

**CONFIDENTIAL**

NOT FOR USE OR DISTRIBUTION IN THE UNITED STATES OF AMERICA

**OFFERING MEMORANDUM**

1 May 2001

Amended: 26 August 2003, 2 December 2003, 31 March 2008, 30 June 2009, 30 November  
2009

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PRIVATE OFFERING OF THE US DOLLAR SHARE CLASS AND THE EURO SHARE  
CLASS IN

**STANDARD SECTOR FUND  
(THE "COMPANY")**

An exempted company incorporated with limited liability  
in the Cayman Islands on 20 February 2001

OFFER FOR SUBSCRIPTION FOR US DOLLAR SHARES OF US\$0.01 NOMINAL VALUE  
AND EURO SHARES OF €0.01 NOMINAL VALUE IN THE COMPANY THROUGH  
PRIVATE PLACEMENT AT THE TERMINATION OF THE INITIAL OFFERING PERIOD

THE OFFER SHALL BE AT NET ASSET VALUE FOR US DOLLAR SHARES AND €100  
PER EURO SHARE PAYABLE IN FULL ON APPLICATION AND THEREAFTER AT NET  
ASSET VALUE PLUS APPLICABLE SALES CHARGE ON EACH VALUATION DAY. THE  
INTENDED MINIMUM INVESTMENT IS US\$100,000 PER INVESTOR IN RESPECT OF  
US DOLLAR SHARES AND €100,000 PER INVESTOR IN RESPECT OF EURO SHARES.

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). STANDARD SECTOR FUND 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 WHO DO NOT  
REQUIRE IMMEDIATE LIQUIDITY FOR THEIR INVESTMENT, 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 DIRECTORS OF THE COMPANY AND TO LIMITATIONS IMPOSED  
BY THE ARTICLES OF ASSOCIATION OF THE COMPANY AND THE ADMINISTRATOR.

THE SHARES WILL NOT BE LISTED ON ANY STOCK EXCHANGE.

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## **B. NOTICE**

This Offering Memorandum contains particulars of Standard Sector Fund (the "Company") and specifically the offering of US Dollar Shares and Euro Shares in the Company for the purpose of giving information to potential investors. The US Dollar Shares of US\$0.01 each and the Euro Shares of €0.01 in the capital of the Company (the "Participating Shares") the subject of this offering are issued and are offered 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 advisers of the prospective investor receiving this document from the Company).

At the date of publication of this Offering Memorandum previous offerings of US Dollar Shares have been made.

It is recommended that any person interested in applying for Participating Shares in the Company should consult his professional adviser on matters referred to in this Offering Memorandum. No information or advice herein contained shall constitute advice to a proposed shareholder in respect of his personal position. 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.

The distribution of this Offering Memorandum and the offering of Participating Shares may be wholly or partly restricted in certain jurisdictions. It is the responsibility of any persons in possession of this Offering Memorandum and any persons wishing to make applications for Participating Shares pursuant to or on the basis of this Offering Memorandum to inform themselves of and to observe fully the applicable laws and regulations of any relevant jurisdiction.

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

This Offering Memorandum shall 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 Company has not been registered with the Swiss Federal Banking Commission for commercial distribution in or from Switzerland.

The Participating Shares have not been and will not be 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 organised or incorporated under the laws of the United States, certain estates and trusts as defined in Rule 902(o) 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(o) of Regulation S under the Securities Act from time to time.

In this Offering Memorandum all references to "dollars", "US\$" and "cents" are to currency of the United States of America, unless otherwise stated.

The Company is regulated under the Mutual Funds Law (2009 Revision) of the Cayman Islands.

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

The Directors of the Company have taken all reasonable care 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. All the Directors accept responsibility accordingly.

**Important:** Participating 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 public inspection at the Company's registered office, and no other information or representation relating thereto is authorised. 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 ADVISERS AND TAX ADVISERS AS TO THE IMPLICATION OF THEIR ACQUIRING, HOLDING OR DISPOSING OF PARTICIPATING SHARES.

## C. GLOSSARY OF TERMS

The following is a glossary of certain terms used frequently throughout this Offering Memorandum, including the summary thereof:

<b>Administrator</b>	UBS Fund Services (Cayman) Ltd.
<b>Business Day</b>	any day normally treated as a business day in the Cayman Islands.
<b>Closing Date</b>	in respect of US Dollar Shares, 31 May 2001, the date upon which the closing of the offering at the end of the initial offering period occurred.  in respect of the Euro Shares, the date upon which the closing of the offering at the end of the Initial Offering Period is to occur, anticipated to take place on 31 December 2003.
<b>Company</b>	Standard Sector Fund
<b>Custodian</b>	UBS Fund Services (Cayman) Ltd.
<b>Directors</b>	the board of directors of the Company
<b>Euros and €</b>	the unit of the single European currency.
<b>Euro Shares</b>	non-voting participating redeemable shares of €0.01 par value in the capital of the Company and denominated in Euros.
<b>Initial Offering Period</b>	the period defined in "Issue of Participating Shares" below.
<b>Issue Date</b>	in respect of the US Dollar Shares 1 May 2001 and thereafter the first Business Day of each month.  in respect of the Euro Shares 1 January 2004 and thereafter the first Business Day of each month.
<b>Manager</b>	Greenlake Capital Ltd.
<b>Net Asset Value</b>	the value defined in "Subscriptions" below.

<b>Offering</b>	the offering of Participating Shares made by this Offering Memorandum.
<b>Ordinary Shares</b>	voting non-Participating Shares of the Company with a par value of US\$0.01 each.
<b>Participating Shares</b>	the US Dollar Shares and Euro Shares.
<b>Redemption Date</b>	a day on which Participating Shares may be redeemed by an investor on generally forty five days' notice, being the first Business Day in January, April, July and September and such other date or dates as the Directors of the Company shall from time to time determine. The Directors expect such other dates to include the first Business Day of each of the other calendar months.
<b>US Dollars, US\$ and cents</b>	the currency of the United States of America.
<b>US Dollar Shares</b>	non-voting participating redeemable shares of US\$0.01 par value in the capital of the Company and denominated in US Dollars.
<b>Valuation Day</b>	the last Business Day of each calendar month or such other date or dates as the directors of the Company shall from time to time determine.

## **D. SUMMARY**

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

### **Standard Sector Fund**

The Company is an open ended investment company established in the Cayman Islands and empowered under the laws of the Cayman Islands to issue and redeem its own Participating Shares.

### **Offering**

The Company is offering through this Offering Memorandum, its US Dollar Shares of US\$0.01 par value per share at Net Asset Value and its Euro Shares of €0.01 par value per share at €100 per share and thereafter at Net Asset Value on each Valuation Day. (See "Issue of Participating Shares").

### **Investment Objectives**

The Company's investment objectives are to achieve over the long term capital gains and income through investment of the Company's assets in underlying investment hedge funds managed by third party fund managers. The Company plans to invest with more than nine (9) sub-fund managers each selected for their expertise in an industry sector. The Company is unlikely to have more than twenty five percent (25%) of its assets with one hedge fund. Investors will be notified in advance should the Manager decide to concentrate investments with any hedge fund comprising more than twenty five percent (25%) of the Company's assets. (See "Objectives and Investment Policies").

### **Directors**

The Directors will be 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.

### **Manager**

Greenlake Capital Ltd. (the "Manager") has been appointed the Manager of the Company pursuant to a management agreement. Under the terms of the management agreement, the

Directors will delegate responsibility for the management of the Company to the Manager.

**Administrator and Custodian**

The Company has engaged UBS Fund Services (Cayman) Ltd. as the Administrator pursuant to an administration agreement to perform all administrative duties with respect to the Company. The Administrator shall also act as Custodian of the Company's assets.

**Minimum Investment and Denomination**

US Dollar Shares in the Company will be denominated in U.S. dollars and Euro Shares in the Company will be denominated in Euros. The minimum initial investment requirement is US \$100,000 in respect of US Dollar Shares and €100,000 in respect of Euro Shares (which may be lowered to no less than US\$50,000 or €50,000 as the case may be or increased at the discretion of the Directors).

**Additional Subscriptions**

Shareholders are not required to make additional capital contributions. If they choose to do so, however, investors may apply for further Participating Shares on any Valuation Day (or such other days as the Directors may determine). The minimum additional contribution is US \$25,000 in respect of US Dollar Shares and €25,000 in respect of Euro Shares or such other amounts as the Directors in their sole discretion may permit.

**Tax**

The Company suffers no tax in the Cayman Islands on its investment income and realisation 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. Directors of the Company intend to maintain the principal office of the Company outside the U.S. and to conduct its affairs in a manner to the extent they consider practicable, so as to prevent the Company from being subject to the regular U.S. income tax on its trading portfolio or an additional branch profits tax.

**Share Valuation**

Participating Shares will be valued at the close of business in the Cayman Islands on each Valuation Day.

**Subscription**

US Dollar Shares may be purchased as of each Issue Date, at the Net Asset Value per share. Euro Shares may be purchased as of each Issue Date, at the initial offer price of €100 per share at the termination of the Initial Offering Period and thereafter at a price equal to the Net Asset Value per share as of the immediately preceding Valuation Day. Subscriptions for Participating Shares must be received by the Administrator no later than five Business Days prior to the relevant Issue Date and all payments for such subscription must be made in the currency in which the Participating Shares are denominated and must be received by the Administrator, no later than two Business Days prior to the Issue Date. (The Company does not currently propose to impose a sales charge.)

**Redemption**

Participating Shares may be redeemed by an investor on generally forty five calendar days' written notice, on each Redemption Date. Settlements will normally take place within thirty Business Days after the Redemption Date (as defined above). (The Company may impose a 2% redemption charge.)

**Eligible Investors**

Participating Shares may be purchased only by investors who are not a "U.S. Person" or any other "Restricted Persons" as defined in this Offering Memorandum.

**Dividends**

Although there are no restrictions on distributions, the Company does not anticipate that any dividends or other distributions will be paid to the holders of Participating Shares out of the Company's current earnings and profits, but rather such income will be reinvested in the Company. Nonetheless, the Directors may from time to time declare dividends.

**Risk Factors**

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. Investment in securities and the underlying investment hedge funds contemplated herein entail a risk of loss of part or all of the capital invested.
2. Participating Shares are transferable only under certain limited circumstances and with prior consent of the Company and Administrator.
3. An investment in Participating Shares provides limited liquidity since redemptions are permitted only on a periodic basis generally on forty five days' notice.
4. The Company may concentrate its investments in a single underlying investments hedge fund with notice to investors.

Refer to "Investment Risk Factors".

**Establishment expenses**

The establishment expenses of the Company were \$20,000 and are being amortized over a period of five years.

**Sales and redemption fees**

The Company makes no sales or redemption charge.

**Manager's fees**

The fees payable to the Manager, will be equal to a fixed fee of 1.5% per annum of the Net Asset Value of the Participating Shares, calculated and accrued monthly and payable quarterly in arrear that shall equal, on an annual basis, 1.5% of the average quarterly Net Asset Value of the Participating Shares, and a performance fee. The performance fee for each fiscal year is equal to 10% of the amount by which the Net Asset Value per Participating Share of the Company at the end of such fiscal year exceeds the higher of the Company's Net Asset Value per Participating Share at the Closing Date or its highest Net Asset Value per Participating Share as at the end of any prior

fiscal year (the "High Watermark"), as adjusted for subscription and redemptions during the year, and is accrued monthly and paid at the end of such fiscal year.

Effective 30 April 2009, the performance fee shall be subject to a modified High Watermark and modified performance fee such that if the Company has a net loss chargeable to it as of the end of any prior fiscal year, the modified High Watermark shall be equal to the net asset value per share as at the end of the prior fiscal year (the "Modified HWM"). The performance fee during the time which the Modified HWM is in effect will be reduced by 50% (the "Modified Performance Fee"). The Modified Performance Fee will be payable if the Net Asset Value per Share at the Closing Date exceeds the Modified HWM, as adjusted for subscriptions and redemptions during the year. The Modified Performance Fee is accrued monthly and paid as of the end of the fiscal year. Following a year where a Modified Performance fee is crystallized, the high watermark will be adjusted up (the "Adjusted HWM") to account for the required profits and to earn back the paid out Modified Performance Fees. When the Net Asset Value per Share reaches the Adjusted HWM or surpasses it all new profits above the Adjusted HWM will be again subject to the normal Performance Fee (10%).

**Directors' fees**

Directors of the Company will be entitled to reimbursement of expenses for attending Board meetings. Non-affiliated Directors will also be entitled to a fee which is not expected to exceed US\$5,000 per annum and will not exceed US \$15,000 per annum.

**Administrator's fees**

The Administrator's fee (which include its fees as Custodian) are charged at rates pursuant to the administration agreement.

**Other fees**

Brokerage fees and commissions relating to the purchase and sale of securities and all other expenses incident to its operations and business

will be borne by the Company. Please see further "Charges and Expenses".

**E. DIRECTORY****REGISTERED OFFICE**

Standard Sector Fund  
 UBS Fund Services (Cayman) Ltd.  
 PO Box 852  
 UBS House  
 227 Elgin Avenue  
 Grand Cayman KY1-1103  
 Cayman Islands  
 Tel: 1(345) 914 1021  
 Fax: 1(345) 914 4060

**ADMINISTRATOR AND  
CUSTODIAN**

UBS Fund Services (Cayman) Ltd.  
 PO Box 852  
 UBS House  
 227 Elgin Avenue  
 Grand Cayman KY1-1103  
 Cayman Islands  
 Tel: 1(345) 914 1060  
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 90 Church Street  
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 Grand Cayman KY1-1104  
 Cayman Islands

**MANAGER**

Greenlake Capital Ltd.  
 PO Box 852  
 UBS House  
 227 Elgin Avenue  
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 Tel: 1(345) 914 1060  
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**DIRECTORS**

Borzou Azima  
 Charles Edward Corey Williams

**LEGAL ADVISERS**

*as to Cayman Islands law:*  
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 Uglund House  
 PO Box 309  
 Grand Cayman KY1-1104  
 Cayman Islands

in England  
 Maples and Calder Europe  
 5th Floor  
 7 Princes Street  
 London EC2R 8AQ

## **F. THE COMPANY**

The Company is an open-ended investment company established in the Cayman Islands on 20 February 2001 and empowered under the laws of the Cayman Islands to issue and redeem its Participating Shares.

The Company's principal investments will comprise one portfolio, in which each of the US Dollar Share Class and Euro Share Class participate. However the Company may engage in foreign exchange hedging transactions for the Euro Share Class (where the profits, gains and losses, costs, income and expenditure consequent upon such hedging transactions are allocated to the Euro Share Class). The Euro Share Class performance will vary from the US Dollar Class due to its different currency exposure. Both classes will benefit from the same underlying portfolio.

The Company is managed by the Directors, who have appointed the Manager to manage the investment and other business of the Company.

### **1. Issue of Participating Shares**

#### ***US Dollar Share Class***

The subscription lists for US Dollar Shares issued at the close of its initial offering period opened at 9 a.m. New York time on 1 May 2001 and closed by 5.00p.m. New York time on 31 May 2001.

US Dollar Shares were initially available for subscription at a price of US\$100.00 per share at the termination of the initial offering period and have been available for subscription thereafter as of the Issue Date at Net Asset Value per share (plus any sales charge as described under "Charges and Expenses" below). For full details of how to subscribe, see "Procedure for Subscription" below. No US Dollar Shares may be issued to investors who are U.S. Persons (as defined under "Notice" above) nor otherwise Restricted Persons (as defined under "Eligible Investors" below).

Except by special arrangement, the minimum initial subscription from each investor is US \$100,000. The acceptance of subscriptions is subject to confirmation of the prior receipt of cleared funds credited to the Company's subscription account. The Company reserves the right to reject subscriptions in its absolute discretion.

#### ***Euro Share Class***

The subscription lists for Euro Shares to be issued at the close of the initial offering period (the "Initial Offering Period") will open at such time and date as determined by the Directors of the Company and will close not later than 5 p.m. New York time on 31 December 2003 or such later date as any Director of the Company appointed for that purpose by the Directors shall specify in writing.

Euro Shares will initially be available for subscription at a price of €100.00 per share at the termination of the Initial Offering Period and will be available for subscription thereafter as of the Issue Date at Net Asset Value (plus any sales charge) (as described under "Charges and Expenses"). For details of how to subscribe, see "Subscription Procedure". No Euro Shares may be issued to investors who are U.S. Persons (as defined in the section of this Offering Memorandum entitled Notice) nor otherwise Restricted Persons (as defined in the section of this Offering Memorandum entitled "Participating Shares - Eligible Investors").

Subscriptions for Participating Shares in the initial and subsequent offerings of Participating Shares must be received by the Administrator no later than five Business Days prior to the Issue Date, and all payments for such subscription must be made in the currency in which the Participating Shares are denominated and must be received by the Administrator no later than two Business Days prior to the Issue Date.

Except by special arrangement, the minimum initial subscription for Euro Shares from each investor is €100,000. The acceptance of subscriptions is subject to confirmation of the prior receipt of cleared funds credited to the Company's subscription account. The Company reserves the right to reject subscriptions in its absolute discretion.

## **2. Investment Objectives and Investment Policy**

The Company's investment objectives are to achieve over the long term capital gains and income through investment of the Company's assets in underlying investment hedge funds managed by third party fund managers. The Company plans to invest with more than nine (9) sub-fund managers each selected for their expertise in an industry sector. The Company is unlikely to have more than twenty five percent (25%) of its assets with one hedge fund. Investors will be notified in advance should the Manager decide to concentrate investments with any hedge fund comprising more than twenty five percent (25%) of the Company's assets.

The industry sectors which the Company expects to focus on are:-

- (i) **Commercial Services** of all kinds;
- (ii) **Communication and Technology Businesses and Services** such as those of telecommunications, courier, and of all other kinds;
- (iii) **Energy and Utility Businesses and Services** including those of generation and supply and of all other kinds;
- (iv) **Financial Services and Businesses** including those of banking, insurance, and of all other kinds;
- (v) **Healthcare and Biotechnology Services and Businesses** of all kinds.

At any time the Company could invest with one or more sub-fund managers in any given sector.

The underlying investment hedge funds contemplated to-date use complex asset management strategies including among others short selling, leveraging, commodities trading, entering into repurchase and reverse repurchase agreements, options trading including futures contracts, equity options, index options, foreign exchange options, fixed income options and over the counter derivatives. Although the underlying investment hedge funds contemplated to date have shown remarkable historical price stability, investments in such funds are inherently highly volatile and therefore involve important risks (see risk factors).

So as to provide liquidity or as an alternative investment, the Company may invest some or all of the Company's assets in US Treasury bills, short term money market instruments and related cash or cash like investments. Normally, the Company anticipates to be fully invested.

The Company engages in foreign hedging transactions for the Euro Share Class with a view to hedging as far as is practicable, all non-base currency exposures of the Euro Share Class. The foreign exchange transactions shall only be entered into for this purpose and not for other speculative purposes.

IT MUST BE EMPHASISED THAT THE PORTFOLIO OF THE COMPANY WILL BE SUBJECT TO IMPORTANT MARKET RISKS. INVESTORS SHOULD BE AWARE THAT THE COMPANY'S ASSETS WILL BE INVESTED IN FUNDS WHICH ENTER IN INVESTMENT STRATEGIES WHICH CAN LEAD TO LARGE LOSSES, INCLUDING THE LOSSES OF ALL OF THE COMPANY'S ASSETS. THEREFORE NO ASSURANCE CAN BE GIVEN THAT THE INVESTMENT OBJECTIVES OF THE COMPANY WILL BE ACHIEVED.

### **3. Investment Restrictions**

#### **(a) Limits on Investments**

As described above, the Company will aim to invest in the 5 specified sectors, otherwise, the Company does not observe any restrictive policies, which might require a specific level of diversification among underlying funds, geographic markets, or management techniques.

#### **(b) Uses of Leverage**

The Company will not use leverage. However, the Company will invest in underlying investment hedge funds, which do or may use a substantial degree of leverage in their operations.

### **4. Change to Investment Objectives, Policies and Restrictions**

Investors will be notified in advance of material changes to the above investments objectives, policies and restrictions.

## **5. Risk Factors**

An investment in the Participating Shares involves substantial risk common to all investments in international financial markets. In addition to those risks mentioned in the "Summary", 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:

### **(a) High Volatility**

The Company plans to invest substantially all of its assets with selected asset managers. These managers use complex investment strategies, which involve a high degree of risk. They may use almost any security available in world markets, and among others, strategies such as short selling, leveraging, commodities trading, entering into repurchase and reverse repurchase agreements, options trading including futures contracts, equity options, index options foreign exchange options, fixed income options and over the counter derivatives. These types of investments involve a high degree of risk and may result in the loss of part or all of the Company's assets.

### **(b) Limited Liquidity**

Due to the Company's investment philosophy and strategies the portfolio of the Company is expected to include underlying investment hedge funds, which are not widely or actively traded. Consequently, it may be relatively difficult for the Company to dispose of investments rapidly at favourable prices in connection with redemption requests, adverse market developments or other factors. In particular, some funds may have strict redemption rules, which reduce or eliminate redemptions in adverse market conditions, which accordingly may mean the Company has to suspend valuations and redemptions.

### **(c) Concentration of assets**

Although the Company intends to seek diversification in the investment of its assets, the Company is not likely to have more than 25% of its assets in one fund. In addition, the Company does not have control over the management of the funds it plans to invest in and therefore has no control over the geographical or sectoral diversification or even the concentration with one underlying issuer.

### **(d) Currency Risk**

The Manager may invest in non-Euro denominated securities and other investments. Therefore, the Company will bear the risk of exchange rate fluctuations between the Euro and other currencies should these investments be left unhedged. It is the intention of the Manager to enter into forward foreign exchange contracts (or appropriate derivative instruments) on behalf of the Company with reference to the Euro Shares to attempt to hedge the non-Euro

currency exposure for the Euro Shares. There is no guarantee that such foreign exchange hedging will be successful. The Company is a single legal entity. Losses incurred as a result of such foreign exchange hedging transactions may not be restricted to the Euro Share Class and may affect the US Dollar Share Class.

**G. DIVIDEND POLICY**

The Directors of the Company have the ability in respect of the Company to declare dividends in their discretion from time to time and to pay interim dividends after consultation with the Manager. Dividends when declared and paid will be debited to the Company and allocated to the relevant class of Participating Shares. The dividend policy for the Company will be notified to the holders of the Participating Shares from time to time. The holders of Participating Shares will be given the opportunity of reinvesting dividend payments. Although there are no restrictions on distributions, the Company does not anticipate that any dividends or other distributions will be paid to holders of the Participating Shares out of the Company's current earnings and profits, but rather such income will be reinvested in the Company. Nonetheless, the Directors may, from time to time, declare dividends.

## **H. MANAGEMENT AND ADMINISTRATION**

### **1. Directors**

The Directors (currently numbering two) are 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.

The respective individual backgrounds of the Directors and their experience are described below:

**Borzou Azima** (born: 4 November 1965) is a postgraduate (1989) of the Trade Management Institute in Dublin, and from 1982 to 1987 attended the five-year Bachelor of Architecture program at USC (University of Southern California). Mr. Azima is the president of GABA Inc and Soft-Hedge Database (which market offshore funds to high net worth individuals and institutions). He formerly was with Bovis Corporation and EGB Management (Dublin) an affiliate of General Atlantic Corp.

**Charles Edward Corey Williams** (born: 31 December 1970) is the Chief Financial Officer (CFO) of Bordier International Bank & Trust Ltd. (BiBT), a private bank located in the Turks and Caicos Islands (TCI). Mr. Williams has nearly fifteen years of financial management and reporting, risk management, internal control and regulatory compliance experience in the financial services industry. Before joining BiBT in September of 2007, Mr. Williams was a partner with KPMG where he provided audit and risk advisory services to clients in the financial services and hospitality sectors. Mr. Williams was also the partner in charge of risk management, ethics and independence for the KPMG office in TCI. He has extensive knowledge of International Financial Reporting Standards and detailed knowledge of the financial reporting, risk management, and compliance issues faced by regulated financial services entities. Mr. Williams is a Chartered Accountant and a member of the Institute of Chartered Accountants of Ontario.

The Directors meet at least annually to review the investment and administrative affairs of the Company. The Manager will manage the day-to-day operations and administration of the Company on behalf of the Directors. The Directors will not be responsible for making or approving individual investment decisions made by the Manager. Directors shall not be liable to the Company for any acts or omissions in the performance of their duties, provided that they act honestly and in good faith in the interests of the Company in the absence of wilful neglect or default, and the Memorandum and Articles of Association of the Company contain provisions for the indemnification of the Directors by the Company against liabilities to third parties arising in connection with the performance of their services.

The Directors (i) review all aspects of the management services provided to the Company and the allocation of the Company's assets among underlying investment hedge funds and (ii)

arrange for the performance of all accounting and administrative services which may be required by the Company's operations.

The Directors are entitled to reimbursement of expenses for attending Board meetings. Directors who are not officers, employees or affiliates of the Manager, Custodian or the Administrator may receive an annual fee (which fees are not expected to exceed US\$5,000 per Director per annum and will not exceed US\$15,000 per annum). Accordingly, only Mr. Williams is currently entitled to such fee.

The Directors will be ultimately 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.

## **2. The Manager**

Greenlake Capital Ltd. was appointed Manager pursuant to a management agreement (the "Management Agreement"). The Manager is a Cayman Islands company, incorporated on 9 August 1999. The Board of the Manager comprises Mr. Borzou Azima and Mr. Charles Edward Corey Williams (Chief Financial Officer (CFO) of Bordier International Bank & Trust Ltd.). The Management Agreement provides for the Manager to manage the affairs of the Company for a period terminating on ninety days notice by either party expiring on or after the third anniversary of the Management Agreement or at any time thereafter. Under the terms of the Management Agreement, the Manager is responsible, subject to the overall control of the Directors, for the general management and business of the Company and will ensure that investment restrictions are observed. The Manager will be responsible for offering the Participating Shares and conducting the day-to-day investment management of the Company.

The Manager may act as manager for other mutual funds established in the Cayman Islands or elsewhere or investment adviser to other mutual funds in the future any of which may be competing with the Company in the same markets.

The Manager is also the manager of Greenlake Arbitrage Fund.

## **3. The Administrator and Custodian**

UBS Fund Services (Cayman) Ltd. serves as the administrator pursuant to an administration agreement between the Fund and the Administrator (the "Administration Agreement"). The Administrator's principal place of business is located at UBS House, 227 Elgin Avenue, P.O. Box 852, George Town, Grand Cayman KY1-1103, Cayman Islands. UBS Fund Services (Cayman) Ltd. is a wholly owned subsidiary of UBS AG, was incorporated in the Cayman Islands in 1972 and is a holder of a class 'A' Banking and Trust Licence as well as an unrestricted Mutual Fund Administrator's Licence.

Pursuant to the Administration Agreement, the Administrator provides services to the Company including maintaining the register of shareholders of the Company, receiving and processing subscription and redemption agreements or applications, submitting to

shareholders a statement of their holdings in the Company upon request, calculation of net asset value based on valuations of the securities and other assets of the Company, maintenance of accounting reports, preparation of financial statements for audit purposes, and liaison with auditors and acting as custodian.

The Administration Agreement provides for the indemnification of the Administrator and its directors, officers and employees under certain circumstances.

The Administration Agreement may be terminated by the Company or the Administrator upon 90 days' written notice.

The Directors and the Manager, and not the Administrator, are responsible for determining that the Participating Shares of the Company are marketed and sold in compliance with all applicable securities and other laws.

The Administrator is entitled to the fees as agreed under the Administration Agreement.

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

#### **4. Banking**

An account has been opened for the benefit of the Company with UBS Fund Services (Cayman) Ltd. for the purposes of receiving subscription funds, disbursing redemption payments and processing cash transactions not related to the Company's investment portfolio.

**I. CONFLICTS**

Mr Azima, a director of the Company, is also a director and indirectly a shareholder of the Manager. Charles Edward Corey Williams is a director of the Company and is also a director of the Manager. The Manager holds the voting Ordinary Shares of the Company. Bordier & Cie is a shareholder of the Manager. The Administrator and Custodian are the same entity. The Director, Manager and other service providers may be involved with other funds.

**J. CHARGES AND EXPENSES**

- (i) Commissions** To the extent the Manager receives any commission referable to the business of the Company (whether "hard" or "soft") from an underlying investment hedge fund or its manager (or its other service providers) it shall, to the extent possible pay the same to the Company, and in all cases shall disclose the same to the Directors.
- (ii) Organisation Costs** The establishment expenses of the Company were \$20,000. These expenses are being amortised over a period of five years. Due to an International Accounting Standard entitled "IAS 38 – Intangible Assets" issued on September 14, 1998, establishment expenses were required to be expensed as incurred. The standard has been effective for financial statements covering periods beginning on or after 1 July 1999.
- (iii) Sales Charge** The Company may impose a 2% sales charge.
- (iv) Redemption Fee** The Company may impose a 2% redemption charge.
- (v) Manager's Fees** The fees payable to the Manager, will be equal to a fixed fee of 1.5% per annum of the Net Asset Value of the Participating Shares, calculated and accrued monthly and payable quarterly in arrear that shall equal, on an annual basis, 1.5% of the average quarterly Net Asset Value of the Participating Shares.
- The Performance Fee for each fiscal year is equal to 10% of the amount by which the Net Asset Value per Participating Share of the Company at the end of such fiscal year exceeds the higher of the Company's Net Asset Value per Participating Share at the Closing Date or its highest Net Asset Value per Participating Share as at the end of any prior fiscal year (the "High Watermark"), as adjusted for subscription and redemptions during the year, and is accrued monthly and paid at the end of such fiscal year. The Performance Fee is based on new

appreciation in the Net Asset Value per Participating Share of the Company as a whole, (as opposed to the new appreciation allocable to any particular investor) calculated at the end of each fiscal year or, upon termination of the Management Agreement, from the last fiscal year-end as of which a Performance Fee was paid or from the Closing Date, whichever is the later. Although the Performance Fee is paid as of the end of a fiscal year, such Performance Fee is accrued monthly. This can create distortions in the case of a shareholder who purchases and/or redeems Participating Shares at any time other than at the end of a fiscal year. For example, since Performance Fees are accrued at the end of each month, a Shareholder redeeming Participating Shares at the end of a month when there is an accrued Performance Fee will have the amount it receives reduced by its allocable portion of the accrued Performance Fee. If the new appreciation in the Net Asset Value per Participating Share of the Company subsequently declines, such Shareholder will bear a disproportionate amount of the Performance Fee relative to the remaining Shareholders. On the other hand, a shareholder may purchase Participating Shares following a decline in the Net Asset Value per Participating Share of the Company and may experience an increase in the value of such Participating Shares without bearing Performance Fee at the end of such period, if the Net Asset Value per Participating Share does not attain the High Watermark.

Effective 30 April 2009, the performance fee shall be subject to a modified High Watermark and modified performance fee such that if the Company has a net loss chargeable to it as of the end of any prior fiscal year, the modified High Watermark shall be equal to the net asset value per share as at the end of the prior fiscal year (the "Modified HWM"). The performance fee during the time which the Modified HWM is in effect will be reduced by 50% (the "Modified Performance Fee"). The Modified Performance

Fee will be payable if the Net Asset Value per Share at the Closing Date exceeds the Modified HWM, as adjusted for subscriptions and redemptions during the year. The Modified Performance Fee is accrued monthly and paid as of the end of the fiscal year. Following a year where a Modified Performance fee is crystallized, the high watermark will be adjusted up (the "Adjusted HWM") to account for the required profits and to earn back the paid out Modified Performance Fees. When the Net Asset Value per Share reaches the Adjusted HWM or surpasses it all new profits above the Adjusted HWM will be again subject to the normal Performance Fee (10%).

**(vi) Brokerage Fees**

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

**(vii) Other Operating Expenses**

The Manager and the Administrator and Custodian are responsible for providing all office personnel, space and facilities required for the performance of their respective services. The Company bears all other expenses incident to its operations and business, including the fees of its auditors and legal advisers; custody charges; interest and commitment fees on loans and debt balances; any income, withholding or other taxes; cost of communication with shareholders and prospective investors. The Company may be required to pay subscription charges and redemption charges in connection with investments in other investment companies. The Company may be required to pay brokerage commissions in relation to portfolio transactions by investment advisers.

**(viii) Directors**

Directors are entitled to reimbursement of expenses for attending Board meetings. Non-affiliated Directors are also entitled to a fee, which is not expected to exceed US\$5,000 per annum and will not exceed US\$15,000 per annum. Accordingly only Mr. Williams is currently entitled to such fee.

**(ix) Administrator Fees**

The Administrator's fees are charged pursuant to the Administration Agreement.

**(x) Custody Fees**

The Administrator's fee includes the custody fee.

## **K. PARTICIPATING SHARES**

### **1. Procedure for Subscription**

Participating Shares shall be issued in the manner described in the section entitled "Issue of Participating Shares" above, and in accordance with the Articles of Association of the Company which are described below.

Applications should be made only by written application using the Application Form provided with this Offering Memorandum at Appendix E. Applicants should pay subscription monies 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 Administrator in accordance with the instructions contained in the Application Form.

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.

Application Forms, duly completed, should be sent to the Administrator by mail. Fax copies will be accepted if originals follow by mail.

In respect of the Initial Offering Period for Euro Shares, completed applications must be received five Business Days before the Closing Date and cleared funds two Business Days before such Closing Date. The initial offering period for US Dollar Shares closed on 31 May 2001. Thereafter in respect of subsequent subscriptions for Participating Shares value in cleared funds must be received by the Administrator no less than five Business Days prior to the Issue Date and the Application Form must be received no later than the two Business Days prior to the Issue Date.

Applications will not be acknowledged but notification of the allotment and issue of Participating Shares will be posted not later than the Closing Date in respect of the Initial Offering Period and within ten Business Days of the relevant Issue Date for subsequent issues.

Subscribers for US Dollar Shares at the termination of its initial offering period received 1 Participating Share for each US\$100 subscribed, which comprised the nominal value of US \$0.01 and a premium of US\$99.99. Thereafter further US Dollar Shares have been issued and are being issued on any Issue Date at the Net Asset Value per US Dollar Share. Following the termination of its Initial Offering Period, Euro Shares will be issued on any Issue Date at the Net Asset Value per Euro Share. The Net Asset Value for each of the classes of shares is determined by assessing the value on the Valuation Day immediately preceding the relevant Issue Date of the net assets of the relevant class and dividing the amount so calculated by the total number of shares of the relevant class in issue and deemed to be in issue (the "Net Asset Value"). The resulting figure is rounded up to three decimal places. The Participating Shares

shall have attached thereto the rights set out in the Articles of Association of the Company as summarized in Appendix A.

A separate class account in respect of each of the US Dollar Share Class and Euro Share Class shall be established in the books of the Company. At each Issue Date, an amount equal to the proceeds of allotment of each Participating Share shall be credited to the relevant class account. Any increase or decrease in the Net Asset Value of the portfolio of assets of the Company (disregarding as the Directors may determine, for these purposes any increases in the Net Asset Value of the portfolio due to new subscriptions or decreases due to redemptions or any designated class adjustments) shall be allocated to the separate class accounts based on the previous relative Net Asset Values of each separate class. There shall then be allocated to the class account the "designated class adjustments" being those costs, pre-paid expenses, losses, dividends, profits, gains and income which the Directors determine relate to the relevant class (for example those items relating to the foreign exchange transactions in respect of the relevant class or Performance Fee for the class).

The Articles of Association provide that, after the initial issue of Participating Shares to occur at the end of the Initial Offering Period, and except where there is a suspension of the valuation of the assets of the Company, further Participating Shares may be issued on the Issue Date at a price per Participating Share of not less than that determined by assessing the value on the relevant Valuation Day of the net assets of the relevant class and dividing the amount so calculated by the number of Participating Shares in issue and deemed to be in issue in respect of the relevant class (the "Net Asset Value"). The resulting figure is rounded up to three decimal places.

If the valuation of assets is suspended, subscriptions will be suspended. If the valuation of assets is continued on an "adjusted" basis as described below, subscriptions will not be suspended and investors will be able to continue to subscribe for shares during this period.

## **2. Redemption**

Holders of Participating Shares have the right to redeem their Participating Shares on a Redemption Date at the relevant Net Asset Value per share on the Valuation Day immediately preceding that Redemption Date, if any, provided such request is received by close of business generally forty five days before the relevant Redemption Date (or such later date as the Directors may determine), being the first Business Day in January, April, July and September and such other date or dates as the Directors of the Company shall from time to time determine. The Directors expect such other dates to include the first Business Day of each of the other calendar months.

The Net Asset Value of a Participating Share is determined in accordance with the Articles of Association. It shall be determined by assessing the value of the net assets of the relevant class on the relevant Valuation Day, and dividing the amount so calculated by the total number of Participating Shares in issue and deemed to be in issue in respect of the relevant class.

If the value of the Company's assets cannot be promptly and accurately ascertained in certain circumstances described in the Articles of Association, the Company may decide that valuations should be continued on an "adjusted" basis; either (i) based on a conservative estimate made by the Manager of the value of the relevant investment; or (ii) based on the relevant investment being considered by the Manager as having a nil value. In case (i) and case (ii) redeeming investors will be notified as soon as reasonably possible by email or fax as to the use of the "adjusted" basis, and given the opportunity to withdraw the redemption request. If the investor specifically reconfirms in writing within 5 days that he still wishes to redeem, such redemption shall proceed on such "adjusted" basis, otherwise the request will be declined. No adjustment will be made if such valuation proves incorrect. In such circumstances, the Company may also decide to suspend valuations. If valuations are suspended rather than "adjusted", the Company shall suspend redemptions and all redemption requests will be declined.

If, in exceptional circumstances, it is necessary, in order to meet redemptions, to realise investments prematurely, any penalties, losses or charges incurred may be reflected in the bid price of the Participating Shares.

SINCE THE REDEMPTION PRICE OF PARTICIPATING SHARES IS TIED TO THE VALUE OF THE UNDERLYING ASSETS OF THE COMPANY, IT SHOULD BE NOTED THAT THE PRICE AT WHICH AN INVESTOR MIGHT REDEEM HIS SHARES MAY BE MORE OR LESS THAN THE PRICE AT WHICH HE SUBSCRIBED FOR THEM DEPENDING ON WHETHER THE VALUE OF THE UNDERLYING ASSETS OF THE COMPANY HAS APPRECIATED OR DEPRECIATED BETWEEN THE DATE OF SUBSCRIPTION AND THE DATE OF REDEMPTION AND SUBJECT ALSO TO DIVIDENDS DECLARED AND PAID ON THE PARTICIPATING SHARES.

To redeem all or part of his holding, a shareholder should complete the Redemption Request Form and send the same to the Administrator by fax with the original copy of the Redemption Request Form to follow by mail. Redemptions will be paid only if the Administrator has the original Application Form and the original Redemption Request Form with completed wire instructions on file.

Unless the number of Participating Shares to be redeemed is specified in the Redemption Request Form, it will be taken as applying to all the Participating Shares of the shareholder.

Requests for redemption once made may not be withdrawn, other than as described above, without the consent of the Board.

Any amount payable to a shareholder upon a redemption will be paid in the currency in which the Participating Shares are denominated and cabled to a bank at the shareholder's request and expense within thirty Business Days after the relevant Redemption Date (or by such later date as may be practicable given the time taken to liquidate underlying investments). The identity of the account of the shareholder to which such monies shall be forwarded must be set out in the space provided on the Redemption Request Form. Failure to complete that section of the Redemption Request Form may result in delays in the receipt of

redemption 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.

The Directors may, in their absolute discretion, on giving not less than thirty Business Days' notice to any holder of Participating Shares effect the compulsory redemption of all (but not some) of the Participating Shares registered in the name of such person on the Business Day next following the expiry of the notice period at Net Asset Value per share as determined on the last preceding Valuation Day if, in the opinion of the Directors, the subscription for or holding of Participating Shares by such person is, was or may be in any way unlawful or detrimental to the interests or well-being of the Company.

If the Company is required by the laws of any relevant jurisdiction to make a withholding from any redemption monies payable to the holder of a Participating Share the amount of such withholding shall be deducted from the redemption monies otherwise payable to such person.

### **3. Determination of Net Asset Value**

The Net Asset Value will be determined in accordance with the calculation methods described in Appendix A below.

### **4. Valuation Day**

Valuation Days will normally occur monthly, on the last Business Day in each calendar month. The Directors have the discretion under the Articles of Association to declare additional days to be Valuation Days.

The net assets of the Company will be valued on each Valuation Day. However, the Directors may suspend valuations as described in the Articles of Association and as described above.

The Administrator on behalf of the Directors will value the investments of the Company in accordance with the relevant provisions of the Articles of Association. When valuing the assets and liabilities of the Company the Directors and the Administrator are entitled to rely on and treat as final provisional valuations provided by the underlying investment hedge funds (even though such valuations may later be adjusted by the underlying investment hedge fund and the final value of the relevant investment may differ from its provisional valuation). The Administrator is not responsible for ensuring the accuracy of valuation information provided to it by underlying funds.

### **5. 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 U.S. Person or any other 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 organised or created under the laws of any such Restricted Jurisdiction; (d) any organisation 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 Directors.

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

## **L. TAXATION**

There are no income, corporation, capital gains or other taxes in effect in the Cayman Islands on the basis of the present legislation. The Company has applied for and received from the Governor-in-Council of the Cayman Islands an undertaking pursuant to the Tax Concessions Law (Revised) of the Cayman Islands that in the event of any change to the foregoing the Company, for a period of twenty years from 13 March 2001 will not be chargeable to tax in the Cayman Islands on its income or its capital gains arising in the Cayman Islands or elsewhere and that dividends of the Company will be payable without deduction of Cayman Islands tax. No capital or stamp duties are levied in the Cayman Islands on the issue, transfer or redemption of Participating Shares. An annual registration fee will be payable by the Company in the Cayman Islands. In addition, the Company must pay an annual mutual fund registration fee.

The Directors and the Manager intend to conduct the affairs and business of the Company so that, save for any tax which may be withheld at source in certain countries in respect of income or gains, the Company will not be liable to tax in any jurisdiction on the income or gains (including gains arising in the form of discounts or premiums) derived from its investments. The investments of the Company will be made with a view to minimising any such withholding tax. However, there can be no guarantee that the tax position of the Company will not be challenged by the revenue authorities of one or more countries.

The foregoing is based on current law and practice in the Cayman Islands and is subject to changes therein.

### **1. United States Federal Income Taxation**

In general, the United States federal income taxation of the Company depends in material part upon whether it is "engaged in a trade or business within the United States", as such term is used in the United States Internal Revenue Code of 1986, as amended (the "Code"). If, as is contemplated, the sole activity of the Company in the United States is the conduct of its trading and investment program through brokers, commission agents, custodians or other agents, some of which may be located in the United States, under the supervision of the Directors in conjunction with the Manager, the Company should not be considered "engaged in a trade or business within the United States" and accordingly, the Company generally should not be subject to U.S. federal income tax on gains derived from its investment and trading transactions. The Company also has represented that it does not intend to invest directly or anticipate investment indirectly in any assets which would be treated as "United States real property interests" by the Code, the disposition of which would cause the Company to be engaged in a United States trade or business with respect to gain or loss arising from such disposition. However, if the Company were to invest directly or indirectly in any assets which would be treated as "United States real property interests", the Company generally would be subject to United States federal income tax at graduated rates with respect to gain or loss arising from the disposition of such assets and would be required to file United States federal income tax return. Any United States source dividends derived by the Company and certain limited categories of United States source interest income, which are

not expected to be material in amount, will be subject to a non recoverable United States federal withholding tax at a rate of 30%.

## **2. Other Jurisdictions**

In view of the number of different jurisdictions the laws of which may be applicable to Participating Shareholders, no attempt is made in this Offering Memorandum to summarise the possible local tax consequences of the acquisition, holding or disposal of Participating Shares. Investors should consult their professional advisers on the possible tax, exchange control or other consequences of buying, holding, selling or redeeming Participating Shares under the laws of their country of citizenship, residence or domicile.

**M. ACCOUNTS AND REPORTS**

The financial periods of the Company end on the 31 December in each year. The accounts of the Company are made up in United States dollars and prepared based on International Financial Reporting Standards. Copies of the audited accounts of the Company made up to 31 December in each year and the annual report are available from the offices of Company and the Manager but will not be mailed to shareholders. Account statements will be sent to Shareholders on a monthly basis.

## **N. ANTI-MONEY LAUNDERING**

In order to comply with regulations aimed at the prevention of money laundering, the Company will require verification of identity from all prospective investors (unless in any case the Company is satisfied that an exemption under the Money Laundering Regulations 2008 of the Cayman Islands (the “Regulations”) applies). Depending on the circumstances of each subscription, it may not be necessary to obtain full documentary evidence of identity where:

- (a) the prospective investor makes the payment for his investment from an account held in the prospective investor’s name at a recognised financial institution;
- (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 by an intermediary acting on behalf of the prospective investor and such intermediary 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 Company and the Administrator reserve the right to request such information as is necessary to verify the identity of a prospective investor. The Company and the Administrator also reserve the right to request such identification evidence in respect of a transferee of Shares. In the event of delay or failure by the prospective investor or transferee to produce any information required for verification purposes, the Company or the Administrator may refuse to accept the application or (as the case may be) to register the relevant transfer and (in the case of a subscription of Shares) any funds received will be returned without interest to the account from which the monies were originally debited.

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

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 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.

**O. FURTHER INFORMATION**

Further information is contained in the following Appendices:

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

An application form is enclosed with this Offering Memorandum.

**APPENDIX A****SHARE CAPITAL AND RIGHTS****1. Participating Shares and Ordinary Shares**

The authorized share capital of the company is US\$50,000 divided into 1,000 Ordinary Shares of par value US\$0.01 each and 4,999,000 Participating Shares of par value US\$0.01 and €50,000 divided into 5,000,000 Participating Shares of par value €0.01 each. All 1,000 Ordinary Shares in the capital of the Company have been issued for cash at par and are held by the Manager.

The holders of the Ordinary Shares have the right to receive notice of, attend at and vote at general meetings of the Company. The holder of each such Ordinary share shall, on a poll, have the right to one vote for each such share registered in his name.

The holders of the Participating Shares do not have the 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 voting shareholders.

**2. Rights on Winding Up**

The Company has perpetual succession and no fixed period is intended for its operation. Under Cayman Islands law the liquidation of the Company may be commenced at any time by the Directors (or by the holders of not less than one tenth of the paid up capital of the shares which then carry the right to vote) convening an extraordinary general meeting at which a special resolution shall be passed, if the holders of a twothirds majority of the Ordinary Shares present in person or by proxy and so entitled, vote in favour of it. Upon a liquidation of the Company, the assets of the Company available for distribution to shareholders will be applied in repayment as follows:

- (1) Firstly, in the payment to the holders of the Participating Shares of each of the US Dollar Share Class or Euro Share Class of a sum in the currency in which that class is designated or such other currency as the liquidator may determine as nearly as possible equal to the nominal amount of the Participating Shares of such separate class held by such holders respectively.
- (2) Second, in the payment to the holders of the Ordinary Shares of sums up to the nominal amount paid up thereon.
- (3) Third, in the payment to the holders of each class of Participating Shares of any balance then remaining, such payment being applied in proportion to the respective Net Asset Value of the Participating Shares.

On the conclusion of the winding up, the liquidator will call a general meeting of the Company in accordance with the Companies Law of the Cayman Islands for the purpose of presenting the liquidation accounts, and thereafter will file a notice to that effect with the Registrar of Companies in the Cayman Islands. Three months later, the Company will be deemed to be dissolved and if any property remains unclaimed, it will vest in the Treasurer of the Cayman Islands for the benefit of the Cayman Islands.

### **3. 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, 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 are deemed to be varied by any variation of the rights attached to shares of any other class or by the creation or issue of any shares (other than Participating Shares) ranking *pari passu* or in priority to them.

### **4. Meetings of Shareholders**

As an exempted company under Cayman Islands law, the Company is not required to hold an annual general shareholders meeting. Such a meeting may, however, be convened at the discretion of the Directors. Only the Manager as holder of the Ordinary Shares has the right to attend at any general shareholders meeting.

### **5. Determination of Net Asset Value**

The Net Asset Value of each class of Participating Shares shall be determined by the Directors and to each such determination the following provisions shall apply:

- (a) on each Valuation Day the Net Asset Value shall be determined and shall be equal to the value as at the close of business on such day of all the assets of the Company (excluding an amount equal to the share capital attributable to the Ordinary Shares in issue) less all the liabilities, of the Company (calculated as set out below) and the Net Asset Value per share shall equal the Net Asset Value of the relevant class divided by the number of Participating Shares then in issue in respect of the relevant class calculated to three decimal points;
- (b) the assets of the Company shall be deemed to include:
  - (i) all cash on hand, on loan or on deposit, or on call including any interest accrued thereon;
  - (ii) all bills, demand notes, promissory notes and accounts receivable;

- (iii) all bonds, time notes, shares, stock, commodities, metals, debentures, debenture stock, subscription rights, warrants, options, financial futures, and other investments and securities owned or contracted for by the Company, other than rights and securities issued by it;
  - (iv) all shares, stock and cash dividends and cash distributions to be received by the Company and not yet received by it but declared payable to shareholders of record on a date before the day as of which the assets are being valued;
  - (v) all interest accrued on any interestbearing securities owned by or credited to the Company;
  - (vi) all other securities of the Company; and
  - (vii) all other assets of the Company of every kind and nature including prepaid expenses as valued and defined from time to time by the Directors;
- (c) any expense or liability of the Company may be amortised over such period as the Directors may determine (and the Directors may at any time and from time to time determine to lengthen or shorten any such period), and the unamortised amount thereof at any time shall also be deemed to be an asset of the Company;
- (d) the assets of the Company shall, unless the Directors determine otherwise, be valued as follows:
- (i) the value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash distributions or dividends declared to holders of record on a date on or before the Valuation Day but not yet received, and interest accrued and not yet received, shall be deemed to be the full amount thereof, unless the Directors have determined that any such deposit, bill, demand note or account receivable is not worth the full amount thereof, in which event the value thereof shall be such value as the Directors determine to be the fair value thereof;
  - (ii) the value of any security listed or dealt in on a stock exchange shall be determined by taking the last sale price (or, lacking any sales, a price not higher than the closing asked price and not lower than the closing bid price therefore as the Directors may from time to time determine) on the latest available quotation;
  - (iii) in the case of any security which is listed or dealt in on more than one stock exchange, the Directors shall determine the stock exchange whose quotations shall be used in the determination of the value of such Security;
  - (iv) in the case of any security for which no price quotations are available as above provided, the value thereof shall be determined from time to time in such manner as the Directors shall from time to time determine;

- (v) shortterm investments having a maturity of 60 days or less are valued at cost plus accrued interest and plus or minus any amortised discount or premium;
  - (vi) in the event securities which are not readily marketable due to restrictions on sale are held by the Company such securities shall be valued at their market price determined as above less the same rate of discount that was applied when the securities were purchased, provided that the rate of such discount may be reduced proportionately where such restriction is to be lifted on a specific date;
  - (vii) assets which are quoted in a foreign currency shall be valued by translating the quoted value into dollars at the exchange rate determined by the Directors prevailing at the close of business on each Valuation Day;
  - (viii) the value of any security interest in any mutual fund, investment trust, collective investment scheme or other similar fund will be such price as is provided to or generally made available to the Directors by any such fund by the administrator or operator of any such entities (and where such price is provided as a provisional, tentative or estimated price, the Directors may treat such price as final);
  - (ix) in cases where the valuations in respect of any asset is determined not to represent a fair valuation the value will be calculated in such manner as the Directors may determine.
- (e) the liabilities of the Company shall include:
- (i) all bills and notes payable and accounts payable;
  - (ii) all administrative expenses payable or accrued, or both (including management fees);
  - (iii) all contractual obligations for the payment of money or property, including the amount of any unpaid distributions or dividends declared and payable to shareholders of record on or before the day as of which the value of the securities is being determined; and
  - (iv) all other liabilities of the Company of any kind but excluding liabilities represented by the share capital or share premium paid on Participating Shares and of any surplus funds distributable to the holders of the Participating Shares but undeclared;
- (f) for the purposes of the above calculation:
- (i) Participating Shares of the Company for which application has been made and subscription names duly received shall be deemed to be outstanding at the

beginning of the Issue Date next following the Valuation Day as at which the Net Asset Value per share therefore shall be determined, and from that time the price thereof payable to the Company and not received shall be deemed to be an asset of the Company and any liabilities in connection with the issue thereof shall be deemed to be liabilities of the Company;

- (ii) Participating Shares of the Company to be redeemed shall be deemed to be outstanding until and including the close of business on the Valuation Day as at which the Net Asset Value per share is determined and after that time until paid the price thereof shall be deemed to be a liability of the Company.

**APPENDIX B****DIRECTORS**

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

1. A Director may act in a professional capacity for the Company (other than as Auditor) and may receive remuneration for such professional services. A 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. A Director may contract with the Company and no contract or arrangement made by the Company in which any Director is in any way interested shall be liable to be avoided, provided that the nature of his interest must be declared in advance at a meeting of the Directors or by general notice.
3. A Director may normally vote in respect of any contract in which he is materially interested provided such interest has been declared in advance.
4. Each Director shall be entitled to such remuneration for special work or services as may be voted to each Director by resolution of the Board of Directors. The Directors may also be reimbursed for expenses incurred in connection with the business of the Company and may receive remuneration for special services.
5. There is no share qualification for Directors.
6. There is no age limit for Directors.
7. A Director may be removed at any time by ordinary resolution passed by the holder of the Ordinary Shares in general meeting.

**APPENDIX C****GENERAL INFORMATION**

1. The Company was incorporated as an exempted company under the Companies Law (Revised) of the Cayman Islands on 20 February 2001.
2. The constitution of the Company is defined in its Memorandum and Articles of Association. Its registered office is at the offices of Standard Sector Fund, c/o UBS Fund Services (Cayman) Ltd., PO Box 852, UBS House, 227 Elgin Avenue, Grand Cayman KY1-1103, Cayman Islands.
3. The Company is not engaged in any litigation or arbitration. No litigation or claim is known to the Directors to be pending or threatened against the Company.
4. The Articles of Association of the Company provide that the Directors may appoint a Manager of the Company and may entrust to and confer upon the Manager any of the duties, powers, authorities and discretions exercisable by them as Directors (other than the power to make calls and to forfeit shares).
5. The following contracts which are material, have been entered into otherwise than in the ordinary course of business:
  - (a) a Management Agreement dated 30 June 2009 between (1) the Company and (2) the Manager whereby the Manager has agreed to provide full management services to the Company; and
  - (b) an Administration Agreement dated 11 April 2001 between (1) the Company and (2) the Administrator whereby the Administrator has agreed to provide administrative and custody 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 unlimited objects. The Directors have adopted as the investment policy of the Company the investment resolutions set forth in this Offering Memorandum.
8. There are no existing or proposed service contracts between the Company and any of its Directors. No Director of the Company holds any shares in the Company in a personal capacity.
9. 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) as at the date hereof:
  - (i) no Director of the Company has had any interest in the promotion of the Company and no Director has had any interest, direct or indirect, in any property or assets acquired or disposed of by or leased to the Company or proposed to be acquired, disposed of by or leased to the Company;
  - (ii) no Director has had a material interest in any contract or arrangement entered into by the Company which is significant in relation to the business of the Company; and
  - (iii) no Director has or has had any 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 (Saturdays and public holidays excepted) at the registered office of the Company:

- (a) the Memorandum and Articles of Association of the Company;
- (b) the Companies Law (Revised) of the Cayman Islands under which the Company was incorporated;
- (c) the material contracts referred to in Appendix C.

**APPENDIX E****SUBSCRIPTION APPLICATION FORM**

This application form, when completed, should be forwarded to:

**Standard Sector Fund (the "Company")**

UBS Fund Services (Cayman) Ltd.

PO Box 852

UBS House

227 Elgin Avenue

Grand Cayman KY1-1103

Cayman Islands

Telephone: +1 345 914 1021

Telecopier: +1 345 914 4060

**1. Standard Sector Fund -Subscription Applications**

Applications should be made only by written application using the accompanying Subscription Agreement provided with the Offering Memorandum dated 30 November 2009. Application forms, duly completed, should be sent to the above address (for the account of the Company). 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 telecopier at the above number in advance of submitting the original, in order to expedite processing of the application. The signed original, however, must be submitted within one month thereafter.

**2. Subscription Payments**

Payments in full for the amount subscribed (not less than US\$100,000 in respect of US Dollar Shares and €100,000 in respect of Euro Shares, unless otherwise agreed in advance by the Directors) are to be made in the currency in which the Participating Shares are denominated by bank wire transfer as follows:

To: UBS AG, Stamford Branch

ABA Fedwire, 0260-0799-3

SWIFT: UBSWUS33XXX

For the account of: UBS Fund Services (Cayman) Ltd.

Account #: 101-WA-359025-000

For further credit to: Standard Sector Fund

Account #: 72040

In order to facilitate prompt and accurate crediting of subscription payments, subscribers must notify the Administrator, prior to remitting payment, of the details of the subscription

payment, indicating (I) the name of the subscriber, (II) the US Dollar/Euro amount subscribed, (III) the subscriber's address (including a telex or telecopier number if available), (IV) the name and address of the financial institution remitting the subscription payment and (V) the approximate date as of which the payment is being wired to the Company's account. (Separate notification is not required if the subscriber's subscription application is received by the Administrator prior to the payment date). Subscribers should also instruct the remitting bank to include the subscriber's name when remitting subscription payment to the Company's account.

To avoid return of funds, the wire transfer must be sent from an account in the name of the investor. The investor's name must be included in line 50 of the SWIFT wire transfer message (or equivalent CHIPS or Fed Wire indication), OR the wire transfer must state "From the Account of: (Investor Name)". PLEASE EFFECT THE WIRE BY EITHER SWIFT MT 100 OR MT 103.

Notifications will be sent to subscribers showing the details of each transaction within 30 Business Days of the relevant Valuation Day.

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

### 3. Subscription Agreement

#### **Standard Sector Fund (the "Company")**

UBS Fund Services (Cayman) Ltd.

PO Box 852

UBS House

227 Elgin Avenue

Grand Cayman KY1-1103

Cayman Islands

Telephone: +1 345 914 1021

Telecopier: +1 345 914 4060

Dear Sirs

#### **Standard Sector Fund - Subscriptions**

- (1) The investor or investors named below (the "Investor") hereby irrevocably subscribes for Participating Shares of **Standard Sector Fund** to the value of the amount indicated below, subject to the provisions of the Memorandum and Articles of Association and upon the terms of the Offering Memorandum dated 30 November 2009 ("Offering Memorandum").
- (2) Applications received with cleared funds will be considered for issue (a) at the Closing Date at Net Asset Value for US Dollar Shares and at €100.00 per Euro Share and (b) at an Issue Date at the relevant Net Asset Value on the Valuation Day preceding the Issue Date. The Investor understands that the Participating Shares will be sold and issued to the Investor at their then Net Asset Value plus applicable sales charge, as of the next Valuation Day when cleared funds have been received by the Company. This subscription will only be valid and binding on the Company when accepted by the Company in the Cayman Islands.
- (3) Until further written notice to the Administrator signed by one or more of the persons listed above, funds may be wired to the Shareholder (for instance, upon redemption) using the following instructions:

Bank Name:

Bank Address:

ABA or CHIPS Number:

Account Name:

Account Number:

Reference:

**Name of Subscriber:** \_\_\_\_\_

**Date:** \_\_\_\_\_



**4. Subscription Information:**

Name and Mailing

Address of Subscriber: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Telephone Number: \_\_\_\_\_

Telecopier Number: \_\_\_\_\_

**Amount of Subscription**

(Minimum of US\$100,000\*

in respect of US Dollar Shares):

US\$ \_\_\_\_\_

(Minimum of €100,000\*

in respect of Euro Shares):

€ \_\_\_\_\_

Payment Date: \_\_\_\_\_

20\_\_\_\_\_

Name and Address of

Financial Institution \_\_\_\_\_

Remitting Payment for

Subscriber's Account: \_\_\_\_\_  
\_\_\_\_\_

(\*Unless otherwise permitted by the Company, being no less than US\$50,000)

**The subscriber understands that the manager may impose a 2% subscription fee payable to the fund. The fee is charged and deducted from total assets subscribed upon subscription.**

## 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 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);
  - (x) if 10% or more of the outstanding voting securities of the Investor are owned by a U.S. Person, the Investor will inform the Company in writing prior to purchasing the Participating Shares and will purchase the Participating Shares only with the prior written approval of the Company;

- (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 and has relied solely on the Offering Memorandum in determining to invest in the Participating Shares, and it 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 advisers, 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. 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.
11. This Subscription Agreement shall be governed by the laws of the Cayman Islands.
12. 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 and Title

\_\_\_\_\_  
**Name of Subscriber**

(if signing in representative capacity)

Subscribers are required to furnish certain supplemental documentation in connection with this subscription, as follows:

- (1) ***Corporations or Joint Stock Associations*** subscribing for Participating Shares must furnish certified copies of their articles of incorporation and by-laws, and all amendments thereto, and of resolutions authorising their subscriptions and executions of this Subscription Agreement and other documents and certificate of incumbency for the officer signing the Subscription Agreement.
- (2) ***Trustees, Agents, General Partners of Partnerships, or Other Person Acting in a Representative Capacity*** subscribing for Participating Shares must furnish (a) a certified copy of the trust agreement, power of attorney or partnership agreement, as the case may be, evidencing the existence of authority to make an investment in the Company and authority to subscribe and to execute the Subscription Agreement and other documents and (b) in the case of a trust, an opinion of counsel as to such power and authority.
- (3) ***Individuals*** subscribing for shares must furnish certified copies of their passports, social security numbers or other identification.

**The subscriber understands that the manager may impose a 2% subscription fee payable to the fund. The fee is charged and deducted from total assets subscribed upon subscription.**

**APPENDIX F**  
**REDEMPTION FORM**

**Standard Sector Fund** (the "Company")

UBS Fund Services (Cayman) Ltd.

PO Box 852

UBS House

227 Elgin Avenue

Grand Cayman KY1-1103

Cayman Islands

Telephone: +1 345 914 1021

Telecopier: +1 345 914 4060

Dear Sirs

**Standard Sector Fund -Redemptions**

- (1) The undersigned holder(s) of Participating Shares of **Standard Sector Fund** hereby request redemption of:

\_\_\_\_\_ US Dollar Shares/US\$ \_\_\_\_\_ \* (if blank, this is treated as your entire holding)

\_\_\_\_\_ Euro Shares/ € \_\_\_\_\_ \* (if blank, this is treated as your entire holding)

(\* Please delete as appropriate.)

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" in the Offering Memorandum. Delivery of this notice may be by telecopier provided that the facsimile is signed and 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 and beneficial owner 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 the Participating Shares.



Name of Shareholder: \_\_\_\_\_  
\_\_\_\_\_

Date: \_\_\_\_\_

**Redemption Instructions**

***Bank Wire Transfer Instructions***

The redemption proceeds should be sent to the Shareholder according to the bank wire transfer instructions as set out in the Shareholder's original Application Form. Alternatively, if such details have changed, the bank wire transfer instructions to be used are as follows:

WIRE TRANSFER TO: (NAME OF BANK)

ABA #:

FOR THE ACCOUNT OF:

ACCOUNT NO:

FOR FURTHER CREDIT TO:

SUB-ACCOUNT NO:

**Signature(s):** \_\_\_\_\_  
\_\_\_\_\_

**The Subscriber understands that the manager may impose a 2% redemption fee payable to the fund. The fee is charged and deducted from total assets being redeemed.**