
The Directors of KBR Fixed Income Fund SPC ("the Company") whose names appear on page 20 of this Offering Memorandum accept responsibility for the information contained herein. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Offering Memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

OFFERING MEMORANDUM

**relating to the Offering of the Class B Non-Voting Redeemable Participating Shares of
US\$0.01 par value each representing**

KBR TOTAL RETURN INCOME FUND SEGREGATED PORTFOLIO

a segregated portfolio of

KBR FIXED INCOME FUND SPC

**(An open ended exempted company registered in the Cayman Islands as a segregated portfolio company
under the laws of the Cayman Islands)**

Investment Manager
KBR ADVISORS SA

~~Custodian and Prime Broker~~
~~DEUTSCHE BANK~~

Administrator, Registrar and Transfer Agent
CUSTOM HOUSE GLOBAL FUND SERVICES LIMITED

THE COMPANY IS REGISTERED IN THE CAYMAN ISLANDS PURSUANT TO SECTION 4(3) OF THE MUTUAL FUNDS LAW (AS AMENDED), BUT SUCH REGISTRATION DOES NOT INVOLVE A DETAILED EXAMINATION OF THE MERITS OF THE COMPANY OR SUBSTANTIVE SUPERVISION OF THE INVESTMENT PERFORMANCE OR PORTFOLIO CONSTITUTION OF THE COMPANY BY THE CAYMAN ISLANDS GOVERNMENT OR THE CAYMAN ISLANDS MONETARY AUTHORITY. THERE IS NO FINANCIAL OBLIGATION OR COMPENSATION SCHEME IMPOSED ON OR BY THE GOVERNMENT OF THE CAYMAN ISLANDS IN FAVOR OF OR AVAILABLE TO THE INVESTORS OF THE COMPANY.

[] 2010

DIRECTORY

Directors of the Company:	Kevin A. Phillip Nen Khieu David P.M. Blair
Registered Office:	Equity Trust Company (Cayman) Limited, 1 st Floor, Windward 1, Regatta Office Park, PO. Box 10338, Grand Cayman KY1-1003, Cayman Islands
Investment Manager:	KBR Advisors SA Rue du Marché 7 1204 Geneva, Switzerland
Administrator, Registrar and Transfer Agent:	Custom House Global Fund Services Limited Tigne Towers, Tigne Street, Sliema, SLM 3172, Malta Enquiries: shareholder.services@customhousegroup.com
Auditors:	KPMG PO Box 493 Century Yard Cricket Square Grand Cayman KY2-1106 Cayman Islands
Custodian and Prime Broker:	Deutsche Bank AG Mainzer Landstrasse 178-190 60327 Frankfurt Am Main Germany
Legal Advisers:	Campbells Scotia Centre George Town PO Box 884, Grand Cayman Cayman Islands KY1-1103 British West Indies

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1. DEFINITIONS

"ADMINISTRATION AGREEMENT"	:	The Agreement between the Company on behalf of the Fund and the Administrator in relation to the provision of administration, registrar and transfer agent services to the Company on behalf of the Fund.
"ADMINISTRATOR"	:	Custom House Global Fund Services Limited.
"ARTICLES"	:	The Articles of Association of the Company.
"BOARD"	:	The Board of Directors of the Company.
"BUSINESS DAY"	:	Any day that is a normal business day and not a national or bank holiday in the Cayman Islands, Malta or Switzerland.
"CLASS B SHARES"	:	Class B Institutional Non-Voting Redeemable Participating Shares of par value US\$0.01 each, of the Company.
"CLOSING DATE"	:	31 st May 2010, the date on which the offering of Shares at the Initial Offer Price will close, subject to the discretion of the Directors.
"COMPANIES LAW"	:	Companies Law, (2009 Revision) of the Cayman Islands as amended from time to time.
"COMPANY"	:	KBR Fixed Income Fund SPC.
"CUSTODIAN- AND PRIME BROKER "	:	Deutsche Bank AG.
"DEALING DAY"	:	The Business Day following each Valuation Day or such other day as may be designated by the Directors as a Dealing Day from time to time.
"DIRECTOR(S)"	:	A Member of the Board.
"FRONT-END LOAD"	:	A fee of up to 0.5% of a subscription amount charged by the Fund, payable to the Investment Manager, on each subscription.
"FUND"	:	KBR Total Return Income Fund Segregated Portfolio, representing the assets and liabilities attributable to the Class B Shares.
"INITIAL OFFERING PERIOD"	:	The period from the date of this Offering Memorandum until the Closing Date.
"INITIAL OFFER PRICE"	:	US\$1,000, being the price at which each Class B Share may be purchased during the Initial Offering Period.
"INVESTMENT MANAGER"	:	KBR Advisors SA.
"INVESTMENT MANAGEMENT AGREEMENT"	:	The Agreement between the Company on behalf of the Fund and the Investment Manager in relation to the provision of investment management services to the Company on behalf of the Fund.
"MALTA"	:	Republic of Malta.

"MANAGEMENT FEE"	:	The management fee payable to the Investment Manager.
"MANAGEMENT SHARES"	:	The voting non-redeemable non-participating shares of the Company.
"MONETARY AUTHORITY"	:	The Cayman Islands Monetary Authority.
"NET ASSET VALUE"/"NAV"	:	Net Asset Value of the Company in respect of the Fund.
"NAV PER SHARE"	:	The NAV of the Fund divided by the number of Shares of the Fund not redeemed and outstanding. The NAV per Share will also be the basis of the price at which the Shares will be redeemed, rounded down to the nearest US cent.
"OFFERING"	:	The Offering of the Class B Shares, which is the subject of this Offering Memorandum.
"OFFER PRICE"	:	The price at which Shares may be purchased after the Closing Date, i.e. the prevailing NAV per Share.
"OFFERING MEMORANDUM"	:	All constituent parts of this document, including all relevant appendices, amendments, supplements and exhibits thereto and latest audited annual report, if any.
"ORDINARY RESOLUTION"	:	Means either: (a) a resolution of a general meeting of the shareholders (entitled to attend and vote at such meeting) passed by a simple majority of the votes recorded; or (b) approved in writing by all of the shareholders entitled to vote at a general meeting of the shareholders in one or more instruments each signed by one or more of the shareholders and the effective date of the ordinary resolution so adopted shall be the date on which the instrument or the last of such instruments if more than one, is executed.
"PERFORMANCE FEE"	:	The performance fee payable to the Investment Manager as further described herein.
"REDEEMABLE PARTICIPATING SHARES"	:	Class B Shares.
"REDEMPTION DAY"	:	The last Business Day of each calendar week or such other day as may be designated by the Directors as a Redemption Day from time to time.
"REDEMPTION FEE"	:	The fee payable in certain circumstances upon redemption of shares, as further described.
"REDEMPTION PRICE"	:	The NAV per Share on the relevant Redemption Day rounded down to the nearest whole US cent.
"REDEMPTION PROCEEDS"	:	The NAV per Class B Share, multiplied by the number of Shares being redeemed by the redeeming Shareholder. The Redemption Proceeds will be reduced by any applicable Redemption Fees payable.

"REMITTING BANK/ FINANCIAL INSTITUTION"	:	The bank or financial institution from which a Subscriber's subscription monies are sent to the Company in respect of the Fund.
"SEGREGATED PORTFOLIO"	:	A segregated portfolio of the Company representing the assets and liabilities attributable to a specific Class(es) of Shares, with the first Segregated Portfolio being the Fund.
"SHAREHOLDERS"	:	Holders of the Class B Shares.
"SHARES"	:	Class B Shares of the Company and any other Non-Voting Redeemable Participating Shares of the Company which may be issued from time to time.
"SPECIAL RESOLUTION"	:	<p>A resolution of the Company passed in accordance with the Companies Law, being a resolution:</p> <p>(a) passed by a majority of not less than two-thirds of the shareholders as, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting of shareholders of which notice specifying the intention to propose the resolution as a special resolution has been duly given, or</p> <p>(b) approved in writing by all of the shareholders entitled to vote at a general meeting of the shareholders in one or more instruments each signed by one or more of the shareholders and the effective date of the special resolution so adopted shall be the date on which the instrument or the last of such instruments if more than one, is executed.</p>
"SUBSCRIPTION AGREEMENT AND APPLICATION FORM"	:	The subscription agreement and application form which are appended to this Offering Memorandum as Appendix I.
"UK"/"UNITED KINGDOM"	:	United Kingdom of Great Britain and Northern Ireland.
"US"/"USA"/"UNITED STATES"	:	United States of America.
"US\$/US DOLLARS"	:	The lawful currency of the United States.
"VALUATION DAY"	:	The last Business Day of each calendar week or such other day as may be designated by the Directors as a Valuation Day from time to time.

For the purposes of this Offering Memorandum any references to the male gender with regard to prospective investors in, or subscribers to, the Company shall include the female gender or such corporate or unincorporated entity as may be appropriate.

2. KEY INFORMATION

KBR Total Return Income Fund Segregated Portfolio (“the Fund”)

The following should be read in conjunction with the full text of this Offering Memorandum.

2.1 General

The Fund is a Segregated Portfolio of KBR Fixed Income Fund SPC, an open-ended exempted company incorporated in the Cayman Islands as a segregated portfolio company. Investments in the Fund will be managed by the Investment Manager, KBR Advisors SA. References throughout this Offering Memorandum to the Fund’s activities, assets, liabilities and intentions are, where the context permits, to be construed as references to the activities, assets, liabilities and intentions of the Company in relation to the Fund.

2.2 Objective

The investment objective of the Company in respect of the Fund is to achieve consistent capital appreciation of its assets in the medium to long term and recurrent income with volatility as low as possible.

2.3 Borrowing Powers

The Company on behalf of the Fund may from time to time borrow up to 30% (+5% tolerance) of the Fund’s total net assets as calculated on the most recent Valuation Day, in a manner commensurate with reasonable risk management to provide for redemption/repurchase payments or for short-term borrowing, not to exceed 90 days, unless otherwise decided by the Directors from time to time.

2.4 Offering

The Class B Shares will be offered at the Initial Offer Price of \$1,000 each during the Initial Offering Period which extends from the date of this Offering Memorandum until the Closing Date, and thereafter, on each Dealing Day at the Offer Price which is the applicable NAV per Share. Subscription proceeds must be received in cleared funds by the Company on behalf of the Fund no later than 4:00p.m. GMT on the Closing Date or 3 Business Days prior to the close of business on the relevant Dealing Day, as applicable.

2.5 Redemption

Shares may be redeemed on any Redemption Day and Redemption Fees will be deducted from the Redemption Price.

A redemption request must be received by the Administrator at least 5 Business Days before the relevant Redemption Day. Redemption requests received after such date will not be processed on the next Redemption Day but rather on the next following Redemption Day. Net proceeds due will be paid out after final calculation of the Net Asset Value per Share and Redemption Fees as at the relevant Redemption Day.

2.6 Publication of Net Asset Value

Information regarding the NAV per Share, as determined on each Valuation Day, will ordinarily be made available at the office of the Administrator of the Fund.

3. IMPORTANT NOTICES

3.1

This Offering Memorandum does not constitute, and may not be used for the purposes of, an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised, or to any person to whom it is unlawful to make such offer or solicitation. The distribution of this Offering Memorandum and the offering of Shares in the Fund in certain jurisdictions are restricted. Persons to whose attention this Offering Memorandum may come are required to inform themselves about, and to observe such restrictions. Prospective investors should inform themselves as to (a) the legal requirements within their own jurisdictions for the purchase, holding

or disposal of Shares; (b) any foreign exchange restrictions which may affect them and (c) the income and other tax consequences which may apply in their own jurisdictions relevant to the purchase, holding or disposal of Shares in the Fund.

3.2

No person is authorised to give any information or to make any representation in connection with the issue of Shares representing the Fund, which is not contained or referred to in this Offering Memorandum or the documents referred to herein. Neither the delivery of this Offering Memorandum nor the offer, issue or sale of Shares shall constitute a representation that the information given in this Offering Memorandum is correct as of any time subsequent to the date hereof. No person receiving a copy of this Offering Memorandum in any territory may treat the same as constituting an invitation to him to subscribe unless, in the relevant territory, such an invitation could lawfully be made to him without compliance with any registration or other legal requirements. It is the responsibility of any person wishing to acquire Shares to fully observe all the laws of the relevant territory in connection therewith, including obtaining any governmental or other consents which may be required or observing any other formalities needing to be observed in such territory.

3.3

The Company falls within the definition of a 'Mutual Fund' in terms of the Mutual Funds Law (As Amended) of the Cayman Islands ('the Mutual Funds Law') and accordingly is regulated in terms of that law. The obligations of the Company are (a) to register the Company with the Monetary Authority, (b) to file with the Monetary Authority (i) prescribed details of this Offering Memorandum and (ii) amended prescribed details incorporating any changes that materially affect this Offering Memorandum or the prescribed details, (c) to file annually with the Monetary Authority accounts audited by an approved auditor and (d) to pay a prescribed initial and annual registration fee, which is approximately US\$3,660 plus US\$308 per segregated portfolio.

3.4

The information in this Offering Memorandum is furnished on a confidential basis exclusively for your use and retention and, by accepting this Offering Memorandum, you agree not to transmit, reproduce or make available to any other person (other than your legal, tax, accounting and other advisors) any part of this Offering Memorandum without the express written permission of the Directors. You further agree to return the Offering Memorandum to the Company promptly in the event that you reach a decision not to make an investment in the Fund.

3.5 Within the Republic of Malta

It is not the present intention of the Directors to advertise or market the Shares in Malta or to accept subscriptions to Shares from Maltese resident persons, or from non-resident persons who are owned and controlled by, directly or indirectly, or who act on behalf of a person who is ordinarily resident and domiciled in Malta.

3.6 Within the United Kingdom

As the Company is an unregulated collective investment scheme for the purposes of the United Kingdom ("UK") Financial Services and Markets Act 2000 (the "FSM Act"), its promotion in the UK is restricted. Circulation of this Offering Memorandum in the UK is therefore limited to restricted categories of recipients, namely, persons who fall within the categories of persons set out in the Financial Services and Markets Act 2000 (Financial Promotion) Order 2001, as amended, which include investment professionals within the meaning of Articles 19, high net worth persons falling within Articles 49 and certified sophisticated investors within the meaning of article 50. In addition, this Offering Memorandum may be issued in the UK by authorised persons only to persons to whom unregulated collective investment schemes can be marketed without contravening section 238 of the FSM Act by virtue of the Financial Services and Markets Act 2000 (Promotion of Collective Investment Schemes) (Exemptions) Order 2001 or section 3.11 of the Conduct of Business Sourcebook, which forms part of Block 2 of the Handbook of Rules and Guidance issued by the Financial Services Authority. Transmission of this Offering Memorandum to any other person in the UK is unauthorised and would contravene the FSM Act.

The Company is not regulated by the Financial Services Authority (the “FSA”) or any UK self-regulating organisation and investors will not have the benefit of the Financial Services Compensation Scheme and other protection afforded by Financial Services and Markets Act 2000 or the rules and regulations made thereunder.

3.7 Within the United States of America

The Shares offered hereby have not been registered under the United States Securities Act of 1933 as amended, nor under any State securities laws and therefore may not, except by any transaction which does not violate such act or laws, be offered, sold or transferred directly or indirectly in the United States or for the benefit of any US Person, or to any person purchasing such securities for re-offer, re-sale or transfer in the United States or for the benefit of any US Person as part of the distribution of such securities.

As used herein “US Person” means:

- (a) a citizen of the United States;
 - (b) a natural person who is a resident of the United States;
 - (c) a resident alien of the United States as defined by section 7701 b) of the Internal Revenue Code of 1986, as amended;
 - (d) any partnership, corporation or other entity created, organised or incorporated in the United States or under the laws of the United States or any state or the District of Columbia or which has its principal place of business in the United States;
 - (e) any estate or trust, the income of which is subject to United States income tax regardless of source, or whose income from sources outside of the United States, which is not effectively connected with the conduct of a trade or business in the United States, is included in gross income for United States Federal Income Tax purposes;
 - (f) any trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States fiduciaries have authority to control all substantive decisions of the trust; or
 - (g) any entity organised principally for passive investment such as a commodity pool, an investment company or other similar entity (other than a pension plan for the employees, officers or principals of an entity organised and with its principal place of business outside the United States);
- (1) in which US Persons hold units of participation representing in the aggregate 10% or more of the beneficial interest in the entity; or
- (2) which was formed principally for the purpose of investment by US Persons in a commodity pool with respect to which the operator is exempt from certain requirements of Part 4 of the regulations of the United States Commodity Futures Trading Commission by virtue of its participants being non-United States Persons.

Under the terms of the Subscription Agreement and Application Form, the Directors and the ~~Prime Broker~~AdministratorCustodian require all Applicants to warrant that the Shares are not being acquired directly or indirectly for the account of a US Person as defined above.

3.8 Within the Cayman Islands

The Shares may not be offered for sale to members of the public of the Cayman Islands. Non-resident or exempted companies or other non-resident or exempted entities established in the Cayman Islands, may however, subscribe.

3.9 For the consideration of all investors

Prospective purchasers and their purchaser representatives, if any, are invited to ask questions of and to obtain additional information from the Administrator concerning the investment, the terms and conditions of the Offering and other matters (including additional information to verify the accuracy of the information in this Offering Memorandum). Such information will be supplied to the extent that the Administrator possesses or can acquire it without unreasonable effort or expense.

Investment in the Fund is only suitable for sophisticated investors who have such knowledge and experience in financial and business matters that they are capable of evaluating the merits and risks of this investment and are able to bear the economic risks of this investment. Prospective investors should be aware that the value of investments, as reflected in the Net Asset Value per Share, can go down as well as up and the attention of investors is drawn to *Risk Factors* herein below. If you are in any doubt about the contents of this Offering Memorandum or you are considering subscribing for Shares, you should consult your bank manager, stockbroker, solicitor, accountant or other financial adviser.

The minimum initial investment in the Company is US\$100,000. Minimum additional subscription into the Fund is US\$50,000, which may be reduced at the sole discretion of the Directors. The Company may reject a subscription for any reason and is not obliged to disclose the reason, or reasons, for rejecting any subscription application. The minimum investment holding following redemption or transfer may not be less than US\$100,000 (or currency equivalent).

No application has been made for a listing on any Stock Exchange for any of the Shares of the Company or for the grant of permission for any Shares in the Company to be dealt-in on any other exchange.

4. INTRODUCTION

4.1 Summary

The Company, whose registered office is located at Equity Trust Company (Cayman) Limited, 1st Floor, Windward 1, Regatta Office Park, PO. Box 10338, Grand Cayman KY1-1003, Cayman Islands British West Indies was incorporated under the laws of the Cayman Islands on the 5th of January 2010, as an open-ended investment company. The Company was formed in order to provide investors with the opportunity to participate in a variety of professionally managed specialised portfolios, organised as segregated portfolios of the Company – whereby each such segregated portfolio may represent a different class of shares. This Offering Memorandum relates to the offering of the Class B Shares, represented by KBR Total Return Income Fund Segregated Portfolio, a Segregated Portfolio of the Company. The Fund's aim is to achieve consistent capital appreciation of its assets in the medium to long term and recurrent income with volatility as low as possible

4.2 Segregated Portfolios

The Company may issue further classes of shares from time to time. The proceeds from the issue of a particular class or classes of shares of the Company shall be applied in the books of the Company to the segregated portfolio established for that class or classes of shares. The assets and liabilities and income and expenditures attributable to that segregated portfolio shall be applied to such segregated portfolio and, subject to the provisions of the Articles, to no other segregated portfolio. Where any asset is derived from another asset (whether cash or otherwise), such derivative asset shall be applied in the books of the Company to the same segregated portfolio as the asset from which it is derived, and on each revaluation of an asset the increase or diminution in value shall be applied to the same segregated portfolio and, subject to the provisions of the Articles, to no other segregated portfolio. The assets held within or on behalf of each segregated portfolio shall be applied solely in respect of the liabilities of such segregated portfolio. Any surplus in such segregated portfolio shall be held, subject to the provisions of the Articles, for the benefit of the holders of the Shares relating to that segregated portfolio.

In the case of any asset or liability of the Company which the Directors do not consider is attributable to a particular segregated portfolio, the Directors shall have discretion to determine the basis upon which any such asset or liability shall be allocated between or among segregated portfolios and the Directors shall have power at any time and from time to time to vary such basis.

4.3 Additional Classes

The Company may, in due course, issue additional classes of Shares, represented by other Segregated Portfolios, which may be designated in other currencies, and the assets of which may be managed utilising different methodologies, investing in different markets or managed by other investment advisors. Such other class(es) of Shares may be offered by means of other offering memoranda.

4.4 Investment Objective

The investment objective of the Company in respect of the Fund is to achieve consistent appreciation of capital in the medium to long term and recurrent income with volatility as low as possible.

4.5 Investment Philosophy, Policies and Strategies

The Company will aim to meet its investment objective in respect of the Fund through investments in cash instruments and/or similar, debt securities, futures, commodities, convertible bonds, currencies, derivatives/OTC instruments and exchanged traded funds.

The Investment Managers' emphasis is to make the Fund an absolute return product rather than a benchmarked relative value product. In light of this during perceived adverse market conditions the Fund will be permitted to invest in cash and low volatility fixed income products up to 130% of its Net Asset Value and establish when deemed necessary short positions in the interest rate markets mainly via futures or short positions in the Credit Markets via Credit default swaps - for up to 30% of the Fund's Net Asset Value.

- Active management of both interest rates & credit exposure with disciplined investment approach.
- Absolute return strategy with aggressive allocation across sectors globally
- Average credit rating is A or better. At no time the fund average credit rating is lower than A-
- Risk management control through day-to-day monitoring and performance attribution analysis.
- ~~No currency risk is taken, investments denominated in other currencies than USD are systematically hedged. At least 90% of the investments will be systematically hedged back into the base currency.~~

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The Investment Manager has a top-down as well as bottom-up approach:
In the top-down approach, 3 main parameters prevail:

■ Interest rate risk & trends

The strategy and investments of the Fund will depend on key elements such as inflation, inflation expectations, GDP growth, supply/demand dynamics, public finance, trade balance etc.

■ Yield curve risk:

Interest rate cycles -easing and tightening cycle- in addition to the supply/ demand dynamics, outstanding and expected debt structure, liquidity and/or premium etc. will dictate the curve positioning.

■ Credit risk:

In addition to demand/supply dynamics, macroeconomic risk (GDP & expected GDP growth, inflation & inflation expectations etc.) plus event risk (spread level, potential for tightening, rating outlook, earnings growth, leverage, interest rates (i.e. funding costs) are determinant for corporate bonds selection.

As far as the bottom-up approach is concerned:

The securities selection in the Fund will be based on fundamental valuation, expected return and liquidity.

The Company on behalf of the Fund may invest in New Issues, however, further to the 'New Issue Rule', no more than 10% of the shares issued in the Company may be held by Restricted Persons.¹

4.6 Investment Restrictions

At least 93% of the Fund's net assets may be purchased in investment-grade securities (BBB- or above). All percentage restrictions are measured at time of purchase.

¹ A "New Issue" means any IPO of an equity security made pursuant to a registration statement or an offering circular (i.e., not a secondary offering), but does not include: (1) offerings made pursuant to various exemptions under the Securities Act of 1933, as amended (the "Securities Act"), if the securities are considered "restricted securities" under the Securities Act, (2) offerings of certain exempted securities, (3) offerings of securities of a commodity pool, (4) rights offerings, exchange offers, or offerings made pursuant to a merger or acquisition, (5) offerings of investment grade asset backed securities, (6) offerings of convertible securities, (7) offerings of preferred securities, (8) offerings of registered investment companies, and (9) offerings of securities (in ordinary share form or ADRs registered on Form F-6) that have a pre-existing market outside of the United States.

■ If a downgrade below investment grade occurs, the manager has the discretion to hold or sell the holding. On an exceptional basis, the Investment Manager may purchase non-rated bonds, subject to the condition that their yield spreads over the government equivalent are comparable to that of investment-grade-rated bonds.

THE COMPANY'S INVESTMENT PROGRAM IS SPECULATIVE AND ENTAILS SUBSTANTIAL RISKS. MARKET RISKS ARE INHERENT IN ALL SECURITIES TO VARYING DEGREES. THE PRACTICES OF ENGAGING IN FUTURES AND OPTIONS TRANSACTIONS WHICH THE COMPANY MAY EMPLOY FROM TIME TO TIME CAN, IN CERTAIN CIRCUMSTANCES, INCREASE THE ADVERSE IMPACT TO WHICH THE COMPANY'S INVESTMENT PORTFOLIO MAY BE SUBJECT. NO ASSURANCE CAN BE GIVEN THAT THE COMPANY'S INVESTMENT OBJECTIVE WILL BE REALISED. AN INVESTOR MAY LOSE SOME OR ALL OF ITS, HIS OR HER INVESTMENT.

5. **RISK FACTORS**

The securities of a same issuer shall at no time exceed:

- AAA – government sector: no limit
- AA – government sector: 30%
- AAA & AA – non-government sector: 15%
- A & below issuers: 10%
- Below investment grade: 5%

Interest rate risk:

At no time the average duration should exceed:

10 years on a 100% invested portfolio

15 years on the maximum authorized 130% invested portfolio

Liquidity risk:

The securities purchased will have a minimum issue size of:

USD 500 mio for US Dollar-denominated securities

EUR 500mio for Euro-denominated securities

GBP 200mio for Sterling-denominated securities

CHF 200mio for Swiss Franc-denominated securities

Securities of smaller issuing size might be purchased for up to 10% of the Net Asset Value. No limit is set for other currencies than mentioned above.

Currency risk:

Investments denominated in foreign currencies are systematically hedged back into the base currency. However a maximum tolerance of +/-3% due to market fluctuations, can be permitted. However on market opportunities a maximum of 10% non hedged exposure can be permitted.

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Notwithstanding the investment strategy outlined above and discussed herein, investments in the Company and its Segregated Portfolios may involve a number of significant risk factors directly or indirectly due to the fact that the Company's investment portfolio is partly involved in non-traditional investments. Prospective investors should carefully consider the following factors, among others, in making their investment decision and should consult their own legal, tax and financial advisors as to all of these risks and an investment in the Company. The following risk factors are a summary of certain of those risks that should be considered but is not a comprehensive list of all potential risks:

5.1 **General Risks of Investing**

An investment in the Company is subject to all risks incidental to investment in securities and other assets which the Company may own, either for itself or on behalf of the Fund. These factors include, without limitation, changes in government rules and fiscal and monetary policies, changes in laws and political and economic conditions throughout the world and changes in general market conditions. There can be no guarantee that any profits will be realised by the Company and, therefore, by the Shareholders. Under certain circumstances, the Company may be unable to liquidate portfolio investments due to the absence of a liquid market, and consequently, may not be able to redeem Shares.

5.2 Risks of Segregated Portfolio Structure

The Company is established as a segregated portfolio company. As a matter of Cayman Islands law, the assets held on behalf of one segregated portfolio will not be available to meet the liabilities of another. However, the Company is a single legal entity, which may operate or have assets held on its behalf or be subject to claims in other jurisdictions which may not necessarily recognise such segregation.

5.3 Trading Risks

Substantial risks are involved in alternative strategies, including the trading of options and futures. Market movements can be volatile and are difficult to predict. Politics, recession, inflation, employment levels, trade policies, international events, war and other unforeseen events can also have significant impact upon the prices of the investment instrument used. A variety of possible actions by various government agencies also can inhibit the profitability of the Company's business or can result in losses. Such events, which can result in large market movements and volatile market conditions, create the risk of catastrophic losses for the trading entities in which the Company will invest.

The Company employs various techniques to attempt to reduce a portion of the risks inherent in their respective trading strategies. The ability to achieve the desired effect through a particular technique is dependent upon many factors, including the liquidity of the market at the desired time of execution. Thus, substantial risk remains that such techniques cannot always be implemented or effective in reducing losses. The activities undertaken on behalf of the Company will involve investment in readily marketable futures, forwards, commodities, currencies and other derivatives and will involve a high degree of leverage. Accordingly, the investments are subject to the general volatility and swings of all the underlying markets and a relatively small price movement may result in substantial and immediate losses in excess of the amount committed to this entity's positions. At various times, the Markets for exchange-listed equity securities and options and/or other securities may be "thin" or illiquid, making purchases or sales of securities at desired prices or in desired quantities difficult or impossible. The value and volatility of trading in these markets depends in part on general public interest and public opinion concerning economic conditions as well as the liquidity provided by market-makers and specialists. The liquidity of the market may also be affected by a halt in trading on a particular futures or securities exchange or exchanges. Illiquid Markets may make it difficult for the Company's underlying investment funds to get an order executed at a desired price.

5.4 Trading Strategies May Not Be Successful

There can be no assurance that any trading method employed by the Investment Manager on behalf of the Company will produce profitable results. Moreover, past performance is not necessarily indicative of future profitability.

Profitable trading is often dependent on anticipating trends or trading patterns. In addition, markets experiencing random price fluctuations, rather than defined trends or patterns, may generate a series of losing trades. There have been periods in the past when the markets have been subject to limited and ill-defined price movements, and such periods may recur. Any factor which may lessen major price trends (such as governmental controls affecting the markets) may reduce the prospect for future trading profitability. Any factor which would make it difficult to execute trades, such as reduced liquidity or extreme market developments resulting in prices moving the maximum amount allowed in a single day, could also be detrimental to profits or cause losses. Increases in margin levels on securities (including options) may occur in the future. Such increased margin and other potential regulatory changes may adversely impact the trading strategies. No assurance can be given that the trading techniques and strategies of the Company's investment vehicles will be profitable in the future. The liability of Shareholders investing in the Fund is limited to the amount (if any) unpaid on the Shares held by them. Under no circumstances will there be "margin-calls" to Shareholders.

5.5 Liquidity of Investments

At various times, the markets for other securities may be "thin" or illiquid, making purchases or sales of securities at desired prices or in desired quantities difficult or impossible. The liquidity of the market may also

be affected by a halt in trading on a particular futures or securities exchange or exchanges. Illiquid markets may make it difficult for the companies to get an order executed at a desired price.

As the Company may invest in shares where there is a long redemption or “lock-up” period, delays may occur in receiving redemption proceeds. All of the above could result in delays in the calculation of the Net Asset Value and/or payment of any redemption or repurchase proceeds.

5.6 Clearing Firm Loss or Insolvency

If a clearing firm utilised in connection with accounts maintained on behalf of the Company were to become insolvent, the Company could have some or all of these positions closed out without its consent. All of such positions may not be closed out under these circumstances, yet delays or other difficulties may be experienced in attempting to close out or exercise options positions. Widespread insolvency among clearing firms that clear securities options could also impair the ability of the Options Clearing Corporation (the “OCC”) to honour all exercised options, in spite of the system of safeguards which the OCC has in place. Such widespread insolvency could result in substantial losses to the Company. The OCC oversees and ensures settlement of trades in the listed options market.

5.7 Call Options

The Company may purchase and sell call options. There are risks associated with the sale and purchase of call options. The seller (writer) of a call option which is covered (e.g., the writer holds the underlying security) assumes the risk of a decline in the market price of the underlying security below the purchase price of the underlying security less the premium received, and gives up the opportunity for gain on the underlying security above the exercise price of the option. The seller of an uncovered call option assumes the risk of a theoretically unlimited increase in the market price of the underlying security above the exercise price of the option.

5.8 Put Options

The Company may effect transactions in put options. There are risks associated with the sale and purchase of put options. The seller (writer) of a put option which is covered (e.g., the writer has a short position in underlying security) assumes the risk of an increase in the market price of the underlying security above the sales price (in establishing the short position) of the underlying security plus the premium received, and gives up the opportunity for gain on the underlying security below the exercise price of the option. If the seller of the put option owns a put option covering an equivalent number of shares with an exercise price equal to no greater than the exercise price of the put written, the position is “fully hedged” if the option owned expires at the same time or later than the option written. The seller of an uncovered put option assumes the risk of a decline in the market price of the underlying security below the exercise price of the option.

The buyer of a put option assumes the risk of losing his entire investment in the put option. If the buyer of the put holds the underlying security, the loss on the put will be offset in whole or in part by any gain on the underlying security.

5.9 Futures

Transactions in futures carry a high degree of risk as prices can be volatile and market movements cannot be accurately predicted.

5.10 Risk of Leverage

The Investment Manager may allocate the Fund’s assets to invest in non-traditional investments which utilize leverage in their investment program for up to 30%. The use of leverage, while providing the opportunity for a higher return in investment, also increases the volatility of such investments and the risk of loss. Investors should be aware that an investment program utilizing leverage is inherently more speculative, with a greater potential for losses, than a program which does not utilize leverage.

5.11 Options and Futures trading is Highly Leveraged

The premium normally required in options trading and the low margin deposits normally required in futures trading result in an extremely high degree of leverage. Therefore, a relatively small price movement in an

unfavorable direction in a commodity futures contract or in the interest underlying an option contract could result in immediate and substantial losses in the Fund's investments.

5.12 Highly Volatile Markets

The prices of derivative instruments, including options, are highly volatile. Price movements of derivatives in which the Fund's assets may be invested are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. In addition, governments from time to time intervene, directly and by regulation, in certain markets, particularly those in currencies and financial instrument options. Such intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations. The Company also is subject to the risk of the failure of any of the exchanges on which the Fund's positions trade or of their clearing houses.

5.13 Hedging Transactions and Derivatives

Hedging transactions, including the use of derivative contracts, have risks associated with them including possible default by the other party to the transaction, illiquidity and, to the extent that the Company's management view as to certain market movements is incorrect, the risk that the use of hedging transactions could result in losses greater than if they had not been used. Use of put and call options may result in losses to the Company and the Fund. The use of currency transactions can result in the Company and the Fund incurring losses as a result of a number of factors including the imposition of exchange controls, suspension of settlements, or the inability to deliver or receive specified currency.

The use of options and futures transactions entails certain other risks. In particular, the variable degree of correlation between price movements of futures contracts and price movements in the related portfolio position of the Fund creates the possibility that losses on the hedging instrument may be greater than gains in the value of the Fund's position. In addition, futures and options markets may not be liquid in all circumstances. As a result, in certain markets, the Fund might not be able to close out a transaction without incurring substantial losses, if at all. Although the use of futures contracts and options transactions for hedging should tend to minimise the risk of loss due to a decline in the value of the hedged position, at the same time they tend to limit any potential gain which might result from an increase in value of such position. Finally, the daily variation margin requirements for futures contracts could create a greater ongoing potential financial risk than could purchases of options, where the exposure is limited to the cost of the initial premium. Losses resulting from the use of hedging transactions could reduce Net Asset Value, and possibly income, and such losses can be greater than if the hedging transactions had not been utilized.

5.14 Lack of Operating History

The Company is a recently formed entity and has no operating history upon which prospective investors can evaluate its likely performance.

5.15 Limited Transferability

Since the Shares are transferable only with the prior approval of the Directors, Shareholders may not be able to sell their investments and therefore, would have to utilize the Company's redemption or repurchase program, which itself may be subject to restrictions — see "Redemption/Repurchase of Shares by the Company" below.

5.16 Illiquidity of Shares

There will be no secondary market for the Shares, and consequently, Shareholders can dispose of the Shares only by means of redemption. Shares may be redeemed on a weekly basis as described herein. Since there is no assurance that the Company will be able to liquidate the portfolio securities attributable to the Fund and its Shares without losses, a holder of the Shares may incur a loss upon redemption of its Shares. In the event of unsettled market conditions, the Company on behalf of the Fund may be unable to redeem Shares.

5.17 Redemption / Repurchase of Share

Substantial redemption/repurchase of Shares could require the Company to liquidate positions attributable to the Fund more rapidly than would otherwise be desirable, which could adversely affect the value of the Shares. In these circumstances, the Company may defer redemptions/repurchases. Substantial redemptions/repurchases might cause the liquidation of the Fund and/or the Company.

5.18 Importance of the Investment Manager

The Investment Manager provides policy guidance and investment advice in investing the Company's capital. The Company's success depends, to a large extent, upon the Investment Manager's ability to recommend appropriate investments. In addition, if any of the officers of the Investment Manager cease to participate in the operation of the Investment Manager to the extent they relate to the operations of the Company for any reason, the operations, objectives and activities of the Company may be adversely affected. To the extent that the Investment Manager may rely upon the advice of any appointed investment advisor, it would be deemed that any change in the operations of any investment advisor may indirectly affect the Company.

5.19 Mandatory Redemptions/Repurchases

The Company reserves the right to require a Shareholder to redeem its total shareholding, within 20 Business Days of a notice of intent to do so, at the prevailing Redemption Price on the day that the requested redemption takes place, in the event that Shares are acquired by, or on behalf of, a US Person or in the event that the holding of Shares by the Shareholder concerned may result in regulatory, pecuniary, legal, taxation or material administrative disadvantage for the Company or the Shareholders as a whole, or, if on any Valuation Day, the total value of the Shares held by the Shareholder, following a redemption is less than the minimum subscription amount for that share class.

5.20 Indemnification of the Company's Directors, Officers, Investment Manager, ~~Custodian~~Prime Broker, Administrator and Auditor

The Company's Directors, Officers, Investment Manager, ~~Custodian~~Prime Broker, Administrator and Auditor, and their respective affiliates, are entitled to be indemnified in certain circumstances. As a result, there is a risk that the Company's assets will be used to indemnify such persons, companies or their employees or satisfy their liabilities as a result of their activities in relation to the Company.

5.21 No Equalisation for Shares Subject to Incentive Fee

Investors should note that this Fund does not operate any form of equalisation. As a result, investors may bear a disproportionate incentive fee when acquiring their shares depending upon when the shares were purchased during a calculation period.

5.22 Counter-party Risk

Currency forward contracts, swaps and other forms of derivative instruments are not guaranteed by an exchange or its clearing house. Consequently, there are no requirements with respect to record keeping, financial responsibility or segregation of customer funds and positions. The business failure of a counter-party with which the Company has entered into forward contracts or other derivatives will most likely result in a default. The default of a party with which the Company has entered into a forward contract or derivative will force the Fund to cover its resale commitments, if any, at the then current market price.

5.23 Effect of Substantial Redemptions

Substantial redemptions could require the Fund to liquidate its positions more rapidly than otherwise desired in order to obtain the cash necessary to fund the redemptions. Illiquidity in certain markets could make it difficult to liquidate positions on favourable terms, thereby resulting in a decrease in the assets. In these circumstances, the non-redeeming shareholders will bear a disproportionate risk of any decline in the value of a Fund's assets subsequent to the redemptions.

5.24 Credit risk

Monies subscribed in advance of a Dealing Day, which are held or invested into other funds in advance of the relevant Dealing Day may be viewed by the courts as being assets of the Company. In the event of the Company becoming insolvent prior to the Dealing Day such monies would be at risk with all other assets of the Company.

5.25 Limitation of Liability

The Company's auditors may severely limit their liability under the terms of their engagement, which will limit the Company's rights of possible recourse against the auditors.

5.26 Cross Class Liability

Each separate class of shares that may be created and attributed to a particular segregated portfolio will represent a separate account and will be maintained with separate accounting records. However, such segregated portfolio may be treated as one entity. Thus all of the assets of such segregated portfolio may be available to meet all of the liabilities of the segregated portfolio, regardless of the separate account to which such assets or liabilities are attributable. In practice, cross class liability will usually only arise where any class attributable to a particular segregated portfolio becomes insolvent or exhausts its assets and is unable to meet all of its liabilities. At the date of this document the Directors are not aware of any such existing or contingent liability.

The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in the Company. Prospective investors should read this entire Offering Memorandum and consult their own counsel and advisors before deciding to invest in the Company.

6. THE INVESTMENT MANAGER

Pursuant to an Investment Management Agreement between the Company and KBR Advisors SA (the "Investment Manager"), the Company has appointed the Investment Manager as the investment manager to the Company on behalf of the Fund.

The Investment Manager was incorporated in Switzerland on 29 October 2009 and is engaged in the business of managing alternative investment funds. The Directors of the Investment Manager are Mme. Annie Balmon-Raccah and Mr. Nen Khieu.

Mme. Annie Balmon-Raccah

Annie is a seasoned investment professional with extensive knowledge of fixed income markets coupled with solid client experience. She is a founding partner of KBR Advisors SA in Geneva, Switzerland - a private company created in October '09 - specialized in fixed income fund management. Prior to this she was responsible for managing tailor-made fixed income strategies as well as the "Income plus profile" at Asset Management, HSBC Private Bank Suisse S.A. for 8 years. She has more than 14 years of experience in asset management, in fixed income analysis as well as buy-side equity analysis. She holds a Bachelor degree in Economics with a major in Econometrics from the University of Geneva. Prior to HSBC, Annie was a buy-side equity analyst on Global Consumer at Bank Safra in Geneva.

Mr. Nen Khieu

Nen is a senior investment professional with extensive knowledge of fixed income markets coupled with solid client experience. He is also a founding partner of KBR Advisors SA in Geneva, Switzerland - a private company created in October '09 - specialized in fixed income fund management. Prior to this, Nen Khieu was responsible for all fixed income activities at Asset Management, HSBC Private Bank Suisse S.A. for 9 years. He has more than 29 years of experience in the banking sector. Prior to HSBC, Nen was responsible for fixed income management at United European Bank in Geneva. He holds a Certified Financial Analyst degree from the Swiss and European Professional Investment School.

7. ADMINISTRATOR

The Directors have appointed Custom House Global Fund Services Limited (“CHGFS”) as the Administrator (the “Administrator”) of the Company in respect of the Fund. The Administrator provides services as an administrator, registrar and transfer agent and corporate secretary to investment companies and other collective investment undertakings.

The Administrator, which is a Maltese limited liability company, is both an administrator and custodian of Funds of Funds, respectively recognised and authorised by the MFSA. CHGFS is also the parent company of the Custom House Fund Services Group of companies, with, in addition to its office in Malta, inter alia, offices in Chicago, Dublin, Guernsey, Luxembourg, Singapore and the Netherlands. These offices operate off the same integrated system which, in turn, operates off the same servers. Thus, authorised personnel in each office are able to review the Company’s books that may be administered in another office. This gives Custom House the flexibility to organise the administration of the Fund in several different locations. This enhances the service offered to clients and ensures that the Fund will be administered in the most efficient and appropriate manner.

Although the Administrator is responsible for the administration of the Fund, it should be noted that, in providing services as an administrator, the Administrator does not act as a guarantor of the Shares herein described. Moreover, the Administrator is not responsible for any trading or investment decisions of the Company or the Fund (all of which will be made by the Investment Manager), or the effect of such trading decisions on the performance of the Company or the Fund nor is the Administrator responsible for the safekeeping or the custody of the assets of the Company or the Fund.

The Directors have also appointed the Administrator as Registrar and Transfer Agent (the “Registrar”) and Corporate Secretary for the Company. The services provided by the Administrator, in the context of acting as Registrar, include the maintenance of a copy of the Register representing the Company’s records relating to Share ownership and the redemption of Shares; receipt of requests for redemption; authorisation of redemption payments; authorisation of disbursements of management and advisory fees, commissions and other charges; and other services as agreed on by the parties.

In relation to the Company, CHGFS may outsource some of its administration and related services to other Custom House offices which, in this respect, will liaise directly with the Investment Manager and investors.

CHARIOT

The Company will have available the facility of CHARIOT (“Custom House Accessible Reporting In Open Technology”), a web-reporting platform provided by the Administrator, which enables both Investors and Managers to have password-protected access to the CHARIOT web platform, which sets out certain information, accounts and reports for the Company.

8. CUSTODIAN ~~AND PRIME-BROKER~~

Deutsche Bank AG

Deutsche Bank AG has been appointed to act as Custodian ~~and Prime Broker~~ of the Company in respect of the Fund.

Deutsche Bank is a leading global investment bank with a strong and profitable private clients franchise. Its businesses are mutually reinforcing. A leader in Germany and Europe, the bank is continuously growing in North America, Asia and key emerging markets. With 80,849 employees and about 2,000 branches in 72 countries (as of March 31, 2010), Deutsche Bank offers unparalleled financial services throughout the world.

Deutsche Bank AG has no decision-making responsibility relating to the Fund's investments, which decisions remain the responsibility of the Directors of the Company at all times. Deutsche Bank AG has no responsibility for any of the Fund's assets that are not held by Deutsche Bank AG or its affiliates. Deutsche Bank AG and the

Company may amend the terms of the agreement between the Company and Deutsche Bank AG in writing at any time. Deutsche Bank AG and the Company may terminate the Agreement at any time upon notice as set forth in the Agreement. The Company reserves the right, in its discretion, to replace the ~~prime brokerage and~~ custodian arrangements described above, which right may be exercised by the Company in its sole discretion. The Investment Manager is responsible for satisfying itself as to the adequacy of custody arrangements entered into by the investment funds in which any of the assets of the Fund are invested.

The Custodian ~~and Prime Broker~~ has no responsibility for the preparation of this Offering Memorandum or the activities of the Company, the Fund or its affiliates and accepts no responsibility for any information contained in this Offering Memorandum.

9. APPOINTMENT OF BROKERS

The Company on behalf of the Fund may, from time to time, utilise the services of ~~other~~ brokers, whether executing brokers, prime or clearing brokers, and the Company on behalf of the Fund will bear all related costs which will be charged at usual commercial rates.

109. CONFLICTS OF INTEREST

Potential investors should be aware that there may be situations in which each and any of the Directors, the Investment Manager, the Custodian ~~and Prime Broker~~ and the Administrator, (together the "Interested Parties"), could encounter a conflict of interest in connection with the Fund. Should a conflict of interest actually arise, the Directors and the Investment Manager will endeavour to ensure that it is resolved fairly. In particular, potential investors should be aware of the following:

- Certain Directors of the Company or entities in which they may have a financial or managerial interest, may sell Shares of the Company and receive a portion of each, or all, of the brokerage commissions, transaction charges, advisory fees or management fees paid by the Fund as attributable to such purchasers' Shares. Thus, to the extent of such purchases, such Directors may have a conflict of interest between their duty to act for the benefit of the Shareholders in limiting expenses of the Company and the Fund and their interest in receiving such fees and/or commissions.
- The Investment Manager may make investments for other clients without making the same available to the Fund where, having regard to its obligations under the Investment Management Agreement, the Investment Manager considers that it is acting in the best interests of the Fund, so far as reasonably practicable having regard to its obligations to other clients.
- The Company may effect the sale or purchase of investments through a broker who is associated with the Investment Manager, provided that the amount of commission payable to such broker is not in excess of that which would have been payable had the sale or purchase been effected through a broker who is not so associated.

One of the Directors, Mr. Nen Khieu., is also a director of the Investment Manager. One of the Directors, David Blair, is a director of the Administrator. As a result of the various affiliations mentioned above, it could be said that the Investment Management Agreement and the Administration Agreement were not negotiated on arms length terms. However, the Directors have fiduciary duties to the Company and consequently have exercised and will exercise good faith and integrity in handling all the Company's affairs.

110. OFFICERS AND DIRECTORS OF THE COMPANY

The Directors are responsible for the overall management and control of the Company in accordance with its Memorandum and Articles of Association; however, the Directors have delegated the day-to-day operation of the Company to service providers including the Investment Manager and Administrator. In performing their duties, the Directors are entitled to rely upon, and generally rely upon the work performed by and information received from such service providers.

Kevin A. Phillip	-	Director
Nen Khieu	-	Director
David P.M. Blair	-	Director
Custom House Global Fund Services Limited	-	Company Secretary

The address of the Directors, for the purposes of the Company, is the registered office of the Company. All Directors act in a non-executive capacity.

Kevin A. Phillip

Kevin A. Phillip is a Manager of dms Management Ltd., a company management firm, licensed and regulated under the laws of the Cayman Islands, whose principals are focused on providing independent directors to investment companies. Mr. Phillip serves as an independent director on a variety of hedge fund and related structures. Additionally, he manages and supports boards of directors evaluating corporate governance, accounting, regulatory, legal and financial issues.

Formerly, Mr. Phillip worked in the Asset Management Practice of Ernst & Young in New York and the Cayman Islands, where his client base included domestic and offshore hedge funds, large international financial institutions, and mutual funds with assets under management in excess of US\$12 billion.

Mr. Phillip qualified as a Certified Public Accountant in the state of New York and holds a MS in Accountancy from the University of Notre Dame, as well as BBA degrees in Accounting and Finance, Summa Cum Laude, from North Carolina Central University in Durham, North Carolina. He is a member of the American Institute of Certified Public Accountants.

Mr. Nen Khieu – see description above under ‘Investment Manager.’

David P.M. Blair

Mr. Blair is a Fellow of the Institute of Chartered Accountants in England and Wales. In 1976, he moved to Bermuda as an audit senior and in 1982, he established Windsor Management Services Limited, a Bermuda registered company, to provide management and administration services to Bermuda exempt companies and investment funds. Mr. Blair sold his interest in Windsor in 1989 and returned to the United Kingdom. In early 1990, he was employed by Barings to establish their fund administration and custody operations in the International Financial Services Centre in Dublin. From 1990 to 1994, he was a Director of International Fund Managers (Ireland) Limited, the Barings fund administration company, and then was appointed a Director of Barings (Ireland) Limited, the Barings entity providing custody services to investment funds. In 1996, he was appointed Managing Director of the Custom House Group of Companies and in 2008 following a merger between Custom House and Equity Trust’s fund services business, Mr. Blair was appointed CEO of the new parent company, Custom House Global Fund Services Limited. In addition Mr. Blair acts as a director for a number of investment funds some of which are listed on the Irish Stock Exchange and some of which are domiciled in Ireland and regulated by the Irish Financial Services Regulatory Authority.

Custom House Global Fund Services Limited - (Company Secretary)

The Directors have appointed Custom House Global Fund Services Limited, as company secretary (“the Company Secretary”). The Company Secretary’s duties will include maintaining the Company’s statutory books and records, minutes of meetings and complying with regulatory requirements in the Cayman Islands. For further details on the Company Secretary see under the section entitled “Administrator” herein.

14.12. ORGANISATION OF THE COMPANY

The Company was incorporated in the Cayman Islands on the 5th of January 2010.

14.1 Capitalisation of the Company

The Company has an authorised share capital of US\$50,000 consisting of 100 voting non-redeemable, non-participating shares (defined herein as Management Shares) of US\$0.01 par value each, 2,000,000 of the Class B

Shares of US\$0.01 par value each, and 2,999,900 undesignated non-voting redeemable participating Shares also of US\$0.01 par value each. The 2,999,900 undesignated non-voting redeemable participating shares may be issued by or under the direction of the Directors, who may designate such Shares upon their issue as forming part of any class of non-voting redeemable participating shares. The Articles of Association of the Company empower the Directors to issue different classes of shares from time to time each of which may (i) be separately managed (ii) use different leverage, (iii) have a separate investment objective and net asset value, and/or (iv) offer different fees or voting rights, among other differences. The approval of the Shareholders will not be necessary under Cayman Islands law to issue additional classes, provided that the additional classes do not rank in priority to the shares of existing classes.

The Company may, in due course, issue additional classes of Shares, which may be represented by other Segregated Portfolios, and which may be designated in other currencies, and the assets of which may be managed utilising different methodologies, investing in different markets or managed by other investment advisors. Such other class(es) of Shares will be offered by means of other offering memoranda.

All Class B Shares participate equally in such net assets of the Company as are represented by the Fund on liquidation and in any dividends and other distributions attributable to the Fund as may be declared. Except to the extent that they have the right to a return of paid up capital on winding-up, Management Shares do not participate in the assets of the Company nor in any dividends or other distributions of the Company as may be declared. The holder of each Management Share is entitled to one vote per share on all matters which may arise for consideration by the holders of the issued and outstanding voting shares of the Company, whereas, subject to the limited rights to vote set out in the section '*Variation of Class Rights*' below, the holder of any other class of Share shall have no voting rights. (See "*Annual Meetings*" below). Each Share and each Management Share, when issued will be fully paid and non-assessable. No Shares have preferences, pre-emptive, conversion or exchange rights. There are no outstanding options or any special rights relating to Shares.

~~12.2~~ Management Shareholders

100 Management Shares have been issued fully paid to Campbell Corporate Services Limited as trustee.

~~12.3~~ Alterations to the Company's Share Capital

The Company may, by ordinary resolution of the Management Shareholders increase the authorised share capital. The Management Shareholders may by a Special Resolution subject to the confirmation of the courts of the Cayman Islands, reduce the Company's share capital.

~~12.4~~ Amendment to Memorandum of Association and Articles of Association

Subject as provided herein, the Memorandum of Association and Articles of Association of the Company may only be altered or amended by the passing of a Special Resolution of the holders of the Management Shares to such effect.

~~12.5~~ Variation of Class Rights

The rights attached to any existing class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of not less than three-fourths of the issued shares of that class and of any other class of shares which may be affected by such variation or by a resolution passed by a three-fourths majority of those persons present and entitled to vote in favour of the resolution passed at a separate class meeting of the holders of the shares of such class or by unanimous written resolution of such separate class. It shall not be deemed to be a variation of the rights attaching to any particular class of shares for the Company to create or issue further shares ranking *pari passu* with the existing Shares.

~~12.6~~ Further Issues of Share

The Shares shall be at the disposal of the Board and the Company may, by resolution of the Board, at any time decide to offer further Shares to a maximum amount of authorised Shares comprised in the authorised share capital and, without prejudice to any special rights previously conferred on the holders of existing Shares, to allot, issue, grant options over or otherwise dispose of the Shares or any other classes of Shares (including fractions of Shares) with or without preferred, deferred or other special rights or restrictions, whether with regard

to dividend, voting or otherwise and to such persons, at such times and on such other terms as the Board shall think proper, but not in a manner to reduce the financial rights of Shareholders without their consent.

112.7 Repurchase of Shares

Under the Companies Law of the Cayman Islands, subject to certain conditions, the Company is permitted to repurchase or redeem its Shares out of surplus or in exchange for newly issued Shares of equal value, or, provided that the Company is able to pay its debts as they fall due in the ordinary course of its business, out of capital. Repurchased or redeemed Shares shall be treated as cancelled but shall continue to form part of the authorised share capital of the Company and shall be available for reissue by the Company at any time in the future. Redemptions of Shares will be based on the NAV per Share, as defined herein, in accordance with the Company's Memorandum and Articles of Association, which require receipt by the Company of Share Certificates, if issued, prior to payments of the proceeds of redemptions.

112.8 Liquidation

The Company has been incorporated for an indefinite period and it may be placed in voluntary liquidation at any time by a resolution approving the commencement of the liquidation, which resolution may be adopted by the holders of the Management Shares in the same manner as that required for amending the Articles.

Any voluntary liquidation shall be carried out pursuant to applicable Cayman Islands laws and the Articles of Association of the Company. The net liquidation proceeds attributable to the Fund would be distributed to the holders of Shares in proportion to the number of such Shares, which they hold. Amounts, which have not been claimed by Shareholders at the close of the liquidation, will be deposited in an account in the name of the Company referenced with the Shareholders name in a bank selected by the Directors. Any such amount not claimed within a period of seven years will be donated to an international charity selected at the discretion of the Board.

112.9 Indebtedness

As at the date of this Offering Memorandum the Company has no loan capital (including term loans) outstanding or created but unissued, and no outstanding mortgages, charges or other borrowings or indebtedness in the nature of borrowing, including bank overdrafts and liabilities under acceptances or acceptance credits, hire purchase or finance lease commitments, guarantees or other material contingent liabilities.

112.10 Capital Structure

Authorised: US\$50,000 represented by 100 Management Shares and 4,999,900 non-voting redeemable participating shares. As at the date hereof, the Company has only created the Class B shares, being attributable to the Fund however, the Company intends, in due course, to issue additional classes of Shares, which may be represented by other Segregated Portfolios, which may be offered by means of other offering memoranda.

Issued: No non-voting redeemable participating shares have been issued as at the date hereof.

1213. ISSUE OF SHARES

132.1 Securities Offered

Class B Shares of the Company with a par value of US\$0.01 each at the Initial Offer Price of US\$1,000 each, for subscriptions received on or prior to the Closing Date and thereafter at the Offer Price on each Dealing Day.

Following the end of the Initial Offering Period, subscription for Shares may be made on any Dealing Day.

The Shares offered by this Offering Memorandum are of Class B and holders of such Shares will be entitled to participate equally in any dividends paid by the Company in relation to the Fund, and in the surplus assets of the Fund on liquidation. The Articles of Association of the Company contain provisions designed to prevent the holding of its Shares by persons who have been designated by the board as ineligible ("Ineligible Person"). US Persons are not eligible to hold Shares.

1213.2 Share Premium Account

The Initial Offer Price of the Shares, and the subsequent Offer Price of the Shares will represent US\$0.01 par value per Share with the balance being a share premium; such premiums will be credited to the Share Premium Account of the Fund and will form part of the Net Assets of the Fund.

1213.3 Minimum Subscription

The minimum initial subscription permitted for the Shares will be US\$100,000. The minimum additional subscription in the Fund shall be US\$50,000.

The minimum investment holding following redemption or transfer may not be less than US\$100,000 (or currency equivalent).

1213.4 Initial Offering Period

The Initial Offering Period will be from the date of this Offering Memorandum until the Closing Date. The Directors may extend the Offering Period at their sole discretion if the Directors deem such an extension appropriate.

1213.5 Initial Offer Price

During the Initial Offering Period, the Offer Price will be US\$1,000 per Share for Class B.

1213.6 Offer Price

After the Closing Date, Shares may be purchased on any Dealing Day at the Offer Price. The Offer Price for the Shares will be calculated on the basis of the NAV of the Fund at the close of business on the relevant Dealing Day divided by the number the Shares of the relevant class in issue and rounded up to the nearest US cent.

1213.7 Purchase of Shares

Purchases of Shares can be made at the Initial Offer Price during the Initial Offering Period and, thereafter, at the Offer Price being the prevailing Net Asset Value per Share Price on the next Dealing Day after receipt by the Administrator of a properly executed Subscription Agreement and Application Form, providing the Administrator has received the documents and has been advised of receipt of the full Offer Price in cleared funds by the ~~Custodian and Prime Broker~~ no later than 4:00p.m. GMT on the Closing Date or 3 Business Days prior to the close of business on the relevant Dealing Day, as applicable.

Comment [JAB1]: As DB are providing the subscription account for investor's money, the Administrator will need to verify with DB as to whether subscription monies have been received before we can process any applications for shares.

1213.8 Fractional Shares

Fractional Shares will not be issued.

1213.9 Subscription Applications

Applications for the purchase of Shares in the Fund must be made in accordance with the Subscription Agreement and Application Form, which accompany this Offering Memorandum as Appendix I.

1213.10 Anti-Money Laundering Measures (Cayman Islands Requirements)

The attention of potential investors is drawn to the Proceeds of Crime Law (2008 Revision) ("PCL"), the Guidance Notes on the Prevention and Detection of Money Laundering ("the Guidance Notes") and The Money Laundering Regulations, 2009 (the "Regulations") as amended from time to time of the Cayman Islands.

As part of the Company's responsibility for the prevention of money-laundering, the Directors, the Administrator and any other persons responsible may implement any or all of the procedures prescribed by the Guidance Notes issued from time to time by the Monetary Authority and must implement all of the procedures prescribed by the Regulations which are made by the Governor in Cabinet of the Cayman Islands pursuant to the PCL.

The Company reserves the right to request such information as is necessary to verify the identity of an applicant.

If any person resident in the Cayman Islands knows or suspects or has reasonable grounds for knowing or suspecting that another person is engaged in money laundering or is involved with terrorism or terrorist property and the information for that knowledge or suspicion came to his attention in the course of his trade, profession, business or employment he is required to report such belief or suspicion to the relevant authorities pursuant to the PCL if the disclosure relates to money laundering or to a police officer of the rank of constable or higher if the disclosure relates to involvement with terrorism or terrorist property, and such 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.

In accordance with applicable requirements in the Cayman Islands, the Fund has delegated certain of its money laundering compliance functions, including the appointment of a money laundering reporting officer, to the Administrator. As a result of the Administrator being located in a country specified in the Third Schedule to the Regulations (as described in section 9(5)(b) therein) the Monetary Authority will regard compliance by the Administrator with regulations in Malta relating to money laundering as compliance with the Regulations and associated Guidance Notes.

1213.11 Anti-Money Laundering Measures (Maltese Requirements)

As well as the above requirements, the Administrator of the Company is required to ensure full compliance with all applicable Maltese and international anti-money laundering (“AML”) and anti-funding of terrorism (CFT) legislation.

The principal legislation is laid down in the Maltese Prevention of Money Laundering Act, 1994 (Chapter 373 of the Laws of Malta) and the Criminal Code (Chapter 9 of the Laws of Malta), as amended, and the consequent requirements for subject persons are laid down in the Prevention of Money Laundering and Funding of Terrorism Regulations, issued in 2008 (Legal Notice 180 of 2008). Further, and if appropriate, the Administrator may also be required to comply with certain provisions of the USA PATRIOT Act and other relevant international legislation. The *Malta Financial Services Authority* has also issued Guidance Notes for Investment Services and Life Assurance Business on 31st January 2005.

The specific requirements include, inter alia, the fundamental requirement to conduct suitable Customer Due Diligence, including the requirement to Know Your Client (and to verify the identity thereof), which extends, for any ‘non-individual’ investor, to the ultimate beneficial owner(s) of the monies invested. This requirement is principally (though not exclusively) satisfied through documentary evidence, as listed in the Client Verification Requirements (“CVR”), which are part of Appendix I of the Offering Memorandum. It should be noted that the Administrator may request further information, in order to satisfy its regulatory obligations. The Administrator is also obliged to obtain information on the purpose and intended nature of the business relationship, in order to be in a position to establish the business and risk profile of the investor. The Administrator is also obliged at law to carry out ongoing monitoring in the case of an existing business relationship, which includes the scrutiny of transactions undertaken throughout the course of the relationship in order to ensure that the transactions being undertaken are consistent with the Administrator’s knowledge of the investor and of his business and risk profile, including, where necessary, the source of funds as well as ensuring that the documents, data or information held by the Administrator are kept up-to-date.

The completion of the application form serves as confirmation that the investor understands and agrees to furnish the requested documents and other information. It also represents the first request for the documents noted on the CVR. If the documents requested are not received within a reasonable time following the investment, the Administrator will send a second request to the Shareholder, which will act as a reminder. If, within a reasonable time after this reminder, the Administrator still has not received the documents requested, further requests will be sent to the Shareholder. For these further requests there will be a charge imposed on the shareholder of €100, which will be charged directly against the Shareholder’s interest in the Fund.

It must also be noted that redemption monies cannot be remitted to the shareholder until all documents requested have been received. Further, please note that it is a regulatory requirement to report suspicious transactions to the competent authorities, and any relevant data in this regard may need to be transferred to the relevant regulators.

There is also a requirement to know the source of the funds, such requirement normally limited to knowing the bank and account from which the monies were remitted. A further requirement is that such monies invested may only be redeemed to the account of remittance, except in exceptional circumstances.

Finally, as the aforementioned legislation is subject to change, any additional requirements imposed on the Administrator will be reflected in its requirements of the applicant.

132.12 Share Certificates

Class B Shares will be issued in registered form only, which may not be exchanged for bearer shares.

Share Certificates will be sent to Shareholders, only at their specific written request, at a cost of €200, or currency equivalent, payable by the Shareholder, by registered mail and may contain an appropriate legend referring to restrictions in transferability and sale of the Shares.

1314. REDEMPTION OF SHARES

1314.1 Procedure

Subject to the restrictions appearing in this Offering Memorandum or in the Articles of Association of the Company, a Shareholder may cause any or all of his Shares to be redeemed by the Company at the Redemption Day at the Redemption Price which will be the NAV per Share on the relevant Redemption Day.

Redemptions of Shares may be made on any Redemption Day, at the Redemption Price providing written notice, in the form required, is received by the Administrator at least 5 Business Days prior to the relevant Redemption Day. Redemption requests received after such date will not be processed on the next Redemption Day but rather on the next following Redemption Day provided that the Directors may accept, at their sole discretion, a shorter notice period. Payment of the proceeds of redemptions will be made only after the Company has received the relevant share certificates, if issued and all relevant CVR documentation.

The NAV per Share will reflect all accrued expenses, including accrued Management Fees and Performance Fees.

The Directors may in their exclusive discretion limit the total amount of redemptions effected on any Redemption Day to the lesser of: (i) 10% of the Non-Voting Redeemable Participating Shares in issue on that day in respect of the Fund; or (ii) that number of Non-Voting Redeemable Participating Shares in respect of the Fund, the aggregate Net Asset Value of which as of the immediately preceding Valuation Day amounted to US\$1,000,000; (in each case before giving effect to sales of Shares or requests for redemption for such month). In such circumstances the Company or its authorised agent may scale down *pro rata* the number of Non-Voting Redeemable Participating Shares in respect of the Fund to be redeemed in response to each request for redemption to the extent necessary to ensure that the foregoing limit is not exceeded, and shall carry forward the balance for redemption as at the next Redemption Day and so on to each succeeding Redemption Day until each request has been complied with in full. Requests for redemption carried forward from an earlier Redemption Day shall have priority over later requests.

Redemption proceeds due will be paid out after final calculation of the Net Asset Value per Share as of the relevant Redemption Day.

Except as discussed above and below, all requests for redemption in the proper form will be honoured and the Fund's investments will be liquidated to the extent necessary (if any) to discharge its liability on the date of redemption.

Redemption notices sent by the Shareholder to the Administrator will not be deemed to have been received by the Administrator unless receipt is acknowledged in writing by the Administrator. Exceptions are made where the delivery of the communication has been acknowledged by a signed receipt.

1314.2 Redemption Price

The Redemption Price is the NAV per Share calculated at the close of business on the relevant Valuation Day.

1314.3 Minimum Holding Period and Redemption Fee

The minimum holding period of Shares in the Fund shall be 6 months from the date of purchase. Shares may be redeemed during such minimum holding period but will be subject to a Redemption Fee of 1% of the Redemption Proceeds, unless waived by the Directors in their discretion.

1314.4 Temporary Suspension in Dealings

The Company may suspend the calculation of the Fund's Net Asset Value and/or the right of any Shareholder to require redemption of any Share and/or the issue of Shares during (a) any period when any stock exchange on which a significant proportion of the investments made on behalf of the Fund is quoted is closed otherwise than for ordinary holidays or during which dealings thereon are restricted or suspended; (b) any period when disposals of investments made on behalf of the Fund cannot be effected normally or without seriously prejudicing the interests of Shareholders; (c) any period when there is a breakdown in the means of communication normally employed in determining the price or value of any of the investments or the current price or values on any stock exchange; or (d) any period when the Company is unable to repatriate funds for the purpose of making payments on the redemption of Shares or during which any transfer of funds involved in the realisation or acquisition of investments or payments due on redemption of Shares cannot in the opinion of the Directors be effected at normal rates of exchange. Notice of any such suspension will be given to any Shareholder tendering his Shares for redemption. Shareholders will be promptly notified upon the termination of such suspension.

For the avoidance of doubt, if the Company suspends calculation of the Fund's Net Asset Value for any period of time, no applications for Shares or request for redemption will be accepted by the Company.

For further avoidance of doubt, the Company on behalf of the Fund may suspend the right of any Shareholder to request redemption of his Shares or suspend payment of redemption proceeds (even if the relevant Dealing Day has passed) in such circumstances as set out above, without the Net Asset Value of the Company also being suspended.

1314.5 Compulsory Redemption

The Company reserves the right to require a Shareholder to redeem its total shareholding, within 20 Business Days of a notice of intent to do so, at the prevailing Redemption Price on the day that the requested redemption takes place, in the event that Shares are acquired by, or on behalf of, a US Person or in the event that the holding of Shares by the Shareholder concerned may result in regulatory, pecuniary, legal, taxation or material administrative disadvantage for the Company or the Shareholders as a whole or in the event that the aggregate holding of Shares, following a redemption, is less than the minimum required in this Memorandum.

1415. TRANSFER OF SHARES

1415.1 Approval of Transfers

Transfer or assignment of the Shares may not be made without the approval of the Directors. Any attempted transfer or assignment without such approval will not be recognised by the Company. A Shareholder desiring to transfer his Shares must make available to the Registrar the certificate(s), if issued, representing the Shares such Shareholder desires to transfer, together with a written instrument of transfer executed by the proposed transferor setting forth (i) the names and addresses of the proposed transferor and transferee, (ii) the number of Shares to be transferred, (iii) the number of the certificates(s) representing such Shares, (iv) the consideration to be paid for such Shares and (v) such other information as the Company may require, including information necessary to satisfy the Company that the proposed transfer complies with applicable laws and appropriate identification documentation is provided as required by the Company or the Administrator to comply with applicable anti-money laundering requirements. In addition, the proposed transferee must, in the above-mentioned instrument of transfer, agree to take such Shares subject to the same conditions and restrictions pursuant to which the Shares were held by the transferor.

If within 30 days of receipt by the Registrar of an acceptable instrument of transfer the Directors do not deny permission for the transfer, the Company shall be deemed to have approved the transfer. However, the

Company's Articles of Association provide that the Directors may in their discretion, absolutely decline to give effect to the proposed transfer of any Share and may withhold approval, if the manner, form or evidence of transfer or assignment is unacceptable, if the transfer violates the minimum initial subscription requirement of the Company, if the transfer might violate applicable laws, where all required documentation is not submitted, or when such transfer is deemed by the Directors in their absolute discretion to be contrary to the best interests of the Company by virtue of resulting in legal, pecuniary, regulatory, taxation or material administrative disadvantage to the Company.

1415.2 Transfers, Eligible Investors and US Persons

Transfers of Shares shall be effected by transfer in writing which complies with the Articles. The Directors shall not be bound to register more than four persons as joint holders of any Shares and Shares may not be transferred to persons under the age of 18. Shares may not be sold, offered, delivered or transferred directly or indirectly in the United States or to or for the account of a US Person. The instrument of transfer shall be signed by or on behalf of the transferor. The Directors may decline to register any transfer of Shares unless the instrument of transfer is deposited at the registered office or such place as the Directors may reasonably require, accompanied by the certificate of the Shares to which it relates (if any) and such other evidence as the Directors may reasonably require to prove the right of the transferor to make the transfer. The Directors may decline to register a transfer of Shares on which the Company has any lien. If the Directors decline to register a transfer, they shall send notice to the transferee of such refusal within one month. The registration of transfers may be suspended at such time and for such period as the Directors may determine, in accordance with the Articles.

Each investor must represent and warrant to the Company that, amongst other things, he is able to acquire Shares without violating applicable laws. The Company will not knowingly offer or sell Shares to any investor to whom such offer or sale would be unlawful. Power is reserved in the Articles to order the transfer or redemption of any shares held by or for the benefit of a US Person.

A holder of Shares who becomes a US Person shall promptly either give to the Company a redemption notice in respect of such Shares or shall promptly present to the Directors for approval an Instrument of Transfer of such Shares to a person who is an eligible person at the prevailing Net Asset Value. The Articles provide for the compulsory redemption of Shares beneficially owned by any Ineligible Person. The Directors may by notice to any investor at any time request an investor to furnish a declaration to the Directors as to his country of residence and whether or not he is a US Person (see "Compulsory Redemption" above).

1516. FEES, COMPENSATION AND EXPENSES

1516.1 Investment Management Fees

Under the terms of the Investment Management Agreement, the Company on behalf of the Fund will pay a management fee calculated at a rate of 0.85% per annum based on the Net Asset Value of the Fund. Such fees are to be calculated weekly and payable quarterly in arrears.

1516.2 Performance Fees

The Company on behalf of the Fund shall pay the Investment Manager a performance fee (the "Performance Fee") equal to 20% of the amount by which the NAV of the Fund exceeds 3 months USD LIBOR measured as at the calculation date +250bps (2.5%) over the previous highest week or the Initial Offer Price per Share. Such fees will be calculated weekly and payable annually.

1516.3 Front-End Load

A front-end load fee of between 0% and 0.5% may be charged on the amount of each subscription received and will be payable to the Investment Manager.

1516.4 Termination of the Agreement

In the event of termination of the Investment Management Agreement, the Investment Management Fee and the Performance Fee shall be computed by treating the effective date of termination as if it were the last day of the relevant period for each fee.

1516.5 Third Party Compensation

The Investment Manager reserves the right to pay any part of its compensation to persons who may or may not be associated with the Investment Manager, or with whom it may contract, for services rendered to the Investment Manager or the Fund.

1516.6 The Custodian and Prime Broker's Fee

Deutsche Bank AG will receive a fee in the amount of 0.25% of the Net Asset Value of the Fund which will cover custody of all securities as well as cash-bond trading via [DB Deutsche Bank](#) Frankfurt AG.

1516.7 Administration Fees

The Company on behalf of the Fund will pay to the Administrator, for acting as administrator, registrar and transfer agent such fees as agreed from time to time at standard commercial rates and specified in the Administration Agreement.

In addition, the Administrator will be reimbursed for properly incurred and approved out-of-pocket expenses. The Administrator will also receive a fee for acting as Company Secretary, payable annually in advance as agreed from time to time and as specified in the Administration Agreement.

In the event that the Directors shall permit an additional redemption to take place, other than on a Valuation Date, the fees incurred for the additional valuation, as stated in the Administration Agreement, will be payable by the redeeming Shareholder(s). This fee will be deducted by the Administrator from the redemption proceeds, as applicable.

1516.8 Brokerage Commissions and Transaction Charges

Brokerage commissions and transaction charges to be charged by the Broker in connection with the Company's trading activities on behalf of the Fund will be paid by the Company out of the Fund's assets. There is no way to predict accurately the total amount of brokerage commission or the transaction charges which will be paid by the Company on behalf of the Fund, since those charges are entirely dependent on the volume and instrument of trading directed by the Investment Manager and the rates charged by the Brokers, which should not exceed normal fees dictated by industry standards.

1516.9 Directors and Officers Fees and Expenses

The Directors will be paid an annual fee for acting as Director of the Company, which will not exceed €5,000 per annum per director, or \$6,000 per annum in respect of Mr. Phillip. The Directors will also be reimbursed for agreed out-of-pocket expenses.

1516.10 Operating Expenses

Except as otherwise stated herein, the Fund will pay for all operational expenses of the Fund, including its legal, auditing, registration, licensing and government filing fees, litigation and certain printing costs related to this and any subsequent offerings. The Fund will also pay any costs incurred as a result of publishing the Fund's Share prices.

In the event that the Company creates further Segregated Portfolios in the future, each such Segregated Portfolio, including the Fund, will bear an equal amount of operational expenses such as directors' fees, corporate secretarial fees, annual government fees, licence renewal fees and general legal fees.

1516.11 Organisational and Offering Expenses

Expenses incurred by the Company in connection with this Offering are estimated not to exceed €50,000 during the first accounting year. Such expenses have been paid by the Investment Manager and will be reimbursed by the Company out of the Fund's assets upon launch. Certain portions of these expenses may be amortised over a period of forty eight months or longer at the sole discretion of the Directors. Offering expenses incurred in any subsequent offerings will be paid by the Company of the Segregated Portfolio's assets.

The accounts of the Company will be kept and the financial statements will be prepared on the basis of International Financial Reporting Standards (*IFRS*), except that, with regard to the amortisation of organisational costs, the Directors reserve the right to both defer the commencement of organisational costs and to amortise over periods in excess of 12 months. To this extent, the Company's accounting practices will not comply with IFRS, which requires that organisational expenses be amortised within the first 12 months from commencement of operations. The Directors have determined that to comply with IFRS in this regard could impose an unfair and inequitable burden upon the initial investors into the Company, to their disadvantage and to the advantage of subsequent investors. As a result, the audit opinion may be qualified.

1617. TAXATION

Brief details of the taxation treatment in certain jurisdictions are set out below but it is entirely the responsibility of prospective shareholders to inform themselves as to any taxation or exchange control legislation affecting them personally. The following summary should not be considered legal or professional tax advice.

Cayman Islands

There are no income, corporation, capital gains or other taxes in effect in the Cayman Islands on the basis of present legislation. The Company is an exempted company under Cayman Islands law. The Company has made an application to the Governor-in-Cabinet of the Cayman Islands for, and has obtained, an undertaking as to tax concessions pursuant to Section 6 of the Tax Concessions Law (1999 Revision) which will provide that, for a period of 20 years from the date of issue of the undertaking, no law hereafter enacted in the Cayman Islands imposing any taxes or duty to be levied on income or capital assets, gains or appreciation will apply to any income or property of the Company. No capital or stamp duties are levied in the Cayman Islands on the issue, transfer or redemption of Shares or any shares of the Company. An annual registration fee will be payable by the Company to the Cayman Islands government which will be calculated by reference to the nominal amount of the Company's authorised share capital and in addition the Company must pay an annual fee to the Monetary Authority, as a consequence of the Company being registered as a regulated Mutual Fund pursuant to the Mutual Funds Law (as amended) of the Cayman Islands.

PROSPECTIVE SHAREHOLDERS SHOULD CONSULT THEIR OWN PROFESSIONAL TAX ADVISOR REGARDING THE TAX CONSEQUENCES OF AN INVESTMENT IN THE SHARES OF THE COMPANY TO THEM INDIVIDUALLY.

TAX CONSEQUENCES MAY VARY DEPENDING UPON THE PARTICULAR STATUS OF AN INVESTOR.

THE TAX AND OTHER MATTERS DESCRIBED IN THIS OFFERING MEMORANDUM DO NOT CONSTITUTE, AND SHOULD NOT BE CONSIDERED AS, LEGAL OR TAX ADVICE TO INVESTORS.

1718. INDEMNITIES

The Company has agreed that with respect to any actions in which any of its officers Directors, employees and agents is a party, the Company shall indemnify and hold harmless such person against any loss, claim, damage, charge, liability or expense (including reasonable attorneys' and accountants' fees), judgements and amounts paid in settlement, provided such actions did not involve wilful default, fraud or dishonesty. Expenses may be paid by the Company in advance of the final disposition of such action if the indemnified person agrees to reimburse the Company in the event indemnification is not permitted.

The Company may purchase and maintain insurance in relation to the Directors against any liabilities asserted against them.

In addition, the Company has granted indemnities to the Investment Manager and the Administrator in respect of actions brought against them in their respective capacities, where they have acted in good faith and in a manner reasonably believed to be in, or not opposed to, the best interests of the Company and provided that again such actions did not involve negligence, wilful default, fraud or dishonesty. The Company have granted an indemnity

to the Custodian ~~and Prime Broker~~, its directors, officers, employees and agents, for loss, except where such a loss is a result of the Custodian ~~and Prime Broker's~~, its directors, officers, employees and agents own gross negligence or wilful default.

1819. NET ASSET VALUE

The Net Asset Value shall be determined in US Dollars, in accordance with the Articles on each Valuation Day on the basis of the latest available closing prices on the preceding Business Day on the stock exchange or such other market where any of the Fund's assets are quoted. The Net Asset Value is the market value of all securities and assets held by the Fund less all liabilities, including unamortised issue expenses.

Cash, bills, notes, accounts receivables, prepaid expenses, interest declared or accrued and not yet received are valued at the full amount thereof unless the full amount is unlikely to be received in which case the Directors will apply such discount as they may consider appropriate to reflect the true value.

The Net Asset Value as determined by the Administrator is conclusive except in the case of manifest error. Information regarding the Net Asset Value per Share, as determined on each Valuation Day, will be made available at the office of the Administrator of the Company.

1819.1 Net Asset Value Per Share

NAV per Share means the NAV of the Fund divided by the number of Shares outstanding, rounded down to the nearest US cent. The NAV per Share is expressed in U.S. Dollars.

1920. GENERAL

1920.1 Dividend Policy

It is not intended that any dividends will be declared or paid to Shareholders, although the Directors reserve the right to do so at any time in the future if they consider that a payment of a dividend is appropriate. Any dividends, which may be declared will only be paid out of income and realised capital gains and the share premium account. Any dividends unclaimed after a period of twelve (12) years will revert to the Company.

1920.2 Annual Reports

The Company keeps its books on an accrual basis with a fiscal year end of December. The financial statements of the Company are prepared in accordance with International Financial Reporting Standards and are audited annually at the Company's expense by an independent firm of auditors appointed by the Directors.

Copies of the audited yearly reports will be available to potential shareholders upon application to the Administrator and will be mailed to registered Shareholders within 6 months of the financial year end. The first report of the Company in respect of the Fund will be an annual audited report as of 31st December 2010.

1920.3 Exchange Rate Fluctuations

The Company's accounts will be denominated in U.S. Dollars. Shareholders bear all risks of exchange rate fluctuations between the U.S. Dollar and other currencies in respect of any purchase of Shares in the Company using non U.S. Dollar-origin funds. Certain expenses of the Company may be incurred in non-US Dollar currencies whereas the Company's accounts will be denominated in U.S. Dollars.

1920.4 Ownership of Shares in the Company

The Directors in their personal capacities or entities in which those principals or the Directors may have a management or financial interest, may from time to time invest in the Company and may increase or decrease such holdings without notice.

1920.5 Data Protection

As part of the application process all subscribers are required to submit various documents to the Administrator. These are required to enable completion of the application process and to comply with all relevant legislation. Any information received will be kept by the Administrator in accordance with the relevant Data Protection legislation and, in the normal course of business, will not be made available to anyone other than the Administrator.

However, it may become necessary to transfer data at any time to comply with legislation in force either now or at any time in the future (see under 'Anti Money Laundering Legislation' for further details). Further, should the administrative functions, in whole or in part, be transferred to another entity, data will be transferred or delegated to the extent necessary for such new entity to carry out its functions effectively. This may include entities in the U.S.* and other countries which are deemed to have equivalent data protection legislation in place, and also to countries that are not deemed to have equivalent data protection legislation in place.

By subscribing to the Fund all subscribers should note the above, and also note that, by completion of the application form, they are agreeing to any transfer of data carried out for any of the reasons given above, or for any reason that the Administrator deems necessary to comply with legislation in force at the time.

Further, the Company and its service providers consent that any and all data required by the Administrator (in its capacity as such or in its capacity as Registrar or Company Secretary) in exercise of its duties on behalf of the Company may be transferred to and/or from the Administrator (in its capacity as such or in its capacity as Registrar or Company Secretary) in accordance with relevant data protection legislation.

As the Fund is availing of the CHARIOT system, the Investment Manager and the Shareholders will have access to detailed information on the Fund, its performance and, for Shareholders, individual valuation data. To achieve this the Administrator transfers Fund data to the secure site, which hosts the CHARIOT platform. This data is transferred for the sole purpose as described, and conforms in full to all data protection requirements. By subscribing the Shareholder acknowledges and agrees that Fund data may be transferred for this purpose.

1920.6 Additional Information

The Investment Manager and its principals and the Directors may trade for their own accounts in any of the types of assets in which the Fund invests or intends to invest.

The Company intends that all prospective investors be given full access to information appropriate for their consideration in determining whether to invest in the Company. Accordingly, prospective investors may communicate in this regard with the Company.

In addition to the documents referred to in this Offering Memorandum, certain additional documents will be made available to prospective investors upon written request. The Administrator or its representatives will also answer enquiries from prospective investors concerning matters relating to the Administrator or the Company. Prospective investors will be afforded the opportunity to obtain additional information (to the extent that the Administrator possesses such information or can acquire it without unreasonable effort or expense) necessary to verify the accuracy of any representation or information set forth in this document.

2021. CAYMAN ISLANDS MUTUAL FUNDS LAW

The Company falls within the definition of a mutual fund under the terms of the Mutual Funds Law of the Cayman Islands and accordingly is regulated in terms of the Mutual Funds Law. However, the Company is not required to be licensed or employ a licensed mutual fund administrator since the minimum interest purchasable by a prospective investor in the Company equals or exceeds US\$100,000. The Company will comply with Section 4(3) of the Mutual Funds Law. Accordingly, the obligations of the Company are (a) to register the Company with the Monetary Authority in terms of the Mutual Funds Law; (b) to file with the Monetary Authority (i) prescribed details of this Offering Memorandum and (ii) amended prescribed details incorporating

any changes that materially affect this Offering Memorandum or the prescribed details; (c) to file annually with the Monetary Authority accounts audited by an approved auditor; and (d) to pay the prescribed initial and annual registration fee, which is currently approximately US\$3,660 plus US\$308 per segregated portfolio.

As a registered mutual fund, the Company shall be subject to the supervision of the Monetary Authority who may at any time instruct the Company to have its accounts audited and to submit them to the Managing Director within such time as he may specify. In addition, the Managing Director of the Monetary Authority may ask the Directors to give to him such information or such explanation in respect of the Company as he may reasonably require to enable him to carry out his duties under the Mutual Funds Law.

The Directors, if requested to do so, must give to the Managing Director of the Monetary Authority access to or provide at any reasonable time all records relating to the Company and the Managing Director may copy or take an extract of a record he is given access to. Failure to comply with these requests by the Managing Director may result in substantial fines being imposed on the Directors and may result in the Managing Director applying to court to have the Company wound up.

The Monetary Authority is prohibited by the Mutual Funds Law from disclosing any information relating to the affairs of the Company other than disclosure required for the effective regulation of the Company or when required by law or the courts of the Cayman Islands.

The Monetary Authority may take certain actions if it is satisfied that a registered mutual fund is, or is likely to become, unable to meet its obligations as they fall due or is carrying on or is attempting to carry on business or is winding up its business voluntarily in a manner that is prejudicial to its investors or creditors. The powers of the Monetary Authority include, inter alia, the power to require the substitution of a Director, at the expense of the Company, to appoint a person to advise the Company on the proper conduct of its affairs or, again at the expense of the Company, to appoint a person to assume control of the affairs of the Company including, but not limited to, having the ability to terminate the business of the Company. There are other remedies available to the Monetary Authority including the ability to apply to the courts of the Cayman Islands for approval of other actions.

2122. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection by prospective investors or their representatives at the registered office of the Company, or at the offices of the Administrator:

- ◆ Memorandum & Articles of Association, and Certificate of Incorporation
- ◆ Investment Management Agreement
- ◆ Securities Account Agreement
- ◆ Administration, Registrar and Transfer Agency and Corporate Secretarial Agreement
- ◆ Mutual Funds Law (as amended) of the Cayman Islands
- ◆ Audited Financial Statements, when available

2223. SUBSCRIPTION AND APPLICATION PROCEDURES

In order to purchase Class B Non-Voting Redeemable Participating Shares in the KBR Total Return Income Fund Segregated Portfolio, a prospective investor must:-

- (a) Complete and sign the Subscription Agreement and Application Form marked Appendix I, and
- (b) Pay the subscription amount to the Custodian ~~and Prime Broker~~ by bank transfer. To ensure prompt receipt and identification of the subscription payment - the Subscriber should use the "BANK TRANSFER INSTRUCTION LETTER" form marked Appendix II, which accompanies this Offering Memorandum.

(Please note that the Company will only issue Shares to successful applicants upon receipt of cleared payments).

- (c) Send the signed and completed Subscription Agreement and Application Form, together with a copy of the Bank Transfer Instruction Letter, to the Administrator, enclosing those documents required under CLIENT VERIFICATION REQUIREMENTS:

The copy of the Subscription Agreement and Application Form shown on the following pages may be completed and retained by the investor for the investor's personal reference and records.

2324. SUBSCRIBERS' UNDERTAKINGS AND WARRANTIES

Subscribers should take notice that by completing and executing the Subscription Agreement and Application Form which forms Appendix I of this Offering Memorandum, the Subscriber is entering into the following undertakings and giving the following warranties specified herein below:

The Subscriber irrevocably subscribes for the Shares as specified in the Subscription Agreement and Application Form, as may be determined in accordance with the Articles of the Company at the Initial Offer Price or, if this Application is made after the Closing Date, at the prevailing Offer Price per Share on the next Dealing Day following acceptance of this application by the Company.

The Subscriber acknowledges that Shares will be issued on the next Dealing Day following receipt of both the Subscription Agreement and the subscription monies in cleared funds, the former of which must be received by the Administrator and the latter of which must be received by the Custodian ~~and Prime Broker~~ in acceptable form, no later than 4:00 p.m. on the Closing Date and thereafter no later than 3 Business Days prior to the close of business on the relevant Dealing Day.

The Subscriber agrees that subscriptions and redemptions made in currencies other than the designated currency of the Fund will be sold or purchased on behalf of the Company by the Custodian ~~and Prime Broker~~ at its market rate for the said designated currency and Shares will be issued, or payment of redemption proceeds will be made, to the value of the said designated currency proceeds and the Subscriber accepts the exchange risk and costs relating to that transaction.

The Subscriber acknowledges and confirms receipt of, and that he has read, is familiar with and understands this Offering Memorandum including all relevant Appendices.

The Subscriber recognises that an investment in the Company involves a high degree of risk and has taken full cognisance of and understands all of the risk factors related to the purchase of Shares, including but not limited to those set forth on pages 12-16 of this document. In evaluating the suitability of an investment in the Company the Subscriber has not relied upon any representations or other information (whether oral or written) other than as set forth herein.

The Subscriber has taken the advice of professional advisers who have sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of this investment and the

Subscriber is fully capable of assessing and bearing the risks involved in the Subscriber's own right or with the benefit of such professional advice received.

The Subscriber acknowledges the minimum subscription restrictions as outlined herein.

The Subscriber agrees that the Shares hereby subscribed for will be held subject to the terms and conditions of the Articles of the Company as amended from time to time and that the Company will fully protect and indemnify its Directors, the Investment Manager, the Administrator, the Custodian ~~and Prime Broker~~ against liability for all acts taken on his or its behalf, except for acts involving negligence (save for the Directors) or wilful default, fraud or dishonesty.

The Subscriber fully appreciates the Company's rights to accept or reject all applications for subscription in its sole discretion. In order to induce the Company to accept this subscription, the Subscriber agrees, represents and warrants that the Shares hereby subscribed for are not being acquired for the account of any person who is, directly or indirectly:

- (a) US Person as defined in the Offering Memorandum;
- (b) a citizen or resident of the Cayman Islands (but for this purpose it is understood that neither Cayman Islands Exempted nor Ordinary Non-Resident companies are citizens of the Cayman Islands).

The Subscriber further agrees that no Shares hereby subscribed for will at any time be directly or indirectly transferred to any person described above without first seeking written authority from the Company for such transfer; that the Subscriber will promptly notify the Company if and when the Subscriber should become such a person while the Subscriber owns any Shares of the Company; that should the Subscriber become such a person while the Subscriber owns any Shares of the Company, those Shares may be compulsorily redeemed at the prevailing Redemption Price at the convenience of the Company; and that prior to effecting any transfer of Shares, a representation that the proposed transferee is not such a person may be required. It is expressly understood that confirmation of ownership of Shares in the Company may contain a legend referring to the foregoing restriction on ownership and transfer of Shares.

The Subscriber agrees that no Shares hereby subscribed for may at any time be transferred to any other person without first seeking the approval of the Company in accordance with the provisions of the section of the Offering Memorandum entitled *Transfer of Shares*.

The Subscriber acknowledges and accepts that no share certificates will be issued unless the Subscriber specifically requests the Registrar to issue a share certificate and makes such request in writing.

The Subscriber acknowledges and accepts that this Subscription Agreement and Application is governed by Cayman Islands law and hereby submits to the non-exclusive jurisdiction of the Courts of the Cayman Islands.

The Subscriber confirms that, to the best of the Subscriber's knowledge and belief, the Subscriber's subscription moneys are not, in whole or in part, the proceeds of drug trafficking or any other criminal activity, nor do they represent, in whole or in part, directly or indirectly, such proceeds.

If the Subscriber is an individual person, or is a nominee for an individual person, he warrants that he is, and the beneficial owners (if applicable) are, at the date of execution of this Subscription Application, the greater of 18 years of age, or the minimum age permitted to enter into a legally binding and irrevocable contract, such as the Subscription Application, in his, or the beneficial owner's country of residence.

If the investment is made in a nominee capacity, the Shareholder agrees to provide the Administrator, or a competent regulatory authority, all relevant files in relation to the underlying investors, should they be requested. If, in the opinion of the Shareholder of record, its legislation precludes this practice without the underlying investor's consent, the Shareholder agrees to obtain such consent prior to or when the investment is made, and to thereby comply with this requirement.

The Subscriber acknowledges that it has read and understood the section headed "Anti-Money Laundering" in the Offering Memorandum and further acknowledges that the Company, Administrator or other service provider to the Company may be required by applicable laws and/or regulations to take further reasonable steps to establish the identity of the Subscriber or of any other person whom the Company, Administrator or other service provider knows or has reason to believe is a person for whom or on whose behalf the Subscriber is acting and the Subscriber undertakes to co-operate with and assist the Company, Administrator or other service provider in relation to such steps and the Subscriber acknowledges that the Company, Administrator or other

service provider shall be held harmless and indemnified by the Subscriber against any loss arising as a result of a failure to process the Subscription Application if any information required by the Company, Administrator or other service provider has not been provided by the Subscriber. In this context the Subscriber hereby agrees that it will provide the relevant information requested under “Client Verification Requirements” shown herein below and is attached to the Subscription Application Form in Appendix I.

If the Subscriber wishes to redeem his investment but the information has not been provided, the redemption will be acted upon but no monies will be paid to the Subscriber. Instead, the monies will be held on behalf of the Subscriber in the Fund’s account and the Subscriber will bear all associated risks.

The Subscriber confirms that, if it is a “Designated Body” (which is a bank, insurance company, or other financial institution, or financial intermediary, which is domiciled in an OECD or FATF approved jurisdiction and is regulated by an approved regulated body), subscribing for on behalf of another person, it has verified the identity of that other person in accordance with applicable anti-money laundering laws and/or regulations.

The Subscriber consents to the release by the Remitting Bank/Financial Institution to the Company and/or the Administrator or other service provider of all evidence of the Subscriber’s identity which said bank/financial institution shall have retained. The Subscriber agrees that such evidence may further be furnished by the Company and/or the Administrator to any other service provider to the Company upon request, to enable such other service provider to meet its obligations under applicable laws and/or regulations.

The Subscriber hereby authorises the Company and the Administrator to obtain verification of any information provided by the Subscriber as part of its subscription application.

The Subscriber agrees to provide any other information that may be required from time to time in compliance with relevant regulations.

The Subscriber agrees that, in line with current anti-money laundering requirements, the Administrator is obliged to pay redemption proceeds into the account at the Remitting Bank from which the original subscription was made. Exceptions to this may be made, if the Subscriber can show justification for the change of bank and providing the bank account is in the name of the Subscriber and the bank is situated in the Subscriber’s country of residence. Subscribers should be aware that suspicious events are reportable, under the International Anti-Money Laundering Regulations and, by way of example, failure to provide justification for the change of bank account, or a request to pay the proceeds into a bank account in a jurisdiction which the subscriber is not a resident could be deemed suspicious and therefore would be reportable under the regulations and may cause the payment to be delayed or refused.

The Subscriber acknowledges that all information supplied by us to the Administrator will be subject to the protections of data protection legislation. The Subscriber further acknowledges that, should it be necessary, either to fulfil a legal requirement or to facilitate the efficient execution of the administrative functions, that data supplied may be transferred, to the extent necessary and in compliance with data protection legislation.

The Subscriber agrees that, where redemption requests made by the Subscriber are sent to the Administrator by facsimile, the Subscriber shall immediately send the original such notice to the Administrator by post or by courier but that the Administrator shall, nonetheless, be entitled, but not obliged, to treat such facsimile notice at face value and to act thereon if the original has not arrived by the relevant Dealing Day. The Subscriber acknowledges that any redemption request or new instruction sent to the Company via the Administrator shall not be deemed by the Subscriber to have been received by the Company or the Administrator unless written acknowledgement of receipt has been received by the Subscriber. Exceptions are made where the delivery of the communication has been acknowledged by a signed receipt. The Subscriber further agrees to indemnify and hold harmless the Administrator, its directors and other officers, servants, employees and agents from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgements, suits, costs, expenses or disbursements of any kind or nature whatsoever (other than those resulting from the gross negligence, fraud or wilful default of the Administrator, its directors or other officers, servants, employees or agents in its treatment of such facsimile notice) which may be imposed on, incurred by or asserted against the Administrator, its directors or other officers, servants, employees or agents in its treatment of such facsimile notice.

KBR FIXED INCOME FUND SPC
KBR TOTAL RETURN INCOME FUND SEGREGATED PORTFOLIO
Subscription Agreement and Application Form (Class B)

APPENDIX I

To: The Directors, *KBR Fixed Income Fund SPC*
Custom House Global Fund Services Limited
C/O Custom House Fund Services (Ireland) Limited
25 Eden Quay
Dublin 1, Ireland
Phone: +353 1 878 0807
Fax: + 353 1 878 7410
Email: trade.receipt@customhousegroup.com

A. Name of Subscriber: _____

Trading Name (if applicable) _____

Address of Subscriber: _____

Contact Name: _____

Telephone No: _____ Fax No: _____

B. Name of Subscriber: _____

Trading Name (if applicable) _____

Address of Subscriber: _____

Contact Name: _____

Telephone No: _____ Fax No: _____

C. Please send all correspondence (if different from above) to:

Address: _____

Contact Name: _____

Telephone No: _____ Fax No: _____

1. I/We hereby irrevocably subscribe for the number of Class B Shares currently available for an investment of

US\$ _____ (_____ US Dollars)
(Amount in figures) (Amount in words)
in the Company, an investment company established in the Cayman Islands in accordance with the terms and conditions of the current Offering Memorandum of the Company and this Subscription Agreement and Application Form.
2. I/We will pay the full Initial Offer Price (plus any front-end load fee, if applicable) in cleared funds by 4:00p.m. GMT on the Closing Date, and thereafter, the Offer Price (plus any front-end load fee, if applicable) in cleared funds by 4:00 p.m. GMT no later than 3 Business Days prior to the close of business on the relevant Dealing Day.
3. I/We have read and understand the Offering Memorandum and have read understand and agree to abide by the Subscribers Undertakings and Warranties specified on pages 33 to 35 of the said Offering Memorandum.
4. I/We acknowledge and understand that this subscription may be accepted or rejected in whole or in part in the sole and absolute discretion of the Company.
5. I/We understand that subscriptions or redemptions paid in currencies other than the designated currency of the Company will be exchanged for the designated currency and I/we agree that any exchange losses or costs will be for my/our account.
6. I/We hereby undertake to comply with the minimum age requirements, as stipulated in the section 'Undertakings and Warranties' in the Offering Memorandum.
7. I/We hereby apply to purchase the Shares in registered form and I/we do not require a certificate for the same Shares.
8. I/We understand that if the Subscriber is a corporation, an authorised officer(s) of that corporation must sign in compliance with its Charter or Memorandum and Articles of Association and, by signing this Subscription Agreement and Application Form, the authorised officer(s) hereby confirm and warrant that the corporation is so empowered to invest in the Company and that, if required, the relevant corporate resolution has been passed and executed by the Board of Directors of the corporation.
9. I/We understand and agree that, if I/we do not supply all of the information required under the "Client Verification Requirements" shown herein below, then the Company may accept and invest my subscription, at my/our risk on the next Dealing Day following receipt of the subscription monies. Furthermore, if I/we subsequently decide to redeem my/our holding, prior to receipt, by the Company, of the information, that redemption instruction will be executed, but the redemption proceeds will be retained in the Company bank account, pending receipt of said information.
10. If this form, or any other communication, is sent to the Company and/or the Administrator by fax, e-mail or verbally will not be deemed to have been received by the Company or Administrator unless receipt is acknowledged in writing by the Administrator. Exceptions are made where the delivery of the communication has been acknowledged by a signed receipt.

The Undersigned has executed this Subscription Agreement and Application Form as of the date set forth below.

Signature _____

Name _____ Position (if any) _____

Date and Place of Execution _____

Signature _____

Name_____ Position (if any)_____

Date and Place of Execution_____

Signing Instructions: *All joint applicants must sign.*

If the applicant is a corporation, an authorised officer(s) of that corporation must sign in compliance with its Charter or Memorandum and Articles of Association and, by signing this Subscription Agreement and Application Form, the authorised officer(s) thereby confirm and warrant that the corporation is so empowered to invest in the Company and that, if required, the relevant corporate resolution has been passed and executed by the Board of Directors of the corporation.

If an agent or attorney signs on behalf of the person named as the Subscriber, a copy of the relevant power of attorney or other document appointing the agent or power of attorney must be attached and the agent/attorney hereby accepts full responsibility for the obligations undertaken by his principal in subscribing for Shares on such principal's behalf.

CLIENT VERIFICATION REQUIREMENTS
(to be returned with application form)

	<u>Enclosed</u>	<u>To Be Forwarded</u>
1. <u>Individual Person</u> (note that if the investment is in more than 1 name then the below information will be required for each person named. Further, in such a case the signing authority requirements should be outlined)		
1.1 Original or notarised (or certified by your bank, attorney or accountant) copy of Passport/Drivers Licence or other form of identity. Note that the document must include a photograph, sample of the person's signature and their date of birth. Note that the original notarised / certified copies must be delivered, and copies of same cannot be accepted;	_____	_____
1.2 2 original or notarised recent confirmations of address in your name (or certified as above) – at least 1 must be a utility bill, both of which must be dated within the last 6 months;	_____	_____
1.3 All account details as per the attached Bank Transfer Instruction. If deemed necessary a contact name and a written confirmation giving Custom House authority to request a reference may also be required. Note that the bank account must, in normal circumstances, be in the name of the registered shareholder;	_____	_____
1.4 Source of wealth details (description of the economic activity which has generated the net worth). If income from employment satisfies this requirement please provide written confirmation of employment status, certified by your employer, or written details of current employment, if self employed. If wealth from another source, independent confirmation will be required;	_____	_____
1.5 If resident in any country in the following list, a notarised (or certified as in 1.1) copy of your Tax Identification Number ("TIN") or equivalent.	_____	_____
Countries All EU member states, BVI, Montserrat, Aruba, the Netherland Antilles and the Crown Dependencies (Jersey, Guernsey and the Isle of Man);		
1.6 If you are not resident in a country on the list above, but your passport indicates that you are, you must provide a tax certification (or confirmation from another independent source) confirming that you are resident for tax purposes in your country of residence.		
2. <u>Corporate Entity (unregulated and not listed on a recognised exchange. Investment funds are covered under Part 8).</u>		
2.1 Original or notarised (or certified, either as in 1.1 or by the relevant company registrar) copy of Certificate of Incorporation and any Change of Name Certificate. If a copy can be retrieved from an independent central registry website, details giving access to the appropriate section of the website can be supplied ("on-line verified");	_____	_____
2.2 Original, notarised (or certified, either as in 1.1 or by the relevant company registrar) Memorandum and Articles of Association or statute of the corporate entity;	_____	_____
2.3 Certificate of Good Standing from relevant company registrar, or equivalent document, may be required. An on-line verified version may be acceptable;	_____	_____
2.4 Most recent audited accounts or, if not available, written details on the nature of business conducted, signed by at least 2 directors	_____	_____
2.5 Details and confirmation as per 1.3	_____	_____
2.6 A certificate of incumbency or other list certified by the company secretary or a director of the corporate entity, giving the names, dates of birth and addresses of ALL directors, plus personal information on at least 2 directors (as per 1.1 and 1.2). Note that, if the director is another corporate entity we will require the same information as above on its directors;	_____	_____
2.7 A list of all beneficial owners of 10%+ of the share capital, and the beneficial owners of 10%+ of the monies invested (if different), plus personal information on the beneficial owners of monies invested (as per 1.1, 1.2 and 1.4);	_____	_____
2.8 A list of all authorised signatories, certified by a director or company secretary, samples of all signatures, details of any signing protocol, and personal information on all authorised signatories (as per 1.1 and 1.2);	_____	_____
2.9 If other legal entities own more than 25% each of the entity which is the investor, the information as per 2.2, 2.3 and 2.7 must be given for these entities	_____	_____
3. <u>Corporate Entities investing as principal and listed on A Recognised Exchange (Note that this does not apply when the investment is made in a nominee capacity. These are covered under Parts 7 & 8).</u>		

- | | | | |
|-----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|-------|
| 3.1 | Original, notarised (or certified, either as in 1.1 or by the relevant company registrar) or on-line verified copy of the Certificate of Incorporation or the Certificate to Trade); | _____ | _____ |
| 3.2 | Original, notarised (or certified, either as in 1.1 or by the relevant company registrar) copy of the Memorandum & Articles of Association or other statute of the corporate entity; | _____ | _____ |
| 3.3 | A properly authorised mandate of the Directors to open/operate an account or establish the business relationship; | _____ | _____ |
| 3.4 | A list of Directors names, occupations, residential and business addresses and dates of birth; | _____ | _____ |
| 3.5 | A list of authorised signatories, certified by a director or company secretary, including details of any signing protocol, plus samples of the signatures. | _____ | _____ |
| 3.6 | Details and confirmation as per 1.3 | | |

4. Partnerships or Other Unincorporated Businesses

- | | | | |
|-----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|-------|
| 4.1 | Original, notarised (or certified as in 1.1) or on-line verified copy of partnership agreement, or other agreement establishing the unincorporated business; | _____ | _____ |
| 4.2 | A list of all directors, or partners, certified by a director or partner of the partnership or other unincorporated business, giving the dates of birth and addresses for all, and personal information on at least 2 (as per 1.1 and 1.2); | _____ | _____ |
| 4.3 | A list of all beneficial owners of 10%+ of the partnership and of 10%+ of the monies invested (if different), plus personal information on the beneficial owners of monies invested (as per 1.1, 1.2 and 1.4); | _____ | _____ |
| 4.4 | A list of all authorised signatories, certified by a director or partner of the partnership or other unincorporated business, including samples of signatures, details of any signing protocol, and personal information on all authorised signatories (as per 1.1 and 1.2); | _____ | _____ |
| 4.5 | All information required for a Corporate Entity, as per 2.3 to 2.5 and 2.9 above. | _____ | _____ |

5. Trusts

- | | | | |
|-----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|-------|
| 5.1 | Original, notarised (or certified as in 1.1) copy of Trust Deed; | _____ | _____ |
| 5.2 | Original, notarised (or certified as in 1.1) copy of Letter of Wishes may also be required; | _____ | _____ |
| 5.3 | Details and confirmation as per 1.3 | _____ | _____ |
| 5.4 | List of trustees, plus personal information (as per 1.1 and 1.2). If the trustee is a legal entity we may request certain information on it; | _____ | _____ |
| 5.5 | Details of settlor of the Trust (as per 1.1, 1.2 and 1.4); | _____ | _____ |
| 5.6 | List and details of all beneficial owners of the trust, if different from the settlor (as per 1.1 and 1.2). If the beneficial owners are legal entities we may require certain information on them; | _____ | _____ |
| 5.7 | List of all authorised signatories, certified by the trustee or other appropriate party, including samples of signatures, details of any signing protocol, and personal information on all authorized signatories (as per 1.1 and 1.2); | _____ | _____ |

Financial Institutions and Intermediaries

If investing as a principal, but not deemed a “Designated Body”, then the entity must supply the same information as requested for a Corporate Entity (see 2 above). If investing on a nominee basis, but not deemed a “Designated Body”, the administrator will deal with each case on an individual basis, to satisfy its obligations.

	_____	_____
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6. Designated Body (“DB”) acting as principal

A “Designated Body” means, in the context of this Subscription Application, a financial institution that is regulated by an appropriate regulator in an acceptable jurisdiction and meets certain regulatory standards regarding Anti Money Laundering and CFT (Combating of the Funding of Terrorism) procedures, in accordance with Maltese, EU or FATF laws and regulations.

- | | | | |
|-----|-----------------------------------------------------------------------------------------------------------------------------------------|-------|-------|
| 6.1 | Confirmation that the DB is a “Designated Body”, to include confirmation of membership or association with appropriate regulatory body; | _____ | _____ |
| 6.2 | Details of regulatory body, including web address to confirm regulatory status; | _____ | _____ |
| 6.3 | Confirmation that the DB is investing and is allowed to invest as principal for it’s own account; | _____ | _____ |
| 6.4 | If investing as principal, confirmation (if correct) that any and all future investments will also be made | | |

- as principal. If this cannot be given then individual confirmations will be required for all future investments;
- 6.5 Authorised signatories list, certified by a director or company secretary, plus samples of signatures and any signing protocol; _____
- 6.6 Details and confirmation as per 1.3. _____
- 7. Designated Body acting as Nominee**
- 7.1 Same information as requested under 6.1 and 6.2 above; _____
- 7.2 Written confirmation that the DB complies with appropriate anti-money laundering and CFT regulations with regard to verifying identity and residence of investor(s); _____
- 7.3 Details of anti-money laundering and CFT regulations that DB complies with; _____
- 7.4 Undertaking in writing that DB will immediately provide its anti-money laundering and CFT due diligence files to Custom House, on demand; _____
- 7.5 Authorised signatories list, certified by a director or company secretary, plus samples of signatures and any signing protocol; _____
- 7.6 Details and confirmation as per 1.3; _____
- 7.7 If the DB is in a non-FATF, as well as the above we will also require the names and addresses of the ultimate beneficial owners of 10%+ of the monies invested. Note that, unless required by law, this information will not be provided to any third parties. _____

Note that 7.4 above is not optional as is it a regulatory requirement that we can produce documentary evidence that we 'Know Our Customer', on demand. However, if you deem that this is contrary to any specific legal prohibition on providing such information, the following will be acceptable, "on foot of a court order, we will provide AML files to a competent regulatory authority".

8. Investment Funds

If the investor is another fund, the beneficial owners are deemed to be the shareholders of that fund. To satisfy our requirements therefore, the administrator of that fund must comply with Part 7 above. If the administrator is in a non-FATF jurisdiction, 7.7 will apply. Further, such a non-FATF administrator will need to confirm that it will notify Custom House, on an on-going basis, of any new 10%+ shareholders.

Important Notes

Note that, in all instances where bank details are required, if the bank is from a country that is not a full member of the EU or the FATF group, information may be required concerning the bank, or the subscription may be rejected.

Custom House is also required by law to carry out certain on-going monitoring to confirm that information previously provided remains valid and correct. You may, therefore be asked to reconfirm information at any time during the life of the investment.

NOTE: CUSTOM HOUSE ALSO RESERVES THE RIGHT TO REQUEST FURTHER INFORMATION ON ANY OF THE ABOVE OR ON OTHER MATTERS, IF DEEMED NECESSARY

APPENDIX II

BANK TRANSFER PAYMENT INSTRUCTIONS
(To Accompany Application Form)
KBR FIXED INCOME FUND SPC
KBR TOTAL RETURN INCOME FUND SEGREGATED PORTFOLIO

Bank _____

Attention: _____

Address: _____

Dear Sirs,

Ref.: **Account Name:** _____

Bank Name: _____

Account Number: _____

Bank Swift Code: _____

Please accept this letter as my/our instruction that you should pay, by telex transfer, for value

the _____ of _____, 20_____, the sum of :

US\$/ _____ (Amount in figures) (_____ (Amount in words) US Dollars)

Payment Instructions

Credit Bank: Deutsche Bank AG, Frankfurt

Swift Code: DEUT DE FF

Account Number: 100 / 0890301 00

Account Name: KBR Fixed Income Fund SPC/KBR Total Return Income Fund SP

IBAN: DE58 5007 0010 0089 0301 00

Ref.
(Name of Applicant)

Please debit my/our above numbered account and please advise and acknowledge.

Yours faithfully

Signature _____ Date _____

Name _____

Signature _____ Date _____

Name _____

Company _____

Address _____

REDEMPTION NOTICE
KBR FIXED INCOME FUND SPC
KBR TOTAL RETURN INCOME FUND SEGREGATED PORTFOLIO – CLASS B

To: The Directors, KBR Fixed Income Fund SPC
Custom House Global Fund Services Limited
C/O Custom House Fund Services (Ireland) Limited
25 Eden Quay, Dublin 1, Ireland
Phone: +353 1 878 0807
Fax: + 353 1 878 7410
Email: trade.receipt@customhousegroup.com

I/We _____, being a registered Shareholder(s) of Class B non-voting redeemable participating shares in KBR Fixed Income Fund SPC hereby request that:

- (a) _____ Class B non-voting redeemable participating shares ; or
(b) _____ such number of Class B non-voting redeemable participating shares as are equal in value on the next Redemption Day to the sum of:

(\$ _____ (Figures) (_____ (Amount in Words) US Dollars)

be redeemed on the next Redemption Day at the prevailing Redemption Price.

I/We hereby represent and warrant that I/we am/are the lawful and beneficial owner(s) of the Class B non-voting redeemable participating shares to be redeemed and that such shares are not subject to any pledge or otherwise encumbered in any fashion.

I/We hereby agree and accept that you are entitled to require that I/we provide you with additional documents such as, but not limited to, trust instruments, death certificates, appointments as executor or administrator and certificates of corporate authority prior to making any payment in respect of redemptions.

I/We hereby acknowledge and agree that all payments in respect of redemptions will be made to the account of the registered Shareholder at the Remitting Bank/Financial Institution (as defined in the current Offering Memorandum).

I/We hereby acknowledge and understand that a Redemption Fee may be charged upon redemption of my Shares, in accordance with the section 'Minimum Holding Period and Redemption Fee' of the Offering Memorandum.

I/We acknowledge and understand that this redemption request will be deemed to have been received by the Administrator on behalf of the Company only if I/we receive written confirmation of receipt of the subscription from the Administrator.

I/We acknowledge and agree that if all of the relevant information requested under the Client Verification Requirements section of the Subscription Agreement Application Form has not been supplied to the Administrator, that my/our shareholding will be redeemed but that the related monies will be held by the Administrator until such documentation requested has been supplied.

Signature _____

Name _____ Position (if any) _____

Date and Place of Execution _____

Signature _____

Name _____ Position (if any) _____

Date and Place of Execution _____

APPENDIX IV

“New Issue” Questionnaire

All Applicants MUST complete this form and return it with their Application Form

The National Association of Securities Dealers, Inc. (the “NASD”) has adopted and the U.S. Securities and Exchange Commission has approved NASD Rule 2790 (the “New Issue Rule”) governing the purchase and sale of certain equity securities in initial public offerings. Consequently, all Applicants into the Company MUST complete this Questionnaire in full and return it with their application form. Failure to do so may result in either the application monies being returned or the Applicant being deemed a “Restricted Person” (as defined below) if the subscription is accepted. It is therefore an absolute necessity that this form is completed, both for your and the Company’s benefit.

For ALL questions, this Questionnaire must be completed by the Applicant by initialing those statements below which apply to it and, if the Applicant is a corporation, partnership, trust or other entity acting as nominee for another person, which apply to the beneficial owner(s) for which the Applicant is acting as nominee:

A. Exempt Persons:

(Initial as Appropriate)

— —	1.	The Applicant is an investment company registered under the United States Investment Company Act of 1940.
— —	2.	The Applicant is a common trust fund or similar fund as described in Section 3(a)(12)(A)(iii) of the Securities Exchange Act of 1934 and it (a) has investments from 1,000 or more accounts, and (b) does not limit beneficial interests in the fund principally to trust accounts of persons listed in section B, below ("Restricted Persons").
— —	3.	The Applicant is an insurance company general, separate or investment account, and (a) the account is funded by premiums from 1,000 or more policyholders, or, if a general account, the insurance company has 1,000 or more policyholders; and (b) the insurance company does not limit the policyholders whose premiums are used to fund the account principally to Restricted Persons, or, if a general account, the insurance company does not limit its policyholders principally to Restricted Persons.
— —	4.	The Applicant is a corporation, partnership, trust or other entity and the beneficial interests ² of Restricted Persons do not exceed in the aggregate 10% of such entity (the "De Minimis Exemption"). An Applicant who limits the participation by Restricted Persons in the aggregate to no more than 10% of the profits and losses of new issues may initial this statement.
— —	5.	The Applicant is a publicly traded entity (other than a broker-dealer or an affiliate of a broker-dealer where such broker-dealer is authorized to engage in the public offering of new issues either as a selling group member or underwriter) that: (a) is listed on a national securities exchange, (b) is traded on the Nasdaq National Market, or (c) is a foreign issuer whose securities meet the quantitative designation criteria for listing on a national securities exchange or trading on the Nasdaq National Market.
— —	6.	The Applicant is an investment company organized under the laws of a foreign jurisdiction and (a) the investment company is listed on a foreign exchange or authorized for sale to the public by a foreign regulatory authority, and (b) no person owning more than 5% of the shares of the investment company is a Restricted Person.

² The term "beneficial interest" as used herein means any economic interest, such as the right to share in gains or losses. The receipt of a management or performance based fee for operating a collective investment account, or other fee for acting in a fiduciary capacity, is not considered a beneficial interest in the account.

— —	7.	The Applicant is an Employee Retirement Income Security Act benefits plan that is qualified under Section 401(a) of the Internal Revenue Code and such plan is not sponsored solely by a broker-dealer.
— —	8.	The Applicant is a state or municipal government benefits plan that is subject to state and/or municipal regulation.
— —	9.	The Applicant is a tax exempt charitable organization under Section 501(c)(3) of the Internal Revenue Code.
— —	10.	The Applicant is a church plan under Section 414(e) of the Internal Revenue Code.
— —	11.	The Applicant is a broker-dealer, or owner of a broker-dealer, organized as an investment vehicle, that restricts participation of Restricted Persons in profits and losses of new issues in accordance with the De Minimis Exemption set forth above.
		OR
— —	12.	None of the above statements are applicable.

B. Restricted Persons:

(Initial as Appropriate)

— —	1.	The Applicant, or a person having a beneficial interest in the Applicant, is a member of the NASD, or a domestic or foreign broker-dealer.
— —	2.	The Applicant, or a person having a beneficial interest in the Applicant, is an officer, director, general partner, associated person ³ or employee of any NASD member or of any domestic or foreign broker-dealer. (other than a limited business broker-dealer ⁴).
— —	3.	The Applicant, or a person having a beneficial interest in the Applicant, is an agent of any NASD member or of any domestic or foreign broker-dealer (other than a limited business broker-dealer) that is engaged in the investment banking or securities business.
— —	4.	The Applicant, or a person having a beneficial interest in the Applicant, is an immediate family member ⁵ of a person described in item 2 or 3 above and such person (a) materially supports ⁶ , or receives material support from the immediate family member; or (b) is employed by or associated with the broker-dealer, or an affiliate of the broker-dealer selling the new issue to the family member or c) has an ability to control the allocation of the new issue.

³ The NASD By-Laws define a person "associated with a member" as every sole proprietor, partner, officer, director or branch manager of any member, or any natural person occupying a similar status or performing similar functions, or any natural person engaged in the investment banking or securities business who is directly or indirectly controlling or controlled by such member, whether or not any person is registered or exempt from registration with the NASD.

⁴ A "limited business broker-dealer" is a broker-dealer engaged solely in the purchase or sale of investment company/variable contracts securities or direct participation program securities.

⁵ For purposes of the New Issue Rule, the term "immediate family" includes parents, mother-in-law or father-in-law, husband or wife, brother or sister, brother-in-law or sister-in-law, son-in-law or daughter-in-law, children and any other person to whom the person provides "material support" as defined in footnote 5, below.

— —	5.	The Applicant, or a person having a beneficial interest in the Applicant, acts as a finder or acts in a fiduciary capacity (including, among others, attorneys, accountants and financial consultants) to managing underwriters in new issue offerings.
— —	6.	The Applicant, or a person having a beneficial interest in the Applicant, has the authority to buy or sell securities for a bank, savings and loan institution, insurance company, investment company, investment advisor, or collective investment account ⁷ , domestic or foreign.
— —	7.	The Applicant, or a person having a beneficial interest in the Applicant, is an immediate family member of a person described in item 5 or 6 above and such person materially supports, or receives material support from such person.
— —	8.	The Applicant, or a person having a beneficial interest in the Applicant ⁸ , is a person listed, or required to be listed, in Schedule A of a Form BD (other than with respect to a limited business broker-dealer), except persons identified by an ownership code of less than 10%.
— —	9.	The Applicant, or a person having a beneficial interest in the Applicant, is a person listed, or required to be listed, in Schedule B of a Form BD (other than with respect to a limited business broker-dealer), except persons whose listing on Schedule B relates to an ownership interest in a person listed on Schedule A identified by an ownership code of less than 10%.
— —	10.	The Applicant, or a person having a beneficial interest in the Applicant, is a person listed, or required to be listed, in Schedule C of a Form BD that meets the criteria of items 8 and 9 above.
— —	11.	The Applicant, or a person having a beneficial interest in the Applicant, is a person that (a) directly or indirectly owns 10% or more of a public reporting company listed, or required to be listed, in Schedule A of a Form BD, or (b) directly or indirectly owns 25% or more of a public reporting company listed, or required to be listed, in Schedule B of a Form BD, (other than a reporting company that is listed on a national securities exchange or is traded on the Nasdaq National Market, and other than with respect to a limited business broker-dealer).
— —	12.	The Applicant, or a person having a beneficial interest in the Applicant, is an immediate family member of a person specified in items 8-11 above, provided that the Applicant should not initial this item 12 if the person owning the broker-dealer (specified in items 8-11):
		(a) does not materially support, or receive material support from such person;
		(b) is not an owner of the NASD member or an affiliate of the NASD member selling the new issue to the immediate family member; and
		(c) has no ability to control the allocation of the new issue.

⁶ For purposes of the New Issue Rule, the term "material support" means the direct or indirect provision of more than 25% of a person's income in the prior calendar year. Members of the immediate family living in the same household are deemed to be providing each other with material support.

⁷ For purposes of the New Issue Rule, the term "collective investment account" means any hedge fund, investment partnership, investment corporation, or any other collective investment vehicle that is engaged primarily in the purchase and/or sale of securities. The term does not include an investment club where a group of individuals pool their money and are collectively responsible for investment decisions, or a family investment vehicle owned solely by immediate family members.

⁸ Items 8-11 pertain to "owners" of broker-dealers. The NASD has stated that an owner of a broker-dealer will be viewed as having a "beneficial interest" in an account held by a subsidiary (e.g., a sister company of the broker-dealer). Accordingly, an affiliate of a broker-dealer may be a Restricted Person.

____ —	13.	The Applicant, or a person having a beneficial interest in the Applicant, is a domestic or foreign bank or trust company acting for the account of any person described in items 1-12 above.
____ —	14.	Persons described in any of the items 1-13 above own in the aggregate more than 10% of the Applicant's beneficial interests.
		OR
____ —	15.	None of the above statements are applicable.

Investment Funds Must Complete Section C, Below

C. Investment Fund Applicants:

If the Applicant is a "fund of funds," a feeder fund or a similar type of investment fund, please complete the following:

Restricted Persons own, in the aggregate, ____% of the beneficial interest of the Applicant.

All Applicants must complete the attached Certification.