

Confidential Offering Memorandum

MQ KINETIC SPC – THE KINETIC SEGREGATED PORTFOLIO

(An exempted company incorporated with limited liability in the Cayman Islands and registered as a segregated portfolio company, with registered number 231270)

General Notices and Securities Warnings

This confidential offering memorandum (“Memorandum”) should be read in its entirety and must be read in conjunction with the relevant term sheet (“Term Sheet”) which sets out the specific terms of the offer of Participating Shares in the KINETIC Segregated Portfolio. Copies of the current term sheets are available to Eligible Investors at www.macquarie.com/kinetic or from Macquarie Bank Limited, Zurich Representative Office at Beethovenstrasse 9, 8002 Zurich, Switzerland or telephone + (41 43) 210 9090 or Macquarie Bank International Limited, Niederlassung Deutschland at Promenadeplatz 8, 80333 Munich, Germany or telephone + (49 89) 290 530. To the extent that there is any inconsistency between this Memorandum and the relevant Term Sheet, the relevant Term Sheet shall prevail.

MQ KINETIC SPC (the “Company”) is an exempted company incorporated with limited liability as a segregated portfolio company, with registered number 231270 and subject to the Companies Law (2011 Revision) of the Cayman Islands (“Companies Law”).

As a segregated portfolio company, the Company has established a number of separate segregated portfolios, including the KINETIC Segregated Portfolio, as investment portfolios or funds, and may establish additional segregated portfolios from time to time. Each segregated portfolio is not, and will not be, a separate legal entity. A Class of Participating Shares will only be issued in respect of a particular separate account within a particular segregated portfolio.

This Memorandum relates solely to the classes of Participating Shares to be issued in relation to the KINETIC Segregated Portfolio. Separate Confidential Offering Memoranda have been issued, and may in the future be issued, in respect of other segregated portfolios of the Company.

The Company will establish a separate account (each a “Fund”) within the KINETIC Segregated Portfolio for each Class of Participating Shares in the KINETIC Segregated Portfolio (“Shares”). A Fund will comprise the assets and liabilities within the KINETIC Segregated Portfolio which relate to a particular Class of Participating Shares. The rights of holders of a particular Class of Participating Shares are limited to the assets and liabilities of the particular Fund to which that Class of Participating Shares relate.

A Term Sheet will be issued for each Fund which sets out:

- the name of the Fund;
- the Class of Shares in the Fund;
- the Offering Currency of Shares in the Fund;
- the Issue Price of Shares in the Fund;
- the Minimum Investment in the Fund;
- the Target Base Return for the Fund;
- the Reference Investment of the Fund;
- the Investment Horizon of the Fund;
- the Redemption Dates for the Fund;
- the Offer Period for the Fund;
- the Issue Date for the Fund;
- risks specific to the Reference Investment of the Fund.

The overall purpose of a Fund is to provide the Target Base Return while providing Shareholders with exposure to the performance of the Reference Investment of the Fund. The investment manager of each Fund will be Macquarie Financial Products Management Limited, a limited liability company incorporated under the laws of Australia (the “Manager”).

INVESTMENTS IN A FUND ARE NOT DEPOSITS WITH OR OTHER LIABILITIES OF MACQUARIE BANK LIMITED ABN 46 008 583 542 OR OF ANY MACQUARIE GROUP COMPANY, AND ARE SUBJECT TO INVESTMENT RISK, INCLUDING POSSIBLE DELAYS IN REPAYMENT AND LOSS OF INCOME AND CAPITAL INVESTED. NEITHER MACQUARIE FINANCIAL PRODUCTS MANAGEMENT LIMITED NOR ANY MEMBER OF THE MACQUARIE GROUP, INCLUDING MACQUARIE BANK LIMITED, GUARANTEES THE PERFORMANCE OF A FUND OR THE REPAYMENT OF CAPITAL FROM A FUND.

The Company's board of Directors (the "Board of Directors" or the "Directors") will have overall responsibility for the management and control of the Company. The Manager accepts responsibility for the information contained in this Memorandum and the Term Sheets. To the best of the knowledge and belief of the Manager (who has taken all reasonable care to ensure that such is the case) the information contained in this Memorandum and the Term Sheets is in accordance with the facts and does not omit anything likely to affect the import of such information. The Manager accepts responsibility accordingly.

An investment in a Fund is not intended as a complete investment program and is designed only for sophisticated investors who are able to bear the associated risks. There can be no assurance that a Fund will achieve its investment objectives. See "Risk Considerations."

Shares may only be offered on a private placement basis in or from Australia, Austria, Germany, Luxembourg and Switzerland in accordance with the Offering Legends on page 36 or to investors in other jurisdictions that are approved by the Manager.

Shares will not be offered to persons who are "U.S. Persons" as that term is defined in the Glossary.

The Company was incorporated as an exempted company and registered as a segregated portfolio company under the Companies Law on 24 September 2009. The Directors are not aware of any formal recognition having been given by the courts of any jurisdiction outside the Cayman Islands to the principles of segregation under the Companies Law nor are the Directors aware of any litigation pending with respect thereto. Consequently, it is possible that a court of a jurisdiction other than the Cayman Islands could refuse to recognise the segregated portfolios as segregated and determine that creditors of the Company, or any segregated portfolio, or a Fund, could enforce claims against all of its assets.

The documentation of the KINETIC Segregated Portfolio, including this Memorandum and any Term Sheet, has not been and will not be approved, and may not be able to be approved, by the Swiss Financial Market Supervisory Authority ("FINMA") under the CISA. Therefore, investors do not benefit from protection under the CISA or supervision by the FINMA. Accordingly, Shares may not be publicly advertised, offered or sold, directly or indirectly, in or from Switzerland and neither this Memorandum, any Term Sheet or any other offering materials relating to Shares may be made available to the public in or from Switzerland. Shares may only be offered and this Memorandum and any Term Sheet may only be distributed in or from Switzerland to qualified investors (as defined in the CISA and its implementing regulations) in a manner consistent with the requirements of the CISA and its implementing regulations. This Memorandum does not constitute an issuance prospectus pursuant to Articles 652a or 1156 of the Swiss Code of Obligations and may not comply with the information standards required thereunder. The Shares will not be listed on the SIX Swiss Exchange, and consequently, the information presented in this document does not necessarily comply with the information standards set out in the listing rules of the SIX Swiss Exchange.

Shares will not be registered under the U.S. Securities Act of 1933 (the "Securities Act"), or any other U.S. securities laws. Neither the Company, the KINETIC Segregated Portfolio nor any Fund will be registered with the U.S. Securities and Exchange Commission ("SEC") as an investment company under the U.S. Investment Company Act of 1940 (the "1940 Act")

The Shares have not been approved or disapproved by the SEC or any similar U.S. state or non-U.S. regulatory authority and no securities commission or similar regulatory authority has reviewed this Memorandum or any Term Sheet or has in any way passed judgment upon the merits of the securities offered hereunder and any representation to the contrary is an offence (prospective investors should specifically note the disclosures set out above). No prospectus has been filed with any regulatory authority in connection with the securities offered hereunder.

Shares are offered solely on the basis of the information and representations contained in this Memorandum and the relevant Term Sheet and any further information given or representations made by any person may not be relied upon as having been authorised by the Company or its Directors. Neither the delivery of this Memorandum and the relevant Term Sheet nor the offer, issue or sale of Shares shall, under any circumstances, create any implication that there has been no change in the affairs of the Company, the KINETIC Segregated Portfolio or a Fund since the date of those documents. This Memorandum and the relevant Term Sheet should be accompanied by, and read in conjunction with, the Company's Memorandum and Articles of Association ("Constitutional Documents"), its latest annual report and audited accounts (if any). This Memorandum does not set out all the provisions of the Constitutional Documents that may be significant to a particular prospective investor. Each prospective investor should examine this Memorandum and the relevant Term Sheet and the Constitutional Documents in order to assure itself that the terms of the investment offered and a Fund's investment objective and methods of operation are satisfactory to it.

Prospective investors are invited to review any material documents referred to in this Memorandum relating to a Fund. All such documents will be made available to Eligible Investors from Macquarie Bank Limited, Zurich Representative Office at Beethovenstrasse 9, 8002 Zurich, Switzerland or telephone + (41 43) 210 9090 or Macquarie Bank International Limited, Niederlassung Deutschland at Promenadeplatz 8, 80333 Munich, Germany or telephone + (49 89) 290 530. The Manager will afford prospective investors the opportunity to ask questions of, and receive answers from, the Manager or its representatives concerning the terms and conditions of the offering and to obtain any additional information to the extent that the Manager or the Company possesses such information or can acquire it without unreasonable effort or expense.

The Company is registered as a regulated mutual fund with the Cayman Islands Monetary Authority under Section 4(3) of the Mutual Funds Law (2009 Revision) of the Cayman Islands. However, no Cayman Islands authority has approved the contents of this Memorandum or any Term Sheet and no such registration shall constitute a warranty or representation of any Cayman Islands authority as to the suitability of a Fund for investment purposes. The investment activities of the Company will not be regulated or otherwise overseen by any Cayman Islands authority.

In making an investment decision, investors must rely on their own examination of a Fund and the terms of the offering, including the merits and risks involved. These securities have not been recommended by any Cayman Islands, U.S. federal or state securities commissions or regulatory authority or similar authority in other jurisdictions. Prospective investors should not treat the contents of this Memorandum or Term Sheet as advice relating to legal, taxation, investment or any other matters. Prospective investors should inform themselves as to (a) the legal requirements within their own countries for the purchase, holding or disposal of Shares, (b) any foreign exchange restrictions which they might encounter, and (c) the income and other tax consequences which may apply in their own countries relevant to the purchase, holding or disposal of Shares. Prospective investors must rely upon their

own representatives, including their own legal advisers and accountants, as to legal, tax and related matters concerning a Fund and an investment therein.

There is no secondary market for Shares, and none is expected to develop. Shares are subject to restrictions on transferability and resale as more particularly set out under "Redemption and Transfer of Shares."

Capitalised terms not defined in the body of this Memorandum are defined in the Glossary on pages 45 – 47.

THIS MEMORANDUM AND THE RELEVANT TERM SHEET ARE SUBMITTED TO YOU ON A CONFIDENTIAL BASIS SOLELY IN CONNECTION WITH YOUR CONSIDERATION OF AN INVESTMENT IN THE SHARES OFFERED IN A FUND. DUE TO THE CONFIDENTIAL NATURE OF THIS MEMORANDUM AND THE RELEVANT TERM SHEET, ITS USE FOR ANY OTHER PURPOSE MIGHT INVOLVE SERIOUS LEGAL CONSEQUENCES. AS A RESULT, THIS MEMORANDUM AND THE RELEVANT TERM SHEET MAY NOT BE REPRODUCED IN WHOLE OR IN PART OR DELIVERED TO ANY PERSON WITHOUT THE PRIOR WRITTEN CONSENT OF THE MANAGER.

EACH PERSON ACCEPTING THIS MEMORANDUM AND THE RELEVANT TERM SHEET AGREES TO RETURN IT TO THE MANAGER PROMPTLY UPON REQUEST.

AN INVESTMENT IN A FUND IS NOT AN APPROPRIATE INVESTMENT FOR ANYONE UNABLE TO BEAR THE ASSOCIATED RISKS, AND SHOULD NOT BE VIEWED AS A COMPLETE INVESTMENT PROGRAM. SEE "RISK CONSIDERATIONS".

This Memorandum is dated 2 November 2011 and replaces the Confidential Offering Memorandum of the Company dated 9 May 2011.

Directory of Participants

Directors of the Company

Marc Hari

Peter Huber

Alasdair Foster

Mark Cook

Registered Office of the Company

Maples Corporate Services Limited

P.O. Box 309, Ugland House

Grand Cayman, KY1-1104

Cayman Islands

Manager and Custodian/Administrator of each Fund

Macquarie Financial Products Management Limited

ABN 38 095 135 694

No.1 Martin Place

Sydney NSW 2000

Australia

Auditors to the Company in relation to each Fund

Ernst & Young

62 Forum Lane

Camana Bay

P.O. Box 510

Grand Cayman, KY1-1106

Cayman Islands

Counsel

As to Cayman Islands law:

Maples and Calder

P.O. Box 309, Ugland House

Grand Cayman, KY1-1104

Cayman Islands

Table of Contents

General Notices	
Summary	6
The Company, the KINETIC Segregated Portfolio and the Funds	11
Profiles	12
Investment Objective, Strategy and Guidelines	17
Risk Considerations	19
Conflicts of Interest	24
Subscription for Shares	26
Redemption and Transfer of Shares	28
Determination of Net Asset Value	30
Fees and Expenses	32
Taxation	33
Cayman Islands Regulation	35
Offering Legends	36
Additional Information	38
Glossary	45

Summary

This Memorandum must be read in conjunction with the Term Sheet which sets out the specific terms of each offer of Shares in the KINETIC Segregated Portfolio. Copies of the current term sheets are available to Eligible Investors at www.macquarie.com/kinetic or from Macquarie Bank Limited, Zurich Representative Office at Beethovenstrasse 9, 8002 Zurich, Switzerland or telephone + (41 43) 210 9090 or Macquarie Bank International Limited, Niederlassung Deutschland at Promenadeplatz 8, 80333 Munich, Germany or telephone + (49 89) 290 530. To the extent that there is any inconsistency between this Memorandum and the relevant Term Sheet, the relevant Term Sheet shall prevail.

The following is a summary of certain information set out more fully elsewhere in the Memorandum. This summary should be read in conjunction with such detailed information and the relevant Term Sheet and is qualified in its entirety by the full text of this Memorandum, the relevant Term Sheet, the Constitutional Documents and the documents and agreements referred to herein, which are available to Eligible Investors from the Manager on request.

The Company	MQ KINETIC SPC (the "Company") is an exempted company incorporated with limited liability and registered as a segregated portfolio company in the Cayman Islands, with registered number 231270.
The KINETIC Segregated Portfolio	This Memorandum relates solely to the KINETIC Segregated Portfolio of the Company.
The Funds	<p>The Company will establish a separate account (each a "Fund") within the KINETIC Segregated Portfolio for each Class of Participating Shares in the KINETIC Segregated Portfolio. A Fund will comprise the assets and liabilities within the KINETIC Segregated Portfolio which relate to a particular Class of Participating Shares. The rights of holders of a particular Class of Participating Shares are limited to the net assets of the particular Fund to which that Class of Participating Shares relate.</p> <p>This Memorandum relates to the Funds set out in the Term Sheets.</p>
The Shares	The Company is offering the Class or Classes of Participating Shares in the Funds (the "Shares") set out in the Term Sheets.
The Investment Objective	<p>The investment objective of a Fund is to:</p> <ul style="list-style-type: none"> • first, achieve the Target Base Return for that Fund at the end of the Investment Horizon for that Fund; and • second, gain exposure to potential increases in the value of the Reference Investment for that Fund, as set out in the Term Sheet for that Fund. <p>There is no guarantee that the Investment Objective of a Fund will be achieved.</p>
The Investment Strategy	<p>The Manager will attempt to achieve a Fund's Investment Objective by:</p> <ul style="list-style-type: none"> • first, investing in deposits or debt securities to attempt to achieve the Target Base Return; and • second, investing in derivatives (including swaps, options, futures) whose value is derived from the value of the Reference Investment. <p>The Manager will have discretion to implement the Investment Strategy subject to the Investment Guidelines on page 17.</p> <p>The Manager must invest sufficient money in deposits or debt securities to attempt to achieve the Target Base Return.</p>
The Target Base Return	The Target Base Return for a Fund (expressed as a Net Asset Value per Share) is set out in the Term Sheet for that Fund. The Target Base Return is expressed net of all fees and taxes payable by the Fund.
The Investment Horizon	The Investment Horizon refers to the time period over which an investment objective will be pursued and

	<p>an investment strategy will be implemented.</p> <p>The initial Investment Horizon for a Fund is set out in the Term Sheet for that Fund.</p> <p>Before the expiry of an Investment Horizon, investors in the Fund will be notified of the next Investment Horizon, investment objective, investment strategy and redemption rights for that next Investment Horizon. Investors will be given the opportunity to redeem their Shares in the Fund at the end of each Investment Horizon or remain in the Fund for that next Investment Horizon. Investors should intend to hold their Shares for the entire Investment Horizon.</p> <p>The Investment Horizon for a Fund may be lengthened or shortened as described in “Risk Considerations.”</p>
The Reference Investment	<p>The Reference Investment for a Fund is set out in the Term Sheet for that Fund.</p> <p>The Reference Investment for a Fund may be changed during the Investment Horizon as described in “Risk Considerations”.</p>
Manager	<p>Macquarie Financial Products Management Limited (in this capacity, the “Manager”), a limited liability company incorporated under the laws of Australia, will be the manager of each Fund and will select, manage and direct the investments of a Fund pursuant to an investment management agreement (the “Management Agreement”). The Manager holds an Australian Financial Services Licence issued by the Australian Securities and Investments Commission.</p> <p>The Manager is part of the Macquarie Group Limited group of companies (the “Macquarie Group”).</p>
Custodian/Administrator	<p>Macquarie Financial Products Management Limited (in this capacity, the “Custodian/Administrator”) will be the custodian and administrator of each Fund pursuant to a custody and administration agreement (the “Custody and Administration Agreement”).</p>
Classes of Shares	<p>The Company has an authorised share capital of USD50,000 divided into 1,000 management shares of par value USD1.00 each (the “Management Shares”) and 49,000,000 redeemable participating shares of par value USD0.001 each (“Participating Shares”).</p> <p>The Participating Shares are issuable by the Directors in such separate Classes of Participating Shares as the Directors may determine from time to time. The Company will establish and maintain a separate account of assets and liabilities within the KINETIC Segregated Portfolio with respect to each Class. All assets and liabilities attributable to a Class are held and segregated from the assets and liabilities attributable to other Classes and from the assets and liabilities attributable to other segregated portfolios and from the general assets and liabilities of the Company.</p>
Offering Currency, Issue Price and Par Value of Shares	<p>The Offering Currency, Issue Price and par value of Shares in a Fund is set out in the Term Sheet for that Fund.</p>
Minimum Investment	<p>The Minimum Investment in a Fund is set out in the Term Sheet for that Fund.</p> <p>The Minimum Investment may be waived by the Directors or the Manager (subject to an absolute minimum investment amount of USD100,000 or its foreign currency equivalent).</p>
Voting Rights	<p>The Management Shares carry full voting rights, but do not participate in the profits of the Company or a Fund. The holders of Participating Shares have no voting rights except in limited circumstances as described in “Share Rights.”</p>
Eligible Investors	<p>Shares may only be offered in or from Australia, Austria, Germany, Luxembourg and Switzerland in accordance with the Offering Legends on page 36 or to investors in other jurisdictions that are accepted by the Manager. Shares will not be offered to persons who are “U.S. Persons”, as that term is defined in the Glossary.</p>
Offer Period	<p>The Offer Period for Shares in a Fund is set out in the Term Sheet for that Fund. The Offer Period may</p>

	be shortened or extended in the discretion of the Directors.
Issue Date	The Issue Date for Shares in a Fund is set out in the Term Sheet for that Fund. The Directors reserve the right to not issue Shares in a Fund.
Applications	The Directors reserve the right to reject any subscription in whole or in part in their absolute discretion.
Redemptions	<p>Investors should intend to hold their Shares for the entire Investment Horizon. Investors may only request a redemption of their Shares in a Fund on the Redemption Dates set out in the Term Sheet for that Fund. Shares in a Fund will not be listed on any stock exchange.</p> <p>Investors may request a redemption (a “Redemption Request”) of some or all of their Shares in a Fund in respect of the Redemption Dates set out in the Term Sheet for that Fund.</p> <p>Redemption Requests in respect of a particular Redemption Date must be received by the Custodian/Administrator at least 15 Business Days before the relevant Redemption Date. A Redemption Request, once given, is irrevocable unless the Shareholder is permitted to revoke its Redemption Request in accordance with the Articles. Shares redeemed by a Fund are available for re-issue.</p> <p>The redemption of a Shareholder’s Shares shall occur on the day upon which the Net Asset Value and Net Asset Value per Share relating to a particular Redemption Date is determined provided that such date must be within 30 days of the relevant Redemption Date. Where the Net Asset Value and Net Asset Value per Participating Share relating to a particular Redemption Date is not determined within 30 days of the relevant Redemption Date and there is no market disturbance event, the redemption of a Shareholder’s Participating Shares shall be deemed to occur on the 31st day following the relevant Redemption Date. Where the Custodian/Administrator cannot determine the Net Asset Value or the Net Asset Value per Share within 30 days of the relevant Redemption Date due to a market disturbance event, the redemption of a Shareholder’s Shares shall not occur in respect of that Redemption Date and the Redemption Request will be deemed to be a Redemption Request for the next Redemption Date unless the Redemption Request is revoked. The Custodian/Administrator may specify an Additional Redemption Date in circumstances where it believes that a Net Asset Value and the Net Asset Value per Share relating to such Additional Redemption Date can be determined. The Fund shall give the Shareholders such notice as is reasonably practicable in relation to any Additional Redemption Date and permit Shareholders to revoke any outstanding Redemption Requests or give new Redemption Requests within such time frame as the Custodian/Administrator may determine.</p> <p>The Redemption Price, being the Net Asset Value per Share as of the Redemption Date, will be:</p> <ul style="list-style-type: none"> • reduced by an amount equal to any losses (including where the realization price does not reflect the Net Asset Value) and costs (including break costs) incurred by a Fund in realizing assets to fund the redemption (the “Break Cost Amount”); and • increased by an amount equal to any gains (including where the realization price does not reflect the Net Asset Value and where break gains are payable) generated by the Fund in realizing assets to fund the redemption (the “Break Gains Amount”). <p>Where Shares of more than one Shareholder are redeemed on the same Redemption Date, any Break Cost Amount or Break Gains Amount will be allocated on a pro-rata basis between the redeeming Shareholders in an amount corresponding to the number of Shares redeemed, and the Redemption Price due to a redeeming Shareholder will be adjusted accordingly.</p> <p>Proceeds of redemptions will generally be available within 30 Business Days of the relevant Redemption Date.</p>
Suspension of Redemptions	The Directors may suspend the right of Shareholders to request a redemption of Shares of a class of a Fund (i) in order to effect the orderly liquidation of the assets of a Fund, or (ii) if the Directors determine that the disposal of the assets of a Fund is not practicable or reasonable and that it would prejudice the interests of the holders of Shares in such Fund.
Net Asset Value	The Net Asset Value (or “NAV”) and the Net Asset Value per Share of a Fund will be determined by the Custodian/Administrator as at the last Business Day of each month, including each Redemption Date, in

	<p>accordance with the Constitutional Documents and the rights attaching to the Shares. The Net Asset Value of a Fund is generally equivalent to the assets less the liabilities of that Fund as at the close of the relevant Business Day. The NAV will include accrual of Management Fees, Custody and Administration Fees and general expenses. The Net Asset Value per Share of a Fund is determined by dividing the Net Asset Value of that Fund by the number of outstanding Shares in that Fund at the relevant time.</p>
Management Fee	<p>The Manager will receive a fee ("Management Fee") from a Fund equal to 0.60% per annum multiplied by the number of Shares of that Fund on issue multiplied by the Issue Price of such Shares. The Management Fee will accrue daily and be paid annually in arrears and at the end of the Investment Horizon.</p> <p>The Manager will not be entitled to receive a performance fee from a Fund.</p>
Custody and Administration Fee	<p>The Custodian/Administrator will receive a fee ("Custody and Administration Fee") from a Fund of up to 0.15% per annum multiplied by the number of Shares of that Fund on issue multiplied by the Issue Price of such Shares. The Custody and Administration Fee will accrue daily and be paid annually in arrears and at the end of the Investment Horizon.</p>
Expenses	<p>Establishment and promotional expenses: Establishment and promotional expenses will be paid by the Manager and will not be reimbursed by a Fund.</p> <p>Transaction costs: A Fund will pay all transaction costs incurred by it in respect of its investments at normal commercial rates. Where such transaction costs are incurred in respect of Redemption Requests prior to the end of the Investment Horizon, such transaction costs will be for the account of the redeeming Shareholder – see "Redemption and Transfer of Shares" for more information.</p> <p>General expenses: A Fund will pay its administration expenses not captured above and its apportioned share of the costs of administering the Company (for this purpose expenses may be recognised on an accruals basis or as incurred, depending upon the nature of the expenses). Such expenses which are attributable to a Fund will be allocated to that Fund. The Manager may pay such expenses on behalf of the Fund and seek reimbursement from the Fund.</p>
Subscription Fee	<p>The amount of the Subscription Fee is to be agreed between the Distribution Agent and the investor and must not exceed 0.75% of the initial investment amount. Any agreed Subscription Fee is to be paid to the Fund together with the investor's initial investment amount and the Fund will pay such amount to the Distribution Agent.</p>
Buy/sell spread	<p>There is no secondary market for the Shares and none is expected to develop. There is currently no buy/sell spread for Shares in a Fund.</p>
Risk Considerations	<p>An investment in a Fund involves risk. A more detailed discussion of the risks associated with an investment in a Fund is included in "Risk Considerations" and in the relevant Term Sheet.</p>
Conflicts of Interest	<p>The investment activities of the Manager and its affiliates, whether for their own accounts or the accounts of others, may give rise to conflicts of interest that may disadvantage a Fund. A more detailed discussion of these and other potential conflicts is included in "Conflicts of Interest."</p>
Tax Considerations	<p><i>Cayman Islands</i></p> <p>The Government of the Cayman Islands will not, under existing legislation, impose any income, corporate or capital gains tax, estate duty, inheritance tax, gift tax or withholding tax upon a Fund or the Shareholders. The Cayman Islands are not party to a double taxation treaty with any country that is applicable to any payments made to or by the Fund.</p> <p><i>Switzerland</i></p> <p>The Fund qualifies as a non-Swiss closed-end non-distributing collective investment scheme pursuant to the guidelines of the Swiss Federal Tax Administration.</p> <p>The taxation of the income realised by the Fund and the Fund's NAV in the hands of a Swiss domiciled</p>

	<p>investor holding the Shares in the Fund depends on the tax status of the investor.</p> <p>The net income realised by the Fund (if any) will be subject to income tax and the Fund's NAV per Share to net wealth tax in the hands of Swiss resident individual investors holding Shares as a private asset. The Company intends to report annually the net taxable income per Share and the NAV per Share to the Swiss Federal Tax Administration, which should publish this data on its public database.</p> <p>Primary and secondary market transactions with the Shares in the Fund may be subject to 15 bps Swiss Securities Transfer Tax.</p> <p>No EU Savings Tax is due as the Company is a non-UCITS fund.</p> <p>The tax treatment depends on the individual tax position of each investor and may be subject to change if the Swiss tax laws or tax practice changes, possibly with retroactive effect. Prospective investors should therefore consult their own tax advisors concerning the tax consequences of purchasing, holding and disposing of the Shares in the Fund in respect of their particular circumstances.</p>
Auditors	Ernst & Young will be the auditors to the Company in relation to each Fund.

The Company, the KINETIC Segregated Portfolio and the Funds

The Company

MQ KINETIC SPC ("the Company") is an exempted company incorporated with limited liability and registered as a segregated portfolio company in the Cayman Islands, with registered number 231270. The Company's Constitutional Documents empower it to carry on the business of a Mutual Fund (as that term is defined under the Mutual Funds Law (2009 Revision)), and in furtherance thereof, to acquire, possess, deal in and dispose of securities, currencies, derivative instruments and other financial instruments of any kind.

Segregated Portfolios – the KINETIC Segregated Portfolio

The Company has been registered as a segregated portfolio company. As a segregated portfolio company, the Company is permitted to create segregated portfolios (the KINETIC Segregated Portfolio being one such segregated portfolio) in order to segregate the assets and liabilities of one segregated portfolio from the assets and liabilities of other segregated portfolios, and from the Company's general assets and liabilities. The Company establishes and maintains a separate and distinct set of assets and liabilities in connection with each segregated portfolio. Assets belonging or pertaining to a segregated portfolio may only be used to meet liabilities to creditors in respect of that segregated portfolio and are not available to meet liabilities to creditors in respect of other segregated portfolios or, except where otherwise agreed, to general creditors of the Company. However, the Company is a single legal entity which may operate or have assets held on its behalf or be subject to claims in other jurisdictions which may not necessarily recognise such segregation and, in such circumstances, there is a risk that the assets of a segregated portfolio may be applied to meet the liabilities of another segregated portfolio whose assets are exhausted.

Separate Accounts within the KINETIC Segregated Portfolio – the Funds

The Company will establish a separate account (each a "Fund") within the KINETIC Segregated Portfolio for each Class of Shares. A Fund will comprise the assets and liabilities within the KINETIC Segregated Portfolio which relate to a particular Class of Shares. The rights of holders of a particular Class of Shares are limited to the assets and liabilities of the particular Fund to which that Class of Shares relate. Assets belonging or pertaining to a Fund may only be used to meet liabilities to creditors in respect of that Fund and are not available to meet liabilities to creditors in respect of other Funds or segregated portfolios or, except where otherwise agreed, to general creditors of the Company. However, the Company is a single legal entity which may operate or have assets held on its behalf or be subject to claims in other jurisdictions which may not necessarily recognise such segregation and, in such circumstances, there is a risk that the assets of a separate account may be applied to meet the liabilities of another separate account or another segregated portfolio whose assets are exhausted.

Management Shares

MaplesFS Limited ("MaplesFS"), a company incorporated in the Cayman Islands, holds all of the Management Shares, as trustee, pursuant to a declaration of trust under Cayman Islands law (the "Declaration of Trust") pursuant to which MaplesFS holds all the issued Management Shares of the Company in trust with power to benefit certain qualified charities (the "Trust"). The Management Shares carry voting rights, each Management Share conferring upon the holder thereof the right to receive notice of, and to attend and vote at, general meetings of the Company. The Management Shares do not participate in the profits of the Company or any Fund.

Under the terms of the Declaration of Trust, MaplesFS shall not be liable for any loss to the trust fund howsoever arising or for the negligence, wilful default or fraud of any agent employed by MaplesFS or by reason of any mistake or omission made in good faith by MaplesFS or by reason of any other matter or thing except the actual fraud or wilful default on the part of MaplesFS. Other than in respect of a resolution to wind up the Company, MaplesFS is not required to vote the Management Shares in the best interests of Shareholders and MaplesFS shall not be liable to any Shareholder for any loss suffered howsoever arising. The Trustees may rely on the Manager as to what is in the best interests of the participating shareholders of the relevant segregated portfolio(s) for the time being of the Company.

Profiles

The following section sets out the various participants engaged in the operation of each Fund.

Company Directors

The Directors are responsible for the overall management and control of the Company and each Fund but have delegated the investment management, administrative and custody functions to the Manager and Custodian/Administrator. The Directors will receive periodic reports from the Manager detailing a Fund's performance and providing an analysis of its investment portfolio. The Manager will provide such other information as may from time to time be reasonably required by the Directors for the purpose of managing and administering a Fund.

For the purposes of this Memorandum, the address of each Director is the registered address of the Company. There is no provision in the Constitutional Documents requiring a Director to retire by reason of any age limit and no share qualification for Directors. See "Fees and Expenses" regarding remuneration payable to Directors.

A brief biographical description of the Directors of the Company follows:

Marc Hari

Marc Hari is a Division Director with Macquarie Bank Limited, based in Zurich, Switzerland. Mr. Hari joined Macquarie Group in its London offices in 1999 from Swisscom where he was a financing specialist in the Corporate Finance and Treasury area involved in developing the company's IPO strategy and establishing the company's corporate treasury division, including developing its risk management framework. While at Macquarie Group, Mr. Hari has been responsible for leasing and debt syndication transactions for a number of infrastructure clients. In addition, he has led and completed infrastructure asset finance transactions for the telecommunications, rail, post and aviation sectors. More recently Mr. Hari has been actively involved in the distribution of Macquarie Group infrastructure funds into the German and Swiss markets. Mr. Hari received his diploma in Economics from the University of Applied Sciences, Fribourg, Switzerland.

Peter Huber

Peter W. Huber is a Global Co-Head of Maples Fiduciary Services, a division of the MaplesFS group with offices in the Cayman Islands, Dubai, Dublin, Hong Kong, Luxembourg, Montreal and New York. MaplesFS offers a comprehensive range of fiduciary and administration services to finance vehicles and investment funds. Mr. Huber joined Maples Fiduciary Services in 2005 and works on a wide range of investment fund and structured finance products, including multi-manager funds, hedge funds, private equity funds and unit trust structures. Prior to joining Maples Fiduciary Services, Mr. Huber was a Director and Chief Investment Officer of Close Brothers, a British merchant bank located in the Cayman Islands, starting there in November 2002. From 1999 to October 2002, Mr. Huber co-founded and was a Director of a private client wealth management firm located in Canada. Mr. Huber began his career in 1990 with Ernst & Young in Canada and in the Cayman Islands. Mr. Huber is a CFA charterholder and a member of the Canadian Institute of Chartered Accountants. Mr. Huber graduated with an MBA in Finance and Accounting from the University of Toronto in 1991 and received his undergraduate degree in Life Science from Queen's University in Kingston, Canada in 1989. He has also completed the Canadian Securities Course, the Conducts and Practices Course and the Directors and Officers Course offered by the Canadian Securities Institute. He is the acting chairman of the Board of Trustees for the Cayman Islands Chamber of Commerce Pension Plan.

Alasdair Foster

Alasdair Foster is a Senior Vice President of Maples Fiduciary Services, a division of the MaplesFS group with offices in the Cayman Islands, Dubai, Dublin, Hong Kong, Luxembourg, Montreal and New York. MaplesFS offers a comprehensive range of fiduciary and administration services to finance vehicles and investment funds. Mr Foster joined Maples Fiduciary Services in 2011 and works on a wide range of investment fund products, including multi-manager funds, hedge funds, private equity funds and unit trust structures. He has been a resident of the Cayman Islands since 2008 and prior to joining Maples Fiduciary Services held a senior role with another large fiduciary services provider in the Cayman Islands serving on the boards of investment vehicles. Mr Foster graduated in 1997 from Oxford University and then completed the Bar Vocational Course at the Inns of Court School of Law in London. He practiced law at the English Bar for five years before continuing his education in 2003 with an MBA from the Judge Business School at Cambridge University. He was subsequently employed by JPMorgan in London as a Vice President on the Fixed Income Syndicate Desk.

Mark Cook

Mark Cook is a Senior Vice President of Maples Fiduciary Services, a division of the MaplesFS group with offices in the Cayman Islands, Dubai, Dublin, Hong Kong, Luxembourg, Montreal and New York. MaplesFS offers a comprehensive range of fiduciary and

administration services to finance vehicles and investment funds. Mr Cook joined Maples Fiduciary Services in 2008 and works on a wide range of investment fund products, including multi-manager funds, hedge funds, private equity funds and unit trust structures. From 2005 to 2008 Mr Cook worked with Citco Fund Services (Cayman Islands) Limited servicing a number of multi billion dollar funds most recently as a Relationship Manager. From 1998 to 2005 he worked at WHK Greenwoods, Chartered Accountants in Australia where he provided taxation, business and advisory services to a variety of clients including a number in the financial services industry. Mr Cook started his career with KPMG in 1995. Mr Cook holds Bachelors degrees in Commerce and Economics from the University of Queensland, Australia. He is a member of the Australian Institute of Chartered Accountants, the Cayman Islands Society of Professional Accountants, the Cayman Islands Directors Association and holds the designation of Accredited Director granted by Chartered Secretaries Canada. Mr Cook is currently resident in the Cayman Islands and has been since 2005.

These Directors may from time to time change (including additional Directors being appointed). The Company's Articles provide for the appointment of alternate Directors who have all of the rights and powers of the Director(s) in whose stead such persons are appointed.

Directors' interests and arrangements: A Director cannot vote in respect of any agreement or transaction in which he or she has a material interest unless the material facts of such interest are disclosed in good faith at a meeting of the Directors, or in writing to the Directors. None of the Directors has, or has had since incorporation, any interest, direct or indirect, in any transactions which are unusual in their nature or significant to the business of a Fund except as disclosed in this Memorandum. The aggregate annual remuneration for all current Directors allocated to a Fund, which is determined by the Directors, is not expected to exceed USD12,500 per annum, although Mr Hari will not receive any Director fees. In the event that additional Directors are appointed the aggregate annual remuneration will increase. Directors carrying out additional duties may be entitled to additional remuneration, as determined by the Directors. The Directors are also entitled to be reimbursed all reasonable expenses incurred in connection with a Fund and its business including out-of-pocket expenses such as travelling, hotel and other expenses properly incurred by the Directors.

None of the Directors has a service contract, existing or proposed, with the Company except that the Company has entered into an agreement with Maples Fiduciary Services (Cayman) Limited ("MFS") pursuant to which MFS has agreed to provide three Directors (currently Mr Huber, Mr Foster and Mr Cook). MFS is entitled to remuneration from the Company at its customary rates and for reimbursement of its out-of-pocket expenses, including all travelling, hotel and other expenses properly incurred by the Directors supplied by MFS in attending meetings of the Directors or any shareholders meeting held in connection with the business of the Company. Mr Huber, Mr Foster and Mr Cook are employed by an affiliate of MaplesFS, a licensed trust company and mutual fund administrator headquartered in the Cayman Islands. MFS is indirectly wholly owned and controlled by Maples and Calder, the Cayman Islands legal counsel to the Company.

Except as otherwise disclosed in this document, none of the Directors provided by MFS holds Shares in a Fund, nor have they been granted any options in respect of the Shares of a Fund. Each of the Directors may, directly or indirectly, subscribe for Shares.

No Director has (i) any unspent convictions in relation to indictable offences; (ii) been bankrupt or the subject of a voluntary arrangement, or has had a receiver appointed to any of his assets; (iii) been a director of any company which, while he was a director with an executive function had a receiver appointed or went into compulsory liquidation, creditors' voluntary liquidation, administration or company voluntary arrangements, or made any composition or arrangement with any of its creditors; (iv) been a partner of any partnership, which while he was a partner, went into compulsory liquidation, administration or partnership voluntary arrangement, or had a receiver appointed to any partnership asset; or (v) been disqualified by a court from acting as a director or from acting in the management or conduct of affairs of any company.

The Directors will delegate day-to-day management and supervision of a Fund's investment activities to the Manager on the terms of the Management Agreement. The Directors have wide powers and discretion to exercise all the powers of a Fund including, but not limited to, to enter into investments, borrow money and to mortgage or charge its undertakings, property and uncalled capital or any part thereof, to issue debentures, debenture stock and offer securities whenever money is borrowed as security for any debt, liability or obligation of a Fund.

The Directors are not required to devote their full time and attention to the business of the Company. The Directors provided by MFS are non-executive directors of the Company and they may be engaged in any other business and/or be concerned or interested in or act as directors or officers of any other company or entity. Neither MFS nor any of the Directors supplied by MFS are responsible for (i) the commercial structuring of the Company or its investment strategy, (ii) the purchase or sale of any investment on behalf of the Company (which, in respect of the Funds, is the responsibility solely of the Manager), (iii) the valuation of the assets of the Company, or (iv) any loss or damage caused by the acts or omissions of the Manager, the Custodian/Administrator or any of their delegates or sub-delegates unless any such loss or damage is actually occasioned by the actual fraud or wilful default of the Directors supplied by MFS.

The Articles provide that every Director and officer of the Company shall be indemnified out of the General Assets (as defined in the Articles) and/or the Segregated Portfolio Assets (as defined in the Articles and which includes a Fund's assets) against any liability

incurred by him or her in respect to the General Assets and/or the relevant Segregated Portfolio Assets as a result of any act or failure to act in carrying out his or her functions in relation to the General Assets and/or the relevant Segregated Portfolio Assets other than such liability (if any) that may be incurred by reason of the actual fraud or wilful default of such Director or officer. The Articles also provide that no such Director or officer shall be liable to the Company for any loss or damage in carrying out his or her functions unless that liability arises through the actual fraud or wilful default of such Director or officer.

The Directors are not liable for the Manager's investment decisions in respect of a Fund taken pursuant to the terms of the Management Agreement.

Manager

The Directors have approved the appointment of Macquarie Financial Products Management Limited as investment manager of the assets of each Fund ("Manager") pursuant to an Investment Management Agreement (the "Management Agreement"). The Manager may also engage in the distribution or placement of the Shares where permitted by applicable regulations and is authorized to appoint Distribution Agents for the distribution or placement of the Shares.

The Manager is a wholly owned subsidiary of Macquarie Group Limited ("Macquarie Group"). Macquarie Group is a global provider of banking, financial, advisory, investment and funds management services. Macquarie Group has grown substantially since its establishment in Australia in 1969. Since then, Macquarie Group has evolved from an Australian institution growing internationally to a global institution headquartered in Australia. Macquarie Group is one of the largest funds management organisations in Australia and offers products in both the retail and institutional markets across the full range of asset classes.

The Manager holds an Australian Financial Services Licence (AFSL number 237847) issued by the Australian Securities and Investments Commission ("ASIC"). Pursuant to the Management Agreement, the Company in respect of each Fund has delegated investment management of the Fund's assets to the Manager which will be responsible, inter alia, for the following matters under the general supervision of the Directors:

- selecting investments for the Fund to acquire;
- arranging for the Fund to acquire the investments; and
- monitoring any periodic payments by or to the Fund.

The Management Agreement may be terminated by either party upon liquidation of the other party or if a party fails to remedy a breach within the specified time. The Manager may terminate the Management Agreement for any reason after giving the Directors 90 days' prior written notice.

The Management Agreement provides that a Fund must indemnify the Manager against any losses or liabilities reasonably incurred by the Manager arising out of, or in connection with, the Manager or any of its officers acting under the Management Agreement or on account of any bona fide investment decision made by the Manager or its officers or agents except insofar as any loss or liability is caused by the gross negligence, fraud or dishonesty of the Manager or its officers or agents. The Manager must indemnify a Fund against any losses or liabilities reasonably incurred by that Fund arising out of, or in connection with, any gross negligence, fraud or dishonesty of the Manager or its officers or agents.

The Management Agreement contains limited recourse provisions under which the recourse against the Company by the Manager in respect of any claims arising under or in relation to the Management Agreement is expressed to be limited to the relevant Fund, and the Manager shall have no recourse to any other assets of the Company, or any other segregated portfolio or any other Fund. If, following the realisation of the assets of a Fund and the application of such realisation proceeds in payment of all claims of the Manager relating to that Fund and all other liabilities (if any) of the Company ranking pari passu with or senior to such claims which have recourse to that Fund, such claims are not paid in full, (a) the amount outstanding in respect of such claims shall be automatically extinguished, (b) the Manager shall have no further right of payment in respect thereof, and (c) the Manager shall not be able to petition for the winding up of the Company or the termination of that Fund as a consequence of any such shortfall.

The Manager may appoint a sub-manager to assist in the management of a Fund. A sub-manager may be an affiliate of the Manager.

See "Fees and Expenses" for a description of the fees payable to the Manager.

The directors of the Manager are ultimately responsible for the decisions of the Manager under the Management Agreement. A brief biographical description of the directors of the Manager follows:

Peter Lucas

Executive Director – Macquarie Bank Limited

Peter Lucas is head of the Specialised Investment Solutions division which provides investors with a range of capital protected investment solutions, lifetime income guarantees, alternative fund investments (including hedge funds and residential property funds) as well as fund linked products (including both volatility and gap risk/leverage based solutions). Mr. Lucas joined Macquarie Group in 1996 as an Associate Director responsible for cross border equipment leasing to clients in the aviation industry. After three years and a number of successful transactions, Mr. Lucas commenced the business that has now become the Specialised Investment Solutions division. The division is now represented in Australia, Europe and North America and is providing services and investment solutions to both wholesale and retail investors. Mr. Lucas holds a Bachelor of Commerce from the University of NSW and is an Associate of the Institute of Chartered Accountants in Australia.

Jason King

Executive Director – Macquarie Bank Limited

Jason King joined Macquarie Group in October 2002 after working for seven years in the Financial Services Tax division at PricewaterhouseCoopers in Sydney and London. Mr. King has specialised in the area of taxation law for over 14 years. Mr. King is responsible for the development and manufacture of structured products for the Australian and New Zealand markets. Mr. King was responsible for the Macquarie reFlexion® Trusts which were some of the first Australian retail structured products to offer Australian investors a leveraged exposure to a range of international assets such as the Middle East, China, emerging markets and commodities.

William Fox

Division Director – Macquarie Bank Limited

William Fox joined Macquarie Group in 1998 to manage a portfolio of structured wholesale investments in the research and development area. Mr. Fox has focused on retail structured products since 2001, managing a vehicle invested in a portfolio of feature film investments and being responsible for the preparation of a range of managed investment scheme offer documents. Since 2004, Mr. Fox has been the product manager of Macquarie Fusion Funds® which have been offered to retail clients in Australia and have raised over A\$1.5b. Mr. Fox was appointed a director of MFPML in 2007. Mr. Fox holds a Bachelor of Behavioural Science (Hons.) from La Trobe University.

Antony Clubb

Division Director, Macquarie Bank Limited

Antony joined Macquarie in 2006 after 9 years at consulting firm Accenture to take charge of a portfolio of projects in the Macquarie Investment Lending division. From 2008 he also took on operational management responsibility servicing the range of Macquarie Investment Lending products, including client administration and custodian functions

Since 2009 he has been responsible for the product development and management of the structured capital products offered by the Investment Lending division, including Geared Equities Investment (GEI) and Equity Lever. He has combined this role with project management responsibilities focused on product implementation and business improvement. He holds a Bachelor of Science (Hons.) from University of NSW.

Custodian/Administrator

The Directors have approved the appointment of Macquarie Financial Products Management Limited as custodian and administrator for each Fund (“Custodian/Administrator”) pursuant to a Custody and Administration Agreement (the “Custody and Administration Agreement”).

Under the Custody and Administration Agreement, the Custodian/Administrator will:

- hold the assets of a Fund;
- receive/make any periodic payments by/to a Fund;
- determine the Net Asset Value and the Net Asset Value per Share;
- prepare and maintain the Fund's accounts and records;
- assist in the preparation of the Fund's audited accounts;
- provide any reports which are reasonably requested by a Fund, the Directors or the Manager (including tax reports);

- perform registry and transfer functions for a Fund.

The Custody and Administration Agreement may be terminated by the Company if the Custodian/Administrator fails to remedy a breach of the Custody and Administration Agreement within the specified time. The Custodian/Administrator may terminate the Custody and Administration Agreements for any reason after giving the Directors 90 days' prior written notice.

The Custody and Administration Agreement provides that the Custodian/Administrator must indemnify a Fund against any losses or liabilities incurred by that Fund arising out of or in connection with any negligence or breach of the Custody and Administration Agreement by the Custodian/Administrator except for amounts which are directly and primarily caused by the negligence or breach of the Custody and Administration Agreement by the Company. A Fund must indemnify the Custodian/Administrator against any losses or liabilities incurred by the Custodian/Administrator arising out of or in connection with any negligence or breach of the Custody and Administration Agreement by that Fund except for amounts to the extent caused or contributed to by the negligence, wilful default, fraud or breach of the Custody and Administration Agreement by the Custodian/Administrator.

The Custody and Administration Agreements contain limited recourse provisions under which the recourse against the Company of the Custodian/Administrator in respect of any claims arising under or in relation to the Custody and Administration Agreement is expressed to be limited to the relevant Fund, and the Custodian/Administrator shall have no recourse to any other assets of the Company, any other segregated portfolio or any other Fund. If, following the realisation of the assets of a Fund and the application of such realisation proceeds in payment of all claims of the custodian relating to that Fund and all other liabilities (if any) of the Company ranking pari passu with or senior to such claims which have recourse to that Fund, such claims are not paid in full, (a) the amount outstanding in respect of such claims shall be automatically extinguished, (b) the Custodian/Administrator shall have no further right of payment in respect thereof, and (c) the Custodian/Administrator shall not be able to petition for the winding up of the Company or the termination of that Fund as a consequence of any such shortfall.

Please refer to "Fees and Expenses" for information on fees and expenses in respect of the Custodian/Administrator.

Auditor

Ernst & Young, Cayman Islands, acts as the "Auditor" of each Fund. The Auditors have given and have not withdrawn their written consent to the inclusion of their name and references to them within this Memorandum, before delivery of a copy of this Memorandum to the Authority in the Cayman Islands.

Please refer to "Fees and Expenses" for information on fees and expenses in respect of the Auditor.

Investment Objective, Strategy and Guidelines

Investment Objective

The Investment Objective of a Fund is to:

- first, achieve the Target Base Return for that Fund at the end of the Investment Horizon for that Fund; and
- second, gain exposure to potential increases in the value of the Reference Investment for that Fund over the Investment Horizon for that Fund,

as set out in the Term Sheet for that Fund.

There is no guarantee that the Investment Objective of a Fund will be achieved.

Investment Strategy

The Manager will attempt to achieve a Fund's Investment Objective by implementing the following Investment Strategy:

- first, investing in deposits or debt securities to attempt to achieve the Target Base Return; and
- second, investing in derivatives (including swaps, options, futures) whose value is derived from the value of the Reference Investment.

The Manager may change the investments of a Fund at any time during the Investment Horizon of that Fund.

The Manager will have discretion to implement the Investment Strategy subject to the Investment Guidelines below.

Investment Guidelines

The Manager has discretion to invest the assets of a Fund within the following Investment Guidelines to attempt to achieve the Investment Objective:

- the Manager must invest sufficient money in deposits or debt securities to attempt to achieve the Target Base Return;
- if deposits or debt securities are invested in a currency other than the Offering Currency, such amount must be hedged back to the Offering Currency;
- the Manager may make investments in derivatives of any kind (including swaps, options, futures) whose value is derived from the value of the Reference Investment - indicative terms of such derivatives for a Fund, including any participation rates and payoff ranges (bounded by performance hurdles and performance caps), will be published and updated periodically before the Issue Date for a Fund at www.macquarie.com/kinetic;
- the Manager must not hold any net short positions, either directly or through derivatives, in the Reference Investment;
- the Manager must not borrow on behalf of a Fund or grant security over a Fund's assets; and
- any counterparty to an asset of the Fund (including the deposit taker or debt security counterparty) must have a Standard & Poor's credit rating of at least A at the time of contracting with the Fund - the Fund may contract with any Macquarie Group counterparties that have such a rating. If the payment obligations under a derivative are contingent upon any hedging party performing their obligations under a hedging agreement, the same ratings apply to such hedging party. The Manager need not change the investments of the Fund if the rating of a counterparty to an asset of the Fund is downgraded during the term of that investment.

The Manager must rectify the breach of any Investment Guideline within 5 days of such breach.

Changes in Investment Objective or Investment Guidelines

The Manager will have no power to alter the Investment Objective or the Investment Guidelines of a Fund without the consent of a majority of the holders of the relevant Class of Participating Shares.

Investment Restrictions

The Constitutional Documents do not contain any restrictions on the investment powers and activities of a Fund. However, the Manager will be restricted by the Investment Guidelines described above which are included in the Management Agreement.

Borrowing Restrictions

The Constitutional Documents do not contain any restrictions on the borrowing powers of a Fund. However, the Manager is prohibited from borrowing under the Investment Guidelines described above which are included in the Management Agreement.

Dividend Policy

The Funds do not intend to distribute any income or gains by way of dividends. Income and gains derived from the investments of a Fund form part of the Fund's net assets and are expected to be distributed as part of the redemption proceeds following the redemption of Shares. This does not preclude the Directors from declaring dividends at any time in the future if, in their sole discretion, they consider it appropriate to do so. In the event that a dividend is declared and remains unclaimed after a period of six years from the date of declaration, such dividend will be forfeited and will revert to a Fund. To the extent that a dividend may be declared, it will be paid in compliance with any applicable laws.

Risk Considerations

Prospective investors should give careful consideration to the factors set out below and in the relevant Term Sheet in evaluating the merits and suitability of an investment in a Fund. The following does not purport to be a complete enumeration or explanation of all of the risks associated with an investment in a Fund.

There are risks associated with any investment. Generally, the higher the expected return on an investment, the higher the risk and the greater the variability of returns. One measure of risk in an investment is the volatility of returns; the greater the volatility, the more likely that returns will differ from those expected over a given time period. This volatility can result in fluctuations in the Net Asset Value and/or amounts due to Shareholders on redemption of Shares.

Before selecting a suitable investment, it is important for investors to clarify their investment objectives, time horizon and risk tolerance.

Performance of Reference Investment

The value of, and returns from, an investment in a Fund will depend on the performance of the Reference Investment for that Fund over the Investment Horizon. There is a risk that the Reference Investment will decrease in value or will not increase in value into the payoff range for a derivative (bounded by performance hurdles and performance caps), over the Investment Horizon with the consequence that a Fund will not receive any return from amounts invested in derivatives whose value is derived from the Reference Investment or will suffer a loss in respect of any amounts invested in such derivatives.

The Term Sheet for a Fund sets out the risks specific to the Reference Investment for that Fund.

Performance of Investment Strategy

In making an investment decision in respect of a Fund, prospective investors should consider the expected performance of, and the risks associated with, the Reference Investment for the Fund as well as the expected performance of, and the risks associated with, the Investment Strategy of the Fund.

The return from an investment in a Fund is not expected to mirror a direct investment in the Reference Investment because:

- an amount must be invested in deposits or debt securities to attempt to achieve the Target Base Return for that Fund;
- any derivatives acquired by a Fund may have participation rates and payoff ranges (bounded by performance hurdles and performance caps) which define the return profile with the effect that the relevant derivative's return profile is not the same as the Reference Investment's actual return – indicative terms of such derivatives for a Fund, including any participation rates and payoff ranges (bounded by performance hurdles and performance caps), will be published and updated periodically before the Issue Date for a Fund at www.macquarie.com/kinetic;
- fees and expenses of a Fund;
- the fact that derivatives acquired by a Fund may have embedded costs which reduce the return generated by the derivative to the extent of those embedded costs;
- the dual nature of the Investment Objective means that the Manager is seeking to provide the Target Base Return at the same time as attempting to participate in the performance of the Reference Investment. It is unlikely that various elements of a Fund's portfolio, when combined, will generate a return by the end of the Fund's Investment Horizon which is the same as the return of the Reference Investment over the same period as the Investment Horizon of the Fund;
- a Fund's assets may, from time to time, include un-invested assets and accrued but unpaid liabilities (including fees and expenses);
- there may be delays in rebalancing a Fund's assets after a Redemption Date;
- a Fund must comply with the Investment Guidelines, which do not permit the Fund to invest directly in the Reference Investment; and
- extremely volatile markets, liquidity or trading constraints, or legal or regulatory restrictions may impact a Fund's ability to acquire or continue with investments in derivatives whose value is derived from the Reference Investment.

There is no guarantee that the Fund will achieve its Target Base Return at the end of the Investment Horizon.

Manager risk

Manager risk refers to the risk that the Manager will not achieve the Investment Objective. There are no guarantees that a Fund will achieve the Investment Objective.

Currency risk

Currency risk exists where the assets of a Fund are denominated in currencies other than its Offering Currency.

A Fund is permitted to invest in deposits or debt securities in currencies other than its Offering Currency provided that such amount is hedged back to the Offering Currency. This hedging means that investors may not benefit from any depreciation in the Offering Currency over the Investment Horizon relative to the currency of the deposit or security.

The Reference Investment for a Fund may be denominated in a different currency to the Offering Currency and this exposure in the Fund may not be hedged back to the Offering Currency. Accordingly, the risk of lower returns due to currency risk may exist in respect of the return from derivatives used to gain exposure to the Reference Investment. This will occur if the Offering Currency appreciates over the Investment Horizon relative to the currency of the Reference Investment.

Currency risk may also arise for investors who convert their local currency into the Offering Currency when applying for Shares and convert back on redemption. This risk arises where the local currency appreciates over the Investment Horizon relative to the Offering Currency.

Early redemption risk

A Fund's Investment Strategy is designed to be implemented over the Investment Horizon of the Fund in order to attempt to achieve the Investment Objective at the end of that Fund's Investment Horizon. Shareholders who redeem Shares prior to the Investment Horizon may not participate in the performance of the Investment Strategy in the same way or to the same extent as Shareholders remaining invested until the end of the Investment Horizon. The Redemption Price will incorporate any Break Cost Amount incurred, or Break Gains Amount generated, by the Fund in realizing assets to fund any early redemption.

Effects of substantial redemptions

Substantial redemptions of any Fund's Shares could require the Manager to liquidate assets more rapidly than would otherwise be desirable, which could adversely affect the value of the Shares. Shares will not be redeemed in respect of a Redemption Date if the Custodian/Administrator does not determine a Net Asset Value and Net Asset Value per Share for the relevant Redemption Date due to market disturbances as described herein and in the Articles. See "Suspension of Redemption Rights" and "Suspension of Determination of Net Asset Value and of Dealings."

Absence of regulatory oversight

The Company is subject to regulation as described in "Caymans Island Regulation" on page 35. Neither the Company nor any Fund are required to register or are subject to regulation or authorization as an investment company under the 1940 Act, as a foreign collective investment scheme under the CISA or the laws of any other country or jurisdiction, nor is such registration contemplated. Accordingly, the provisions of such statutes (which may provide certain regulatory safeguards to investors) will not be applicable. The Manager holds an Australian Financial Services Licence issued by the Australian Securities and Investments Commission ("ASIC").

Legislative risk

The assets and transactions of a Fund may be domiciled in foreign jurisdictions. Changes to laws or their interpretations in these jurisdictions including taxation laws and corporate regulatory laws could have a negative impact on a Fund and its returns to investors. Changes to corporate regulatory laws may have an impact on investors' ability to redeem Shares. Each Fund reserves the right to alter its investments or restructure its arrangements to prevent any adverse effects from changes to laws or changes to their interpretation.

Liquidity risk

This risk exists when investments are difficult to purchase or sell, preventing the Manager from liquidating assets at a fair price, and hence preventing the timely processing of redemptions. The investments of a Fund may be over-the-counter (or OTC) derivatives which might be difficult or costly to liquidate, particularly during the term of such derivatives.

Fees and expenses

The return from a Fund will be subject to fees and expenses as described in this Memorandum.

Derivatives risk

Derivatives are financial instruments that are used to obtain or reduce market exposures. They can potentially be used to create leveraged positions, where exposures are obtained that are greater than the value of assets required to support them. As the market value of derivatives positions are variable, gains or losses can be incurred, and can be greater than positions in unleveraged instruments. Derivative instruments are highly volatile, involve certain special risks and expose investors to a high risk of loss. Transactions in over-the-counter (OTC) derivatives may involve additional risk as there is no exchange market on which to close out an open position. It may be impossible to liquidate an existing position, to assess the value of a position or to assess the exposure to risk.

OTC derivative replacement risk

Where a Fund enters into an OTC derivative contract with a counterparty, the contract may be terminated in accordance with its terms on the occurrence of a termination event (generally, material events which do not imply any direct fault on the part of either the Fund or the OTC derivative counterparty but which make it undesirable to continue with the contract) or an event of default (generally, material events which include credit or insolvency-related events occurring in respect of either the Fund or the OTC derivative counterparty).

In the event that the OTC derivative contract which provides a Fund with exposure to the Reference Investment is terminated and not promptly replaced by a new contract with the same or similar terms, a Fund may suffer a reduction in Net Asset Value and may incur additional costs and expenses while the Manager seeks to identify another counterparty willing to provide a replacement OTC derivative contract to the Fund.

Counterparty risk

Counterparty risk is the risk of loss due to counterparty default. A Fund will be subject to default risk of the counterparties or issuers of financial instruments forming part of a Fund's portfolio. If the payment obligations under a derivative are contingent upon any hedging party performing their obligations under a hedging agreement, a Fund will be subject to default risk of such hedging party.

Counterparties of a Fund include counterparties to assets of the Fund such as the entity with which the Fund places a deposit or acquires debt securities and the entity with which the Fund enters into a derivative contract to provide exposure to the Reference Investment. Any such counterparty to an asset of a Fund (including the deposit taker or debt security counterparty) must have a Standard & Poor's credit rating of at least A at the time of contracting with that Fund and such counterparties may include Macquarie Group companies that have such a rating. If the payment obligations under a derivative are contingent upon any hedging party performing their obligations under a hedging agreement, the same ratings apply to such hedging party.

The Manager need not change the investments of a Fund if the rating of a counterparty to an asset of the Fund is downgraded during the term of that investment.

Counterparties of a Fund also include the Manager and the Custodian/Administrator (although these counterparties are not required to meet the ratings criteria referred to above). The default by any counterparty or hedging party could have a material affect on the value, and return from, an investment in a Fund. Any credit rating applicable to a counterparty or hedging party is not a guarantee of payment. In the event that a counterparty or hedging party to or issuer of a financial instrument held by a Fund becomes insolvent, the Fund may make a loss on the instrument, as well as being subject to adverse market movements and increased transaction costs when seeking to replace those instruments. Where the instrument is an OTC derivative whose value is derived from the Reference Investment, a Fund is likely to experience significant delays in liquidating or unwinding the OTC derivative and to suffer losses, including declines in the Net Asset Value of the Fund, inability to realise any gains that would otherwise have been made as a result of the performance of the Reference Investment during such period, and incur fees and expenses in enforcing its rights.

Reference Investment Replacement Risk

In the event that the Manager determines in its discretion that the Reference Investment for a Fund is no longer available or investable, that the Fund is unable to obtain a derivative whose value is derived from the Reference Investment, or if for any reason the Fund or the Manager (or any of its affiliates) cease to have the requisite licence or rights (including any relevant intellectual property rights) to refer to the Reference Investment in respect of that Fund, the Manager may, at its discretion and subject to sending a notice informing Shareholders of the relevant Fund of this fact as soon as reasonably practicable, select a replacement Reference Investment. The Company will declare an additional Redemption Date (an "Extraordinary Redemption Date") with respect to that Fund which will occur within one month of the date of such notice to enable Shareholders of the Fund not wishing to remain invested following the change in the Reference Investment to submit Redemption Requests as described in such notice.

Interest rate risk

Interest rate risk arises with changes in market yields that change the value of interest rate securities including deposits and debt securities. An increase in interest rates leads to a reduction in the value of a fixed income investment, and vice versa. This may affect the value of the assets in a Fund and hence the NAV of a Fund.

Transfer/Resale risk

Transfers of Shares are subject to the approval of the Board, the restrictions contained in the Articles and applicable laws and regulations. The Shares are not registered under the securities laws of any jurisdiction, and may only be resold or transferred pursuant to registration or exemption there from. There is no secondary market for the Shares and none is expected to develop.

No third party custodian or administrator

Macquarie Financial Products Management Limited will act as the custodian and administrator of each Fund in addition to acting as the manager of each Fund. See "Conflicts of Interest."

Cross Liability between Classes**(a) Recourse to the assets of any other Segregated Portfolio**

The Company has been established under the Companies Law as an exempted company and is registered as a segregated portfolio company. The KINETIC Segregated Portfolio is one of a number of segregated portfolios of the Company. This type of structure is designed to achieve segregation between the assets and liabilities attributable to different segregated portfolios. However investors should be aware that this type of structure does not exist in most jurisdictions and the applicable provisions of the Companies Law have not, so far as the Directors are aware, been subject to judicial scrutiny in any jurisdiction. Accordingly, the Company will also seek to contract with all parties on a "limited recourse" basis as described below under "Limited recourse arrangements".

As a matter of Cayman Islands law only, the assets of one segregated portfolio are not available to meet the liabilities of another. However, the Company is a single legal entity which may operate or have assets held on its behalf or be subject to claims in other jurisdictions which may not necessarily recognise such segregation and, in such circumstances, there is a risk that the assets of a segregated portfolio may be applied to meet the liabilities of another segregated portfolio whose assets are exhausted.

(b) Recourse to the assets of any other separate account within a Segregated Portfolio

The Company will establish a separate account (each a "Fund") within the KINETIC Segregated Portfolio for each Class of Shares. A Fund will comprise the assets and liabilities within the KINETIC Segregated Portfolio which relate to a particular Class of Shares. The rights of holders of a particular Class of Shares are limited to the assets and liabilities of the particular Fund to which that Class of Shares relate. Assets belonging or pertaining to a Fund may only be used to meet liabilities to creditors in respect of that Fund and are not available to meet liabilities to creditors in respect of other Funds or segregated portfolios or, except where otherwise agreed, to general creditors of the Company. However, the Company is a single legal entity which may operate or have assets held on its behalf or be subject to claims in other jurisdictions which may not necessarily recognise such segregation and, in such circumstances, there is a risk that the assets of a separate account may be applied to meet the liabilities of another separate account or another segregated portfolio whose assets are exhausted.

The Company intends to offer various Classes of Participating Shares in the Company. Some of the Classes may invest in higher risk assets. Where more than one Class of Participating Shares is issued in respect of a particular segregated portfolio of the Company, shareholders of such Classes of Participating Shares may be compelled to bear the liabilities incurred in respect of the other Classes of such segregated portfolio, which such shareholders do not themselves own, if there are insufficient assets in respect of the other Classes to satisfy those liabilities. Accordingly, there is a risk that liabilities of one Class within a particular segregated portfolio may not be limited to that particular Class and may be required to be paid out of one or more other Classes of that particular segregated portfolio.

To mitigate this risk, the Company will wherever possible seek to contract on a "limited recourse" basis (see "Limited recourse arrangements" below).

(c) Allocation of Liabilities Among All Shareholders

The Company expects from time to time to make issues of Participating Shares in different Classes. Each Class of Participating Shares will be issued in respect of a separate account within the KINETIC Segregated Portfolio established by the Company. Each segregated portfolio and separate account will not be a separate legal entity. The Company as a whole is one legal entity. Thus, except to the extent that a creditor of the Company is bound by the segregation rules under the Companies Law or has agreed to limit its recourse to the assets of one or more segregated portfolios or separate accounts, all of the assets of the Company will be available to meet all of the obligations and liabilities of the Company. This will be the case regardless of whether or not such obligations and liabilities are

attributable to a particular Class. However, the Company will wherever possible seek to contract on a "limited recourse" basis (see "Limited recourse arrangements" below) and under the Companies Law the assets of one segregated portfolio will not be available to meet the liabilities of another segregated portfolio.

(d) Limited recourse arrangements.

The Company on behalf of a Fund will seek to contract with parties on a "limited recourse" basis such that claims against the Company in respect of a Fund would be restricted to the assets of the relevant Fund. Each of the contracts described in this Memorandum under the heading "Additional Information – Material Contracts" contains, or will contain, limited recourse restrictions.

(e) Consequences of winding-up proceedings.

If the Company fails for any reason in respect of a Fund or the general assets of the Company to meet its obligations or liabilities, or is unable to pay its debts, a creditor may be entitled to make an application for the winding up of the Company or the appointment of a receiver in relation to the Fund. The commencement of such proceedings may entitle creditors to terminate contracts with the Company and claim damages for any loss arising from such early termination. The commencement of such proceedings may result in the Company or the Fund being dissolved unexpectedly and its assets being realised and applied to pay the fees and expenses of the appointed liquidator or receiver, then in satisfaction of debts preferred by law and then in payment of the Company's or the Fund's liabilities before any surplus is distributed to the holder(s) of the Shares issued in respect of the Fund. In the event of proceedings being commenced, the Net Asset Value of the Shares and the applicable Redemption Price payable may be reduced below that which it would otherwise have been applying the valuation principles set out under the heading "Net Asset Value" of this Memorandum.

Communication risk

Mail addressed to a Fund and received at its registered office will be forwarded unopened to the Manager to be dealt with. None of the Company, a Fund, the Directors, offices or service providers will bear any responsibility for any delay howsoever caused in mail reaching the Manager. In particular, the Directors will not receive, open or deal directly with mail addressed to the Company or a Fund.

The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in a Fund. Prospective investors should read this entire Memorandum and the Company's Constitutional Documents and consult with their own advisors before deciding whether to invest in a Fund. In addition, an investment in a Fund may be subject to additional and different risk factors over time.

Maples and Calder

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

Conflicts of Interest

Macquarie Group is a global provider of banking, financial, advisory, investment and funds management services. In the ordinary course of business, Macquarie Group engages in activities where its own interests or the interests of its clients may conflict with the interests of Shareholders. References to the Manager in this section shall be deemed to include references to the Custodian where the Manager and the Custodian are the same legal entity.

The discussion below enumerates certain actual and potential conflicts of interests that may disadvantage Shareholders. By acquiring Shares, each Shareholder will be deemed to acknowledge the existence of such actual and potential conflicts of interest.

Macquarie Group has put in place Chinese Walls among its various businesses. The Chinese Walls are information barriers that prevent confidential or potentially price-sensitive information held within one area in Macquarie Group being communicated to another area. Macquarie Group's Chinese Walls involve a combination of both structural measures (for example, physical separation among areas and security and access restrictions) and employee conduct measures (for example, trading blackout periods and policies against insider trading). The Manager is positioned within Macquarie Funds Group, a division of Macquarie Group, and is contained within a Chinese Wall separate from other areas of Macquarie Group, including the futures execution and clearing broker business and investment banking business.

Members of Macquarie Group, including the Manager, may have proprietary interests in, and may manage, deal in or advise with respect to, accounts or funds (including separate accounts and other funds and pooled investment vehicles) that have investment objectives similar to those of a Fund and/or engage in transactions in the same types of securities and instruments as a Fund. Such transactions may be executed independently of a Fund's transactions and thus at prices or rates that may be more or less favourable than those obtained by a Fund.

The Manager has no obligation to purchase or sell, or recommend for purchase or sale, for the account of a Fund any investment which the Manager purchases or sells for the account of any other client; and the Manager may give advice and take action in the performance of its duties for other clients which differ from advice given and action taken in relation to a Fund. The Manager and its affiliates may actively engage in transactions in the same securities sought by a Fund and, therefore, may compete with a Fund for investment opportunities.

Affiliated members of Macquarie Group engage in a broad range of activities over which the Manager has no control or ability to exercise oversight. As a result, it is possible that a Fund may make an investment in relation to which a member of Macquarie Group provides investment banking, operational, consulting or other similar services. Such members of Macquarie Group may earn fees from providing such services. A Fund may also execute derivatives transactions with a Macquarie Group entity as the counterparty.

Members of Macquarie Group, including the Manager, may, although they are not required to, purchase, hold or sell securities issued by a Fund.

From time to time, a Fund's activities may be restricted due to regulatory restrictions applicable to Macquarie Group, and/or their internal policies designed to comply with such restrictions. As a result, there may be periods, for example, during which the Manager or a Fund may be restricted from engaging in certain transactions.

Affiliates of the Manager may be engaged to provide services or products to, and receive customary fees and/or compensation from, a Fund. Services include, but will not be limited to banking, brokerage, distribution, accounting, administrative and back office support services.

The Manager may, on behalf of a Fund, effect transactions where the Manager or its affiliate is also acting on the other side of the same transaction. Any counterparty to an asset of a Fund (including the deposit taker or debt security counterparty) must have a Standard & Poor's credit rating of at least A at the time of contracting with that Fund and such counterparties may include Macquarie Group companies that have such a rating. The Manager or its affiliate may receive commissions from such transactions, and has a potential conflict of interest regarding the Fund and the other parties to those transactions. The Manager and its affiliates may retain any commissions, remuneration, or other profits which may be made in such transactions.

In addition, the Directors and the Manager and their respective principals and affiliates may perform similar or different services for others and may sponsor or establish other investment funds (public or private) during the same period they act for a Fund. Therefore, each of these persons will have conflicts of interest in allocating management time, services and functions among the various entities for which they provide services.

Certain Directors may also be directors or employees of the Manager or its affiliates or directors of companies in which a Fund's assets are or may be invested. As such, those Directors may have a conflict between their obligation to act in the best interests of a Fund and their interest in generating revenues or other benefits for other entities with which they are affiliated.

Conflicts of interest concerning the Manager and its affiliates will be resolved in accordance with their conflicts resolution protocols and applicable laws.

Different tax considerations for a Fund and its investors may cause a Fund to structure or dispose of an investment in a manner that is more advantageous to particular investors.

Other present and future activities of the Manager and/or its affiliates may give rise to additional conflicts of interest.

Subscription for Shares

Admission

The Shares may only be offered on a private placement basis in or from Australia, Austria, Germany, Luxembourg and Switzerland in accordance with the Offering Legends on page 36 or to investors in other jurisdictions that are approved by the Manager.

It is the responsibility of each subscriber to ensure that the purchase of Shares does not violate any applicable laws in the subscriber's jurisdiction of residence or any other jurisdiction in respect of whose laws that subscriber may be subject. Persons interested in purchasing Shares should inform themselves as to the legal requirements for the purchase of Shares and any foreign exchange restrictions with which they must comply.

The Board may impose restrictions on ownership of the Shares and may compulsorily redeem some or all of the Shares held by any Shareholder at any time and for any reason. The Directors and/or the Custodian/Administrator retain the discretion to reject the subscription of any prospective investor.

Application Procedure

Application Form: Applications for Shares should be made by completing and signing the Application Form. The duly completed and signed Application Form should be sent or delivered to the address specified on the Application Form.

Copies of the Application Form are available to Eligible Investors from Macquarie Bank Limited, Zurich Representative Office at Beethovenstrasse 9, 8002 Zurich, Switzerland or telephone + (41 43) 210 9090 or Macquarie Bank International Limited, Niederlassung Deutschland at Promenadeplatz 8, 80333 Munich, Germany or telephone + (49 89) 290 530.

Subscription monies should be sent by wire transfer (see the Application Form for details).

Applicants for Shares are required to specify on application a bank account into which the proceeds of any redemptions should be paid. This account must be in the name of the applicant. Third party accounts will not be acceptable. Any subsequent change of such instructions must be in writing and duly signed by the Shareholder or an attorney of the Shareholder.

Distribution Agents: The Manager may appoint selected financial intermediaries who will act as non-exclusive Distribution Agents of Shares.

Subscription Amounts: When applying for Shares in a Fund, applicants must apply for at least the Minimum Investment set out in the Term Sheet for that Fund. The Minimum Investment may be waived by the Directors or the Manager (subject to an absolute minimum investment amount of USD100,000 or its foreign currency equivalent). The Minimum Investment does not include any Subscription Fee of up to 0.75% of the initial investment amount which is to be agreed between the Distribution Agent and the applicant and which is payable to the Fund in addition to the initial investment amount.

Acceptance: The Custodian/Administrator for and on behalf of a Fund will notify successful applicants of their acceptance by email or mail. Once Application Forms have been received by or on behalf of a Fund, they will be irrevocable. A Fund reserves the right, in its entire discretion, to reject and return any application and remittances. If a subscription is not accepted or is accepted only in part, the amount paid on the subscription or the balance thereof will be returned (subject to compliance with all applicable anti-money laundering requirements in respect of the Fund) at the risk of the subscriber by transfer to the designated bank account. Shares will not be allotted or issued without a completed and duly signed Application Form, receipt of cleared subscription monies and any documents of verification of identity that may be requested by the Custodian/Administrator (see "Money Laundering" below).

Shares shall be treated as having been issued with effect from the relevant Issue Date notwithstanding that the subscriber for those Shares may not be entered in the register of Shareholders until after such date. Subscription monies will be at risk in the Company from the relevant Issue Date.

Proof of Ownership

Shares will be issued in registered, book entry form. Share ownership will be reflected in book entries recorded in the register of Shareholders. Share certificates will not be issued.

Anti-Money Laundering

To ensure compliance with statutory and other generally accepted principles relating to anti-money laundering, the Custodian/Administrator may require verification of identity from any person delivering a completed Application Form.

In connection with the Company's responsibility for the prevention of money laundering, prospective investors are advised that a Fund and its agents and service providers may request information from prospective investors and from Shareholders from time to time in order to establish and verify the identities of prospective investors and Shareholders, as may be required by applicable law. Individuals may be asked to provide personal information, including (but not limited to) name, address, date of birth and social security number, and to show government-issued identification documents such as passports or driver's licenses. Additional verification measures may be undertaken in some cases.

Each prospective investor will be required to agree in the Application Form that it will provide additional information or take such other actions as may be necessary or advisable in the judgment of the Custodian/Administrator in order to ensure the Company's compliance with anti-money laundering laws or regulations. In the event of delay or failure by a prospective investor to provide any requested information, the Custodian/Administrator may refuse to accept the subscription and the subscription monies relating thereto. Moreover, if an investor has become a Shareholder, any such delay or failure may cause a Fund to require the Shareholder to redeem from the Fund. A subscription to a Fund may be rejected in circumstances where the Fund or one of its agents believes that accepting the subscription would be unlawful or for any other reason.

A Fund or one of its agents may seek to monitor communications, investments and redemptions, and other payments involving a Shareholder and may report any suspicious activity to appropriate authorities. A Fund or one of its agents may be required to exercise special scrutiny when an investor employs certain kinds of financial institutions or financial institutions from certain countries or when an investor is a senior governmental or military official or a senior executive of a government-owned business.

Shareholders may encounter delays in effecting redemptions or partial redemptions or in receiving payments if information requested by a Fund or its agents is not received in a timely manner. Applicable anti-money laundering regulations are developing and changing continually and a Fund or one of its agents may be required to implement additional anti-money laundering measures from time to time.

A Fund, and the Custodian/Administrator on a Fund's behalf, reserves the right to refuse to make any redemption payment or distribution to a Shareholder or at its direction if the Directors or the Custodian/Administrator suspects or is advised that the payment of any redemption or distribution monies 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 a Fund or the Custodian/Administrator with any such laws or regulations in any relevant jurisdiction.

Each subscriber and Shareholder shall be required to make such representations to a Fund as the Fund, the Manager or the Custodian/Administrator shall require in connection with applicable anti-money laundering programs.

The Custodian/Administrator may disclose information regarding Shareholders to such parties (e.g., affiliates, attorneys, auditors, administrators or regulators) as it deems necessary or advisable including, but not limited to, in connection with anti-money laundering and similar laws. The Custodian/Administrator or other service providers may also release information if directed to do so by the Shareholders, if compelled to do so by law or in connection with any government or self-regulatory organisation request or investigation related to anti-money laundering or any other laws or regulations. In connection with the establishment of anti-money laundering procedures, a Fund may implement additional restrictions on the transfer of Shares.

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 their business in the regulated sector, the person will be required to report such knowledge or suspicion to (i) the Financial Reporting Authority of the Cayman Islands, pursuant to the Proceeds of Crime Law 2008 of the Cayman Islands if the disclosure relates to criminal conduct or money laundering or (ii) to a police officer of the rank of constable or higher if the disclosure relates to involvement with terrorism or terrorist property, pursuant to the Terrorism Law (2009 Revision) of the Cayman Islands. 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.

The Company may impose additional requirements from time to time to comply with all applicable anti-money laundering laws, including anti-money laundering laws applied in the country of residence of a prospective investor or a Shareholder, and in the country of domicile of any service provider to a Fund.

Redemption and Transfer of Shares

Voluntary Early Redemption

Investors should intend to hold their Shares for the entire Investment Horizon.

Investors may request a redemption (a "Redemption Request") of some or all of their Shares in a Fund in respect of the Redemption Dates described in the Term Sheet for that Fund. Shares redeemed by a Fund are available for reissue.

Redemption Procedure: To redeem Shares in a Fund the holder thereof must make a written request to that Fund ("Redemption Request"). The following provisions apply with respect to such a Redemption Request:

- the request must be substantially in the form specified by that Fund and be signed by or on behalf of the registered Shareholder requesting redemption;
- the executed Redemption Request must be received by 5:00pm (CET) at least fifteen (15) Business Days prior to the applicable Redemption Date. If the original executed Redemption Request is not received by 5:00pm (CET) on the date which is fifteen (15) Business Days prior to the applicable Redemption Date, then it will be held over until the next Redemption Date and treated as a request for redemption on that subsequent Redemption Date; and
- will be irrevocable once it is submitted unless revoked as described below.

Redemption Requests should be sent or delivered to the address specified on the form of Redemption Request.

Investors may obtain a form of Redemption Request from Macquarie Bank Limited, Zurich Representative Office at Beethovenstrasse 9, 8002 Zurich, Switzerland or telephone + (41 43) 210 9090 or Macquarie Bank International Limited, Niederlassung Deutschland at Promenadeplatz 8, 80333 Munich, Germany or telephone + (49 89) 290 530.

The redemption of a Shareholder's Shares shall occur on the day upon which the Net Asset Value and Net Asset Value per Share relating to a particular Redemption Date is determined provided that such date must be within 30 days of the relevant Redemption Date. Where the Net Asset Value and Net Asset Value per Participating Share relating to a particular Redemption Date is not determined within 30 days of the relevant Redemption Date and there is no market disturbance event, the redemption of a Shareholder's Participating Shares shall be deemed to occur on the 31st day following the relevant Redemption Date. Where the Custodian/Administrator cannot determine the Net Asset Value or the Net Asset Value per Share within 30 days of the relevant Redemption Date due to a market disturbance event, the redemption of a Shareholder's Shares shall not occur in respect of that Redemption Date and the Redemption Request will be deemed to be a Redemption Request for the next Redemption Date unless the Redemption Request is revoked. The Custodian/Administrator may specify an Additional Redemption Date in circumstances where it believes that a Net Asset Value and the Net Asset Value per Share relating to such Additional Redemption Date can be determined. The Fund shall give the Shareholders such notice as is reasonably practicable in relation to any Additional Redemption Date and permit Shareholders to revoke any outstanding Redemption Requests or give new Redemption Requests within such time frame as the Custodian/Administrator may determine.

Redemption Price: Shares will be redeemed at the Net Asset Value per Share (the "Redemption Price") determined as of the close of business on the applicable Redemption Date, subject to the provisions of this Memorandum, the relevant Term Sheet and the Articles. The Redemption Price will be:

- reduced by an amount equal to any losses (including where the realization price is less than the valuations used to determine the Net Asset Value) and costs (including break costs) incurred by that Fund in realizing assets to fund the redemption (the "Break Costs Amount"). Such costs may include any loss or expense incurred by a counterparty to a Fund in respect of the liquidation or redeployment of funds acquired from third parties until the end of the Investment Horizon, the termination or reversal of any arrangements (including any fixed rate contracts) entered into until the end of the Investment Horizon and any loss of profits that the counterparty may suffer by reason of the early redemption (including profits which the counterparty would have been entitled to had the realized assets been held to the end of the Investment Horizon) where such losses or expenses must be met by the Fund according to its contractual arrangements with the counterparty and
- increased by an amount equal to any gains (including where the realization price is more than the valuations used to determine the Net Asset Value and where break gains are payable) generated by the Fund in realizing assets to fund the redemption (the "Break Gains Amount").

Where Shares of more than one Shareholder are redeemed on the same Redemption Date, any Break Cost Amount or Break Gains Amount will be allocated on a pro-rata basis between the redeeming Shareholders in an amount corresponding to number of Shares redeemed, and the Redemption Price due to a redeeming Shareholder will be adjusted accordingly. The amount determined by the Manager to be the Break Cost Amount or the Break Gains Amount shall be binding in the absence of manifest error.

Payment of the Redemption Price will normally be made by wire transfer, sent at the risk of the Shareholder, to the bank account nominated by the Shareholder or an attorney-in-fact of the Shareholder generally within thirty (30) Business Days following the Redemption Date on which such Shares were redeemed. Where a Shareholder has granted security over Shares, the Company will, at the request of the secured party, pay that part of the Redemption Price which is secured directly to the secured party. Payment of the Redemption Price may be made in installments and may be made over a longer period where the realization of the assets of the Fund occurs over such longer period.

If the Redemption Request is sent by facsimile, the original must promptly follow by mail. Where a Redemption Request is sent by facsimile, the redemption proceeds will not be paid until such time as the original written Redemption Request is received.

Participating Shares shall be treated as having been redeemed on the date on which the Net Asset Value per Share of such Shares has been determined in respect of the relevant Redemption Date or is deemed to have occurred under the Articles (the "Actual Redemption Date"), irrespective of whether or not the Redemption Price has been remitted. Accordingly, on and from the relevant Actual Redemption Date, the Shareholder shall cease to be entitled to any rights in respect of it (except the right to receive the redemption proceeds in respect thereof and any dividends which have been declared but not paid prior to the relevant Actual Redemption Date) and the Shareholder's name shall be removed from the register of Shareholders in respect of that Share. A Share will be treated as redeemed on the relevant Actual Redemption Date irrespective of whether the relevant entry relating to the redemption of such Share has been made on the register of Shareholders or the redemption proceeds in respect of such Share have been paid.

Compulsory Redemption

The Directors may compulsorily redeem the Shares of any Shareholder at any time and for any reason, including for the purpose of ensuring that no Shares are acquired or held by an Ineligible Investor. If it comes to the notice of the Directors that any Shares are held by an Ineligible Investor, the Directors may give not less than five days' written notice to such person requiring the redemption or transfer of such Shares in accordance with the provisions of the Constitutional Documents.

If a person becomes aware that he is holding or owning Shares in breach of any such restriction he is required either to deliver to the Fund a written request for redemption of the Shares or to transfer the same to a person who is not an Ineligible Investor (see "Transfer of Shares" below for other restrictions on transferring Shares).

The Redemption Price of the Shares to be compulsorily redeemed will be calculated by reference to the Net Asset Value per Share determined as of the close of business on the date of the compulsory redemption. Where Directors compulsorily redeem the Shares of any Shareholder on any day which is not a Redemption Date (such that there has been no Net Asset Value per Share determined as of the close of business on that date), the costs of determining the Net Asset Value and the Redemption Price, as well as any Break Cost Amount incurred or Break Gains Amount generated in respect of the compulsory redemption, will be for the account of the Shareholder subject to the compulsory redemption.

Suspension of Redemptions

The Directors may suspend the right of Shareholders to request a redemption of Shares of a Class of a Fund (i) in order to effect the orderly liquidation of the assets of a Fund, or (ii) if the Directors determine that the disposal of the assets of a Fund is not practicable or reasonable and that it would prejudice the interests of the holders of Shares in such Fund.

Transfer of Shares

Requests for transfers of Shares shall be made in writing and shall be subject to the prior consent of the Directors. Any such approval shall not be unreasonably withheld but may be withheld if the Custodian/Administrator or Fund has notice that the Shareholder has granted a pledge or other security interest over those Shares. Such transfers shall be documented via the Custodian/Administrator through delivery of completed and executed transfer forms. All such transfers shall be made in accordance with the Memorandum and Articles of Association of the Company.

Determination of Net Asset Value

Net Asset Value

The Net Asset Value (or “NAV”) and Net Asset Value per Share will be determined as at the last Business Day of each month, including each Redemption Date, in accordance with the Constitutional Documents and the rights attaching to the Shares. The Net Asset Value of a Fund is generally equivalent to the assets less the liabilities of a Fund at the close of the relevant Business Day. The Net Asset Value will include accrual of Management Fees, Custody and Administration Fees and general expenses. The Net Asset Value per Share is determined by dividing the Net Asset Value of a Fund by the number of outstanding Shares in that Fund at the relevant time, with the resultant amount being rounded to four (4) decimal places.

The Net Asset Value per Share will not include any break costs which would otherwise be incurred by the Fund or any break gains which would otherwise be generated by the Fund in meeting Redemption Requests.

The Net Asset Value per Share does not represent the actual price at which a Shareholder could redeem their investment in a Fund as it excludes any Break Cost Amount or Break Gains Amount.

The Net Asset Value per Share will be made available within 10 days of the end of each month.

In addition to, and without prejudice to the generality of the foregoing, the following rules shall be applied in the determination of the Net Asset Value:

- (i) securities and derivatives that are listed on an exchange and are freely transferable shall be valued at the closing price on such exchange;
- (ii) physical securities will be valued using an independent pricing source;
- (iii) securities and derivatives that are traded over-the-counter and for which market quotations are readily available will be valued using an independent pricing source;
- (iv) securities and derivatives that are traded over-the-counter and for which market quotations are not readily available, will be valued at their fair value as determined by the Custodian in consultation with the Directors;
- (v) no value will be assigned to goodwill;
- (vi) any pending redemptions do not affect the determination of the Net Asset Value;
- (vii) accrued Management Fees, Custody and Administration Fees and other expenses will be treated as liabilities and accrued on a daily basis.

Notwithstanding the foregoing, if in the reasonable judgment of the Custodian/Administrator in consultation with the Directors, the quoted market price for any asset held by a Fund does not, because of extraordinary circumstances, accurately reflect the value of such asset, the Custodian/Administrator, in consultation with the Directors, may value such asset at a price which is greater or less than the quoted market price for such asset.

In no event and under no circumstances shall the Custodian/Administrator, the Directors or the Manager incur any individual liability or responsibility for any advice given, determination made or other action taken or omitted by them or any of them in good faith in connection with the determination of the Net Asset Value and Net Asset Value per Share.

Prospective investors should be aware that situations involving uncertainties as to the valuation of assets could have an adverse effect on the Net Asset Value and the Net Asset Value per Share if the valuations should prove incorrect. The Custodian/Administrator will rely on information provided to it by official pricing sources and/or brokers and/or counterparties (which may be affiliates of the Custodian/Administrator) and shall bear no responsibility for errors or inaccuracies in such information, nor shall the Custodian/Administrator have any obligation to confirm the accuracy of such information.

The most recent Net Asset Value and the Net Asset Value per Share will be available to Eligible Investors from the Custodian/Administrator on request.

Market Disturbances

If the Custodian/Administrator is unable to determine a Net Asset Value and Net Asset Value per Share for the relevant Redemption Date due to market disturbances within 30 days of the relevant Redemption Date, Shares will not be redeemed.

Market disturbances will include the following:

- (a) where any stock exchange, board of trade or other inter-dealer market or contract market on which any of a Fund's positions are listed, quoted, traded or dealt in is closed other than for customary weekends or holidays, or during which trading on such exchange or market is restricted or suspended;

- (b) where there exists any state of affairs which, in the opinion of the Custodian/Administrator, constitutes an emergency as a result of which the disposition of a Fund's positions is not reasonable or practicable, or would be seriously prejudicial to the Shareholders;
- (c) where there is any breakdown in any of the means of communication normally employed in determining the price or value of any portfolio positions, or of current prices or on any stock exchange, or when for any other reason the prices or values of portfolio positions or any other investment cannot reasonably be promptly and accurately ascertained;
- (d) where the transfer of funds involved in the realisation or acquisition of any investments cannot, in the opinion of the Custodian/Administrator, be effected at normal rates of exchange;
- (e) where a Fund has insufficient liquid assets, in the view of the Custodian/Administrator, to discharge its liabilities on a Redemption Date; or
- (f) where a Fund has any contingent liabilities, the amount of which can not be then ascertained.

Where the Net Asset Value and Net Asset Value per Share is not determined as of a Redemption Date within 30 days of such date, the Custodian/Administrator shall give notice to all Shareholders who have submitted a Redemption Request in respect of that Redemption Date stating that the Net Asset Value and Net Asset Value per Share was not able to be determined as of that Redemption Date due to market disturbances and that no Shares may be redeemed in respect of that Redemption Date. In such case, Investors will be offered the opportunity to revoke their Redemption Request.

Where the Net Asset Value and Net Asset Value per Share is not determined in relation to a Redemption Date due to market disturbances, the Custodian/Administrator may give notice to all Shareholders in a Fund specifying an additional redemption date ("Additional Redemption Date").

Fees and Expenses

Establishment and Promotional Expenses

Establishment and promotional expenses will be paid by the Manager and will not be reimbursed from a Fund.

Transaction Costs

A Fund will pay all brokerage and derivatives execution and clearing fees and expenses and other transaction costs incurred by it in respect of its own trading activities. Where such transaction costs are incurred in respect of Redemption Requests received prior to the end of the Fund's Investment Horizon, such transaction costs will be deducted to arrive at the Redemption Price payable to the redeeming Shareholder – see "Redemption and Transfer of Shares" for more information.

General Expenses

A Fund will pay its administration expenses not captured above and its apportioned share of the costs of administering the Company.

These expenses include, but are not limited to:

- consultancy and/or legal professional fees and disbursements;
- routine operational expenses;
- registration fees;
- Directors' fees and expenses;
- audit fees;
- fees related to the provision of reports to Shareholders; and
- fees incurred in convening and conducting Shareholder meetings.

The Manager may pay such expenses on behalf of the Fund and seek reimbursement from the Fund.

Overhead Expenses of Manager and Custodian/Administrator

The Manager and Custodian/Administrator will be responsible for paying the internal administrative and overhead expenses incurred in providing services to the Fund, including rent, the cost of computer equipment, telephone service, financial manuals, news services and periodical subscriptions, employee salaries, secretarial services and office supplies and equipment.

Management Fee

The Manager will receive a fee ("Management Fee") from each Fund equal to 0.60% per annum multiplied by the number of Shares of that Fund on issue multiplied by the Issue Price of such Shares. The Management Fee will accrue daily and be paid annually in arrears out of the assets of the Fund and at the end of the Investment Horizon.

The Manager will not be entitled to receive a performance fee from a Fund.

Custody and Administration Fee

The Custodian/Administrator will receive a fee ("Custody and Administration Fee") from each Fund of up to 0.15% per annum multiplied by the number of Shares of that Fund on issue multiplied by the Issue Price of such Shares. The Custody Fee will accrue daily and be paid annually in arrears out of the assets of the Fund and at the end of the Investment Horizon.

Soft Dollars

The Manager may enter into soft dollar arrangements in accordance with its soft dollar policy and any applicable legislation. This policy sets out the principles in relation to what non-execution services and products, such as research and attendance at conferences, are permitted and if so, how they are recorded and disclosed. A copy of the Manager's soft dollar policy is available to Eligible Investors from the Manager upon request.

Buy/sell spread

There is no secondary market for the Shares and none is expected to develop. There is currently no buy/sell spread for Shares.

Taxation

Prospective investors are urged to consult their own tax advisors with respect to possible tax consequences of an investment in the Fund. The foregoing discussion is not intended as a substitute for careful tax planning, particularly since certain of the income tax consequences of an investment in a Fund may not be the same for all taxpayers. It is the responsibility of each Shareholder to satisfy themselves as to the tax consequences of their participation in a Fund and to prepare and file all tax returns required in connection therewith. Further, investors should appreciate that the taxation consequences for investors and a Fund may be otherwise than as stated below. A Fund may also be affected by the fiscal laws and practices applicable to the assets in which it invests as well as by the laws, policies and practices of the jurisdictions and markets in or on which such assets are traded. Prospective investors should consult with their own tax advisors as to their specific tax consequences under the tax laws that are applicable to them.

Cayman Islands

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

The Company has applied for and can expect to receive an undertaking from the Governor-in-Cabinet of the Cayman Islands that, in accordance with section 6 of the Tax Concessions Law (1999 Revision) of the Cayman Islands, for a period of 20 years from the date of the undertaking, no law which is enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciations shall apply to the Company or its operations and, in addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable (i) on or in respect of the shares, debentures or other obligations of the Company or (ii) by way of the withholding in whole or in part of a payment of dividend or other distribution of income or capital by the Company to its members or a payment of principal or interest or other sums due under a debenture or other obligation of the Company.

Australia, Austria, Germany and Luxembourg

Investors in the Fund who are in Australia, Austria, Germany or Luxembourg or in other jurisdictions that are approved by the Manager should consult their own tax advisors with respect to the possible tax consequences of an investment in the Fund.

Switzerland

Swiss Taxation – General Overview

The following is a summary of certain Swiss tax considerations relating to an investment in the Fund by Swiss resident taxpayers. This discussion does not generally address any aspects of Swiss taxation other than Swiss income taxation and certain aspects of Swiss securities transfer tax. The information contained herein does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a decision to invest in the Fund and does not purport to deal with the tax consequences applicable to all categories of investors, some of which may be subject to special rules.

The Fund qualifies as a non-Swiss closed-end non-distributing collective investment scheme pursuant to the Circular Letter no. 24 ("Circular 24") of the Swiss Federal Tax Administration ("FTA") dated 1 January 2009 relating to the treatment of funds for Swiss stamp tax and Swiss withholding tax as well as the Circular Letter no. 25 ("Circular 25") of the FTA dated 5 March 2009.

Each potential investor should consult their own tax adviser regarding the applicable Swiss tax consequences of an investment in the Fund based on their particular circumstances, as well as any tax consequences arising under the laws of Switzerland.

Taxation of Swiss Resident Investors in the Fund

Institutional investors

Swiss tax-exempt institutional investors such as pension funds are not subject to Swiss income tax on capital gains, dividends or other income derived from the Fund. The income derived from the Fund benefits from the tax exemption for Swiss tax purposes. Swiss resident institutional investors which are not tax-exempt are usually taxed according to the rules for corporate investors as described below.

Corporate investors (including individual investors holding an interest in the Fund as business assets)

The corporate income tax treatment for Swiss resident corporate investors is different from that of Swiss private investors. The Swiss tax treatment generally follows the accounting treatment according to Swiss GAAP.

A distribution (if any and irrespective of whether it includes income or capital gains) from the Fund is treated as income in the hands of Swiss corporate investors holding Shares in the Fund and is taxed in the same way as any other income at the usual corporate income tax rates.

Individual investors holding their interest in the Fund as a private asset

The Fund will basically be treated as partially transparent for Swiss income tax purposes. The Swiss income tax treatment of funds depends on whether the fund is a distributing or an accumulating fund for Swiss tax purposes. An accumulating fund is any fund that distributes less than 70% of its income. The Fund is an accumulating fund.

For a Swiss private investor the income realised by an accumulating fund is subject to income tax. If an accumulating fund provides specific information on the portion of capital gain and income, then a Swiss private investor will be taxed on the net income portion, but not on the capital gain portion. A future distribution (if any) will be tax free (no double taxation) (see page 38 regarding Tax Reporting).

The net income is the gross income according to the profit and loss statement of the Fund (e.g. dividend income, etc.) minus the interest expenses. According to Circular 24 and Circular 25, further expenses can be deducted from the net income up to a maximum of 1.5% of the value of the net assets of the Fund. If the expenses are lower than 1.5% of the net assets of the Fund, then all the expenses effectively incurred by the Fund are deductible. If the expenses are higher than this 1.5%, only 1.5% can be deducted from the net income and the amount of expenses above the 1.5% limit has to be deducted from the capital gains.

Thus, the net income derived from the Fund (if any) will be subject to income tax in the hands of Swiss individual investors. Capital gains derived from the Fund which are properly identified as capital gains will therefore represent tax-free private capital gains as long as the Swiss resident individual investor does not qualify as a professional securities dealer ("gewerbsmässiger Wertschriftenhändler" or "commerçant de titres").

A distribution of the net income derived from the Fund (if any) will not lead to a double taxation in the hands of Swiss individual investors.

Swiss Securities Transfer Tax

Shares in the Fund are considered as non-Swiss taxable securities for Swiss Securities Transfer Tax ("Umsatzabgabe" or "Droit de timbre de négociation") purposes. The issuance of the Shares in the Fund and any subsequent transfer of the Shares in the Fund may therefore be subject to Swiss Securities Transfer Tax at the rate of 0.15 % if a Swiss securities dealer in the sense of the Swiss Stamp Duty Law is either an intermediary or party to the transaction and if no exemption is available. There is no Swiss Securities Transfer Tax upon the redemption of the Shares in the Fund.

EU Savings Tax

According to the guidelines of the Swiss Federal Tax Administration dated 29 February 2008 funds domiciled in the Cayman Islands are treated on equal terms with EU investment funds in as far as their qualification is concerned. EU investments funds are beyond the scope of the Agreement between Switzerland and the European Union on EU Savings Tax if they are non-UCITS funds. The Company is a non-UCITS fund domiciled in the Cayman Islands and thus is beyond the scope of the Agreement between Switzerland and the European Union on EU Savings Tax.

Cayman Islands Regulation

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

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

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

Offering Legends

For residents of Australia

The offer of invitation contained in this document may only be made to persons who are “wholesale clients” within the meaning of Section 761G(4) of the Corporations Act 2001 (Cth) (“Corporations Act”). Therefore, this document is not a product disclosure statement or similar document required under Chapter 7 of the Corporations Act nor is it a prospectus or other disclosure document required to be lodged with the Australian Securities and Investment Commission (“ASIC”) under Chapter 6D of the Corporations Act. Accordingly, this document does not contain the information which would be contained in a product disclosure statement, prospectus or other disclosure document prepared under the Corporations Act and does not purport to contain all of the information that may be necessary or desirable to enable a potential investor to properly evaluate and consider an investment in the Shares in the Fund. Any offer of Shares made in Australia will be made by MFPML pursuant to its financial services license.

For residents of Austria

This Memorandum may only be distributed to a certain limited number of addressees identified in advance by name and certain criteria and is not, and may not be, distributed to the public in Austria. No public offer within the meaning of Section 24 of the Austrian Investment Funds Act (Investmentfondsgesetz) or Section 33 of the Austrian Investment Funds Act or Section 1 paragraph 1 number 1 of the Austrian Capital Market Act (Kapitalmarktgesetz) of the Shares is made in Austria and nothing shall be construed to constitute such a public offer of the Shares. The Shares are not registered or authorized for distribution under the Austrian Investment Funds Act. The Shares may only be offered by way of a private placement in Austria to not more than 100 addressees in Austria whereby the offeror has selected the addressees by certain criteria and has laid down the identity of the addressees of the offer by name before the offer was made. Neither the Fund nor the Manager is under the supervision of the Austrian Financial Market Authority (Finanzmarktaufsichtsbehörde) or any other Austrian supervision authority. In particular the structure of the Fund, its investment objectives, and the investor’s participation therein may differ from the structure, investment objectives, investor’s participation, etc of investment vehicles provided for in the Austrian Investment Funds Act, the Austrian Real Estate Investment Funds Act (Immobilien-Investmentfondsgesetz) or the Austrian Capital Markets Act. Neither this Memorandum, nor any other document in connection with the Fund and/or the Shares, is a prospectus according to the Austrian Investment Funds Act or the Austrian Real Estate Investment Funds Act or the Austrian Capital Markets Act and has therefore not been drawn up, audited and published in accordance with such Acts. Neither this Memorandum, nor any other document connected with the Fund and/or the Shares, may be distributed, passed on or disclosed to any other person in Austria, save as specifically agreed with the Manager. No steps may be taken that would constitute a public offer of the Shares in Austria and the offer of the Shares may not be advertised in Austria. This Memorandum is distributed under the condition that the foregoing obligations are accepted by the recipient and that the recipient undertakes to comply with the above restrictions and the confidentiality obligations.

For residents of Cayman Islands

No offer or invitation to subscribe for Shares may be made to the public in the Cayman Islands.

For residents of Germany

The Shares must not be distributed within Germany by way of a public offer, public advertisement or in any similar manner and this Memorandum and any other document relating to the Shares, as well as information contained therein, may not be supplied to the public in Germany or used in connection with any offer for subscription of Shares to the public in Germany. This Memorandum and other offering materials relating to the offer of Shares are strictly confidential and may not be distributed to any person or entity other than the recipients hereof.

For residents of Luxembourg

This Memorandum is strictly private and confidential. The Shares may only be issued to a limited number of sophisticated investors, and this Memorandum may not be reproduced or used for any other purpose, nor provided or sold to any person other than the recipient thereof. In Luxembourg, the sale of the Shares has not been authorised by the Commission Du Surveillance Du Secteur Financier and, accordingly, the Shares have not been and may not be offered, directly or indirectly, to the public in Luxembourg.

This Memorandum does not constitute an offer or solicitation in any jurisdiction in which such an offer or solicitation is not authorised or in which the person making such an offer or solicitation is not qualified to do so or in respect of any person to whom it is unlawful to make such an offer or solicitation, and any acceptance of such an offer or solicitation shall not be made unless it occurs in a jurisdiction where such acceptance is authorised.

For residents of Switzerland

The documentation of the Fund, including this Memorandum and any Term Sheet, has not been and will not be approved, and may not be able to be approved for public distribution, by the Swiss Financial Market Supervisory Authority ("FINMA") under the CISA. Therefore, investors do not benefit from protection under the CISA or supervision by the FINMA. Accordingly, Shares may not be publicly advertised, offered or sold, directly or indirectly, in or from Switzerland and neither this Memorandum, any Term Sheet or any other offering materials relating to Shares may be made available to the public in or from Switzerland. Shares may only be offered and this Memorandum and any Term Sheet may only be distributed in or from Switzerland to qualified investors (as defined in the CISA and its implementing regulations) in a manner consistent with the requirements of the CISA and its implementing regulations. This Memorandum does not constitute an issuance prospectus pursuant to Articles 652a or 1156 of the Swiss Code of Obligations and may not comply with the information standards required thereunder. The Shares will not be listed on the SIX Swiss Exchange, and consequently, the information presented in this document does not necessarily comply with the information standards set out in the listing rules of the SIX Swiss Exchange.

For residents of other jurisdictions

The Company may accept applications from investors in other jurisdictions that are approved by the Manager. Investors in such jurisdictions should seek their own advice in that jurisdiction as to their eligibility to invest in the Fund and the legal and taxation consequences of such investment.

Additional Information

Reporting

The financial year of a Fund ends on 30 September in each calendar year.

The financial statements will be prepared in accordance with International Financial Reporting Standards. An annual report and audited financial statements for the Company in respect of each financial year will be made available to Shareholders upon request within 30 days of their publication.

The Company intends to report the relevant tax data in respect of the Fund annually, which is necessary for a Swiss resident individual investor holding the Shares in the Fund as a private asset to prepare his tax return, to the FTA. The FTA should publish such data in its public database (please see: www.estv.admin.ch).

Statutory and General Information

The Information in this section includes a summary of some of the provisions of the Memorandum of Association and Constitutional Documents and Material Contracts described below and is provided subject to the general provisions of each of such documents.

Incorporation and Share Capital

The Company was incorporated as an exempted company and registered as a segregated portfolio company under the laws of the Cayman Islands on 24 September 2009, with registered number 231270. The liability of members is limited to the amount unpaid on their Shares. The Company has been incorporated for an indefinite period. The registered office of the Company is at the offices of Maples Corporate Services Limited, Ugland House, P.O. Box 309, Grand Cayman, KY1-1104, Cayman Islands.

The Companies Law provides that a segregated portfolio company may create one or more segregated portfolios in order to segregate the assets and liabilities of the Company held within or on behalf of a segregated portfolio from the assets and liabilities of the Company held within or on behalf of any other segregated portfolio of the Company or the assets and liabilities of the Company which are not held within or on behalf of a segregated portfolio of the Company. The Companies Law also provides that segregated portfolio assets will only be available and used to meet the liabilities to the creditors of the Company who are creditors of that segregated portfolio and who will be entitled to have recourse to the segregated portfolio assets attributable to that segregated portfolio for such purposes, and segregated portfolio assets will not be available or used to meet liabilities to, and will be absolutely protected from, the creditors of the Company who are not creditors in respect of that segregated portfolio, and who accordingly will not be entitled to recourse to the segregated portfolio assets attributable to that segregated portfolio.

At the date of this Memorandum:

- (a) the authorised share capital of the Company is USD50,000 divided into 1,000 Management Shares of USD1.00 par value each and 49,000,000 Participating Shares of USD0.001 par value each; and
- (b) 1,000 Management Shares have been issued at par and are fully paid and legally owned by MaplesFS Limited under the terms of a declaration of trust dated 25 September 2009, pursuant to which MaplesFS Limited holds the Management Shares on trust for certain charities specified in the declaration of trust. MaplesFS Limited will have no beneficial interest in the Management Shares.

The Shares are only transferable as set out under "Transfer of Shares" below. The Participating Shares must be fully paid upon issue and carry no preferential or pre-emptive rights. All shares will rank pari passu with other shares of the same Class.

Shares in the Company are issued in non-certificated form. Shares will be evidenced by an entry in the register of Shareholders. Shareholders are entitled to receive written confirmation of ownership. Shareholders are not entitled to receive share certificates unless the Company, in its absolute discretion and following a request from a Shareholder, so consents.

Change in Share Capital

The Company may by Ordinary Resolution increase its share capital by such sum and with such rights as resolutions shall prescribe; consolidate its share capital into shares of larger amount, subdivide its shares into shares of smaller amount or cancel any shares which, at the date of the passing of the Ordinary Resolution, have not been taken or agreed to be taken by any person and, if applicable, diminish the amount of its authorised share capital by the amount of the shares so cancelled. An Ordinary Resolution means a resolution passed by a simple majority of votes of the holders of the Management Shares.

Memorandum and Articles of Association

The following information contains a short summary of certain of the provisions of the Memorandum and Articles of Association of the Company and is subject to the express terms of the Memorandum and Articles of Association of the Company which are binding on all Shareholders.

The general rights attaching to the Shares are set out in the Articles and the specific terms and conditions applicable to each Class of Participating Shares are set out in the Offering Memorandum and Term Sheet (or other documents) approved by the Directors at the time of issue of the relevant Class of Shares.

The objects for which the Company is established are unrestricted, subject to the laws of the Cayman Islands.

The Articles contain provisions to the following effect:

(a) Rights of holders of shares

- (1) The Management Shares shall have the following rights:
 - (i) as to voting: the holder of a Management Share shall (in respect of such share) have the right to receive notice of, attend at and vote as a Member (as defined in the Articles) at any general meeting of the Company;
 - (ii) as to capital: a Management Share shall confer upon the holder the right in a winding-up to repayment of capital as set out in the Articles, but shall confer no other right to participate in the profits or assets of the Company; and
 - (iii) as to income: no dividends shall be payable on the Management Shares.
- (2) The Participating Shares shall have the following rights:
 - (i) as to voting: the holder of a Participating Share shall not (in respect of such Participating Share) have the right to receive notice of, attend or vote as a member of the Company at any general meeting of the Company, other than a separate Class meeting convened in accordance with the Articles;
 - (ii) as to capital: a Participating Share shall confer upon the holder thereof the rights to participate in the surplus assets of the Company by reference to the segregated portfolio or, if applicable, the Separate Account, attributable to the relevant Class of Participating Shares after the payment of all general creditors and creditors of that segregated portfolio; and
 - (iii) as to income: the Participating Shares shall confer on the holders thereof the right to receive dividends as provided for in the Articles.

(b) Issue of shares

- (1) Subject to the Articles, the Directors may allot, issue, grant options or warrants over, or otherwise dispose of, Shares in separate Classes and/or series with different terms, preferences, privileges or special rights including, without limitation, with respect to investment strategy and/or policy, participation in assets, profits and losses of the Company, voting, fees charged (including management, performance and incentive fees), redemption privileges, allocation of costs and expenses (including, without limitation, the costs and expenses incurred in any hedging activities and any profits and losses arising therefrom) as the Directors may, in their absolute discretion, determine.
- (2) On or before the allotment of any share the Directors shall resolve the Class and/or series to which such share shall be designated. Each Class and/or series shall be specifically identified. The Directors may at any time without obtaining consent of affected members, by resolution re-designate any Participating Share as part of another Class and/or series to give effect to applicable provisions of the Offering Memorandum or Term Sheet or a resolution of the Directors provided that such re-designation does not amount to a variation of the rights attaching to such Participating Shares..

(c) Participating Shares

The Directors may, on receipt by the Company or the Custodian/Administrator or other agent, as the case may be, of a written application in such form as the Directors may from time to time determine, from time to time allot and issue Participating Shares of any Class. The Directors may in their discretion refuse to allot and issue any Participating Shares, and shall not issue any Participating Shares to or for the account of an investor who is not an Eligible Investor.

(d) Segregated Portfolios

- (1) The Directors shall have the power to establish and maintain, with respect to shares of any Class and/or series, a segregated portfolio to record the allocation on a differentiated basis of the assets and liabilities of the Company held within or on behalf of any other segregated portfolio or the assets and liabilities of the Company which are not held within or on behalf of any segregated portfolio.

- (2) Each segregated portfolio shall be separately designated by reference to a name that includes the words "segregated portfolio".
- (3) The Directors shall identify:
 - (i) each asset as either a general asset or a segregated portfolio asset and in the case of a segregated portfolio asset, the segregated portfolio to which it is attributed; and
 - (ii) each liability as being that of a general creditor and/or a segregated portfolio creditor and in the case of a segregated portfolio creditor, the segregated portfolio of which such person is a creditor.
- (4) The proceeds from the issue of each Class of Participating Shares shall be applied in the books of the Company to the segregated portfolio established to which that Class and/or Series of Participating Shares relates. The assets and liabilities and income and expenditure attributable to that segregated portfolio shall be applied to such segregated portfolio and, subject to the provisions of these Articles, to no other segregated portfolio.
- (5) The Directors shall have the power to transfer segregated portfolio assets to the general assets (and, if more than one segregated portfolio is then in existence, pro rata in proportion to the Net Asset Value of each segregated portfolio or in such other proportion as the Directors may determine) in order to discharge the following liabilities: government registration fees, annual return fees, professional fees, service provider fees, taxes, fines and penalties and any other liabilities necessarily incurred in maintaining the continued existence and good standing of the Company provided that in the opinion of the Directors the segregated portfolio has received or will receive a benefit in respect of those liabilities here incurred.
- (6) The proceeds from the issue of the Management Shares shall be credited to the general assets.
- (7) Where any asset is derived from another asset (whether cash or otherwise), such derivative asset shall be applied in the books of the Company to the same segregated portfolio as the asset from which it was derived, and on each revaluation of an asset the increase or diminution in value shall be applied to the same segregated portfolio and, subject to the provisions of these Articles, to no other segregated portfolio.
- (8) Subject to the provisions of the Articles the assets held in each segregated portfolio shall be applied solely in respect of the liabilities of such segregated portfolio in accordance with the provisions of the Companies Law. Any surplus in such segregated portfolio shall be held, subject to the provisions of the Companies Law and these Articles, for the benefit of the holders of the relevant Participating Shares attributed to such segregated portfolio.
- (9) Where the general assets give rise to any net profits the Directors shall apply such profits in the books of the Company to the general assets.
- (10) Income, receipts and other property or rights of or acquired by the Company not otherwise attributable to any segregated portfolio shall be applied to and comprised in the general assets.
- (11) Segregated portfolio creditors shall have no right of recourse to the general assets.

(e) Separate accounts

- (1) The Directors shall have the power to establish and maintain, with respect to Shares of any Class and/or series, separate accounts, to record (purely as an internal accounting matter) the allocation, on a differentiated basis, of the assets and liabilities of the segregated portfolio to the holders of Shares of any such Class or series.
- (2) The proceeds from the issue of Shares of a Class shall be applied in the books of the Company to the separate account established for Shares of that Class.
- (3) The assets and liabilities and income and expenditure attributable to a particular separate account shall be applied to such segregated account and, subject to these Articles, to no other segregated account.
- (4) Where any asset is derived from another asset (whether cash or otherwise), such derivative asset shall be applied in the books of the Company to the same separate account as the asset from which it was derived, and on each revaluation of an asset the increase or diminution in value shall be applied to the same separate account and, subject to the provisions of these Articles, to no other separate account.
- (5) In the event that the assets of a separate account referable to a particular Class of Shares are exhausted, the Shareholders of that Class shall have no recourse against the assets of any other separate account.
- (6) In the case of any asset or liability of the Company which the Directors do not consider is attributable to a particular separate account, the Directors shall have the discretion to determine the basis upon which any such asset or liability shall be allocated between or among separate accounts.

- (7) The Directors may, in the books of the Company, allocate assets and liabilities to and from separate accounts if, as a result of a creditor proceeding against certain of the assets of the Company or otherwise, a liability would be borne in a different manner from that in which it would have been borne if applied under the Articles.
- (8) The Directors may from time to time transfer, allocate or exchange an asset or liability from one separate account to another separate account provided that at the time of such transfer, allocation or exchange the Directors from the opinion (in good faith) that the value or money's worth of each such asset or liability transferred, allocated or exchanged is not significantly less or more than the value in money's worth received by the separate account from which such asset or liability is transferred, allocated or exchanged.

(f) Variation of rights/Offer Terms

- (1) Subject to the Companies Law and the Articles, all or any of the class rights or terms of offer (including any representations, warranties or other disclosure relating to such offer) whether set out in the Memorandum or Term Sheet, any subscription agreement or otherwise for the time being applicable to any Class or series of Participating Shares in issue (unless otherwise provided by the terms of issue of those Participating Shares) may (whether or not the Company is being wound up) be varied by a resolution of the Directors where such variation is considered by the Directors, acting reasonably, not to have a material adverse effect upon such class rights or terms of offer; otherwise, any such variation shall be made only with the prior consent in writing of the holders of not less than two-thirds by Net Asset Value of the issued Participating Shares of that Class or series, or with the sanction of a resolution passed by a majority of at least two-thirds of the votes cast at a separate class meeting of the holders of such Participating Shares. To any such class meeting all the provisions of these Articles as to general meetings shall *mutatis mutandis* apply except that the fifty percent by par value may requisition a meeting, but so that any holder of a Participating Share present in person or by proxy may demand a poll, and the quorum for any such meeting shall be Shareholders holding not less than fifty per cent. by par value of the issued Participating Shares of the relevant Class or series. At any Class meeting, the voting rights attributable to each Participating Share shall be calculated by reference to the Net Asset Value per Participating Share (calculated as at the most recent valuation date) and not on the basis of one Participating Share, one vote.
- (2) For the purposes of a Class consent, the Directors may treat two or more or all the Classes or series of Participating Shares as forming one Class or series if the Directors consider that such Classes or series would be affected in the same way by the proposals under consideration, but in any other case shall treat them as separate Classes or series.
- (3) The rights applicable to any Class or series of Participating Shares in issue shall be deemed to be varied by the creation or issue of any Shares ranking in priority to them with respect to participation in the profits or assets of the Company, except where the Participating Shares so created or issued are Participating Shares in relation to which a Separate Account (as defined in the Articles) is established, and the priority granted to the holders of such Participating Shares in relation to the profits or assets of such Separate Account (or any other assets of the Company) is no greater than the priority granted to the holders of the Participating Shares of each other Class or series then in issue in respect of the profits and assets of the Separate Accounts to which such last mentioned Participating Shares relate.
- (4) Subject to the above, the rights and terms of offer applicable to any Class or series of Participating Shares in issue shall not (unless otherwise expressly provided by the conditions of issue of such Shares) be deemed to be varied by:
- (i) the creation, allotment or issue of further Participating Shares ranking *pari passu* therewith or of further shares referable to a separate Segregated Portfolio;
 - (ii) the repurchase or redemption of any Participating Shares or Management Shares;
 - (iii) the exercise of the powers to allocate assets and charge liabilities to the various segregated portfolios or Separate Accounts within a segregated portfolio or any of them and to transfer the same to and from the various segregated portfolios or Separate Accounts within a segregated portfolio or any of them, as provided for in the Articles;
 - (iv) any reduction or variation of management or performance fees chargeable or allocable to any Class or series of Participating Shares; or
 - (v) any reduction or waiver of any gate/lock-up period applicable to any Class or series of Participating Shares.

(g) Directors' Interests

- (1) Directors may enter into contracts and profit from any contract in which they are interested provided they disclose their interest in a contract or arrangement to all the Directors. Each Director may, notwithstanding his interest, be counted in the quorum present at any meeting at which a contract or arrangement in which he is interested is considered and, provided he had made disclosure to the Directors as provided for in the Articles, may vote in respect of any such contract or arrangement except that concerning his own appointment or the fixing or varying of the terms of his appointment.

- (2) The Directors may exercise the Company's powers to borrow and to and to mortgage or charge its undertaking, property and uncalled capital or any part thereof and to issue debentures, debenture stock, mortgages, bonds and other such securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.
- (3) A Director shall not be required to retire by rotation or by reason only of attaining any particular age.

(h) Transfer of Shares

Subject to the Articles, Shares are transferable to any person who is, in the opinion of the Directors, not an Ineligible Investor. Any person who proposes to acquire shares by way of transfer shall provide to the Directors such information and documents as the Directors may request to enable the Directors to determine that the proposed transferee is an Eligible Investor and concerning the establishment or verification of that person's identity or otherwise) to enable the Company to comply with all applicable laws, including anti-money laundering laws. The transferor will remain the holder of the relevant Shares until the name of the transferee is entered in the register of Shareholders in respect thereof. The Directors may, in their absolute discretion, decline to register any transfer of any Share including, without limitation, in relation to shares which are not fully paid or over which the Company or any company of the Macquarie Group has a lien or other security interest.

(i) Winding up

- (1) If the Company shall be wound up, the liquidator shall apply the segregated portfolio assets and the general assets in accordance with the Companies Law in satisfaction of the claims of the segregated portfolio creditors and the general creditors.
- (2) The general assets shall then be paid to the holders of the Management Shares until the holders of the Management Shares shall have received an amount equal to the par value of the Management Shares and the balance, if any, shall be transferred to the segregated portfolios in proportion to the Net Asset Value of each segregated portfolio.
- (3) Subject to the special rights attaching to Participating Shares of any Class or series, the balance of each segregated portfolio shall then be paid to the holders of Participating Shares of the relevant Class or series in proportion to the Net Asset Value of the Participating Shares held, subject to a deduction from those Participating Shares in respect of which there are monies due, of all monies due to the Company for unpaid calls, or otherwise.
- (4) If the Company shall be wound up (whether the liquidation is voluntary or by or under the supervision of the Court) the liquidator may, with the authority of a resolution or resolutions passed by the holders of Participating Shares (whether as a whole or at separate Class meetings), divide among the Members in kind the whole or any part of the assets of the Company, and whether or not the assets shall consist of property of one kind or shall consist of property of different kinds, and may for such purposes set such value as the liquidator deems fair upon any one or more class or classes of property, and may determine how such division shall be carried out as between the Shareholders or different classes of Shareholders. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of Shareholders as the liquidator, with the like authority, shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no Shareholder shall be compelled to accept any shares or other property in respect of which there is a liability.

(j) General Meetings

- (1) All general meetings other than annual general meetings shall be called extraordinary general meetings. The Directors may call general meetings. Shareholders have no right to receive notice of, attend or vote at general meetings.
- (2) The Company shall, if required by the statute, in each year hold a general meeting as its annual general meeting, and shall specify the meeting as such in the notices calling it. The annual general meeting shall be held at such time and place as the Directors shall appoint. At these meetings the report of the Directors (if any) shall be presented.

(k) Class Meetings

- (1) A Class meeting for holders of a Class of Participating Shares may be held for:
 - (i) a proposed variation in the rights attached to any Participating Share as set out in the Articles; or
 - (ii) for the approval of the removal of the Manager in relation to the Segregated Portfolio; or
 - (iii) for the approval of a distribution in specie of the assets of the Company by a liquidator as set out in the Articles.

To any such Class meeting all the provisions of the Articles as to general meetings shall mutatis mutandis apply, but so that any holder of a Participating Share present in person or by proxy may demand a poll, and on a poll the voting rights attributable to each Participating Share shall be based on the Net Asset Value per Participating Share (calculated as at the most recent NAV determination) and not on the basis of one share, one vote.

(l) Directors' Indemnity

Every Director, agent or officer of the Company shall be indemnified out of the general assets and the segregated portfolio assets of the Company against any liability incurred by him in respect to the general assets and the relevant segregated portfolio respectively as a result of any act or failure to act in carrying out his functions in relation to the general assets and the relevant segregated portfolio respectively other than such liability (if any) that he may incur by his own actual fraud or wilful default. No such Director, agent or officer shall be liable to the Company for any loss or damage in carrying out his functions unless that liability arises through the actual fraud or wilful default of such Director, agent or officer.

(m) Directors' powers

Subject to the provisions of the statute, the Memorandum of Association of the Company and the Articles and to any directions given by Special Resolution, the business of the Company shall be managed by the Directors who may exercise all the powers of the Company provided that the Directors shall terminate the appointment of the Manager where such a direction is given by the Requisite Majority (as defined in the Memorandum of Association of the Company and the Articles) of the holders of Participating Shares either at a general meeting or by a written resolution signed by such Requisite Majority. No alteration of the Memorandum of Association of the Company or Articles and no such direction shall invalidate any prior act of the Directors which would have been valid if that alteration had not been made or that direction had not been given. A duly convened meeting of Directors at which a quorum is present may exercise all powers exercisable by the Directors.

(n) Dissolution

The Company may be wound up by the passing of a Special Resolution by the holder of the Management Shares.

(o) Amendments to Memorandum and Articles of Association

The Memorandum and Articles of Association may be amended by the passing of a Special Resolution by the holder of the Management Shares, subject to obtaining any consents or approvals required in respect of any proposed variation to the rights attaching to the Participating Shares.

(p) Variation of Business Terms

The Directors, with the consent of the Manager, shall have the absolute discretion to agree with a Shareholder to vary or modify the business terms applicable to such Shareholder's subscription for Participating Shares (including those relating to management fees, performance fees and redemption terms) without obtaining the consent of any other Shareholder; provided that such variation or modification does not amount to a variation of the rights attaching to the Participating Shares of such other Shareholders.

Communication with the Fund/Inquiries

All communications and correspondence to the Company and inquiries concerning a Fund and the Shares, including information concerning subscription and redemption procedures and most recent indicative Net Asset Value for each Class, should be directed to the Custodian/Administrator at the address set out in the "Directory".

Litigation

The Company is not engaged in any litigation or arbitration proceedings and is not aware of any litigation or claim pending or threatened by or against it.

Material Contracts

The following contracts (not being contracts in the ordinary course of business) have been entered into by the Company on behalf of and for the account of each Fund and are, or may be, material:

- (a) a Management Agreement with the Manager pursuant to which the Manager has been appointed to provide management services in respect of a Fund;
- (b) a Custody and Administration Agreement with the Custodian/Administrator pursuant to which the Custodian/Administrator has been appointed as custodian and administrator of a Fund;
- (c) the Declaration of Trust pursuant to which MaplesFS holds all the issued Management Shares of the Company in trust with power to benefit certain qualified charities.

Availability of Documents

Copies of the following documents will be available to Eligible Investors for inspection at the registered office of the Custodian/Administrator during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted):

- (a) the Memorandum and Articles of Association of the Company and Articles;

- (b) the material contracts referred to above;
- (c) the Companies Law (2009 Revision) of the Cayman Islands, as amended; and
- (d) any accounts and/or reports sent to the Shareholders.

Glossary

Definitions and Interpretations

In this Memorandum, unless the context otherwise requires, the following words and expressions shall have the meanings shown below as defined elsewhere in this Memorandum.

“**Additional Redemption Date**” has the meaning ascribed thereto on page 31.

“**Application Form**” means the application form for Shares which is available to Eligible Investors from Macquarie Bank Limited, Zurich Representative Office at Beethovenstrasse 9, 8002 Zurich, Switzerland or telephone + (41 43) 210 9090 or Macquarie Bank International Limited, Niederlassung Deutschland at Promenadeplatz 8, 80333 Munich, Germany or telephone + (49 89) 290 530.

“**Articles**” means of the Articles of Association of the Company as the same may be amended or supplemented from time to time.

“**Auditor**” means Ernst & Young, Camana Bay, Cayman Islands.

“**Authority**” means the Cayman Islands Monetary Authority.

“**Board**” or “**Board of Directors**” or “**Directors**” means the directors of the Company.

“**Break Cost Amount**” has the meaning ascribed thereto on page 8.

“**Break Gains Amount**” has the meaning ascribed thereto on page 8.

“**Business Day**” means a day on which banks are open for business in Sydney, Munich and the Cayman Islands.

“**CISA**” means the Swiss Collective Investment Schemes Act of 23 June 2006.

“**Class of Shares**” or “**Class**” means a Class of Participating Shares of a Fund and “**Classes of Shares**” or “**Classes**” shall be construed accordingly.

“**Companies Law**” means the Companies Law (2011 Revision) of the Cayman Islands as amended from time to time.

“**Company**” means MQ KINETIC SPC.

“**Constitutional Documents**” means the Company’s Memorandum and Articles of Association.

“**Custodian/Administrator**” means Macquarie Financial Products Management Limited, or such other person as may be appointed from time to time as custodian and administrator of a Fund.

“**Custody and Administration Agreement**” means the custody and administration agreement between the Company in respect of a Fund and the Custodian/Administrator.

“**Custody and Administration Fee**” has the meaning ascribed thereto on page 32.

“**Directors**” or “**Board**” or “**Board of Directors**” means the directors of a Fund.

“**Distribution Agent**” means a broker, placement agent or other intermediary engaged by the Manager on a non-exclusive basis to solicit investment in a Fund.

“**Eligible Investor**” has the meaning ascribed thereto on page 7.

“**Extraordinary Redemption Date**” has the meaning ascribed thereto on page 21.

“**FINMA**” means the Swiss Financial Market Supervisory Authority FINMA.

“**FTA**” means the Swiss Federal Tax Administration.

“**Fund**” means a separate account within the KINETIC Segregated Portfolio of the Company which is the subject of a Term Sheet and where the context requires means the Company acting on behalf of and for the account of the Fund.

“**Ineligible Investor**” means any person who is a restricted person as set forth in this Memorandum or otherwise determined by the Directors.

“**Investment Guidelines**” has the meaning ascribed thereto on page 17.

“**Investment Horizon**” means, in respect of a Fund, the Investment Horizon set out in the Term Sheet for that Fund.

“**Investment Objective**” has the meaning ascribed thereto on page 17.

“Investment Strategy” has the meaning ascribed thereto on page 17.

“Issue Date” means, in respect of a Fund, the Issue Date set out in the Term Sheet for that Fund.

“Issue Price” means, in respect of a Fund, the Issue Price set out in the Term Sheet for that Fund.

“Macquarie Group” means Macquarie Group Limited (ABN 94 122 169 279) and any of its affiliates worldwide.

“Management Agreement” means the management agreement between the Company in respect of a Fund and the Manager pursuant to which the Manager is appointed to provide management services to a Fund.

“Management Fee” has the meaning ascribed thereto on page 32.

“Management Shares” means 1,000 ordinary voting and non-participating and non-redeemable shares of USD1.00 par value.

“Manager” means Macquarie Financial Products Management Limited or such other person as may be appointed from time to time as manager of a Fund.

“Memorandum” means this confidential offering memorandum dated 21 February 2011 as amended and supplemented from time to time.

“MaplesFS” means MaplesFS Limited.

“MFS” means Maples Fiduciary Services (Cayman) Limited.

“Minimum Investment” means, in respect of a Fund, the Minimum Investment set out in the Term Sheet for that Fund.

“Mutual Funds Law” means the Mutual Funds Law (2009 Revision) of the Cayman Islands.

“Net Asset Value” or “NAV” means the net asset value of a Fund as determined in accordance with the Constitutional Documents.

“Net Asset Value per Share” or “NAV per Share” has the meaning ascribed thereto on page 9.

“Offer Period” means, in respect of a Fund, the offer period set out in the Term Sheet for that Fund. The Offer Period may be shortened, extended or cancelled in the discretion of the Directors.

“Offering Currency” means, in respect of a Fund, the Offering Currency set out in the Term Sheet for that Fund.

“Participating Shares” means the non-voting participating redeemable shares of par value USD0.001 each in the capital of the Company.

“Redemption Dates” means, in respect of a Fund, the Redemption Dates set out in the Term Sheet for that Fund and includes any Additional Redemption Date or Extraordinary Redemption Date.

“Redemption Price” means the price at which Shares are capable of being redeemed pursuant to the Articles. See “Redemption of Shares”.

“Redemption Request” means a redemption request given in the approved form.

“Reference Investment” means, in respect of a Fund, the Reference Investment set out in the Term Sheet for that Fund.

“SEC” means the U.S. Securities and Exchange Commission.

“Securities Act” means the U.S. Securities Act of 1933.

“Shareholder” means a registered holder of Shares.

“Shares” means the Participating Shares.

“Special Resolution” has the meaning given to it in the Articles. Special Resolutions are only passed by the holders of Management Shares.

“Subscription Fee” has the meaning ascribed thereto on page 9.

“Target Base Return” means, in respect of a Fund, the Target Base Return set out in the Term Sheet for that Fund.

“Term Sheet” means a document supplemental to this Memorandum which sets out the specific terms of an offer of Shares in the KINETIC Segregated Portfolio including, the name of the Fund, the Class of Shares in the Fund, the Offering Currency of Shares in the Fund, the Issue Price of Shares in the Fund, the Minimum Investment in the Fund, the Target Base Return for the Fund, the Reference Investment of the Fund, the Investment Horizon of the Fund, the Redemption Dates for the Fund, the Offer Period for the Fund, the Issue Date for the Fund and the risks specific to the Reference Investment of the Fund.

“United States” means the United States of America, the 50 States, the District of Columbia, the Commonwealth of Puerto Rico and each territory and possession of the United States of America and places subject to its jurisdiction.

“U.S. Person” or “U.S.” means (i) a citizen or individual resident of the United States, (ii) a corporation or partnership created or organised in or under the laws of the United States or any political subdivision thereof, or (iii) a trust or an estate the income of which is subject to U.S. federal income taxation regardless of its source.

“USD” or “US Dollars” means the lawful currency of the United States.