

The Directors of The IQS Futures Fund (the "Company"), whose names appear in this offering memorandum (the "Offering Memorandum"), accept responsibility for the information contained in this document. To the best of their knowledge and belief (having taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything which is likely to affect the import of such information. The Directors accept responsibility accordingly.

## **THE IQS FUTURES FUND**

**(an open-ended investment company incorporated as an exempted company  
under the laws of the Cayman Islands with registered number 240610)**

### **OFFERING MEMORANDUM**

**Relating to the offering of non-voting redeemable**

**Participating Shares of par value US\$0.001 each**

**Investment Manager**  
IQS Funds Limited  
Suite 2 Coconut Creek House  
Derricks  
St James  
Barbados

**Administrator**  
Quintillion Limited  
24-26 City Quay  
Dublin 2  
Ireland

This Offering Memorandum is dated 19th February 2013

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## IMPORTANT INFORMATION

This Offering Memorandum is issued in connection with an offer of the Shares (as defined below). The Shares are offered solely on the basis of this Offering Memorandum and documents incorporated by reference herein. Any information or representations not contained within this Offering Memorandum may not be relied upon as having been authorised by the Company or the Directors and should be disregarded. This Offering Memorandum contains information in relation to the Company and the offering of Shares at the date hereof. It is subject to subsequent changes in applicable law and neither the delivery of this Offering Memorandum nor the allotment or issue of Shares shall create any implication whatsoever that there has been no change in such law or the affairs of the Company since the date of this Offering Memorandum.

Prospective investors should carefully read this Offering Memorandum. However, the contents of this Offering Memorandum should not be considered to be legal or tax advice, and each prospective investor should consult with its own counsel and advisors as to all matters concerning an investment in the Company.

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

No action has been taken which would permit a public offering of Shares in any jurisdiction where action for that purpose would be required. This Offering Memorandum does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such solicitation.

The Company is an unregulated collective investment scheme, the promotion of which by authorised persons in the United Kingdom is restricted by Section 238 of the Financial Services and Markets Act 2000. This Offering Memorandum has been delivered to, and the information contained herein is directed only at, individuals who are persons as described in Article 19 (Investment Professionals); Article 48 (Certified high net worth individuals); Article 49 (High net worth companies with corporate associations, etc); Article 50 (Certified sophisticated investors); or Article 51 (Associations of high net worth of sophisticated investors) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, or persons to whom this Offering Memorandum may otherwise lawfully be distributed. The Company is not regulated by the Financial Services Authority and investors may not have the benefit of the Financial Services Compensation Scheme and other protections afforded by the Financial Services and Markets Act 2000 or any of the rules and regulations made thereunder.

No Shares have been or will be registered under the US Securities Act of 1933, as amended and the Company is not and will not be registered under the US Investment Company Act of 1940. No Shares may be sold, transferred, pledged or otherwise disposed of directly or indirectly in the United States or to or for the account of any US Person.

Under the terms of the Application Form, the Directors require all Applicants to warrant that the Shares are not being acquired directly or indirectly for the account of a US Person.

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

Nothing in this Offering Memorandum is intended to constitute, shall be treated as constituting, or shall be deemed to constitute, any offer or sale of securities in the Republic of Ireland which would constitute an offer to the public, or the marketing of shares in an investment fund, in the Republic of Ireland. This Offering Memorandum has not been prepared in accordance with Directive 2003/71/EC on Prospectuses or any measures made under that Directive or the laws of the Republic of Ireland, nor has it been reviewed by the Irish Financial Services Regulatory Authority. The Company has no

place of business in the Republic of Ireland and has not been approved by, nor is it regulated by, the Irish Financial Services Regulatory Authority.

Shares may not be purchased by persons under the age of majority in the country or countries where the person is resident or domiciled.

Potential investors should inform themselves as to:

- (i) the legal requirements within their own countries for the purchase or holding of Shares;
- (ii) any foreign exchange restrictions which they might encounter; and
- (iii) the income and other tax consequences which may apply under the laws of the countries of their citizenship, residence or domicile and which are or may be relevant to the purchase, holding or disposal of Shares or redemptions or repayments in respect of Shares.

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

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

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## **DIRECTORY**

### **DIRECTORS OF THE COMPANY**

Christopher Cadogan  
Bryan Smyth  
H Clark Hollands

### **INVESTMENT MANAGER**

IQS Funds Limited  
Suite 2  
Coconut Creek House  
Derricks  
St James  
Barbados

### **ADMINISTRATOR**

Quintillion Limited  
24-26 City Quay  
Dublin 2  
Ireland

### **TRADING ADVISOR**

IQS Capital Management Limited  
Suite 2  
Coconut Creek House  
Derricks  
St James  
Barbados

### **PRINCIPAL BROKER**

IQS Financial Limited  
29 Farm Street  
London W1J 5RL  
United Kingdom

### **AUDITORS TO THE COMPANY**

KPMG  
PO Box 493  
Century Yard  
Ricket Square  
Grand Cayman  
Cayman Islands

### **REGISTERED OFFICE OF THE COMPANY**

Walkers Corporate Services Limited  
Walker House  
87 Mary Street  
George Town  
Grand Cayman KY1-9005  
Cayman Islands

### **LEGAL ADVISORS**

(as to Cayman Islands Law)

Walkers  
6 Gracechurch Street  
London  
EC3V 0AT  
United Kingdom

## DEFINITIONS

<b>“Administrator”</b>	means Quintillion Limited or such other person as the Company may appoint from time to time as administrator in respect of the Company;
<b>“Administration Agreement”</b>	means any agreement between the Company and the Administrator as it may be amended from time to time;
<b>“Applicant”</b>	means any person who applies to subscribe for the Shares in accordance with the terms of this Offering Memorandum;
<b>“Application Form”</b>	means the application form appended to this Offering Memorandum which any Applicant must complete;
<b>“Articles”</b>	means the Company’s articles of association as amended from time to time;
<b>“Base Currency”</b>	means, in respect of the Company and the Shares, US Dollars;
<b>“Business Day”</b>	means a day on which banks are open for foreign currency exchange dealing business in Dublin or such other day as the Directors may determine and notify to applicable Shareholders;
<b>“Calculation Period”</b>	means a period of one calendar month save that the first Calculation Period will commence upon the first allotment of Shares and end at the end of that calendar month;
<b>“Company”</b>	means The IQS Futures Fund, an exempted company incorporated in the Cayman Islands;
<b>“Data Protection Legislation”</b>	means the Data Protection Act, 1988 in Ireland as amended by the Data Protection (Amendment) Act, 2003;
<b>“Dealing Day”</b>	means, in respect of the Shares and unless otherwise determined by the Directors, the first Business Day in each calendar month;
<b>“Director”</b>	means a director from time to time of the Company;
<b>“Financial Year”</b>	means, in respect of the Company, the financial year of account which will end on 31st December and in respect of the first Financial Year will commence on the date when Shares are first issued and end on 31st December 2012;
<b>“IFRS”</b>	means International Financial Reporting Standards;
<b>“Incentive Fee”</b>	means the incentive fee payable by the Company to the Trading Advisor;
<b>“Initial Offer”</b>	means the period commencing at 0900 Dublin time on 5th August 2011 and ending at 1700 Dublin time on 31st October 2011;
<b>“Investment Manager”</b>	means IQS Funds Limited or any person the Directors may appoint from time to time as an investment manager in respect of the Company;

<b>“Investment Management Agreement”</b>	means any agreement between the Company and the Investment Manager as it may be amended from time to time;
<b>“Management Fee”</b>	means the management fee payable by the Company to the Investment Manager;
<b>“Minimum Holding”</b>	means in respect of the Shares, US\$100,000, unless a higher figure is determined by the Directors;
<b>“Net Asset Value”</b>	means the net asset value from time to time calculated in accordance with this Offering Memorandum and the Articles and as described in “Net Asset Value, Fees and Expenses”;
<b>“Net Asset Value per Share”</b>	means the Net Asset Value at the relevant time divided by the number of Shares in issue or deemed to be in issue;
<b>“Offering”</b>	means the offer, including the Initial Offer, for the Shares on the terms of this Offering Memorandum;
<b>“Principal Broker”</b>	means IQS Financial Limited or such other person as the Company may appoint from time to time to provide brokerage services to the Company;
<b>“Principal Broker Agreement”</b>	means any agreement between the Company and the Principal Broker as it may be amended from time to time;
<b>“Redemption Fee”</b>	means any fee imposed upon the redemption of Shares and which may be deducted from redemption proceeds payable upon such redemption, as more particularly described in “Subscriptions, Redemptions and Transfers of Shares”;
<b>“Redemption Form”</b>	means the redemption form attached to the Application Form, to be completed by a Shareholder in order to redeem Shares;
<b>“Restricted Person”</b>	means any person in respect of whom the Directors have imposed restrictions for the purpose of ensuring that no Shares are held by: (a) a US Person; (b) any person or persons in breach of the law or requirements of any country or governmental authority; (c) any person or persons in circumstances (whether directly or indirectly affecting such person or persons and whether taken alone or in conjunction with any other person or persons, connected or not, or any other circumstance appearing to the Directors to be relevant) which in the opinion of the Directors might result in the Company incurring any liability to taxation or suffering any other pecuniary, fiscal or regulatory disadvantage which the Company might not otherwise have incurred or suffered; or (d) any person prohibited or restricted by the terms of this Offering Memorandum from holding Shares;
<b>“Shareholder”</b>	means a registered holder from time to time of Shares;
<b>“Shares”</b>	means the non-voting redeemable participating shares of the Company of par value US\$0.001 each;

<b>“Trading Advisor”</b>	means IQS Capital Management Limited or such other person as the Company may appoint from time to time as trading advisor in respect of the Company;
<b>“Trading Advisor Agreement”</b>	means any agreement between the Company and the Investment Manager and the Trading Advisor as it may be amended from time to time;
<b>“United States”</b>	means the United States of America (including the States and the District of Columbia), its territories, its possessions and all other areas subject to its jurisdiction;
<b>“US Dollars”, “US\$” or “\$”</b>	means United States Dollars, the lawful currency of the United States of America;
<b>“US Person”</b>	means any resident of the United States, a corporation, partnership or other entity created or organised in or under the laws of the United States, or any person falling within the definition of the term "US person" under Regulation S promulgated under the US Securities Act of 1933 and who does not qualify as an "accredited investor" as defined in Rule 501(a) of Regulation D promulgated under the US Securities Act of 1933;
<b>“Valuation Day”</b>	means, unless otherwise determined by the Directors, in respect of Shares, the last Business Day of each calendar month; and
<b>“Voting Shares”</b>	means voting shares of par value US\$0.001 each in the Company and carrying the rights described in the Articles.

For the purposes of this Offering Memorandum any references to the male gender with regard to Applicants shall include the female gender or such corporate or unincorporated entity as may be appropriate.



## SUMMARY

The following summary should be read in conjunction with the full text of this document:

- The Company:** The Company is an open ended investment company incorporated as an exempted company under the laws of the Cayman Islands on 12th May 2010.
- The Company has appointed IQS Funds Limited as the Investment Manager to be responsible for managing the Company, IQS Capital Management Limited as the Trading Advisor to engage in trading and to provide discretionary account management services, Quintillion Limited as Administrator to provide administration services and IQS Financial Limited as Principal Broker to provide brokerage services.
- Investment Objective:** The investment objective of the Company is to increase the Net Asset Value through investment in liquid derivative products, including outright futures contracts traded on the principal futures exchanges.
- There can be no assurance that the investment objective of the Company will be achieved. The use of derivative instruments and a high degree of leverage can result in rapid and substantial losses in some circumstances.
- The Shares:** Shares will be issued in registered form and will, save as disclosed below, rank pari passu, inter se in all respects.
- The Investment Manager:** IQS Funds Limited has been appointed as Investment Manager to the Company.
- The Trading Advisor:** IQS Capital Management Limited has been appointed as Trading Advisor to the Company.
- The Principal Broker:** IQS Financial Limited has been appointed as Principal Broker to the Company.
- The Administrator:** Quintillion Limited has been appointed as Administrator to the Company and shall provide administration, accounting, and registrar and transfer agency services to the Company. The Administrator will also ensure compliance with anti-money laundering legislation, regulation and guidance. The Administrator will be responsible for calculating Net Asset Value and the Net Asset Value per Share.
- Subscriptions:** Shares may be issued during the Initial Offer at an initial issue price for each Share of US\$100. Thereafter, Shares will be issued on each Dealing Day at a price equal to the Net Asset Value per Share calculated on the relevant Valuation Day.
- Minimum Subscription:** The minimum initial subscription from any investor is US\$100,000 unless a higher figure is determined by the Directors. Any additional subscription by that investor will be subject to a minimum amount of US\$5,000. The Company may reject an application subscription for any reason, and is not obliged to disclose the reason, or reasons, for rejecting any application. No application has been made for a listing on any stock exchange for

the Shares or for the grant of permission for the Shares to be dealt in on any other exchange.

**Redemptions:** Shares may generally be redeemed on any Dealing Day at the Net Asset Value per Share calculated on the relevant Valuation Day, subject to the conditions referred to under "Requests for Redemption" and "Compulsory Redemption" below.

Redemption Fees may be payable on the terms set out in this Offering Memorandum.

**Transfer of Shares:** The Directors may refuse to register a transfer of Shares. The Shares may not be offered or sold to Restricted Persons.

**Net Asset Value:** The Net Asset Value of the Company and the Net Asset Value per Share are calculated on each Valuation Day by the Administrator.

**Management Fees:** The Investment Manager is entitled to a Management Fee payable on the terms set out in this Offering Memorandum.

**Incentive Fees:** The Trading Advisor is entitled to an Incentive Fee payable on the terms set out in this Offering Memorandum.

**Administration Fees:** The Administrator is entitled to an Administration Fee payable on the terms set out in this Offering Memorandum.

**Brokerage Fees:** The Principal Broker is entitled to brokerage fees payable on the terms set out in this Offering Memorandum.

**Operating Expenses:** The Company is responsible for paying all costs and expenses incurred in the operation of the Company, all Management Fees, Brokerage Fees, Incentive Fees, Administration Fees and all operational expenses including, without limitation, all transaction costs and all taxes, legal, auditing and accounting services, costs of preparing and printing reports to Shareholders, offering documents and other promotional expenses, registration fees and other expenses due to supervisory authorities, insurance, interest and brokerage costs and any other expenses incurred in connection with the Company. The Company shall not bear any costs relating to its organisation or the initial offering of Shares made on the basis of this Offering Memorandum.

**The Life of the Company:** The Company will have an indefinite life, subject to the right of the Directors to compulsorily redeem all outstanding Shares in certain circumstances (see under "Compulsory Redemption" below).

**Distribution Policy:** It is not intended that any dividends or other periodic distributions will be made to applicable Shareholders.

**Risk Factors:** Investment in the Shares involves certain risks. Potential investors are referred to "Risk Factors and Conflicts of Interest" below.

## **THE COMPANY**

The IQS Futures Fund is an open ended investment company incorporated as an exempted company under the laws of the Cayman Islands on 12th May 2010.

The Investment Manager, the Trading Advisor, the Principal Broker and the Administrator have been appointed to provide services to the Company.

The Directors may (subject to compliance with any applicable laws and regulations and the Articles) add to, modify or vary any policies as set out in this Offering Memorandum.

Save as may be provided by the terms of this Offering Memorandum, Shares may be issued during the Initial Offer and thereafter on any Dealing Day. During the Initial Offer, the initial issue price of each Share will be US\$100. Thereafter, Shares will be issued at a price equal to the Net Asset Value per Share as of the relevant Dealing Day on which Shares are to be issued, as calculated on the relevant Valuation Day.

Shares will be issued in registered form and the Shares will, save as disclosed below, rank pari passu, inter se in all respects.

Shares may generally be redeemed on any Dealing Day at the Net Asset Value per Share calculated on the relevant Valuation Day, subject to the conditions referred to under "Requests for Redemption" and "Compulsory Redemption" below.

## **INVESTMENT OBJECTIVE AND STRATEGY**

### **Investment Objective**

The investment objective of the Company is to seek to increase the Net Asset Value through investment in liquid derivative products, including outright futures contracts traded on the principal futures exchanges.

There can be no assurance that the investment objective of the Company will be achieved. The use of derivative instruments and a high degree of leverage can result in rapid and substantial losses in some circumstances.

### **Trading Program**

The Company has appointed IQS Funds Limited as Investment Manager to manage the Company. The Company and the Investment Manager have appointed IQS Capital Management Limited as Trading Advisor to the Company. The Trading Advisor will trade the Company's portfolio in accordance with its Diversified Program (the "Diversified Program").

The Diversified Program is designed to give investors the potential to achieve a high rate of return on their capital while, at the same time, keeping the degree of risk within acceptable limits.

The trading methods which underpin the Diversified Program are proprietary and confidential. The Trading Advisor is engaged in ongoing research so the trading strategies and markets used by the Trading Advisor in the future may be different from those currently used. Any such changes in the Trading Advisor's trading methods will not necessarily be disclosed to the Company or its Shareholders.

The Diversified Program involves trading a diversified portfolio of futures contracts, using a totally objective approach which utilises a series of computer programs.

The Trading Advisor's trading methods are based on technical analysis, which is the analysis of price data and other related market data such as volume and open interest. The Trading Advisor believes that future price movements in financial markets may be more accurately anticipated by studying the behaviour of prices and other related data than by fundamental economic analysis.

Whereas fundamental analysis involves a large degree of subjective interpretation, certain forms of technical analysis can be applied in a completely objective manner, with trading decisions being based on a set of fixed trading rules or "trading system". These rules can be encapsulated in the form of a computer program, which can then be used to make all trading decisions in a completely objective and unemotional manner. In the case of the Trading Advisor, every possible aspect of the trading process has been computerised, and this means that the Trading Advisor's trading for the Company can be carried out quickly, accurately, and in a simple and straightforward manner.

The Trading Advisor's trading systems are primarily trend-following in nature. A trend-following approach is designed to take advantage of the tendency for prices in financial markets to move in trends. In other words, once prices have started to move in a certain direction, they are more likely to continue to move in that direction than to reverse. Trend-followers therefore seek to identify which direction prices are moving in, take a market position in accordance with that trend, and hold that position until there is firm evidence that the trend has ended. According to the Trading Advisor, because prices tend to move in trends, a small profit is more likely to double in size than to disappear, so profits should be allowed to run. Similarly, a small loss is also more likely to double than to disappear, so a trader should cut its losses short as soon as possible. These two trading rules (cut your losses short and let your profits run) are followed by the majority of successful traders.

The trading systems used by the Trading Advisor are simple and robust, and involve very few parameters. By altering the values of these parameters, it is possible to adjust the timeframe or sensitivity of the system. For example, one set of parameters might produce a short-term system designed to capture price movements lasting only a few days, while another set would produce a

much longer term system designed to profit from trends lasting many months. The Trading Advisor operates on a large number of different timeframes simultaneously, using multiple variations of the same basic trading systems. Each of these system variations should produce reasonable results on a stand-alone basis, but significantly better results can be achieved by using all of the systems in parallel with each other. This is because the Trading Advisor's multi-system approach tends to result in large net positions when the short, medium and long term price trends are reinforcing each other (which tend to be the most profitable periods), and smaller net positions when the various trends are in conflict.

The performance of any trend-following system can be further improved by the use of various pattern recognition filters. The Trading Advisor has developed several proprietary filters which are intended to distinguish between those trading signals that are most likely to produce substantial profits and those that are likely, on average, to result in only minimal gains or in losses.

At present the Trading Advisor operates on futures exchanges based in New York and Chicago, although the Trading Advisor may operate on other exchanges in the future.

Because the trading systems operate in a large number of markets and across a large number of timeframes, the Trading Advisor is able to achieve a high degree of diversification. The main advantage of using a highly diversified approach is that it can improve the portfolio's overall risk / reward ratio, which in turn can result in smoother and more consistent growth in account equity. The reason for this is that, in the case of a highly diversified portfolio, simultaneous profits and losses on each of the portfolio's different investment positions will tend to offset or cancel each other out (which obviously cannot happen with an undiversified portfolio), thereby reducing the portfolio's volatility (but without a corresponding reduction in its expected rate of return). The greater the diversification, the greater will be the improvement in the portfolio's risk / reward ratio, as compared with an undiversified portfolio. Since an increase in diversification should allow the Trading Advisor to achieve the same rate of return with less volatility (or a higher rate of return with the same volatility), the Trading Advisor is keen to achieve the maximum possible diversification.

The trading systems used by the Trading Advisor incorporate a number of measures designed to keep volatility and risk within controlled limits. For example, the size of each new position is determined by the relevant market's level of volatility at the time of entry, as is its initial protective stop level. All positions are protected using stops, which allows the Trading Advisor to define its maximum expected loss on each trade. If the loss on any trade reaches this predetermined amount, the Trading Advisor will automatically liquidate that position as soon as possible, thereby protecting the remaining capital from any further loss. As well as seeking to limit the initial risk on each individual trade, the Trading Advisor also seeks to control each trade's risk throughout the life of that trade. For example, if a position's volatility or risk increases beyond predetermined limits, the Trading Advisor will liquidate part of that position in order to ensure that the position's volatility and risk are brought back into line with the new higher level of market volatility. This adjustment of the position size ensures that the portfolio retains its proper level of diversification, and does not become dominated by a few overly large positions in markets whose volatility has risen dramatically. The Trading Advisor also operates a similar rule on a portfolio basis. If the risk or volatility of the entire portfolio rises above certain predetermined limits, the Trading Advisor will reduce the size of all open positions in order to bring the risk and volatility back within acceptable limits.

The Diversified Program is designed to give investors the potential to achieve substantially higher rates of return than most other investment programs, so it is obviously essential for it to incorporate some effective and robust risk control and money management rules, such as those outlined above. Even though risk and volatility can be controlled to a large extent by these rules, the Diversified Program is a highly aggressive program, and its average risk and volatility levels will therefore still be considerably higher than would be the case with most other investment programs.

**Investment Restrictions**

The Directors reserve the right to seek a listing in the future for the Shares on any stock exchange if this is considered to be in the interests of the Shareholders. In such event the Company may become subject to investment restrictions and other constraints to which it would otherwise not be subject.

**Distribution Policy**

It is not intended that any dividends or other periodic distributions will be made to applicable Shareholders.

## **RISK FACTORS AND CONFLICTS OF INTEREST**

Investments in the Shares may involve a number of significant risk factors directly or indirectly due to the Company's trading strategy. Prospective investors should consider carefully the following factors, among others, in making their investment decision and should consult their own legal, tax and financial advisors as to all of these risks and an investment in the Shares. The following is a summary of certain of those risks that should be considered but is not a comprehensive list of all potential risks:

### **General Risks of Investing**

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

### **Trading Risks**

Substantial risks are involved in alternative investment strategies, including the trading of futures and other derivative instruments. Market movements can be volatile and are difficult to predict. The Trading Advisor employs various techniques to attempt to reduce the risks inherent in its trading strategies. However, the ability to achieve the desired effect through a particular technique is dependent upon many factors, including the liquidity of the market at the desired time of execution. Thus, substantial risk remains that such techniques cannot always be implemented or effective in reducing losses. The activities undertaken on behalf of the Company will involve investment in readily marketable futures contracts and will involve a high degree of leverage. Accordingly, a relatively small price movement may result in rapid and substantial losses. At various times, markets may be illiquid, making purchases and sales at desired prices or in desired quantities difficult or impossible. The liquidity of the market may also be affected by the suspension of trading on a particular futures exchange or exchanges.

### **Risks Specific to Futures Trading**

#### **Futures Trading is Speculative and Volatile**

Futures prices can be highly volatile. Price movements of futures contracts are influenced by, among other things, changing supply and demand relationships, weather, agricultural, trade, fiscal, monetary and exchange control programs and policies of governments, national and international economic events and policies, changes in national and international interest rates and rates of inflation, currency devaluations and revaluations, and emotions of the marketplace. In addition, governments from time to time intervene directly in certain markets, and such intervention is often intended to influence prices directly. None of these factors can be controlled by the Trading Advisor and no assurance can be given that the Company will not incur substantial losses.

#### **Futures Trading is Highly Leveraged**

The low margin deposits normally required in futures trading (typically between 2% and 15% of the value of the contract purchased or sold) permit traders to employ a very high degree of leverage, if they so choose. Accordingly, a relatively small price movement in a futures contract may potentially result in rapid and substantial losses to the Company.

Due to the low margins involved, price fluctuations occurring in futures markets may create profits and losses that are greater than are customary in other forms of investment or speculation relative to the level of investment. Although in some circumstances futures trading may result in losses in excess of

the amount invested, the liability of Shareholders investing in the Company is limited to the subscription amount, if any, unpaid on the Shares held by them.

### **Futures Trading may be Illiquid**

It may not always be possible to execute a buy or sell order at the desired price, due to the fact that the market may be thinly traded and there may be only a relatively small volume of buy or sell orders. Many futures exchanges also impose daily price fluctuation limits on the amount by which the price of various futures contracts may vary during a single day, relative to the previous trading day's settlement price. These daily price limits prevent trades from being executed during a given trading day at a price above or below the relevant limit prices. Once the price of a futures contract has moved to the limit price, it may be difficult or impossible to liquidate an affected position during the remainder of that trading session. Prices in various futures markets have sometimes moved the daily limit for several consecutive days with little or no trading. Similar occurrences could prevent the Trading Advisor from promptly liquidating unfavourable positions, and could subject the Company to substantial losses. It is also possible that an exchange or regulatory authority could suspend trading in a particular contract, order immediate settlement of a particular contract, or order that trading in a particular contract be conducted for liquidation only.

### **Effects of Speculative Position Limits**

Futures contracts traded on United States exchanges are in many cases subject to "speculative position limits". These limit the maximum net long or net short speculative positions that any person may hold or control in those futures contracts. All accounts owned, controlled or managed by the Trading Advisor are combined for speculative position limit purposes. If an aggregate position in those accounts were to approach the level of a particular speculative position limit, the Trading Advisor may have to modify its trading decisions or liquidate certain futures positions. This could adversely affect the profitability of the Company's trading account because the Trading Advisor may be prevented from taking potentially profitable positions which it would otherwise have acquired for the Company, due to the operation of such limits.

### **Creditworthiness of Counterparties**

The Company will open a trading account with IQS Financial Limited. Funds deposited with IQS Financial Limited may in turn be deposited with clearing brokers (where they will be held in a segregated client account), or with the clearing house of an exchange, in order to support the Company's futures trading positions. If any of these organisations becomes bankrupt or insolvent, there is a risk that there will be a partial or complete loss of the Company's funds.

### **Trading Strategies may not be Successful**

Past performance is not necessarily indicative of future profitability. There can be no assurance that any trading method employed by the Trading Advisor on behalf of the Company will produce profitable results.



## **Risks Specific to the Trading Program**

### **Trading Based on Technical Analysis**

All of the Trading Advisor's trading decisions are based entirely on technical analysis, and the Trading Advisor's trading systems are designed primarily to identify and take advantage of price trends. The profitability of these systems depends upon the accurate forecasting of significant price trends, while at the same time avoiding whipsaw losses. If most markets are going through a choppy, trendless phase, with fewer sustained trends than normal, the sort of trading approach used by the Trading Advisor is very likely to lose money. There have been significant periods in the past where this has been the case, and such periods will continue to occur in the future. Even if many of the markets followed by the Trading Advisor are experiencing significant price trends, there is no assurance that the methods used by the Trading Advisor will be able to identify successfully and take advantage of those price trends. No assurance can be given that the Trading Advisor's methods will be successful or that the returns achieved by the Company's account will be similar to those achieved by the Trading Advisor in the past.

### **Increased Popularity of Systematic Trading Methods**

The Trading Advisor's trading approach involves the use of mechanical, computerised trading systems. An increase in the use of similar systematic trading methods by other futures traders could adversely affect the performance of the Trading Advisor's own trading systems. An increase in the number of systematic traders is also likely to adversely affect trade execution, since traders who are using similar systems to the Trading Advisor will be likely to be attempting to initiate or liquidate their futures positions at approximately the same time as the Trading Advisor.

### **Substantial Fees and Expenses**

The Company will be subject to substantial brokerage commissions as well as substantial incentive fees and management fees. Accordingly, the Company's trading account will have to achieve substantial profits in order to avoid depletion of assets due to such commissions and fees. The fees charged by the Trading Advisor and the Principal Broker may be higher or lower than the fees paid by their other clients. The Company is responsible for bearing any and all expenses, losses and fees incurred as a result of maintaining, and having the Trading Advisor trade, its account, and it is directly responsible for paying to the Principal Broker all brokerage commissions, charges, fees and expenses incurred in connection with transactions effected for the Company's account by the Trading Advisor.

### **Portfolio Turnover**

Turnover of the Company's investments may be higher than for more traditional portfolios and accordingly the level of commissions and other transaction costs may be higher than normal.

### **Limited Transferability**

Since the Shares are transferable only with the prior approval of the Directors, Shareholders may not be able to sell their investments and therefore will have to utilise the Company's redemption or repurchase program, which itself may be subject to restrictions. (See "Subscriptions, Redemptions and Transfers of Shares".)

### **Redemption or Repurchase of the Shares**

Substantial redemption or repurchase of the Shares could require the Company to liquidate its trading positions more rapidly than would otherwise be desirable, which could adversely affect the value of

the Shares. In these circumstances, the Company may defer redemptions or repurchases. In addition, a reduction in the assets of the Company will increase the cost base of the Company as a percentage of its Net Asset Value.

### **Mandatory Redemptions or Repurchases**

The Company reserves the right to require a Shareholder to redeem its total shareholding in certain circumstances. (See "Subscriptions, Redemption and Transfers of Shares".)

### **Indemnification of the Company's Directors, Investment Manager, Trading Advisor, Principal Broker, Administrator and Auditor**

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

### **Foreign Currency Exchange Risks**

The Company may invest in instruments denominated in a range of currencies. The Company may therefore be exposed to the risk of fluctuations in the exchange rate between the Base Currency and the currency in which those instruments are denominated.

### **Investment Manager and Trading Advisor**

Certain matters affecting the Investment Manager or the Trading Advisor (for example, the loss of key staff, regulatory action or litigation) may affect the ability of the Investment Manager or the Trading Advisor to fulfil their responsibilities to the Company and may therefore affect the success of the Company.

The foregoing factors do not purport to be a complete explanation of all the risks and significant considerations involved in an investment in the Shares. In particular the Company's performance may be affected by changes in economic conditions, financial markets, and legal and regulatory requirements.

### **Conflicts of Interest**

Potential investors should be aware that there may be situations in which the Directors, the Investment Manager, the Trading Advisor, the Principal Broker, the Administrator and / or their respective principals, directors, employees and associated companies (together the "Interested Parties"), could encounter a conflict of interest in connection with the Company.

In evaluating the potential conflicts of interest set out below, potential investors should be aware that the Interested Parties will exercise good faith and integrity in handling the Company's affairs. Should a conflict of interest actually arise, the Interested Parties will endeavour to ensure that it is resolved fairly.

The Investment Manager, the Trading Advisor and the Principal Broker are closely linked companies. Since the amount of commission earned by the Principal Broker is directly related to the volume of trades placed by the Trading Advisor, there is a financial incentive for the Trading Advisor to trade more frequently or more aggressively in order to generate more commission for the Principal Broker, which gives rise to a potential conflict of interest. However, since the Trading Advisor and the Principal Broker have a duty to act in the best interests of the Company, the level of trading will be

determined solely by the desire to achieve the best possible risk-adjusted returns for the Company and its Shareholders.

The Trading Advisor manages a number of other trading accounts as well as the Company's account. Since these accounts may differ from each other in terms of their size and fee structure, the Trading Advisor may have a financial incentive to favour one account over another. Similarly, the Principal Broker provides brokerage services to other accounts managed by the Trading Advisor, and may also have a financial incentive to favour one account over another. However, the Trading Advisor and the Principal Broker will never knowingly or deliberately give preferential treatment to any account over any other account. In particular, the allocation of trade execution prices between accounts will be carried out in a fair, unbiased and neutral manner. It should be noted, however, that even a completely unbiased system of price allocation will unavoidably result in some accounts being allocated better prices than others, and so no assurance can be given that the Company's trading account will achieve exactly the same rate of return as any other account managed by the Trading Advisor.

Incentive fees payable to the Trading Advisor are based on a percentage of the net new trading profits achieved by the Company's trading account. If the Company's account has suffered a losing period, the Trading Advisor will first have to recoup these losses before any further Incentive Fees can be earned. This arrangement may create an incentive for the Trading Advisor to make trades that are riskier or more speculative, or to use a higher level of leverage, than would be the case if the Trading Advisor were compensated solely by an asset-based management fee.

The Investment Manager or the Trading Advisor may make investments for other clients without making the same available to the Company where, having regard to its obligations under the Investment Management Agreement or the Trading Advisor Agreement, the Investment Manager or the Trading Advisor considers that it is acting in the best interests of the Company, so far as is reasonably practicable, having regard to its obligations to other clients.

The Interested Parties may trade futures contracts for their own proprietary accounts. It is possible that when trading for these proprietary accounts, orders may be entered which are opposite to, or ahead of, positions taken for the Company, or which compete directly with orders placed on behalf of the Company. This could occur as a result of a neutral allocation system, trading pursuant to different trading systems, trading proprietary accounts more aggressively, testing new trading systems, or any other actions that would not constitute a violation of fiduciary duties. The records of such proprietary trading will not be made available to the Company or its Shareholders.

Two of the Directors of the Company are also associated with the Investment Manager, the Trading Advisor and / or the Principal Broker. Christopher Cadogan, a Director of the Company, is employed by the Trading Advisor and is a director of both the Investment Manager and Principal Broker. Bryan Smyth, a Director of the Company, is also a director and chief executive of the Principal Broker.

## **MANAGEMENT AND ADMINISTRATION**

### **Directors and Officers**

The Directors are responsible, inter alia, for creating and issuing the Shares, for monitoring the Company's performance, and for appointing, supervising, directing and, if necessary, replacing the Investment Manager, Trading Advisor, Principal Broker, and the Company's other service providers. The Directors are further responsible for monitoring and reviewing any conflicts of interest that exist or may arise. The Directors are all non-executive and as such have no service contracts. Their address in their capacity as Directors of the Company is the registered office of the Company. The following are Directors of the Company:

#### **Christopher Cadogan**

Christopher Cadogan attended the University of the West Indies where he was awarded a BSc in Computer Science with First Class Honours, and the University of York where he was awarded an MSc in Software Engineering.

After graduating, Christopher worked as a consultant software developer, designing and developing applications in statistics.

Christopher joined the Trading Advisor, IQS Capital Management Limited, in 2004. He worked for several years as a member of the team responsible for the implementation of the Trading Advisor's proprietary trading systems, before assuming responsibility for information technology, research and systems development.

Christopher is currently Managing Director of the Investment Manager, IQS Funds Limited, and a Director of the Principal Broker, IQS Financial Limited.

#### **Bryan Smyth**

Bryan Smyth attended University College Dublin where he was awarded a Bachelor of Commerce degree with First Class Honours, before qualifying as a Chartered Accountant with PricewaterhouseCoopers ("PwC").

Bryan has gained extensive and wide-ranging experience in finance and industry, in Ireland, the UK, China, Russia and the Ukraine.

Bryan is a Fellow of the Institute of Chartered Accountants in Ireland, a Chartered Member of the Chartered Institute of Securities & Investments and a Chartered Internal Auditor. Bryan is fluent in the principal European languages.

Bryan is currently a Director and Chief Executive of the Principal Broker, IQS Financial Limited. In this role, Bryan is responsible for all financial, compliance, risk, audit and legal matters.

#### **H Clark Hollands**

Clark Hollands holds a Commerce degree from the University of British Columbia and is a Fellow of the Institute of Chartered Accountants of Canada. Clark retired from public practice in 2008 after a distinguished 33-year career with KPMG, including 25 years as an International Tax Partner. During his tenure, Clark was responsible for advising some of Canada's largest companies on taxation matters.

Clark has published a number of papers on taxation and has served on the boards of various professional organizations, including the CICA Accounting Task Force and Canada Revenue's International Tax Advisory Committee.

Clark remains involved as both an investor and an executive in businesses in the retailing and insurance industries. He is also a noted philanthropist, having contributed to charitable causes the world over, including the Canadian Relief Fund for Chernobyl Victims in Belarus. He established Heronbrook, a family foundation dedicated to helping orphaned children around the world, and serves on the boards of the Jim Pattison Foundation, the Broadway Lodge and the Pacific Academy.

### **The Investment Manager**

IQS Funds Limited, incorporated as a limited liability company in Barbados on 8/11/2005 under number 25619, has been appointed as Investment Manager to the Company.

The Investment Manager is regulated in the USA by the Commodity Futures Trading Commission (the "CFTC") and is registered with the National Futures Association (NFA) as a commodity trading advisor (CTA) and a commodity pool operator (CPO).

Pursuant to CFTC Rule 4.7(c), the Investment Manager has claimed an exemption in respect of the provision of commodity interest trading advice to qualified eligible persons (as defined in CFTC Regulation 4.7(a)(2)), from CFTC Regulations Rule 4.31, 4.34, 4.35 and 4.36. The Investment Manager is therefore not required to deliver a CFTC disclosure document to prospective Shareholders or to provide Shareholders with certified annual reports, in accordance with CFTC rules.

The Investment Manager was appointed pursuant to an Investment Management Agreement with the Company dated 4 August 2011. Under the Investment Management Agreement, the Investment Manager has full discretion, subject to the control of and review by the Directors, to manage the Company on the terms of the Investment Management Agreement. The Investment Manager also has the authority to exercise the voting rights in connection with assets held by the Company. The Investment Management Agreement will continue in force until terminated by either party giving three months' notice to the other party. The Investment Management Agreement may be terminated forthwith by either party on immediate written notice if the other party commits any material breach of its obligations and fails to remedy the breach within 30 days of receipt of written notice requiring the same, or if the other party is dissolved or otherwise is unable to pay its debts, becomes insolvent or enters into insolvency proceedings.

The Investment Manager has in turn appointed, and will monitor and review the performance of, the Trading Advisor, and may select and retain new or additional Trading Advisors where appropriate, and decide on the allocation and re-allocation of the funds to any Trading Advisor as it, at its discretion, deems appropriate. In carrying out these functions, the Investment Manager will consider and analyse, inter alia, the experience, past performance and trading methods, systems and policies of the initial and any subsequent Trading Advisors. It will not, however, influence the trading decisions of any Trading Advisor.

The Company will indemnify and hold harmless the Investment Manager and each of its shareholders, directors, officers, servants, employees and agents from and against any and all actions, proceedings, claims, demands, liabilities, losses, damages, reasonable costs, expenses (other than to the extent that they result from the negligence, wilful default, bad faith, fraud or material breach of agreement on the part of the Investment Manager or on the part of its servants, agents, directors, officers or employees) which may be imposed on, or incurred by, or asserted against the Investment Manager in performing its obligations or duties under the Investment Management Agreement.

The Company reserves the right to change the arrangements described above by agreement with the Investment Manager and/or, in its discretion, to appoint additional or alternative investment managers.

### **The Trading Advisor**

IQS Capital Management Limited, a Barbadian corporation licensed under the Barbados International Business Companies Act 1991, has been appointed as Trading Advisor to the Company.

All of the Trading Advisor's investment management operations are carried out from its offices in Barbados. At present, there is no Barbadian legislation covering the regulation or licensing of trading advisors such as the Trading Advisor, nor is it regulated or licensed by any overseas regulator, nor is it a member of any overseas self-regulatory organisation.

The Trading Advisor was appointed pursuant to a Trading Advisor Agreement with the Company and the Investment Manager dated 4th August 2011. Under the Trading Advisor Agreement, the Trading Advisor will engage in trading and provide discretionary account management services, subject to the control of and review by the Investment Manager, in respect of the Company. These services will be provided in a manner consistent with the investment objective, approach and restrictions described in this Offering Memorandum. Under the Trading Advisor Agreement, the Trading Advisor is entitled to receive a fee from the Company as detailed under "Net Asset Value, Fees and Expenses" below. The Trading Advisor Agreement will continue in force until terminated by any party giving notice to the other parties. The Trading Advisor Agreement may be terminated if any other party is unable to pay its debts, becomes insolvent or enters into insolvency proceedings.

The Company will indemnify and hold harmless the Trading Advisor and each of its shareholders, directors, officers, servants, employees and agents from and against any and all actions, proceedings, claims, demands, liabilities, losses, damages, reasonable costs, expenses (other than to the extent that they result from the negligence, wilful default, bad faith, fraud or material breach of agreement on the part of the Trading Advisor or on the part of its servants, agents, directors, officers or employees) which may be imposed on, or incurred by, or asserted against the Trading Advisor in performing its obligations or duties under the Trading Advisor Agreement.

The Trading Advisor and its affiliates (including its and their directors, officers, members and employees) may subscribe directly or indirectly for Shares.

The Company reserves the right to change the arrangements described above by agreement with the Trading Advisor and / or, in its discretion, to appoint additional or alternative trading advisors.

### **The Administrator**

Quintillion Limited has been appointed as Administrator to the Company. Quintillion Limited is an independent fund administration company operating from its head office at 24-26 City Quay in the International Financial Services Centre in Dublin. Quintillion offers a range of outsourced accounting and investor services solutions to the hedge fund community and is authorised by the Irish Financial Services Regulatory Authority under the Investment Intermediaries Act, 1995.

The Administrator was appointed pursuant to an Administration Agreement with the Company dated 4th August 2011. Under the Administration Agreement, Quintillion will administer the day to day operations and business of the Company, including processing subscriptions (including all requirements relating to Money Laundering), redemptions, computing the Net Asset Value and the Net Asset Value per Share, maintaining books and records, disbursing payments, establishing and maintaining accounts on behalf of the Company, and any other matters usually performed for the administration of a fund. The Administrator will keep the accounts of the Company in accordance with international financial reporting standards. The Administrator will also maintain the Shareholders register.

The Administration Agreement may be terminated at any time by any party on 90 days' notice and may be terminated without such notice in certain instances.

The Administrator is not involved directly or indirectly with the business affairs, organisation, distribution or management of the Company and is responsible and liable only for the administration services that it provides pursuant to the Administration Agreement.

The Company will indemnify and hold harmless the Administrator and each of its shareholders, directors, officers, servants, employees and agents from and against any and all actions, proceedings, claims, demands, liabilities, losses, damages, reasonable costs, expenses (other than to the extent that they result from the negligence, wilful default, bad faith, fraud or material breach of

agreement on the part of the Administrator or on the part of its servants, agents, directors, officers or employees) which may be imposed on, or incurred by, or asserted against the Administrator in performing its obligations or duties under the Administration Agreement.

The Administrator is a service provider to the Company and has no responsibility or authority to make investment decisions, nor render investment advice, with respect to the assets of the Company. The Administrator has no responsibility for monitoring compliance by the Company, the Investment Manager or the Trading Advisor with any investment policies or restrictions to which they are subject. The Administrator accepts no responsibility or liability for any losses suffered by the Company as a result of any breach of such policies or restrictions by the Company, the Investment Manager or the Trading Advisor.

The Company reserves the right to change the arrangements described above by agreement with the Administrator and / or, in its discretion, to appoint additional or alternative administrators.

### **The Principal Broker**

IQS Financial Limited, a private limited company incorporated in England and Wales with registration number 05473937, has been appointed as Principal Broker to the Company.

The Principal Broker is authorised and regulated by the Financial Services Authority (the "FSA"). It received its FSA authorisation in October 2006, and its FSA registration number is 454194. It is authorised to perform a range of investment activities, including dealing in investments, arranging deals, and providing investment advice.

The Principal Broker is also authorised to hold and control client money. Any funds transferred by the Company to the Principal Broker will be held in accordance with the FSA's Client Money Rules.

Since receiving its FSA authorisation, the Principal Broker has operated as a futures broker and investment advisor, providing execution and clearing services to clients of the Trading Advisor and others.

The Principal Broker works closely with the Trading Advisor in order to integrate their computer systems, thereby allowing orders to be placed, executed and reported efficiently and reliably. In particular, the Principal Broker has developed its own software which enables the Trading Advisor's orders to be executed using various proprietary algorithmic order execution strategies. These strategies are designed to minimise the visibility of the Trading Advisor's orders, thereby reducing their market impact and allowing comparatively large orders to be executed without incurring excessive price slippage. All orders are routed to the appropriate exchange and executed electronically, using proprietary gateway software developed by the Principal Broker.

The Principal Broker was appointed pursuant to a Principal Broker Agreement with the Company dated 4th August 2011. Under the Principal Broker Agreement, the Company will open a trading account with the Principal Broker, and the Principal Broker will undertake to provide brokerage services to the Company. The Principal Broker Agreement will continue in force until terminated by either party giving notice to the other party in accordance with the termination provisions contained therein.

The Company will indemnify and hold harmless the Principal Broker and each of its shareholders, directors, officers, servants, employees and agents from and against any and all actions, proceedings, claims, demands, liabilities, losses, damages, reasonable costs, expenses (other than to the extent that they result from the negligence, wilful default, bad faith, fraud or material breach of agreement on the part of the Principal Broker or on the part of its servants, agents, directors, officers or employees) which may be imposed on, or incurred by, or asserted against the Principal Broker in performing its obligations or duties under the Principal Broker Agreement.

The Company reserves the right to change the arrangements described above by agreement with the Principal Broker and/or, in its discretion, to appoint additional or alternative brokers.

**Alternative Service Providers**

If the Directors consider it appropriate, they may appoint alternative service providers in respect of the Company.



## ORGANISATION OF THE COMPANY

### Incorporation and Share Capital

The Company was incorporated as an exempted company under the laws of the Cayman Islands on 12th May 2010 with registered number WK240610.

The authorised share capital of the Company is US\$50,000 comprising:

- (a) 1,000 Voting Shares of par value US\$0.001 each, all of which have been issued to the Investment Manager; and
- (b) 49,999,000 non-voting participating redeemable shares of par value US\$0.001 each, i.e. the Shares which are the subject of this Offering Memorandum.

### Voting Shares

Holders of Voting Shares shall not be entitled to any dividends.

Holders of Voting Shares have the right to receive notice of, attend, speak and vote at general meetings of the Company and on a show of hands every holder of Voting Shares present in person and every person representing a holder of Voting Shares by proxy shall at a general meeting of the Company have one vote and on a poll every holder of Voting Shares and every person representing a holder of Voting Shares by proxy shall have one vote for each share of which he or the person represented by the proxy is the holder.

The Company may at any time purchase Voting Shares on such terms and in such manner as the Company may agree with the holder save that the price to be paid by the Company shall not exceed the amount paid up on such shares.

On a return of capital on liquidation or winding up of the Company, the holders of the Voting Shares are entitled to the nominal amount paid up on the Voting Shares in priority to any payment made on the Shares but no other amount unless either there are no Shares in issue, or if on liquidation or winding up there are surplus amounts, in which case the holders of Voting Shares shall be entitled, *pari passu*, to any surplus amounts remaining.

### Non-voting Shares

The Shares carry no right to vote.

No Shares have preference or pre-emptive rights in respect of the allotment, issue or transfer of Shares. All of the Shares will, save as disclosed below, rank *pari passu*, *inter se* in all respects.

Shares are issued in registered form and holders will not be entitled to a share certificate. Fractions of Shares may be issued to four decimal places, or such number of decimal places as the Directors determine.

On a return of capital upon liquidation or winding up of the Company, after the holders of Voting Shares have received an amount equal to the nominal amount paid up on the Voting Shares, the assets of the Company available for distribution to the members of the Company shall be distributed *pari passu* to the holders of the Shares according to the amount such Shares would receive on a redemption pursuant to the Articles as of the Valuation Day immediately preceding the date of liquidation or winding up, with any surplus amounts being distributed to the holders of Voting Shares in accordance with the Articles.

The Articles provide that the unissued Shares are at the control of the Directors who may issue them as the Directors may determine and unissued Shares may be allotted, issued or otherwise disposed

of in such manner, to such persons and on such terms as the Directors, in their absolute discretion, may think fit.

The Net Asset Value per Share will be calculated by determining the Net Asset Value divided by the number of Shares in issue.

The rights conferred upon the holders of the Shares shall not, unless otherwise expressly provided by the terms of issue of the Shares, be deemed to be varied or abrogated by, inter alia, the creation, allotment or issue of further Shares ranking pari passu with or subsequent to them, the redemption or repurchase of any Shares, the passing of any Directors' resolution to change or vary any investment objective, technique or strategy, any modification of the fees payable to any service provider to the Company, or any change to the Minimum Holding, or any change to a Valuation Day.

### **Memorandum and Articles of Association**

The Company's Memorandum of Association provides that the objects for which the Company is established are unrestricted, and the Company may carry out any object not prohibited by law.

The Company's Articles also provide:

(a) **Directors' Interests**

A Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company shall declare the nature of his interest at a meeting of the Directors. A general notice given to the Board of Directors by any Director to the effect that he is a member of any specified company or firm and is to be regarded as interested in any contract which may thereafter be made with that company or firm shall be deemed a sufficient declaration of interest in regard to any contract so made. A Director may vote in respect of any contract or proposed contract or arrangement notwithstanding that he may be interested therein and if he does so his vote shall be counted and he may be counted in the quorum at any meeting of the Directors at which any such contract or proposed contract or arrangement shall come before the meeting for consideration.

A Director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine and no Director or intending Director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such other office or place of profit or as vendor, purchaser or otherwise, nor shall any such contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested, be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relation thereby established. A Director, notwithstanding his interest, may be counted in the quorum present at any meeting of the Directors whereat he or any other Director is appointed to hold any such office or place of profit under the Company or whereat the terms of any such appointment are arranged and he may vote on any such appointment or arrangement.

Any Director may act by himself or for his firm in a professional capacity for the Company, and he or his firm shall be entitled to remuneration for professional services as if he were not a Director; provided that nothing herein contained shall authorise a Director or his firm to act as auditor to the Company.

Every Director may also be reimbursed for travel, hotel and other expenses incurred by him in attending meetings of the Directors or in connection with the business of the Company.

(b) Increase and Reduction of Capital

The Company may by ordinary resolution increase its share capital by such sum to be divided into shares and amount as the resolution shall prescribe. The Company may also by ordinary resolution consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares; convert all or any of its paid up shares into stock and reconvert that stock into paid up shares of any denomination; subdivide its existing shares, or any of them, into shares of a smaller amount provided that in the subdivision the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in case of the share from which the reduced share is derived; cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled. The Company may by special resolution reduce its share capital and any capital redemption reserve in any manner authorised by law.

(c) Appointment and Retirement of Directors

Directors may only be appointed or removed by ordinary resolution.

A Director holds office until such time as he is removed from office by the Company by ordinary resolution, or becomes bankrupt or makes any arrangement or composition with his creditors, or is found to be or becomes of unsound mind or resigns his office by notice in writing to the Company.

The Company may by ordinary resolution from time to time fix the maximum and minimum number of Directors to be appointed but unless such number is fixed as aforesaid the minimum number of Directors shall be one and the maximum shall be ten.

There is no shareholding qualification for Directors unless determined otherwise by the Company by ordinary resolution.

There is no provision for the retirement of Directors on their attaining a certain age.

(d) Transfer of Shares

The Directors may refuse to register a transfer of Shares. The Directors' policy in relation to the transferability of Shares is set out in this Offering Memorandum.

(e) Indemnity and Disclaimer

Every Director (including for these purposes any alternate director appointed pursuant to the provisions of the Articles), secretary, assistant secretary, or other officer for the time being and from time to time of the Company (but not including the Company's auditors) and the personal representatives of the same shall be indemnified and secured harmless out of the assets and funds of the Company against all actions, proceedings, costs, charges, expenses, losses, damages or liabilities incurred or sustained by him in or about the conduct of the Company's business or affairs or in the execution or discharge of his duties, powers, authorities or discretions, including without prejudice to the generality of the foregoing, any costs, expenses, losses or liabilities incurred by him in defending (whether successfully or otherwise) any civil proceedings concerning the Company or its affairs in any court whether in the Cayman Islands or elsewhere unless the same shall happen through his own fraud or dishonesty. No such Director, alternate director, secretary, assistant secretary or other officer of the Company (but not including the Company's auditors) shall be liable:

- (i) for the acts, receipts, neglects, defaults or omissions of any other such Director or officer or agent of the Company; or
- (ii) by reason of his having joined in any receipt for money not received by him personally, or other act for conformity; or

- (iii) for any loss on account of defect of title to any property of the Company; or
- (iv) on account of the insufficiency of any security in or upon which any of the assets of the Company shall be invested or for any loss of any of the assets of the Company which shall be invested; or
- (v) for any loss incurred through any bank, broker or other agent; or
- (vi) for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person with whom any assets, securities or effects shall be deposited; or
- (vii) for any loss occasioned by any negligence, default, breach of duty, breach of trust, error of judgement or oversight on his part; or
- (viii) for any loss, damage or misfortune whatsoever which may happen in or arise from the execution or discharge of the duties, powers, authorities, or discretions of his office or in relation thereto, unless the same shall happen through his own fraud or dishonesty.

## **SUBSCRIPTIONS, REDEMPTIONS AND TRANSFER OF SHARES**

### **Subscriptions**

Shares will be issued in registered, book-entry form (meaning that no share certificates will be issued). During the Initial Offer, each Share will be available at a price of US\$100. Thereafter, Shares will be available on each Dealing Day at the prevailing Net Asset Value per Share. The net amount will be applied in subscribing for Shares. Fractional Shares may be issued to four decimal places or such other number as the Directors may determine.

The minimum initial subscription amount for Shares is the Minimum Holding.

Any additional subscriptions will be subject to a minimum of US\$5,000. The Company may reject a subscription for any reason and is not obliged to disclose the reason, or reasons, for rejecting any subscription application.

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

### **Application Procedure**

The procedure for applying for Shares is set out in the Application Form which forms an Appendix to this Offering Memorandum. Applicants for Shares must send by fax their properly completed irrevocable Application Form and any supporting documentation required with regard to anti-money laundering matters or otherwise to the Administrator so as to be received by no later than 5.00 pm (Dublin time) on the Business Day prior to the end of the Initial Offer or the relevant Dealing Day, as the case may be. (The original Application Form and supporting documentation should be remitted by post immediately thereafter). Applications will not be processed unless the Administrator is satisfied that cleared funds have been received no later than 5.00 pm (Dublin time) on the Business Day prior to the end of the Initial Offer or the relevant Dealing Day, as the case may be, in accordance with the instructions contained in the Application Form. The Directors may waive notice requirements or permit subscriptions under such other circumstances and on such conditions as they, in their sole and absolute discretion, deem appropriate.

If these conditions are not satisfied, then the application may be held over until the first Dealing Day following satisfaction of these conditions. The Company reserves the right to reject any application in whole or in part in which event the unused subscription monies will be returned to the Applicant, without interest and at the risk and cost of the applicant. Shares will not be available for subscription during any period that the calculation of the Net Asset Value has been suspended. The Directors reserve the right to close the Company to new subscriptions (for all or just new investors) at any time.

Shares may not be issued, or transferred, to or for the benefit of any Restricted Person.

To avoid delays in the processing of subscriptions, potential investors are encouraged to contact the Administrator as soon as possible if they have any questions regarding the information they are required to provide, including in order to comply with anti-money laundering requirements.

### **Confirmations**

The Administrator will issue a confirmation in respect of all applications received by it as soon as practicable. Confirmations showing details of the applicable subscription price and number of Shares issued will normally be sent to Shareholders within five Business Days of the relevant Dealing Day on which the Shares are allotted.

Shareholders will not be provided with certificates evidencing Shares held. The Company shall require the Administrator to issue each Shareholder, after receipt of all required documentation and

payment for Shares, a personal account number relating to such Shareholder's purchase of Shares. Such personal account number should be kept confidential and should be quoted by any investor seeking to redeem any Shares, make further investments or otherwise corresponding with the Administrator or the Company. Neither the Company, the Directors, the Administrator nor any other person shall be responsible for acting on the instructions of any person quoting a personal account number and purporting to be, or to have been authorised by, the Shareholder to whom such personal account number was allocated.

### **Requests for Redemption**

Generally, Shares may be redeemed on any Dealing Day by delivering a Redemption Form to the Administrator at least 5 Business Days prior to the relevant Dealing Day subject to the terms provided in this Offering Memorandum.

Redemption proceeds due will be paid out after final calculation of the Net Asset Value per Share as of the relevant Dealing Day. Except as discussed above and below, all requests for redemption in the proper form will be honoured and the Company's investments will be liquidated to the extent necessary (if any) to discharge its liability on the date of redemption. Redemption notices sent by the Shareholder to the Administrator will not be deemed to have been received by the Administrator unless receipt is acknowledged in writing by the Administrator. Exceptions will be made where the delivery of the communication has been acknowledged by a signed receipt.

Shares will be redeemed at a per Share price based on the Net Asset Value per Share (after payment of any Incentive Fee with respect to the redeemed Shares) on the Dealing Day. Payment of the redemption proceeds will be made after deduction of any applicable Redemption Fee and will be made as soon as possible following the calculation and publication of the Net Asset Value per Share. Payment of redemption proceeds will be made by bank transfer.

The Directors may waive notice requirements or permit redemptions under such other circumstances and on such conditions as they, in their sole and absolute discretion, deem appropriate.

Partial redemptions may be refused if, immediately thereafter, the value of such Shareholder's Shares would be less than the Minimum Holding.

Shares may not be redeemed when the calculation of the Net Asset Value is suspended. Save as set out in the next paragraph, redemption requests are irrevocable unless the Directors otherwise determine.

If the determination of the Net Asset Value per Share is suspended beyond the day on which it would normally occur by reason of a declaration by the Directors, the right of a holder to have the Shares redeemed may be similarly suspended and during the period of suspension the holder may withdraw his request for redemption, which shall be effective only if received by the Administrator before termination of the period of suspension. If the request is not so withdrawn the redemption of such Shares shall be made on the day specified for redemption following the end of the suspension.

The Administrator may refuse to pay redemption proceeds if a redemption request is not accompanied by such additional information as the Administrator, in its sole discretion, may reasonably require. This power may, without limitation to the generality of the foregoing, be exercised where proper information (in particular, the original subscription document) has not been provided for money laundering verification purposes.

Payment of redemption proceeds may be withheld or delayed if information required to satisfy verification of identity checks is not provided in a timely manner. In addition, if the Directors determine that special circumstances have arisen, the Company shall be entitled to delay payment of redemption proceeds or defer payment of the redemption proceeds if raising funds would in the bona fide determination of the Directors be unduly burdensome to the Company.

A confirmation note confirming the Shareholder's remaining holding will normally be sent to the Shareholder as soon as practicable after the Dealing Day on which any Shares were redeemed.

### **Compulsory Redemption**

If the Directors determine in their absolute discretion that: (a) Shares are held for the benefit (directly or indirectly) of any Restricted Person; (b) Shares are held by a person where the continued holding of such Shares would (either on its own or in conjunction with the holdings of other investors) be detrimental to the pecuniary, taxation, legal or regulatory interests of the Company, or its Shareholders as a whole; or (c) a person's holding falls below the Minimum Holding, the Company may, by giving written notice to that Shareholder prior to any Valuation Day, redeem on the day specified in the notice all or some of the Shares held by that Shareholder at the Net Asset Value per Share (after taking into account liabilities attributable thereof) as of the time of redemption or if the terms of issue of Shares requires some other price to be paid upon such a redemption then such other price.

Save as may be provided by the terms of this Offering Memorandum, if the Net Asset Value of the Company falls below US\$1 million (or its foreign currency equivalent or such other amount as may be determined by the Directors in their absolute discretion) the Company may, by giving written notice to the holders of Shares, redeem on any day specified in such redemption notice all of those Shares at the Net Asset Value per Share (after taking into account liabilities attributable thereto) as of the time of redemption or if the terms of issue of Shares requires some other price to be paid upon such a redemption then such other price.

### **Transfers of Shares**

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

If within 30 days of receipt by the Administrator of an acceptable instrument of transfer the Directors do not deny permission for the transfer, the Company shall be deemed to have approved the transfer. However, the Articles provide that the Directors may, in their absolute discretion, decline to give effect to the proposed transfer of any Share, and may withhold approval if the manner, form or evidence of transfer or assignment is unacceptable, if the transfer violates the minimum initial subscription requirement of the Company, if the transfer might violate applicable laws, where all required documentation is not submitted or when such transfer is deemed by the Directors in their absolute discretion to be contrary to the best interests of the Company by virtue of resulting in legal, pecuniary, regulatory, taxation or material administrative disadvantage to the Company.

Transfers of Shares shall be effected by transfer in writing which complies with the Articles. The Directors shall not be bound to register more than four persons as joint holders of any Shares and Shares may not be transferred to persons under the age of majority in the country or countries in which that person is resident or domiciled. Shares may not be sold, offered, delivered or transferred directly or indirectly to or for the account of a Restricted Person. The Directors may decline to register a transfer of Shares on which the Company has any lien. If the Directors decline to register a transfer, they shall send notice to the transferee of such refusal within one month. The registration of transfers may be suspended at such time and for such period as the Directors may determine, in accordance with the Articles.

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

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

### **Suspension of Dealings**

The Directors may in their absolute discretion declare a suspension of the determination of the Net Asset Value (and therefore the determination of the Net Asset Value per Share), the redemption of the Shares and / or subscription for the Shares upon the occurrence of any of the following circumstances in respect of any one or more Valuation Days:

- (i) when one or more exchanges or other regulated markets which provide the basis for valuing a significant portion of assets attributable to the Company are closed other than for or during holidays or if dealings therein are restricted or suspended or where trading is restricted or suspended in respect of financial instruments forming a material part of the assets attributable to the Company;
- (ii) when the disposal of assets attributable to the Company is not reasonably practicable without materially and adversely affecting and prejudicing the interests of Shareholders or the Company as a whole, or if, in the opinion of the Directors, a fair price cannot be calculated for the assets attributable to the Company;
- (iii) a breakdown of the means normally used for calculating the Net Asset Value attributable to the Company or valuing a significant portion of the investments attributable to the Company or if for any reason the value of any asset or assets which is material in relation to Net Asset Value of the Company (as to which the Administrator shall have sole discretion) may not be determined as rapidly and accurately as required;
- (iv) any period when the Company is unable to repatriate funds for the purpose of making payments upon the redemption of Shares or during which any transfer of funds involved in the realisation or acquisition of investments or payments due on redemption of Shares cannot in the opinion of the Directors be effected at normal rates of exchange;
- (v) when a resolution calling for the liquidation or winding up of the Company has been adopted or is proposed by notice of any meeting of creditors or members of the Company to consider such actions having been given; or
- (vi) otherwise in accordance with the terms set out in this Offering Memorandum.

### **Prevention of Money Laundering**

As part of the Administrator's and the Directors' responsibility for the prevention of money laundering, the Company, the Administrator, their affiliates, agents, subsidiaries or associates may require a detailed verification of an Applicant's identity (including for individuals, a notarised copy of a passport and for corporate entities, notarised copies of their constituent documents) and the source of payment of any subscription proceeds.



The Administrator and the Company reserve the right to request such information as is necessary to verify the identity of an Applicant. In the event of delay or failure by the Applicant to produce any information required for verification purposes, the Administrator may refuse to accept the application and the subscription monies relating thereto.

If any person in the Cayman Islands (including the Directors) has a suspicion or belief that a payment to the Company (by way of subscription or otherwise) contains or is derived from the proceeds of criminal conduct that person is required to report such suspicion pursuant to the Proceeds of Criminal Conduct Law (Revised).

Each applicant for Shares acknowledges that the Administrator and the Directors (on their own behalf and on behalf of the Company) shall be held harmless against any loss arising as a result of a failure to process his application for Shares or request for redemption if such information and documentation as has been requested by the Administrator or the Directors have not been provided by the Applicant or Shareholder.

## **NET ASSET VALUE, FEES AND EXPENSES**

### **Net Asset Value**

The Administrator, on behalf of the Company, shall on each Valuation Day calculate the Net Asset Value of the Company, and the Net Asset Value per Share, in accordance with the Articles and this Offering Memorandum. The Net Asset Value and the Net Asset Value per Share shall be expressed in the Base Currency.

The Net Asset Value will be calculated by taking the value of all of the Company's assets, including the value of its trading positions and cash balances, less all of the Company's liabilities, including administration fees, management fees, incentive fees, brokerage commissions and other trading expenses, together with accruals for audit fees and other operating expenses.

The Company's trading positions will be valued on the basis of the latest available traded prices as derived or reported by a reporting or information system in common use. Any value (whether of a trading position or cash) otherwise than in the Base Currency will be converted at the appropriate exchange rate.

If the Administrator on behalf of the Company considers that any of the above valuation rules do not give rise to a fair value or if it considers by reason of market illiquidity, repatriation restrictions or otherwise the Company could not reasonably be expected to realise an investment at such value, it may adopt or approve such other valuations as it considers fair in the circumstances. Subject as aforesaid, the assets and liabilities, income and expenditure attributed to the Company shall be determined on the basis of IFRS.

The determination of the Net Asset Value and the Net Asset Value per Share by the Administrator shall be binding and conclusive on the Shareholders save in the case of manifest error and in no event shall the Directors, the Administrator, the Investment Manager, the Trading Advisor or the Principal Broker incur any individual liability or responsibility for any determination made or other action taken or omitted by them in the absence of any manifest error or bad faith.

### **Fees and Expenses**

#### **Administration Fees**

The Administrator is entitled to an administration fee payable by the Company at normal commercial rates calculated as at each Valuation Day and payable in arrears. The Administrator shall be entitled to be reimbursed reasonable out of pocket expenses.

#### **Brokerage Fees**

The Company will pay to the Principal Broker a brokerage commission in respect of each futures contract bought or sold through the Company's trading account, in accordance with the Principal Broker Agreement. Commission rates will vary according to the volume of trading and the particular contracts traded but will be comparable with the rates paid by similar funds.

#### **Investment Management Fees**

Pursuant to the Investment Management Agreement, the Investment Manager will receive a management fee payable monthly in arrears, equal to 1/12th of two per cent of the Net Asset Value (before deduction of that month's Management and Incentive Fees) as at each Valuation Day.

## **Trading Advisor Fees**

The Company will pay to the Trading Advisor an Incentive Fee in respect of each Calculation Period.

The Incentive Fee will be equal to 25% of the "Net Trading Profits" (if positive) achieved by the Company's trading account in each Calculation Period.

Net Trading Profits will be computed using the following formula:

- i) the net of realised profits and losses during the Calculation Period (after deduction of all applicable brokerage commissions and other transaction charges), plus
- ii) the change in unrealised profits and losses on open positions during the Calculation Period, plus
- iii) all interest income credited to the Company's trading account during the Calculation Period, minus
- iv) the "Carryforward Loss" (defined below), if any, as at the beginning of the Calculation Period.

If the Net Trading Profits for a Calculation Period are negative, this amount shall constitute a "Carryforward Loss" for the next Calculation Period.

To the extent that funds are withdrawn from the Company's trading account, any loss attributable to those funds will be deducted from the Carryforward Loss.

Where there are no Net Trading Profits in any given month, no Incentive Fee will be due unless and until positive Net Trading Profits are earned in a subsequent period. Any Incentive Fees paid by the Company in respect of past performance will not be subject to being returned due to subsequent losses, and the Trading Advisor shall be entitled to retain any Incentive Fees previously paid. However, no further Incentive Fees shall be payable until any Carryforward Loss has been recovered.

Where any Share is redeemed or the Trading Advisor Agreement is terminated during a Calculation Period, an Incentive Fee will be calculated with regard to the amount of Net Trading Profits achieved so far during that Calculation Period, and will become due and payable immediately as if the date of redemption or termination were the end of a Calculation Period.

The Company will not implement any form of equalization in relation to Incentive Fees.

## **Redemption Fees**

The Directors shall be entitled, at their absolute discretion, to impose a Redemption Fee on the redemption of certain Shares. The Redemption Fee will be applied only where marketing and distribution costs have been incurred in relation to those shares and will not in any event exceed 5% of the subscription monies paid in respect of the Shares being redeemed.

## **Directors and Officers Fees and Expenses**

The independent Director, H Clark Hollands, shall be entitled to a Director's fee of US\$10,000 per annum. No other current Director will be entitled to be paid a Director's fee. The Directors will be reimbursed for agreed out-of-pocket expenses.

## **Other Fees and Expenses**

The Company is responsible for all other costs and expenses incurred in the operation of the Company including, without limitation, all transaction costs and all taxes, legal, auditing and accounting services, costs of preparing and printing reports to Shareholders and other promotional expenses, registration fees and other expenses due to supervisory authorities, insurance, interest and any other expenses incurred in connection with the Company.

The Company shall not be responsible for any costs relating to the initial offering of Shares made on the terms of this Offering Memorandum.

## TAXATION

### General

The taxation of income and capital gains of the Company and the Shareholders is subject to the fiscal law and practice of the Cayman Islands and those jurisdictions where the Investment Manager, Trading Advisor and Principal Broker are located and/or in which the Company enters into transactions, and those in which Shareholders are resident or otherwise subject to tax.

The Company may be subject to local withholding taxes in respect of income or gains derived from its investment in certain countries. Prospective investors are reminded that the tax treatment in any relevant jurisdiction may change during the life of the Company. No assurance can be given that the Courts or other authorities responsible for the administration of tax law and practice in any jurisdiction will agree with any interpretation contained in this Offering Memorandum or that changes in such law or practice will not occur.

It is the responsibility of all persons interested in purchasing Shares to inform themselves as to any tax consequences from their investing in the Company as well as any foreign exchange or other fiscal or legal restrictions, which are relevant to their particular circumstances in connection with the acquisition, holding or disposition of Shares. Investors should therefore seek their own separate tax advice in relation to their holding of Shares and accordingly the Company accepts no responsibility for the taxation consequences of any investment into the Company by an investor.

### The Cayman Islands

The following summary is based on the taxation law and practice in force in the Cayman Islands at the date of this Offering Memorandum but does not constitute legal or tax advice.

As an exempted company, the Company has applied to the Governor-in-Council of the Cayman Islands for an undertaking, in accordance with the Tax Concessions Law, that for a period of twenty years from the date of the undertaking no laws of the Cayman Islands imposing any tax on profits, income or gains shall apply to the Company, that no Cayman Islands tax shall be levied on profits, income or gains made on or in respect of the Shares, debentures or other obligations of the Company and that no Cayman Islands tax in the nature of estate duty or inheritance tax shall be payable on the Shares, debentures or other obligations of the Company.

Under current Cayman Islands law no tax would be charged in the Cayman Islands on profits or gains of the Company and dividends of the Company would be payable to the Shareholders resident in or outside the Cayman Islands without deduction of tax. No stamp duty is levied in the Cayman Islands on the transfer or redemption of Shares.

## GENERAL INFORMATION

### Cayman Islands Regulation

The Company falls within the definition of a "regulated mutual fund" under the Mutual Funds Law (Revised) of the Cayman Islands (the "Mutual Funds Law") and, accordingly, is regulated under this law. The Company is required to file registration particulars in the prescribed form and to file this Offering Memorandum and any other changes thereto with the Cayman Islands Monetary Authority (the "Monetary Authority") and to file audited accounts with and pay fees to the Monetary Authority on an annual basis. There are other consequences of regulation under this law, copies of which are available for inspection at the office of the Administrator and at the registered office of the Company. Nothing in the contents of this Offering Memorandum may be taken to construe or imply approval of the contents of this Offering Memorandum, or supervision or approval of the activities of the Company by any government or body or agency in the Cayman Islands.

As a regulated mutual fund, the Company will be subject to the supervision of the Monetary Authority and the powers exercisable by the Monetary Authority under the Mutual Funds Law. The Monetary 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 Monetary Authority include, inter alia, 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 Monetary Authority including the ability to apply to the court for approval of other actions.

The Company may also be required to provide information and documentation to the Monetary Authority, on request. The Monetary Authority is empowered to provide the same to an overseas regulatory authority in accordance with the terms of applicable law.

### Accounts

The Company will prepare audited annual accounts (in accordance with IFRS) to 31st December each year, and the first full set of annual accounts will be prepared for the period up to 31st December 2012.

### Data Protection Notice

Applicants should note that by completing the Application Form they are providing to the Company personal information, which may constitute personal data within the meaning of the Data Protection Legislation. This data will be used for the purposes of administration, transfer agency, statistical analysis, research and disclosure to the Company, its delegates and agents. By signing the Application Form, Applicants acknowledge that they are providing their consent to the Company, its delegates and its or their duly authorised agents and any of their respective related, associated or affiliated companies obtaining, holding, using, disclosing and processing the data for any one or more of the following purposes:

- (a) to manage and administer the Applicant's holding in the Company and any related accounts on an ongoing basis;
- (b) for any other specific purposes where the Applicant has given specific consent;
- (c) to carry out statistical analysis and market research;
- (d) to comply with legal and regulatory obligations applicable to the Applicant and the Company;

- (e) for disclosure or transfer whether in Ireland or countries outside Ireland including without limitation the United States of America, which may not have the same data protection laws as Ireland, to third parties including financial advisors, regulatory bodies, auditors, technology providers or to the Company and its delegates and its or their duly appointed agents and any of their respective related, associated or affiliated companies for the purposes specified above; and
- (f) for other legitimate business interests of the Company.

Pursuant to Data Protection Legislation, Applicants have a right of access to their personal data kept by the Company and the right to amend and rectify any inaccuracies in their personal data held by the Company by making a request to the Company in writing.

The Company is a Data Controller within the meaning of Data Protection Legislation and undertakes to hold any personal information provided by Applicants in confidence and in accordance with Data Protection Legislation.

By signing the Application Form, Applicants consent to the recording of telephone calls made to and received from them by the Company, its delegates, its duly appointed agents and any of their respective related, associated or affiliated companies for record keeping, security and/or training purposes.

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

- (a) Memorandum & Articles of Association, and Certificate of Incorporation;
- (b) Investment Management Agreement;
- (c) Trading Advisor Agreement;
- (d) Principal Broker Agreement;
- (e) Administration Agreement;
- (f) Mutual Funds Law (as amended) of the Cayman Islands;
- (g) Audited Financial Statements, when available.

### **Directors and Other Interests**

Save as disclosed in this Offering Memorandum, no Director nor any connected person has any interest, direct or indirect, in the promotion of, or in any assets which have been or are proposed to be acquired or disposed of by, or leased to, the Company and no Director is materially interested in any contract or arrangement subsisting at the date hereof which is significant in relation to the business of the Company and none of the Directors, nor any of their connected persons have had any interest in any transaction or contract involving the Company which was unusual in its nature or conditions, or significant to the Company, since its incorporation.

For further information please refer to "Conflicts of Interest" under "Risk Factors and Conflicts of Interest".

**Legal Matters**

The Company does not have any litigation, arbitration or claim pending or, so far as the Directors are aware, threatened against it nor has any claim been made since incorporation.

**Employees**

The Company does not, nor does it expect to, have any employees.

**Material Contracts**

Save for the contracts mentioned in this Offering Memorandum the Company has not entered into any material contracts.



**APPENDIX – APPLICATION AND REDEMPTION FORMS**

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## GUIDANCE NOTES

### Completing the Application Form

Applications to purchase Shares may be submitted by completing and signing the Application Form below. All sections of the Application Form should be completed in BLOCK CAPITALS.

Each Applicant must complete the registered address section. Individual applicants should provide their home address. A PO Box number is not acceptable. Where there are joint applicants, all correspondence will be sent to the first named applicant at that address. If a nominee is appointed, all correspondence will be sent to the nominee. Please note that no third party payments of subscription monies are permitted; all payments must originate from a bank account in the name of the Applicant.

### Delivery Instructions

The Application Form completed in full and signed, should be delivered to Quintillion Limited, the Administrator, by fax before 5.00 pm (Dublin time) on the Business Day before the relevant Dealing Day. The original must follow immediately by post to the following address:

The IQS Futures Fund  
C/O Quintillion Ltd  
24-26 City Quay  
Dublin 2, Ireland  
Attn: Investor Services Department  
Fax: +353 1 523 8390

A Confirmation of Trade Received will be sent to the Applicant within 2 Business Days upon receipt of the Application Form. If confirmation is not received please contact the Administrator at the address below:

[Investorservices@quintillion.ie](mailto:Investorservices@quintillion.ie)

### Subscription Payments

Cleared subscription monies should be received by the Administrator by 5.00 pm (Dublin time) on the Business Day before the relevant Dealing Day.

Monies must be wired from an account in the Applicant's name to the bank account details as given in Section 3 of the Application Form. Bankers' Drafts or Cheques will not be accepted.

### Prevention of Money Laundering

Each Applicant should refer to Section 7 of the Application Form for details of the anti-money laundering documentation required to be submitted to the Administrator. All documents together with the original Application Form must be sent promptly to the Administrator at the address above no later than 5:00 pm (Dublin time) on the Business Day falling immediately prior to the relevant Dealing Day.

### Queries

All queries regarding the completion of the Application Form should be addressed to the Administrator at the address below:

[Investorservices@quintillion.ie](mailto:Investorservices@quintillion.ie)

## **Subsequent Subscriptions & Redemptions**

All subsequent trade instructions should be made by completing the 'Additional Application Form' or the 'Redemption Form' at the end of this Application Form.

## **Contract Notes & Statements**

Contract Notes and Statements will be issued to the Applicant at the address specified in Section 1 of the Application Form. Where a correspondence address is provided, all communication will be sent to that address. The majority of investor communication will be sent by email. If this poses an issue for the Applicant, please contact the Administrator.

## APPLICATION FORM

To: The IQS Futures Fund (the "Company")  
c/o Quintillion Ltd  
24-26 City Quay  
Dublin 2  
Ireland  
Attn: Investor Services Department

Tel: +353 1 523 8290  
Fax: +353 1 523 8390  
Email: [Investorservices@quintillion.ie](mailto:Investorservices@quintillion.ie)

Words used in this Application Form have the same meaning as in the IQS Futures Fund Offering Memorandum unless the context requires otherwise. You should read the Offering Memorandum before completing this Application Form. This Application Form, together with the documentation specified in **Section 7** Anti-Money Laundering Documentation should be faxed to the Administrator at the fax number given above, and the original sent by post to the address given above.

Use of the term "Applicant" refers to parties subscribing, including joint applicants as one.

### 1. APPLICANT DETAILS (Please use BLOCK CAPITALS)

Notification of any inaccuracies on contract notes issued after deals have been processed must be communicated to the Administrator immediately upon receipt.

#### APPLICANT TYPE

- Individual    Joint Applicant    Corporation    Nominee    Partnership/Trust  
 Fund of Funds    Non-Profit Organisation    Financial Intermediary    Other (please specify)

#### REGISTERED/RESIDENTIAL ADDRESS

Registered Name(s) of all Applicants (including Joint Applicants):			
Registered Address:			
Country of Domicile:			
Contact Name:		Tel No:	
Email:		Fax No:	

**CORRESPONDENCE ADDRESS** (if different from above).

All regular correspondence will be distributed via email / fax; please contact the Administrator if this causes significant issues for the Applicant.

Name:			
Mailing Address:			
Contact Name:		Tel No:	
Email:		Fax No:	

## 2. INVESTMENT DETAILS

Please complete the "Subscription Amount" field:

Subscription Amount:	<input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> . <input type="text"/> <input type="text"/>	Amount in words:	Example: Ten Million, five hundred thousand
<b>US Dollars:</b>	Millions    Thousands    Hundreds    Decimals		

Source of Wealth: Please indicate below the origin of monies being invested (i.e. how have they have been accumulated?)

## 3. SUBSCRIPTION BANK DETAILS

Unless the Administrator agrees otherwise, payment for Shares must be received by the Administrator by 5.00 pm (Dublin time) on the Business Day before the Dealing Day. Payment is to be received by electronic transfer in cleared funds in US Dollars.

Please ensure subscription monies are wired directly as follows:

	<b>US Dollars</b>
<b>Beneficiary Bank</b>	Citibank N.A., London
<b>SWIFT Code</b>	CITIGB2L
<b>Account Name</b>	Quintillion Ltd Client IQS Futures Fund
<b>Account Number</b>	12603128
<b>IBAN</b>	GB38CITI18500812603128
<b>Reference Details</b>	{Applicant Name}
<b>Correspondent Bank</b>	Citibank N.A., New York
<b>SWIFT Code</b>	CITIUS 33

#### 4. REDEMPTION BANK DETAILS

Bank accounts must be in the name of the Applicant (as set out in Section 1 above). Please note that redemption payments will only be paid to the Applicant. No third party payments will be made.

<b>Beneficiary Bank</b>	
<b>Address</b>	
<b>IBAN</b>	
<b>SWIFT/Sort Code</b>	
<b>Applicant Name</b>	
<b>Account Number</b>	
<b>Reference Details</b>	
<b>Correspondent Bank (if applicable)</b>	<b>SWIFT:</b>

#### 5. REPRESENTATIONS, DECLARATIONS AND WARRANTIES

##### 5.1. Authority

I / We confirm that I am / we are 18 years of age or over. I / We further represent and warrant that I / we have the right and authority to make this investment pursuant to this Application Form whether the investment is my / our own or is made on behalf of another person or entity and that I am / we are not and will not be in breach of any laws or regulations of any competent jurisdiction.

##### 5.2. Application is on the basis of the Offering Memorandum

I / We have been furnished with, and have carefully read, the Offering Memorandum and have been given the opportunity to (i) ask questions of, and receive answers from, the Investment Manager and / or the Trading Advisor concerning the terms and conditions of the offering and other matters pertaining to an investment in the Company, and (ii) obtain any additional information which the Investment Manager and / or the Trading Advisor can acquire without unreasonable effort or expense, that is necessary to evaluate the objectives, prospects, merits and risks of an investment in the Company. In considering a subscription for Shares, I / we have not relied upon any representations made by, or other information (whether oral or written) furnished by or on behalf of, the Company or the Investment Manager or the Trading Advisor, other than as set forth in the Offering Memorandum.

##### 5.3. Professional Applicant Declaration

I / We warrant and declare that: (a) I / we have such knowledge and experience in business and financial matters or have obtained advice from a professional advisor such that I am / we are capable of evaluating the merits, and the risks, of an investment by me / us in the Company; (b) I am / we are aware of the risks inherent in investing in the Shares and the method by which the assets of the Company are held and/or traded; and (c) I / we can bear the risk of loss of my / our entire investment.

##### 5.4. Applicant Eligibility

I / We warrant and declare that (i) my / our ordinary business or professional activity includes the buying or selling of investments, whether as principal or agent; or (ii) that I individually (or jointly with my spouse) have a net worth in excess of US\$1,000,000; or (iii) we are an institution with a minimum amount of assets under discretionary management of US\$5,000,000.

##### 5.5. Applicant not a member of the Public of Cayman Islands

I / We hereby declare that I am / we are not a member of the public of the Cayman Islands.

##### 5.6. Applicant not a US Person

I / We hereby certify that the Shares are not being acquired directly or indirectly by a US person, or in violation of any applicable law. In particular: (i) I am not / none of us is, and the Shares will not be purchased or held for the account or benefit of, or purchased with funds obtained from, a US person;

(ii) I / we will not acquire the Shares in the US; (iii) I / we will notify the Fund immediately if I / we should at any time become, or hold the Shares for the benefit of, a US person or be prohibited from holding Shares under any applicable law; (iv) I was / we were not solicited in the US for the purchase of Shares and did not place my / our Application for Shares while in the US; (v) if we are a bank, broker or dealer, we are acquiring Shares on behalf of clients for investment purposes, no such clients are US persons, and we will notify the Fund immediately if it shall come to our attention that any such client becomes a US person.

#### **5.7. Issuance of Shares**

I / We hereby irrevocably apply for Shares (including fractions) at a price determined in accordance with the Offering Memorandum. I / We request that the Shares issued pursuant to this Application Form are registered in the name(s) and address set out in Section 1 above. I / We acknowledge that the Administrator and / or the Company reserve(s) the right to reject any application in whole or in part. I / We acknowledge that no offer to purchase Shares will arise until a validly executed Application Form has actually been received by an authorised representative of the Administrator at the address shown on this Application Form.

#### **5.8. Applicant hereby represents and warrants to, and agrees with the Company and the Administrator as follows:**

- a) In connection with the purchase of Shares, I / we meet all suitability standards imposed on me / us by applicable law.
- b) I / We have carefully reviewed and understand the various risks of an investment in the Company, including those summarised in the Offering Memorandum; I / we understand that an investment in the Company is speculative and I / we can afford to bear the risks of an investment in the Company, including the risk of losing the entire investment.
- c) I / We understand that (i) substantial restrictions will exist on transferability of Shares, (ii) no market for resale of any Shares exists or is expected to develop. (iii) I / we may not be able to liquidate the investment in Company. I / We understand the provisions for transferability and redemption of Shares and have read the sections of the Offering Memorandum relating thereto, and (iv) have no need for liquidity in connection with my / our purchase of the Shares.
- d) I / We understand that legal counsel to the Company, the Investment Manager and the Trading Advisor do not represent the Shareholders, and no independent counsel has been retained to represent the Shareholders.

#### **5.9. Intermediaries/ Nominee Accounts**

The Applicant: (i) is subscribing for Shares for its own account, risk and beneficial interest; or (ii) if it is an intermediary subscribing for Shares as a registered owner in its capacity as agent / representative / nominee on behalf of one or more underlying investors, the Applicant agrees that the representations, warranties and covenants made in this Application Form are made by it on behalf of itself and the underlying investors.

#### **5.10. Compliance with Legal Requirements**

I / We hereby represent that all consents required to be obtained and all legal requirements necessary to be complied with or observed in order for this Application Form or the issuance of the Shares to be lawful and valid under the laws of any jurisdiction to which I am / we are subject have been obtained, complied with or observed.

#### **5.11. Facsimile Instructions**

I / We hereby confirm that the Company, the Directors and the Administrator are each authorised and instructed to accept and execute any instructions in respect of this Application Form and the Shares to which it relates given by me / us by facsimile. If instructions are given by me / us by facsimile, I / we acknowledge that the onus is on me / us to ensure that such instructions are received in legible form, and I / we undertake to confirm them in writing. I / We hereby indemnify the Company, the Directors and the Administrator, and agree to keep each of them indemnified, against any loss of any nature whatsoever arising to each of them as a result of any of them acting on facsimile instructions. The Company, the Directors and the Administrator may rely conclusively upon, and shall incur no liability in respect of any action taken upon, any notice, consent, request, instructions or other instrument believed, in good faith, to be genuine or to be signed by properly authorised signatories.

### **5.12. Joint Applicants**

We direct that on the death of one of us the Shares for which we hereby apply be held in the name of and to the order of the survivor or survivors of us or the executor of the last of such survivor or survivors.

### **5.13. Conversion of currencies**

In the absence of any contrary instruction, the Administrator reserves the right to convert incoming funds into the currency in which Shares are issued. Conversion will be carried out at the prevailing rate on the date cleared funds are available. The Applicant may incur currency conversion charges / fees.

### **5.14. Tax Consequences**

I / We understand that the tax disclosure set forth in the Offering Memorandum is of a general nature and may not cover the jurisdiction in which I am / we are subject to taxation and that the tax consequences of my / our purchase of Shares depend on my / our individual circumstances. I am / We are fully informed as to the legal and tax requirements within my /our own country regarding the purchase of Shares.

### **5.15. Anti-Money Laundering**

- I / We hereby acknowledge, in the case of delay or failure to provide satisfactory information, that the Administrator may take such action (including declining to accept an Application Form and suspension of redemption payments proceeds) as it thinks fit.
- I / We understand and accept that the Administrator reserves the right to seek evidence of identity to comply with applicable money laundering regulations.
- I / We hereby agree to indemnify and keep indemnified the Administrator, the Company and its Directors, and their respective officers and agents, against any loss arising to them as a result of my / our failure to disclose any relevant details or provide them with all information requested by them.

The Applicant should refer to **Section 7** for details of the documentation required to be submitted to the Administrator for anti-money laundering purposes.

### **5.16. Data Protection and Information about other services**

In signing this Application Form, I / we hereby consent to the Fund and its delegates and its or their duly authorised agents and any of their respective related, associated or affiliated companies obtaining, holding, using, disclosing and processing our data:

- i) To manage and administer my / our holding in the Fund and any related accounts on an ongoing basis;
- ii) For any other specific purposes where I / we have given specific consent to do so;
- iii) To carry out statistical analysis and market research;
- iv) To comply with legal or regulatory requirements applicable to the Company or me;
- v) For disclosure or transfer whether in Ireland or countries outside of Ireland including without limitation the United States of America, which may not have the same data protection laws as Ireland, to third parties including my / our financial advisor (where appropriate), regulatory bodies, auditors, technology providers or to the Company and its delegates and its or their duly appointed agents and any of their respective related, associated or affiliated companies for the purposes specified above.
- vi) For other legitimate business interests of the Company.

I / We hereby acknowledge my / our right of access to and the right to amend and rectify my / our personal data, as provided herein.

The Company is a data controller and will hold any personal information provided by me / us in confidence and in accordance with the Data Protection Act 1988 as amended by the Data Protection (Amendment) Act 2003.

I / We consent to the recording of telephone calls made to and received from me / us by the Company, its delegates, its duly appointed agents (including the Administrator) and any of their



respective related, associated or affiliated companies for record keeping, security and/or training purposes.

I / We consent to the sending by the Company of information about other investment services to me / us, by letter, telephone or other reasonable means of communication.

Please tick (✓) this box if you do not wish to receive such communications:

**5.17. Communications via E-Mail and Internet**

Reports and communications will be sent to the Applicant via electronic mail, or through an internet based system where possible. The Applicant acknowledges the risks of interception, breach of confidentiality and alteration, among others, inherent in the use of electronic mail and the internet, and the Applicant agrees to hold the Administrator harmless from and against any and all claims arising out of or resulting from the delivery of reports or communications via electronic mail or the internet.

**5.18. Recording of Telephone Calls**

I / We consent to the taping of any telephone calls I / we make to the Administrator and / or the Company.

**5.19. Accuracy of Information**

I / We agree to notify the Company or the Administrator immediately if I / we become aware that any of the information and / or representations in this Application Form are no longer accurate and complete in all respects, and agree immediately to take such action as the Company may direct, including where appropriate, the redemption of my / our holding in its entirety. I / We agree to indemnify the Administrator, the Investment Manager and the Company and their respective directors, officers, employees, agents and representatives, and agree to keep each of them indemnified, against any and all liability, costs, claims, expenses and loss of any nature whatsoever arising to any of them as a result of any breach of any of the representations, warranties or declarations given by me / us in this Application Form or any other document delivered by me / us to the Company and / or the Administrator.

**5.20. Non-Petition**

I / We hereby agree that I / we shall not take any action to present a petition or commence any case, proceeding, proposal or other action under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganisation, arrangement in the nature of insolvency proceedings, adjustment, winding-up, liquidation, dissolution, composition or analogous relief with respect to the Company or the debts of the Company, unless and until a debt is immediately due and payable by the Company to me / us

**6. SIGNATURE AND DECLARATION**

By signing here, the Applicant is applying for Shares in the IQS Futures Fund on the terms of the Offering Memorandum and this Application Form.

I / We declare that the information contained in this Application Form and the attached documentation, if any, is true and accurate to the best of my / our knowledge and belief.

I / We agree that the representations set forth above are continuous and will be deemed to be repeated in connection with all further purchases of Shares. I / We further agree to advise the Company promptly of any violations of the representations set forth herein.

I / We declare that I / we will promptly notify the Company and the Administrator of any changes in the information or representations provided.

In the case of Individual Applicants, simply sign the top line; in the case of Joint Applicants all applicants must sign.

<b>Name of Authorised Signatory</b>	<b>Title</b>	<b>Signature</b>	<b>Date</b>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

**EACH APPLICANT MUST COMPLETE THE FOLLOWING ANTI-MONEY LAUNDERING SECTION BEFORE SUBMITTING THE APPLICATION FORM**

**7. ANTI-MONEY LAUNDERING DOCUMENTATION REQUIREMENTS**

**All applicants should complete the section relevant to them in addition to Part I below**

**Part I** All Applicants and transferees should complete Part I.

Please submit the documentation outlined in the section relevant to you as follows:

**Part II** This section is applicable to **individual investors** and **joint investors**.

**Part III** This section is applicable to **regulated institutions** such as banks, providers of financial services and nominee companies **acting on their own behalf**.

**Part IV** This section is applicable to **regulated intermediaries /nominees acting on behalf of third parties**.

**Part V** This section is applicable to **Partnerships** and **Trusts**.

**Part VI** This section is applicable to **Companies**.

**Part VII** This section is applicable to **Institutional Investors** such as **Pension Funds and Local Authorities**.

**IMPORTANT: CERTIFICATION REQUIREMENTS**

**ALL DOCUMENTS MUST BE CERTIFIED AS TRUE COPIES OF THE ORIGINAL - PHOTOCOPIES ARE NOT ACCEPTABLE**

**Certification Requirements:**

- Certified documents must bear the words 'Certified as a true Copy of the original', or words to this effect.
- Certified documents must clearly detail the Certifier's full details including name, title, company, address, telephone number, practising number (if applicable), and bear the original stamp/signature of the certifier, if any. Details can be provided by way of business card if appropriate.
- Documents must bear the original ink signature of the Certifier. Photocopies or facsimile copies of certified/notarized documents are not acceptable.
- Where documents are not in English, a notarized translation is required.

**Who can certify:**

Documents can be certified by the relevant companies' registration office, a police officer, notaries public, embassy and consular staff, your Bank\*, chartered and certified public accountant or solicitor. (Please include the practising number of professionals such as solicitor or accountant, if applicable.)

*\*Only senior officials of a Bank regulated in one of the following countries may certify documents: Member States of the European Union, Argentina, Australia, Brazil, Canada, Channel Islands, Hong Kong, Iceland, Isle of Man, Japan, New Zealand, Mexico, Norway, and Principality of Liechtenstein, Russian Federation, Singapore, South Africa, Switzerland, Turkey and the United States of America.*

<b>PART I</b>
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**Full name(s) and full current permanent address / registered office of applicants(s) / transferee(s).**

Mr/Mrs/Miss/Ms/Company Name:

\_\_\_\_\_

Address / Registered Office:

\_\_\_\_\_

\_\_\_\_\_

Tax Identification Number: \_\_\_\_\_

Date of Birth (if applicable): \_\_\_\_\_

Country of Birth / Registration: \_\_\_\_\_

<b>PART II</b>
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**Individual applicants or transferees investing in their own name should supply the following documentation; in the case of joint holders, please supply the relevant documentation in respect of ALL holders.**

**Certified copy** of your passport / driving licence or other acceptable form of identification

**AND**

Two recent (under 3 months) **original or certified** forms of address verification. These can be two different utility bills, or a utility bill and a bank statement. Bills and statements should not contain PO Box numbers.

Note: All documents must be certified. Please see certification requirements above.

**PART III**

Please complete (A) or (B) below, as appropriate.

**List of Prescribed Countries:**

*Member States of the European Union (Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, United Kingdom), Argentina, Australia, Brazil, Canada, Channel Islands, Hong Kong, Iceland, Isle of Man, Japan, New Zealand, Mexico, Norway, Principality of Liechtenstein, Russian Federation, Singapore, South Africa, Switzerland, Turkey and the United States of America.*

(A) I am / We are a bank / provider of financial services or a nominee company / nominee account which **is** part of / used by a bank / provider of financial services authorised and regulated in a prescribed country as listed above.

YES

If answer is 'Yes' above, please supply the name of regulated entity:

\_\_\_\_\_

Name of your regulator

\_\_\_\_\_

I am / we are acting on our own behalf and **not** on behalf of a third party?

YES  NO\*

**\* If you answered 'No', please complete PART IV below.**

**Please also submit the following document:**  **Certified** copy of authorised signatory list.

(B) If you are a bank / provider of financial services or a nominee company / nominee account which **is not** part of / used by a bank / provider of financial services authorised and regulated in a prescribed country as listed above.

**Please submit the following documents:**

- Certified copy of Certificate of Incorporation or Certificate to Trade.
- Certified copy of Memorandum and Articles of Association (or equivalent constituent documentation).
- Certified authorised signatory list and properly authorised mandate of the directors to make the investment (i.e. copy of board minutes).
- List of all directors' names, occupations, residential and business addresses and dates of birth.
- If listed on a stock exchange please provide name / details:

\_\_\_\_\_

**AND** if the company is **not quoted** on a stock exchange in a prescribed country detailed above please also supply:

- Identification as per individual investor (see PART II above) for at least 2 directors and all persons authorised to operate the account.
- List of names, addresses, dates of birth and occupations of shareholders holding 10% or more of the share capital.

**Please also confirm the following:**

I am / We are acting on our own behalf and not on behalf of a third party? YES  NO\*

**\* If answered 'No', please complete PART IV below.**

<b>PART IV</b>
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**Intermediaries, or nominees acting on behalf of third parties, please supply the following:**  
*(If you are not regulated in a prescribed country as detailed below please contact the Administrator for further details)*

- Certified** copy of authorised signatory list

As an intermediary / agent / nominee authorised and regulated in a prescribed country as follows:  
Member States of the European Union (Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, United Kingdom), Argentina, Australia, Brazil, Canada, Channel Islands, Hong Kong, Iceland, Isle of Man, Japan, New Zealand, Mexico, Norway, Principality of Liechtenstein, Russian Federation, Singapore, South Africa, Switzerland, Turkey and the United States of America acting on behalf of a third party, please sign below.

**IMPORTANT: Please ensure when completing not to reference any specific client accounts / designations so that the below representation may be used by the Administrator for all accounts invested by the intermediary, agent or nominee.**

**TO BE COMPLETED BY AGENT / NOMINEE / INTERMEDIARY**

I / We \_\_\_\_\_ (insert name)

at the following address: \_\_\_\_\_

confirm that we are regulated in \_\_\_\_\_ (insert jurisdiction)

by \_\_\_\_\_ (name of regulator)

Evidence of our registration can be obtained from the following webpage:

I / We confirm also:

- (i) that evidence of verification has been obtained and recorded;
- (ii) the names of our clients have been compared against the following sanction lists:  
(a) EU; (b) UN and (c) OFAC;
- (iii) that all documentary evidence of verification process will be retained for at least 5 years after the client has redeemed in full; and
- (iv) this documentary evidence of verification will be made available on demand.

I / We further confirm that I / we will promptly notify Quintillion Limited if any of the information or representations above are no longer accurate and true.

Name of Authorised Signatory	Title	Signature	Date
_____	_____	_____	_____
_____	_____	_____	_____

**By signing this Application Form the signatory confirms that he / she is duly authorised to sign this declaration on behalf of the intermediary, agent or nominee.**

<b>PART V</b>
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**If you are an applicant / transferee that is a partnership or trust, please supply the following:**

- List of names, dates of birth, occupations and permanent addresses of all partners / trustees / beneficiaries.
- Certified copies of the above partners' / trustees' / beneficiaries' identification as per part II for an individual and part VI for a company.
- Evidence of the above partners' / trustees' authority to make investments in the Company on behalf of the partnership / trust and an appropriate certified authorised signatory list.
- Certified copy of partnership agreement / trust deed.

*Note: All documents must be certified. Please see certification requirements above.*

<b>PART VI</b>
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**If you are an applicant / transferee that is a company, please supply:**

- Certified copy of Certificate of Incorporation or Certificate to Trade.
- Certified copy of Memorandum and Articles of Association (or equivalent constituent documentation).
- Certified authorised signatory list and properly authorised mandate of the directors to make the investment (i.e. copy of board minutes).
- List of all directors' names, occupations, residential and business addresses and dates of birth.
- If listed on a stock exchange please provide name / details:

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**AND**

If the company is **not quoted** on a stock exchange in a Member State of the European Union (Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, United Kingdom), Argentina, Australia, Brazil, Canada, Channel Islands, Hong Kong, Iceland, Isle of Man, Japan, New Zealand, Mexico, Norway, Principality of Liechtenstein, Russian Federation, Singapore, South Africa, Switzerland, Turkey and the United States of America, please also supply:

- Identification as per individual investor (see part II above) for at least 2 directors and all persons authorised to operate the account.
- List of names, addresses, dates of birth and occupations of shareholders holding 10% or more of the share capital.

*Note: All documents must be certified. Please see certification requirements above.*



**PART VII**

**If you are an applicant / transferee that is an institutional investor, e.g. a pension fund, local authority or charity, please supply the following:**

- Certified authorised signatory list and properly authorised mandate of persons completing the form to act on behalf of the applicant.
- Documentary evidence of the regulatory status of the applicant, please contact the Administrator for further details.

*Note: All documents must be certified. Please see certification requirements above.*

**IF YOU ARE UNABLE TO COMPLETE ANY PART OF THIS APPLICATION FORM  
PLEASE CONTACT THE INVESTOR SERVICES DEPARTMENT  
OF THE ADMINISTRATOR ON +353 1 523 8290**



**SIGNATURE**

<b>Name of Authorised Signatory</b>	<b>Title</b>	<b>Signature</b>	<b>Date</b>
_____	_____	_____	_____
_____	_____	_____	_____



<b>Correspondent Bank (if applicable)</b>	<b>SWIFT:</b>
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**SIGNATURE**

Name of Authorised Signatory	Title	Signature	Date
_____	_____	_____	_____
_____	_____	_____	_____