

**CONFIDENTIAL
OFFERING MEMORANDUM**

PRIVATE OFFERING OF NON-VOTING CLASS A, CLASS B AND
CLASS C PARTICIPATING SHARES IN

**Artio International Equity
(Cayman) Fund Ltd.
(the "Company")**

(an exempted company incorporated on May 17, 2002 with limited liability under the
laws of the Cayman Islands.
Registration number CR-117742)

Class	ISIN number
Class A	KYG 069 331 083
Class B	KYG 069 331 166
Class C	KYG 069 331 240

NOT FOR USE OR DISTRIBUTION IN THE UNITED STATES OF AMERICA OR THE
CAYMAN ISLANDS.

Dated: May 31, 2010 (Revised)

CONTINUOUS OFFERING FOR CLASS A, CLASS B AND CLASS C PARTICIPATING SHARES OF US\$ 0.01 NOMINAL VALUE IN THE COMPANY THROUGH PRIVATE PLACEMENT, PAYABLE IN FULL ON APPLICATION, AT THE NET ASSET VALUE PER CLASS OF SHARE AT EACH ISSUE DATE.

THE SHARES OFFERED HEREBY MAY NOT BE OFFERED, SOLD OR DELIVERED, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES OR TO ANY UNITED STATES PERSON OR TO ANY OTHER RESTRICTED PERSON, NONE OF THE SHARES HAS BEEN OR WILL BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933 (AS AMENDED). ARTIO INTERNATIONAL EQUITY (CAYMAN) FUND LTD. (FORMERLY BAER INTERNATIONAL EQUITY FUND LTD.) HAS NOT BEEN REGISTERED AS AN INVESTMENT COMPANY UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940 (AS AMENDED).

THE SHARES ARE SUITABLE FOR SOPHISTICATED INVESTORS FOR WHOM AN INVESTMENT IN THE COMPANY DOES NOT CONSTITUTE A COMPLETE INVESTMENT PROGRAM AND WHO FULLY UNDERSTAND AND ARE WILLING TO ASSUME THE RISKS INVOLVED IN THE INVESTMENT PROGRAM OF THE COMPANY. ANY TRANSFER OF PARTICIPATING SHARES IS SUBJECT TO THE CONSENT OF THE DIRECTOR OF THE COMPANY AND TO LIMITATIONS IMPOSED BY THE ARTICLES OF ASSOCIATION OF THE COMPANY.

THE SHARES WILL NOT BE LISTED ON ANY STOCK EXCHANGE.

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NOTICE

This Offering Memorandum contains particulars of Artio International Equity (Cayman) Fund Ltd. (the "Company"), an open-end exempted limited liability company incorporated in the Cayman Islands, and specifically the continuous offering of Class A, Class B and Class C participating shares of the Company for the purpose of giving information to potential investors. The participating shares of US\$ 0.01 nominal value each in the capital of the Company ("Shares" or "Participating Shares") are offered and issued on the basis of the information and representations contained in this Offering Memorandum. It is not to be reproduced or distributed to any other persons (other than professional advisors of the prospective investor receiving this document from the Company).

No information or advice herein contained shall constitute advice to a proposed shareholder in respect of his personal position. The distribution of this Offering Memorandum and the offering of Participating Shares may be wholly or partly restricted in certain jurisdictions. Persons interested in acquiring Participating Shares should inform themselves as to (a) the legal requirements within the countries of their nationality, residence or domicile for such acquisition (b) any foreign exchange restriction or exchange control requirements which they might encounter on acquisition or disposal of Participating Shares and (c) the income tax and any other tax consequences which might be relevant to the acquisition, holding or disposal of Participating Shares in the Company.

This Offering Memorandum does not constitute an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation or is unlawful without compliance with additional registration or filing requirements.

This Offering Memorandum does not constitute an offer, invitation or solicitation to any member of the public in the Cayman Islands to subscribe for any of the Participating Shares.

The Participating Shares have not been registered under the United States Securities Act of 1933, as amended, nor has the Company been registered as an investment company under the United States Investment Company Act of 1940, as amended, and, except in a transaction which does not violate such acts, the Participating Shares may not be offered, sold or delivered, directly or indirectly, in the United States (as defined below), or to or for the benefit of a "U.S. Person" (as defined below).

For the purposes of this Offering Memorandum, "United States" means the United States of America, its territories and possessions, any State of the United States, and the District of Columbia. "U.S. Person" means a citizen or resident of the United States, any partnership or corporation organized or incorporated under the laws of the United States, certain estates and trusts as defined in Rule 902 of Regulation S of the

Securities Act, and any person, corporation, partnership or other entity or account otherwise defined as a U.S. Person in Rule 902 of Regulation S under the Securities Act from time to time.

Although Artio Global Management LLC (“Artio”), the investment manager of the Company, is currently registered with the Commodity Futures Trading Commission (“CFTC”) as a “commodity pool operator” (“CPO”) under the Commodity Exchange Act (“CEA”), Artio has filed a claim of exemption from registration and will operate the Company as if it were exempt from registration as a CPO under CFTC Rule 4.13(a) (4). The Company may invest in futures contracts and options thereon pursuant to CFTC Rule 4.13(a) (4) because, among other conditions, the Shares are exempt from registration under the Securities Act, the Shares are offered and sold without marketing to the public in the United States, and participation in the Company is limited to non-natural persons who are “qualified eligible persons,” as such term is defined in the CEA and CFTC regulations or “accredited investors,” as such term is defined in Regulation D under the Securities Act. Thus, pursuant to CFTC Rule 4.13 (a)(4), Artio is exempt from substantially all CFTC regulations with respect to the operation of the Company as a CPO, including the requirement to register as a CPO. As a result, investors in the Company will not receive the disclosure document and certified annual report that registered CPOs are ordinarily required to provide. However, investors in the Company will receive an audited annual report. Notwithstanding its exemption from registration and other regulatory requirements of the CFTC and CEA with respect to its operation of the Company, Artio may de-register as a CPO entirely in the future.

In this Offering Memorandum all references to U.S. Dollars or US\$ are to the currency of the United States.

The Company is registered as a regulated mutual fund under Section 4(3) of the Mutual Funds Law (2009 Revision) of the Cayman Islands. However, investors in the Company should not assume from the fact that the Company is registered under the Mutual Funds Law that its activities are in any way regulated or supervised by the Cayman Islands Government or Cayman Islands Monetary Authority.

This document is based on the law and practice currently in force in the Cayman Islands and is subject to changes therein.

The Director of the Company has taken all reasonable steps to ensure that the facts stated herein are true and accurate in all material respects at the date hereof and that there are no other material facts the omission of which would make misleading any statement herein whether of fact or of opinion. The Director accepts responsibility accordingly.

Important: Shares in the Company are offered solely on the basis of the information and representations contained in this Offering Memorandum and the documents specified herein, which are available for inspection at the Company's registered office, and no other information or representation relating thereto is authorized. Shares should

be acquired only on the basis of information contained in the Offering Memorandum or incorporated herein by reference.

INVESTORS ARE URGED TO CONSULT WITH THEIR LEGAL ADVISORS AND TAX ADVISORS AS TO THE IMPLICATIONS OF ACQUIRING, HOLDING OR DISPOSING OF PARTICIPATING SHARES.

EXECUTIVE SUMMARY

The following information is derived from the full text of this Offering Memorandum and should be read in conjunction therewith.

- Administrator:** Swiss & Global Fund Administration (Cayman) Ltd. of Grand Cayman acts as administrator (the "Administrator") pursuant to an administrative services agreement (the "Administrative Services Agreement") between the Company and the Administrator, and is responsible for the provision of administrative duties with respect to the Company.
- Base Currency:** The base currency of the Company is US Dollars (US\$).
- Business Day:** A day other than a Saturday or Sunday on which banks in Zurich, the United States or the Cayman Islands are open for normal banking business and any alternative or additional days designated as a Business Day by the Director.
- Cayman Islands Regulation:** The Company falls within the definition of a "mutual fund" under the Mutual Funds Law (2009 Revision) of the Cayman Islands and accordingly is registered under this law. The Company is required to file registration particulars in the prescribed form and to file this Offering Memorandum (and any material changes thereto) with the authorities. There are other consequences to the Company of regulation under this law and copies of this law are available for inspection at the offices of the Administrator.
- Class of Shares:** The Company is offering through this Offering Memorandum, Class A, Class B and Class C Participating Shares.
- Company:** Artio International Equity (Cayman) Fund Ltd. (the "Company") is an open-ended investment company incorporated in the Cayman Islands and empowered under the laws of the Cayman Islands to issue and redeem its own shares.
- Custodian:** Bank Julius Baer & Co. Ltd. Zurich serves as custodian to the Company ("the Custodian") in accordance with its standard agreements with the Company.
- Dealing Day:** Each Business Day following a Valuation Day.
- Dividends:** Although there are no restrictions on it doing so, the

Company does not anticipate that any dividends will be paid to the holders of Participating Shares. Instead, it is expected that such earnings will be reinvested in the Company. Nonetheless, the Director may from time to time declare dividends, in its absolute discretion and subject to applicable Cayman Islands' laws, from profit or share premium of the Company.

Director: Directorate Inc. (the "Director") acts as the sole director of the Company and is responsible for the management and administration of the Company, including the determination of its general investment policies, and for procuring all investment management and administrative services required in connection therewith.

Eligibility: Unless otherwise authorised by the Director in its discretion, Shares may only be sold or transferred to investors who are non-U.S. Persons (Refer "Notice"). The Administrator may decline to accept the subscription of any prospective Shareholder. It is the responsibility of each investor to ensure that the purchase of Participating Shares does not violate any applicable laws in the investor's jurisdiction of residence.

Expenses: The Company is responsible for its own operating expenses, including but not limited to the Director's fees, management fees, administrative fees, custodian fees, brokerage commissions, legal expenses and government fees.

Founder Shares: Voting non-participating shares of the Company with a nominal value of US\$ 1.00 each. All Founder shares are held by Swiss & Global Fund Administration (Cayman) Ltd.

Financial Year: The Company's financial year ends on May 31 of each year.

Investment Manager: Artio Global Management LLC , New York (the "Investment Manager") ("Artio") is the investment manager of the Company with discretionary power to invest the assets of the Company pursuant to an investment services agreement (the "Investment Services Agreement") between the Company and the Investment Manager. Under the terms of the Investment Services Agreement, the Investment Manager ensures compliance with the "Investment Objective, Strategies and Restrictions" as set on page 15 in the Offering Memorandum.

Investment Objective, Strategies and Restrictions:

The investment objective of the Company is long-term capital appreciation which the Company seeks to achieve by investing in a professionally managed portfolio of listed international equity instruments and index securities.

For a more detailed discussion of the investment strategies and restrictions please refer to Page 15.

No assurances can be given that the Company's investment objective will be achieved and investment results may vary substantially over time.

Issue Date:

Each Dealing Day.

Minimum Initial Subscription:

The following minimum initial subscriptions apply unless otherwise determined by the Director in its sole discretion:

Class A - US\$ 100,000.

Class B and Class C - US\$ 1,000,000

Net Asset Value:

The term "Net Asset Value" means the amount determined pursuant to this Offering Memorandum as being the Net Asset Value of the Company.

Net Asset Value per Share:

The "Net Asset Value per Share" means the Net Asset Value of the Company divided by the number of Shares which are issued and outstanding.

Offering:

The Company is offering Participating Shares having a par value of US\$0.01 per Share. Shares are offered on each Dealing Day at a price equal to the then applicable Net Asset Value per Share. The Shares are issued in registered form only and issued in fractions of up to 3 decimal places.

Shares may be purchased by completing the subscription agreement (a "Subscription Agreement") for Shares (in the form attached to this Offering Memorandum in Appendix E) and faxing or e-mailing it to the Administrator 7 Business Days prior to the relevant Dealing Day (or later at the discretion of the Director). Payment should be made by 5pm Zurich time on the relevant Valuation Day thereafter (or later at the discretion of the Director). The original, signed Subscription Agreement must be forwarded to the Administrator within one month thereafter. Subject to the discretion of the Director, investors may be required to pay a

Subscription Fee (as defined below).

Redemptions and repurchases:

Redemption or repurchase request forms (Refer Appendix F) received by the Company on any day other than a Business Day are deemed to be received by it on the next Business Day and are accepted for the following Dealing Day. In general redemption or repurchase proceeds are paid within 3 Business Days following the relevant Dealing Day. The Shares are redeemed or repurchased at the Net Asset Value of the relevant Class of Shares calculated on the Valuation Day immediately preceding the Dealing Day.

The Company may, under certain circumstances (as specified herein), compulsorily redeem or repurchase all or any of the Shares of the Company.

Reports:

Audited financial statements of the Company will be sent to Shareholders within 180 days following the end of each Financial Year (or as soon as possible thereafter).

Restricted Jurisdiction:

Any jurisdiction in which any indirect or direct invitation, inducement, offer, sale, exchange or delivery of Shares of the Company to a Subscriber is prohibited.

Restricted Person:

Any person being resident, domiciled, having its corporate seat or otherwise subject to a Restricted Jurisdiction, it being the responsibility of any person wishing to acquire Shares of the Company to satisfy itself that, in doing so, it complies with the laws of any relevant territory in connection with such acquisition and that it obtains any requisite governmental or other consents and observes any other applicable formalities.

Risk Factors:

See "Risk Factors" for detailed risk disclosure. Subject thereto, it should be clearly understood that an investment in the Participating Shares of the Company involves substantial risks common to all investments in the international financial markets. Prospective investors should give careful consideration to the following factors, among others, in evaluating the merits and suitability of an investment in the Participating Shares:

1. Any investment in securities entails a risk of loss of capital.
2. Participating Shares are transferable only under

certain limited circumstances and with the prior consent of the Director.

Share Capital: The Company has an authorised share capital of US\$50,000 divided into 5,000,000 Participating Shares with a par value of US\$0.01 each, €50,000 divided into 5,000,000 Participating Shares with a par value of €0.01 each and CHF50,000 divided into 5,000,000 Participating Shares with a par value of CHF0.01 each.

Shares or Participating Shares: The participating, voting shares of the Company.

Share Valuation: Participating Shares are valued on each Valuation Day.

Subsequent Subscriptions: Participating Shares may be issued on each relevant Dealing Day at a price equal to the Net Asset Value per Share of that Class calculated as of the immediately preceding Valuation Day.

The following minimum subsequent subscriptions apply unless otherwise determined by the Director in its sole discretion:

Class A - US\$ 10,000.

Class B and Class C – US\$ 250,000.

Participating Shareholders are not required to subscribe for further Participating Shares.

Subscription notice and procedure: The Subscription Agreement must be received by the Administrator prior to the relevant Dealing Day. All payments for subscriptions must be made in US Dollars and received by the Company no later than 5 p.m. Zurich time on the relevant Valuation Day. Payments received after the Valuation Day are applied towards the subscription of further participating shares on the next following Dealing Day. At the Director's sole discretion, investors may subscribe for shares by transferring suitable, listed equity securities in lieu of cash.

Subscriber: An investor seeking to purchase Shares of the Company.

Suspension: Means a determination by the Director to postpone or suspend (i) the calculation of the Net Asset Value of

Participating Shares (and the applicable Valuation Day); (ii) the issue of Participating Shares; (iii) the redemptions and repurchase (in whole or in part) of Participating Shares; and/or (iv) the payment of any redemptions and repurchase proceeds (even if the Valuation Day is not postponed).

Tax:

The Company suffers no tax in the Cayman Islands on its investment income and realization of capital gains. Withholding tax may be imposed by certain jurisdictions upon dividends and interest received by the Company on securities and debt obligations held by the Company in such jurisdictions.

INVESTORS ARE URGED TO CONSULT WITH THEIR TAX ADVISORS AS TO THE IMPLICATIONS OF ACQUIRING, HOLDING OR DISPOSING OF PARTICIPATING SHARES.

Transfer of Shares:

The Shares will be subject to restrictions on transfers and may not be transferred without the consent of the Director.

Subject to those restrictions being met and also to the Director providing its consent, transfers of Shares shall be deemed effective on the next Business Day following the date of receipt by the Administrator of the share transfer form, any due diligence documentation required in respect of the transferor and/or the transferee, and any other documentation as may be required by the Administrator.

Valuation Day:

Subject as hereinafter set out, the Valuation Day is every Friday provided that it is a Business Day or such other day as the Director determines. In the event that any Friday is not a Business Day, the Valuation Day that would otherwise have fallen on it will fall on the following Business Day. Notwithstanding the foregoing, any Friday falling within three calendar days before or after the last Business Day of a calendar month will not be a Valuation Day. In that case, the last Business Day of the calendar month shall instead be the Valuation Day.

DIRECTORY

REGISTERED OFFICE

Suite 320, 3rd Floor, Windward III,
Regatta Office Park, West Bay Road
P.O. Box 30745
Grand Cayman, KY1-1203
Cayman Islands
Tel: +1(345) 949-7212
Fax: +1(345) 949-0993 or 949-3390

ADMINISTRATOR

Swiss & Global Fund Administration
(Cayman) Ltd.
Suite 320, 3rd Floor, Windward III,
Regatta Office Park, West Bay Road
P.O. Box 30745
Grand Cayman, KY1-1203
Cayman Islands
Tel: +1(345) 949-7212
Fax: +1(345) 949-0993 or 949-3390

CUSTODIAN

Bank Julius Baer & Co., Ltd.
Bahnhofstrasse 36,
CH-8010, Zurich,
Switzerland

LEGAL COUNSEL TO THE COMPANY

As to Cayman Islands law:
Maples and Calder
P.O. Box 309
Grand Cayman KY1-1104
Cayman Islands

INVESTMENT MANAGER

Artio Global Management LLC
330 Madison Avenue,
New York, NY 10017
U.S.A.
Tel: 1-212-297-3600
Fax 1-212-557-7839

DIRECTOR

Directorate Inc.
(a British Virgin Islands company)
Windward III, Regatta Office Park
P.O. Box 1100
Grand Cayman, KY1-1102
Cayman Islands
Tel: (345) 949-7212
Fax: (345) 949-0993

AUDITOR

PricewaterhouseCoopers
Strathvale House,
P.O. Box 258
Grand Cayman KY1-1104
Cayman Islands

THE COMPANY

The Company is an open-ended investment company incorporated in the Cayman Islands on May 17, 2002 and is empowered under the laws of the Cayman Islands to issue and redeem or repurchase its own Participating Shares.

This Offering Memorandum addresses three classes of shares of the Company designated as Class A Shares, Class B Shares and Class C Shares. The Director may in its absolute discretion establish other classes of shares without the consent of the holders of the Participating Shares still outstanding provided they do not adversely affect the rights of those shares, and such new classes shall be offered through one or more additional Offering Memorandums. In addition if the size of the overall Company should become too small to operate efficiently, the Founder Shareholder will pass a special resolution placing the Company into voluntary liquidation.

Class A Shares, Class B Shares and Class C Shares rank equally with each other except that Class A Shares shall have a lower minimum subscription requirement than Class B Shares and Class C Shares (Refer "Participating Shares" - page 42) and Class A Shares shall be charged operating expenses which differ from Class B Shares and Class C Shares (Refer "Fees and Expenses" – page 41) and Class C Shares shall be charged a distribution fee (Refer "Fees and Expenses" – page 41).

The Company is managed by its sole director which appointed the Investment Manager to provide investment management services to the Company.

INVESTMENT OBJECTIVE, STRATEGIES AND RESTRICTIONS

Objective

The investment objective of the Company is long-term capital appreciation which the Company seeks to achieve by investing in a professionally managed, diversified portfolio of listed international equity instruments and index securities which may include exchange traded funds ("ETFs").

Strategy

The Company may invest in a wide variety of international equity securities issued anywhere in the world, normally excluding the United States. The Investment Manager regards the Company as a core international equity product and is not constrained by a particular investment style. It may invest in "growth" or "value" securities. The Investment Manager chooses securities in industries and companies it believes are experiencing favorable demand for their products or services. The Investment Manager considers companies with above average earnings potential, companies that are dominant within their industry, companies within industries that are undergoing dramatic change and companies that are market leaders in developing industries. Other

considerations include expected levels of inflation, government policies or actions, currency relationships and prospects for economic growth in a country or region.

The Investment Manager selects stocks using the fundamental approach adjusted for factors specific to each region. In developed markets (such as the United States, Western Europe, and certain Dollar bloc countries including Australia, New Zealand and Canada) the stock selection process is primarily bottom-up. The Investment Manager concentrates on company factors such as balance sheet metrics and industry factors such as the performance of particular industries in similar macroeconomic environments and relative to the broader economy. The Investment Manager believes that most investment return in developed markets comes from sound, company specific fundamental research. In emerging markets, the Investment Manager uses a top-down selection process, focusing on the macroeconomic, liquidity and geopolitical factors of particular areas. The Investment Manager determines the Company's exposure to Japan using a combination of bottom-up and top-down analysis. Bottom-up analysis is used to determine specific investments within Japan, but top-down analysis is essential to the determination of country exposure.

The Company currently contemplates investing in securities denominated in the currencies of a variety of countries, including, but not limited to, Argentina, Australia, Brazil, Canada, Chile, China, Czech Republic, Denmark, Egypt, Hungary, Hong Kong, India, Israel, Japan, Korea, Latvia, Macedonia, Malaysia, Mauritius, Mexico, Montenegro, New Zealand, Peru, Poland, Romania, Russia, Singapore, Slovak Republic, Slovenia, Sweden, Switzerland, Taiwan, Thailand, Turkey, Ukraine, the United Kingdom, the United States and Venezuela.

The Company normally invests at least 65% of its total assets in no fewer than three different countries outside the U.S. The Company may invest a portion of its assets in securities of issuers located in developing countries, often referred to as emerging markets. It presently does not anticipate investing more than 35% of its total assets in such securities.

Ordinarily, the Company invests at least 80% of its net assets (including future positions and borrowings for investment purposes) in international equity securities. The Company invests, primarily, in issuers with large and mid market capitalization at the time of investment. Although the Company normally invests in the securities of U.S. issuers, it may make such investments.

The Investment Manager places particular emphasis on analysis of regions, countries, industries, and companies that are exposed to significant change. It is the Investment Manager's belief that securities issued by companies in dynamic transition (new management, new products, mergers and divestitures, new regulations, change in major shareholders) often offer the greatest potential for mispricing by the market that can be exploited for the benefit of the holders of the Participating Shares. In addition, factors such as expected levels of inflation, government policies influencing business

conditions, the outlook for currency relationships and prospects for economic growth among countries, regions or geographic areas may warrant consideration in selecting foreign equity securities. Generally, the Company intends to invest in marketable securities that are not restricted as to public sale. Most of the purchases and sales of securities by the Company, with the exception of the ADRs, GDRs and EDRs, are effected in the primary trading market for the securities. The primary trading market for a given security generally is located in the country in which the issuer has its principal office.

The Company may invest in fixed-income securities. The performance of the debt component of the Company's portfolio depends primarily on interest rate changes, the average weighted maturity of the portfolio and the quality of the securities held. The debt component of the Company's portfolio will tend to decrease in value when interest rates rise and increase when interest rates fall. Generally, shorter-term securities tend to be less sensitive to interest rate changes whilst longer-term securities may offer higher yields. The Company's share price and yield will also depend, in part, on the quality of its investments. While U.S. Government securities are generally of high quality, government securities issued by Government agencies that are not backed by the full faith and credit of the United States and other debt securities may be affected by changes in the creditworthiness of the issuer of the security. The extent that such changes are reflected in the Company's share price depends on the extent of the Company's investment in such securities.

The Company may use futures, swaps and warrants, options and forward foreign exchange contracts which are types of derivatives, for hedging purposes and to remain fully invested, to maintain liquidity, or to increase total return. The Company also may invest up to 5% of its total assets in gold bullion and coins, which, unlike investments in many securities, earn no investment income. Since a market exists for such investments, the Investment Manager believes gold bullion and coins should be considered a liquid investment.

The Company may use index futures or comparable instruments designed to protect against the risk of substantial absolute losses caused by market downturns. As some of the markets in which the Company invests do not offer comparable or liquid hedging instruments, the Company may utilize index futures which are not perfectly correlated to the underlying instruments to hedge the positions

In attempting to achieve its investment objective, the Company may engage in a variety of investment strategies.

Warrants

The Company also may invest up to 10% of its total assets in equity warrants and interest rate warrants of international issuers. However, the Company will not invest more than 5% of its net assets in warrants that are not listed on recognized Global

exchanges. Equity warrants are securities that give the holder the right, but not the obligation, to subscribe for newly created equity issues of the issuing company or a related company at a fixed price either on a certain date or during a set period. Interest rate warrants are rights that are created by an issuer, typically a financial institution, entitling the holder to purchase, in the case of a call, or sell, in the case of a put, a specific bond issue or an interest rate index ("Bond Index") at a certain level over a fixed time period. Interest rate warrants can typically be exercised in the underlying instrument or settled in cash.

Depository Receipts

The Company may also invest in American Depository Receipts ("ADRs"), Global Depository Receipts ("GDRs") or European Depository Receipts ("EDRs") (collectively, "Depository Receipts"). ADRs are receipts, typically issued by a U.S. bank or trust company, which evidence ownership of underlying securities issued by a foreign corporation. GDRs may be traded in any public or private securities market and may represent securities held by institutions located anywhere in the world. EDRs are receipts issued in Europe which evidence a similar ownership arrangement. Generally, ADRs, in registered form, are designed for use in the U.S. securities markets and EDRs, in bearer form, are designed for use in European securities markets. In order to seek to protect against a decline in value of the Company's assets due to fluctuating currency rates, the Company may engage in certain hedging strategies, as described below.

Exchange Traded Funds

The Company may purchase an Exchange Traded Fund ("ETF") to temporarily gain exposure to a portion of the U.S. or a foreign market while awaiting purchase of underlying securities. The Company may invest up to 10% of the Net Asset Value of the Company in any individual ETF at the time of purchase. An ETF is a type of investment company bought and sold on a securities exchange. An ETF represents a fixed portfolio of securities designed to track a particular market index. The risks of owning an ETF generally reflect the risks of owning the underlying securities they are designed to track, although lack of liquidity in an ETF could result in it being more volatile and ETFs have management fees which increase their costs.

Convertible Securities and Bonds with Warrants Attached

The Company may invest in fixed-income obligations convertible into equity securities, and bonds issued as a unit with warrants. Convertible securities in which the Company may invest, comprised of both convertible debt and convertible preferred stock, may be converted at either a stated price or at a stated rate into underlying shares of common stock. Because of this feature, convertible securities enable an investor to benefit from increases in the market price of the underlying common stock. Convertible securities provide higher yields than the underlying equity securities, but generally offer lower yields than non-convertible securities of similar quality. The value of convertible securities fluctuates in relation to changes in interest rates like bonds, and, in addition, fluctuates in relation to the underlying common stock. The Company does not intend to retain in its portfolio the common stock received upon conversion of a convertible security or exercise of a warrant and will sell such stocks as promptly as it can and in a manner that it believes will reduce the risk to the Company of a loss in connection with the sale. The Company does not intend to retain in its portfolio any warrant acquired as a unit with bonds if the warrant begins to trade separately from the related bond.

Money Market Investments

The Company may invest up to 20% of its total assets in short-term investment grade money market obligations. In addition, on occasion, the Investment Manager may deem it advisable to adopt a temporary defensive posture by investing a larger percentage of its assets in short-term money market obligations.

Swaps, Caps, Floors and Collars

The Company may enter into interest rate, currency, index and total return swaps and the purchase or sale of related caps, floors and collars. The Company expects to enter into these transactions primarily to preserve a return or spread on a particular investment or portion of its portfolio, to protect against currency fluctuations, as a duration management technique or to protect against any increase in the price of securities the Company anticipates purchasing at a later date. Interest rate swaps involve the exchange by the Company with another party of their respective commitments to pay or receive interest, e.g., an exchange of floating rate payments for fixed rate payments with respect to a notional amount of principal. A currency swap is an agreement to exchange cash flows on a notional amount of two or more currencies based on the relative value differential among them and an index swap is an agreement to swap cash flows on a notional amount based on changes in the values of the reference indices. The purchase of a cap entitles the purchaser to receive payments on a notional principal amount from the party selling such cap to the extent that a specified index exceeds a predetermined interest rate or amount. The purchase of a floor entitles the purchaser to receive payments on a notional principal amount from the party selling such floor to the extent that a specified index falls below a predetermined interest rate or amount. A collar is a combination of a cap and a floor that preserves a certain return

within a predetermined range of interest rates or values.

The Company will usually enter into swaps on a net basis, i.e. the two payment streams are netted out in a cash settlement on the payment date or dates specified in the instrument, with the Company receiving or paying, as the case may be, only the net amount of the two payments. In as much as these swaps, caps, floors and collars are entered into in good faith hedging purposes, the Investment Manager believes such obligations do not constitute senior securities under the 1940 Act, and accordingly, will not treat them as being subject to its borrowing restrictions. The Company will not enter into any swap, cap, floor or collar transaction unless, at the time of entering into such transaction, the unsecured long-term debt of the counterparty, combined with any credit enhancements, is rated at least A by S&P or Moody's or has an equivalent rating from a nationally recognized securities rating organization ("NRSRO") or is determined to be of equivalent credit quality by the Investment Manager. If there is a default by the counterparty, the Company may have contractual remedies pursuant to the agreements related to the transaction. The swap market has grown substantially in recent years with a large number of banks and investment banking firms acting as both principals and as agents utilizing standardized swap documentation. As a result, the swap market has become relatively liquid. Caps, floors and collars are more recent innovations for which standardized documentation has not yet been fully developed and, accordingly, they are less liquid than swaps.

The Company may enter into credit default swap contracts for investment purposes. As the seller in a credit default swap contract, the Company would be required to pay the par (or other agreed upon) value of a referenced debt obligation to the counterparty in the event of a default by a third party, such as a U.S. or foreign corporate issuer, on the debt obligation. In return the Company would receive from the counterparty, a periodic stream of payments over the term of the contract provided that no event of default has occurred. If no default occurs, the Company would keep the stream of payments and would have no payment obligations. As the seller, the Company would be subject to investment exposure on the notional amount of the swap.

The Company may also purchase credit swap default contracts in order to hedge against the risk of default of debt securities held in its portfolio, in which case the Company would function as the counterparty referenced to in the preceding paragraph. This would involve the risk that the investment may expire worthless and would generate income in the event of an actual default by the issuer of the underlying obligation (as opposed to a credit downgrade or other indication of financial instability). It would also involve credit risk - that the seller may fail to satisfy its payment obligations to the Company in the event of a default.

Options on Swaps Agreements

The Company may enter into options on swap agreements. These transactions are entered into in an attempt to obtain a particular return when it is considered desirable to

do so, possibly at a lower cost to the Company than if the Company had invested directly in an instrument that yielded that desired return. A swap option is a contract that gives a counter-party the right (but not the obligation) to enter into a new swap agreement or to shorten, extend, cancel, or otherwise modify an existing swap agreement, at some designated future time on specified terms. The Company may write (sell) and purchase put and call swap options. Depending on the terms of a particular option agreement, the Company will generally incur a greater degree of risk when it writes a swap option than it will incur when it purchases a swap option. When the Company purchases a swap option, it risks losing only the amount of the premium it has paid should it decide to let the option expire unexercised. However, when the Company writes a swap option, upon the exercise of the option the Company will become obligated according to the terms of the underlying agreement.

Structured Notes

The Company may invest in Structured Notes. Structured Notes are derivative securities for which the amount of principal repayments and/or interest payments is based upon the movement of one or more “factors”. These factors include, but are not limited to, currency exchange rates, interest rates (such as the prime lending rate and LIBOR) and stock indices (such as the S&P 500). In some cases, the impact of the movements of these factors may increase or decrease through the use of multipliers or deflators. Structured Notes may be designed to have particular quality and maturity characteristics and may vary from money market quality to below investment grade. Depending on the factor used and use of multipliers or deflators, however, changes in interest rates and movement of the factor may cause significant price fluctuations or may cause particular Structured Notes to become illiquid. A Company would use Structured Notes to tailor its investments to the specific risks and returns the Investment Manager wishes to accept while avoiding or reducing certain other risks.

Variable Rate Instruments

The Company may invest in variable rate obligations. Floating or variable rate obligations bear interest at rates that are not fixed, but vary with changes in specified market rates or indices and at specified intervals. Certain of these obligations may carry a demand feature that would permit the holder to tender them back to the issuer at par value prior to maturity. Such obligations include variable rate master demand notes, which are unsecured instruments issued pursuant to an agreement between the issuer and the holder that permit the indebtedness thereunder to vary and provide for periodic adjustments in the interest rate. The Investment Manager monitors on an ongoing basis the ability of an issuer of a demand instrument to pay principal and interest on demand. Some of the demand instruments are not traded in a secondary market and derive their liquidity solely from the ability of the holder to demand repayment from the issuer or a third party providing credit support. If a demand instrument is not traded in the secondary market, the Company will nonetheless treat the instrument as “readily marketable” for the purposes of its investment restriction limiting investments in illiquid

securities unless the demand feature has a notice period of more than seven days, in which case the instrument will be characterized as “not readily marketable” and therefore illiquid. In the event that an issuer of such instruments were to default on its payment obligations, the Company might be unable to dispose of the instrument because of the absence of a secondary market and could, for this or other reasons, suffer a loss to the extent of default.

Currency Exchange Transactions and Options on Foreign Currencies

The Company may engage in currency exchange transactions and purchase put and call options on foreign currencies. The Company conducts its currency exchange transactions either on a spot (i.e., cash) basis at the rate prevailing in the currency exchange market or through entering into forward contracts to purchase or sell currencies. A forward currency contract involves an obligation to purchase or sell a specific currency at a future date, which may be any fixed number of days from the date of the contract agreed upon by the parties, at a price set at the time of the contract. These contracts are entered into in the interbank market conducted directly between currency traders (usually large U.S. or foreign commercial banks) and their customers. The Company may enter into a forward contract in the following circumstances:

1. When the Company purchases a foreign currency denominated security for settlement in the near future, it may immediately purchase in the forward market the foreign currency needed to pay for and settle the transaction.
2. When the Investment Manager believes that the currency of a specific country may deteriorate against another currency, the Company may enter into a forward contract to sell the less attractive currency and buy the more attractive one. The amount in question could be more or less than the value of the Company's securities denominated in the less attractive currency. While such actions are intended to protect the Company from adverse currency movements, there is a risk that the currency movements involved will not be properly anticipated.
3. To remain fully invested, to maintain liquidity or to increase total return.
4. As part of its investment strategy, the Company may use forward foreign currency contracts to hedge the Company's portfolio holdings against currency risks. The Company may also utilize forward foreign currency contracts to reduce or eliminate an underweighted position in a currency relative to its benchmark when purchasing underlying equities denominated in that currency is not advisable by the Manager.

An option on a foreign currency, which may be entered into on an exchange or in the over-the-counter market, gives the purchaser, in return for a premium, the right to sell, in the case of a put, and buy, in the case of a call, the underlying currency at a specified price during the term of option.

The Company may also invest in instruments offered by brokers that combine forward contracts, options and securities in order to reduce foreign currency exposure.

Repurchase Agreements

The Company may enter into repurchase agreements on portfolio securities with member banks of the Federal Reserve System and certain non-bank dealers. Repurchase agreements are contracts under which the buyer of a security simultaneously commits to resell the security to the seller at an agreed-upon price and date. Under the terms of a typical repurchase agreement, the Company would acquire an underlying security for a relatively short period (usually not more than one week) subject to an obligation of the seller to repurchase, and the Company to resell, the obligation at an agreed-upon price and time, thereby determining the yield during the Company's holding period. This arrangement results in a fixed rate of return that is not subject to market fluctuations during such Company's holding period. The value of the underlying securities will at all times be at least equal to the total amount of the purchase obligation, including interest. However, if the seller defaults, the Company could realize a loss on the sale of the underlying security to the extent that the proceeds of the sale, including accrued interest, are less than the retail price provided in the agreement, including interest.

In addition, although the Bankruptcy Code provides protection for most repurchase agreements, in the event that the other party to a repurchase agreement becomes bankrupt, the Company may experience delay or be prevented from exercising its right to dispose of the collateral securities, including the risk of a possible decline in the value of the underlying securities during the period while the Company seeks to assert this right. To evaluate this risk, the Investment Manager has been delegated responsibility for monitoring the creditworthiness of those bank and non-bank dealers with which the Company enters into repurchase agreements. A repurchase agreement is considered to be a loan under the 1940 Act. The Company may for temporary defensive purposes invest in these repurchase agreements without limit.

Securities of Other Investment Companies

The Company may invest in securities of other investment companies in an amount which (a) does not exceed 3% of the total outstanding voting stock of such company, (b) does not exceed 5% of the value of the Company's total assets and (c) when added to all other investment company securities held by the Company, does not exceed 10% of the value of the Company's total assets. Investors should note that investment by the Company in the securities of other investment companies would involve the payment of duplicative fees (once with the Company and again with the investment company in which the Company invests).

Private Placements

The Company may invest in securities that are purchased in private placements and, accordingly, are subject to restrictions on resale as a matter of contract or under federal securities laws. Eligible private placements may include, but not limited to, 1) traditional private placement securities that are not registered under the Securities Act of 1933, as amended (“1933 Act”), but that can be sold to “qualified institutional buyers” in accordance with the requirements stated in Rule 144A under the 1933 Act (Rule 144A Securities), 2) securities sold pursuant to Section 4(2) of the 1933 Act (4(2) Commercial Paper), or 3) securities sold pursuant to a court-allowed exemption that comprises a hybrid exemption under Sections 4(1) and 4(2) of the 1933 Act (Section 4(1½) Securities).

High-Yield/High-Risk Bonds

The Company may invest up to 10% of its total assets in high-yield/high-risk bonds.

Unrated Debt Securities

The Company may invest in unrated debt instruments of global issuers. Unrated debt, while not necessarily of lower quality than rated securities, may not have as broad a market. Sovereign debt of foreign governments is generally rated by country. Because these ratings do not take into account individual factors relevant to each issue and may not be updated regularly, the Investment Manager may treat such securities as unrated debt.

Investing in Emerging Markets

The Company may invest a portion of its assets in securities of developing countries often referred to as emerging market countries. It is not presently anticipated that more than 35% of total assets will be invested in such securities. “Emerging markets” are located in the Asia-Pacific region, Central and Eastern Europe, Latin America and Africa.

Futures Activities

The Company may enter into stock index, interest rate, commodity and foreign currency futures contracts and may also purchase or write related options that are traded on global exchanges.

Entering into futures contracts enables the Company to seek to protect its assets from fluctuations in value without necessarily buying or selling the assets. The Company may not enter into futures transactions, other than those considered to be “bona fide” hedging by the Commodity Futures Trading Commission, if the sum of the amount of initial margin deposits on its existing futures contracts and premiums paid for unexpired

options would exceed 5% of the fair market value of the Company's total assets, after taking into account unrealized profits and unrealized losses on commodity contracts into which it has entered. The Company will not use leverage when it enters into long futures or options contracts and for each such long position the Company will deposit cash, or other liquid assets, having a value equal to the underlying commodity value of the contract as collateral with its custodian or approved futures commission merchant (FCM) in a segregated account.

Part of the Company's investment process might be uncovering opportunities across industry sectors, including investments found within the commodity sector worldwide. In addition, many companies hedge out their primary commodity exposure making the Company's ability to incorporate "pure play" investments more difficult. The use of commodity futures facilitates the Company's ability to participate directly in targeted commodities.

The value of portfolio securities will far exceed the value of the futures contracts sold by a Company. Therefore, an increase in the value of the futures contracts could only mitigate but not totally offset the decline in the value of the Company's assets. No consideration is paid or received by the Company upon entering into a futures contract. Upon entering into a futures contract, the Company will be required to deposit in a segregated account with its custodian or approved FCM an amount of cash or other liquid assets equal to a portion of the contract amount. This amount is known as "initial margin" and is in the nature of a performance bond or good faith deposit on the contract which is returned to the Company upon termination of the futures contract, assuming all contractual obligations have been satisfied. The broker will have access to amounts in the margin account if the Company fails to meet its contractual obligations. Subsequent payments, known as "variation margin," to and from the broker, will be made daily as the price of the securities underlying the futures contract fluctuates, making the long and short positions in the futures contract more or less valuable, a process known as "marking-to-market." At any time prior to the expiration of a futures contract, the Company may elect to close the position by taking an opposite position, which will operate to terminate the Company's existing position in the contract.

Options on Futures Contracts

The Company may purchase and write put and call options on interest rate, stock index and foreign currency futures contracts that are traded on a U.S. exchange or board of trade as a hedge against changes in interest rates and market conditions, and may enter into closing transactions with respect to such options to terminate existing positions. There is no guarantee that such closing transactions can be effected.

An option on an interest rate futures contract, as contrasted with the direct investment in such a contract, gives the purchaser the right, in return for the premium paid, to assume a position in a fixed-income or equity security futures contract at a specified exercise price at any time prior to the expiration date of the option. An option on a foreign

currency futures contract, as contrasted with the direct investment in the contract, gives the purchaser the right, but not the obligation, to assume a long or short position in the relevant underlying currency at a predetermined exercise price at a time in the future. Upon exercise of an option, the delivery of the futures position by the writer of the option to the holder of the option will be accompanied by delivery of the accumulated balance in the writer's futures margin account, which represents the amount by which the market price of the futures contract exceeds, in the case of a call, or is less than, in the case of a put, the exercise price of the option on the futures contract. The potential loss related to the purchase of an option on futures contracts is limited to the premium paid for the option (plus transaction costs). Because the value of the option is fixed at the point of sale, there are no daily cash payments to reflect changes in the value of the underlying contract; however, the value of the option does change daily and that change would be reflected in the net asset value of the Company.

Currency Hedging Transactions

The value in U.S. dollars of the assets of the Company that are invested in foreign securities may be affected favorably or unfavorably by changes in foreign currency exchange rates and exchange control regulations, and the Company may incur costs in connection with conversions between various currencies. The Company, therefore, may engage in currency hedging transactions to protect against uncertainty in the level of future exchange rates. Income received from such transactions could be used to pay the Company's expenses and would increase an investor's total return. The Company will conduct foreign currency transactions either on a spot (i.e., cash) basis at the spot rate prevailing in the foreign currency market or through forward foreign exchange contracts to purchase or sell currency. The Company is also authorized to purchase and sell listed foreign currency options and options on foreign currency futures for hedging purposes.

Options on Securities

In order to hedge against adverse market shifts, the Company may utilize up to 2% of its total assets to purchase put options on securities and an additional 2% of its total assets to purchase call options on securities, in each case that are traded on recognised exchanges or in the over-the-counter market. In addition, the Company may write covered call options and put options on up to 25% of the net asset value of the securities in its portfolio. The Company realizes fees (referred to as "premiums") for granting the rights evidenced by the call options it has written. The Company may write only covered call options.

In addition to writing covered options for other purposes, the Company may enter into options transactions as hedges to reduce investment risk, generally by making an investment expected to move in the opposite direction of a portfolio position.

U.S. Government Securities

The Company may invest in debt obligations of varying maturities issued or guaranteed by the U.S. Government, its agencies or instrumentalities (U.S. Government securities).

International Warrants

The Company may invest up to 10% of its total assets in warrants of international issuers but is limited to 5% of OTC warrants. The Company's holdings of warrants will consist of equity warrants, index warrants, covered warrants, interest rate warrants and long term options of, or relating to, international issuers.

Lending Portfolio Securities

The Company is permitted, on the basis of a standardized system, to lend securities to third parties although such transactions may only be carried out through recognized clearing houses such as Euroclear or Clearstream SA or other recognized national clearing houses or using highly rated financial institutions specialized in this type of transaction, and according to their terms of business. The rights to refund must in principle be protected by collateral security to a value which at the time the contract is entered into and throughout the lending term at least corresponds to the estimated total value of the relevant lent securities; this can be done through the provision of collateral security in the form of fixed-term deposits or securities which are issued or guaranteed by OECD member states, their local authorities or institutions of a supranational or regional character, or by other highly rated issuers, or else through the provision of collateral security in the form of shares in highly rated companies (on condition that hedging is provided against any fall in price between the time the collateral security is created and the time the lent security in question is returned), with such collateral security remaining blocked, on behalf of the Company, until expiry of the applicable securities lending transaction.

Real Estate Investment Trusts ("REITs")

The Company may invest in shares of REITs, which are pooled investment vehicles which invest primarily in income-producing real estate or real estate related loans or interests. REITs are generally classified as equity REITs, mortgage REITs or a combination of equity and mortgage REITs. Equity REITs invest the majority of their assets directly in real property and derive income primarily from the collection of rents. Equity REITs can also realize capital gains by selling properties that have appreciated in value. Mortgage REITs invest the majority of their assets in real estate mortgages and derive income from the collection of interest payments. The Company will indirectly bear its proportionate share of any expenses paid by REITs in which it invests in addition to the expenses paid by the Company.

No assurances can be given that the Company's investment objective will be

achieved and investment results may vary substantially over time.

Restrictions

The Company may not:

1. Borrow money or issue senior securities except that it may borrow from banks for temporary or emergency purposes, and not for leveraging, and then in amounts not in excess of 30% of the value of the Company's total assets at the time of such borrowing; or mortgage, pledge or hypothecate any assets except in connection with any bank borrowing and in amounts not in excess of the lesser of the dollar amounts borrowed or 10% of the value of the Company's total assets at the time of such borrowing. Whenever such borrowings exceed 5% of the value of the Company's total assets, the Company will not make any investments (including roll-overs). For purposes of this restriction, (a) the deposit of assets in escrow in connection with the purchase of securities on a when-issued or delayed-delivery basis and (b) collateral arrangements with respect to options, futures or forward currency contracts will not be deemed to be borrowings or pledges of the Company's assets.
2. Purchase any securities which would cause 25% or more of the value of the Company's total assets at the time of purchase to be invested in the securities of issuers conducting their principal business activities in the same industry. There shall be no limit on the purchase of U.S. Government securities.
3. Make loans, except that the Company may purchase or hold publicly distributed fixed-income securities, lend portfolio securities and enter into repurchase agreements.
4. Purchase or sell real estate except the Company may (i) hold and sell real estate acquired as a result of the Company's ownership of securities or other instruments; (ii) purchase or sell securities or other instruments backed by real estate, or interests in real estate; and (iii) purchase or sell securities of entities or investment vehicles, including REITs, that invest, deal or otherwise engage in transactions in real estate or interests in real estate.
5. Make short sales of securities or maintain a short position, except that the Company may maintain short positions in forward currency contracts, options and futures contracts.
6. Purchase more than 10% of the voting securities of any one issuer, more than 10% of the securities of any class of any one issuer or more than 10% of the outstanding debt securities of any one issuer. This limitation shall not apply to investments in U.S. Government securities. At the time of purchase, no more than 10% of the Net Asset Value of the Company may be invested in a single ETF.
7. Purchase securities on margin, except that the Company may obtain any short-term

credits necessary for the clearance of purchases and sales of securities. For purposes of this restriction, the maintenance of margin in connection with options, forward contracts and futures contracts or related options will not be deemed to be a purchase of securities on margin.

8. Invest more than 15% of the value of the Company's total assets in securities which may be illiquid because of legal or contractual restrictions on resale or securities for which there are no readily available market quotations. For purposes of this limitation, (a) repurchase agreements with maturities greater than seven days and (b) time deposits maturing in more than seven calendar days shall be considered illiquid.

RISK FACTORS

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 OPTION TRANSACTIONS WHICH THE COMPANY INTENDS TO EMPLOY, IN CERTAIN CIRCUMSTANCES, INCREASES 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.

There could be a substantial risk of sustaining losses in the aforementioned investments. Therefore, only experienced and financially secure prospective investors, and those who have no need of the funds invested for current use, should become Shareholders of the Company. Any capital invested in the Company should be recognized as risk capital by the investor who must recognize the possibility of significant or even total loss. 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 risks which need to be considered:

General Risks of Investing

An investment in the Company is subject to all risks incidental to investment in securities which the Company may own. 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 realized 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 or repurchase Shares.

Trading Strategies May Not Be Successful

There can be no assurance that any trading strategy 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.

Derivative trading

The Company may invest in derivatives in the form of options. There are risks associated with the sale and purchase of options. In addition to the risks embedded within the security there are other associated risks.

Options trading is highly leveraged - The premium normally required in options trading may result in an extremely high degree of leverage. Therefore, a relatively small price movement in the interest underlying an option contract could result in immediate and substantial losses in the Company's investments.

Highly Volatile Markets - The prices of options are highly volatile. Price movements 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.

Emerging markets

Compared to developed countries, developing countries may have relatively unstable governments, economies based on only a few industries, and securities markets that are less liquid and trade a small number of securities. Prices on these exchanges tend to be volatile and, in the past, securities in these countries have offered greater potential for gain (as well as loss) than securities of companies located in developed countries.

Security prices in these markets can be significantly more volatile than in more developed countries, reflecting the greater uncertainties of investing in less established markets and economies. Political, legal and economic structures in many of these emerging market countries may be undergoing significant evolution and rapid

development, and they may lack the social, political, legal and economic stability characteristics of more developed countries. Emerging market countries may have failed in the past to recognize private property rights. They may have relatively unstable governments, present the risk of nationalization of businesses, restrictions on foreign ownership, or prohibitions on repatriation of assets, and may have less protection of property rights than more developed countries. Their economies may be predominantly based on only a few industries, may be highly vulnerable to changes in local or global trade conditions, and may suffer from extreme and volatile debt burdens or inflation rates. Local securities markets may trade a small number of securities and may be unable to respond effectively to increases in trading volume, potentially making prompt liquidation of substantial holdings difficult or impossible at times. A Company may be required to establish special custodian or other arrangements before making investments in securities of issuers located in emerging market countries. Securities of issuers located in these countries may have limited marketability and may be subject to more abrupt or erratic price movements.

Futures activities

There are several risks in connection with the use of futures contracts as a hedging device. Successful use of futures contracts is subject to the ability of the Investment Manager to predict correctly movements in the price of the securities or currencies and the direction of the stock indices underlying the particular hedge. These predictions and, thus, the use of futures contracts involve skills and techniques that are different from those involved in the management of the portfolio securities being hedged. In addition, there can be no assurance that there will be a correlation between movements in the price of the underlying securities or currencies and movements in the price of the securities which are the subject of the hedge. A decision concerning whether, when and how to hedge involves the exercise of skill and judgment and even a well-conceived hedge may be unsuccessful to some degree because of unexpected market behavior or trends in interest rates.

Positions in futures contracts and options on futures contracts may be closed out only on the exchange on which they were entered into (or through a linked exchange). No secondary market exists for such contracts. Although the Company intends to enter into futures contracts only if there is an active market for such contracts, there is no assurance that an active market will exist for the contracts at any particular time. Most futures exchanges limit the amount of fluctuation permitted in futures contract prices during a single trading day. Once the daily limit has been reached in a particular contract, no trades may be made that day at a price beyond that limit. It is possible that futures contract prices could move to the daily limit for several consecutive trading days with little or no trading, thereby preventing prompt liquidation of futures positions and subjecting the Company to substantial losses. In such event, and in the event of adverse price movements, the Company would be required to make daily cash payments of variation margin. In such circumstances, an increase in the value of the portion of the Company's securities being hedged, if any, may partially or completely

offset losses on the futures contract. However, as described above, there is no guarantee that the price of the securities being hedged will, in fact, correlate with the price movements in a futures contract and thus provide an offset to losses on the futures contract.

If the Company has hedged against the possibility of an event adversely affecting the value of securities held in its portfolio and that event does not occur, it will lose part or all of the benefit of the increased value of securities which it has hedged because it will have offsetting losses in its futures positions. Losses incurred in hedging transactions and the costs of these transactions will affect the Company's performance. In addition, in such situations, if the Company had insufficient cash, it might have to sell securities to meet daily variation margin requirements at a time when it would be disadvantageous to do so. These sales of securities could, but will not necessarily, be at increased prices which reflect the change in interest rates or currency values, as the case may be.

Options and Futures contracts

There are several risks relating to options on futures contracts. The ability to establish and close out positions on such options will be subject to the existence of a liquid market. In addition, the purchase of put or call options will be based upon predictions as to anticipated trends in interest rates and securities markets by the Company's Investment Manager, which could prove to be incorrect. Even if those expectations were correct, there may be an imperfect correlation between the change in the value of the options and of the portfolio securities hedged.

Currency futures and related options are subject to the risks of other types of futures activities, as described above. In addition, while the value of currency futures and options on futures can be expected to correlate with exchange rates, it will not reflect other factors that may affect the value of the Company's investments. A currency hedge, for example, should protect a Yen-denominated security against a decline in the Yen, but will not protect the Company against price decline if the issuer's creditworthiness deteriorates. Because the value of the Company's investments denominated in foreign currency will change in response to many factors other than exchange rates, it may not be possible to match the amount of currency futures contracts to the value of the Company's investments denominated in that currency over time.

Upon the exercise of a put option written by the Company, it may suffer an economic loss equal to the difference between the price at which the Company is required to purchase the underlying security and its market value at the time of the option exercise, less the premium received for writing the option. Upon the exercise of a call option written by the Company, it may suffer an economic loss equal to the excess of the security's market value at the time of the option's exercise over the greater of (i) the Company's acquisition cost of the security and (ii) the exercise price, less the premium received for writing the option.

Fixed-Income Investments

The performance of the debt component of the Company's portfolio depends primarily on interest rate changes, the average weighted maturity of the portfolio and the quality of the securities held. The debt component of the Company's portfolio will tend to decrease in value when interest rates rise and increase when interest rates fall. Generally, shorter term securities are less sensitive to interest rate changes, but longer term securities offer higher yields. The Company's share price and yield will also depend, in part, on the quality of its investments. While developed countries' Government securities are generally of high quality, government securities that are not backed by the full faith and credit of the government and other debt securities may be affected by changes in the creditworthiness of the issuer of the security. The extent that such changes are reflected in the Company's share price will depend on the extent of the Company's investment in such securities.

High Yield/High Risk Bonds

Lower rated bonds involve a higher degree of credit risk, the risk that the issuer will not make interest or principal payments when due. Such bonds may have predominantly speculative characteristics. In the event of an unanticipated default, the Company would experience a reduction in its income and could expect a decline in the market value of the securities so affected. More careful analysis of the financial condition of each issuer of lower grade securities is therefore necessary. During an economic downturn or substantial period of rising interest rates, highly leveraged issuers may experience financial stress which would adversely affect their ability to service their principal and interest payment obligations, to meet projected business goals and to obtain additional financing.

The market prices of lower grade securities are generally less sensitive to interest rate changes than higher rated investments, but more sensitive to adverse economic or political changes or, in the case of corporate issuers, individual corporate developments. Periods of economic or political uncertainty and change can be expected to result in volatility of prices of these securities. Lower rated securities may also have less liquid markets than higher rated securities, and their liquidity as well as their value may be adversely affected by adverse economic conditions. Adverse publicity and investor perceptions as well as new or proposed laws may also have a negative impact on the market for high-yield/high-risk bonds.

Lending Portfolio Securities

If the borrower defaults on its obligation to return the securities loaned because of insolvency or other reasons, the Company could experience delays and costs in recovering the securities loaned or in gaining access to the collateral. These delays and costs could be greater for foreign securities. If the Company is not able to recover the

securities loaned, the Company may sell the collateral and purchase a replacement investment in the market. The value of the collateral could decrease below the value of the replacement investment by the time the replacement investment is purchased. Loans will be made only to parties deemed by the Adviser to be in good standing and when, in the Adviser's judgment, the income earned would justify the risks. Cash received as collateral through loan transactions may be invested in other securities eligible for purchase by the Company. The investment of cash collateral subjects that investment, as well as the securities loaned, to market appreciation or depreciation.

Investing in REITs

Investing in REITs involves certain unique risks. Equity REITs may be affected by changes in the value of the underlying property owned by such REITs, while mortgage REITs may be affected by the quality of any credit extended. REITs are dependent upon management skills, are not diversified (except to the extent the Code requires), and are subject to the risks of financing projects. REITs are subject to heavy cash flow dependency, default by borrowers and self-liquidation and (especially mortgage REITs) are also subject to interest rate risks.

Lack of Operating History

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

Limited Transferability

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

Regulation

The Company is not and will not be registered with or regulated by any securities or governmental authority of any jurisdiction other than being registered with the Cayman Islands Monetary Authority. Although the Company is registered as a mutual fund under the Mutual Funds Law (2009 Revision) of the Cayman Islands, the Cayman Islands authorities exercise no regulatory oversight over the Company save as set forth under "Mutual Funds Law."

Conflicts of Interest

There will be no limitation with respect to the Investment Manager's other activities and investments or with respect to the activities of other investment portfolios advised upon by the Investment Manager. The Investment Manager intends to perform its duties in an equitable and fair manner at all times. Without limiting the generality of the foregoing, the Investment Manager is required to devote only such time as may be reasonably required to further the business affairs and activities of the Company.

The fees to be paid to the Investment Manager have not been set by arms-length negotiations.

The Company and its Shareholders depend on the Director for the operation of the Fund. The Director has an interest in any agreements or arrangements made by the Fund with the Director's affiliates. The Director is 100% owned by the Administrator.

Maples and Calder

Maples and Calder, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands, acts as Cayman Islands legal counsel to the Company. In connection with the Company an offering of Shares and subsequent advice to the Company, Maples and Calder will not be representing Shareholders. No independent legal counsel has been retained to represent the Shareholders. Maples and Calder's representation of the Company is limited to specific matters as to which it has been consulted by the Company. Other matters may exist which could have a bearing on the Company as to which Maples and Calder has not been consulted. In addition, Maples and Calder does not undertake to monitor compliance by the Investment Manager and its affiliates with the investment program, valuation procedures and other guidelines set forth herein, nor does Maples and Calder monitor ongoing compliance with applicable laws. In connection with the preparation of this Memorandum, Maples and Calder's responsibility is limited to matters of Cayman Islands law and it does not accept responsibility in relation to any other matters referred to or disclosed in this Memorandum. In the course of advising the Company, there are times when the interests of Shareholders may differ from those of the Company. Maples and Calder does not represent the Shareholders' interests in resolving these issues. In reviewing this Memorandum, Maples and Calder has relied upon information furnished to it by the Company and has not investigated or verified the accuracy and completeness of information set forth herein concerning the Company.

Importance of the Investment Manager

The Company's success depends, to a large extent, upon the Investment Manager's ability to make the 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.

Mandatory Redemptions

The Company has the right to require, on 30 calendar days notice, the compulsory redemption of all Shares held by a Shareholder at the absolute discretion of the Director.

Indemnification of the Company's Director, Investment Manager, Custodian, Administrator, Legal Counsel and Auditors

The Company's Director, Investment Manager, Custodian, Administrator and Auditors, 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.

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 whether to invest in the Company.

DISTRIBUTION POLICY

The Director has the ability in respect of the Company to declare dividends or to make distributions in its discretion from time to time, subject to compliance with applicable Cayman Islands laws.

Although there are no restrictions on distributions, the Company does not anticipate that any dividends or other distributions will be paid to holders of Participating Shares. Instead, it is expected such earnings will be reinvested in the Company.

MANAGEMENT AND ADMINISTRATION

Director

The Administrator provides an affiliated company and nominee, Directorate Inc. to serve as sole Director of the Company. The Director is entitled to contract with the Company and any other related party for the provision of directorship services.

Directorate Inc. is a company incorporated under the International Business Companies Ordinance of the British Virgin Islands. Directorate Inc. is 100% owned by Swiss & Global Fund Administration (Cayman) Ltd.

Overall responsibility for the operation of the Company rests with the Director. Employees of the organizations providing services to the Company are compensated by those organizations and none of those persons devote full time to the affairs of the Company.

The Director shall be indemnified out of the assets of the Company against all actions, proceedings, costs, charges, losses, damages and expenses which it shall or may incur or sustain by reason of any act done or omitted in or about the execution of its duties, except such (if any) as it shall incur or sustain by or through its own willful default. The Director shall not be answerable for the acts, receipts, neglects or defaults of any officer, auditor or investment manager nor the solvency or honesty of any banker or other persons with whom any monies or effects belonging to the Company may be lodged or deposited for safe custody, or for any insufficiency of any security or other asset in which any monies of the Company may be invested, or for any other loss or damage due to any such cause as aforesaid or which may happen in or about the execution of its office or trust, unless the same shall happen through its own willful default.

The Investment Manager

The Company has retained Artio Global Management LLC., New York as investment manager (“the Investment Manager”) which has discretionary powers to invest the assets of the Company and ensures compliance with and valuation of the assets of the Company in accordance with, this Offering Memorandum.

The Investment Manager’s security selection style is fundamentally driven and bottom-up in nature. Risk monitoring is employed as an overlay to ensure that unintended risks resulting from the bottoms-up style are minimized, subject to maximising portfolio returns (i.e. risks are viewed with respect to the entirety of the portfolio rather than on a single stock basis). The Fundamental analysis focuses on balance sheet metrics, discounted cash flow valuations and a number of economic and business cycle measures.

Artio Global Management LLC (“Artio”) is a federally registered investment advisor and

is a majority-owned subsidiary of Artio Global Investors Inc. ("AGI"). Artio is located at 330 Madison Avenue, New York, NY 10017.

Artio provides asset management services for institutional clients, which include major pension/profit sharing accounts, corporations, investment companies, banks and insurance companies, trusts and charitable organizations. As of December 31, 2007, Artio had \$75 billion in assets under management.

The Investment Services Agreement may be terminated summarily on breach or, without penalty, by either party upon not less than 90 days written notice or earlier with the written consent of both parties. Under the terms of the Investment Services Agreement, the Investment Manager will have discretionary power to invest the assets of the Company and will ensure that the investment strategies and restrictions are observed.

The Investment Manager is entitled, with the prior approval of the Director, to appoint advisors to assist it in its duties to the Company. The fees payable to the Investment Manager, and any advisor, are as described under "Charges and Expenses".

Neither the Investment Manager nor any of its directors, officers or employees shall be liable to the Company for any loss suffered by the Company in connection with matters to which the Investment Services Agreement relates except losses resulting from their willful default or negligence in the performance of their obligations or duties. Provided that the Investment Manager shall have used reasonable care in the appointment, supervision and control of any person, firm or corporation to supply services in connection with the Investment Manager's duties under the Investment Services Agreement, the Investment Manager shall be entitled to rely on any reasonable advice, information or services thereby provided without liability to the Investment Manager for any loss suffered by the Company as a result thereof.

The Investment Manager may act as investment manager for other companies established in the Cayman Islands or elsewhere including any established in the future which may compete with the Company.

The Administrator

The Company has engaged Swiss & Global Fund Administration (Cayman) Ltd. to act as the administrator, registrar and transfer agent (the "Administrator") to the Company.

Swiss & Global Fund Administration (Cayman) Ltd. is a wholly owned subsidiary of GAM Holding Ltd., a company listed on the SIX Swiss Exchange, which was formed to undertake the asset management services previously provided by the Julius Baer Group.

Pursuant to an administrative services agreement (the "Administrative Services

Agreement") entered into between the Company and the Administrator, the Administrator will be responsible for maintaining corporate and financial books and records of the Company, preparing annual financial statements, communicating with shareholders on a regular basis and computing and publishing the Net Asset Value of the Participating Shares as at each Valuation Day. The Administrator will act as registrar and transfer agent of the Company, arrange for and register issues, redemption and transfers on the terms set forth herein and be responsible for all other accounting and clerical services necessary in connection with the administration of the Company.

The Administrative Services Agreement may be terminated summarily on breach or, without penalty, by either party upon not less than 90 days' prior written notice or earlier with the written consent of both parties.

The Administrator shall not be liable to the Company or its Shareholders for any loss, damage, expense or claim occasioned by any act or omission of the Administrator in connection with the performance of its services under the Administrative Services Agreement, other than as a result of its willful default of its duties thereunder.

In the Administrative Services Agreement the Company agrees to indemnify the Administrator and its directors, officers, employees, shareholders and associated and affiliated companies against, and hold harmless from, any expense, loss, liability or damage arising out of any claim asserted or threatened to be asserted by any third party in connection with the Administrator's serving or having served as such pursuant to the Administration Services Agreement provided, that the Administrator shall not be entitled to such indemnification with respect to any loss, expense, liability or damage suffered by the Company which was caused by the Administrator's own willful default.

The Administrator may, with the prior consent of the Director, appoint a sub-administrator to which it may delegate certain of these functions. The fees of any sub-administrator will be paid by the Administrator from its own fees and will not be an additional expense of the Company.

The Administrator shall be entitled to disclose any information held by it in relation to the Company, or the Shareholders whether or not confidential in nature:

(a) to professional advisers or other service providers of the Company or of the Administrator, whether within or without the Cayman Islands, where the Administrator considers such disclosure necessary or appropriate in the normal course of business or to enable the performance of its obligations or the exercise of its rights under the Administrative Services Agreement. Service providers include, but are not limited to, the Investment Manager, any investment advisor, banker/custodian or third parties affiliated with the Administrator; or

(b) where such disclosure is required by any applicable law or order of any court of competent jurisdiction or pursuant to any direction, request or requirement (whether or not having the force of law) of any central bank or any regulatory, tax or other government agency or authority.

The fees payable to the Administrator are as described under “Charges and Expenses”.

Banking and Custody

Bank Julius Baer & Co., Ltd. Zurich has been appointed to serve as banker and custodian to the Company (“Custodian”). The Company reserves the right to appoint additional bankers, custodians and sub-custodians to the Company.

The Custodian shall have no responsibility to initiate, appear in, prosecute or defend any legal proceeding relating to the stocks, bonds, other securities or property held by the Custodian under the custodian agreements with the Company. The Custodian shall have no responsibility to initiate any proceeding or engage the services of any third party for the collection of overdue amounts owing to the Company in connection with any securities or other property held by the Custodian under the Custodian Agreement. If, at the request of the Company, the Custodian agrees at its discretion to appear in, prosecute or defend any such legal or equitable proceeding, either in the Custodian's name or in the name of its nominee(s), the Company will first indemnify the Custodian to its satisfaction against damages and expenses (including attorneys' fees) which may be sustained or incurred by the Custodian in so acting.

Auditors

PricewaterhouseCoopers Cayman Islands act as auditors to the Company and conduct their audits in accordance with International Standards on Auditing. In addition, the services provided to the Company by its auditors will be subject to specific contract terms which may include certain limitations on the liability of the auditors to the Company.

CONFLICTS OF INTERESTS

The present Director and Administrator are affiliated with one another since each is a member of the Swiss & Global Group. The Director should be regarded as having an interest in any agreements or arrangements made by the Company with the Director's affiliates.

FEES AND EXPENSES

The Company shall pay the following expenses:

(i) Investment Management fees:

Class A Shares are charged an investment management fee, accrued at each Valuation Date and payable quarterly in arrears equal to 0.90% p.a. of the Net Asset Value of the Company attributable to Class A Shares.

Class B Shares are charged an investment management fee, accrued at each Valuation Date and payable quarterly in arrears equal to 0.80% p.a. of the Net Asset Value of the Company attributable to Class B Shares.

Class C Shares shall be charged an investment management fee, accrued at each Valuation Date and payable quarterly in arrears equal to 0.80% p.a. of the Net Asset Value of the Company attributable to Class C Shares.

The Investment Manager shall be responsible for compensating the Company for half of the annual audit fees it incurs.

(ii) Administration fees:

Class A Shares are charged an administration fee, accrued at each Valuation Date and payable quarterly in arrears equal to 0.30% p.a. of the Net Asset Value of the Company attributable to Class A Shares subject to a minimum of \$60,000 per annum.

Class B Shares are charged an administration fee, accrued at each Valuation Date and payable quarterly in arrears equal to 0.20% p.a. of the Net Asset Value of the Company attributable to Class B Shares subject to a minimum of \$60,000 per annum.

Class C Shares shall be charged an administration fee, accrued at each Valuation Date and payable quarterly in arrears equal to 0.20% p.a. of the Net Asset Value of the Company attributable to Class C Shares subject to a minimum of \$60,000 per annum.

The Administrator shall be responsible for paying the annual statutory fees of the Company from the above fees and shall also deem to be compensated for the provision

of director services.

The Administrator shall be responsible for compensating the Company for half of the annual audit fees it incurs.

(iii) Custody fees:

The Company are charged custody fees ranging from 0.035% to 2% of the value of the cash and portfolio held, dependent upon the country in which the custodian holds the underlying securities. This fee shall be calculated monthly and charged quarterly in arrears.

(iv) Brokerage Fees:

Brokerage fees and commissions relating to the purchase and sale of securities are incurred and borne by the Company.

v) Distribution Fees:

The Company pays a distribution fee on a quarterly basis to persons introducing subscribers to Class C Shares of the Company. Such fee is calculated and accrued on each Valuation Day at 0.50% per annum of the assets subscribed to Class C which that said person introduces.

All fees are subject to periodic review and may be reduced or increased at the discretion of the Director. In the event of any such changes each Shareholder shall receive 30 days written notification from the Company.

PARTICIPATING SHARES

Procedure for Subscriptions

Initial subscriptions

The following minimum initial subscriptions apply unless otherwise determined by the Director in its sole discretion:

- (i) Class A - US\$ 100,000.
- (ii) Class B - US\$ 1,000,000.
- (iii) Class C - US\$ 1,000,000.

For details of how to subscribe, see "Application Instructions" in Appendix E.

The Company reserves the right to reject any application in whole or in part. In this event, the application monies or any balance thereof will be returned to the applicant without interest at his own risk.

The Participating Shares have attached to them the rights set out in the Articles of Association of the Company as summarized in Appendix A.

Sales fee

The Company does not charge a sales fee.

Subsequent subscriptions

Subscriptions are made for Participating Shares on each Dealing Day at the Net Asset Value per Share calculated as at the immediately preceding Valuation Day.

The following minimum subsequent subscriptions apply unless otherwise determined by the Director in its sole discretion:

- (i) Class A - US\$ 10,000.
- (ii) Class B – US\$ 250,000.
- (iii) Class C – US\$ 250,000.

The Articles of Association provide that, except where there is a suspension of the valuation of the assets of the Company, Participating Shares may be issued on each Dealing Day at a price per Class of Participating Share of not less than that determined by assessing the value on the relevant Valuation Day of the net assets of each Class of Shares and dividing the amount so calculated by the total number of Participating Shares of each Class in issue and deemed to be in issue (the "Net Asset Value") (see "Calculation of Net Asset Value"). The resulting figure is rounded up to four decimal places.

Subscription Agreement

All applications should be made in writing using the Subscription Agreement in Appendix E to this Offering Memorandum. Subscription Agreements, duly completed, must be received by the Administrator prior to the relevant Dealing Day.

Payment details

Payments should be made for Participating Shares by way of a bank wire transfer on a first class international bank or provide confirmation that instructions have been given for the telegraphic transfer of the subscription monies to the Company in accordance with the instructions contained in the Application Instructions in Appendix E. Payments for such subscription must be made in U.S. Dollars and received by the Company no later than 5 p.m. Zurich time on the relevant Valuation Day. Payments received after that Valuation Day will be applied for shares at the next Dealing Day. The acceptance of subscriptions is subject to confirmation of the prior receipt of cleared funds within the prescribed time frame credited to the Company's account with the Custodians.

Alternatively, at the Director's sole discretion, investors may subscribe for shares by transferring listed equity securities, as approved by the Investment Manager, in lieu of cash.

Participating shares shall be treated as having been issued with effect from the relevant Dealing Day notwithstanding that the subscriber for those Participating Shares may not be entered in the Register of members until after the Dealing Day.

The Participating Shares shall have attached thereto the rights set out in the Articles of Association of the Company as summarised in Appendix A.

Restrictions

No Participating Shares may be issued to investors who are Restricted Persons (as defined in the section of this Offering Memorandum entitled "Participating Shares - Eligible Investors").

Confirmations

Subscription requests are not acknowledged but notification of the allotment and issue of Participating Shares is posted within 3 Business Days following the Dealing Day on which they occurred.

Anti-Money Laundering Measures

Measures aimed at the prevention of money laundering may require an applicant for Participating Shares to verify his identity to the Company. Depending on the circumstances of each application, verification may not be required where the applicant makes the payment from an account held in the applicant's name at a recognised financial institution, or the application is made through a recognised intermediary. These exceptions will only apply if the financial institution or intermediary referred to above is within a country recognised by the Cayman Islands as having equivalent anti-money laundering regulations.

The Company will notify applicants if proof of identity is required. By way of example an individual may be required to produce a copy of a passport or identification card duly certified by a public authority such as a notary public, the police or the ambassador in his country of residence, together with evidence of his address such as a utility bill or bank statement. In the case of corporate applicants this may require production of a certified copy of the Certificate of Incorporation (and any change of name) and of the Memorandum and Articles of Association (or equivalent), and of the names and residential and business addresses of all directors and beneficial owners.

The details given above are by way of example only and the Company will request such information and documentation as is necessary to verify the identity of an applicant. In the event of delay or failure by the applicant to produce any information required for verification purposes, the Company may refuse to accept the application and the subscription monies relating thereto or may refuse to process a redemption request until proper information has been provided. Investors should note specifically that where redemption proceeds are requested to be remitted to an account which is not in the name of the investor, the Company reserves the right to request such information as may be reasonably necessary in order to verify the identity of the investor and the owner of the account to which the redemption proceeds will be paid. The redemption proceeds will not be paid to a third party account if the investor and/or owner of the account fail to provide such information.

Redemption or Repurchase

Holders of Participating Shares of the Company have the right, except where there is a suspension of the valuation of assets of the Company, to redeem or require the Company to repurchase, as they choose, their Participating Shares as of every Dealing Day at the Net Asset Value per Share calculated on the immediately preceding Valuation Day. Redemption or repurchase requests must be received by the Administrator by 5 p.m. Cayman Islands time on a Valuation Day to be effected on the next following Dealing Day. It is intended that payment shall be made within 3 Business Days following the relevant Dealing Day. All payments must be made in U.S. Dollars and paid to the account of the registered shareholder. The identity of the account of the Shareholder to which such monies shall be paid must be set out in the space provided

on the Redemption or Repurchase Request Form. Failure to complete that section of the Redemption or Repurchase Request Form may result in delays in the receipt of redemption or repurchase proceeds, since the Company will reserve the right to insist on instructions with regard to payment being received by the Company in writing under the verified signature of the Shareholder.

Bank wire fees may be charged on redemption or repurchase. If, in exceptional circumstances, it is necessary, in order to meet redemptions or repurchases, to realize investments prematurely, any penalties, losses or charges incurred will be reflected in the subsequent price of the Participating Shares.

Redemption fees

The Company does not charge a redemption fee.

Deferred Redemption Provision

In the event that redemption or repurchase requests are received for redemption or repurchase of Participating Shares representing in aggregate more than 10% of the total number of Shares of the Company then in issue, the Director may reduce the requests rateably and pro rata amongst all Shareholders seeking to redeem or repurchase their Shares on the relevant Dealing Day and carry out only sufficient redemptions or repurchases which, in aggregate, will amount to 10% of the Shares then in issue. Shares which would otherwise have been redeemed or repurchased but for the exercise by the Director of its powers pursuant to this paragraph will be redeemed or repurchased on the next following Dealing Day in priority to any other Participating Shares for which redemption or repurchase requests have been received. Such Shares will be redeemed or repurchased at the Net Asset Value prevailing as at the Dealing Day on which they are redeemed or repurchased.

SINCE THE REDEMPTION OR REPURCHASE PRICE OF PARTICIPATING SHARES OF THE COMPANY IS TIED TO THE VALUE OF THE UNDERLYING ASSETS OF THE COMPANY, THE PRICE AT WHICH AN INVESTOR REDEEMS OR REPURCHASES HIS SHARES MAY BE MORE OR LESS THAN THE PRICE AT WHICH HE SUBSCRIBED FOR THEM. THIS WILL BE DEPENDANT ON WHETHER THE VALUE OF THE UNDERLYING ASSETS OF THE CLASS OF SHARES HAS APPRECIATED OR DEPRECIATED BETWEEN THE DATE OF SUBSCRIPTION AND THE DATE OF REDEMPTION OR REPURCHASE AND SUBJECT ALSO TO DISTRIBUTIONS DECLARED AND PAID ON THE PARTICIPATING SHARES.

Unless the number of Participating Shares to be redeemed or repurchased is specified in the redemption or repurchase request, it will be taken as applying to all the Participating Shares of the Shareholder.

Requests for redemption or repurchase, once made, may not be withdrawn unless there has been a suspension of the valuation of the assets of the Company or specific

approval has been sought from the Director.

Mandatory Redemptions/Repurchases

The Company has the right to require, on 30 days notice, the compulsory redemption or repurchase of all Shares held by a Shareholder at the absolute discretion of the Director, who shall not be required to give any reason therefore.

Eligible Investors

Each prospective investor is required to represent and warrant that the Participating Shares are not being acquired directly or indirectly for the account or benefit of a Restricted Person (as defined below).

The term "Restricted Person" as used in this Offering Memorandum means (a) a U.S. Person (as defined in this Offering Memorandum); (b) a citizen or a resident (including persons who acquire residence solely by reason of taxation) of a "Restricted Jurisdiction" as defined below; (c) any corporation, partnership, trust or other legal entity organized or created under the laws of any such Restricted Jurisdiction; (d) any organization or entity controlled, directly or indirectly, by a person or persons described in (a), (b) or (c) known to be owners, directly or indirectly, of a majority of the beneficial interest therein. The term "Restricted Jurisdiction" means any jurisdiction from time to time designated as such by the Director.

INVESTORS ARE URGED TO CONSULT WITH THEIR LEGAL ADVISORS AND TAX ADVISORS AS TO THE IMPLICATION OF THEIR ACQUIRING, HOLDING OR DISPOSING OF PARTICIPATING SHARES.

DETERMINATION OF NET ASSET VALUE

The Net Asset Value of the Company as at any Valuation Day shall be calculated by aggregating the value of the assets of the Company, in U.S. Dollars, deducting (a) the liabilities of the Company and (b) the amount paid up on the Founder Shares.

The assets of the Company are deemed to comprise, in addition to securities owned or contracted for by it:

- (a) cash in hand, on loan or on deposit, including any interest accrued thereon,
- (b) bills, demand notes, promissory notes and accounts receivable,
- (c) any other property of every kind and nature including prepaid expenses as defined from time to time by the Director.

When the current price of a security is quoted "ex-dividend", dividends, interest or other amounts payable to the Company, but not received, are taken into account in determining the assets of the Company, unless the Director determines otherwise.

The value of any cash in hand or on deposit, bills, promissory notes, demand notes and accounts receivable, prepaid expenses, cash dividends and interest is deemed to be the full amount thereof (less any applicable withholding tax) unless the Director has determined that such asset is not worth the full amount, in which event its value shall be deemed to be such as the Director deems reasonable.

The value of the securities owned or contracted for by the Company and of the other assets of the Company is computed in accordance with International Accounting Standards.

Portfolio securities, including options, traded on a national securities or stock exchange, for which market quotations are readily available, are generally valued at the last reported bid price on the relevant Valuation Day, or, if not available then the last trade price.

In respect of each Class of Shares, a separate Class Account (a "Class Account") will be established in the books of the Company. An amount equal to the proceeds of issue of each Class of Share will be credited to the relevant Class Account. Any increase or decrease in the value of the assets attributable to trading activities, i.e. unrealised and realised gains and losses, trading income and expenses, of the Company (disregarding for these purposes any allocations which are specifically related to a specific Class) will be allocated to the relevant Class Account based on the previous relative Net Asset

Value of such Class Account calculated as at the last Valuation Day. There will then be allocated to each Class Account the fees and expenses as detailed in "Fees and Expenses" on page 41 of this Offering Memorandum and any income and losses, assets and liabilities which the Director determines, in its sole discretion, relates to a single class. The resulting Net Asset Value of the Company attributable to each Class of Share shall be divided by the total number of Shares in issue in that Class in order to calculate the Net Asset Value per Class of Share.

In the absence of bad faith or manifest error, the Net Asset Value determinations for each Class of Share by the Director are conclusive and binding on all Shareholders, and the Director may in its discretion apply other methods of valuation to the assets and/or liabilities of the Company if they determine, after consultation with the Investment Manager, that the resulting valuation better reflects the fair value of such asset and/or liability of the Company.

Participating Shares of the Company for which a subscription application has been made are deemed to be outstanding from the beginning of the Dealing Day following receipt of the relevant subscription monies and from that time any liabilities in connection with the issue thereof shall be deemed to be liabilities of the Company.

Participating Shares of the Company to be redeemed are considered to be outstanding until and including the close of business on the day as at which the Net Asset Value is determined, and after that time until paid shall be deemed to be a liability of the Company.

Suspension of Determination of Net Asset Value

The Director may declare a suspension of the determination of the prices of Participating Shares and hence the ability of any Shareholder to have its shares redeemed:

- (a) During any period when any securities exchange, organized inter-dealer market, board of trade or contract market on which a significant portion of the Company's assets is regularly traded or quoted is closed (other than for holidays) or trading thereon has been restricted or suspended; or
- (b) In the event of an emergency suspension of banking business affecting the Company's account(s); or
- (c) When, in the discretion of the Director, disposal of the assets of the Company or the determination of the Net Asset Value on an accurate and timely basis is not reasonably practical.

The Company shall suspend the issue and redemption of Participating Shares forthwith

upon the occurrence of an event causing it to enter into liquidation or upon the order of any supervisory authority.

Whenever the Director declares a suspension of the determination of the prices of Participating Shares then as soon as possible after any such declaration the Director will cause a notice to be given to the holders of the Participating Shares stating that such declaration has been made, and at the end of any period of suspension the Director will cause another notice to be given to the holders of Participating Shares stating that the period of suspension has ended.

TAXATION

General

The taxation of the Company and its Shareholders under the laws of the Cayman Islands is summarised below. A complete discussion of all tax aspects of an investment in the Company is beyond the scope of this Offering Memorandum.

The summary does not discuss the taxes of any country other than the Cayman Islands. Persons interested in subscribing for Shares are urged to consult with their own tax advisors with respect to the tax consequences, including the income tax consequences, if any, to them of the purchase, holding or transfer of the Shares. Tax consequences may vary depending on the particular status of a Subscriber. In no event will the Company, the Director, the Investment Manager, the Administrator, their affiliates, their counsel, other professional advisors, employees or agents, be liable to any Shareholder for any tax consequences of an investment in the Company, whether or not such consequences are described herein.

Cayman Islands Tax Aspects

The Company has been granted an undertaking from the Governor-in-Council of the Cayman Islands that, in accordance with Section 6 of the Tax Concessions Law (1999 Revision), for a period of 20 years from the date of such undertaking, no laws of the Cayman Islands imposing any tax on profits, income, gains or appreciation shall apply to the Company and that no tax in the nature of estate duty or inheritance tax shall be payable on the Shares, debentures or other obligations of the Company.

Under current Cayman Islands law no tax is charged in the Cayman Islands on profits or gains of the Company and dividends are payable to Shareholders without deduction of Cayman Islands tax. No stamp duty is levied in the Cayman Islands on the transfer of Shares. An annual registration fee is payable by the Company in the Cayman Islands which will be calculated by reference to the nominal amount of its authorised share capital. At current rates, the fee will be approximately US\$732 per annum. Furthermore, a mutual fund registration fee of US\$3,659 is payable by the Company to

the Cayman Islands Government in January of each year.

There is at the date of this document no exchange control in the Cayman Islands.

Other Tax Issues

The Company will invest in securities sourced in countries other than the Cayman Islands and may be subject to income, withholding or other taxation in such other countries. The Shareholders in the Company may be resident for tax purposes in many different countries and, accordingly, no attempt is made in this Offering Memorandum to summarise the tax consequences for every Subscriber who might become a Shareholder of the Company. Prospective Subscribers therefore should consult their professional advisors on the possible tax consequences of subscribing for, acquiring, holding, transferring or redeeming Shares of the Company under the laws of their country of citizenship, residence, domicile or incorporation.

MUTUAL FUND REGISTRATION

The Company is regulated as a mutual fund under the Mutual Funds Law (2009 Revision) of the Cayman Islands ("Mutual Funds Law"). The Cayman Islands Monetary Authority (the "Authority") has supervisory and enforcement powers to ensure compliance with the Mutual Funds Law. Regulation under the Mutual Funds Law entails the filing of prescribed details and audited accounts annually with the Authority. As a regulated mutual fund, the Authority may at any time instruct the Company to have its accounts audited and to submit them to the Authority within such time as the Authority specifies. Failure to comply with these requests by the Authority may result in substantial fines on the part of the Director and may result in the Authority applying to the court to have the Company wound up.

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

The Authority may take certain actions if it is satisfied that a regulated mutual fund is or is likely to become unable to meet its obligations as they fall due or is carrying on or is attempting to carry on business or is winding up its business voluntarily in a manner that is prejudicial to its investors or creditors. The powers of the Authority include the power to require the substitution of the Director, to appoint a person to advise the Company on the proper conduct of its affairs or to appoint a person to assume control of the affairs of the Company. There are other remedies available to the Authority including the ability to apply to court for approval of other actions.

ANTI-MONEY LAUNDERING

Measures aimed at the prevention of money laundering may require Subscribers in the Company to verify their identity to the Administrator. Depending on the circumstances of each such application, verification may not be required where the Subscriber makes the payment from an account held in the applicant's name at a recognised financial institution, or the application is made through a recognised intermediary. These exceptions will only apply if the financial institution or intermediary referred to above is within a country recognised by the Cayman Islands as having equivalent anti-money laundering regulations.

In the event of delay or failure by the applicant to produce any information required for verification purposes, the Administrator may refuse to accept the application and any subscription monies.

Each subscriber acknowledges that the Administrator shall be held harmless against any loss arising as a result of a failure to process an application for Shares if such information and documentation as detailed in this Offering Memorandum has not been provided by the subscriber.

Exemptions to the identification requirements do exist and will be adopted where appropriate by the Administrator.

For the avoidance of doubt, if a recognized financial institution or intermediary of a country recognised by the Cayman Islands as having equivalent anti-money laundering regulations subscribes or invests as nominee in the Company, the Company will not generally require disclosure of any information regarding the beneficial owner.

If any person resident in the Cayman Islands knows or suspects or has reasonable grounds for knowing or suspecting that another person is engaged in criminal conduct or is involved with terrorism or terrorist property and the information for that knowledge or suspicion came to their attention in the course of business in the regulated sector, the person will be required to report such knowledge or suspicion to (i) the Financial Reporting Authority of the Cayman Islands, pursuant to the Proceeds of Crime Law, 2008 of the Cayman Islands if the disclosure relates to criminal conduct or money laundering, or (ii) to a police officer of the rank of constable or higher pursuant to the Terrorism Law (2009 Revision) of the Cayman Islands if the disclosure relates to involvement with terrorism or terrorist financing and property. Such a report shall not be treated as a breach of confidence or of any restriction upon the disclosure of information imposed by any enactment or otherwise.

Specific Guidelines for Evidence of Identity

Where the funding is wired from a Subscriber's bank account in a country which is NOT

on the “Approved Country”¹ list, the Subscriber **MUST** provide the evidence of identity listed below to the Administrator.

ALL DOCUMENTS OF IDENTITY PROVIDED MUST BE NOTARISED OR CERTIFIED TRUE COPIES BY AN APPROPRIATE INDEPENDENT PARTY*

DOCUMENTS MUST BE IN ENGLISH OR ACCOMPANIED BY A CERTIFIED TRANSLATION

(a) For individuals:

- (i) evidence of true name, signature and date of birth and photographic identification (e.g., passport copy);
- (ii) evidence of permanent address (e.g., utility bill or driver’s licence); and
- (iii) reference from a bank with whom the individual maintains a current relationship and has maintained such a relationship for at least two years.

(b) For companies:

- (i) copy of certificate of incorporation and any change of name certificate;
- (ii) certificate of good standing;
- (iii) register or other acceptable list of directors and officers;
- (iv) properly authorised mandate of the company to subscribe in the form, for example, of a certified resolution which includes naming authorised signatories;
- (v) a description of the nature of the business of the company;
- (vi) identification as described for individuals above of at least two directors and authorised signatories;

¹ Approved countries include: Argentina, Australia, Austria, Bahamas, Bahrain, Barbados, Belgium, Bermuda, Brazil, British Virgin Islands, Canada, Denmark, Finland, France, Germany, Gibraltar, Guernsey, Greece, Hong Kong, Iceland, Ireland, Italy, Isle of Man, Japan, Jersey, Liechtenstein, Luxembourg, Malta, Mexico, Netherlands, New Zealand, Norway, Panama, Portugal, Singapore, Spain, Sweden, Switzerland, Turkey, United Arab Emirates, United Kingdom, United States of America.

* A suitable certifier would include a lawyer, accountant or banker. The certifier should sign the document (printing his or her name clearly underneath) and clearly indicate his position or capacity, together with a contact address and phone number. Any queries concerning the suitability of a certifier should be addressed to the Administrator, whose decision will be final.

- (vii) register of shareholders; and
 - (viii) identification as described above for shareholders who are beneficial owners of 10% or more of the share capital.
- (c) For partnerships and unincorporated businesses:
- (i) a copy of any certificate of registration and certificate of good standing, if registered;
 - (ii) identification, as described for individuals and, where relevant, companies above of a majority of the partners, owners or managers and the authorised signatories;
 - (iii) a copy of the mandate from the partnership or business authorising the subscription in the form, for example, of a certified resolution which includes naming authorised signatories; and
 - (iv) a copy of any constitutional documents.
- (d) For trustees:
- (i) identification, as described above for individuals or companies (as the case may be) in respect of the trustees;
 - (ii) identification, as described above for individuals, in respect of beneficiaries, any person on whose instructions or in accordance with whose wishes the trustee/nominee is prepared or accustomed to act and of the settlor of the trust; and
 - (iii) evidence of the nature of the duties or capacity of the trustee.

ACCOUNTS AND REPORTS

The Company's financial year ends on the last Business Day in May of each year. The accounts of the Company are made up in terms of US Dollars and prepared in accordance with International Accounting Standards. Copies of the audited financial statements of the Company, including the auditors' report, are available from the offices of the Company and are mailed to Shareholders. Periodic quotations of the Net Asset Value of Participating Shares may be obtained from the Administrator and are available through Bloomberg.

FURTHER INFORMATION

Further information is contained in the following Appendices:

- A. Share Capital and Rights
- B. Director
- C. General Information
- D. Documents available for inspection
- E. Application Instructions and Subscription Agreement
- F. Redemption Request Form

A Subscription Agreement and Redemption Request Form are enclosed with this Offering Memorandum.

APPENDIX A

SHARE CAPITAL AND RIGHTS

Participating Shares and Founder Shares

The authorized share capital of the Company is US\$50,000 divided into 100 Founder Shares of par value US\$1.00 each 4,990,000 Non-voting Redeemable Participating Shares of par value US\$0.01. All 100 Founder Shares are issued for cash at par and held by the Administrator. The Founder Shareholder is not prevented from purchasing Participating Shares of the Company.

The holder of the Founder Shares has the right to receive notice of, attend at and vote at general meetings of the Company, and on a poll shall have the right to one vote for each such share registered in its name. The holders of the Participating Shares do not have any right to receive notice of, attend at or vote at general meetings of the Company.

The authorized share capital of the Company may be increased from time to time by a resolution of the Founder Shareholder.

Transfers

Participating Shares may not be transferred without the prior written consent of the Director, which may be withheld without it being required to give any reason for doing so.

Rights on Winding Up

The Company has perpetual succession and no fixed period is intended for its operation. The liquidation of the Company may be commenced at any time by special resolution of the Founder Shareholder.

Upon a liquidation of the Company, the assets of the Company available for distribution to Shareholders will be applied in repayment as follows:

- (1) First, in the payment to the holders of the Participating Shares of a sum equal to the nominal amount of the Participating Shares held by such holders respectively.
- (2) Secondly, in the payment to the holders of the Founder Shares of sums up to the nominal amount paid up thereon.
- (3) Thirdly, in the payment to the holders of the Participating Shares of each Class of

any balance then remaining and attributable to such Class, such payment being made in proportion to the number of shares of that Class held.

Variation of Rights

The rights attached to any separate class of shares may, subject to the laws of the Cayman Islands and unless otherwise provided by the terms of issue of the shares of that class, only be varied or abrogated with the consent in writing of the holders of three-fourths of the issued shares of that class or with the sanction of a resolution passed at a separate meeting of the holders of the shares of the class by a majority of two-thirds of the votes cast at that meeting. The rights attached to the Participating Shares shall be deemed to be varied by the creation or issue of any shares other than (i) further Participating Shares ranking *pari passu* with those already in issue, or (ii) Founder Shares.

Meetings of Shareholders

As an exempted company under Cayman Islands law, the Company is not required to hold an annual general shareholders meeting and it is not presently intended to do so. Other meetings of the voting shareholders may, however, be convened at the discretion of the Director. Only the holder of the Founder Shares has the right to receive notice of, attend and vote at such meetings.

APPENDIX B

DIRECTOR

The Articles of Association contain provisions relating to the Director (inter alia) as follows:

1. The Director may act in a professional capacity for the Company (other than as auditor) and may receive remuneration for such professional services. The Director may also hold any other office or place of profit with the Company (other than the office of Auditor) and may be a director, officer or member of any company in which the Company may be interested.
2. The Director may contract with the Company and no contract or arrangement made by the Company in which the Director is in any way interested shall be liable to be avoided, provided that the nature of its interest must be declared in advance or by general notice.
3. The Director may normally vote in respect of any contract in which it is materially interested provided such interest has been declared in advance. All contracts with affiliates of the Director shall be deemed declared in advance.
4. The Director shall be entitled to such remuneration for special work or services as may be voted by a resolution of the Director. The Director may also be reimbursed for expenses incurred in connection with the business of the Company.
5. There is no share qualification for the Director.
6. The Director may be removed at any time by resolution to that effect of the Founder Shareholder.

APPENDIX C

GENERAL INFORMATION

1. The Company was incorporated as an exempted company under the Companies Law (2009 Revision) of the Cayman Islands on May 17, 2002.
2. The constitution of the Company is defined in its Memorandum and Articles of Association. Its registered office is at the offices of Swiss & Global Fund Administration (Cayman) Ltd., Suite 320, 3rd Floor, Windward III, Regatta Office Park, West Bay Road, P. O. Box 30745, Grand Cayman KY1-1203, Cayman Islands.
3. The Company is not engaged in any litigation or arbitration. No litigation or claim is known to the Director to be pending or threatened against the Company.
4. The Articles of Association of the Company contain provisions whereby the Director may appoint an investment manager of the Company and delegate to it certain investment functions.
5. The following contracts, which are material, have been entered into otherwise than in the ordinary course of business:
 - (a) an Investment Services Agreement between (1) the Company and (2) the Investment Manager whereby the Investment Manager has agreed to manage the assets of the Company;
 - (b) an Administrative Services Agreement between (1) the Company and (2) the Administrator, whereby the Administrator has agreed to provide administrative services to the Company; and
 - (c) various custodian and banking agreements between (1) the Company and (2) the Custodian whereby the Custodian has agreed to provide custodial services to the Company.
6. The Company does not intend to establish a place of business in the United States, Canada or the United Kingdom. The Company does not have any subsidiaries.
7. The Company has been incorporated with unrestricted objects. The Director has adopted as the investment policy of the Company the investment objective and strategies set out in this Offering Memorandum.
8. The sole director of the Company is Directorate Inc.
9. The Director does not hold any shares in the Company.

10. Save as disclosed herein:

- (a) no amount or benefit has been paid or given to any promoter by the Company since its incorporation and none is intended to be paid or given;
- (b) no commissions, discounts, brokerages or other special terms have been granted in relation to shares, debentures or other capital issued or to be issued by the Company;
- (c) the Company has not purchased or acquired or agreed to purchase or acquire any property;
- (d) Directorate Inc. has no or has had no interest in any share capital of the Company.

APPENDIX D

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours on any weekday (public holidays excepted) at the offices of Swiss & Global Fund Administration (Cayman) Ltd., Suite 320, 3rd Floor, Windward III, Regatta Office Park, West Bay Road, P. O. Box 30745, Grand Cayman KY1-1203, Cayman Islands:

- (a) the Memorandum and Articles of Association of the Company;
- (b) the Companies Law (2009 Revision) of the Cayman Islands under which the Company was incorporated;
- (c) the Mutual Funds Law (2009 Revision) of the Cayman Islands
- (d) the contracts referred to in paragraph 5 of Appendix C.

APPENDIX E

APPLICATION INSTRUCTIONS

Subscription Applications

Initial and all subsequent applications should be made in writing using the accompanying Subscription Agreement provided with the Offering Memorandum dated May 31, 2010 (Revised). A Subscription Agreement, duly completed, should be sent to the Administrator at the address shown on the Subscription Agreement. The Company reserves the right to reject any application in whole or in part, in which event the application monies or any balance thereof will be posted to the applicant without interest at his own risk. A properly completed and signed copy of any application may be submitted to the Administrator by facsimile in advance of submitting the original, in order to expedite processing of the application. The signed original, however, must be submitted within a reasonable time thereafter.

Subscription Payments

Payments in full for the amount subscribed are to be made on the relevant Valuation Day in U.S. Dollars by bank wire transfer as follows:

To:	JP Morgan Chase, New York. CHASUS33 ABA 021 000 021
For credit to:	Bank Julius Baer & Co. Ltd., Zurich
Account:	001-1-799574
In favor of:	Artio International Equity (Fund) Cayman Ltd. Class A: Account number: 0306.3438.2120.333.02 Class B: Account number: 0306.3438.2120.333.03 Class C: Account number: 0306.3438.2120.333.04

The Director reserves the right to reject subscriptions in its absolute discretion regardless of whether the subscriber already holds Participating Shares. In such instances the Company shall return the subscription monies to the investor without interest.

Words and phrases defined in the Offering Memorandum shall have the same meaning where used herein unless the context otherwise requires.

In order to comply with regulations aimed at the prevention of money laundering, the Director and the Administrator will require verification of identity from all prospective investors (unless in any case the Director and Administrator are satisfied that an

exemption under the Money Laundering Regulations (2009 Revision) of the Cayman Island (the “Regulations”) applies). Depending on the circumstances of each subscription, a detailed verification might not be required where:

(a) a prospective investor makes the payment for his investment from an account held in the prospective investor’s name at a recognised financial institution; or

(b) the prospective investor is regulated by a recognised regulatory authority and is based or incorporated in, or formed under the law of, a recognised jurisdiction; or

(c) the subscription is made through an intermediary which is regulated by a recognised regulatory authority and is based or incorporated in, or formed under the law of, a recognised jurisdiction.

For the purposes of these exceptions, recognition of a financial institution, regulatory authority or jurisdiction will be determined in accordance with the Regulations by reference to those jurisdictions recognised by the Cayman Islands as having sufficient anti-money laundering regulations.

The Director and Administrator reserve the right to request such information as is necessary to verify the identity of a prospective investor. In the event of delay or failure by the prospective investor to produce any information required for verification purposes, the Director and the Administrator will refuse to accept the application and, if so, any funds received will be returned without interest to the account from which the monies were originally debited.

If any person resident in the Cayman Islands knows or suspects or has reasonable grounds for knowing or suspecting that another person is engaged in criminal conduct or is involved with terrorism or terrorist property and the information for that knowledge or suspicion came to their attention in the course of business in the regulated sector, the person will be required to report such knowledge or suspicion to (i) the Financial Reporting Authority of the Cayman Islands, pursuant to the Proceeds of Crime Law, 2008 of the Cayman Islands if the disclosure relates to criminal conduct or money laundering, or (ii) a police officer of the rank of constable or higher pursuant to the Terrorism Law (2009 Revision) of the Cayman Islands if the disclosure relates to involvement with terrorism or terrorist financing and property. Such a report shall not be treated as a breach of confidence or of any restriction upon the disclosure of information imposed by any enactment or otherwise.

SUBSCRIPTION AGREEMENT

Artio International Equity (Cayman) Fund Ltd. (the "Company")

Suite 320, 3rd Floor, Windward III,

Regatta Office Park, West Bay

P.O. Box 30745

Grand Cayman, KY1-1203,

Cayman Islands

Telephone: +1(345) 949-7212

Facsimile: +1(345) 949-0993

Email: shareholderservices.gcm@swissglobal-am.com

Dear Sirs,

Artio International Equity (Cayman) Fund Ltd. - Subscriptions

(1) The investor or investors named below (the "Investor") hereby irrevocably subscribes for Participating Shares of Artio International Equity (Cayman) Fund Ltd. of the class and to the value of the amount indicated below, subject to the provisions of the Memorandum and Articles of Association and upon the terms of its Offering Memorandum dated May 31, 2010 (Revised) ("Offering Memorandum").

(2) Applications received are considered for issue at the Net Asset Value on the Valuation Day following the day of receipt. Subscriptions are only valid and binding on the Company when accepted by the Director.

(3) Subscription Information:

Name and Mailing

Address of Subscriber:

Telephone Number:

Facsimile Number:

Citizen of: _____

Name and Address for Registration (if different from above)

Amount of Subscription: Class A US\$ _____

Class B US\$ _____

Class C US\$ _____

Payment Date: _____ / _____ / _____
Day Month Year

Name and Address of
Financial Institution _____
Remitting Payment for
Subscriber's Account: _____

(4) Subscriber Representations

The Investor hereby represents and warrants that:

(a) it:

- (i) is not a U.S. Person or other Restricted Person;
- (ii) is not purchasing the Participating Shares on behalf of or for the account of a U.S. Person or other Restricted Person; nor with a view to the offer, sale, delivery, directly or indirectly, of the Participating Shares in the United States, its territories, possessions and other areas subject to its jurisdiction or any other Restricted Jurisdictions;
- (iii) has not used, to effect the purchase of the Participating Shares, any funds obtained from any U.S. Person or other Restricted Persons;
- (iv) is not acquiring the Participating Shares with funds that constitute assets of any Investment Company registered under the US Investment Company Act of 1940, as amended (the "Investment Company Act"), or assets of any employee benefit plan, within the meaning of the Employee Retirement

- (v) Income Security Act of 1974, as amended ("ERISA");
 - (v) is purchasing the Participating Shares for investment and not with a view to resale or distribution;
 - (vi) will not transfer or deliver any of the Participating Shares or any interest therein to a U.S. Person or other Restricted Person;
 - (vii) was not solicited to purchase and did not acquire any of the Participating Shares while the Investor was present in the United States or any other Restricted Jurisdiction;
 - (viii) will notify the Company if the Investor becomes a U.S. Person at any time during which the Investor holds any Participating Shares;
 - (ix) will not transfer or redeem any of the Participating Shares while the Investor is present in the United States, or any other Restricted Jurisdiction, nor to a person who can not make the representations and warrants in these paragraphs (a), (b) and (c);
- (b) it has received, read and understands the Offering Memorandum of the Company, including, without limitation, those sections of the Offering Memorandum relating to the risks, conflicts of interest and fee structure of the Company, has relied solely on the Offering Memorandum in determining to invest in the Participating Shares, and has such knowledge and experience in business and financial matters as to be capable of evaluating the merits and risks of investing in the Participating Shares and is able to bear the economic risk of that investment;
- (c) if the Investor is a bank, broker or other party purchasing shares for clients, the Investor represents and warrants with respect to the Participating Shares subscribed for hereby and all other Participating Shares subsequently acquired by the Investor:
- (i) that each such client could make the representations in paragraph (a) and (b) above hereof;
 - (ii) that the Investor is acquiring the Participating Shares on behalf of one or more clients for investment purposes;
 - (iii) that the Investor will notify the Company immediately if it shall come to the Investor's knowledge that any such client is or has become a U.S. Person or other Restricted Person;
 - (iv) that it will not at any time knowingly transfer or deliver any of the Participating Shares, or any part thereof or any interest therein, to a U.S. Person or other Restricted Person;
 - (v) that it will not make any transfer of the Participating Shares or any part thereof or interest therein in the United States, its territories or possessions or areas subject to its jurisdiction, or any other Restricted Jurisdiction.
- (5) The Investor agrees that in no event will the Investor duplicate or furnish copies of the constitutional documents or the Offering Memorandum to persons other than its investment and tax advisors, accountants or legal counsel.

- (6) Neither this Subscription Agreement nor any provisions hereof shall be modified, changed, discharged or terminated except by an instrument in writing signed by the party against whom any waiver, change, discharge or termination is sought.
- (7) This Subscription Agreement may be executed in multiple counterpart copies, each of which shall be considered an original and all of which constitute one and the same instrument binding on all parties, notwithstanding that all parties are not signatories to the same counterpart.
- (8) Except as otherwise provided herein, this Subscription Agreement and all of the terms and provisions hereof shall be binding upon and inure to the benefit of the parties and their respective assigns, successors, trustees and legal representatives.
- (9) This Subscription Agreement is not transferable or assignable by the Investor.
- (10) The Subscriber agrees that the terms of offer set out in this Subscription Agreement and the rights attaching to the Participating Shares can be varied in accordance with the provisions of the Memorandum and Articles of Association.
- (11) This instrument contains the entire agreement of the parties, and there are no representations, covenants, or other agreements except as stated or referred to herein.
- (12) This Subscription Agreement shall be governed by the laws of the Cayman Islands.
- (13) Words and expressions defined in the Offering Memorandum shall have the same meaning where used in this Agreement, unless the context otherwise requires.

Date: _____

Signature

Name(s) and Title(s)

Name of Registered shareholder
(if signing in representative capacity)

If the registered shareholder is acting in a nominee capacity for its client please complete the following statement:

We confirm that we are a professional intermediary operating in(specify which country), and confirm that we have satisfactory evidence of the identity of the introduced client and source of wealth and will upon request provide a copy of that evidence.

Name(s) and Title(s)

Signature
Date:

APPENDIX F

REPURCHASE OR REDEMPTION * REQUEST FORM

Artio International Equity (Cayman) Fund Ltd. (the "Company")

Suite 320, 3rd Floor, Windward III,

Regatta Office Park, West Bay

P.O. Box 30745

Grand Cayman, KY1-1203,

Cayman Islands

Telephone: +1(345) 949-7212

Facsimile: +1(345) 949-0993

Email: shareholderservices.gcm@swissglobal-am.com

Dear Sirs,

Artio International Equity (Cayman) Fund Ltd. - Redemption or Repurchase*

- (1) The undersigned holder(s) of Participating Shares of Artio International Equity (Cayman) Fund Ltd. hereby request repurchase or redemption* of:

_____ Class A Shares or US\$_____

_____ Class B Shares or US\$_____

_____ Class C Shares or US\$_____

worth of whole and fractional Participating Shares in the Company as of the next Valuation Day under the terms and conditions set forth in "Participating Shares - Redemption or repurchase" in the Offering Memorandum. Delivery of this notice may be by facsimile provided that the facsimile is signed and the signed original is mailed to the Company promptly thereafter. Words and phrases defined in the Offering Memorandum shall have the same meaning where used in this Agreement, unless the context otherwise requires.

- (2) The undersigned represents and warrants that the undersigned is the sole record holder of the Participating Shares, free and clear of any and all liens, pledges, restrictions, options, rights of first refusal, encumbrances, charges, proxies, powers of attorney, agreements or claims of any kind whatsoever and the undersigned has the legal right, power and authority to redeem or repurchase the Participating Shares.

*** delete as applicable**

Name in which Shareholder is entered in the register of members of the Company.

Payment Instructions:

Wire proceeds of redemption or repurchase to:

Name of bank: _____

SWIFT Code/ABA: _____

Bank account name: _____

Bank account number: _____

Authorised by: _____

Name and title: _____

Contact numbers: Telephone: _____

Facsimile: _____

Signature(s) _____

Date: _____