption Day on which such Shares are redeemed (except the right to receive the redemption proceeds in respect thereof or any dividends declared, but not yet paid).

Redemption proceeds generally will be remitted in full within five (5) business days after the relevant Redemption Day, although there can be no assurance as to the timing of such payments. No interest shall accrue to Investors pending distribution of redemption proceeds.

The Company generally intends to pay redemption proceeds in full based on estimated and unaudited Net Asset Values (i.e., the Company generally does not intend to withhold a portion of an Investor's redemption proceeds pending completion of the Company's annual audit). Although the Directors do not anticipate retaining an audit holdback amount, the Company retains the right to do so (for example, if the Company or relevant Segregated Portfolio itself is subject to an audit holdback).

Transfer of Participating Shares

Participating Shares may be transferred only with the prior written consent of the Directors which may be withheld in their sole and absolute discretion.

Dividend Policy

It is the present intention of the Directors not to declare or pay dividends, and income earned by a Segregated Portfolio will be reinvested and reflected in the value of its Participating Shares. However, the Directors may declare a dividend at any time in the future if they consider it appropriate to do so.

Organisational Costs

The Company bears its formation and operational costs including, but not limited to, the costs of incorporation, the costs of preparing the Memorandum and Articles and any amendments thereto, the

costs of buying and selling underlying securities (including brokerage commissions and other investment transaction costs), research expenses, governmental and regulatory charges and taxes, legal, bookkeeping, tax and auditing fees and expenses, insurance premiums, costs of litigation, interest charges, reporting and publication expenses, postage, telephone and facsimile expenses; and if in future it is resolved, the costs of obtaining and maintaining a listing for the Shares on any stock exchange and the registrar. All expenses are estimated and accrued daily in the calculation of the Net Asset Value of the Segregated Portfolios.

Investment Management Fee

Each Class of Shares in each Segregated Portfolio is subject to a Management Fee as further set out in the Supplement. The Management Fee is calculated and accrued on each Valuation Day and paid to the Investment Manager monthly in arrears, or as otherwise specified in the Supplement relating to a particular Segregated Portfolio.

Fiscal Year end

The fiscal year end for the Company is 31 December with the first fiscal year ending on 31 December, 2019.

Risk Factors

Investment in the Company involves significant risks. Investors' attention is drawn to the risks outlined in the section headed "Risk Factors".

The Company

The Company is an exempted company incorporated with limited liability in the Cayman Islands and registered as a segregated portfolio company on 25 February 2019 and empowered under its Memorandum and Articles of Association and the laws of the Cayman Islands to issue and redeem its own Participating Shares and to carry on investment activities.

As a segregated portfolio company, the Company can operate segregated portfolios with the benefit of statutory segregation of assets and liabilities between each segregated portfolio.

The Directors may, at any time, create Segregated Portfolios in their absolute discretion. The assets of each Segregated Portfolio are invested separately in accordance with the investment objective, strategies and guidelines for such Segregated Portfolio as specified in this Offering Memorandum and the Supplement relating to such Segregated Portfolio.

The Company is managed by its board of Directors and the Directors will review the activities of the Investment Manager, the Calculation Agent, the Registrar and Transfer Agent and the Custodian of each Segregated Portfolio and decide upon matters of general policy. Subject to the overall supervision of the Directors, the Calculation Agent and the Registrar and Transfer Agent of each Segregated Portfolio shall conduct and supervise the administration of the Segregated Portfolio. Each Segregated Portfolio will be advised as to its investment activities by its Investment Manager.

Investment Objective and Strategy

The investment objective and strategy of each Segregated Portfolio is specified in the Supplement relating to such Segregated Portfolio.

PLEASE NOTE THAT THE PORTFOLIO OF A SEGREGATED PORTFOLIO WILL BE SUBJECT TO NORMAL MARKET RISKS AND NO ASSURANCE CAN BE GIVEN THAT THE INVESTMENT OBJECTIVES OF A SEGREGATED PORTFOLIO WILL BE ACHIEVED.

Leverage

Unless otherwise specified in the Supplement relating to a particular Segregated Portfolio, leverage may be used in each Segregated Portfolio in an effort to enhance returns and debt may be used to satisfy redemption requests.

Risk Factors and Conflicts of Interest

Investors should be aware that the value of Participating Shares may fall as well as rise.

Whilst it is the intention of the Investment Manager to implement strategies which are designed to minimise potential losses, there can be no assurance that these strategies will be successful. An investment in a Segregated Portfolio should not constitute the sole or principal holding of any investor. There can be no assurance that the investment objective of a Segregated Portfolio will be achieved. It is possible that an investor may lose a substantial proportion or all of its investment in a Segregated Portfolio. As a result, each investor should carefully consider whether it can afford to bear the risks of investing in the Company. The following discussion of risk factors (together with any additional risk factors contained in a Supplement in relation to a specific Segregated Portfolio) does not purport to be a complete explanation of the risks involved in investing in a Segregated Portfolio. Furthermore, risk factors may occur simultaneously and/or may compound each other, resulting in an unpredictable effect on the value of an investment in Participating Shares.

The risks of investing in a Segregated Portfolio include, but are not necessarily limited to, the following:

Risks Relating to Investment Objective and Strategy

Political and/or Regulatory Risks

The value of the assets of a Segregated Portfolio may be affected by uncertainties such as international political developments, changes in government policies, taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in applicable laws and regulations.

Currency Risk

The Net Asset Value per Share will be computed in U.S. Dollars whereas a Segregated Portfolio's investments may be acquired in other currencies. The value in terms of U.S. Dollars of the investments of a Segregated Portfolio, which may be designated in any currency, may rise and fall due to exchange rate fluctuations of individual currencies. Adverse movements in currency exchange rates can result in a decrease in return and a loss of capital. It may not be possible or practicable to hedge successfully against the consequent currency risk exposure in all circumstances.

Liquidity

A Segregated Portfolio will bear the risk of any illiquidity its assets. Poor liquidity may adversely affect Net Asset Value of the Segregated Portfolio as the Investment Manager may not be able to initiate or closeout positions on the terms on which it may wish to do so. Poor liquidity may also affect a Segregated Portfolio's ability to effect redemptions of Participating Shares.

Contingent Convertible Securities risk

Contingent convertible securities issued by financial institutions ("CoCos") are securities that can be partially or wholly written down or converted into equity on a going concern basis at the option of the issuer or the regulator at a pre-defined (usually capital linked) threshold. The trigger levels may differ from one issue to the next and the risk of conversion will depend on the distance of the capital ratio to the trigger level and/or the point at which the regulator deems the issuer no longer viable (i.e. the bonds are "bail-in-able" at the "point of non-viability" or PONV), making it difficult for the Investment Manager and/or Sub-Manager of the Segregated Portfolio to anticipate the triggering events that would require the debt to convert into equity or be simply loss absorbing. It may also be difficult for the Investment Manager and/or Sub-Manager to assess how the securities will behave upon conversion. Because conversion occurs after a specified event, conversion may occur when the share price of the underlying equity is less than when the bond was issued or purchased. Whereas traditional convertible securities are convertible at the option of the holder and the holder of such bonds will generally convert when the share price is higher than the strike price (i.e. when the issuer is doing well), CoCos tend to convert when the issuer is in crisis

and needs additional equity or loss absorption in order to survive. As a result, there is greater potential for capital loss with CoCos compared to conventional convertible securities. The trigger could be activated through a material loss in capital as represented in the numerator or an increase in risk weighted assets (due to a shift to riskier assets) as measured in the denominator. Unlike for corporate hybrids, cancelled coupon payments do not generally accumulate and are instead written off. Holders of CoCos may see their coupons cancelled while the issuer continues to pay dividends on common equity, unlike the case of corporate hybrids which typically have so-called "dividend pusher/stopper clauses" which link the payment of hybrid coupons to equity dividends. CoCos may suffer from capital structure inversion risk, since investors in such securities may suffer loss of capital when equity holders do not in the event the pre-defined trigger is breached before the regulator deems the issuer non-viable (if the regulator declares non-viability before such a breach, the normal creditor hierarchy should apply). The value of CoCos may be subject to a sudden drop in value should the trigger level be reached. The Company may be required to accept cash or securities with a value less than its original investment or, in the event of instances where the contingent convertible bond is intended to be only loss absorbing, the Company may lose its entire investment.

Convertible Securities risk

A convertible security is generally a debt obligation, preferred stock or other security that pays interest or dividends and may be converted by the holder within a specified period of time into common stock at a specified conversion price. The value of convertible securities may rise and fall with the market value of the underlying stock or, like a debt security, vary with changes in interest rates and the credit quality of the issuer. A convertible security tends to perform more like a stock when the underlying stock price is high relative to the conversion price (because more of the security's value resides in the option to convert) and more like a debt security when the underlying stock price is low relative to the conversion price (because the option to convert is less valuable). Because its value can be influenced by many different factors, a convertible security is not as sensitive to interest rate changes as a similar non-convertible debt security, and generally has less potential for gain or loss than the underlying stock.

Credit risk

Credit risk, a fundamental risk relating to all fixed income securities as well as money market instruments, is the chance that an issuer will fail to make principal and interest payments when due. Issuers with higher credit risk typically offer higher yields for this added risk. Conversely, issuers with lower credit risk typically offer lower yields. Generally, government securities are considered to be the safest in terms of credit risk, while corporate debt (including debt issued by financial institutions), especially those with poorer credit ratings, have the highest credit risk. Changes in the financial condition of an issuer, changes in economic and political conditions in general, or changes in economic and political conditions specific to an issuer (particularly a sovereign or supranational issuer), are all factors that may have an adverse impact on an issuer's credit quality and security values. Related to credit risk is the risk of downgrade by a rating agency. Rating agencies such as Standard & Poor's, Moody's and Fitch, among others, provide ratings for a wide array of fixed income securities (corporate, sovereign, or supranational) which are based on their creditworthiness. The agencies may change their ratings from time to time due to financial, economic, political, or other factors, which, if the change represents a downgrade, can adversely impact the value of the affected securities.

Dilution and Swing Pricing risk

The actual cost of purchasing or selling the underlying investments of the Segregated Portfolio may be different from the carrying value of these investments in the Segregated Portfolio's valuation. The difference may arise due to dealing and other costs (such as taxes) and/or any spread between the buying and selling prices of the underlying investments.

These dilution costs can have an adverse effect on the overall value of the Segregated Portfolio and thus the Net Asset Value per Share may be adjusted in order to avoid disadvantaging the value of investments for existing investors. The size of the adjustment impact is determined by factors such as the volume of transactions, the purchase or sale prices of the underlying investments and the valuation method adopted to calculate the value of such underlying investments of the Segregated Portfolio. Investors should note that there is no limit on the extent of the price adjustment, which may be significant or substantial relative to the original (i.e., pre-adjustment) Net Asset Value per Share.

Emerging Markets risk

All of the Segregated Portfolio's investments in the securities issued by corporations, governments, and government related entities in different nations and denominated in different currencies involve certain risks. These risks are typically increased in developing countries and Emerging Markets. Such risks, which can have adverse effects on portfolio holdings, may include: (i) investment and repatriation restrictions; (ii) currency fluctuations; (iii) the potential for unusual market volatility as compared to more industrialised nations; (iv) government involvement in the private sector; (v) limited investor information and less stringent investor disclosure requirements; (vi) shallow and substantially smaller liquid securities markets than in more industrialised countries, which means the Segregated Portfolio may at times be unable to sell certain securities at desirable prices; (vii) certain local tax law considerations; (viii) limited regulation of the securities markets; (ix) international and regional political and economic developments; (x) possible imposition of exchange controls or other local governmental laws or restrictions; (xi) the increased risk of adverse effects from deflation and inflation; (xii) the possibility of limited legal recourse for the Segregated Portfolio; and (xiii) the custodial and/or the settlement systems may not be fully developed.

Investors should in particular be informed that the liquidity of securities issued by corporations and public-law entities in Emerging Markets may be substantially smaller than with comparable securities in industrialised countries.

Europe and Eurozone risk

The Segregated Portfolio may invest in, or be exposed to, Europe and the Eurozone. Mounting sovereign debt burdens (e.g. any sovereigns within the Eurozone, which default on their debts, may be forced to restructure their debts and faced difficulties in obtaining credit or refinancing) and slowing economic growth among European countries, combined with uncertainties in European financial markets, including feared or actual failures in the banking system, the possibility for one or more countries to withdraw from the European Union, including the United Kingdom (whose withdrawal is pending), which is a significant market in the global economy, and the possible break-up of the Eurozone and Euro currency, may adversely affect interest rates and the prices of both fixed income and equity securities across Europe and potentially other markets as well. These events may increase volatility, liquidity and currency risks associated with investments in Europe. The aforesaid economic and financial difficulties in Europe may spread across Europe and as a result, a single or several European countries may exit the Eurozone or a sovereign within the Eurozone may default on its debts. In any event of the break-up of the Eurozone or Euro currency, the Segregated Portfolio may be exposed to additional operational or performance risks.

While the European governments, the European Central Bank, and other authorities are taking measures (e.g. undertaking economic reforms and imposing austerity measures on citizens) to address the current fiscal conditions, these measures may not have the desired effect and therefore the future stability and growth of Europe is uncertain. The performance and value of the Segregated Portfolio may be adversely affected should there be any adverse credit events (e.g. downgrade of the sovereign credit rating or default or bankruptcy of any Eurozone countries).

Hybrid Securities risk

Hybrid securities are those that, like convertible securities described above, combine both debt and equity characteristics. Hybrids may be issued by corporate entities (referred to as corporate hybrids) or by financial institutions (commonly referred as contingent convertible bonds or "CoCos"). Hybrid securities are subordinated instruments that generally fall in the capital structure between equity and other subordinated debt, i.e. such securities will be the most junior securities above equity. Such securities will generally have a long maturity and may even be perpetual in nature. Coupon payments may be discretionary and as such may be cancelled by the issuer at any point, for any reason, and for any length of time. The cancellation of coupon payments may not amount to an event of default. Hybrid securities are callable at pre-determined levels. It cannot be assumed that hybrid securities, including perpetual securities, will be called on the call date. The investor may not receive return of principal on a given call date or on any date.

Interest Rate Securities risk

The Segregated Portfolio's investments in debt securities and/or money market instruments are subject to interest rate risk. A fixed income security's value will generally increase in value when interest rates fall and decrease in value when interest rates rise. Interest rate risk is the chance that such movements in interest rates will negatively affect a security's value or, in the Segregated Portfolio's case, its Net Asset Value. Fixed income securities with longer-term maturities tend to be more sensitive to interest rate changes than shorter-term securities. As a result, longer-term securities tend to offer higher yields for this added risk. While changes in interest rates may affect the Segregated Portfolio's interest income, such changes may positively or negatively affect the Net Asset Value of the Segregated Portfolio's Shares on a daily basis.

Variable rate securities (which include floating-rate debt securities) generally are less sensitive to interest rate changes than fixed rate debt securities. However, the market value of variable rate debt securities may decline when prevailing interest rates rise if their interest rates do not rise as much, or as quickly, as interest rates in general. Conversely, variable rate securities will not generally increase in market value if interest rates decline. However, when interest rates fall, there will be a reduction in the payments of interest received by the Segregated Portfolio from its variable rate securities. Floating-rate securities may be rated below investment grade (such securities are commonly referred to as "junk bonds"). Limits on the aggregate amount by which a variable rate security's interest rate may increase over its lifetime or during any one adjustment period can prevent the interest rate from ever adjusting to prevailing market rates.

Liquidity risk

Liquidity risk takes two forms: asset side liquidity risk and liability side liquidity risk. Asset side liquidity risk refers to the inability of the Segregated Portfolio to sell a security or position at its quoted price or market value due to such factors as a sudden change in the perceived value or credit worthiness of the position, or due to adverse market conditions generally. Liability side liquidity risk refers to the inability of the Segregated Portfolio to meet a redemption request, due to the inability of the Segregated Portfolio to sell securities or positions in order to raise sufficient cash to meet the redemption request. Markets where the Segregated Portfolio's securities are traded could also experience such adverse conditions as to cause exchanges to suspend trading activities. Reduced liquidity due to these factors may have an adverse impact on the Net Asset Value of the Segregated Portfolio and, as noted, on the ability of the Segregated Portfolio to meet redemption requests in a timely manner.

Certain securities are illiquid due to a limited trading market, financial weakness of the issuer, legal or contractual restrictions on resale or transfer, or that are otherwise illiquid in the sense that they cannot be sold within seven days at approximately the price at which the Segregated Portfolio values them. Securities that are illiquid involve greater risk than securities with more liquid markets. Market quotations

for such securities may be volatile and/or subject to large spreads between bid and ask prices. Illiquidity may have an adverse impact on market price and the Segregated Portfolio's ability to sell particular securities when necessary to meet the Segregated Portfolio's liquidity needs or in response to a specific economic event.

The Segregated Portfolio may invest its assets in financial instruments that are illiquid or not readily marketable. Furthermore, investments that were liquid at the time of purchase by the Segregated Portfolio could subsequently become illiquid. The Segregated Portfolio may not be able to liquidate those investments if the need should arise, and its ability to realize gains, or to avoid losses in periods of rapid market activity, may therefore be affected. In volatile markets, the Segregated Portfolio may not be able to liquidate an investment without incurring a loss. The sale of illiquid financial instruments often requires more time and may result in higher brokerage charges or dealer discounts and other selling expenses than does the sale of financial instruments that are readily marketable. The market prices, if any, for such financial instruments tend to be volatile, and may fluctuate due to a variety of factors that are inherently difficult to predict, including, but not limited to, changes in interest rates, prevailing credit spreads, general economic conditions, financial market conditions, domestic or international economic or political events and developments or trends in any particular industry. Therefore, the value assigned to such financial instruments for purposes of determining net profits and net losses may differ substantially from the value the Segregated Portfolio is ultimately able to realize. For example, the limited liquidity of the market for non-investment grade and non-rated instruments in which the Fund may invest may adversely affect the ability of the relevant calculating party to arrive at a fair value for certain non-investment grade and non-rated financial instruments since the valuation of illiquid indebtedness generally involves a greater degree of judgment than if those values were based on available market quotations. Therefore, if the Segregated Portfolio is required to sell such financial instruments to satisfy redemptions, it may incur substantial losses.

Low-Rated or Non-Investment Grade Securities risk

The Segregated Portfolio may invest in higher-yielding securities rated lower than investment grade. High-yield debt securities (including loans) and unrated securities of similar credit quality ("high-yield debt instruments" or "junk bonds") involve greater risk of a complete loss of the Segregated Portfolio's investment, or delays of interest and principal payments, than higher-quality debt securities. Issuers of high-yield debt instruments are not as strong financially as those issuing securities of higher credit quality. High-yield debt instruments are generally considered predominantly speculative by the applicable rating agencies as these issuers are more likely to encounter financial difficulties and are more vulnerable to changes in the relevant economy, such as a recession or a sustained period of rising interest rates, that could affect their ability to make interest and principal payments when due. If an issuer stops making interest and/or principal payments, payments on the securities may never resume. These instruments may be worthless and the Segregated Portfolio could lose its entire investment.

The prices of high-yield debt instruments fluctuate more than higher-quality securities. Prices are especially sensitive to developments affecting the issuer's business or operations and to changes in the ratings assigned by rating agencies. In addition, the entire high-yield debt market can experience sudden and sharp price swings due to changes in economic conditions, stock market activity, large sustained sales by major investors, a high-profile default, or other factors. Prices of corporate high-yield debt instruments often are closely linked with the company's stock prices and typically rise and fall in response to factors that affect stock prices.

High-yield debt instruments are generally less liquid than higher-quality securities. Many of these securities are not registered for sale with relevant regulatory authorities in the local jurisdiction and/or do not trade frequently. When they do trade, their prices may be significantly higher or lower than expected. At times, it may be difficult to sell these securities promptly at an acceptable price, which may limit the Segregated Portfolio's ability to sell securities in response to specific economic events or to meet

redemption requests. As a result, high-yield debt instruments generally pose greater illiquidity and valuation risks.

The use of credit ratings in evaluating debt securities can involve certain risks, including the risk that the credit rating may not reflect the issuer's current financial condition or events since the security was last rated by a rating agency. Credit ratings may be influenced by conflicts of interest or based on historical data that no longer apply or are accurate. Recently, legislation and regulations to reform rating agencies have been proposed and may adversely impact the Segregated Portfolio's investments or investment process.

Unrated debt securities determined by the Investment Manager to be of comparable quality to rated securities which the Segregated Portfolio may purchase may pay a higher interest rate than such rated debt securities and be subject to a greater risk of illiquidity or price changes. Less public information is typically available about unrated securities or issuers.

Exposure to the low-rated or high-yield debt may be achieved through synthetic means. For example, the CDX is a credit default swap on a basket of high yield bonds, constituting in effect a high yield bond index. By purchasing such an instrument, the Segregated Portfolio is buying protection (i.e. the ability to get par for the bonds in the event of an unfavourable credit event), allowing the Segregated Portfolio to hedge its exposure or go short the high yield sector. By selling such an instrument short and holding cash against the potential obligation to purchase it, the Segregated Portfolio is selling protection and effectively getting long exposure to the high yield sector more efficiently than purchasing individual bonds. The risks associated with such synthetic instruments are comparable to those of the underlying high yield securities that the instruments are seeking to replicate, in addition to the risk that the synthetic instruments themselves do not perform as intended due to adverse market conditions.

Prepayment risk

Debt securities are subject to prepayment risk when the issuer can "call" the security, or repay principal, in whole or in part, prior to the security's maturity. When the Segregated Portfolio reinvests the prepayments of principal it receives, it may receive a rate of interest that is lower than the rate on the existing security, potentially lowering the Segregated Portfolio's income, yield and its distributions to shareholders. Securities subject to prepayment may offer less potential for gains during a declining interest rate environment and have greater price volatility. Prepayment risk is greater in periods of falling interest rates.

Reinvestment risk

Reinvestment risk is the risk that the proceeds from the payment of principal and/or interest, could be reinvested at a lower rate than the original investment. Call features affect an investor's reinvestment risk because corporations typically call their bonds in a declining interest rate environment. Other bond features that could increase reinvestment risk in a lower rate environment are: higher coupons/cash flows, higher coupon frequency and amortizing payments.

Restructuring Companies risk

The Segregated Portfolio may also invest in the securities of companies involved in mergers, consolidations, liquidations and reorganisations (including those involving bankruptcy) or as to which there exist tender or exchange offers, and may participate in such transactions; it may also purchase indebtedness and participations therein, both secured and unsecured, of debtor companies engaged in reorganisation or financial restructuring. Such investments also involve greater credit risks. The companies involved in reorganisation or financial restructuring tend to have a relatively weak financial position and may also be subject to the risks that the restructuring could be disruptive to the business and management structure of the companies involved, which may expose the Segregated Portfolio to higher investment risk.

Sovereign Debt risk

Sovereign debt securities are subject to various risks in addition to those relating to debt securities and foreign securities generally, including, but not limited to, the risk that a governmental entity may be unwilling or unable to pay interest and repay principal on its sovereign debt, or otherwise meet its obligations when due because of cash flow problems, insufficient foreign reserves, the relative size of the debt service burden to the economy as a whole, the government's policy towards principal international lenders such as the International Monetary Fund, or the political considerations to which the government may be subject. Sovereign debtors also may be dependent on expected disbursements from other foreign governments or multinational agencies and the country's access to, or balance of, trade. If a sovereign debtor defaults (or threatens to default) on its sovereign debt obligations, the indebtedness may be restructured. Restructuring may include obtaining additional credit to finance outstanding obligations, reduction and rescheduling of payments of interest and principal, or negotiation of new or amended credit and security agreements. Unlike most corporate debt restructurings, the fees and expenses of financial and legal advisers to the creditors in connection with a restructuring may be borne by the holders of the sovereign debt securities instead of the sovereign entity itself. Some sovereign debtors have in the past been able to restructure their debt payments without the approval of some or all debt holders or to declare moratoria on payments, and similar occurrences may happen in the future.

In the event of a default on sovereign debt, the Segregated Portfolio may have limited legal recourse against the defaulting government entity. As a sovereign entity, the issuing government may be immune from lawsuits in the event of its failure or refusal to pay the obligations when due, and any rights the Segregated Portfolio may have may be restricted pursuant to the terms of applicable treaties with such sovereign entity. If a sovereign entity defaults, it may request additional time in which to pay or for further loans. There may be no legal process for collecting sovereign debt that a government does not pay or such legal process may be relatively more expensive, nor are there bankruptcy proceedings by which the Segregated Portfolio may collect in whole or in part on debt issued by a sovereign entity. In certain cases, remedies must be pursued in the courts located in the country of the defaulting sovereign entity itself, which may further limit the Segregated Portfolio's ability to obtain recourse.

The Segregated Portfolio may invest in sovereign debt issued by governments or government-related entities from countries referred to as Emerging Markets or frontier markets, which bear additional risks compared to more developed markets due to such factors as greater political and economic uncertainties, currency fluctuations, repatriation restrictions or capital controls.

Investors should understand that all investments involve risk and there can be no guarantee against loss resulting from an investment in the Segregated Portfolio, nor can there be any assurance that the Segregated Portfolio's investment objective will be attained. Neither the Segregated Portfolio, the Investment Manager, nor any of their worldwide affiliated entities, guarantee the performance or any future return of the Segregated Portfolio.

Risks relating to Company structure

Possible effect of substantial redemptions

Substantial redemptions of Participating Shares could require a Segregated Portfolio to liquidate its positions more rapidly than otherwise desired in order to raise the cash necessary to fund the redemptions. Illiquidity in certain securities could make it difficult for the Segregated Portfolio to liquidate positions on favourable terms, which could result in losses or a decrease in the Net Asset Value. The Company is permitted to borrow cash necessary to make payments in connection with redemption of Participating Shares. The Company is also authorised to grant security over the assets of a Segregated Portfolio as collateral security for the repayment of such loans. In these circumstances, the continuing Investors will bear the risk of any subsequent decline in the value of the Segregated Portfolio's assets.

Absence of regulatory oversight

Although the Company is a regulated mutual fund under the Mutual Funds Law, the Company is not required to, and does not intend to, register under the laws of any other jurisdiction, and, accordingly, the provisions of statutes of certain jurisdiction (which may provide certain regulatory safeguards to investors) are not applicable.

A Segregated Portfolio may maintain accounts at brokerage firms that do not separately segregate assets as would be required in the case of registered investment companies. The bankruptcy of any such brokerage firms might have a greater adverse effect on a Segregated Portfolio than would be the case if the Segregated Portfolio maintained its accounts to meet the requirements applicable to registered investment companies.

Status

The Company is established as a segregated portfolio company under Cayman Islands law. As a matter of Cayman Islands law only, the assets of one Segregated Portfolio are not 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 or be subject to claims in other jurisdictions which may not necessarily recognise such segregation and, in such circumstances, there is a risk that the assets of a Segregated Portfolio may be applied to meet the liabilities of another Segregated Portfolio whose assets are exhausted.

Multiple Portfolios

Each Segregated Portfolio will be a separate pool of assets constituting, in effect, a separate fund with its own investment objective and policies. Under the Companies Law, the debts, liabilities, obligations and expenses incurred by one segregated portfolio will only be enforceable against the assets of the same segregated portfolio and not against the assets of any other segregated portfolio. Furthermore, the protection provided by the Companies Law requires the Company to observe certain formalities in entering into contracts and maintaining separate pools of assets for each segregated portfolio. The Company will attempt to observe such formalities, but if it fails to do so, cross-liability issues could arise between segregated portfolios.

Cross Liability

Where more than one class and/or series of Participating Shares is issued in respect of a particular Segregated Portfolio, Investors of such classes or series of Participating Shares may be compelled to bear the liabilities incurred in respect of the other classes or series of such Segregated Portfolio, which such Investors do not themselves own, if there are insufficient assets in respect of the other classes or series to satisfy those liabilities. Accordingly, there is a risk that liabilities of one class or series within a particular Segregated Portfolio may not be limited to that particular class or series and may be required to be paid out of one or more other classes or series of that particular Segregated Portfolio.

Subscription monies

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

Limited rights of Investors

Investors will have no right to participate in the day to day operations of the Company and will not be entitled to receive notice of, nor attend or vote at, general meetings of the Company other than general meetings to vote upon a variation of the rights of the Participating Shares. Consequently, Investors will not have any control over the management of the Company or the appointment and removal of its service providers. Franklin Templeton Capital Holdings Private Limited holds all of the Management Shares. Franklin Templeton Capital Holdings Private Limited therefore controls all of the voting interests in the Company, except on proposals to vary the rights of the Participating Shares, and may make such changes to the Memorandum of Association and Articles of the Company as it deems appropriate, including increasing the share capital, consolidating the Participating Shares and sub-dividing the Participating Shares. An investment in a Segregated Portfolio should be regarded as a passive investment.

Limited liquidity

Participating Shares are not transferable without the approval of the Directors, and there will be no secondary market for Participating Shares. Consequently, Investors may not be able to dispose of their Participating Shares except by means of the redemption privilege and may receive securities rather than cash (or part securities and part cash) in exchange for their Participating Shares to the extent permitted under the investments and with a value, when aggregated with any cash portion of the redemption payment, equal to the redemption payment to which they are entitled. Redemptions may be made only on the applicable Redemption Day for each Class and if the Company is required to liquidate the assets of the relevant Segregated Portfolio in order to pay the redemption proceeds, no redemption proceeds will be paid until the Company has received the funds from liquidating such assets.

Custody risk

Assets of the Segregated Portfolio are safe kept by the Custodian and Investors are exposed to the risk of the Custodian not being able to fully meet its obligation to restate in a short timeframe all of the assets of the Segregated Portfolio in the case of bankruptcy of the Custodian. The assets of the Segregated Portfolio will be identified in the Custodian's books as belonging to the Segregated Portfolio. Securities and debt obligations held by the Custodian will be segregated from other assets of the Custodian which mitigates but does not exclude the risk of non-restitution in case of bankruptcy. However, no such segregation applies to cash which increases the risk of non-restitution in case of bankruptcy. The Custodian does not keep all the assets of the Segregated Portfolio itself but uses a network of sub-custodians which are not part of the same group of companies as the Custodian. Investors are also exposed to the risk of bankruptcy of the sub-custodians. The Segregated Portfolio may invest in markets where custodial and/or settlement systems are not fully developed.

Valuation of a Segregated Portfolio's investments

Even though valuation determinations will be made in good faith in accordance with the Articles, valuation of a Segregated Portfolio's assets may involve uncertainties and judgmental determinations, and if such valuations should prove to be incorrect, the Net Asset Value per Participating Share could be adversely affected. Independent pricing information may not at times be available regarding certain of a Segregated Portfolio's assets.

A Segregated Portfolio may have some of its assets in investments, which by their very nature may be extremely difficult to accurately value. In particular, definitive prices for securities may not be available on the applicable Valuation Day. In such a case, the last definitive or estimated available prices, may be used as the basis for the calculation of the Segregated Portfolio's Net Asset Value. No adjustment shall be made to the Segregated Portfolio's Net Asset Value, notwithstanding any subsequent adjustment to such definitive or estimated valuation.

To the extent that the value assigned to any such investment differs from the actual value, the Net Asset Value per Participating Share may be understated or overstated, as the case may be. In light of the foregoing, there is a risk that an Investor who redeems all or part of its Participating Shares while the Segregated Portfolio holds such investments will be paid an amount less than it would otherwise be paid if the actual value of such investments is higher than the value designated by the Company. Similarly, there is a risk that such Investor might, in effect, be overpaid if the actual value of such investments is lower than the value designated by the Company. In addition, there is risk that an investment in a Segregated Portfolio by a new Investor (or an additional investment by an existing Investor) could dilute the value of such investments for the other Investors if the designated value of such investments is higher than the value designated by the Company. Further, there is risk that a new Investor (or an existing Investor that makes an additional investment) could pay more than it might otherwise if the actual value of such investments is lower than the value designated by the Company.

Handling of mail

Mail addressed to the Company and received at its registered office will be forwarded unopened to the forwarding address supplied by the Company to be dealt with. None of the Company, its directors, officers, advisors or service providers (including the organisation which provides registered office services in the Cayman Islands) will bear any responsibility for any delay howsoever caused in mail reaching the forwarding address.

Compulsory redemptions

The Company has the right to instigate and effect a compulsory redemption of all or any Participating Shares. The Company intends to exercise its discretion to compulsorily redeem any Participating Shares where, for example, an Investor has acquired Participating Shares in contravention of regulations or otherwise where continued ownership might have adverse regulatory, tax or pecuniary consequences to the Company or its Investors. The Company may also compulsorily redeem the Participating Shares of any Class in order to close a Class where the Directors determine in their discretion that the size of the Class makes the continuation of that Class economically unfeasible because of the costs involved in maintaining the Class.

In-Kind redemptions

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

Distributions

Ordinarily, distributions by way of dividends will not be paid in respect of a Segregated Portfolio and, consequently, all earnings of a Segregated Portfolio are expected to be retained for reinvestment.

Dividend risk

Distribution of dividends, if any, is not guaranteed. Only Shareholders whose names are entered on the register of Shareholders on the relevant record date shall be entitled to the distribution declared in respect of the corresponding quarterly, interim or annual accounting period, as the case may be. The Net Asset Value of the Segregated Portfolio will be reduced by the amount of dividends paid.

Dividend Policy risk

The Segregated Portfolio has a dividend policy that allows for payment of dividends out of capital as well as from income and net realised and net unrealised capital gains. Where this is done, while it may allow for more income to be distributed, it also amounts to a return or withdrawal of part of an Investor's original investment or from any capital gains attributable to that original investment. This has the effect of reducing capital and the potential for long-term capital growth as well as increasing any capital losses. Examples of when this may occur include:

- if the securities markets in which the Segregated Portfolio invests were sufficiently declining so that the Segregated Portfolio has incurred net capital losses; and/or
- if dividends are paid gross of fees and expenses such that fees and expenses are paid out of net realised and net unrealised capital gains or initially subscribed capital.

Any distributions involving payment of dividends out of the Segregated Portfolio's capital or payment of dividends effectively out of the Segregated Portfolio's capital (if the Segregated Portfolio is in a net capital loss position) may reduce capital growth and may result in an immediate reduction of the Net Asset Value per Share.

Other Investment Risks

Trading risk generally

Investments in securities and other financial instruments, and products that are subject to market forces, risk the permanent loss of capital as a result of adverse market developments, which can be unpredictable. To the extent that a Segregated Portfolio's portfolio is directly or indirectly concentrated in any one particular investment strategy, the risk of any incorrect investment decisions is increased. No guarantee or representation is made that a Segregated Portfolio's investment program will be successful.

Lack of operating history

The Company is a newly established investment vehicle and does not have a prior operating history of its own for prospective investors to evaluate prior to making an investment in a Segregated Portfolio. The relevant Segregated Portfolio's investment program should be evaluated on the basis that there can be no assurance that the Investment Manager's assessment of the short-term or long-term prospects of its investment strategy will prove accurate, or that the Segregated Portfolio will achieve its investment objectives.

Economic Conditions

Changes in economic conditions, including, for example, interest rates, inflation rates, employment conditions, competition, technological developments, political and diplomatic events and trends, and tax laws can affect substantially and adversely the business and prospects of a Segregated Portfolio. No assurances can be given that the Company will anticipate these developments.

Counterparty risk

Counterparty risk is the risk to each party of a contract that the counterparty will fail to perform its contractual obligations and/or to respect its commitments under the term of such contract, whether due to insolvency, bankruptcy or other cause.

When over-the-counter (OTC) or other bilateral contracts are entered into, the Segregated Portfolio may find itself exposed to risks arising from the solvency of its counterparties and from their inability to respect the conditions of these contracts.

Market risk

The market values of securities owned by the Segregated Portfolio will go up or down, sometimes rapidly or unpredictably. Securities may decline in value due to factors affecting individual issuers, securities markets generally or particular industries or sectors within the securities markets. The value of a security may go up or down due to general market conditions which are not specifically related to a particular issuer, such as real or perceived adverse economic conditions, changes in the general outlook for revenues or corporate earnings, changes in interest or currency rates or adverse investor sentiment generally. They may also go up or down due to factors that affect an individual issuer or a particular industry or sector, such as changes in production costs and competitive conditions within an industry. During a general downturn in the securities markets, multiple asset classes may decline in value. When markets perform well, there can be no assurance that securities held by the Segregated Portfolio will participate in or otherwise benefit from the advance.

Stock prices tend to go up and down more dramatically than those of debt securities. A slower-growth or recessionary economic environment could have an adverse effect on the prices of the various stocks held by the Segregated Portfolio.

Nomineeship risk

The legislative framework in some markets is only beginning to develop the concept of legal/formal ownership and of beneficial ownership or interest in securities. Consequently, the courts in such markets may consider that any nominee or custodian as registered holder of securities would have full ownership thereof and that a beneficial owner may have no rights whatsoever in respect thereof.

Investors' attention is drawn to the fact that any Investor will only be able to fully exercise Shareholder rights directly against the Company if the Investor is registered himself in the Company's Shareholders' register. In cases where an Investor invests in the Company through a Nominee type of intermediary, which invests into the Company in its own name but on behalf of the Investor, it may not always be possible for the Investor to exercise certain Shareholder rights directly against the Company. Investor investing through a Nominee type of intermediary or custodian must notably be aware that in case of discontinuity in the operation of such intermediary or custodian, whether due to insolvency, bankruptcy or other cause, there is a risk of delay in the ability to exercise rights or even loss of rights. Investors are advised to take advice on their rights.

Portfolio Turnover risk

The Investment Manager may sell a security or enter into or close out of a derivative position when it believes it is appropriate to do so, regardless of how long the Segregated Portfolio has held the instrument. These activities increase the Segregated Portfolio's portfolio turnover and may increase the Segregated Portfolio's transaction costs.

Risk of litigation

In the ordinary course of business, a Segregated Portfolio may be subject to litigation from time to time. In addition, a Segregated Portfolio may accumulate substantial positions in the securities of issuers that become involved in proxy contests or other litigation. In connection with its activities or investments, the Company (for the account of a Segregated Portfolio) could be named as a defendant in a lawsuit or regulatory action. The outcome of such proceedings, which may materially adversely affect the value of a Segregated Portfolio, may be impossible to anticipate, and such proceedings may continue without resolution for long periods of time. Any litigation may consume substantial amounts of the relevant Investment Manager's time and attention, and that time and the devotion of these resources to litigation may, at times, be disproportionate to the amounts at stake in the litigation.

Fraud

In making certain investments, the Company may rely upon the accuracy and completeness of representations made by the issuer of such investment, but cannot guarantee the accuracy or completeness of such representations. The issuer of an investment may make a material misrepresentation or omission. Such inaccuracy or incompleteness may adversely affect a Segregated Portfolio or the valuation of any investment. Instances of fraud and other deceptive practices committed by senior management of certain companies in which a Segregated Portfolio may invest may undermine the ability of the Company to conduct effective due diligence on, or successfully exit investments made in, such companies. In addition, financial fraud may contribute to overall market volatility, which can negatively impact a Segregated Portfolio's investment program. Under certain circumstances, payments to a Segregated Portfolio could be reclaimed if they are later determined to have been made with an intent to defraud creditors or make a preferential payment.

Dependence on key personnel

A Segregated Portfolio's investment activities depend upon the experience and expertise of the principals of its Investment Manager. The loss of the services of any of the principals of the Investment Manager could have a material adverse effect on the Segregated Portfolio's operations.

Legal, tax and regulatory risks

Legal, tax and regulatory changes during the term of a Segregated Portfolio may adversely affect it. Changes in the regulation of hedge funds may adversely affect the value of a Segregated Portfolio's investments. They may also adversely affect its ability to obtain the leverage it might otherwise have obtained or to pursue its trading strategies. In addition, securities and futures markets are subject to comprehensive statutes, regulations and margin requirements. Regulators and self-regulating organisations and exchanges are authorised to take extraordinary actions in cases of market emergencies. The regulation of derivative transactions and funds that engage in those transactions is an evolving area of law and is subject to modification by government and judicial actions. The effect of any future regulatory change on a Segregated Portfolio could be substantial and adverse.

Leverage

The operations of a Segregated Portfolio may be financed with secured and unsecured borrowing. A Segregated Portfolio 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 Investment Manager; Concentration of investments

The Investment Manager will seek to engage in the investment activities described herein. Nonetheless, a Segregated Portfolio's portfolio may be altered at any time in the sole discretion of the Investment Manager and without the approval of any Investors. Although the Investment Manager will follow a general policy of seeking to spread a Segregated Portfolio's capital among a number of investments, the Investment Manager may depart from such policy from time to time and may hold a few, relatively large securities positions in relation to a Segregated Portfolio's capital (subject to any express restrictions contained in the Supplement relating to a particular Segregated Portfolio). The result of such concentration of investments is that a loss in any such investment could materially reduce the Segregated Portfolio's Net Asset Value.

Devotion of Time

The Investment Manager and its affiliates manage investment funds and accounts other than a Segregated Portfolio and may devote substantial time and resources to doing so.

No separate counsel

Maples and Calder acts as Cayman Islands counsel to the Company. No separate counsel has been retained to act on behalf of the Investors. This Memorandum is based on information furnished by the Investment Manager. Maples and Calder has not independently verified that information.

Side letters

The Company (for the account of a Segregated Portfolio), in the sole discretion of the Directors, without any further act, approval or vote of any Investor, may enter into side letters or other agreements with individual prospective or existing Investors that may have the effect of establishing rights under, or altering or supplementing, the terms of, any such Investor's investment in a Segregated Portfolio, or require the relevant Investment Manager or the Company (for the account of a Segregated Portfolio) to take or refrain from taking certain actions. Rights affected may relate to reporting, redemption rights, or any other matter related to the Company. Such side letters or other agreements may establish terms that are more or less favourable to such Investor than those available to others, and neither the Company nor the Directors are under any obligation to offer such rights or benefits to any other Investor.

Past performance of affiliated funds

The results of other investment funds formed by the Investment Manager, the Calculation Agent, the Registrar and Transfer Agent or their affiliates are not indicative of the results that a Segregated Portfolio may achieve. A Segregated Portfolio makes investments in a different portfolio of securities and, accordingly, its results are independent of the previous results obtained of those funds.

Conflicts of Interest

Investors' attention is drawn to the following potential conflicts of interest:

The Investment Manager, the Calculation Agent, the Registrar and Transfer Agent, their respective investors, subsidiaries, related holding companies (if any) and directors, officers, employees, agents and affiliates ("**Interested Parties**") may be involved in other financial, investment, administration or other professional activities which may on occasion cause conflicts of interest with the Segregated Portfolio. These include management or administration of other funds, purchases and sales of securities, investment and management advisory services, brokerage services, and serving as directors, officers, advisers, agents or administrators of other funds or other companies. In particular it is envisaged that the Investment Manager may be involved in advising other investment funds (and the Calculation Agent and the Registrar and Transfer Agent appointed as service providers to other investment funds) which may have similar or overlapping investment objectives to or with the Segregated Portfolio. The Interested Parties may provide services to third parties similar to those provided to the Segregated Portfolio and shall not be liable to account for any profit earned from any such services. In relation to the allocation of investment opportunities to different clients, including the Company, the Investment Manager may be faced with conflicts of interest with regard to such duties but endeavour to ensure that investment opportunities in those circumstances will be allocated fairly.

A Segregated Portfolio's Investment Manager and/or any entity associated with it reserves the right to effect transactions by or through the agency of another person with whom the Investment Manager and/or any entity associated with it have an arrangement under which that party will from time to time provide to or procure for the Investment Manager and/or any entity associated with it goods, services or other benefits (such as research and advisory services, computer hardware associated with specialised software or research services and performance measures) the nature of which is such that their provision can reasonably be expected to benefit the Segregated Portfolio as a whole and may contribute to an improvement in the performance of the Segregated Portfolio or of the Investment Manager and/or any entity associated with it in providing services to the Company and for which no direct payment is made but instead the Investment Manager and/or any entity associated with it undertake to place business with that party.

The Company (for the account of a Segregated Portfolio) may enter into transactions in which the Segregated Portfolio's Investment Manager and/or one of its affiliates participates or has a significant economic or controlling interest. Such related party transactions may be principal trades or any other transactions involving conflicts of interest between the Segregated Portfolio and the Investment Manager and/or one of its affiliates or other clients.

Any Interested Party may hold Participating Shares and deal with them as it thinks fit. An Interested Party may buy, hold and deal in any investments for its own account notwithstanding that similar investments may be held by a Segregated Portfolio or any subsidiary for the account of a Segregated Portfolio.

Any Interested Party may contract or enter into any financial or other transaction with any Investor or with any entity any of whose securities are held by or for the account of a Segregated Portfolio, or be interested in any such contract or transaction. Furthermore, any Interested Party may receive commissions and benefits which it may negotiate in relation to any sale or purchase of any investments of a Segregated Portfolio effected by it for the account of a Segregated Portfolio and which may or may not be for the benefit of a Segregated Portfolio.

Issue and Redemption of Participating Shares

Subscriptions

Participating Shares will generally be available for issue on any Subscription Day.

Subscriptions for Participating Shares must be made in accordance with the relevant Supplement.

No Participating Shares will, unless the Directors otherwise determine, be issued unless and until the relevant application monies have been received in cleared funds by or on behalf of the Company (for the account of the relevant Segregated Portfolio). Application monies may be paid in US dollars or any other currency acceptable to the Directors. Application monies other than in US dollars will be converted into US dollars and all bank charges and other conversion costs will be deducted from the application monies prior to investment in Participating Shares.

The Directors, in their sole discretion, may accept all or any portion of any subscription to be paid in-kind, subject to prior receipt by or on behalf of the Company (for the account of the relevant Segregated Portfolio) of cleared in-kind payment(s) (unless the Directors otherwise determine).

The Company (for the account of a Segregated Portfolio) may engage third parties for the purpose of introducing a new Investor to a Segregated Portfolio.

Participating Shares of a Class may not be issued during the period of any suspension of the determination of the Net Asset Value of such Class.

Participating Shares will be in registered form and share certificates will not be issued. A confirmation notice will be sent as soon as practicable to successful applicants on acceptance of their application and receipt in cleared funds of their application monies.

Fractions of Participating Shares will be issued to the nearest three decimal places.

The Directors may reject an initial or additional subscription for any reason and shall be under no obligation to disclose the reason, or reasons, for rejecting any subscription request. Applicants may not withdraw or revoke their subscriptions, without the consent of the Directors. If an applicant's subscription is not accepted, the amount of the subscription payment will be returned without deduction or interest (but net of any wiring, foreign exchange and any other applicable fees and expenses).

Redemption

Investors have the right to redeem all or, subject to any minimum redemption amount set out in a Supplement in respect of a Segregated Portfolio, a portion of their Participating Shares on a Redemption Day at the Redemption Price then prevailing.

The Redemption Price on any Redemption Day shall be the amount equal to the Net Asset Value per Participating Share of the relevant Class or Series on the relevant Redemption Day (or if the Redemption Day is not a Valuation Day, then on the immediately preceding Valuation Day) subject to any deductions, holdbacks or adjustments provided for in the Articles or this Offering Memorandum.

In order for a redemption request in respect of Shares in respect of a Segregated Portfolio to take effect on a particular Redemption Day, the relevant Redemption Notice must be received in accordance with and by the deadline set out in the Supplement.

Subject to the terms of the relevant Supplement, the Directors may compulsorily redeem some or all of an Investor's Participating Shares, at any time, in their sole and absolute discretion.

Redemption payments will be made in US Dollars or, in the absolute discretion of the Directors, in kind, or partly in cash and partly in kind, and cash payments will be remitted by wire transfer to the account designated by the Investor in the Redemption Notice. No interest will accrue on the redemption proceeds pending payment. For the purpose of determining the value to be ascribed to any assets of the

Segregated Portfolio used for an in-kind redemption, the value ascribed to such assets shall be the value thereof on the relevant Redemption Date.

The Company will pay a redeeming Investor the full amount due to such Investor within five (5) business days after the relevant Redemption Day although there can be no assurance as to the timing of such payments, based upon the Net Asset Value per Participating Share of the relevant Class or Series, as estimated in good faith by the Directors or their duly authorised agent. The balance will be paid, without interest, to a redeeming Investor as soon as practicable following the completion of the Company's audited financial statements for the year as to which the redemption relates or at such other earlier time as the Directors may determine.

The Directors may retain part of the Redemption Price payable to an Investor as a reserve to fund liabilities of the relevant Segregated Portfolio. If the Directors later determine that the reserve (or portion of it) is in excess of the amount required, it will return to that Investor, without interest, the relevant proportion of that excess.

Designated Investments

The Directors may, in their discretion, classify certain of a Segregated Portfolio's investments which are deemed by the Directors or the relevant Investment Manager to be illiquid or the value of which is not readily or reliably ascertainable or which may have a relatively long-term investment horizon as "**Designated Investments**". Once so classified, Designated Investments shall be represented by a separate Class and/or Series of Participating Shares which, unless otherwise determined by the Directors, shall be allotted only to those Investors who are holders of Participating Shares related to the relevant Segregated Portfolio at the time of such designation (such shares being the "**Designated Investments Shares**"). The gains and losses attributable to Designated Investments shall be segregated and separately calculated and attributed amongst Investors holding Participating Shares of the relevant Class or Series in such manner as the Directors, in their absolute discretion, consider fair and equitable. Participating Shares of any such separate Class and/or Series of Designated Investments may be issued by way of bonus or by way of conversion or exchange of all or part of an Investor's holding of Participating Shares of another Class and/or Series (including by way of compulsory redemption and re-subscription). Similarly, Participating Shares of a Designated Investment Class and/or Series may be converted or exchanged back into Participating Shares of the original Class and/or Series upon the Directors making a determination that the relevant investment no longer qualifies as a Designated Investment (including by way of compulsory redemption and re-subscription). Shares of a Class or Series of Shares which represent Designated Investments shall not, unless the Directors otherwise determine, be redeemable at the option of the Investors holding such Participating Shares.

Suspension

The Articles provide that the Directors may at any time and from time to time postpone or suspend (i) the calculation of the Net Asset Value of Participating Shares of any one or more Classes and/or Series; (ii) the issue of Participating Shares of any one or more Classes and/or Series; (iii) the redemption by Investors (in whole or in part) of Participating Shares of any one or more Classes and/or Series; and/or (iv) the payment (in whole or in part) of any redemption proceeds. Circumstances where any of these suspensions may be declared include:

- (a) during which any principal stock exchange, commodities exchange, futures exchange or over-the-counter market on which any substantial portion of the investments of the Company is listed, quoted, traded or dealt in is closed (other than customary weekend and holiday closing) or trading on any stock exchange or market is substantially restricted or suspended; or
- (b) when circumstances exist as a result of which, in the opinion of the Directors, it is not reasonably practicable for the Company to dispose of investments or as a result of which any such disposal

would not be in the best interests of the holders of the Participating Shares of one or more Segregated Portfolios, Classes and/or Series; or

- (c) when a breakdown occurs in any of the means normally employed in ascertaining the value of investments or the price of investments on any market or stock exchange on which the investments of the Company are listed; or
- (d) when remittance or transfer of monies upon the redemption of Participating Shares is not reasonably practicable; or
- (e) in which the repurchase or redemption of Participating Shares would, in the opinion of the Directors, result in a violation of any provisions of applicable law.

Dividend Policy

It is the present intention of the Directors not to declare or pay any dividend. Income earned by a Segregated Portfolio will be reinvested and reflected in the value of the Participating Shares issued in respect of such Segregated Portfolio. However, the Directors may declare a dividend at any time in the future if they consider it appropriate to do so.

Management and Administration

The Directors

The Directors are responsible for the overall investment policies of the Company although the day to day investment, management and administration of each Segregated Portfolio will be delegated to the relevant Investment Manager, Calculation Agent and Registrar and Transfer Agent.

At the date of this Offering Memorandum, the Directors, all of whom act in a non-executive capacity, are:

Gwen Shaneyfelt

Gwen Shaneyfelt is responsible for global corporate accounting, accounting policy, financial reporting, taxation and transfer pricing for Franklin Templeton Investments. Mrs. Shaneyfelt has devoted her career to the financial services industry and has spent more than 20 years in the investment management industry. From 2006 through 2011, she served as chairman of the ICI Tax and Advisor/Distributor Tax committees. Prior to joining Franklin Templeton, Mrs. Shaneyfelt was Executive Director of Tax at Morgan Stanley Investment Management where she was responsible for all corporate and fund tax matters for the Investment Management Division. In addition to Morgan Stanley, Mrs. Shaneyfelt's investment services career includes senior tax positions at Van Kampen Investments and KPMG Peat Marwick where she was Senior Tax Manager. Mrs. Shaneyfelt holds a BS in Accountancy from Northern Illinois University. She is an Illinois Certified Public Accountant in the State of Illinois.

William Yun

William Y. Yun is executive vice president of Alternative Investment Strategies for Franklin Templeton Investments. He is responsible for the firm's specialized and alternative investment groups, including the hedge fund and alternative investment solutions of K2 Advisors, the emerging markets private equity and mezzanine finance capabilities of Darby Private Equity, the target date retirement funds and risk-based asset allocation funds of Franklin Templeton Solutions, the global property and real asset offerings of Franklin Real Asset Advisors, and the company's asset management joint ventures in China and Vietnam, as well as our commodities specialist Pelagos Capital.

Mr. Yun serves on Franklin Templeton's investment management and risk management committees. He also serves on the board of directors of Fiduciary Trust Company International. He joined Fiduciary Trust in 1992 and was a portfolio manager for eight years prior to becoming executive vice president overseeing Fiduciary Trust's global equity division. He served as president of Fiduciary Trust from 2000 to 2005. In 2002, he also became president of Franklin Templeton Institutional, the global business development group responsible for Franklin Templeton's institutional business. In this role, he was responsible for the activities of Franklin Templeton's defined benefit and investment-only defined contribution businesses, as well as for Franklin Templeton Portfolio Advisors, which provided separate account management to individual and institutional clients via investment advisers and consultants. In 2008, he assumed his current role. Prior to joining Fiduciary Trust, Mr. Yun worked in both asset management and investment banking at Blyth Eastman Paine Webber, First Boston, and CB Commercial Holdings.

Mr. Yun holds an M.B.A. from the Amos Tuck School of Business Administration at Dartmouth College, and a B.A. from Harvard University. He is a Chartered Financial Analyst (CFA) charterholder and a member of the New York Society of Security Analysts. Mr. Yun is a trustee of The Commonwealth Fund in New York and The China Medical Board, and on the President's Advisory Council of the Girl Scouts of Greater New York.

Tilak Lal

Tilak Lal is the head of Franklin's PAIR-Alternatives and Solutions group. Mr. Lal joined Franklin in 2012 as part of the acquisition of K2 Advisors. He had joined K2 in 2009 where he served as its head of Risk

Management. Currently, Mr. Lal is the head of Franklin's Performance Analysis and Investment Risk (PAIR) group for Alternatives and Solutions. In addition, he serves as the chairman of Franklin's Investment Liquidity Committee (ILC), and is a member of the Complex Securities Review Committee (CSRC) and the Counterparty Credit Committee (CCC).

Mr. Lal began his career as a flight controls engineer at the Boeing Aircraft Company. In 1997, Mr. Lal joined PricewaterhouseCoopers in New York as a senior consultant focusing on the Reuters Risk Management system. He later joined Reuters and served as the Product Support and Client Services Manager. He joined Askari Risk Management Systems (a State Street business unit) in New York in 2000 as the Head of Client Services. He was appointed Global Head of Financial Engineering in 2002. In 2006, Mr. Lal joined Pequot Capital, a multi-strategy hedge fund based in Westport, Connecticut as a senior risk analyst. In 2008, he became Pequot's Chief Risk Officer.

Mr. Lal has a B.S. in mechanical engineering from Rutgers University, an M.S in electrical engineering from Georgia Institute of Technology, and an M.B.A. in finance from Columbia Business School. Outside K2, Mr. Lal is a member of the Rutgers University Board of Trustees. Mr. Lal chairs the investment committee for the university's endowment. He also serves on the Industry Advisory boards of the Rutgers University School of Engineering and the Rutgers University Masters in Mathematical Finance (MSMF) program. In addition, Mr. Lal sits on the Board of Advisors of the University of Connecticut Masters in Financial Risk Management (MSFRM) program and also teaches in the program as an adjunct professor. Mr. Lal holds a Chartered Financial Analyst (CFA) designation and a Financial Risk Manager (FRM) designation.

The Investment Manager

Unless otherwise set out in the Supplement relating to a Segregated Portfolio, the Investment Manager of a Segregated Portfolio is Franklin Templeton Investments Australia Limited.

The Investment Manager is an Australian unlisted public company limited by shares and was incorporated in the State of Victoria, Australia on 13 May 1988 (Australian Company Number 006 972 247). The Investment Manager holds an Australian Financial Services Licence, licence number 225328, issued by the Australian Securities and Investments Commission. The Sub-Manager, Franklin Templeton Investment Management Limited, is a private company incorporated with limited liability in England and Wales, and is authorised and regulated by the Financial Conduct Authority of the United Kingdom.

The Investment Manager and the Sub-Manager are both indirect wholly owned subsidiaries of FRI, which operates as Franklin Templeton Investments, a global investment organisation with over 60 years of investing experience. Franklin Templeton Investments is made up of renowned names in the investment management industry such as Franklin, Templeton and Mutual Series and other specialized investment teams, each with its own unique investment style and specialization. Franklin Templeton Investments is able to capitalize on the investment and research expertise of investment professionals worldwide to seek consistently superior performance in the long-term. FRI, listed on the New York Stock Exchange, is currently one of the largest publicly traded U.S. asset managers in terms of both assets under management and market capitalization. Details of the value of assets currently managed by Franklin Templeton Investments can be accessed on <http://www.franklintempleton.com>.

The principal(s) of the Investment Manager are:

Chris Siniakov

Managing Director, Australia Fixed Income

Franklin Templeton Fixed Income Group

Franklin Templeton Investments Australia Limited

Melbourne, Victoria, Australia

Chris Siniakov is managing director of Australia fixed income at Franklin Templeton Investments. He has over 20 years' experience in domestic and global fixed income funds management and has worked closely with large institutional clients with distinct preferences in the design and management of their fixed income portfolios.

Prior to joining Franklin Templeton, Mr. Siniakov was a head of fixed income Asia Pacific at Deutsche Asset & Wealth Management. He also held various portfolio management roles at Invesco and County Investment Management.

Mr. Siniakov holds a BSc (Hons) in mathematics and statistics from Monash University and a Graduate Diploma in banking and finance from the Financial Services Institute of Australia.

Peter Wilmshurst

Executive Vice President

Portfolio Manager, Research Analyst

Templeton Global Equity Group

Franklin Templeton Investments Australia Limited

Melbourne, Victoria, Australia

Peter Wilmshurst is an executive vice president in the Templeton Global Equity Group with research responsibility for global technology companies. He is also the portfolio manager of a number of Templeton's global portfolios.

Prior to joining Franklin Templeton in 1998, Mr. Wilmshurst was an equity portfolio manager and analyst with Norwich Investment Management in Australia and an actuary at MLC Life Company. He entered the financial services industry in 1993.

Mr. Wilmshurst holds a bachelor of economics degree and a master of economics degree from Macquarie University (Australia). He qualified as a Fellow of the Institute of the Actuaries of Australia and as a Fellow of the Financial Services Institute of Australia. Mr. Wilmshurst is a Chartered Financial Analyst (CFA) charterholder and a past president of the CFA Society of Melbourne.

Matthew Harrison

Managing Director Australia

Franklin Templeton Investments

Matthew Harrison is the Managing Director of Franklin Templeton Investments Australia.

Before joining Franklin Templeton, Matthew has held a number of senior roles within the Wealth Management sector. Most recently he was General Manager of Distribution at Colonial First State. In this capacity, he was accountable for the distribution strategy, customer engagement and overall financial results for the platform, asset management and corporate superannuation business lines. He was also a member of the Executive Committee and Risk Committee.

Matthew holds a Bachelor of Commerce from UNSW, is a graduate of the Australian Institute of Company Directors and has completed a number of global leadership courses including Wharton and INSEAD.

Andrew Canobi

Director, Australia Fixed Income

Franklin Templeton Fixed Income Group

Franklin Templeton Investments Australia Limited

Melbourne, Victoria, Australia

Andrew Canobi is director, Australia Fixed Income at Franklin Templeton Investments. He has over 20 years' industry experience in fixed income portfolio management, including macro strategy formulation, credit research and portfolio construction.

Prior to joining Franklin Templeton, Mr. Canobi was a director and senior portfolio manager, Global Fixed Income at Deutsche Asset & Wealth Management, where he was head of the Australian investment team responsible for the management of institutional investment portfolios within the fixed income asset class. He was also co-portfolio manager for global absolute return fixed income strategies investing across global developed markets. Prior to this, Mr. Canobi has held several other senior investment roles in Melbourne and London.

Mr. Canobi holds a B.A. from University of Melbourne, a Graduate Diploma in Commerce & Industrial Relations from the University of Melbourne School of Business and a Graduate Diploma in Applied Finance and Investment from the Securities Institute of Australia. He is a member of the Melbourne Society of Financial Analysts, a Senior Fellow of the Financial Services Institute of Australia (FINSIA) and a Chartered Financial Analyst (CFA) charterholder.

Under the Investment Management Agreement relating to each such Segregated Portfolio (each a "**Segregated Portfolio Investment Management Agreement**"), unless otherwise specified in the Supplement relating to the Segregated Portfolio. Franklin Templeton Investments Australia Limited has agreed to act as Investment Manager. In its capacity as such, Franklin Templeton Investments Australia Limited will be delegated discretionary asset management powers in relation to the trading, investing and reinvesting of the assets of the Segregated Portfolio, and will manage the assets of the Segregated Portfolio in accordance with the investment objective, policies and restrictions set out herein and the relevant Supplement, subject to the overall supervision of the Directors.

The fees (if any) that Franklin Templeton Investments Australia Limited is entitled to receive for acting as Investment Manager of a Segregated Portfolio are set forth in the Supplement relating to the Segregated Portfolio.

The Segregated Portfolio Investment Management Agreement is to remain in force until terminated by either party giving not less than 30 days' written notice or at any time by written notice if the other party goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously agreed by the parties in writing) or if a receiver is appointed for any of the assets of such party or if all the Participating Shares are redeemed or if the other party shall commit a material breach of the provisions of the agreement and, if capable of remedy, shall not have remedied the same within thirty days after service of notice requiring it to be remedied. The Investment Management Agreement may also be terminated in other circumstances as set out in the agreement.

On termination of the Segregated Portfolio Investment Management Agreement no additional payment will be required to be made but there will be charges to the Segregated Portfolio for outstanding fees and additional expenses necessarily incurred in connection with the termination.

Unless otherwise set out in the Supplement, the Segregated Portfolio Investment Management Agreement also provides that the Segregated Portfolio will indemnify the Investment Manager, its shareholders, affiliates, officers, directors, employees and agents and each of their respective shareholders, affiliates, officers, directors, partners, members, managers, employees and agents

(collectively, “**Indemnified Management Persons**”) from and against any actual or threatened loss or expense suffered or sustained by them by reason of: (a) the fact that they were acting as or on behalf of the Investment Manager or the Segregated Portfolio or (b) any acts or omissions in or arising out of the performance of their duties or services as Investment Manager or as shareholders, officers, directors, employees or agents of the Investment Manager, or as an agent, employee, investment adviser or consultant of the Segregated Portfolio; provided, however, that such Indemnified Management Person has acted in good faith and in the absence of willful misconduct or fraud and has not been found in a criminal proceeding to have had reasonable cause to believe that the conduct was unlawful.

The Segregated Portfolio Investment Management Agreement provides that, in the absence of wilful misconduct, gross negligence or fraud on the part of the Investment Manager, no Indemnified Management Person (as defined below) will be subject to liability to the Company, the Segregated Portfolio or to any Investor for any act or omission in the course of, or connected with, rendering services thereunder.

The Segregated Portfolio shall, in the sole discretion of the Directors, advance to any Indemnified Management Person, reasonable attorneys’ fees and expenses incurred in connection with the defence of any action or proceeding which arises out of such conduct. All such advanced fees and expenses shall be repaid to the Segregated Portfolio if such action or proceeding is found not to be covered under the indemnification provisions of the Investment Management Agreement.

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

Administrator

Unless otherwise set out in the Supplement relating to a Segregated Portfolio, the administrator for each Segregated Portfolio is Franklin Templeton Services, LLC. The Administrator provides certain financial, accounting, administrative and other services to the Company and to each Segregated Portfolio. The Administrator provides its services subject to the overall direction of the Board of Directors.

Unless otherwise set out in the Supplement, the administration agreement (the “Administration Agreement”) between the Administrator and the Segregated Portfolio provides that the Administrator will be responsible, inter alia, for the following matters under the general supervision of the Directors:

- preparing and maintaining the Segregated Portfolio’s financial and accounting records and statements,
- determining the Net Asset Value of the Segregated Portfolio,
- calculating the management fee,
- arranging for the provision of accounting, clerical and administrative services,
- maintaining corporate records, and
- disbursing payments of fees, if any.

Pursuant to the Administration Agreement, the Administrator may retain one or more third parties (“Delegates”) to perform all or a portion of its duties under the Administration Agreement on behalf of the Segregated Portfolio.

The Administration Agreement may be terminated at any time without penalties by any party upon not fewer than sixty (60) days’ written notice. The Administration Agreement provides that the Administrator and its Delegates shall not be liable to the Segregated Portfolio or its investors for any acts or omissions in the performance of administrative services in the absence of willful misconduct, gross negligence or fraud in the performance of such services. In addition, the Segregated Portfolio shall indemnify the

Administrator, its officers, directors, employees and Delegates and hold them harmless from and against any expense, loss, liability or damage arising out of any claim asserted or threatened to be asserted in connection with their serving in good faith unless said claim results from the willful misconduct, gross negligence or fraud of such parties.

The Administrator and its Delegates have no responsibility for the Segregated Portfolio's investment performance. The Administrator and its Delegates will not provide any investment advisory or management services to the Segregated Portfolio and have no responsibility for the selection or allocation of the Segregated Portfolio's assets, trading or investment activities (or the monitoring thereof), or the monitoring of and/or compliance by the Segregated Portfolio with its investment restrictions, strategies or objectives and will not be liable for any breach thereof.

The Administrator and its Delegates are, in certain circumstances, entitled to rely on information and values provided by outside third parties (including the Investment Manager) in connection with the calculation of the Segregated Portfolio's Net Asset Value. In such circumstances, the Administrator and its affiliates shall bear no liability or responsibility for the accuracy of information or values furnished by other persons in the performance of services to the Segregated Portfolio, and there is no obligation for the Administrator or its Delegates to independently verify such information or values, which shall be deemed binding and conclusive.

The Administrator and its Delegates are not responsible for the accuracy or adequacy of the information contained in this Offering Memorandum except for the information provided by the Administrator and/or its Delegates for inclusion in this Offering Memorandum. The Administrator and its Delegates are authorized to provide information regarding each Investor and his, her or its investment in the Segregated Portfolio to legal counsel, auditors and certain regulatory authorities or as otherwise required by applicable law or regulation.

The Administrator receives customary fees and reimbursement of out-of-pocket expenses paid out of the assets of the Segregated Portfolio, including for regulatory reporting and compliance, based upon the nature and extent of the services performed by the Administrator for the Segregated Portfolio. The Segregated Portfolio may retain other service providers affiliated with the Administrator to perform the administrative services that would otherwise be performed by the Administrator.

Principal Distributor

Unless otherwise set out in the Supplement, the Principal Distributor for a Segregated Portfolio is Franklin Templeton Investments (Asia) Limited. Additional distributors may be appointed from time to time and as may be set out in the Supplement. In addition, the Principal Distributor has the right to assign or delegate its duties to sub-distributor(s), intermediary(ies) and/or dealer(s) that may or may not be affiliated with Franklin Templeton Investments.

The Investment Manager may pay a portion of the investment management fee it receives from the Segregated Portfolio to the Principal Distributor, which may make payments to various sub-distributor(s), intermediaries, dealers and/or professional investors, who may include affiliates of Franklin Templeton Investments.

Other Services Providers

Details regarding the other main service providers to a Segregated Portfolio are set forth in the relevant Supplement.

Investor rights against service providers

Absent a direct contractual relationship between Investors and the relevant service provider, Investors will generally have no direct rights against a service provider to the Company and there are only limited circumstances in which the Investor could, in its capacity as Investor, potentially bring a claim against the

relevant service provider. Instead, the proper plaintiff in an action in respect of which a wrongdoing is alleged to have been committed against the Company (for the account of the relevant Segregated Portfolio) by the relevant service provider is, *prima facie*, the Company (for the account of the relevant Segregated Portfolio).

Charges and Expenses

Investment Manager's Fees

Franklin Templeton Investments Australia Limited is not entitled to fees for acting as Investment Manager of a Segregated Portfolio unless otherwise disclosed in the Supplement relating to the Segregated Portfolio.

Other Services Providers

Details regarding the charges and expenses of the other main service providers to a Segregated Portfolio are set forth in the relevant Supplement.

General Expenses

The Company will bear the cost of all fees payable in the Cayman Islands in connection with the incorporation of the Company, the preparation of this Offering Memorandum, the annual Company registration fee payable in the Cayman Islands, the fees and reasonable travel, hotel and incidental expenses of the Directors, the fees and expenses of the auditors and legal advisers to the Company, the cost of printing and distributing the annual reports and statements and all other operating and administrative expenses. Each Segregated Portfolio will bear a pro rata share of those expenses.

Reports, Statements and Meetings

The annual audited financial statements of the Segregated Portfolios are made up to 31 December in each year and generally sent to Investors within 6 months of the financial year end.

The financial statements will be made up in accordance with US Generally Accepted ("**US GAAP**").

The Directors do not intend to hold regular annual general meetings but general meetings of the Company may be convened from time to time by the Directors.

All financial statements, notices and other documents will be sent, in the case of joint holders of Participating Shares, to the holder who is named first in the Register of Members of the Company at his registered address.

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) at the offices of Investor Services as set out in the Supplement of Segregated Portfolio:

- (A) the Memorandum and Articles of the Company;
- (B) each of the following material contracts between the Company (for the account of the Segregated Portfolio) and the relevant service provider: Investment Management Agreement, Administration Agreement, Investor Services Agreement, Global Custody Agreement; and
- (C) the Companies Law (2018 Revision) of the Cayman Islands.

Copies of the Memorandum and Articles of the Company, the above-mentioned material contracts and the latest financial reports of the Company may be obtained, free of charge, from Investor Services.

Taxation

Investors should consult their professional advisers on the potential tax consequences of subscribing for, purchasing, holding or redeeming Participating Shares under the laws of their country of citizenship, domicile or residence.

As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment in the Company is made will endure indefinitely. The following is based on the law and practice currently in force in the Cayman Islands, and, accordingly, is subject to changes therein.

Cayman Islands

The Government of the Cayman Islands will not, under existing legislation, impose any income, corporate or capital gains tax, estate duty, inheritance tax, gift tax or withholding tax upon the Company or the Investors. The Cayman Islands are not party to a double tax treaty with any country that is applicable to any payments made to or by the Company.

The Company has received an undertaking from the Financial Secretary of the Cayman Islands that, in accordance with section 6 of the Tax Concessions Law (2018 Revision) of the Cayman Islands, for a period of 20 years from the date of the undertaking, no law which is enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciations shall apply to the Company or its operations and, in addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable (i) on the shares, debentures or other obligations of the Company or (ii) by way of the withholding in whole or in part of a payment of dividend or other distribution of income or capital by the Company to its members or a payment of principal or interest or other sums due under a debenture or other obligation of the Company.

Although the Company is not subject to tax in the Cayman Islands, the Company may be liable for any taxes which may be withheld at source in other countries in respect of income or gains derived from its investments.

Cayman Islands – Automatic Exchange of Financial Account Information

The Cayman Islands has signed an inter-governmental agreement to improve international tax compliance and the exchange of information with the United States (the "**US IGA**"). The Cayman Islands has also signed, along with over 80 other countries, a multilateral competent authority agreement to implement the OECD Standard for Automatic Exchange of Financial Account Information – Common Reporting Standard ("**CRS**" and together with the US IGA, "**AEOI**").

Cayman Islands regulations have been issued to give effect to the US IGA and CRS (collectively, the "**AEOI Regulations**"). Pursuant to the AEOI Regulations, the Cayman Islands Tax Information Authority (the "**TIA**") has published guidance notes on the application of the US IGA and CRS.

All Cayman Islands "Financial Institutions" are required to comply with the registration, due diligence and reporting requirements of the AEOI Regulations, unless they are able to rely on an exemption that allows them to become a "Non-Reporting Financial Institution" (as defined in the relevant AEOI Regulations) with respect to one or more of the AEOI regimes, in which case only the registration requirement would apply under CRS. The Company does not propose to rely on any Non-Reporting Financial Institution exemption and therefore intends to comply with all of the requirements of the AEOI Regulations.

The AEOI Regulations require the Company to, amongst other things (i) register with the Internal Revenue Service ("**IRS**") to obtain a Global Intermediary Identification Number (or GIIN) (in the context of the US IGA only), (ii) register with the TIA, and thereby notify the TIA of its status as a "Reporting

Financial Institution", (iii) adopt and implement written policies and procedures setting out how it will address its obligations under CRS, (iv) conduct due diligence on its accounts to identify whether any such accounts are considered "Reportable Accounts", and (v) report information on such Reportable Accounts to the TIA. The TIA will transmit the information reported to it to the overseas fiscal authority relevant to a reportable account (e.g. the IRS in the case of a US Reportable Account) annually on an automatic basis.

By investing in the Company and/or continuing to invest in the Company, investors shall be deemed to acknowledge that further information may need to be provided to the Company, the Company's compliance with the AEOI Regulations may result in the disclosure of investor information, and investor information may be exchanged with overseas fiscal authorities. Where an investor fails to provide any requested information (regardless of the consequences), the Company may be obliged, and/or reserves the right, to take any action and/or pursue all remedies at its disposal including, without limitation, compulsory redemption of the investor concerned and/or closure of the investor's account. In accordance with TIA issued guidance, the Company is required to close an investor's account if a self-certification is not obtained within 90 days of account opening.

Valuation and Prices

Calculation of Net Asset Value

In respect of each Segregated Portfolio (and unless otherwise set out in the relevant Supplement), the Net Asset Value and the Net Asset Value per Participating Share will, unless the Directors determine otherwise, be determined by the Calculation Agent as at the close of business in the relevant market or markets on each Valuation Day in accordance with the Articles and in the following manner:

- (a) The Net Asset Value of the Segregated Portfolio will be the value of the assets less the liabilities of the Segregated Portfolio.
- (b) The Net Asset Value per Participating Share or any Class or Series is determined by dividing the value of the assets of the Segregated Portfolio attributable to the Participating Shares of the relevant Class or Series less all liabilities attributable to the Participating Shares of such Class or Series by the number of such Participating Shares in issue as at the relevant Valuation Day, the result being rounded up or down to the nearest cent.

(c) *Assets*

For the purpose of any valuation, the Segregated Portfolio's assets include, without limitation:

- (i) all cash on hand or on deposit, including any accrued interest;
- (ii) all bills and demand notes and accounts receivable (including the proceeds of investments and other assets sold but not delivered);
- (iii) all investments and other assets owned by, or contracted on behalf of, the Segregated Portfolio;
- (iv) all dividends and distributions payable in stock, cash or other property receivable by the Segregated Portfolio. However, the Segregated Portfolio and/or the Calculation Agent may make adjustments with respect to fluctuations in the market value of investments caused by trading ex-dividend or ex-rights or by similar practices;
- (v) all interest accrued on any interest-bearing instruments owned by the Segregated Portfolio, except to the extent that interest is already included or reflected in the valuation of those instruments; and
- (vi) all other assets of every kind and nature, including prepaid expenses (although goodwill is deemed to have no value).

(d) *Liabilities*

For the purpose of any valuation, the Segregated Portfolio's liabilities include, without limitation:

- (i) all loans, bills and accounts payable;
- (ii) all accrued or payable expenses and fees chargeable to the Segregated Portfolio including amortised organisational expenses and accrued Management Fees. Regular or recurrent expenses may be estimated for yearly or other periods in advance and accrued over that period;
- (iii) acquisition costs of investments and other property contracted to be purchased by the Segregated Portfolio;
- (iv) such sum (if any) the directors consider appropriate on account of anticipated brokerage, stamp duty and any other governmental taxes or charges;
- (v) dividends declared on the Participating Shares but not yet paid; and

- (vi) all other liabilities, including unknown or unfixed contingencies and such reserves the directors, acting reasonably, consider advisable.
- (e) Subject as provided 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 shall be made by reference to the last traded price (or, lacking any sales, at the mean between the last available bid and asked prices) on the principal stock exchange for such investments as at the close of business in such place on the day as of which such calculation is to be made. 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 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 Directors may designate) shall be made by reference to the mean of the latest bid and asked price quoted thereon, provided always that if the Directors in their discretion consider that the prices ruling on a stock exchange other than the principal stock exchange provide in all the circumstances a fairer criterion of value in relation to any such investment, they may adopt such prices;
- (f) If no Net Asset Value, bid and offer prices or price quotations are available as provided above, the value of the relevant asset shall be determined from time to time in such manner as the Directors shall determine;
- (g) Notwithstanding the foregoing, the Directors may, at their absolute discretion, permit some other method of valuation to be used if they consider that such valuation better reflects the fair value; and
- (h) Any value (whether of a security or cash) otherwise than in US dollars shall be converted into US dollars at the rate (whether official or otherwise) which the Directors shall in their absolute discretion deem appropriate to the circumstances having regard, inter alia, to any premium or discount which they consider may be relevant, and to costs of exchange.

Memorandum and Articles of Association of the Company

The Memorandum and Articles of Association comprise the constitution of the Company.

Memorandum of Association

The Memorandum provides that the Company's objects are unrestricted.

Articles of Association

The Articles provide, *inter alia*, as follows:

Share Capital

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 Investors. The Articles provide that the unissued Participating Shares are at the disposal of the Directors who may offer, allot, issue, grant options over or otherwise dispose of them to such persons, at such times, for such consideration and on such terms and conditions as the Directors think fit.

The Company may, by Ordinary Resolution of the Management Shareholder(s), increase its share capital, consolidate its shares or subdivide any of them into shares of a smaller amount or cancel authorised but unissued shares.

Subject to the provisions of Cayman Islands law and the rights of any holders of any class of shares, the Company may by Special Resolution of the Management Shareholder(s) reduce its share capital or any capital redemption reserve or share premium account.

Segregated Portfolio Structure

The Company is a single legal entity, but the provisions of the Companies Law enable the Company to create segregated portfolios such that the assets and liabilities of each Segregated Portfolio will be legally separate from the assets and liabilities of any other Segregated Portfolios or the general assets and liabilities of the Company.

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

The Companies Law requires that any act, matter, deed, agreement, contract, instrument under seal or other instrument or arrangement which is to be binding on or to enure to the benefit of a segregated portfolio shall be executed by the segregated portfolio company on behalf of such segregated portfolio which shall be identified or specified, and such execution shall specify that it is in the name of, or by, or for the account of, such segregated portfolio.

Termination

The Company may redeem compulsorily all the Participating Shares, effectively terminating a Company.

The Company may be wound up by a Special Resolution of the Management Shareholder(s). On a winding up, the surplus assets of a Segregated Portfolio will be paid to the holders of Participating Shares issued in respect of such Segregated Portfolio in proportion to the Net Asset Value of the Participating Shares held, subject to a deduction from those Participating Shares in respect of which

there are monies due, of all monies due to the Company (for the account of the Segregated Portfolio) for unpaid calls, or otherwise.

If the Directors decide that the investment strategy is no longer viable they may resolve that a Segregated Portfolio be managed with the objective of realising assets in an orderly manner and distributing the proceeds to Investors in such manner as they determine to be in the best interests of the Segregated Portfolio, in accordance with the terms of the Articles and this Offering Memorandum. This process is integral to the business of the Segregated Portfolio and may be carried out without recourse to a formal liquidation under the Companies Law of the Cayman Islands or any other applicable bankruptcy or insolvency regime.

Voting Rights

Participating Shares carry only limited voting rights at class meetings as described below.

Dividends

Dividends shall only be payable to a holders of Participating Shares out of the assets of the Segregated Portfolio to which such Participating Shares relate. Any dividend unclaimed after a period of six years from the date of declaration of such dividend shall be forfeited and shall revert to the Segregated Portfolio.

Directors

The Directors shall be entitled to determine their remuneration (if any).

Each Director may be paid his reasonable traveling, hotel and incidental expenses of attending and returning from meetings of the Directors or committees of the Directors or general and class meetings and shall be paid all expenses properly and reasonably incurred by him in the conduct of the Company's business or in the discharge of his duties as a Director. Any Director who, by request, goes or resides abroad for any purposes of the Company or who performs services which in the opinion of the Directors go beyond the ordinary duties of a Director may be paid such extra remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Directors may determine.

A Director may hold any other office or place of profit under the Company in conjunction with his office of Director, or may act in a professional capacity to the Company, on such terms as to tenure of office, remuneration and otherwise as the Directors may determine.

No Director or intending Director shall be disqualified from his office by contracting with the Company either as vendor, purchaser or otherwise, nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office, or of the fiduciary relation thereby established, provided that the nature of his interest shall be declared by him at the meeting of the Directors at which the question of entering into the contract or arrangement is first taken into consideration, or if the Director was not at the date of that meeting interested in the proposed contract or arrangement, then at the next meeting of the Directors held after he becomes so interested, and in a case where the Director becomes interested in a contract or arrangement after it is made then at the first meeting of the Directors held after he becomes so interested.

The Directors may exercise the Company's powers to borrow and to charge assets of any Segregated Portfolio.

Transfer of Participating Shares

Subject to the provisions set out below, any Investor may transfer all or any of his Participating Shares by an instrument of transfer in any usual or common form or in any other form which the Directors may approve.

The instrument of transfer of a share shall be signed by or on behalf of (or, in the case of a transfer by a body corporate, signed on behalf of or sealed by) the transferor and (in the case of partly paid shares) the transferee and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register of members of the Company in respect thereof. All instruments of transfer, when registered, may be retained by the Company.

The Directors may, in their absolute discretion and without assigning any reason therefor, decline to register any transfer of any share. Furthermore, transfers of shares may only be conducted in accordance with the anti-money laundering policies and procedures of the Administrator/Registrar and Transfer Agent (as the case may be). A transferee will be required to complete a Subscription Agreement and will be subject to the requirements set forth for Eligible Investors in the Company.

Compulsory Redemption and Restrictions on Investors

The Directors have the right to compulsorily redeem any holding of Participating Shares for any reason, including, without limitation, if it is in the interests of the Company to do so or if the Participating Shares are or would be held by or for the benefit of a Non-Eligible Investor, or to give effect to an exchange, conversion or roll up policy.

Recordkeeping for the Company

A Segregated Portfolio is constituted as a segregated portfolio of and as a separate class of Participating Shares in the Company. The Directors may from time to time constitute other Segregated Portfolios as separate segregated portfolios and classes of shares in the Company. Each Participating Share when allotted and issued must be designated by reference to a particular Segregated Portfolio, and the proceeds from the allotment and issue of each such Participating Share must be applied in the books of the Company to the Segregated Portfolio established for that class of Participating Share, and designated by reference to it. The assets and liabilities and income and expenditure attributable to a Segregated Portfolio must be applied to each Segregated Portfolio by the Directors. The assets of any Segregated Portfolio shall only be applied against the liabilities of that Segregated Portfolio or the general liabilities of the Company to the extent permitted by the Articles and the Companies Law (2018 Revision) of the Cayman Islands. The Directors have discretion to determine the basis upon which any liability is allocated as between or among the Segregated Portfolios and have power at any time and from time to time to vary such basis. The Directors may, in the books of the Company, transfer any assets to and from a Segregated Portfolio if, as a result of a creditor proceeding against certain of the assets of the Company or otherwise, the liability would be borne in a different manner from that in which it would otherwise have been borne.

Variation of Class Rights

The Articles provide that, subject to the Companies Law and the other provisions of the Articles, all or any of the class rights or other terms of offer whether set out in the Offering Memorandum, any subscription agreement or otherwise (including any representations, warranties or other disclosure relating to the offer or holding of Participating Shares) (collectively referred to as "**Share Rights**") for the time being applicable to any Class or Series of Participating Shares in issue (unless otherwise provided by the terms of issue of those Participating Shares) may (whether or not the Company is being wound up) be varied without the consent of the holders of the issued Participating Shares of that class or series where such variation is considered by the Directors, not to have a material adverse effect upon such holders' Share Rights; otherwise, any such variation shall be made only with the prior consent in writing

of the holders of not less than two-thirds by Net Asset Value of such Participating Shares, or with the sanction of a resolution passed by a majority of at least two-thirds of the votes cast in person or by proxy at a separate meeting of the holders of such Participating Shares. For the avoidance of doubt, the Directors reserve the right, notwithstanding that any such variation may not have a material adverse effect, to obtain consent from the holders of such Participating Shares. Each subscriber for Shares will be required to agree that the terms of offer set out in the applicable Subscription Agreement and the rights attaching to the Shares can be varied in accordance with the provisions of the Articles.

The Articles also provide that, in relation to any Share Right consent required pursuant to the "Variation of Share Rights" article summarise above, the Directors in their discretion may invoke the following procedure (the "**Negative Consent Procedure**"). The Directors shall provide written notice in respect of the proposed variation (the "**Proposal**") to the registered Investors of the affected share class and shall specify a deadline (the "**Redemption Request Date**"), which shall be no earlier than thirty (30) days after the date of giving such notice, by which date such Investors may submit a written request for redemption of some or all of their Participating Shares of the affected share class on the Redemption Day (the "**Specified Redemption Date**") specified by the Directors in such notice. The terms of the Proposal shall be such that its specified effective date (the "**Effective Date**") shall not be on or prior to the Specified Redemption Date. Such notice shall further provide that the holders of any Participating Shares in respect of which a request for redemption has not been received by the Redemption Request Date (the "**Affected Shares**") shall, in the absence of express written refusal to consent, be deemed to have consented in writing to the Proposal (such Affected Shares being the "**Negative Consent Shares**"). In the event that the Negative Consent Procedure is followed, only the Affected Shares shall be considered for the purposes of determining whether the written consent has been obtained under the "Variation of Share Rights" article with the holders of the Negative Consent Shares being deemed to have submitted a written consent in favour of the Proposal on the Effective Date.

Indemnities

Every Director and officer of the Company, together with every former Director and former officer of the Company (each, for this purpose of this paragraph, an "**Indemnified Person**") shall be indemnified out of the assets of the Company against any liability, action, proceeding, claim, demand, costs, damages or expenses, including legal expenses, whatsoever which they or any of them may incur as a result of any act or failure to act in carrying out their functions other than such liability (if any) that they may incur by reason of their own actual fraud, wilful default or gross negligence. No Indemnified Person shall be liable to the Company for any loss or damage incurred by the Company as a result (whether direct or indirect) of the carrying out of their functions unless that liability arises through the actual fraud, wilful default or gross negligence of such Indemnified Person.

Alteration of the Articles

The Articles may at any time be altered or added to by Special Resolution of the Management Shareholder(s), subject to the variation of class rights protection described above.

General Information

Directors' Interests

Since incorporation of the Company, no remuneration has been paid and no benefits in kind or loans have been granted to the Directors, and the Company has not provided any guarantee for the benefit of any Director.

Save as disclosed elsewhere in this Offering Memorandum.

- (i) no Director has any interest, direct or indirect, in the promotion of or in any assets which have been or are proposed to be acquired or disposed of by, or issued to, the Company;
- (j) no Director is materially interested in any contract or arrangement subsisting at the date hereof which is unusual in its nature or significant in relation to the business of the Company; and
- (k) no Director (nor any spouse or child under 18 of a Director nor any connected person of a Director) has any interest, direct or indirect, in the share capital of the Company. Such persons may acquire Participating Shares on the same terms as other investors.

Mutual Funds Law

The Company is regulated as a mutual fund under the Mutual Funds Law (2019 Revision) of the Cayman Islands ("Mutual Funds Law"). The Cayman Islands Monetary Authority (the "Authority") has supervisory and enforcement powers to ensure compliance with the Mutual Funds Law. Regulation under the Mutual Funds Law entails the filing of prescribed details and audited accounts annually with the Authority. As a regulated mutual fund, 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 on the part of the Directors and may result in the Authority applying to the court to have the Company wound up.

The Company will not, however, be subject to supervision in respect of its investment activities or the constitution of the Company's portfolio by the Authority or any other governmental authority in the Cayman Islands, although the Authority does have power to investigate the activities of the Company in certain circumstances. Neither the Authority nor any other governmental authority in the Cayman Islands has commented upon or approved the terms or merits of this document. There is no investment compensation scheme available to investors in the Cayman Islands.

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 the power to require the substitution of Directors, to appoint a person to advise the Company on the proper conduct of its affairs or to appoint a person to assume control of the affairs of the Company. There are other remedies available to the Authority including the ability to apply to court for approval of other actions.

Anti-Money Laundering

In order to comply with legislation or regulations aimed at the prevention of money laundering the Company is required to adopt and maintain anti-money laundering procedures, and may require subscribers to provide evidence to verify their identity, the identity of their beneficial owners/controllers (where applicable), and source of funds. Where permitted, and subject to certain conditions, the Company may also delegate the maintenance of its anti-money laundering procedures (including the acquisition of due diligence information) to a suitable person.

The Company, and the Administrator on the Company's behalf, reserve the right to request such information as is necessary to verify the identity of an Investor (i.e. a subscriber or a transferee) and the

identity of their beneficial owners/controllers (where applicable). Where the circumstances permit, the Company, or the Administrator on the Company's behalf, may be satisfied that full due diligence may not be required at subscription where an exemption applies under the Anti-Money Laundering Regulations (2018 Revision) of the Cayman Islands, as amended and revised from time to time or any other applicable law. However, detailed verification information may be required prior to the payment of any proceeds from or any transfer of an interest in Participating Shares.

In the event of delay or failure on the part of the subscriber in producing any information required for verification purposes, the Company, or the Administrator on the Company's behalf, may refuse to accept the application, or if the application has already occurred, may suspend or redeem the interest, in which case any funds received will be returned without interest to the account from which they were originally debited.

The Company, and the Administrator on the Company's behalf, also reserve the right to refuse to make any redemption or dividend payment to an Investor if the Directors or the Administrator suspect or are advised that the payment of redemption or dividend proceeds to such Investor may be non-compliant with applicable laws or regulations, or if such refusal is considered necessary or appropriate to ensure the compliance by the Company or the Administrator with any applicable laws or regulations.

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 the Anti-Money Laundering Regulations (2018 Revision) of the Cayman Islands, as amended and revised from time to time, 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.

If any person in the Cayman Islands knows or suspects or has reasonable grounds for knowing or suspecting that another person is engaged in criminal conduct or money laundering or is involved with terrorism or terrorist financing and 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 ("**FRA**") of the Cayman Islands, pursuant to the Proceeds of Crime Law (2019 Revision) of the Cayman Islands if the disclosure relates to criminal conduct or money laundering, or (ii) a police officer of the rank of constable or higher, or the FRA, pursuant to the Terrorism Law (2018 Revision) of the Cayman Islands, if the disclosure relates to involvement with terrorism or terrorist financing and property. 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.

Investors may obtain details (including contact details) of the current AML Compliance Officer, Money Laundering Reporting Officer and Deputy Money Laundering Reporting Officer of the Company, by contacting the Compliance Officer or Senior Legal Counsel at:

FRANKLIN TEMPLETON INVESTMENTS (ASIA) LIMITED
17/F Chater House
8 Connaught Road Central
Hong Kong

Sanctions

The Company is subject to laws that restrict it from dealing with entities, individuals, organisations and/or investments which are subject to applicable sanctions regimes.

Accordingly, the Company will require the subscriber to represent and warrant, on a continuing basis, that it is not, and that to the best of its knowledge or belief its beneficial owners, controllers or authorised

persons ("**Related Persons**") (if any) are not; (i) named on any list of sanctioned entities or individuals maintained by the US Treasury Department's Office of Foreign Assets Control ("**OFAC**") or pursuant to European Union ("**EU**") and/or United Kingdom ("**UK**") Regulations (as the latter are extended to the Cayman Islands by Statutory Instrument), (ii) operationally based or domiciled in a country or territory in relation to which sanctions imposed by the United Nations, OFAC, the EU and/or the UK apply, or (iii) otherwise subject to sanctions imposed by the United Nations, OFAC, the EU or the UK (including as the latter are extended to the Cayman Islands by Statutory Instrument) (collectively, a "**Sanctions Subject**").

Where the subscriber or a Related Person is or becomes a Sanctions Subject, the Company may be required immediately and without notice to the subscriber to cease any further dealings with the subscriber and/or the subscriber's interest in the Company until the subscriber ceases to be a Sanctions Subject, or a licence is obtained under applicable law to continue such dealings (a "**Sanctioned Persons Event**"). The Company, the directors of the Company, the Administrator and the Investment Manager shall have no liability whatsoever for any liabilities, costs, expenses, damages and/or losses (including but not limited to any direct, indirect or consequential losses, loss of profit, loss of revenue, loss of reputation and all interest, penalties and legal costs and all other professional costs and expenses) incurred by the subscriber as a result of a Sanctioned Persons Event.

In addition, should any investment made on behalf of the Company subsequently become subject to applicable sanctions, the Company may immediately and without notice to the subscriber cease any further dealings with that investment until the applicable sanctions are lifted or a licence is obtained under applicable law to continue such dealings.

Confidential Information

The Company shall be entitled to retain any information it receives, whether within or without the Cayman Islands, in such manner as it shall, in its absolute discretion, consider appropriate. The Company reserves the right to engage such agents, whether within or without the Islands, as, in its absolute discretion, it shall consider appropriate for the purpose of complying with its obligations pursuant to applicable laws and regulations. The Company, the Calculation Agent, the Registrar and Transfer Agent and the Investment Manager will treat information received from investors as confidential and will not disclose such information other than:

- (i) to their professional advisers or other service providers, whether within or without the Islands, where the Company, the Calculation Agent, the Registrar and Transfer Agent or the Manager (as applicable) considers such disclosure necessary or appropriate in the normal course of business or to enable them to conduct their affairs; or
- (ii) where such disclosure is required by any applicable law or order of any court of competent jurisdiction or pursuant to any direction, request or requirement (whether or not having the force of law) of any central bank, governmental or other regulatory or taxation agency authority.

By subscribing for Participating Shares, an Investor is deemed to consent to any such disclosure and the Subscription Agreement contains an express authorization to this effect.

Legal Counsel

Maples and Calder, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands, acts as Cayman Islands legal counsel to the Company. In connection with the Company's offering of Participating Shares and subsequent advice to the Company, Maples and Calder will not be representing Investors. No independent legal counsel has been retained to represent the Investors. Maples and Calder's representation of the Company is limited to specific matters as to which it has been consulted by the Company. There may exist other matters that could have a bearing on the Company as to which

Maples and Calder has not been consulted. In addition, Maples and Calder does not undertake to monitor compliance by the Investment Manager and its affiliates with the investment program, valuation procedures and other guidelines set forth herein, nor does Maples and Calder monitor ongoing compliance with applicable laws. In connection with the preparation of this Offering Memorandum, Maples and Calder's responsibility is limited to matters of Cayman Islands law and it does not accept responsibility in relation to any other matters referred to or disclosed in this Offering Memorandum. In the course of advising the Company, there are times when the interests of Investors may differ from those of the Company. Maples and Calder does not represent the Investors' interests in resolving these issues. In reviewing this Offering Memorandum, Maples and Calder has relied upon information furnished to it by the Company and has not investigated or verified the accuracy and completeness of information set forth herein concerning the Company.

Beneficial Ownership Regime

The Company is regulated as a mutual fund under the Mutual Funds Law/describe exemption from section 245(1) of the Companies Law and, accordingly, does not fall within the scope of the primary obligations under Part XVIIIA of the Companies Law (the "Beneficial Ownership Regime"). The Company is therefore not required to maintain a beneficial ownership register. 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. It is anticipated that such particulars will generally be limited to the identity and certain related particulars of (i) any person holding (or controlling through a joint arrangement) a majority of the voting rights in respect of the Company; (ii) any person who is a member of the Company and who has the right to appoint and remove a majority of the board of directors of the Company; and (iii) any person who has the right to exercise, or actually exercises, dominant direct influence or control over the Company.

Requests for Information

The Company, or any directors or agents domiciled in the Cayman Islands, may be compelled to provide information, including, but not limited to, information relating to the Subscriber, and where applicable the Subscriber's beneficial owners and controllers, subject to a request for information made by a regulatory or governmental authority or agency under applicable law; e.g. by the Cayman Islands Monetary Authority, either for itself or for a recognised overseas regulatory authority, under the Monetary Authority Law (2018 Revision), or by the Tax Information Authority, under the Tax Information Authority Law (2017 Revision) or Reporting of Savings Income Information (European Union) Law (2014 Revision) and associated regulations, agreements, arrangements and memoranda of understanding. Disclosure of confidential information under such laws shall not be regarded as a breach of any duty of confidentiality and, in certain circumstances, the Company, director or agent, may be prohibited from disclosing that the request has been made.

If the Directors, in consultation with the Investment Manager, decide that the investment strategy is no longer viable they may resolve that the Company be managed with the objective of realising assets in an orderly manner and distributing the proceeds to Investors in such manner as they determine to be in the best interests of the Company, in accordance with the terms of the Articles of Association, this Offering Memorandum and any relevant Supplement including, without limitation, compulsorily redeeming Participating Shares, paying any dividend proceeds in specie and/or declaring a suspension while assets are realised. This process is integral to the business of the Company and may be carried out without recourse to a formal liquidation under the Companies Law or any other applicable bankruptcy or insolvency regime, but shall be without prejudice to the right of the holder of the Management Shares to place the Company into liquidation.