

Placing Memorandum No. _____

Enhanced Index Funds (Cayman) Limited

(a Cayman Islands exempted company with limited liability)

PRIVATE PLACING MEMORANDUM

relating to

- (1) the continued offering of up to 19.9 million Participating Shares of US\$0.001 par value at an Issue Price of the Net Asset Value per Participating Share calculated by reference to the Net Asset Value of the relevant Fund as follows:

Class A Shares – Enhanced Taiwan Index Fund
Class B Shares – Enhanced China Index Fund
Class C Shares – Enhanced India Index Fund
Class Z Shares – E.I.P. Overlay Fund

- (2) the continued offering of up to 30 million Participating Shares of US\$0.001 par value at an Issue Price calculated by reference to the Net Asset Value of the relevant Fund as follows:

Class D Shares – Enhanced Malaysia Index Fund
Class E Shares – Enhanced South Korea Index Fund
Class F Shares – Enhanced Thailand Index Fund
Class G Shares – Enhanced Indonesia Index Fund
Class H Shares – Enhanced Philippines Index Fund
Class Y Shares – Enhanced Emerging Asia Index Fund

This Placing Memorandum, which contains information given in compliance with the listing rules of the Cayman Islands Stock Exchange (the "Exchange"), comprises the listing document in respect of the Index Fund Shares of the Company (the "Listing Document"). The Directors of the Company collectively and individually accept full responsibility for the accuracy of the information contained in the Listing Document and confirm, having made reasonable enquiry, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement within the Listing Document misleading. The Exchange takes no responsibility for the contents of the Listing Document, makes no representations as to its accuracy or completeness, and expressly disclaims any liability whatsoever for any loss arising from or in reliance upon any part of the Listing Document.

Walkers, Cayman Islands, will be appointed as the Company's listing agent in connection with such listing.

Pursuant to an exemption from the United States Commodity Futures Trading Commission (the "CFTC") in connection with pools whose participants are limited to qualified eligible persons, this private placement memorandum is not required to be, and has not been, filed with the CFTC. The CFTC does not pass upon the merits of participating in a pool or upon the adequacy or accuracy of an offering memorandum. Consequently, the CFTC has not reviewed or approved the offering(s) under this private placement memorandum or any offering memorandum for shares in Enhanced Index Funds (Cayman) Limited.

December ~~January~~ ~~November~~ 2013

PRELIMINARY

If you are in any doubt about the contents of this document, you should consult your stockbroker, bank manager, solicitor, professional accountant or other professional adviser.

The Directors of Enhanced Index Funds (Cayman) Limited (the "**Company**"), whose names appear under the section below headed "Directors", accept responsibility for the information contained in this Private Placing Memorandum (the "Placing Memorandum"). To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Placing Memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Placing Memorandum does not constitute an offer to sell or a solicitation of an offer to buy Participating Shares in the Company in any jurisdiction to any person to whom it is unlawful to make such an offer or sale. Investors are not to construe the contents of this Placing Memorandum as legal, business or tax advice. Each investor should consult his own attorney, business adviser and tax adviser as to legal, business, tax and related matters concerning this offering.

The Participating Shares offered pursuant to this Placing Memorandum have not been registered with or approved by any regulatory authority, nor has any such authority passed upon the accuracy or adequacy of this Placing Memorandum. Any representation to the contrary is unlawful.

No public or other market is expected to develop for the Participating Shares. The Participating Shares offered hereby may be sold, transferred, hypothecated or otherwise disposed of only upon the terms set out in this Placing Memorandum and the Articles of Association of the Company.

Investment in the Company involves special risks, and purchase of the Participating Shares should be considered only by persons who can bear the economic risk of their investment for an indefinite period and who can afford a total loss of their investment (see the section headed "Risk Factors" below).

The Company reserves the right to modify, withdraw or cancel any offering made pursuant to this Placing Memorandum at any time prior to consummation of the offering and to reject any subscription, in whole or in part, in its sole discretion.

No offering materials will or may be employed in the offering of Participating Shares except for this Placing Memorandum (including appendices, exhibits, amendments and supplements hereto) and the documents summarised herein. No person has been authorised to make representations or give any information with respect to the Company or its Participating Shares except for the

information contained herein. Investors should not rely on information not contained in this Placing Memorandum or the documents summarised herein.

Neither this Placing Memorandum nor any of the accompanying documents may be reproduced in whole or in part, nor may they be used for any purpose other than that for which they have been submitted, without the prior written consent of the Company.

Neither the Company, the Administrator, the Manager nor the Investment Adviser is making any representation to any offeree or investor in the Company regarding the legality of investment by such offeree or investor under applicable investment or similar laws.

This Placing Memorandum is based on the law and practice currently in force in the Cayman Islands and is subject to changes therein. No invitation to the public in the Cayman Islands to subscribe for any shares in the Company is being made. A member of the public in the Cayman Islands may not subscribe for any shares in the Company. This Placing Memorandum should be read in conjunction with the Articles of Association of the Company. [The latest audited financial statements of the Company, which are published under separate cover, are an integral part of this Placing Memorandum and shall be read in conjunction with this Placing Memorandum.](#)

The Company is organised as a "feeder fund" and all of the Company's assets, to the extent not retained in cash, will be invested in the shares of Enhanced Index Funds PCC (the "**Master Fund**"), an open-ended protected cell investment company incorporated with limited liability under the laws of Mauritius (with File No. 41245 CI GBL). Further feeder funds may also be created to invest in the Master Fund. References throughout this Placing Memorandum to the Company's investment objective, techniques, policies, strategies, restrictions, risks, trading and other related activities shall be construed as referring equally to the Master Fund, unless the context otherwise requires. Investors should obtain a copy of the Master Fund Placing Memorandum and read it carefully. The Master Fund Placing Memorandum and the most recent annual and (if available) interim financial statements of the Master Fund form part of this Placing Memorandum.

No action has been taken to permit the distribution of this Placing Memorandum in any jurisdiction where action would be required for such purpose. Accordingly, no person receiving a copy of this Placing Memorandum and/or any supplement or Subscription Agreement in any territory may treat the same as constituting an invitation to him to purchase or subscribe for Participating Shares nor should he in any event use such Subscription Agreement unless in the relevant territory such an invitation could lawfully be made without compliance with any registration or other legal requirement.

In particular, the Directors of the Company draw prospective investors' attention to the following restrictions:

Hong Kong

The contents of this document have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offering of the Participating Shares described herein. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice. The Company has not been authorised by the Securities and Futures Commission in Hong Kong pursuant to Section 104 of the Hong Kong Securities and Futures Ordinance (“SFO”) nor has this Placing Memorandum been registered by the Registrar of Companies in Hong Kong pursuant to the Companies Ordinance (“CO”). Accordingly, this Placing Memorandum must not be issued, circulated or distributed in Hong Kong other than (1) to professional investors within the meaning of the SFO and any rules made thereunder, (2) to persons and in circumstances which do not constitute an invitation or offer to the public within the meaning of the SFO or the CO or (3) otherwise pursuant to, and in accordance with the conditions of, any other applicable provisions of the SFO and the CO.

Mauritius

This Placing Memorandum may not be distributed directly or indirectly in Mauritius or to Mauritian residents. The Participating Shares may not be offered, sold or transferred, directly or indirectly, in Mauritius or to, or for the account or benefit of, any resident of Mauritius.

The Master Fund has been registered with the Financial Services Commission (“FSC”) as a Category 1 Global Business Licence company for the purposes of the Financial Services Act 2007. In granting such a Licence, the FSC takes no responsibility for the financial soundness of the Master Fund or for the correctness of any statements made or opinions expressed with regard to it.

United States of America

The Participating Shares have not been, and will not be, registered under the US Securities Act of 1933, as amended (“Securities Act”), or any state or other securities laws, and will be offered and sold for investment only to qualifying recipients of this Placing Memorandum pursuant to the exemption from the registration requirements of the Securities Act provided by Regulation D and Regulation S promulgated under that act, or in circumstances that do not involve a public offering, and in compliance with any applicable state or other securities laws. The Company will not be registered as an investment company under the US Investment Company Act of 1940, as amended.

In respect of potential US investors, only Permitted US Persons may invest in the Company for whom an investment in the Company does not constitute a complete investment program and who fully understand and are willing to assume the risks involved in the investment program of the Company. The investment practices of the Company, by their nature, may be considered to involve a substantial degree of risk.

Investors who are Permitted US Persons are required to notify the Company immediately of any change in their status with respect to the suitability requirements described in this Placing Memorandum and in the Subscription Agreement. Shareholders are responsible for verifying that they are permitted to own Participating Shares and to ensure that the Participating Shares held will at no time be held for the account or benefit of any US Person who is not a Permitted US Person.

An application for registration under the Commodity Exchange Act as a commodity pool operator (“CPO”) and a commodity trading advisor (“CTA”) in respect of the relevant class(es) of shares in the Company, and a member of the National Futures Association is being prepared and lodged with the NFA by the Manager. Subject to the Manager being registered as CPO and CTA of the relevant class(es) of shares in the Company, the Manager in respect of certain relevant class(es) of shares in the Company may qualify for relief or exemption from obligations to comply with certain disclosure and/or reporting requirements imposed on CPOs and CTAs.

FOR RESIDENTS OF ALL STATES

IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS PLACING MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.

THE PARTICIPATING SHARES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISK OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

United Kingdom

The circulation of this Placing Memorandum in the United Kingdom is being made in reliance on the exemptions to the restrictions on financial promotion contained in Section 21 of the Financial Services and Markets Act 2000 (the "FSMA"), which permit communications to be made to persons of a kind described in Article 19 or 49 of The Financial Services and Markets Act 2000 (Financial Promotion) Order 2001. Therefore, this Placing Memorandum may only be communicated in the United Kingdom to persons of a kind described in Article 19 or 49 of The Financial Services and Markets Act 2000 (Financial Promotion) Order 2001 or who are persons to whom it may otherwise lawfully be circulated.

The Company is not an authorised unit trust scheme, an authorised open-ended investment company, or a recognised scheme as defined in Section 237 of the FSMA. Therefore, the restrictions on promotion in Section 238 of the FSMA apply and authorised persons under the FSMA may only communicate this Placing Memorandum to any person in the United Kingdom if that person is of a kind described either in The Financial Services and Markets Act 2000 (Promotion of Collective Investment Schemes) (Exemptions) Order 2001 or in Rule 3.11.2 of the Financial Services Authority's Conduct of Business Sourcebook, or is a person to whom such authorised person may otherwise lawfully promote the Company.

Australia

The Company has not been, and will not be, registered as a managed investment scheme under the Australian Corporations Law. Further, this Placing Memorandum has not been lodged with or registered by the Australian Securities and Investments Commission. Participating Shares may not be offered or sold directly or indirectly in Australia or to or for the benefit of any resident of Australia, including any corporation or other entity organised under the laws of Australia except pursuant to an exclusion available under the Australian Corporations Law and in accordance with applicable laws and regulations of Australia or any of its states or territories.

Belgium

This Placing Memorandum has not been submitted for approval to the Belgian Banking and Finance Commission and, accordingly, Participating Shares may not be distributed by way of public offer in Belgium.

Canada

Neither this Placing Memorandum nor any other offering materials relating to Participating Shares has been filed with, nor has any receipt for this Placing Memorandum qualifying the distribution of Participating Shares described herein been issued by, any securities commission or similar authority in Canada. Accordingly, other than in accordance with an exemption from the prospectus requirements of applicable Canadian provincial securities laws, Participating Shares offered hereby may not be offered or sold in Canada, and neither this Placing Memorandum nor any other offering materials relating to the distribution of Participating Shares contemplated hereby may be made available to the public, or used in connection with any offer for subscription of Participating Shares, in Canada. Except to the extent provided under such exemptions from applicable Canadian provincial prospectus requirements, this prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, Participating Shares in Canada.

France

In France, the Participating Shares may not be directly or indirectly offered or sold to the public, and offers and sales of the Participating Shares will only be made by means of direct contact with qualified investors, in accordance with Article L. 411-2 of the French Monetary and Financial Code, and Decree No. 98-880 of October 1, 1998 as modified by Decree No. 2001-96 of February 2, 2001, and will not involve the use of any publicity in France. The offer of Participating Shares is not described in an information memorandum subject to the visa of the *Commission des opérations de bourse*. The offerees may participate in the offer of Participating Shares provided that they are acting for their own account pursuant to the provisions set forth in the Decree No. 98-880 of 1 October 1998, as modified by Decree No. 2001-96 of February 2, 2001. The resale, directly or indirectly, to the public of the Participating Shares as so purchased can only be made in accordance with the provisions of Articles L. 411-1, 411-2, 412-1 and 621-8 of the French Monetary and Financial Code.

Germany

The Participating Shares have not been and will not be registered under the securities laws of Germany and no prospectus in respect of the Participating Shares has been and/or will be submitted for approval to the Federal Office for the Supervision of Securities Trading ("**BAWe**"). Therefore, the Participating Shares may only be offered and sold in the territory of the Federal Republic of Germany under an exemption from the required approval and publication of a securities sales prospectus pursuant to the Securities Sales Prospectus Act (*Wertpapier-Verkaufsprospektgesetz*), which would be applicable unless the Participating Shares would qualify as foreign investment units (*ausländische Investmentanteile*) within the meaning of

the Foreign Investment Act (*Auslandinvestment-Gesetz*). Under the exemption, the Participating Shares can only be offered and sold to (i) persons who, in the course of their professional or commercial activities, purchase or sell securities for their own account or the account of others; (ii) a restricted circle of persons as this term is construed by the courts and BAWe and (iii) investors if they are only permitted to acquire in denominations of at least €40,000 or for a purchase price of at least €40,000 per investor. If, however, the Participating Shares are considered foreign investment units (*ausländische Investmentanteile*) within the meaning of the Foreign Investment Act (*Auslandinvestment-Gesetz*) the offer and sale would exclusively be regulated by this Act which is applicable to foreign investment funds, irrespective of their legal form, and which provides for stricter exceptions for the offer and sale of the Participating Shares in Germany. No official statement from the Federal German Banking Supervisory Authority ("**BAKred**") was obtained to confirm whether the Participating Shares would be considered foreign investment funds or not by the BAKred. If the Company were deemed a foreign investment fund within the meaning of the Foreign Investment Act, it most likely cannot be approved for public distribution in Germany because the Company's fund rules (which in the present case is the Constitution of the Company) do not comply with the requirements established by the Foreign Investment Act. In that case, the Participating Shares may only be offered and sold non-publicly to a limited number of investors (both qualified or private). Any public offer of the Participating Shares, circulation of any offering document to an unlimited number of investors, sale of the Participating Shares or advertisement relating to the Company or the Participating Shares in Germany may constitute a violation of the Foreign Investment Act.

Switzerland

Under the Swiss Investment Fund Act (the "Investment Fund Act") and its implementing ordinance (the "Investment Fund Ordinance"), the offer, sale and distribution of interests in foreign investment funds in or from Switzerland is subject to authorisation by the Swiss Federal Banking Commission. The concept of "foreign investment funds" covers (i) funds created on the basis of a collective investment contract which are managed outside Switzerland, (ii) open-ended foreign investment companies the purpose of which is collective investment, (ii) other foreign funds and companies which are subject in their country of origin to supervision of investment funds and (iv) foreign pools of assets similar to investment funds where the relationship between the investors in the pool is permanently of contractual nature and the investors are not in a position to defend their interest themselves. Interests in foreign investment fund that has not been authorised by the Swiss Federal Banking Commission may only be sold in or from Switzerland provided that no public solicitation, offering or advertising is carried out within Switzerland. On the basis of the current practice of the Swiss Federal Banking Commission, there are reasonable grounds to believe that the Company would be qualified as an investment fund within the meaning of the definition stated above. However, as the Participating Shares have not been and will not be

registered or authorised for distribution under the Investment Fund Act, any public offering of the Participating Shares or circulation of any offering document to an unrestricted circle of investors or any other form of sale or advertisement in relation to the Company or the Participating Shares in Switzerland may constitute a breach of the Investment Fund Act. The Swiss Federal Banking Commission generally considers that a public solicitation is being carried out when interests in an investment fund are offered to more than twenty investors at a same period of time. Pursuant to Article 1a of the Investment Fund Ordinance, interests in a foreign investment fund that has not been authorised by the Swiss Federal Banking Commission may be sold in or from Switzerland to both individual and institutional (i.e., with a professionally managed treasury) investors provided that no public solicitation, offering and advertising is carried out within Switzerland.

Italy

The Participating Shares issued by the Company qualify as units of non-harmonised mutual funds and subsequently fall out of the scope of the directives on collective investment undertakings. According to Section 42, paragraph 5 et seq., of Legislative Decree no. 58 of February 24, 1998 (the Italian Consolidation Act on Financial Intermediation) (the "**Decree**"), the marketing in Italy of such units shall be authorised by the Bank of Italy, after consultation with the Italian Stock Exchange Authority ("**Consob**"), provided that the operating arrangements are compatible with those prescribed for Italian undertakings. The Decree of Ministry of Treasury dated May 24, 1999, lays down the mandatory criteria, concerning the type, structure and characteristics of harmonised and non-harmonised funds, to be complied with, in order for the cited entities to legitimately operate in the Italian territory. Subject to the Company's compliance with the above-mentioned required standards and achievement of the authorisation as of Section 42, paragraph 5, of the Decree, the Company may place its Participating Shares in Italy through direct negotiation with highly qualified and sophisticated professional investors, as defined pursuant to Section 30, paragraph 2, of Consob implementing Regulation no. 11522 of July 1, 1998, as amended. In such hypothesis, the Participating Shares will be offered and negotiated in Italy under the exemption from the required preliminary notification to and approval/publication of the prospectus by, Consob, contemplated in Section 100, paragraph 2, letter (b), of the Decree.

Japan

Participating Shares have not been, and will not be, registered under the Securities and Exchange Law of Japan and may not be offered or sold directly or indirectly in Japan or to or for the benefit of any resident in Japan except pursuant to an exemption available under the Securities and Exchange Law of Japan and in accordance with applicable laws and regulations of Japan.

Taiwan

This Placing Memorandum has not been and will not be registered as a prospectus with the Securities and Futures Commission under the Ministry of Finance in Taiwan. Accordingly, this Placing Memorandum or any offering document or other material relating to the Participating Shares does not constitute, and may not be issued, circulated or distributed for the purpose of, an offer or solicitation by anyone, including without limitation the Company, to sell the Participating Shares to the public in Taiwan.

The Netherlands

Participating Shares may not be offered, directly or indirectly, in The Netherlands except to individuals or entities who or which trade or invest in investment objects in the conduct of a profession or business within the meaning of Article 1 of the Exemption Regulation of 9 October, 1990 (as amended) issued pursuant to Article 14 of the Investment Institution Supervision Act (*Wet toezicht beleggingsinstellingen 1990*) of 27 June, 1990, which includes banks, brokers, securities institutions, insurance companies, pension funds, investment institutions, other institutional investors and other parties, including the treasury departments of commercial enterprises and finance companies which are regularly active in the financial markets in a professional manner.

Norway

Participating Shares may only be acquired provided the firm that markets the Company is either a passported entity or authorised under the Norwegian Securities Trading Act 1997.

Singapore

This Placing Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore, and the Company is not authorised or recognised by the Monetary Authority of Singapore. Accordingly this Placing Memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Participating Shares may not be circulated or distributed, nor may the Participating Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to the public or any member of the public in Singapore other than (i) to a sophisticated investor, and in accordance with the conditions, specified in Section 305 of the Securities and Futures Act (the “SFA”), (ii) to an institutional investor, and in accordance with the conditions, specified in Section 304 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA. Moreover, this Placing Memorandum is not a prospectus as

defined in the SFA. Accordingly, statutory liability under the SFA in relation to the content of prospectuses would not apply. You should consider carefully whether the investment is suitable for you.

The Articles of Association of the Company gives powers to the Directors to require the redemption of Participating Shares if (a) the Shareholder ceases to be a Qualified Holder; or (b) the Company, or the Shareholders of the Company in general are, in the opinion of the Directors, likely to suffer a legal, regulatory, tax, pecuniary or material administrative disadvantage; or (c) the holding of Participating Shares by the Shareholder is in breach of the law or requirements of any country or government authority or any stock exchanges on which any of the Shares may be listed; or (d) the value of the Participating Shares held by a Shareholder falls below such minimum holding prescribed by the Directors; or (e) the Net Asset Value of the Company or of the Fund to which the Participating Shares relate at any time falls below US\$5,000,000 or such other amount as determined by the Directors, and the holders of the Management Shares resolve to wind up the Company.

Any information given or representation made by any dealer, salesman or other person and (in either case) not contained herein should be regarded as unauthorised and, accordingly, should not be relied upon. Neither the delivery of this Placing Memorandum nor the offer, issue or sale of Participating Shares shall, under any circumstances, constitute a representation that the information contained in this Placing Memorandum is correct as of any time subsequent to the date hereof.

Potential subscribers of Participating Shares should inform themselves as to (a) the possible tax consequences, (b) the legal requirements and (c) any foreign exchange restrictions or exchange control requirements which they might encounter under the laws of the countries of their citizenship, residence, incorporation or domicile and which might be relevant to the subscription, holding, or disposal of Participating Shares.

This Placing Memorandum is intended solely for the use of the person to whom it has been delivered for the purpose of evaluating a possible investment by the recipient in the Participating Shares described herein, and is not to be reproduced or distributed to any other persons (other than professional advisors of the prospective investor receiving this Placing Memorandum).

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DIRECTORY

Directors:	Tobias Bland	337 New Henry House 10 Ice House Street Central Hong Kong
	Howard Ho Yuen Ng <u>Paul Ho Ching So</u>	337 New Henry House 10 Ice House Street Central Hong Kong
Registered Office:	c/o Intertrust Corporate Services (Cayman) Limited <u>Maples and Calder</u> <u>PO Box 309, 190 Elgin Avenue</u> <u>Ugland House,</u> <u>121 South Church Street</u> George Town, Grand Cayman KY1- 9005 <u>1104</u> Cayman Islands	
Manager:	Enhanced Investment Products (Cayman) Limited <u>c/o Maples and Calder</u> <u>PO Box 309, Ugland House</u> <u>121 South Church Street</u> <u>George Town, Grand Cayman KY1-1104</u> <u>Cayman Islands</u> c/o Intertrust Corporate Services (Cayman) Limited 190 Elgin Avenue George Town, Grand Cayman KY1-9005 Cayman Islands	
Investment Advisers:	Enhanced Investment Products Limited 337 New Henry House 10 Ice House Street Central Hong Kong	
Administrator:	Citco Fund Services (Cayman Islands) Limited 89 Nexus Way, 2nd Floor Camana Bay	

PO Box 31106
Grand Cayman KY1-1205
Cayman Islands

Sub-Administrator: Citco Fund Services (Singapore) Ltd.
10 Changi Business Park Central 2,
#05-01 Hansapoint @ CBP
Singapore 486030

Prime Broker and Custodian: Deutsche Bank AG
Winchester House
1 Great Winchester Street
London EC2N 2DB
England

Auditors: PricewaterhouseCoopers
21/F Edinburgh Tower
15 Queen's Road Central
Hong Kong

PricewaterhouseCoopers Ltd
18 CyberCity
Ebene
Mauritius

Legal Advisors: As to matters of Cayman Islands law:
[Maples and Calder](#)
[PO Box 309, Uglan House,](#)
[121 South Church Street](#)~~[South Church Street](#)~~
~~[George Town, Grand Cayman KY1-1104](#)~~
[Cayman Islands](#)
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As to matters of Mauritian law:
Juristconsult Chambers

Level 6 – Newton Tower
Sir William Newton Street
Port-Louis, Mauritius

As to matters of US and Hong Kong law:
Simmons & Simmons
13th Floor, One Pacific Place
88 Queensway
Hong Kong

Mauritian Bankers:

Deutsche Bank (Mauritius) Limited
4th Floor
Barkly Wharf East
Le Caudan Waterfront
Port Louis
Mauritius

DEFINITIONS

"Administration Agreement"	The agreement referred to in paragraph 1(f) under the section headed "General Information" by which the Company has appointed the Administrator to act as administrator and registrar of the Company and the Master Fund has appointed the Administrator to provide certain administration services to the Company, the Master Fund and the Funds.
"Administrator"	Citco Fund Services (Cayman Islands) Limited in its capacity as the administrator, registrar and transfer agent of the Company or its permitted successors and assigns.
"Advisory Agreements"	The agreements referred to in paragraphs 1(c) and 1(d) and the letter referred to in paragraph 1(e) under the section headed "General Information" by which the Manager has appointed Enhanced Investment Products Limited to act as investment adviser to the Manager in relation to the Index Funds and E.I.P. Overlay Fund.
"Articles of Association"	The Memorandum and Articles of Association of the Company, as amended, substituted or supplemented from time to time.
"Business Day"	Any day (other than a Saturday or a Sunday) on which banks in Dublin, Hong Kong and Singapore are open for normal banking business provided that where as a result of a Number 8 Typhoon Signal, Black Rainstorm Warning or other similar event, the period during which banks in Hong Kong are open on any day is reduced, such day shall not be a Business Day unless the Manager, in consultation with the Administrator and/or the Sub-Administrator, otherwise determines.

"Calculation Period"	Has the meaning ascribed to it in the Master Fund Placing Memorandum, being, the period from the later of 31 March 2005 and the end of the previous Calculation Period to the last valuation point in respect of the Master Fund in the immediately following March or September.
"Cell" and "Fund"	Each of the protected cells of the Master Fund representing the assets less the liabilities attributed to a particular cell created in accordance with and subject to the provisions of the Protected Cell Companies Act.
"Class"	A class of Participating Shares referable to a Fund.
"Class A Share"	A non-voting Participating Share with a par value of US\$0.001 designated as a Class A Share referable to the Enhanced Taiwan Index Fund.
"Class B Share"	A non-voting Participating Share with a par value of US\$0.001 designated as a Class B Share referable to the Enhanced China Index Fund.
"Class C Share"	A non-voting Participating Share with a par value of US\$0.001 designated as a Class C Share referable to the Enhanced India Index Fund.
"Class D Share"	A non-voting Participating Share with a par value of US\$0.001 designated as a Class D Share referable to the Enhanced Malaysia Index Fund.
"Class E Share"	A non-voting Participating Share with a par value of US\$0.001 designated as a Class E Share referable to the Enhanced South Korea Index Fund.
"Class F Share"	A non-voting Participating Share with a par value of US\$0.001 designated as a Class F Share referable to the Enhanced Thailand Index Fund.

"Class G Share"	A non-voting Participating Share with a par value of US\$0.001 designated as a Class G Share referable to the Enhanced Indonesia Index Fund.
"Class H Share"	A non-voting Participating Share with a par value of US\$0.001 designated as a Class H Share referable to the Enhanced Philippines Index Fund.
"Class Y Share"	A non-voting Participating Share with a par value of US\$0.001 designated as a Class Y Share referable to the Enhanced Emerging Asia Index Fund.
"Class Z Share"	A non-voting Participating Share with a par value of US\$0.001 designated as a Class Z Share referable to the E.I.P. Overlay Fund.
"Company"	Enhanced Index Funds (Cayman) Limited.
"Constitution"	The Constitution of the Master Fund as amended, substituted or supplemented from time to time.
"Custodian"	Deutsche Bank AG in its capacity as custodian of the Master Fund or its permitted successors and assigns.
"Custodian Agreements"	The agreements referred to in paragraphs 1(i), 1(j) and 1(k) under the section headed "General Information" by which the Master Fund has appointed the Custodian as custodian of the assets of the Index Funds.
"Directors"	The Directors of the Company for the time being, or as the case may be, the directors assembled as a board or as a committee thereof and " Board of Directors " shall have the corresponding meaning.
"FSA"	The Financial Services Authority of the United Kingdom.

"FSC"	The Financial Services Commission of Mauritius.
"Fund"	See definition of "Cell" .
"Index Funds"	Enhanced Taiwan Index Fund, Enhanced China Index Fund, Enhanced India Index Fund, Enhanced Malaysia Index Fund, Enhanced South Korea Index Fund, Enhanced Thailand Index Fund, Enhanced Indonesia Index Fund, Enhanced Philippines Index Fund, Enhanced Emerging Asia Index Fund and any other Fund that may be established from time to time and designated by the directors of the Master Fund as an Index Fund.
"Index Fund Shares"	Class A Shares, Class B Shares, Class C Shares, Class D Shares, Class E Shares, Class F Shares, Class G Shares, Class H Shares, Class Y Shares and any other Class of Participating Shares that may be created from time to time and designated by the Directors as Index Fund Shares.
"Investment Adviser"	Enhanced Investment Products Limited in its capacity as investment adviser to the Manager in relation to the Index Funds, E.I.P. Overlay Fund or its permitted successors and assigns.
"Law"	The Companies Law of the Cayman Islands (as amended).
"Management Agreement"	The agreements referred to in paragraphs 1(a) and 1(b) under the section headed "General Information" by which the Company and the Master Fund have appointed the Manager.
"Management Shares"	The voting non-participating shares of par value US\$1.00 each in the capital of the Company.
"Manager"	Enhanced Investment Products (Cayman) Limited.

“Master Fund”	Enhanced Index Funds PCC, an open-ended protected cell investment company incorporated with limited liability under the laws of Mauritius.
“Master Fund Placing Memorandum”	The Placing Memorandum in respect of the offer of shares in the Master Fund and all schedules and appendices annexed thereto as amended, substituted or supplemented from time to time.
"Month"	A calendar month.
"Net Asset Value"	The net asset value of the Company or of the Participating Shares or any Class thereof or of any Fund or of any share in the Master Fund, as the context may require, calculated in the manner set out in this Placing Memorandum.
"Ordinary Resolution"	<p>A resolution:</p> <ul style="list-style-type: none"> <li data-bbox="646 1108 1176 1377">(i) passed by a simple majority of Shareholders as, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting of the Company and where a poll is taken regard shall be had in computing a majority to the number of votes to which each Shareholder is entitled; or <li data-bbox="646 1422 1176 1767">(ii) if permitted by the Articles of Association, approved in writing by all of the Shareholders entitled to vote at a general meeting of the Company in one or more instruments each signed by one or more of the Shareholders and the effective date of the resolution so adopted shall be the date on which the instrument, or the last of such instruments, if more than one, is executed.

"Participating Share"	A non-voting participating share having a nominal or par value of US\$0.001 in the share capital of the Company.
"Participating Shareholder"	The person registered as the holder of Participating Shares in the register of members of the Company required to be kept pursuant to the Law.
"Performance Benchmark"	Has the meaning ascribed to it in the Master Fund Placing Memorandum.
"Performance Period"	Has the meaning ascribed to it in the Master Fund Placing Memorandum.
"Permitted US Person"	A permitted US Person as defined in the section headed "Eligible Investors" in this Placing Memorandum.
"Placing Memorandum"	This Private Placing Memorandum and all schedules and appendices annexed hereto as amended, substituted or supplemented from time to time.
"Prime Broker"	Deutsche Bank AG in its capacity as prime broker to the Master Fund or its permitted successors and assigns.
"Prime Brokerage Agreement"	The agreements referred to in paragraphs 1(g) and 1(h) under the section headed "General Information" by which the Master Fund has appointed the Prime Broker to act as prime broker to the Master Fund.
"Protected Cell Companies Act"	The Protected Cell Companies Act 1999, as enacted and as amended in Mauritius.
"Quarter"	A calendar quarter.

"Qualified Holder"

Any person other than:

- (a) any individual under the age of 18, or
- (b) any individual over the age of 18, corporation, entity or other person to whom a transfer to, or holding by such person of Participating Shares would or may:
 - (i) be in breach of any law or requirement of any country, governmental or other regulatory authority or any stock exchange on which any of the Participating Shares may be listed whether on its own or in conjunction with any other relevant circumstances; or
 - (ii) in the opinion of the Directors, result in the Company incurring any liability to taxation or suffering any other pecuniary or regulatory disadvantage which the Company would not otherwise have incurred or suffered; or
 - (iii) require the Company to be registered under any statute, law or regulation whether as an investment fund, trust, scheme, or otherwise or cause the Company to be required to apply for registration or comply with any registration requirements in respect of any of its shares whether in the United States of America or any other jurisdiction, including without limitation under the United States Securities Act of 1933, as amended, or the United States Investment Company Act of 1940, as amended;

(c) any person who is not a Permitted US Person.

"Redemption Day"

(i) For Index Fund Shares:

(A) Last Business Day of each month; or

(B) -such other Business Day or Business Days as the Directors may from time to time determine either generally or in any particular case,

subject to a maximum of one Redemption Day per Quarter;

(ii) For Class Z Shares, the last Business Day of each Month, or, such other Business Day or Business Days as the Directors may from time to time determine either generally or in any particular case, subject to a maximum of one Redemption Day per Quarter.

"Redemption Deadline"

(i) For Index Fund Shares, 4:00 p.m. (Singapore time) on the Business Day falling 20 Business Days prior to a Redemption Day or such other Business Day or Business Days as the Directors may from time to time determine either generally or in any particular case; and

(ii) For Class Z Shares, 4:00 p.m. (Singapore time) on the Business Day falling 30 Business Days prior to a Redemption Day or such other Business Day or Business Days as the Directors may from time to time determine either generally or in any particular case.

"Redemption Price"

The price, calculated in the manner described under the heading "Subscription and Redemption Prices" in the "Valuation and Prices" section below, at which Participating Shares of a particular Class or series, as the case may be, will be redeemed.

"Register of Members"

The register of members of the Company required to be kept pursuant to the Law.

"Shareholder"

A person who is registered as the holder of a Management Share or a Participating Share (or both) in the register of members of the Company required to be kept pursuant to the Law and includes each subscriber to the Memorandum of Association pending the issue to him of the subscriber share or shares.

"Special Resolution"

A special resolution of the Company:

- (i) passed by a majority of not less than three quarters of the Shareholders as, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting of the Company of which notice specifying the intention to propose the resolution as a special resolution has been duly given and where a poll is taken regard shall be had in computing a majority to the number of votes to which each Shareholder is entitled; or
- (ii) if permitted by the Articles of Association, approved in writing by all of the Shareholders entitled to vote at a general meeting of the Company in one or more instruments each signed by one or more of the Shareholders and the effective date of the special resolution so adopted shall be the date

on which the instrument or the last of such instruments, if more than one, is executed.

"Sub-Administrator"

Citco Fund Services (Singapore) Pte Ltd. or any other affiliate or affiliates of the Administrator, or its permitted successors and assigns.

"Subscription Agreement"

The Subscription Agreement in the form attached as Appendix A to this Placing Memorandum or in such other form as the Administrator or Directors may from time to time determine.

"Subscription Day"

- (i) For Index Fund Shares:
 - (A) Last Business Day of each month; or
 - (B) or such other Business Day or Business Days as the Directors may from time to time determine either generally or in any particular case;
- (ii) For Class Z Shares, the last Business Day of each Month or such other Business Day or Business Days as the Directors may from time to time determine either generally or in any particular case.

"Subscription Deadline"

4.00 p.m. (Singapore time) on the Business Day falling two Business Days prior to a Subscription Day or such other Business Day or Days as the Directors may from time to time determine either generally or in any particular case.

"Subscription Price"

The price, calculated in the manner described under the heading "Subscription and Redemption Prices" in the "Valuation and Prices" section below, at which Participating Shares of a particular Class or series will be issued.

"United States" or "US"

The United States of America, its states, territories and possessions, and any enclave of the United States government, its agencies or instrumentalities.

"Valuation Point"

The close of business in the last relevant market to close on a Subscription Day or such other time on such Business Day or Business Days as the Directors may from time to time determine either generally or in any particular case.

Capitalised terms used in this Placing Memorandum and not otherwise defined in this Placing Memorandum, have the meanings ascribed to them in the Articles of Association of the Company and references to US dollars or US\$ or \$ are references to the lawful currency of the United States. The Appendices to the Placing Memorandum form part of this Placing Memorandum.

INTRODUCTION

Structure of the Company

The Company is a closed-ended fund and was incorporated as an exempted company under the Law, as amended, of the Cayman Islands on 2 June 2005. The Company is not defined as a "mutual fund" pursuant to the Mutual Funds Law, as amended, of the Cayman Islands as investors do not have the right to require redemption of their Participating Shares. As such, the Company is not subject to regulation by the Cayman Islands Monetary Authority.

The Company's objects, as set out in Clause 3 of its Memorandum of Association, are unrestricted and would therefore include the carrying on of the business of an investment company.

The Index Fund Shares have been admitted on the Cayman Islands Stock Exchange to listing.

The Company is organised as a "feeder fund" and all the assets of the Company, to the extent not retained in cash, will be invested in the shares of the Master Fund. Further feeder funds may also be created to invest in the Master Fund. Investors should obtain a copy of the Master Fund Placing Memorandum and read it carefully. The Master Fund Placing Memorandum and the most recent annual and (if available) interim financial statements of the Master Fund form part of this Placing Memorandum.

The Company reserves the right to establish new Classes of Participating Shares. Each such Class may have differing investment parameters, fee structures and other features and shall be issued on such terms and in such manner as determined by the Directors in their discretion. A supplementary offering memorandum setting out the details relating to a new Class of Participating Shares may be issued to prospective investors of the new Class of Participating Shares.

Structure of the Master Fund

The Master Fund is a protected cell company incorporated on 8 May 2002 in Mauritius and is able to issue its shares in different Cells, each representing a separate Cell with a separate investment policy. The directors of the Master Fund may at any time decide to create additional Cells. For the purpose of the relationship between holders of different cells, each Cell is considered a separate operating entity with its own funding, capital gains, losses, income and expenses. Separate audited accounts are prepared for each Cell, as well as for the Master Fund itself. The Master Fund, being registered as a protected cell company, will be regarded as a single legal person within the meaning of the Protected Cell Companies Act. In the absence of any specific

provisions in the Protected Cell Companies Act or the Income Tax Act of Mauritius for the taxation of each Cell as a taxable unit, the taxable entity is the Master Fund. As the Master Fund is a protected cell company, the proceeds of the issue of each Cell are applied to the relevant Cell in the books of the Master Fund and are maintained separately from those of the other Cells. Also, as a protected cell company, the assets attributable to one Cell are not available to meet the liabilities of any other Cell.

Creditors who have contracted with the Master Fund in respect of a particular Cell will only be able to make claims primarily against the assets of that Cell and secondly against the general non-cellular assets of the Master Fund but not against the assets of any other Cell.

The Master Fund is registered with the FSC as a Category 1 Global Business Licence investment company and has obtained a certificate of tax residency from the Director – General of the Mauritius Revenue Authority.

The Master Fund has eleven existing Cells: Enhanced Taiwan Index Fund, Enhanced China Index Fund, Enhanced India Index Fund, Enhanced Malaysia Index Fund, Enhanced South Korea Index Fund, Enhanced Thailand Index Fund, Enhanced Indonesia Index Fund, Enhanced Philippines Index Fund and Enhanced Emerging Asia Index Fund, E.I.P. Overlay Fund and E.I.P. Aleph Fund. This Placing Memorandum provides details of the existing Cells. The directors of the Master Fund may establish new Cells from time to time. If new Cells are established the Directors of the Company shall create and offer for subscription new Classes of Participating Shares referable to those Cells and a separate offering memorandum or supplementary offering memoranda relating to one or more such Cells shall be issued. A separate series of Participating Shares will be issued on each Subscription Day on which Participating Shares relating to the E.I.P. Overlay Fund are issued.

The Master Fund brings two types of "investor class" together for a mutual benefit. The structure is believed to be the first of its kind offered for investment.

The Master Fund structure consists of Index Funds (i.e. for Taiwan, the Enhanced Taiwan Index Fund, for China, the Enhanced China Index Fund, for India, the Enhanced India Index Fund, for Malaysia, the Enhanced Malaysia Index Fund, for South Korea, the Enhanced South Korea Index Fund, for Thailand, the Enhanced Thailand Index Fund, for Indonesia, the Enhanced Indonesia Index Fund, for the Philippines, the Enhanced Philippines Index Fund and for Emerging Asia, the Enhanced Emerging Asia Index Fund), which are 'overlaid' with an equity market neutral 'overlay fund', the E.I.P. Overlay Fund. The E.I.P. Overlay Fund has the ability to enter into most trading strategies, with a 20 per cent directional limit. The E.I.P. Overlay Fund can utilise securities in an Index Fund, to take advantage of anomalies in the market place, at low risk.

The Index Funds receive a percentage of the positive performance of the E.I.P. Overlay Fund, paid semi-annually, as described below.

The intention is that Participating Shareholders holding Participating Shares referable to the Index Funds will receive an enhanced yield (through participation in the performance of the E.I.P. Overlay Fund) whilst the potential returns for Participating Shareholders holding Participating Shares referable to the E.I.P. Overlay Fund are increased as a result of the ability of the E.I.P. Overlay Fund to utilise the securities of the Index Funds to implement its investment strategy.

INVESTMENT OBJECTIVES AND STRATEGY

Investment Objectives

The Company will invest all of its assets, to the extent not required in cash, in the shares of the Master Fund. The principal investment objectives of the Master Fund in respect of each of the Funds is set out below. However, there can be no assurance that the Master Fund's and the Funds' investment objectives will be met:-

Enhanced Taiwan Index Fund

To outperform the MSCI Taiwan Index

Enhanced China Index Fund

To outperform the MSCI China Index

Enhanced India Index Fund

To outperform the MSCI India Index

Enhanced Malaysia Index Fund

To outperform the MSCI Malaysia Index

Enhanced South Korea Index Fund

To outperform the MSCI South Korea Index

Enhanced Thailand Index Fund

To outperform the MSCI Thailand Index

Enhanced Indonesia Index Fund

To outperform the MSCI Indonesia Index

Enhanced Philippines Index Fund

To outperform the MSCI Philippines Index

Enhanced Emerging Asia Index Fund

To outperform the MSCI Emerging Asia Index

E.I.P. Overlay Fund

The principal investment objective of the Fund is to consistently achieve a net positive return after costs from overlay trading in Asia and after deduction of the performance payment to the Index Funds with little directional exposure and low correlation to equity markets. The Fund also targets a lower risk and volatility profile versus other industry competitors.

Investment Strategy

For the Index Funds

An Index Fund will invest directly or indirectly in the constituent securities comprised in the relevant index. Investment may be directly in the constituent securities or through derivatives such as futures or swaps that provide exposure to the constituent securities, provided that the counterparty has a credit rating of BBB- or better from Standard & Poor's or an equivalent credit rating from another rating agency. This is on the basis that as at the date of this Placing Memorandum, the Directors intend to change the credit rating requirement of the Index Fund's counterparty from a credit rating of A- or better from Standard & Poor's or an equivalent credit rating from another rating agency to a credit rating of BBB- or better from Standard & Poor's or an equivalent credit rating from another rating agency by giving at least three months' notice to the affected Shareholders.

To mitigate counterparty risk, the Manager applies viability checks including counterparty credit analysis and evaluation, establishes exposure limits and monitors the credit quality of that counterparty and agreed limits. The Manager reviews and approves the types of transactions and limits requested by the business units on the basis of a counterparty's ability to meet its obligations. In addition, the Manager selects only counterparties with whom there is sufficient knowledge and comfort with both their operations and business practices.

If a new counterparty expresses its interest in establishing a trading relationship, the Manager will perform a comprehensive review of its financial statements, minimum capitalisation levels, business reputation, lines of business, credit enhancements (if any), earnings, management quality, external credit ratings, the scope of business operations and its risk management framework.

The Manager seeks to mitigate counterparty exposure by limiting the total amount of exposure to a single counterparty and all counterparties in aggregate, and by applying consistent standards in evaluating the risk exposure of each transaction.

An Index Fund will, so far as practicable, invest all of its assets directly or indirectly in the constituent securities comprised in the relevant index. Not less than 90 per cent of the latest available Net Asset Value of the relevant Index Fund will at all times be invested in constituent securities of the relevant index and/or derivatives and/or instruments and/or swaps which provide exposure to the relevant index and/or one or more of the constituent securities of such index. An Index Fund may incur charges if any such instruments are broken before expiry of their term. As at the date of this Placing Memorandum, break fees commonly charged in the Asian markets may be up to 1 per cent of the value of such instruments. All relevant cash proceeds will be reinvested on a timely basis. It is intended that the weightings of individual constituent securities will not vary by more than 30 per cent from the index weighting wherever practicable, for example an Index Fund's holding of a security with a 10 per cent weighting in the relevant index may only increase/decrease by 3.0 per cent from the index weighting. Dividends received by an Index Fund will be reinvested.

No assurance can be given that the performance of an Index Fund will at any time be identical to the performance of the relevant index. A disparity between the respective performance of an Index Fund and of the relevant index will result from the fees and expenses which will be borne by the Index Fund both initially and on a continuing basis as described below under "Charges and Expenses". A disparity may also arise as a result of the foreign exchange rates used to convert the value of an Index Fund's holdings into US dollars being different from the foreign exchange rates used for the relevant index. Although the relevant index will be updated on a regular basis during trading hours on the relevant market, the Net Asset Value of the Index Fund will be calculated weekly. Thus, the only time at which it will be appropriate and practicable to measure the comparative performances of an Index Fund and its related index will be after the Net Asset Value per Participating Share of the relevant Class has been determined. At that time, the performance of an Index Fund as measured by the change in the Net Asset Value per Participating Share of the relevant Class during the relevant period can be compared with the performance of the relevant index for that period as measured by the closing level of the index.

Nevertheless, although that comparison can be made, a difficulty may arise for the Manager and the Investment Adviser in achieving for an Index Fund a performance comparable to that of the relevant index. On the one hand the composition (and, therefore, the level) of the index at the end of any period is dependent on the market values of the constituent securities at that time (which are in turn dependent on the last traded prices for those securities, including any dealings for the account of the relevant Index Fund). However, on the other hand, in order for the Manager and the relevant Investment Adviser to seek to simulate the composition of the index within the Index

Fund's portfolio, the Manager and the relevant Investment Adviser will need to purchase or sell constituent securities during the relevant period and, therefore, trading in the constituent securities and trading conditions generally on the relevant market during that period will affect the ability of the Manager to achieve that objective. That difficulty will be exacerbated during periods in which trading in the constituent securities on the relevant market is volatile or in which there are significant net subscriptions for, or to the extent permitted significant net redemptions of, Participating Shares in the relevant Index Fund. Nevertheless, the Manager and the relevant Investment Adviser will endeavour to detect deviations from the constituent securities' respective weightings in the relevant index and to minimise the extent or effect of such deviations. No assurance can be given that the performance of an Index Fund will at any time be identical to the performance of the related index.

In order to enhance returns, the E.I.P. Overlay Fund may utilise the securities of the Index Funds in return for granting to the Index Funds the right to participate in the positive performance of the E.I.P. Overlay Fund during each Calculation Period. Such participation will be paid to the Index Funds semi-annually, as soon as practicable after the end of each Calculation Period.

The E.I.P. Overlay Fund will make a pay-down to the Index Funds of 25 per cent of the increase (before deduction of the performance fee payable to the Manager) in the Net Asset Value per share in the Master Fund of each series relating to the E.I.P. Overlay Fund in each Calculation Period multiplied by the average number of shares in the Master Fund of the relevant series in issue as at each valuation point in respect of the Master Fund during such Calculation Period.

The percentage rate of participation for each Index Fund in the pay-down amount will reflect both the cost of securities borrowing in the relevant market and the extent securities of the relevant Index Fund are available for the E.I.P. Overlay Fund to borrow.

The percentage rate of participation for each Index Fund will be determined at the end of each Calculation Period, using month-end data for the previous six-month period. The rate of participation will be based on the Net Asset Value of each Index Fund available for utilisation by the E.I.P. Overlay Fund and an average securities borrowing rate provided by one or more independent sources.

The percentage rate of participation for each Index Fund will be published in the annual and semi-annual accounts of the Master Fund and is available from the Manager on request.

Securities of an Index Fund utilised by the E.I.P. Overlay Fund will not exceed 70 per cent of the relevant Index Fund's total holding of each relevant security.

For the Enhanced Emerging Asia Index Fund

The Enhanced Emerging Asia Index Fund is an index fund tracking the MSCI Emerging Asia Index by investment in the single country funds of the Master Fund. As at the date of this Placing Memorandum the single country funds of the Master Fund represent 92.27% of the MSCI Emerging Asia Index as follows:

South Korea 26.02%
Taiwan 18.23%
China 21.35%
India 11.30%
Malaysia 5.93%
Indonesia 4.98%
Thailand 3.33%
Philippines 1.13%

The balance of 7.73% is represented by the market of Hong Kong which is not followed by the Master Fund. It is intended that the current shortfall of 7.73% will be split pro rata and allocated across the eight single country funds. The Manager will maintain the country weightings of the MSCI Emerging Asia Index and reflect any change in their individual weighting as quickly as practicable. The Manager will not charge a separate management fee to holders of Class Y Shares referable to the Enhanced Emerging Asia Index Fund. In June 2011, MSCI announced the results of its 2011 annual market classification review and confirmed it will maintain the MSCI Korea Index and the MSCI Taiwan Index in Emerging Markets. The MSCI Korea Index and the MSCI Taiwan Index will remain under review for a potential reclassification to Developed Markets as part of the 2012 Annual Market Classification Review.

For the E.I.P. Overlay Fund

The E.I.P. Overlay Fund is an equity market neutral Asia ex Japan fund and will seek to implement market neutral strategies in Asia ex Japan. The E.I.P. Overlay Fund may also trade in other markets.

The Manager intends to construct a diversified long and short portfolio and to implement a variety of hedging strategies to protect investors' capital and to reduce risk whilst enhancing returns for the E.I.P. Overlay Fund. The Manager may engage in fully hedged arbitrage (i.e. with a delta of one) for the account of the E.I.P. Overlay Fund. The Manager may also enter into low risk non-directional relative value trades for the account of the E.I.P. Overlay Fund, utilising American Depository Receipts, Global Depository Receipts, country funds, equities, options, futures,

warrants, convertible bonds, currencies, Non-Deliverable Forwards, swaps, and other derivatives. The E.I.P. Overlay Fund will have a directional limit (net long/short beta) of up to 20 per cent for each country in which it invests and, for the E.I.P. Overlay Fund as a whole, of up to 20 per cent of its latest available Net Asset Value. The E.I.P. Overlay Fund may utilise securities from the Index Funds to trade. The E.I.P. Overlay Fund may utilise securities of the Index Funds to hedge its positions.

The Master Fund may, in markets where such activity is permitted, engage in "short sales" for the account of the E.I.P. Overlay Fund, that is, the practice of selling securities which are borrowed from a third party and are utilised by the E.I.P. Overlay Fund. The Master Fund will be required to return, at the lender's demand, securities equivalent to any securities borrowed for the short sale. Pending the return of such securities, the Master Fund will be required to deposit with any third party lender as collateral the proceeds of the short sale plus additional cash or securities; the amount of the required deposit will be adjusted periodically to reflect any change in the market price of the security which the Master Fund is required to return to such third party lender.

In addition, the E.I.P. Overlay Fund may enter into swaps with counterparties rated BBB- or better by Standard & Poor's in order to create a synthetic short position. This is on the basis that as at the date of this Placing Memorandum, the Directors intend to change the credit rating requirement of the E.I.P. Overlay Fund's counterparty from a credit rating of A- or better from Standard & Poor's or an equivalent credit rating from another rating agency to a credit rating of BBB- or better from Standard & Poor's or an equivalent credit rating from another rating agency by giving at least three months' notice to the affected Shareholders. Under this strategy, an Index Fund will sell the relevant stocks and enter into a swap representing a synthetic holding of the same stock, under which the relevant Index Fund will receive a return based on the performance of the relevant stock and will pay interest to the counterparty. Such interest will be equal to the interest earned by the Index Funds from the proceeds of the sale of the relevant stocks. The E.I.P. Overlay Fund will immediately enter into a back to back swap with the same counterparty in respect of the same stock, under which the E.I.P. Overlay Fund receive interest from the counterparty and will pay the counterparty a return based on the performance of the relevant stock.

Investment Restrictions

The directors of the Master Fund have resolved that the following investment restrictions shall be applied in managing the assets of each Fund:

- securities acquired by an Index Fund must be listed on an established stock exchange or dealt in on an established over-the-counter market;

- securities of an Index Fund utilised by the E.I.P. Overlay Fund must not exceed 70 per cent of the relevant Index Fund's total holding of each relevant security;
- the E.I.P. Overlay Fund must not hold more than 15 per cent of the ordinary shares issued by a single issuer; and
- a Fund shall not take legal or management control over any company in which it invests,

(together the "**Investment Restrictions**").

General

Any change in the investment objectives, investment strategy or Investment Restrictions stated above by the Master Fund will only be made by the directors of the Master Fund giving not less than three months' notice to affected shareholders of the Master Fund. As the Company is such a shareholder, the Directors shall similarly give not less than three months' notice to affected Participating Shareholders.

The Manager is responsible for monitoring and ensuring compliance by the Master Fund with the Investment Restrictions.

The above restrictions are measured at the time of acquisition of an investment by the relevant Fund. The limits shall not be treated as being exceeded if exceeded as a result of movements in the relative value of investments of the relevant Fund after their acquisition or the exercise of rights arising in respect of such investments. If there is a breach of any of the Investment Restrictions by the Master Fund the Manager shall as soon as reasonably practicable take such steps to remedy the breach as it considers appropriate, having regard to the interests of Participating Shareholders, but none of the Company, the Master Fund, the Manager, the Investment Adviser, the Administrator, the Sub-Administrator, the Prime Broker and the Custodian shall be under any further liability in respect of the breach.

The Manager has put in place business contingency plans which will be activated whenever there is a credit event (as described below) of a counterparty, or whenever the Manager shall assess that the risk of the occurrence of a credit event is materially high. The following is an overview of such contingency plans. Investors should note that the Manager's contingency plans are subject to changes by the Manager from time to time as the circumstances may justify. In any case, the Manager will ensure that the interests of the Shareholders will not be adversely affected.

The Manager will trigger the business contingency plan under the following events:

- (a) event of default affecting the counterparty(ies);
- (b) downgrading of the long term debt credit rating(s) of the relevant counterparty(ies) to a level which is strictly below BBB- for Standard & Poor's or an equivalent credit rating from another rating agency; or
- (c) any other event (including, without limitation, licence suspension, significant litigation linked to the activities of the counterparty in the derivatives business, reputation, etc.) which would materially affect the counterparty's fitness and properness to act as the counterparty of the Funds, or any material risk of occurrence of such event.

Upon the occurrence of any of the above situations, the Manager would then opt for one or more of the following remedial actions, depending on the nature of the above situation, and other factors including the size of the exposure to counterparty(ies) and surrounding circumstances such as timing and market factors:

- (a) the Manager may unwind the affected position(s) immediately or in a measured manner, having regard to the best interest of the relevant Shareholders.
- (b) the Manager may decide to replace the counterparty(ies) and select, as soon as possible and on a best effort basis, a new counterparty(ies) in accordance with the investment strategy of the relevant Fund, and will enter into a new position(s) with similar terms as the relevant position(s) with such newly selected counterparty. The new counterparty(ies) would be selected using criteria including, but not limited to, execution prices, total direct and indirect transaction costs, probability and promptness of execution and delivery (if applicable), as well as other specific criteria which may be relevant.
- (c) the Manager may also consider asking the counterparty(ies) to settle any unrealized gain or loss (if any) on an position(s) in cash payment, where the market value of the position(s) will be nil immediately after such payment.

THERE CAN BE NO ASSURANCE THAT A FUND'S INVESTMENT STRATEGY WILL ACHIEVE PROFITABLE RESULTS. AS A RESULT OF INVESTMENT RISKS, AN INVESTOR MAY LOSE ALL OF THE CAPITAL IT HAS INVESTED IN THE COMPANY.

BORROWING

The Master Fund is authorised to borrow for the account of each Index Fund up to a maximum of 5 per cent of the latest available Net Asset Value of the relevant Index Fund prior to the borrowing in order to pay expenses and, to the extent permitted, to fund redemption requests, as may be determined by the Manager. The Master Fund will not borrow for the account of an Index Fund for investment purposes.

The Master Fund is authorised to borrow for the account of the E.I.P. Overlay Fund up to 150 per cent of the latest available Net Asset Value of the E.I.P. Overlay Fund for investment purposes, to pay expenses and, to the extent permitted to fund redemption requests, as may be determined by the Manager.

The assets of a Fund may be charged or pledged to secure borrowing for the account of that Fund. Back-to-back loans will not be taken into account in determining compliance with the above borrowing limits.

The Manager is responsible for monitoring and ensuring compliance by the Master Fund with the borrowing restrictions.

Any change in the above borrowing restrictions by the Master Fund will only be made by directors of the Master Fund giving not less than three months' notice to its shareholders. As the Company is such a shareholder of the Master Fund, the Directors shall similarly give not less than three months' notice to affected Participating Shareholders.

DIRECTORS

The Directors of the Company have overall authority over, and responsibility for, the operations and management of the Company. The Company has however, delegated the investment management of the Company and its investments to the Manager and the administration of the Company to the Administrator on the terms of the Management Agreement and Administration Agreement (as defined below) respectively.

The Directors of the Company are Tobias Bland and ~~Howard Ho Yuen Ng~~[Paul Ho Ching So](#). A brief summary of their credentials and qualifications is set forth below:

Tobias Bland

Tobias is the Chief Executive Officer of Enhanced Investment Products Limited ("[EIP](#)"). Prior to establishing Enhanced Investment Products Limited, Tobias was employed by Jardine Fleming Securities Limited from 1993. He was responsible for establishing a proprietary trading desk for Jardine Fleming Securities Limited in 1995. As manager of the proprietary desk he was responsible for a US\$160 million portfolio invested in South East Asia on a long-short basis (US\$60 million relating to hedging strategies and US\$100 million relating to arbitrage strategies). The portfolio had annual returns in the region of 30-60 per cent return on risk capital. Prior to

establishing the proprietary trading desk Tobias was involved in convertible bond, tax and warrant arbitrage and in Jardine Fleming's securities lending department in Hong Kong.

Tobias has a Bachelor of Sciences degree from Southampton University, England. He has obtained qualifications in financial derivatives and financial engineering, and as a broker's representative and as an options/futures trading officer with the Stock Exchange of Hong Kong.

Howard Ho Yuen Ng Paul Ho Ching So

Paul joined EIP as Head of Beta Products in May 2010. He is responsible for the management of the suite of index related investment strategies. Prior to joining EIP, Paul was Head of Portfolio Management at Barclays Global Investors (BGI) for Asia ex-Japan region located in Hong Kong, and managed over US\$6.8 billion in Asian Exchange Trade Funds (ETFs). Prior to his move to Hong Kong in late 2007, Paul was responsible for the transition management and equity index products for BlackRock (previously BGI) in Canada. Paul also spent 3 years at Mercer Investment Consulting based in Toronto. Paul holds a joint MBA degree from Northwestern University's Kellogg Graduate School and York University's Schulich Graduate School. He holds a Bachelor of Commerce with honors in Actuarial Science, Economics and Finance from the University of Toronto. Paul is also a Chartered Financial Analyst (CFA) holder.

~~Prior to joining the Company, Howard was employed by Jardine Fleming (now part of JP Morgan) in 1998 on the proprietary trading desk under Tobias Bland's team. Howard left Jardine Fleming to join the Dresdner Bank proprietary trading desk in December 2000. Howard then joined the Manager in June 2002, and continued to work with the Manager until June 2006 when he was asked to run proprietary money for BNP Paribas. Howard ran the Korea, Taiwan, India and Australia proprietary book for BNP until January 2008 when he decided to return to the Manager. Howard is responsible for relative value, share class arbitrage and stub trading and reports to Tobias Bland.~~

The Directors shall serve until their death, resignation or removal in accordance with the Articles of Association. The Articles of Association do not stipulate a retirement age for Directors. A Director shall not be required to be a shareholder of the Company. The Directors and/or the holders of the Management Shares may appoint new Directors or remove Directors from time to time.

The Company may compensate the Directors for the services provided by them. All Directors are entitled to be paid or reimbursed for their out-of-pocket expenses incurred by them in attending and returning from meetings of the board of Directors or any committee thereof, meetings of Participating Shareholders or otherwise in connection with the business of the Company.

MANAGER

The Manager is Enhanced Investment Products (Cayman) Limited. The Manager is responsible for managing the investment, sale and reinvestment of the Master Fund's cash, securities and other property comprising the assets of the Company at its discretion but subject to the overall control of the Directors. The assets under discretionary management by the Manager amount to approximately US\$~~370-388~~ million as of ~~31-31 January~~October 2013.

The Manager was incorporated in the Cayman Islands in 2002 as an exempted company and has been registered as an "excluded person" under the Securities Investment Business Law of the Cayman Islands.

The directors of the Manager are Tobias Bland, ~~Howard Ho Yuen~~David Che Loon Ng Lau and Richard Ford. Further information on Tobias Bland ~~and Howard Ho Yuen Ng are~~is set out above under the section headed "Directors". A brief summary of the credentials of David Che Loon Lau and Richard Ford is set forth below:

David Che Loon Lau

David comes from an accounting and finance background. He joined CLSA in Hong Kong in 1995 to oversee operations for futures and options business. In 1998 David joined CSFB product control for listed futures and options. David went on to establish the Asian soft commission business in 2000 for CSFB and managed the Asian desk until 2004. David then took assignments at Lehman Brothers and Goldman Sachs before joining EIP in 2008. David read Economics and Business Finance at Brunel University, England and is Fellow of the Association of Chartered Certified Accountants (ACCA).

Richard Ford

Richard has over 20 years experience in the industry and began his career at Global Asset Management in London, where he managed the governance, legal and compliance functions. He then moved to Fidelity International as a member of the Global Management Committee and headed up their corporate headquarters in Bermuda. He returned to the UK in 2002 where he was a founding partner of ORN Capital LLP, a multi product alternative investment and hedge fund group which was sold to Morley Investments in 2006. Richard was more latterly managing partner

of Spencer House Capital Management LLP, the investment boutique launched by Jacob Rothschild and CEO of WH Ireland plc, the corporate and private stock broking group. Richard gained an Economics degree from the London School of Economics before qualifying as a barrister at the English Bar, where he specialised in chancery and commercial work.

The Manager has been appointed by the Company and the Master Fund pursuant to the terms of the Management Agreement. The appointment of the Manager by the Company shall be in force until 12 May 2007 and will continue thereafter until terminated by either the Company or the Manager giving to the other not less than 6 months' notice in writing or in other circumstances described in the Management Agreement. The appointment of the Manager by the Master Fund is on substantially similar terms.

The Manager is entitled to be indemnified by the Company and/or the Master Fund (as the case may be) from and against any and all liabilities which may be imposed on, incurred by or asserted against the Manager in performing its obligations or duties as manager, other than those resulting from negligence or wilful default on its part or on the part of its employees or agents.

The fees payable to the Manager are set out in the section headed "Charges and Expenses" below.

INVESTMENT ADVISER

The Management Agreement authorises the Manager to enter into agreements with others pursuant to which services will be provided to the Company and also to delegate its responsibilities to others, subject to retaining responsibility for the actions of its delegates. The Manager has entered into certain investment adviser agreements pursuant to which it has delegated to the Investment Advisers primary responsibility for the day-to-day investment decisions relating to the Company.

The Manager has appointed ~~EIPEnhanced Investment Products Limited~~ to manage the assets of the Index Funds and E.I.P. Overlay Fund. The Manager will bear the fees of the Investment Adviser.

~~EIPEnhanced Investment Products Limited~~ was incorporated in Hong Kong in 2002 and is licensed with the Securities and Futures Commission of Hong Kong for types 4, 5, 6 and 9 regulated activity (advising on securities, advising on futures contracts, advising on corporate finance and asset management).

The appointment of the Investment Adviser may be terminated by either the Manager or the relevant Investment Adviser (as the case may be) giving to the other not less than three months'

notice in writing. The Advisory Agreements may also be terminated in certain other circumstances described therein.

The Investment Adviser is entitled to be indemnified by the Manager from and against any and all liabilities arising in connection with the performance of its duties as investment adviser other than those liabilities arising from its fraud, negligence or wilful default or that of any agent or delegate appointed by it.

ADMINISTRATOR

The Company and Master Fund have entered into an Administration Agreement (the “**Administration Agreement**”) with Citco Fund Services (Cayman Islands) Limited as the Administrator. The Administrator performs administrative, accounting, registrar and transfer agency services for the Company.

Pursuant to the Administration Agreement, the Administrator is responsible, under the ultimate supervision of the Company’s Boards of Directors, for certain matters pertaining to the administration of the Company namely: (i) calculating Net Asset Value; (ii) maintaining financial books and records so far as may be necessary to give a complete record of all transactions carried out by the Administrator on behalf of the Company; and (iii) providing registrar and transfer agent services in connection with the issuance, transfer and redemption of Shares.

The Company has appointed the Administrator to act as registrar and transfer agent (the “**Registrar**”) for the Company. The services provided by the Administrator, in the context of acting as Registrar, include the maintenance of a copy of the share register representing the Company’s records relating to Share ownership and the redemption of Shares; receipt of requests for redemption; authorisation of redemption payments; authorisation of disbursements of management and advisory fees, commissions and other charges, and other services as agreed on by the parties.

For the purposes of calculating the Net Asset Value of the Shares of each class, the Administrator shall, and shall be entitled to, rely on, and will not be responsible for the accuracy of, financial data furnished to it by the Manager, the Investment Adviser and the Company and Master Fund’s Prime Broker(s), market makers, Custodian and/or independent third party pricing services. The Administrator may also use and rely on industry standard financial models in pricing any of the Master Fund or Company’s securities or other assets. If and to the extent that the Manager is responsible for or otherwise involved in the pricing of any of the Company and Master Fund’s securities or other assets, the Administrator may accept, use and rely on such prices in determining the Net Asset Value of the Company and Master Fund and shall not be liable to the Company and Master Fund, any Shareholder, the Manager or any other person in so doing. The Administrator

will not be responsible or liable for the accuracy of information furnished by other persons in performing its services for the Company and Master Fund. The Administrator in no way acts as guarantor or offeror of the Shares or any underlying investments, nor is it responsible for the actions of the Company and Master Fund's sales agents, the Prime Broker, any other brokers or the Manager.

The fees payable to the Administrator by the Company are based on its standard schedule of fees charged by the Administrator for similar services. These fees are detailed in the Administration Agreement.

The Administration Agreement is for an indefinite term, provided, however, that the Administration Agreement is subject to termination by any party upon ninety (90) days' written notice to the other parties, or immediately in certain other circumstances specified therein.

Under the Administration Agreement:

(a) the Company has jointly and severally agreed to indemnify and hold harmless the Administrator, its subsidiaries, affiliates, directors and other officers, shareholders, servants, employees, agents and permitted delegates under the Administration Agreement (together "**Indemnified Parties**") against any liability, actions, proceedings, claims, demands, costs or expenses in connection therewith which may be incurred by the Administrator or any other Indemnified Parties or which may be made against the Administrator or any other Indemnified Parties in respect of the same sustained or suffered by any third party, except that no Indemnified Party will be indemnified against any liability to which it would be subject by reason of its gross negligence, fraud or wilful misconduct; and

(b) in the absence of gross negligence, fraud or wilful misconduct in the performance of its duties under the Administration Agreement, neither the Administrator nor any other Indemnified Party shall be liable to the Company on account of anything done, omitted or suffered by the Administrator or any other Indemnified Party in good faith pursuant to the Administration Agreement in the performance of the services to be performed by the Administrator thereunder.

The Administrator is not responsible for any trading decisions of the Company. The Administrator will not provide any investment advisory or management services to the Company and therefore will not be in any way responsible for the Company's performance. The Administrator will not be responsible for monitoring any investment restrictions or compliance with the investment restrictions and therefore will not be liable for any breach thereof.

The Administrator is a service provider to the Company and is not involved directly or indirectly with the organisation, sponsorship, management or other activities of the Company. The

Administrator is not responsible for the preparation of this Placing Memorandum and neither the Administrator nor any Indemnified Party accepts any responsibility or liability for any information contained in this document.

The Administrator has delegated the performance of certain accounting and registrar and transfer agency services in respect of the Company to the Sub-Administrator.

PRIME BROKER AND CUSTODIAN

Deutsche Bank AG, acting through its London Branch (the “**Prime Broker**”), will provide prime brokerage services to the Master Fund in respect of the Fund under the terms of the Prime Brokerage Agreement (the “**Agreement**”) entered into between the Master Fund and the Prime Broker for itself and as agent for certain other members of the Deutsche Bank Group of companies (the “**Deutsche Bank Companies**”). These services may include the provision of margin financing, clearing, settlement, stock borrowing and foreign exchange facilities. The Master Fund may also utilise Deutsche Bank AG, other members of the Deutsche Bank Companies and other brokers and dealers for the purposes of executing transactions for the Fund. The Prime Broker will also provide a custody service for all the investments of the Fund, including documents of title or certificates evidencing title to investments, held on the books of the Prime Broker as part of its prime brokerage function in accordance with the terms of the Agreement and the rules of the FSA by which it is regulated in the conduct of its investment business. The Prime Broker may appoint sub-custodians, including the Deutsche Bank Companies, of such investments.

In accordance with FSA rules, the Prime Broker will identify, record and hold the Fund’s investments held by it as custodian in such a manner that the identity and location of the investments can be identified at any time and that such investments are readily identifiable as belonging to a customer of the Prime Broker and are separately identifiable from the Prime Broker’s own investments. Investments which constitute collateral for the purposes of the FSA rules, as described below, may not be segregated from the Prime Broker’s own investments and may be available to creditors of the Prime Broker or the Deutsche Bank Companies. Furthermore, in the event that any of the Fund’s investments are registered in the name of the Prime Broker where, due to the nature of the law or market practice of jurisdictions outside the United Kingdom, it is in the Fund’s best interests so to do or it is not feasible to do otherwise, such investments will not be segregated from the Prime Broker’s own investments and in the event of the Prime Broker’s default may not be as well protected.

Any cash which the Prime Broker holds or receives on the Master Fund’s behalf in respect of the Fund will be held as collateral and will not be subject to the client money protections conferred by the FSA rules relating to client money. As a consequence, the Fund’s cash will not be segregated

from the Prime Broker's own cash and will be used by the Prime Broker in the course of its investment business, and the Master Fund will therefore rank as one of the Prime Broker's general creditors in relation thereto.

As security for the payment and discharge of all liabilities of the Fund to the Prime Broker and the Deutsche Bank Companies, the investments and cash held by the Prime Broker and each such Deutsche Bank Company will be charged by the Master Fund in their favour and will therefore constitute collateral for the purposes of the FSA rules. Investments and cash may also be deposited by the Master Fund with the Prime Broker and other members of the Deutsche Bank Companies as margin and will also constitute collateral for the purposes of the FSA rules.

The investments of the Fund may be borrowed, lent or otherwise used by the Prime Broker and the Deutsche Bank Companies for its or their own purposes, whereupon such investments will become the property of the Prime Broker or the relevant Deutsche Bank Company and the Master Fund will have a right against the Prime Broker or the relevant Deutsche Bank Company for the return of equivalent assets. The Master Fund will rank as an unsecured creditor in relation thereto and, in the event of the insolvency of the Prime Broker or the relevant Deutsche Bank Company, the Master Fund may not be able to recover such equivalent assets in full.

Neither the Prime Broker nor any Deutsche Bank Company will be liable for any loss to the Fund resulting from any act or omission in relation to the services provided under the terms of the Agreement unless such loss results directly from the negligence, wilful default or fraud of the Prime Broker or any Deutsche Bank Company. The Prime Broker will not be liable for the solvency, acts or omissions of any sub-custodians or other third party by whom or in whose control any of the Fund's investments or cash may be held. The Prime Broker and the Deutsche Bank Companies accept the same level of responsibility for nominee companies controlled by them as for their own acts. The Master Fund has agreed to indemnify the Prime Broker and the Deutsche Bank Companies out of the assets of the Fund, against any loss suffered by, and any claims made against, them arising out of the Agreement, save where such loss or claims result primarily from the negligence, wilful default or fraud of the indemnified person.

The Prime Broker is a service provider to the Master Fund and is not responsible for the preparation of this document or the activities of the Master Fund and therefore accepts no responsibility for any information contained in this document. The Prime Broker will not participate in the investment decision-making process.

The Agreement between the Master Fund and Prime Broker may be terminated by either party serving written notice of termination on the other.

The Master Fund reserves the right to change the prime brokerage and custodian arrangements described above by agreement with the Prime Broker and Custodian and/or, in its discretion, to appoint additional or alternative prime broker(s) and custodian(s).

AUDITORS

PricewaterhouseCoopers HK and PricewaterhouseCoopers Mauritius have been appointed to act as auditors to the Company and the Master Fund.

INVESTING IN THE COMPANY

The Continuous Offer –Participating Shares

Participating Shares of any Class may be issued by the Company on any Subscription Day.

In order to be dealt with on a particular Subscription Day, applications must be received by the Sub-Administrator prior to 4:00 p.m. (Singapore time) on a Business Day at least two Business Days prior to that Subscription Day together with application moneys in cleared funds received in the Company's subscription account prior to 4:00 p.m. (Singapore time) on the Business Day prior to that Subscription Day. Subscription Days for Index Fund Shares and Class Z Shares are the last Business Day of each Month (or such other Business Day or Business Days as the Directors may from time to time determine either generally or in any particular case). Applications should be sent to the Sub-Administrator in Singapore. Applications received after the Subscription Deadline in relation to a Subscription Day will be held over until the Subscription Day next following such Subscription Day.

Applications may be sent by facsimile or email provided that the original follows promptly. Applicants should note that the Sub-Administrator accepts no responsibility for any loss caused as a result of non-receipt of any application sent by facsimile or email.

The price at which Participating Shares will be issued on any particular Subscription Day will be the Subscription Price per Participating Share of the relevant Class calculated in the manner described below under the section headed "Subscription and Redemption Prices".

The minimum subscription for each applicant for Index Fund Shares is US\$1 million (inclusive of any initial charge) and for each applicant for Class Z Shares is US\$150,000 (inclusive of any initial charge) or, in each case, such other amount as determined by the Directors in their discretion. The minimum addition to any holding of Participating Shares of any Class is US\$50,000 (inclusive of any initial charge) or such other amount as determined by the Directors in their discretion. Fractions of not less than one-thousandth of a Participating Share may be issued. Application moneys representing smaller fractions of a Participating Share will be retained by the Company.

The Manager is entitled to charge an initial charge in respect of each Index Fund Share of up to 3 per cent of the Subscription Price per Index Fund Share. The Manager is entitled to charge an initial charge in respect of each Class Z Share of up to 5 per cent of the Subscription Price per Class Z Share.

No Participating Shares will be issued unless and until the relevant application moneys have been received in cleared funds by or on behalf of the Company. Application moneys may be paid in US dollars or any other currency acceptable to the Manager. Application moneys other than in US dollars will be converted into US dollars and all bank charges and other conversion costs will be deducted from the application moneys prior to investment in Participating Shares.

Participating Shares of a particular Class may not be issued during the period of any suspension of the determination of the Net Asset Value of the Participating Shares or of the Fund to which the Class relates (for details see the section below headed "Valuation and Prices").

The Company will have the right to redeem compulsorily any holding of Index Fund Shares where the number of Index Fund Shares held is less than 100,000, and any holding of Class Z Shares where the number of such Class Z Shares held is less than 12,500. The Directors may waive or reduce such minimum holding requirements in a particular case or generally at their discretion.

On not less than one month's notice in writing to a Shareholder, the Company may at any time compulsorily redeem any or all of a Shareholder's Participating Shares if (a) the Shareholder ceases to be a Qualified Holder; or (b) the Company, or the Shareholders of the Company in general are, in the opinion of the Directors, likely to suffer a legal, regulatory, tax, pecuniary or material administrative disadvantage; or (c) the holding of Participating Shares by the Shareholder is in breach of the law or requirements of any country or government authority or any stock exchanges on which any of the Shares may be listed; or (d) the value of the Participating Shares held by a Shareholder falls below such minimum holding prescribed by the Directors; or (e) the Net Asset Value of the Company or of the Fund to which the Participating Shares relate at any time falls below US\$5,000,000 or such other amount as determined by the Directors, and the holders of the Management Shares resolve to wind up the Company.

New Classes of Participating Shares may be issued on such terms and conditions as are permitted by the Directors (without the consent of any other Shareholders), which terms and conditions may differ from those applicable to other Shareholders on matters relating to, without limitation, lock up/commitment periods, notice periods, management/incentive fees and information rights. New Classes of Participating Shares may be established by the Directors without the approval of the existing Shareholders.

Payment Procedure

Unless the applicant has made arrangements with the Manager to make payment in some other currency or by some other method, payment must be made in US dollars by telegraphic transfer to the account specified in the Subscription Agreement attached to this Placing Memorandum.

Form of Holding of Participating Shares

Upon approval of a subscription, a confirmation will be sent to the successful applicant from the Sub-Administrator within three Business Days. Participating Shares are issued in registered form and no certificate will be sent unless otherwise requested in writing. Generally, a Participating Shareholder may only elect to receive a certificate representing its Participating Shares if it demonstrates to the Company that it is legally required to hold certificated shares or the Company otherwise approves of such issuance. No bearer shares will be issued.

Trade confirmations will be sent to applicants upon approval of their application as soon as practicable after the relevant Subscription Day, setting out details of the Participating Shares that applicants have subscribed for. If the applicant does not receive a trade confirmation, it is the applicant's responsibility to contact the Sub-Administrator to ascertain the status of its subscription application. An applicant cannot assume its successful subscription until it receives a trade confirmation from the Sub-Administrator.

Subscriptions by Transfer of Assets in Specie

With the consent of the Manager and the Investment Adviser of the relevant Index Fund, an applicant applying for Participating Shares may transfer securities to the Company rather than making a cash payment for such Participating Shares. The Manager and Investment Adviser will normally require that the securities to be transferred are the constituent stocks of the relevant index for the Index Fund referable to that particular Class of Participating Shares and (so far as possible) are transferred in the same proportions as in the relevant index.

The number of Participating Shares issued in respect of a transfer of securities will be based on the Subscription Price of the Participating Shares of the relevant Class on the relevant Subscription Day and the value of the securities transferred, adjusted by the Directors to reflect costs incurred and cost savings (such as avoidance of brokerage costs) in transferring the securities to the Company.

Restrictions on Issue

The Manager, in consultation with the Administrator and/or the Sub-Administrator, reserves the right to reject any application for Participating Shares in whole or in part. In particular, the Manager intends to monitor the number of Class Z Shares issued, both in absolute terms and relative to the number of Index Fund Shares issued and may close further subscriptions of Participating Shares of a particular Class for such periods as it considers appropriate.

If any application is not accepted in whole or in part, the application moneys or (where an application is accepted in part only) the balance thereof will, subject to satisfaction of any outstanding anti-money laundering requirements, be returned (without interest) in US dollars by telegraphic transfer at the expense of the applicant to the account in the name of the applicant from which the application monies were derived.

Anti-Money Laundering Regulations

As part of the Company's and the Master Fund's responsibilities for the prevention of money laundering, the Company, the Master Fund, the Administrator and the Sub-Administrator or their respective subsidiaries, affiliates, directors, officers, shareholders, employees, agents, and permitted delegates will require a detailed verification of the applicant's identity and the source of the payment from any person delivering a completed subscription application.

Cayman Islands

As part of the Company's responsibility for the prevention of money laundering, the Company and the Administrator and the Sub-Administrator (including its affiliates, subsidiaries or associates) will require a detailed verification of the applicant's identity and the source of payment. Depending on the circumstances of each application, a detailed verification might not be required where:

- (a) the applicant is a recognised financial institution; which is regulated by a recognised regulatory authority and carries on business in a country listed in Schedule 3 of the Money Laundering Regulations (as amended) of the Cayman Islands (as amended) (a "**Schedule 3 Country**"); or
- (b) the application is made through a recognised intermediary which is regulated by a recognised regulatory authority and carries on business in a Schedule 3 Country. In this situation the Company may rely on a written assurance from the intermediary that the requisite identification procedures on the applicant for business have been carried out; or
- (c) the subscription payment is remitted from an account (or joint account) held in the applicant's name at a bank in the Cayman Islands or a bank regulated in a Schedule 3 Country. In this situation the Company may require evidence identifying the branch or office of the bank from which the monies have been transferred, verify that the account is in the name of the applicant and retain a written record of such details.

The Company and the Administrator 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 and/or the

Sub-Administrator will refuse to accept the application and the subscription monies relating thereto.

If any person who is resident in the Cayman Islands (including the Administrator) has a suspicion that a payment to the Company (by way of subscription or otherwise) contains the proceeds of criminal conduct that person is required to report such suspicion pursuant to The Proceeds of Criminal Conduct Law (as amended).

By subscribing, applicants consent to the disclosure by the Company and the Administrator and/or the Sub-Administrator of any information about them to regulators and others upon request in connection with money laundering and similar matters both in the Cayman Islands and in other jurisdictions.

The Company and the Master Fund will comply with applicable US anti-money laundering regulations. In addition, many jurisdictions are in the process of changing or creating anti-money laundering, embargo and trade sanctions, or similar laws, regulations, requirements (whether or not with force of law) or regulatory policies and many financial intermediaries are in the process of changing or creating responsive disclosure and compliance policies (collectively "**Requirements**") and the Company and the Master Fund could be requested or required to obtain certain assurances from applicants subscribing for Participating Shares or shares in the Master Fund, to disclose information pertaining to them to governmental, regulatory or other authorities or to financial intermediaries or engage in due diligence or take other related actions in the future. It is the Company's and the Master Fund's policy to comply with Requirements to which it is or may become subject to and to interpret them broadly in favour of disclosure. Each applicant will be required to agree in the Subscription Agreement, and will be deemed to have agreed by reason of owning any such shares that it will provide additional information or take such other actions as may be necessary or advisable for the Company and the Master Fund (in the sole judgment of the Company, the Master Fund, the Administrator and/or Sub-Administrator) to comply with any Requirements, related legal process or appropriate requests (whether formal or informal) or otherwise. Each applicant by executing the Subscription Agreement consents, and by owning such shares is deemed to have consented, to disclosure by the Company, the Master Fund and their agents to relevant third parties of information pertaining to it in respect of Requirements or information requests related thereto. Failure to honor any such request may result in redemption by the Company and/or the Master Fund or a forced sale to another investor of such applicant's shares.

Subscriptions for Participating Shares will be received by the Sub-Administrator. The Sub-Administrator will notify applicants if additional proof of identity is required. By way of example, an individual may be required to produce a copy of a passport duly certified as a true

copy by a notary public, law firm or bank, together with evidence of their address such as a utility bill or bank statement. In the case of corporate applicants this may require production of a copy of the certificate of incorporation (and any change of name) and by-laws (or equivalent) duly certified as a true copy by a notary public law firm or bank and the names, occupations, dates of birth and residential and business addresses of all directors or other governing members or representatives of entity investors in line with the foregoing individual identification requirements.

The details given above are by way of example only. The Company, the Administrator and the Sub-Administrator or their respective subsidiaries, affiliates, directors, officers, shareholders, employees, agents, and permitted delegates and sub-delegates reserve the right to request such documentation as any of them deems necessary to verify the identity of the applicant and to verify the source of the relevant money. Applicants who are existing customers and believe they have supplied documentation verifying their identity to the Company or an affiliate in the past may contact the Sub-Administrator to determine whether any additional information is necessary. Failure to provide the necessary evidence may result in applications being rejected or in delays in redemptions or in the dispatch of documents and the issuance of Participating Shares.

Pending the provision of satisfactory evidence as to identity, the evidence of title in respect of Participating Shares may be retained at the absolute discretion of the Administrator and/or the Sub-Administrator. If within a reasonable period of time following a request for verification of identity, the Administrator and/or the Sub-Administrator has not received evidence satisfactory to it as aforesaid, they may, in their absolute discretion, refuse to allot the Participating Shares applied for in which event application moneys will be returned without interest to the account from which such moneys were originally debited.

The Company, the Master Fund, the Administrator and the Sub-Administrator and their respective subsidiaries, affiliates, directors, officers, shareholders, employees, agents, and permitted delegates will be held harmless and will be fully indemnified by a potential subscriber against any loss arising as a result of a failure to process a subscription or redemption request if such information as has been requested by any of them has not been satisfactorily provided by the applicant.

Eligible Investors

Each investor must represent and warrant to the Company that, among other things, he or she is able to acquire Participating Shares without violating applicable laws. The Company will not knowingly offer or sell Participating Shares to any investor to whom such offer or sale would be unlawful. In particular, Participating Shares may not be offered or sold to any person other than a Qualified Holder. Power is reserved in the Articles of Association to compulsorily order the transfer or to redeem any Participating Shares held by a person who is not a Qualified Holder.

Permitted US Persons

Participating Shares are available for subscription by certain classes of US Persons.

"Permitted US Person" means:

- (i) an "accredited investor" as defined in Regulation D of the Securities Act;
- (ii) a "qualified purchaser" under Section 2(a)(51) of the Investment Company Act of 1940; and
- (iii) a "qualified eligible person" (as defined in Rule 4.7 under the U.S. Commodity Exchange Act).

"U.S. person" means:

- (i) any natural person resident of or in the United States;
- (ii) any partnership, corporation or other entity organised or incorporated under the laws of the United States or which has its principal place of business in the United States;
- (iii) any estate of which any executor or administrator is a U.S. person or the income of which is subject to U.S. income tax regardless of source;
- (iv) any trust of which any trustee is a U.S. person or the income of which is subject to U.S. income tax regardless of source;
- (v) any agency or branch of a foreign entity located in the United States or the income of which is subject to U.S. income tax regardless of source;
- (vi) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. person;
- (vii) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated, or (if an individual) resident in the United States;
- (viii) any partnership or corporation if (A) organised or incorporated under the laws of any foreign jurisdiction and (B) formed by a U.S. person principally for the purpose of (1)

investing in Participating Shares of the Company or (2) investing in securities not registered under the U.S. Securities Act of 1933 (the "Act"), unless it is organised or incorporated, and owned, by accredited investors (as defined in Rule 501(a) under the Act) who are not natural persons, estates or trusts; and

- (ix) any entity organised principally for passive investment such as a commodity pool, investment company or other similar entity (other than a pension plan for the employees, officers or principals of an entity organised and with its principal place of business outside the United States) in which U.S. persons who do not qualify as qualified eligible persons (as defined in Rule 4.7 under the U.S. Commodity Exchange Act) hold units of participation representing in the aggregate 10% or more of the beneficial interest in the entity or which has a principal purpose the facilitating of investment by a U.S. person in a commodity pool with respect to which the operator is exempt from certain requirements of Part 4 under the U.S. Commodity Exchange Act regulations by virtue of its participants being non-U.S. persons.

Employee benefit plans, subject to Title I of the U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA") or Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), including without limitation individual retirement accounts and Keogh plans, and any person or entity that is, or would be deemed to be using, for purpose of Title I of ERISA or Section 4975 of the Code, the assets of any such plan to purchase or hold its interest in Participating Shares, will not be permitted to acquire in the aggregate 25% or more of the outstanding Participating Shares of any Class (excluding any Participating Shares of such Class owned by the Manager, the Investment Advisers and their affiliates).

The Company, in its discretion, may decline to admit any prospective investor.

Redemptions

This is a closed-ended fund. As such, Participating Shares may not be redeemed or repurchased at the option of the Participating Shareholder. The Directors shall, in their absolute discretion, determine whether to redeem Participating Shares generally or in any particular case. The maximum number of Redemption Days in any Quarter shall be one, unless otherwise determined by the Directors in their discretion.

Participating Shareholders may submit a request to redeem their Participating Shares of any Class on any Redemption Day (a "**Redemption Notice**") to the Sub-Administrator. On receipt of a Redemption Notice, the Directors or their duly authorised agent shall determine whether to redeem any of the Participating Shares the subject of the redemption request.

For a redemption request in respect of any Index Fund Shares, the Redemption Notice must be received no later than 4:00 p.m. (Singapore time) on a Business Day falling at least 20 Business Days prior to the relevant Redemption Day. For a redemption request in respect of any Class Z Shares, the Redemption Notice must be received no later than 4:00 p.m. (Singapore time) on a Business Day falling at least 30 Business Days prior to the relevant Redemption Day.

THE DIRECTORS ARE UNDER NO OBLIGATION TO REDEEM ANY PARTICIPATING SHARES THE SUBJECT OF A REDEMPTION REQUEST. WHETHER OR NOT SUCH PARTICIPATING SHARES WILL BE REDEEMED IS IN THE ABSOLUTE DISCRETION OF THE DIRECTORS.

Redemption Days for the Participating Shares of any Class are the last Business Day of each Month, or such other Business Day or Business Days as the Directors may from time to time determine either generally or in any particular case, except that there is no more than one Redemption Day per Quarter for any Participating Shares of any Class. Any Redemption Notice received after the Redemption Deadline will be held over until the Redemption Day next following the relevant Redemption Day and if the Directors or their duly authorised agent elect to redeem such Participating Shares, the Participating Shares will then be redeemed at the Redemption Price applicable for the relevant Class of Participating Shares on that day.

Redemption Notices must be in writing and must state the number, Class and (for Class Z Shares) series of Participating Shares requested to be redeemed and give payment instructions for the redemption proceeds. The Sub-Administrator will process subscription, transfer and redemption requests which are initially received by facsimile or email. The original redemption request should follow by courier thereafter. Neither the Company nor the Sub-Administrator shall be responsible for any mis-delivery or non-receipt of any facsimile or email. Facsimiles or emails sent to the Company or the Sub-Administrator shall only be effective when actually acknowledged by the Company or the Sub-Administrator. In the event that no acknowledgement is received from the Administrator within five (5) days of submission of the request, **Participating Shareholders should contact the Sub-Administrator by telephone on (65) 6571 1000 or ~~or~~ email SingaporeIRGroup@citco.com to confirm that the Sub-Administrator has received the facsimile or email redemption request.**

The applicant agrees that the foregoing shall also apply to any subscription request made using the short form subscription application form.

Participating Shareholders should be reminded that if they choose to send Redemption Notices by facsimile or email, they bear their own risk of such notices not being received. The

Sub-Administrator accepts no responsibility for any loss caused as a result of non-receipt of any facsimile notice.

If the Directors or their duly authorised agent elect to redeem Participating Shares of any Class, the Company is entitled to charge a redemption fee on the redemption of Index Fund Shares. The redemption fee is payable out of the redemption proceeds of up to 0.5 per cent of the Redemption Price of each Index Fund Share redeemed within one year of the date when it was issued. In the case where a partial redemption by a Participating Shareholder is permitted, the Index Fund Shares first acquired by him or her shall be the first redeemed. Such redemption fee will be payable for the benefit of the relevant Index Fund. No redemption fee will be charged on the redemption of Class Z Shares. The redemption fee may be charged in respect of a Class generally or in respect of specific shareholders within that Class.

Redemption proceeds will usually be paid within seven (7) business days of the relevant Redemption Day (but in any event no more than one month of the relevant Redemption Day or, if later, following receipt by the Sub-Administrator of complete redemption documentation) by transfer to the bank account in the name of the subscriber from which the subscription proceeds were derived (at his expense). Redemption proceeds will only be paid to the registered Participating Shareholder.

The Master Fund's obligation to redeem shares of any class is subject to postponement if requests are received in respect of any one redemption day (for the Master Fund) for redemptions aggregating more than 20 per cent of the Net Asset Value of the Fund to which shares of such class relate. In such case, the Master Fund may reduce all but not some of such requests pro rata so that they cover no more than the relevant percentage of the Net Asset Value of the Fund to which shares of the relevant class relate. Any part of a redemption notice to which effect is not given by reason of the exercise of this power by the Master Fund will be treated as if the request had been made with priority in respect of the next redemption day and all following redemption days (in relation to which the Master Fund has the same power) until the original request has been satisfied in full.

If on any redemption day (for the Master Fund) the Master Fund receives redemption notices requesting the redemption of more than 20 per cent of the shares of the class relating to the E.I.P. Overlay Fund, the Master Fund will inform its shareholders holding shares referable to the Index Funds and may take such other actions as the directors of the Master Fund consider appropriate (including limiting the redemption of shares of the class relating to the E.I.P. Overlay Fund as described above and/or designating an additional day or days as redemption days for the purposes of the Index Funds).

INVESTORS SHOULD BE AWARE OF THE RESTRICTIONS ON REDEMPTIONS OUTLINED ABOVE IN RESPECT OF THE MASTER FUND AS THE COMPANY IS A SHAREHOLDER OF THE MASTER FUND AND SO WILL BE SUBJECT TO THESE RESTRICTIONS WHEN SUBMITTING REDEMPTION NOTICES IN RESPECT OF THE REDEMPTION OF THE SHARES HELD BY THE COMPANY IN THE MASTER FUND.

The Directors shall not redeem any Participating Shares of any Class during any period when the calculation of the Net Asset Value of the Participating Shares or of the Fund relating to that Class is suspended by the Master Fund. Redemption Notices will be irrevocable except in the event of a suspension of redemption.

The Directors, in their absolute discretion, may permit partial redemptions of a holding of Participating Shares of any Class provided that such redemptions will not result in the Participating Shareholder holding fewer Participating Shares of that Class than such minimum number of Participating Shares of that Class as may from time to time be specified by the Directors. The Company will have the right to redeem compulsorily any holding of Index Fund Shares where the number of Index Fund Shares held is less than 100,000, and any holding of Class Z Shares where the number of such Class Z Shares held is less than 12,500. The Directors may waive or reduce such minimum holding requirements either generally or in a particular case in their discretion.

On not less than one month's notice in writing to a Shareholder, the Company may at any time compulsorily redeem any or all of a Shareholder's Participating Shares if (a) the Shareholder ceases to be a Qualified Holder; or (b) the Company, or the Shareholders of the Company in general are, in the opinion of the Directors, likely to suffer a legal, regulatory, tax, pecuniary or material administrative disadvantage; or (c) the holding of Participating Shares by the Shareholder is in breach of the law or requirements of any country or government authority or any stock exchanges on which any of the Shares may be listed; or (d) the value of the Participating Shares held by a Shareholder falls below such minimum holding prescribed by the Directors; or (e) the Net Asset Value of the Company or of the Fund to which the Participating Shares relate at any time falls below US\$5,000,000 or such other amount as determined by the Directors, and the holders of the Management Shares resolve to wind up the Company.

If the Directors or their duly authorised agent elect to redeem Participating Shares of any Class, Participating Shares will be redeemed in US dollars at the Redemption Price of the relevant Class of Participating Shares calculated for the relevant Redemption Day in the manner described below under the section headed "Subscription and Redemption Prices".

If at any time during the period from the time as at which the Redemption Price is calculated and the time at which redemption moneys are converted out of any other currency into US dollars there is an officially announced devaluation of that currency, the amount payable to any relevant redeeming Participating Shareholder may be reduced as the Directors consider appropriate to take account of the effect of that devaluation.

Redemption in Specie

As provided in the Articles of Association, the Directors have an absolute discretion to effect a redemption payment to any or all redeeming Participating Shareholders in specie or in kind rather than in cash, although the Directors do not intend to exercise this discretion in relation to Class Z Shares and will only exercise this discretion in relation to the Index Fund Shares if such redemption in specie will not materially prejudice the interests of remaining Participating Shareholders. The circumstances in which the Directors envisage exercising this discretion include, without prejudice to the generality of the foregoing, a situation where substantial redemption requests are received in respect of the relevant Index Fund Shares which will make it impracticable to realise the underlying securities in order to fund the redemption payments if the Directors elect to redeem such Participating Shares of the relevant Class, or where to do so would adversely affect the ability of the relevant Index Fund to track the relevant index. In making redemption payments in specie or in kind, the Directors will use the same valuation procedures used in determining the Net Asset Value of the Index Fund (see "Calculation of Net Asset Value" below) when determining the value to be attributed to the relevant securities to be transferred or assigned or otherwise made available to the redeeming Participating Shareholders. Redeeming Participating Shareholders will receive securities of a value equal to the redemption payment to which they would otherwise be entitled. Furthermore, redeeming Participating Shareholders receiving the redemption payment in specie or in kind will be responsible for all custody and other costs involved in changing the ownership of the relevant securities from the Company to the redeeming Participating Shareholder and for all ongoing custody costs in respect of such securities and will bear the risk of any fluctuation in value of the securities after the redemption payment in specie.

Conversion between Classes of Participating Shares

Participating Shareholders have the right (subject to the prior approval of the Manager and to any suspension in the determination of the Net Asset Value of the Participating Shares or of the Index Fund to which the Participating Shares to be converted relate) to convert all or part of their Index Fund Shares into Participating Shares of any other Class referable to an Index Fund by giving notice in writing to the Sub-Administrator prior to 4:00 p.m. (Singapore time) on a Business Day falling at least two Business Days preceding the Redemption Day on which the conversion is to

take effect or such later day as the Manager in its absolute discretion may decide. Any conversion request received after such time will be processed on the next following Redemption Day.

Conversion is not permitted to or from Class Z Shares unless the Manager otherwise agrees.

The rate at which the whole or any part of a holding of Participating Shares of a Class (the "**Existing Class**") will be converted on any Redemption Day (the "**relevant Redemption Day**") into Participating Shares of another Class (the "**New Class**") will be determined in accordance with the following formula:-

$$N = \frac{E \times R \times F}{S}$$

where:-

N = the number of Participating Shares of the New Class to be issued;

E = the number of Participating Shares of the Existing Class to be converted;

R = the Redemption Price per Participating Share of the Existing Class on the relevant Redemption Day;

F = the currency conversion factor determined by the Manager as representing the effective rate of exchange between the base currency of the Fund to which the Existing Class relates and the base currency of the Fund to which the New Class relates; and

S = the Subscription Price per Participating Share of the New Class on the Subscription Day of the New Class coincident with or next following the relevant Redemption Day plus such amount if any (being a percentage of that Subscription Price which should not exceed 1 per cent.) as the Manager may determine to add thereto as a conversion fee.

Any fraction smaller than one-thousandth of a Participating Share of the New Class so arising will be ignored and moneys representing any such fraction will be retained by the Company for the benefit of the Fund to which the New Class relates.

If at any time during the period from the time as at which the Redemption Price per Participating Share of the Existing Class is calculated up to the time at which any necessary transfer or

allocation of funds from the Class of Participating Shares referable to the Fund to which the Existing Class relates (the "**Original Fund**") to the Class of Participating Shares referable to the Fund to which the New Class relates takes place, a devaluation or depreciation of any currency in which any investment of the Original Fund is denominated or normally traded, the Redemption Price shall be reduced as the Manager considers appropriate to take account of the effect of that devaluation and the number of Participating Shares of the New Class to be allotted to any relevant Participating Shareholder pursuant to a conversion request shall be recalculated in accordance with the formula set out above as if that reduced Redemption Price had been the Redemption Price ruling for realisations of Participating Shares of the Existing Class on the relevant Redemption Day.

No conversion will be made if as a result a Participating Shareholder would hold less than the minimum holding of Participating Shares of the relevant Class.

RISK FACTORS

Prospective investors should be aware of the following risk factors, when contemplating whether or not to invest in the Company:

Investment Objective

There is no guarantee that in any time period, particularly in the short term, any Fund's portfolio will achieve any particular level of return. Investors should be aware that investment in any securities involves a degree of risk and that the value of Participating Shares referable to any of the Funds may fall as well as rise.

Investment in Class Z Shares referable to the E.I.P. Overlay Fund involves significant risks. Whilst it is the intention of the Manager to implement strategies which are designed to minimise potential losses, there can be no assurance that these strategies will be successful. It is possible that an investor may lose a substantial proportion or all of its investment in Class Z Shares referable to the E.I.P. Overlay Fund. As a result, each investor should carefully consider whether it can afford to bear the risks of investing in Class Z Shares referable to the E.I.P. Overlay Fund.

The following discussion of risk factors does not purport to be a complete explanation of the risks involved in investing in the Participating Shares referable to the Funds.

Leverage

The E.I.P. Overlay Fund may be leveraged by borrowing and may also engage in investment strategies that constitute leverage should the Manager consider this necessary or desirable. Such strategies may include the borrowing and short selling of securities and the acquisition and

disposal of certain types of derivative securities and instruments, such as swaps, futures and options.

Whilst leveraging creates an opportunity for greater total returns it also exposes the Fund to a greater risk of loss arising from adverse price changes. For a further explanation of the risks involved in entering into certain leveraged transactions see the paragraph below headed "Derivatives".

Emerging Market Risk

Some overseas markets in which each Fund may invest are considered emerging market countries. The economies of many emerging markets are still in the early stages of modern development and subject to abrupt and unexpected change. In many cases, governments retain a high degree of direct control over the economy and may take actions that have a sudden and widespread effect. Also, many less developed markets and emerging market economies have a high degree of dependence on a small group of markets or even a single market that can render such economies more susceptible to the adverse impact of internal and external shocks.

Emerging market regions are also subject to special risks including, but not limited to: generally less liquid and less efficient securities markets; generally greater price volatility; exchange rate fluctuations and exchange control; higher volatility of the value of debt (particularly as impacted by interest rates); imposition of restrictions on the expatriation of funds or other assets; less publicly available information about issuers; the imposition of taxes; higher transaction and custody costs; settlement delays and risk of loss; difficulties in enforcing contracts; less liquidity and smaller market capitalisations; less well regulated markets resulting in more volatile stock prices; different accounting and disclosure standards; governmental interference; higher inflation; social, economic and political uncertainties; custodial and/or settlement systems may not be fully developed; the risk of expropriation of assets and the risk of war.

Economic Risk

Economic instability in an emerging market may arise when such country is heavily dependent upon commodity prices and international trade. Economies in emerging market countries have been and may continue to be adversely affected by the economic strength of their trading partners, exchange controls, managed adjustments in relative currency values, trade barriers and other protectionist measures imposed or negotiated by the countries with which they trade. Some emerging market countries have experienced currency devaluations and some have experienced economic recessions causing a negative effect on their economies and securities markets.

Risk of Market Intervention by Governments and Regulators

The performance of global markets is subject to the policies and controls of the relevant governments and regulators. Governments and regulators may from time to time choose to intervene in free market systems, particularly during periods of volatility or instability of the relevant market or in attempts to improve the performance of the national economy, by implementing economic, trading, foreign exchange, fiscal or other policies. Such market intervention may also include the imposition of trading restrictions (for example, bans on “naked” short selling or the suspension of short selling for certain stocks). Emerging markets in particular are generally characterised with a higher level or possibility of intervention. Due to the inter-connectedness of the global markets, intervention in any one market may also impact on the performance of other markets. Any such market intervention may in turn affect the performance of the Funds.

Political and Social Risk

Some governments in emerging market countries are authoritarian or have been installed or removed as a result of military coup and some have periodically used force to suppress civil dissent. Disparities of wealth, the pace and success of democratisation and capital market development and ethnic, religious and racial disaffection, among other factors, have also led to social unrest, violence and/or labour unrest in some emerging market countries. Unanticipated political or social developments may result in sudden and significant investment losses. All of these factors can have a material impact on the Funds and particularly in respect of the Index Funds, impacting the indices to which the Index Funds seek to simulate and create a risk of higher price volatility which, in turn, can increase the difficulty for the Manager and the Investment Adviser in achieving for the Index Funds a performance comparable to the relevant indices.

Market Risk

Past performance is not indicative of future performance. The Net Asset Value of a Fund will change with changes in the market value of the securities it holds. The Subscription Prices of Shares, Redemption Prices of Shares and the income from them may go down as well as up. There can be no assurance that a Fund will achieve its investment objective or that an investor will achieve profits or avoid losses, significant or otherwise. The capital return and income of each Fund is based on the capital appreciation and income on the securities it holds, less expenses incurred. Each Fund’s return may fluctuate in response to changes in such capital appreciation or income. Each Fund may experience volatility and decline. In the circumstance of an Index Fund, its volatility and decline will broadly correspond with the index in which it relates. Investors in a Fund are exposed to the same risks that investors who invest directly in the underlying securities would face. These risks include, for example, interest rate risks (risks of falling portfolio values in a rising interest rate market), income risks (risks of falling incomes from a portfolio in a falling

interest rate market), and credit risk (risk of a default by the underlying issuer of a security that forms part of the underlying index).

Asset Class Risk

Although the Manager and the Investment Advisor will supervise the investment portfolio of each Fund, the returns from the types of securities in which a Fund invests may underperform or outperform returns from other securities markets or from investment in other asset classes. Different types of securities tend to go through cycles of out-performance and underperformance when compared with other general securities markets.

Foreign Security Risk

Any Fund may invest in the equity markets of a single country or multiple countries within a geographical region. These markets are subject to special risks associated with foreign investment including market fluctuations caused by factors affected by political and economic developments, differences in accounting, auditing and financial reporting standards, the possibility of nationalisation of assets, expropriation or confiscatory taxation, or regulation, the imposition of withholding taxes on payments or distributions referable to underlying securities, adverse changes in investment, tax or exchange control regulations, economic growth and indicators (such as gross domestic product, inflation rate, self sufficiency and balance of payments position of the relevant economy), government regulation, political instability that could affect local investments in foreign countries, and potential restrictions on the flow of international capital. Each of these factors may have a large impact on the performance of the relevant Index Fund.

Foreign Exchange Risk

A Fund will have exposure to fluctuations in currency exchange rates where it invests directly or indirectly in securities denominated in currencies other than US dollars. In particular, although the Index Funds are denominated in US dollars, the underlying investments of the Index Funds may be denominated in New Taiwan dollars (for the Enhanced Taiwan Index Fund), Hong Kong dollars (for the Enhanced China Index Fund) Indian rupees (for the Enhanced India Index Fund), Malaysian ringgit (for the Enhanced Malaysia Index Fund), South Korean won (for the South Korea Index Fund), Thailand baht (for the Enhanced Thailand Index Fund), Indonesian rupiahs (for the Enhanced Indonesia Index Fund) and Philippines peso (for the Enhanced Philippines Index Fund). A Fund may experience losses if the values of its currency forwards and futures positions were poorly correlated with its other investments or if it could not close out its positions because of an illiquid market.

The markets in which foreign exchange transactions are effected are highly volatile, highly specialised and highly technical. Significant changes, including changes in liquidity and prices,

can occur in such markets within very short periods of time, often within minutes. In certain circumstances, these significant changes may adversely and severely impact the ability of a Fund to sell its investments or convert or remit such sale proceeds to the Fund, the value of securities as well as the Net Asset Value of that Fund. This may result in the suspension of the determination of the Net Asset Value of that Fund and, if such significant adverse changes continue for a reasonable period of time, the Fund's rights in these investments may lapse completely. Some of the risks associated with foreign exchange transactions include but are not limited to, exchange rate risk, maturity gaps, interest rate risk, counterparty risk, potential interference from government intervention through regulation of local exchange markets, foreign investment or particular transactions in foreign currency, and devaluation of foreign currency.

Tracking Error Risk

The Net Asset Value of an Index Fund may not correlate exactly with the relevant index. Factors such as the fees and expenses of an Index Fund, imperfect correlation between an Index Fund's assets and the securities constituting the relevant index, inability to rebalance an Index Fund's holdings of securities in response to changes in the constituents of the relevant index, rounding of security prices, changes to the relevant index, regulatory policies and other factors as mentioned under that part of the "Investment Strategy" section "For the Index Funds" may affect an Index Fund's ability to achieve close correlation with the relevant index. This may cause each Index Fund's returns to deviate from the relevant index.

Concentration Risk

There is no assurance as to any degree of diversification in the assets held by each Fund other than in accordance with diversification requirements (if any) under this Placing Memorandum. It is possible that a Fund may be subject to risks arising from concentration of assets in respect of, for instance, a certain type of asset class, region, country, sector or industry.

Each of the Index Funds, in particular, is subject to concentration risks as a result of investing in constituent securities comprised in an index from a single country. Each Index Fund is therefore likely to be more volatile than a broadly-based fund such as a global or regional fund, as it is more susceptible to fluctuation in value resulting from adverse conditions in that single country.

Repurchase Agreements

The Master Fund may enter into repurchase agreements with respect to securities for the account of a Fund. Repurchase agreements involve credit risk to the extent that the Master Fund's counterparties may avoid such obligations in bankruptcy or insolvency proceedings, thereby exposing the relevant Fund to unanticipated losses. The amount of credit risk incurred with

respect to a particular repurchase agreement will depend in part on the extent to which the obligation of the Master Fund's counter-party is secured by sufficient collateral.

Futures Trading

The trading activities of a Fund may be transacted on any futures, forward or cash market or directly with institutions (e.g. banks or other dealers with which forward contracts may be entered into or traded). While it is not practicable to set forth in detail all possible forms of transactions in which a Fund may engage and the potential benefits and risks of each, certain salient features of their anticipated principal trading activities and markets are described below.

Substantially all trading in futures has as its basis a contract to purchase or sell a specified quantity of a particular asset for delivery at a specified time, although certain financial instruments, such as market index futures contracts, may be settled only in cash based on the value of the underlying composite index. If immediate delivery of the physical asset is contemplated, the trading is "cash" or "spot"; if delivery in the future is agreed upon, the contract to sell or buy is a "futures" contract and trading in such contracts is known as "futures trading". Futures trading involves trading in contracts for future delivery of standardised, rather than specific, lots of particular assets.

Futures are typically traded on "margin". The "margin" is the amount of escrow or performance bond deposit that a Fund will have to make and maintain with its brokers to secure its future obligation to close out open positions (either by delivery or acceptance of the contracted-for asset, or by an offsetting sale or purchase of a futures contract on such assets). The initial margin requirements may be satisfied by the deposit of cash (or, in some U.S. markets, certain U.S. Government obligations). The open positions must be "marked to market" daily, requiring additional margin deposits if the position reflects a loss that reduces a Fund's equity below the level required to be maintained and permitting release of a portion of the deposit if the position reflects a gain that results in excess margin equity. The level of margin that must be maintained for a given position is sometimes subject to increase, requiring additional cash outlays.

Because margin requirements normally range upward from as little as 2 per cent or less of the total value of the contract, a comparatively small commitment of cash or its equivalent may permit trading in futures contracts of substantially greater value. As a result, price fluctuations may result in a contract profit or loss that is disproportionate to the amount of funds deposited as margin. Such a profit or loss may materialise suddenly, since the prices of futures frequently fluctuate rapidly and over wide ranges, reflecting both supply and demand changes and changes in market sentiment.

Futures trading by persons other than "hedgers", that is, other than persons such as producers and consumers selling their anticipated production or buying their anticipated requirements, is recognised as a high-risk activity. Ordinarily, trading in futures subjects the trader to unlimited personal liability, which is a risk factor for individuals trading directly. By investing through a Fund, investors' liability is limited to the amount paid up on their Participating Shares.

Forward Currency Contracts and Currency Futures Risks

The Funds may engage in forward currency transactions in the interbank currency market and the E.I.P. Overlay Fund may engage in forward transactions in commodities on markets worldwide. Forward contracts differ from future contracts in that they are usually for a period of three months or less, generally involve actual delivery (although actual delivery can and often is avoided by entering into an offsetting contract) and include a negotiated spot price, financing charge and delivery date. Like futures contracts, these particular forward contracts are standardised with respect to quantity of the asset involved. Unlike futures exchanges generally, certain forward markets do not currently have a clearing corporation or division that is directly obliged on such transactions.

The Master Fund may maintain margin accounts with one or more international reputable and creditworthy money center banks or other financial institutions in respect of currency-trading programs. Such accounts would be maintained by the financial institution(s) in the name of the Master Fund as segregated accounts, and are not commingled with other assets. The risk to an investor is that, in the event of the failure of such financial institution, the margin account assets (which are typically 15 per cent of the value of any currency futures contracts outstanding) may be made unavailable to the Master Fund and therefore may require it to liquidate either net investment assets (to satisfy current margin requirements) or the relevant contract positions; which liquidation in either case may result in a loss.

Options Trading

Additional trading techniques available to a Fund involve buying, selling or writing put and call options relating to the markets in which the relevant Fund is active. The purchaser of an option pays a premium that entitles him during the exercise period to buy (in the case of a call) or sell (in the case of a put), to or from the grantor, a specified quantity of its underlying asset at a specified or "striking" price. Options are speculative in that the whole cost of the option is lost unless the price of the underlying items has moved in the anticipated direction and the option is exercised or otherwise turned to account (by, for example, sale, exchange or, in the case of privately negotiated options, renegotiation) prior to its expiration; however, liability is limited to the premium paid for the option. An option writer becomes obligated to purchase or sell a futures contract or other asset at a specified price during a specified period. In exchange for the premium received upon writing

an option, a Fund bears the risk of loss from adverse price movements in the underlying asset so long as the position remains open.

Stock Borrowing

The Manager may borrow securities for the account of the E.I.P. Overlay Fund on terms that such securities may be recalled by the lender at short notice. If the securities are recalled, the Manager may be required to unwind a strategy early, which may result in losses. The Manager will endeavour to borrow non-recallable stock where possible.

Liquidity of Investment Portfolio

The market for some securities in which a Fund may invest may be relatively illiquid. Liquidity relates to the ability of a Fund to sell an investment in a timely manner. The market for relatively illiquid securities tends to be more volatile than the market for more liquid securities. Investment of a Fund's assets in relatively illiquid securities and loans may restrict the ability of the Fund to dispose of its investments at a price and time that it wishes to do so. The risk of illiquidity also arises in the case of over-the-counter transactions. There is no regulated market in such contracts, and the bid and offer prices will be established solely by dealers in these contracts.

Liquidity of Participating Shares

Participating Shares have limited liquidity. Transfers of Participating Shares are subject to legal and contractual restrictions as more fully described below under "Transfer of Participating Shares and Restrictions on Participating Shareholders".

Master-Feeder Structure

The Company will invest, and possibly in the future together with certain other entities, all of its assets, through a master-feeder fund structure, in the Master Fund. A "master-feeder" fund structure, in particular where there are multiple investment vehicles investing in the same portfolio (in this case, the Master Fund), presents certain unique risks to investors. Smaller investment vehicles investing in the Master Fund may be materially affected by the actions of larger investment vehicles investing in the Master Fund. For example, if a larger investment vehicle withdraws from the Master Fund, the remaining funds may experience higher pro rata operating expenses, thereby producing lower returns. Substantial withdrawals of capital by investors in the Master Fund, including the Company and other feeder funds over a short period of time could necessitate the liquidation of securities positions at a time and in a manner which does not provide the most economic advantage to the Master Fund and which therefore could adversely affect the value of the Master Fund's assets. There is a risk that the Directors and/or investors of the Company may not be able to control the Master Fund.

Derivatives

Derivatives include instruments and contracts the value of which is linked to one or more underlying securities, financial benchmarks or indices. Derivatives allow an investor to hedge or speculate upon the price movements of a particular security, financial benchmark or index at a fraction of the cost of investing in the underlying asset. The value of a derivative depends largely upon price movements in the underlying asset. Therefore, many of the risks applicable to trading the underlying asset are also applicable to derivatives trading. However, there are a number of other risks associated with derivatives trading. For example, because many derivatives provide significantly more market exposure than the money paid or deposited when the transaction is entered into, a relatively small adverse market movement can result not only in the loss of the entire investment, but may also expose a Fund to the possibility of a loss exceeding the original amount invested.

Custody Risks

In relation to a Fund's rights to the return of assets equivalent to those of a Fund's investments which have been transferred to the Prime Broker as collateral or margin, the Fund will rank as one of the Prime Broker's unsecured creditors and, in the event of the insolvency of the Prime Broker, the Fund might not be able to recover such equivalent assets in full.

Short Selling

The E.I.P. Overlay Fund may sell securities of an issuer short. A short sale is effected by selling a security which the selling party does not own, or selling a security which the selling party owns but which it does not deliver upon consummation of the short sale. In order to make delivery to the buyer of a security sold short, the selling party must borrow the security. In so doing, it incurs the obligation to replace that borrowed security, whatever its price may be, at the time the selling party is required to deliver it to the lender. The selling party must also pay to the lender of the security any dividends or interest payable on the security during the borrowing period and may have to pay a premium to borrow the security. This obligation must, unless the selling party then owns or has the right to obtain, without payment, securities identical to those sold short, be collateralised by a deposit of cash and/or marketable securities with the lender.

If the price of the issuer's securities declines the Manager may then cover the short position with securities purchased in the market. The profit realised on a short sale will be the difference between the price received in the sale and the cost of the securities purchased to cover the sale.

The possible losses from selling short a securities differ from losses that could be incurred from a cash investment in the security; the former may be unlimited, whereas the latter can only equal the

total amount of the cash investment. Short selling activities are also subject to restrictions imposed by the various national and regional securities exchanges, which restrictions could limit the investment activities of the Manager.

Swap Agreements

Swap agreements are two-party contracts entered into primarily by institutional investors for periods ranging from a few weeks to more than one year. The Master Fund may enter into interest rate, index, single stock and currency exchange rate swap arrangements for purposes of attempting to obtain a particular desired return at a lower cost to it than if it had invested directly in an instrument that yielded that desired return. In a standard "swap" transaction, two parties agree to exchange the returns (or differentials in rates of return) earned or realised on particular predetermined investments or instruments. The Master Fund's obligations under a swap agreement generally would be accrued daily (offset against any amounts owing to the Master Fund) and any accrued but unpaid net amounts owed to a swap counterparty generally would be covered by the maintenance of a segregated account consisting of cash, securities issued or guaranteed by OECD governments or their agencies, or high grade corporate debt obligations.

Counterparty Risk

The Master Fund and each Fund is subject to the risk of the failure or default of any counterparty to transactions. If there is a failure or default by the counterparty to such a transaction, the Master Fund will have contractual remedies following the agreements related to the transaction. In certain circumstances, an Index Fund may invest solely through one or more instruments issued by a single counterparty and so will be exposed to the credit and default risk of that single counterparty. The Manager will seek to minimise counterparty risk through the selection of financial institutions and types of transactions employed.

Arbitrage

Arbitrage involves the buying of a single derivative or a basket of derivatives and the selling of the underlying security or basket of securities. The derivative may underperform the underlying security resulting in a loss. When buying convertible bonds, an adverse movement in interest rates can result in a loss despite an upward movement in the equity security to which the bond relates.

Economic and Political Risks

Certain of the economies in which the Funds may invest are in the process of a significant restructuring, with ongoing changes to the political, economic and regulatory environment, some of which may be favourable to the Funds and some of which may adversely affect the Funds and/or their investments.

Accounting, auditing and financial reporting standards of countries in Asia, as a whole, may be less extensive and less reliable than those applicable to United Kingdom and United States companies.

Operational Risk

Trading errors are an intrinsic factor in any complex investment process, and will occur, notwithstanding the execution of due care and special procedures designed to prevent such errors. Such trading errors may have adverse consequences (for example, due to an inability to effectively correct such an error when detected).

Reliance on Management

Although the Directors have the ultimate authority and responsibility for the management of the Company, all decisions relating to the day to day investment of each Fund's assets have been delegated to, and will be made by, the Manager. Each Fund's performance is therefore largely dependent on the continuation of agreements with the Manager and the Investment Advisers and the services and skills of their respective officers and employees. The loss of the Manager's or the Investment Adviser's services (or that of one of their respective key personnel) could materially and negatively impact the value of the Funds.

Risk of Indemnity

The Manager, the Investment Adviser, the Indemnified Parties, the Prime Broker, the Deutsche Bank Companies, the Directors, the auditors, the company secretary and other officers and servants of the Company have the right to be indemnified for any liability or expense incurred by them in performing their respective duties except as a result of their own wilful act, gross negligence, fraud or wilful misconduct (as applicable). Any reliance by these parties on the right of indemnity would reduce the assets of the affected Fund and/or the Company and the value of the relevant Shares.

Valuation Risk

The markets in which the securities invested by a Fund are traded (including such stock exchanges on which such securities are traded) may be open on days when such Fund does not price its Shares, the value of the Securities in the Fund's portfolios may affect the valuation of the Net Asset Value of the Fund.

A Fund's assets may involve derivative techniques that may be complex and specialised in nature. Valuations for such assets will only usually be available from a limited number of market

professionals which frequently act as counterparties to the transactions to be valued. Such valuations are often subjective and there may be substantial differences between any available valuations.

Operating Cost Risk

The level of fees and expenses payable by each Fund will fluctuate in relation to its Net Asset Value. Although the amounts of certain ordinary expenses of a Fund can be estimated, the growth rate of the Fund, and hence its Net Asset Value, cannot be anticipated. Accordingly, no assurance can be given as to the performance of any Fund or the actual level of its expenses.

Performance Fee

The performance fee payable to the Manager for the E.I.P. Overlay Fund may create an incentive for the Manager to make investments that are riskier or more speculative than would be the case in the absence of a performance fee. Prospective investors should note that the management fees and performance fee payable to the Manager are based in part upon unrealised gains (as well as unrealised losses), and that such unrealised gains and losses may never be realised.

Dividends and Distributions

The Company does not intend to pay dividends or other distributions, but intends instead to reinvest all of the Company's income and gains. Accordingly, an investment in the Company may not be suitable for investors seeking current returns for financial or tax planning purposes. The Directors reserve the right to declare and pay special dividends. The Directors do not anticipate such dividends being paid except in unusual circumstances.

Shares May be Delisted from the Stock Exchanges

The stock exchanges in which the Shares of the relevant Funds are listed imposes certain requirements for the continued listing of securities. Investors cannot be assured that any of the Funds which are currently listed will continue to meet the requirements necessary to maintain the listing of Shares or that the relevant stock exchanges will not change their listing requirements. If the Shares of a Fund are delisted from the relevant stock exchange, Shareholders will have the option to redeem their Shares by reference to the Net Asset Value of the relevant Fund.

Level of Regulation

Whilst the Company and the Master Fund may each be considered similar to an investment company, neither are registered as such under the United States Investment Company Act of 1940,

as amended, in reliance upon an exemption available to privately offered investment companies, and, accordingly, the provisions of that Act (which, among other things, require investment companies to have a majority of disinterested directors, require securities held in custody to at all times be individually segregated from the securities of any other person and marked to clearly identify such securities as the property of such investment company, and regulate the relationship between the adviser and the investment company) are not applicable.

Foreign Currency Markets

A Fund will have exposure to fluctuations in currency exchange rates where it invests directly or indirectly in securities denominated in currencies other than US dollars. In particular, although the Index Funds are denominated in US dollars, the underlying investments of the Index Funds may be denominated in New Taiwan dollars (for the Enhanced Taiwan Index Fund), Hong Kong dollars (for the Enhanced China Index Fund), Indian rupees (for the Enhanced India Index Fund), Malaysian ringgit (for the Enhanced Malaysia Index Fund), South Korean won (for the South Korea Index Fund), Thailand baht (for the Enhanced Thailand Index Fund), Indonesian rupiahs (for the Enhanced Indonesia Index Fund) and Philippines peso (for the Enhanced Philippines Index Fund). The markets in which foreign exchange transactions are effected are highly volatile, highly specialised and highly technical. Significant changes, including changes in liquidity and prices, can occur in such markets within very short periods of time, often within minutes. In certain circumstances, these significant changes may adversely and severely impact the ability of a Fund to sell its investments or convert or remit such sale proceeds to the Fund. This may result in the suspension of the determination of the Net Asset Value of that Fund and, if such significant adverse changes continue for a reasonable period of time, the Fund's rights in these investments may lapse completely. Foreign exchange trading risks include, but are not limited to, exchange rate risk, interest rate risk and potential interference by foreign governments through regulation of local exchange markets, foreign investment, or particular transactions in foreign currency.

Conflicts of Interest

There will be no limitation with respect to the Manager's or Investment Advisers' other activities and investments or with respect to the activities of other investment portfolios managed by the Manager or the Investment Adviser(s). Accordingly, conflicts of interest may occur.

Cross Collateralisation

Although the Company will seek to limit recourse with respect to the liabilities of each Class of Participating Shares to the assets of such Class of Participating Shares, such limitation may be subject to various legal, regulatory or other constraints and/or challenges. As such, it is possible that losses sustained by a Class of Participating Shares in excess of the assets attributable to such

Class of Participating Shares will be charged against the assets of another Class of Participating Shares.

Investing in Taiwan

There is a lower level of government supervision and enforcement activity in the regulation of the Taiwan securities market compared to those in more developed markets.

Taiwan's size and geographic proximity to the People's Republic of China and its history of political contention with China which regards Taiwan as a renegade province, have resulted in ongoing tensions with China, including the continual risk of war with China. These tensions may materially impact the Taiwanese economy and securities markets. Investors should note that the political issues and the diplomatic situations, as well as social factors of the country/region might have an impact on the performance of the Index Fund. The Index Fund's assets may be affected by other political or diplomatic uncertainty or developments, social and religious instability and other considerations.

Taiwan is involved in a complex dispute with China, Malaysia, Philippines, Vietnam, and possibly Brunei over the Spratly Islands. The 2002 "Declaration on the Conduct of Parties in the South China Sea" has eased tensions but falls short of a legally binding "code of conduct" desired by several of the disputants. The Paracel Islands are occupied by China, but claimed by Taiwan and Vietnam. In 2003, China and Taiwan became more vocal in rejecting both Japan's claims to the uninhabited islands of the Senkaku-shoto (Diaoyu Tai) and Japan's unilaterally declared exclusive economic zone in the East China Sea where all parties engage in hydrocarbon prospecting.

Taiwan has few raw materials resources and limited land area and is reliant on imports for its commodity needs. Any fluctuations or shortages in the commodity markets could have a negative impact on the Taiwanese economy. In addition, the Taiwanese economy is dependent on the economies of Asia, mainly those of Japan and China, and the United States as key trading partners. Reduction in spending by any of these countries on Taiwanese products and services or negative changes in any of these economies may cause an adverse impact on the Taiwanese economy. Rising labour costs and increasing environmental consciousness have led some labour-intensive industries to relocate to countries with cheaper work forces, and continued labour outsourcing may adversely affect the Taiwanese economy.

Taiwan historically has experienced natural disasters such as earthquakes and floods and is economically sensitive to environmental events. Any such event could cause a significant impact on the Taiwan economy.

Investing in China

The People's Republic of China (“**PRC**”) controls the Chinese mainland, while the Republic of China (“**ROC**”) continues to exist on Taiwan. The PRC continues to be dominated by the Communist Party, but the ROC has moved towards democracy. Both states are still officially claiming to be the sole legitimate ruler of all of "China". The ROC had more international support immediately after 1949, but most international diplomatic recognitions have shifted to the PRC. The ROC representative to the United Nations was replaced by the PRC representative in 1971. The PRC has used diplomatic and economic pressure to prevent official recognition of the ROC by world organizations such as the World Health Organization and the International Olympic Committee.

Based on principles drafted in 2005, China and India continue discussions to resolve all aspects of their extensive boundary and territorial disputes together with a security and foreign policy dialogue to consolidate discussions related to the boundary, regional nuclear proliferation, and other matters. Recent talks and confidence-building measures have begun to defuse tensions over Kashmir, site of the world's largest and most militarized territorial dispute with portions under the de facto administration of China (Aksai Chin), India (Jammu and Kashmir), and Pakistan (Azad Kashmir and Northern Areas).

Disparities of wealth and the pace of economic liberalization may lead to social turmoil, violence and labor unrest. In addition, China continues to experience disagreements and religious and nationalist disputes in Tibet and Xinjiang. Unanticipated political or social developments may result in sudden and significant investment losses.

For more than 20 years, the PRC government has carried out economic reforms to decentralise and to use market forces to develop the PRC economy. These reforms have resulted in significant economic growth and social progress. There can, however, be no assurance that the PRC government will continue to pursue such economic policies or, if it does, that those policies will continue to be successful. Any such adjustment and modification of those economic policies may have an adverse impact on the securities market in the PRC and accordingly, the investments of the Enhanced China Index Fund. As a result of the rapid growth, PRC may experience substantial rates of inflation or economic recessions, causing a negative effect on the economy and securities market. Delays in enterprise restructuring, slow development of well-functioning financial markets and widespread corruption have also hindered performance of the Chinese economy and PRC continues to receive substantial pressure from trading partners to liberalize official currency exchange rates. The PRC government may from time to time adopt corrective measures to control the growth of the PRC economy which may also have an adverse impact on the capital growth and performance of the relevant Funds.

The PRC legal system is based on written statutes and their interpretation by the Supreme People's Court, where prior court decisions have no precedent value. Since 1979, the PRC government has been developing a comprehensive system of commercial laws, and progress has been made in laws and regulations dealing with economic matters such as foreign investment, corporate organisation and governance, commerce taxation and trade. However, as these laws and regulations are relatively new, and due to the limited volume of published cases and judicial interpretation and their non-binding nature, interpretation and enforcement of these regulations involve significant uncertainties. In addition, as the PRC legal system develops, no assurance can be given that changes in such laws and regulations, their interpretation or their enforcement will not have a material adverse impact on the investments of the relevant Funds.

China historically has experienced natural disasters such as earthquakes, droughts and floods and is economically sensitive to environmental events. Any such event could cause a significant impact on the Chinese economy.

Investors should note that the Shanghai Stock Exchange and Shenzhen Stock Exchange in which B Shares are traded are undergoing development. The market capitalisation and trading volume in these exchanges are much lower than those in more developed financial markets. Market volatility and potential lack of liquidity due to low trading volume in the B Share markets may result in significant fluctuation in the prices of securities traded on such markets and thereby changes in the Net Asset Value of the relevant Funds.

The PRC Government has implemented a number of tax reform policies in recent years. There can be no assurance that the current tax laws and regulations will not be revised or amended in the future. Any revision or amendment in tax laws and regulations may affect the after-taxation profit of PRC companies, and therefore, the investments of the relevant Funds.

Various PRC companies derive their revenues in RMB but have requirements for foreign currency, including for the import of materials, debt service on foreign currency denominated debt; purchases of imported equipment and payment of any cash dividends declared in respect of e.g. H shares.

The existing PRC foreign exchange regulations have significantly reduced government foreign exchange controls for transactions under the current account, including trade and service related foreign exchange transactions and payment of dividends. However, the Manager cannot predict whether the PRC government will continue its existing foreign exchange policy or when the PRC government will allow free conversion of the RMB to foreign currency.

Foreign exchange transactions under the capital account, including principal payments in respect of foreign currency-denominated obligations, currently continue to be subject to significant foreign exchange controls and require the approval of the State Administration for Foreign Exchange. Since 1994, the conversion of RMB into Hong Kong dollars and United States dollars has been based on rates set by the People's Bank of China, which are set daily based on the previous day's PRC interbank foreign exchange market rate. The Manager cannot predict nor give any assurance of any future stability of the RMB to Hong Kong dollar exchange rate. Fluctuations in exchange rates may adversely affect the Index Fund's Net Asset Value and any declared dividends.

Investing in India

India, is a sovereign country in South Asia. It is the seventh-largest country by geographical area, the second most populous country, and the most populous liberal democracy in the world. With the world's 4th largest economy in purchasing power and the 12th largest by exchange rates, India has made rapid economic progress in the last decade. Although the country's standard of living is projected to rise sharply in the next half-century, it currently battles high levels of poverty, illiteracy, persistent malnutrition, and environmental degradation.

Since China and India launched a security and foreign policy dialogue in 2005, consolidated discussions related to the dispute over most of their rugged, militarized boundary, regional nuclear proliferation, Indian claims that China transferred missiles to Pakistan, and other matters continue; various talks and confidence-building measures have cautiously begun to defuse tensions over Kashmir, particularly since the October 2005 earthquake in the region; Kashmir nevertheless remains the site of the world's largest and most militarized territorial dispute with portions under the de facto administration of China (Aksai Chin), India (Jammu and Kashmir), and Pakistan (Azad Kashmir and Northern Areas).

India and Pakistan have maintained the 2004 cease fire in Kashmir and initiated discussions on defusing the armed stand-off in the Siachen glacier region. Discussions with Bangladesh remain stalled to delimit a small section of river boundary, to exchange territory for 51 Bangladeshi exclaves in India and 111 Indian exclaves in Bangladesh, to allocate divided villages, and to stop illegal cross-border trade, migration, violence, and transit of terrorists through the porous border. India maintains a strict border regime to keep out Maoist insurgents and control illegal cross-border activities from Nepal.

The relevant Fund, the market price and liquidity of the Indian securities invested by the relevant Fund may be affected generally by exchange rates and controls, interest rates, changes in Indian

governmental policy, taxation, social and religious instability and other political, economic or other developments in or affecting India.

There can be no assurance that the Indian Government will not, in future, impose restrictions on foreign exchange. The repatriation of capital may be hampered by changes in Indian regulations concerning exchange controls or political circumstances. Any amendments to the Indian exchange control regulations may impact adversely on the performance of the relevant Fund.

Investments in Indian securities or swaps linked to the performance of Indian securities are subject to general risks associated with Indian securities and the Foreign Institutional Investor (“**FII**”) system. Investors should note that the relevant Indian laws and regulations may limit the ability of the FII to acquire securities in certain Indian issuers from time to time. This may occur in a number of circumstances, such as (i) where the aggregate FII holding in any Indian company exceeds 24% or the relevant sectoral cap as prescribed by the India Government; and/or (ii) where a single FII (or its sub-accounts) holds 10% of the issued equity capital of an Indian company; and/or (iii) change in the applicable laws and regulations affecting the investment capacity of the FII. If these limits are exceeded, the relevant FIIs will be required to dispose of the securities in order to comply with the relevant requirements and each FII may dispose of the relevant securities on a “last in first out” basis. As a consequence, such limitations may adversely affect the ability of potential counterparties to enter into swaps linked to the performance of Indian securities. In addition, the existence of a liquid trading market for the Indian securities may depend on whether there is supply of, and demand for, such Indian securities. The price at which the swaps on Indian securities may be purchased or sold by the relevant Fund upon any rebalancing activities or otherwise and the Net Asset Value of the relevant Fund may be adversely affected if trading markets for the Indian securities are limited or absent.

Indian disclosure and regulatory standards are in many respects less stringent than standards in certain Organisation for Economic Cooperation and Development (“**OECD**”) countries. There may be less publicly available information about Indian companies than is regularly published by or about companies in such other countries. The difficulty in obtaining such information may mean that the Company, the Manager and the Investment Adviser will experience difficulties in obtaining reliable information regarding any corporate actions and dividends of companies in which the relevant Fund has directly or indirectly invested. Indian accounting standards and requirements also differ in significant respects from those applicable to companies in many OECD countries.

Although the Indian primary and secondary equity markets have grown rapidly over the last few years and the clearing, settlement and registration systems available to effect trades on the Indian stock markets have significantly improved with mandatory dematerialisation of shares, these

processes may still not be on a par with those in more mature markets. Problems of settlement in India may impact on the value of the Units and the liquidity of the Index Fund.

Securities and Exchange Board of India (“**SEBI**”) was set up by the Indian Government in April 1992, and performs the function of “promoting the development of and regulation of the Indian securities market, the protection of the interest of shareholders as well as matters connected therewith and incidental thereto”. The Securities and Exchange Board of India Act of 1992 has entrusted the SEBI with much wider powers and duties, which inter alia, include prohibition of fraudulent and unfair trade practices relating to the stock markets including insider trading and regulation of substantial acquisitions of shares and takeovers of companies. The Indian stock exchanges have been subject to broker defaults, failed trades and settlement delays in the past and such events may have adverse impact on the value of Shares of the relevant Fund. In addition, if the above events occur, or if SEBI having reasonable ground to believe that the transactions in securities are being dealt with in a manner detrimental to the investors or the securities market, SEBI can impose restrictions on trading in certain securities, limitations on price movements and margin requirements, which could adversely impact the liquidity of the relevant Fund.

India is located in a part of the world that has historically been prone to natural disasters such as earthquakes, volcanoes and tsunamis and India is economically sensitive to environmental events. In addition, the agricultural sector is an important component of the Indian economy and adverse weather may have a significant negative effect on the Indian economy. Any such natural disaster could cause a significant impact on the Indian economy causing an adverse impact on the relevant Fund.

On 28 May 2012, the President of India enacted the Finance Bill for 2012-13 which contains key tax changes and clarifying amendments to the Indian Income Tax Act 1961 (“**India Tax Act**”). These changes and amendments may impact foreign investment into India. With effect as of 1 April 2012, the new legislation will seek to levy capital gains tax on direct or indirect transfer of India-listed securities (which may apply retrospectively and prospectively) and the introduction of general anti-avoidance rules. The Indian Government is examining recommendations made by a committee of experts constituted by the Indian Prime Minister in respect of these rules and their implementation after conducting public consultation. At present, there is still a significant degree of uncertainty across the industry as to the timing, scope, intent, and thus impact to offshore FIIs thereof of these changes and amendments to the India Tax Act. Detailed guidelines and clarifications from Indian government are expected to be forthcoming. In light of the circumstances, the returns of the relevant Fund may be adversely impacted upon the issue of such guidelines and clarifications.

Investing in Malaysia

Malaysia has asserted sovereignty over the Spratly Islands together with China, Philippines, Taiwan, Vietnam, and possibly Brunei. While the 2002 "Declaration on the Conduct of Parties in the South China Sea" has eased tensions over the Spratly Islands, it is not the legally binding "code of conduct" sought by some parties. Malaysia was not party to the March 2005 joint accord among the national oil companies of China, the Philippines, and Vietnam on conducting marine seismic activities in the Spratly Islands. Separatist violence in Thailand's predominantly Muslim southern provinces prompts measures to close and monitor border with Malaysia to stem terrorist activities.

There is a lower level of government supervision and enforcement activity in the regulation of the Malaysia securities market compared to those in more developed markets. Malaysia has at times been destabilized by frequent government turnover and significant political changes, including military coups. Recurrence of these conditions, unanticipated or sudden changes in the political structure or other Malaysian political events may result in sudden and significant investment losses. Investors should note that the political issues and the diplomatic situations, as well as social factors of the country/region might have an impact on the performance of the relevant Fund. The relevant Fund's assets may be affected by other political or diplomatic uncertainty or developments, social and religious instability and other considerations.

The Malaysian economy has experienced periods of substantial inflation, currency devaluations and economic recessions, any of which may have a negative effect on the Malaysian economy and securities markets. The Malaysian economy is dependent on commodity prices and trade with the economies of Asia and the United States. Reduction in spending by these economies on Malaysian products or negative changes in any of these economies may cause an adverse impact on the Malaysian economy.

Malaysia is located in a part of the world that has historically been prone to natural disasters such as tsunamis, earthquakes, volcanoes and typhoons, and is economically sensitive to environmental events. Any such event could result in a significant adverse impact on the Malaysian economy.

Investing in South Korea

The South Korean economy has advanced rapidly since the 1950s and is now the 14th largest economy in the world by gross domestic product in 2010 according to The World Bank. South Korea is also one of the world's most technologically advanced and digitally-connected countries; it has the third most broadband Internet users among the OECD countries and is a global leader in electronics, digital displays, shipbuilding, semiconductor devices, and mobile phones. A military Demarcation Line within the 4-km wide Demilitarized Zone has separated North from South

Korea since 1953 and the country has had periodic incidents with North Korea in the Yellow Sea over the Northern Limiting Line, which South Korea claims as a maritime boundary. North and South Korea each have substantial military capabilities, and historical tensions between the two present the ongoing risk of war. Any outbreak of hostilities between the two countries could have a severe adverse effect on the South Korean economy and its securities markets.

There is a lower level of government supervision and enforcement activity in the regulation of the Korea securities market compared to those in more developed markets.

The South Korean economy is dependent on the economies of Asia and the United States as key trading partners. Reduction in spending by these economies on South Korean products and services or negative changes in any of these economies, mainly in China or Southeast Asia, may cause an adverse impact on the South Korean economy. South Korea's economic growth potential is susceptible to problems from large scale emigration, rigid labour regulations and ongoing labour relations issues. In addition, the average age of South Korea's workforce is rapidly increasing.

South Korea is located in a part of the world that has historically been prone to natural disasters such as earthquakes and tsunamis and is economically sensitive to environmental events. Any such event could result in a significant adverse impact on the South Korean economy.

Investing in Thailand

There is a lower level of government supervision and enforcement activity in the regulation of the Thailand securities market compared to those in more developed markets. Thailand has at times been destabilized by frequent government turnover and significant political changes, including military coups. Recurrence of these conditions, unanticipated or sudden changes in the political structure or other Thai political events may result in sudden and significant investment losses. Investors should note that the political issues and the diplomatic situations, as well as social factors of the country/region might have an impact on the performance of the relevant Fund. The relevant Fund's assets may be affected by other political or diplomatic uncertainty or developments, social and religious instability and other considerations.

The Thai economy has experienced periods of substantial inflation, currency devaluations and economic recessions, any of which may have a negative effect on the Thai economy and securities markets. The Thai economy is dependent on commodity prices and trade with the economies of Asia, Europe and the United States. Reduction in spending by these economies on Thai products and services or negative changes in any of these economies may cause an adverse impact on the Thai economy.

Thailand is located in a part of the world that has historically been prone to natural disasters such as tsunamis and drought and is economically sensitive to environmental events. For example, in late December 2004, a major tsunami took 8,500 lives in Thailand and caused massive destruction of property in the southern provinces of Krabi, Phangnga, and Phuket. Any such event could result in a significant adverse impact on the Thai economy.

Investing in Indonesia

There is a lower level of government supervision and enforcement activity in the regulation of the Indonesia securities market compared to those in more developed markets. Indonesia has at times been destabilized by frequent government turnover and significant political changes, including military coups. Recurrence of these conditions, unanticipated or sudden changes in the political structure or other Indonesian political events may result in sudden and significant investment losses. Investors should note that the political issues and the diplomatic situations, as well as social factors of the country/region might have an impact on the performance of the relevant Fund. The relevant Fund's assets may be affected by other political or diplomatic uncertainty or developments, social and religious instability and other considerations.

The Indonesian economy has experienced periods of substantial inflation, currency devaluations and economic recessions, any of which may have a negative effect on the Indonesian economy and securities markets. The Indonesian economy is dependent on commodity prices and trade with the economies of Asia, Europe and the United States. Reduction in spending by these economies on Indonesian products and services or negative changes in any of these economies may cause an adverse impact on the Indonesian economy.

Foreign investment in emerging economies' primary and secondary securities markets is often still relatively new and much of the relevant securities laws may be ambiguous and/or have been developed to regulate direct investment by foreigners rather than portfolio investment. Investors should note that because of a lack of precedent, securities market laws and the regulatory environment for primary and secondary market investments by foreign investors can be in the early stages of development, and may, in some jurisdictions, remain untested. The regulatory framework of the emerging economies' primary and secondary securities markets is often in the development stage compared to many of the world's leading stock markets, and accordingly there may be a lower level of regulatory monitoring of the activities of the emerging economies' primary and secondary securities markets.

Indonesia is located in a part of the world that has historically been prone to natural disasters such as tsunamis, earthquakes, volcanoes and typhoons, and is economically sensitive to environmental events. Any such event could result in a significant adverse impact on the Indonesia's economy.

The country continues the slow work of rebuilding from the devastating December 2004 tsunami and from an earthquake in central Java in May 2006 that caused over \$3 billion in damage and losses.

Investing in Philippines

There is a lower level of government supervision and enforcement activity in the regulation of the Philippines securities market compared to those in more developed markets. Philippines has at times been destabilized by frequent government turnover and significant political changes, including military coups. Recurrence of these conditions, unanticipated or sudden changes in the political structure or other Philippines political events may result in sudden and significant investment losses. Investors should note that the political issues and the diplomatic situations, as well as social factors of the country/region might have an impact on the performance of the relevant Fund. The relevant Fund's assets may be affected by other political or diplomatic uncertainty or developments, social and religious instability and other considerations.

The Philippines economy has experienced periods of substantial inflation, currency devaluations and economic recessions, any of which may have a negative effect on the Indonesian economy and securities markets. The Philippines economy is dependent on trading relations with the economies of Asia and the United States. Reduction in spending by these economies on Philippines products and services or negative changes in any of these economies may cause an adverse impact on the Philippines economy.

Philippines is located in a part of the world that has historically been prone to natural disasters such as earthquakes, volcanoes and typhoons, and is economically sensitive to environmental events. Any such event could result in a significant adverse impact on the Philippines' economy.

Investing in MSCI Emerging Asia

Risks associated with trading in emerging markets are higher than those in developed markets due to economic and political instability in several countries. Although most markets are open to foreign investors, varying levels of access are granted to institutional investors. Many markets have imposed foreign ownership limits that prevent foreigners from purchasing shares of companies that have exceeded a previously-stated limit. These limits often force certain securities to trade at an additional premium and reduce liquidity. In addition to these market nuances, some exchanges have placed further requirements on foreigners. Markets such as Korea and Malaysia require foreign investors to register for a trading id before gaining access. Taiwan also requires foreign investors to pre-fund accounts with Taiwan dollars before purchasing equities.

THE FOREGOING RISK FACTORS DO NOT PURPORT TO BE A COMPLETE EXPLANATION OF ALL THE RISKS INVOLVED IN THIS OFFERING. POTENTIAL INVESTORS MUST READ THE ENTIRE PLACING MEMORANDUM AND MUST CONSULT THEIR OWN PROFESSIONAL ADVISERS, BEFORE DECIDING TO INVEST IN ANY OF THE FUNDS.

ACCOUNTS AND INFORMATION

The Company commenced operations in 2005. The Company prepared its first accounts for the year ended 31 December 2005. The Company's financial year end is 31 December in each year. The accounts of the Company will be prepared in accordance with International Financial Reporting Standards. Copies of the annual report and audited accounts of the Company will be sent to Participating Shareholders within four months from the end of the period to which they relate. If requested by a Participating Shareholder, copies of the unaudited interim accounts made up to the last Valuation Point in June in each year shall be sent to that Participating Shareholder within two months after the end of the period to which they relate. Any reports or notices to Participating Shareholders may be distributed by email and documents may be made available by publication on a website of the Company or the Manager.

In addition, the Subscription Price and Redemption Price per Index Fund Share in issue (after taking into account deduction of any performance fee which would be payable on a redemption of shares of such series in the Master Fund referable to the E.I.P Overlay Fund) will be available from the Manager. The Net Asset Value, Subscription Price and Redemption Price per Index Fund Share will be notified to the Cayman Islands Stock Exchange immediately upon calculation.

DIVIDEND POLICY

The income yield on the investments of each Class of Participating Shares is likely to be low. The Directors do not intend to pay dividends. Accordingly, any income received by the Company will be retained and reflected in the price of Participating Shares.

TAXATION

Investors should consult their professional advisers on the potential tax consequences of subscribing for, purchasing, holding or redeeming (if permitted) Participating Shares under the laws of their country of citizenship, domicile or residence.

As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment in the Company is made will endure indefinitely. The

following is based on the law and practice currently in force in the Cayman Islands, Mauritius, the United States and Hong Kong and, accordingly, is subject to changes therein.

Certain Cayman Islands Tax Considerations

It is the responsibility of all persons interested in purchasing Participating Shares to inform themselves as to any tax consequences from their investing in the Company and the Company's operations or management, 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 Participating Shares. Investors should therefore seek their own separate tax advice in relation to their holding of Participating Shares and accordingly neither the Company, the Manager, the Administrator nor the Sub-Administrator accept any responsibility for the taxation consequences of any investment into the Company by an investor.

Taxation of the Company

There is, at present, no direct taxation in the Cayman Islands and interest, dividends and gains payable to the Company will be received free of all Cayman Islands taxes. The Company is registered as an "exempted company" pursuant to the Companies Law (as amended). The Company has received an undertaking from the Governor in Cabinet of the Cayman Islands to the effect that, for a period of twenty years from such date no law that thereafter is enacted in the Cayman Islands imposing any tax or duty to be levied on profits, income or on gains or appreciation, or any tax in the nature of estate duty or inheritance tax will apply to any property comprised in or any income arising under the Company, or to the Shareholders thereof, in respect of any such property or income.

Mauritius

The Master Fund has been registered with the Financial Services Commission ("FSC") as a Category 1 Global Business Licence company for the purpose of the Financial Services Act 2007. A Mauritian Tax Residence Certificate has been issued to the Master Fund by the Director – General of the Mauritian Revenue Authority.

In the absence of any specific provisions in the Protected Cell Companies Act or the Income Tax Act of Mauritius for the taxation of each Cell as a taxable unit, the taxable entity is the Master Fund.

The Master Fund will be subject to income tax in Mauritius on its assessable income at the income tax rate of 15 per cent. However, credit for foreign tax will be available against Mauritian income

tax payable. Such credit will be the higher of actual tax paid (comprising withholding tax on dividends and underlying tax, i.e. tax on the profits of the payor company out of which the dividends are paid where the shareholding in the payor company is over 5 per cent.) or a deemed credit equal to 80 per cent of the Mauritian income tax payable resulting in a maximum effective tax rate of 3 per cent. The investment income of the Master Fund is not expected to form a significant part of the Master Fund's investment returns. Distributions made by the Funds and payment of proceeds from the redemption of shares in the Master Fund referable to the Funds will not be subject to Mauritian withholding tax.

No tax on capital gains will be payable in Mauritius on disposals by the Master Fund of its investments.

Shareholders of the Master Fund holding shares referable to the Funds will not be subject to any withholding tax in Mauritius in respect of dividends or interest from the Funds and in respect of proceeds from disposals (including redemptions) of shares in the Master Fund.

United States

The Company should not be deemed engaged in a trade or business within the United States, as such term is used in the U.S. Internal Revenue Code of 1986, as amended (the "Code"), and, accordingly, neither entity should be subject to U.S. federal income tax on gains derived from its investment and trading transactions. Any U.S. source dividends derived by the Company and certain limited categories of U.S. source interest income, which are not expected to be material in amount, will be subject to U.S. federal withholding tax at a rate of 30 per cent.

Persons acquiring the Participating Shares who are generally subject to US Federal income taxation on worldwide income or US tax-exempt investors ("US Shareholders") should be aware of certain tax consequences of the ownership and disposition of the Participating Shares. While this summary is considered to be a correct interpretation of existing laws in force on the date of this Placing Memorandum, no assurance can be given that courts or fiscal authorities responsible for the administration of such laws will agree with such interpretations or that changes in such laws will not occur. Each prospective investor is advised to consult his own tax adviser with respect to the particular tax consequences to the investor of the ownership and disposition of the Participating Shares.

The discussion of tax aspects contained herein has been written to support the promotion and marketing of Participating Shares in the Company and is not intended or written to be used, and cannot be used, by a taxpayer for the purpose of avoiding United States Federal income tax penalties that may be imposed on the taxpayer. Each taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax adviser.

The following summary does not address tax consequences to investors who are subject to U.S. federal income tax, since an investment in the Company generally is not appropriate for such persons.

U.S. Tax Exempt Shareholders

The Company will constitute a “passive foreign investment company” (“**PFIC**”) for US Federal income tax purposes, as defined in Code Section 1297. US persons investing in the Company may be subject to certain Internal Revenue Service (“**IRS**”) filing requirements. A US tax-exempt entity under the Code, which did not borrow money or otherwise utilise leverage to purchase its Participating Shares in the Company, will not be subject to US income tax under the PFIC provisions of the Code on any dividends from the Company or any sale or redemption of its Participating Shares.

While the Company may purchase securities on margin, borrow money and otherwise utilise leverage in connection with its investments, that leverage should not be attributed to, or otherwise flow through to, US tax-exempt shareholders in the Company. Accordingly, assuming a US shareholder does not borrow money or otherwise utilise leverage to purchase its Participating Shares in the Company, any dividends from the Company, or gain on the sale or redemption of Participating Shares, should not constitute “unrelated debt-financed income” as defined in Code Section 514 or “unrelated business taxable income” (“**UBTI**”) as defined in Code Section 512, to the US shareholder.

A US Shareholder is required to report certain information with respect to its ownership of Participating Shares to the IRS on Treasury Department Form 8621 (whether or not Participating Shares are disposed of or the US Shareholder receives an excess distribution from the Company), which is to be attached to such US Shareholder's income tax return for each taxable year in which the US Shareholder owns Participating Shares.

Tax-exempt investors should consult their own tax advisors concerning the impact of the foregoing rules on their investment in the Company.

The above summary is based on advice received by the Company regarding the Code, and the rules, regulations, and existing interpretations relating to them, any of which could be changed at any time. The above summary further assumes that the Company will be treated as a corporation for US federal income tax purposes. The tax consequences for certain investors in the Company may be other than as stated above. Permitted US Persons considering an investment in the Company must consult with their own tax advisors as to the United States federal, state, local and foreign tax consequences of such an investment.

Hong Kong

Hong Kong imposes profits tax at a flat rate of 17.5 percent on corporations only with respect to profits which (i) have a Hong Kong source and (ii) are attributable to a trade, business or profession carried on in Hong Kong. Gains derived from the sale of stocks and securities held for investment purposes are not considered to be “profits” for Hong Kong tax purposes and thus are generally not subject to Hong Kong profits tax. However, gains which are considered to be derived from a trading activity (as opposed to investment activity) are considered to be “profits” for Hong Kong tax purposes. Profits from the sale of securities will generally be considered to be from a Hong Kong source if (i) the securities are listed on a Hong Kong exchange or are issued by a Hong Kong company, or (ii) the securities are not listed on a Hong Kong exchange and are not issued by a Hong Kong company, but the sale thereof is effectuated in Hong Kong. Thus, profits derived from the sale of shares in a non-Hong Kong company listed on an exchange outside of Hong Kong will not be considered from a Hong Kong source.

Under the Revenue (Profits Tax Exemption for Offshore Funds) Ordinance 2006 (the “**Exemption Ordinance**”) which came into effect in March 2006, a non-resident corporation is exempt from profits tax in respect of profits derived in Hong Kong from transactions in securities, futures contracts, foreign exchange contracts, the making of deposits other than by way of money-lending business, foreign currencies and exchange-traded commodities (the “**specified transactions**”) which have been carried out through or arranged by persons licensed or registered under the Securities and Futures Ordinance (Cap. 571). However, such exemption applies only if the non-resident corporation does not carry on any trade, profession or business in Hong Kong involving any transaction other than specified transactions, although its income from transactions which are incidental to the carrying out of the specified transactions will also be exempt provided that such income does not exceed 5% of its total trading receipts from specified transactions. Under the Exemption Ordinance, a corporation is regarded as a “non-resident” unless its central management and control is exercised in Hong Kong. Although no assurance can be given, the Company intends to operate its affairs as far as possible to comply with the conditions for exemption from profits tax under the Exemption Ordinance.

The Exemption Ordinance, however, contains certain anti-avoidance deeming provisions which may subject a resident holding a direct or indirect beneficial interest in the Company to profits tax on his share of the Company’s exempt (under the Exemption Ordinance) profits where (i) such beneficial interest of the resident person (either alone or together with his associates) reaches 30% of the Company’s issued share capital or (ii) where the resident person is an associate of the Company.

Participating Shareholders of the Company should not be subject to Hong Kong profits tax on dividends received from the Company because Hong Kong profits tax is chargeable only on profits attributable to a trade, profession or business carried on in Hong Kong where the profit so attributable arises in or is derived from Hong Kong. Dividends received from companies incorporated outside Hong Kong, in the circumstances where those companies are not chargeable to Hong Kong profits tax, are not generally regarded as being profits arising in or derived from Hong Kong. Dividends received from companies that are chargeable to Hong Kong profits tax are exempted by statute from inclusion in the profits chargeable to Hong Kong profits tax of any other person.

Profits derived from the sale of capital assets are not chargeable to Hong Kong profits tax and there is no capital gains tax in Hong Kong. A person, including a company, disposing of Participating Shares in the Company after holding the Shares as a capital asset for the entire period of ownership should, therefore, pay no Hong Kong profits tax on the disposal.

Participating Shareholders holding Participating Shares otherwise than as a capital asset, which will include but not be limited to, shareholders that are securities dealers, financial institutions and insurance companies may be subject to Hong Kong profits tax on the profit or loss on disposal if it is regarded as attributable to a trade, profession or business carried on in Hong Kong and arises in or is derived from Hong Kong. Such persons are urged to consult their tax advisors before investing in the Fund.

There is no estate duty in Hong Kong. No Hong Kong stamp duty will be payable on the issue or redemption of Participating Shares, nor will Hong Kong stamp duty be payable on the disposition or transfer of Participating Shares, on the basis that the register of holders of Participating Shares will be maintained outside Hong Kong and the Shares will accordingly not be Hong Kong stock as defined by the Stamp Duty Ordinance (Cap. 117).

European Community

Shareholders who are individuals resident in a Member State of the European Community should be aware that any income realised upon the sale, refund or redemption of their Participating Shares, together with any income in the form of dividends or other distributions by the Company, may (depending upon the investment portfolio of the Company) become subject to the reporting regime (or the withholding tax regime) imposed by EU Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments, if payment of such income is made by a paying agent established either in another Member State or in certain other jurisdictions which have agreed to introduce an equivalent reporting (or withholding tax) regime in respect of such payments.

The provisions of the Directive apply to payments made on or after 1 July 2005. As a result of the classification by the Cayman Islands of funds such as the Company established in its jurisdiction, it is unlikely that payments made directly by the Company will be subject to the reporting (or withholding tax) regime. However, because these rules are complex and the precise extent of their application has not yet been confirmed by all Member States or other relevant jurisdictions which have agreed to introduce an equivalent reporting (or withholding tax) regime, application of the regime to payments emanating from the Company cannot be excluded in all cases and Shareholders who are individuals should consult their own tax advisers in relation to the purchase of the Participating Shares.

Other Jurisdictions

Taxes may be withheld at source on dividend and interest income derived by the Company at rates ranging generally up to 30 per cent. Capital gains derived by the Company in such jurisdictions may often be exempt from non-U.S. income or withholding taxes at source, although the treatment of capital gains varies among jurisdictions.

ERISA CONSIDERATIONS

Fiduciaries and other persons investing in Participating Shares on behalf of employee benefit plans, employee retirement plans, individual retirement arrangements and other plans (together, “**Plans**”) covered by the Employee Retirement Income Security Act of 1974, as amended (“**ERISA**”) should be aware that the assets of Plans are required to be held in trust and that persons who are fiduciaries with respect to Plans are subject to the prudence, diversification, prohibited transaction and other standards set forth in ERISA and the Internal Revenue Code of 1986, as amended (the “**Code**”). Prohibited transaction questions and fiduciary responsibility issues may arise if the underlying assets of the Fund are determined to constitute “plan assets”.

Regulations under ERISA generally treat the assets of certain pooled investment vehicles such as the Company in which Plans invest as plan assets if and to the extent, immediately after the acquisition of a Participating Share by any investor (whether or not a Plan), Plans (including for this purpose also certain other plans subject to Section 4975 of the Code) own 25% or more of the outstanding Participating Shares of any Class. For purposes of this test, a redemption by an investor may be treated as the acquisition of an equity interest by the remaining investors. Any Participating Shares of a Class held by a person who would be a “fiduciary” if the Company’s assets constitute plan assets, and certain affiliates, must be excluded from the total outstanding Participating Shares of such Class in determining whether all types of Plans and such other plans own 25% or less of the value of the outstanding Participating Shares of such Class.

In order to prevent the assets of the Company from being treated as plan assets under ERISA, it is

the intention of the Company if it accepts an investment by a Plan to use its best efforts to prohibit the acquisition of Participating Shares by any investor, whether or not a Plan, unless, after giving effect to such acquisition, all types of Plans (including for this purpose also certain other plans subject to Section 4975 of the Code) own less than 25% of the outstanding Participating Shares of any Class (determined as described above by excluding certain interests held by the Company's investment manager and advisers and their affiliates). The Company will be entitled to compel redemption of any Participating Shares held by Plans if the 25% limit is exceeded.

If the Company's assets were considered plan assets, then certain persons providing services to the Company, along with certain of their affiliates, would be considered "parties-in-interest" under ERISA with respect to investing Plans, with the result that certain transactions between the Company and such parties might be deemed to constitute prohibited transactions.

Trustees and other fiduciaries of Plans should also consider that their actions are governed by the fiduciary responsibility provisions of ERISA. Generally, fiduciaries of a Plan covered by ERISA are required to discharge their duties, among other things, (i) for the exclusive purpose of providing benefits to participants and their beneficiaries, (ii) with the same standard of care that would be exercised by a prudent man acting under similar circumstances, and (iii) by diversifying the investments of the Plan, unless it is clearly prudent not to do so. Before investing in Shares, trustees and other fiduciaries of a Plan should carefully consider whether such an investment is consistent with their fiduciary responsibilities.

The provisions of ERISA are subject to extensive and continuing administrative and judicial interpretation and review. The discussion of ERISA contained in this Placing Memorandum is, of necessity, general and may be affected by future publication of regulations and rulings. Potential investors should consult with their legal advisors regarding the consequences under ERISA of the acquisition and ownership of Shares.

The summary of ERISA considerations contained herein has been written to support the promotion and marketing of Participating Shares in the Company and is not intended or written to be used, and cannot be used, by a taxpayer for the purpose of avoiding United States Federal income tax penalties that may be imposed on the taxpayer. Each taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax adviser.

CHARGES AND EXPENSES

Manager's Fees

The Manager is entitled to any initial charge payable on the issue of Participating Shares. The Manager is also entitled to the fees set out below.

THE FEES SET OUT BELOW WILL BE PAID BY THE MASTER FUND AND NOT BY THE COMPANY BUT SUCH FEES WILL BE REFLECTED IN THE NET ASSET VALUE OF THE PARTICIPATING SHARES.

Management Fee for the E.I.P. Overlay Fund

The Manager will receive a fee payable by the Master Fund in respect of the E.I.P. Overlay Fund at the rate of two per cent (2%) per annum of the Net Asset Value of the E.I.P. Overlay Fund, accrued daily and calculated as at each valuation point in respect of the Master Fund and payable monthly in arrears. The fee will be allocated rateably to each class and series of shares in the Master Fund and for partial periods. Given that the Company is a shareholder of the Master Fund, the fee will be reflected in the Net Asset Value of the Participating Shares.

Management Fees for the Index Funds

The Manager will receive a fee payable by the Master Fund in respect of the Index Funds at the rate of 0.75 per cent per annum of the Net Asset Value of the relevant Index Fund, accrued daily and calculated as at each valuation point in respect of the Master Fund and payable monthly in arrears. The fee will be allocated rateably to each class and series of shares in the Master Fund and for partial periods. Given that the Company is a shareholder of the Master Fund, the fee will be reflected in the Net Asset Value of the Participating Shares.

Performance Fee for the E.I.P. Overlay Fund

In addition, the Master Fund will (if applicable) pay to the Manager a performance fee in respect of the E.I.P. Overlay Fund payable annually in arrears or upon redemption (if permitted) of shares in the Master Fund part way through a Performance Period out of the assets of the E.I.P. Overlay Fund.

BELOW IS A SUMMARY OF THE PERFORMANCE FEE PAYABLE BY THE MASTER FUND TO THE MANAGER. THE DIRECTORS RECOMMEND THAT INVESTORS OBTAIN A COPY OF THE MASTER FUND PLACING MEMORANDUM FOR A

DESCRIPTION OF THE PERFORMANCE FEE PAYABLE BY THE MASTER FUND TO THE MANAGER.

In order to ensure that shareholders of the Master Fund bear the performance fee according to the actual performance of their investment, a separate series of shares in the Master Fund will be issued on each subscription day in respect of the Master Fund (as defined in the Master Fund Placing Memorandum) and the performance fee payable will be calculated by reference to the increase in the Net Asset Value per share in the Master Fund of the relevant series (as set out in the Master Fund Placing Memorandum). The performance fee for each series will be calculated as at the last valuation point in respect of the Master Fund (as defined in the Master Fund Placing Memorandum) in each Performance Period (commencing 31 December 2004) and paid as soon as practicable thereafter. Where shares in the Master Fund are redeemed part way through a year, the performance fee payable in respect of the shares in the Master Fund redeemed will be calculated as at the valuation point in respect of the Master Fund relating to the date of redemption.

THE COMPANY WILL HOLD SHARES IN THE MASTER FUND AND THE NET ASSET VALUE OF THE CLASS Z SHARES WILL BE AFFECTED BY THE PERFORMANCE FEE PAYABLE BY THE MASTER FUND TO THE MANAGER. THE DIRECTORS RECOMMEND THAT INVESTORS OBTAIN A COPY OF THE MASTER FUND PLACING MEMORANDUM AND REVIEW THE DETAILS OF THE PERFORMANCE FEE.

A performance fee will only be payable in respect of shares in the Master Fund of a particular series if the Net Asset Value per share in the Master Fund of the relevant series as at the last valuation point in respect of the Master Fund in the relevant Performance Period is greater than the amount equivalent to the Performance Benchmark for the relevant series, increased at the rate of five per cent per annum where for the avoidance of doubt if the relevant Performance Period is less than a year, such five per cent shall be pro-rata in accordance with the number of days comprising the relevant Performance Period against the total number of days in the calendar year in which the relevant Performance Period commences. Investors should note that the performance fee will be calculated as a percentage of the entire increase in the Net Asset Value per share in the Master Fund above the Performance Benchmark.

If a performance fee is payable for the relevant Performance Period, such performance fee shall be equal to twenty per cent (20%) of the entire increase in the Net Asset Value per share in the Master Fund of the relevant series. The entire increase in the Net Asset Value of the relevant series is any positive amount calculated by subtracting the Performance Benchmark applicable to that series for the relevant Performance Period from the Net Asset Value per share in the Master Fund of that series as at the last valuation point in respect of the Master Fund in the relevant Performance

Period (where the calculation of such Net Asset Value per Share shall take into account of any deduction of amounts payable to the Index Funds in respect of their participation in the positive performance of the E.I.P. Overlay Fund for the relevant Performance Period or up to the relevant redemption day in respect of the Master Fund).

As soon as practicable after the last valuation point in respect of the Master Fund in each Performance Period, all shares in the Master Fund in all series which shall have borne a performance fee in respect of the relevant Performance Period will normally be consolidated into a single series, being the oldest series to have borne a performance fee in respect of the relevant Performance Period and the Performance Benchmark for all shares in the Master Fund of the consolidated series will be the Net Asset Value per share in the Master Fund of the consolidated series as at the last valuation point in respect of the Master Fund in the relevant Performance Period, after payment of the performance fee.

The Directors confirm that the Valuation Point, Subscription Day and Redemption Day in respect of the Company shall be the same as the valuation point, subscription day and redemption day in respect of the Master Fund unless the Directors determine otherwise and notify affected Participating Shareholders on at least three months' notice.

Where an investor has acquired shares in the Master Fund at different times and he is permitted to redeem part of his holding, he shall be deemed to have redeemed such shares in the Master Fund on a "first acquired, first redeemed" basis in determining the relevant Subscription Day and Subscription Price of the remaining shares in the Master Fund in his holding for the purposes of the foregoing provisions.

If the Company and/or the Master Fund terminate the appointment of the Manager (other than for cause), the Master Fund will pay the Manager the amount of accrued but unpaid performance fee as at the date of termination.

The Manager may share any fees it receives with intermediaries.

Any increase in the fees stated above will only be made on the directors of the Master Fund giving not less than three months' notice to affected shareholders of the Master Fund. The Company shall similarly give not less than three months' notice to affected Participating Shareholders.

Administrator's Fees

The Company and/or the Master Fund shall pay to the Administrator for the performance of the services specified in Parts 1, 2 and 3 of Schedule 1 of the Administration Agreement a monthly

administration fee (the “**Administration Fee**”) based on the month-end net assets of the Master Fund at the relevant basis points per annum rate ranging from 8 to 14 basis points per annum, subject always to a minimum annual fee of US\$10,000 per Cell payable monthly for any Cell which maintains only one position; otherwise a minimum annual fee per Cell ranging from US\$~~4834,000-700~~ to US\$7245,000 payable monthly, provided that the Company and/or the Master Fund and the Administrator may from time to time agree to amend the fee for the Company, the Master Fund and/or particular Cell(s).

Prime Broker and Custodian's Fees

The Prime Broker is entitled to interest on any advances which it makes to the Master Fund and such fees as may be agreed with the Master Fund from time to time in relation to any other facilities the Prime Broker provides to the Master Fund. In addition, the Prime Broker will receive a monthly custody fee at a rate agreed with the Manager for each of the Index Funds (expected to be approximately 8 basis points, although this may vary from country to country), payable monthly in arrears, for providing custody services to the Master Fund. The fees of any sub-custodian appointed by the Prime Broker will be paid at normal commercial rates out of the assets of the Master Fund.

General Expenses of the Company

The Company will bear the cost of all brokerage (if any) payable on the purchase or sale of investment, interest on borrowings and fees in respect thereof, the fees of any sub-custodians, fees payable in the Cayman Islands on increases in the share capital of the Company, the annual company registration fee payable in the Cayman Islands, fees payable in relation to the listing of Participating Shares, the travel and per diem expenses incurred by the Directors for attending meetings or in connection with the Company's business, premium payable in respect of directors' liability and professional indemnity insurance of the Directors, the fees and expenses of the auditors and legal advisers to the Company, the cost of printing and distributing the annual and semi-annual reports and statements and all other operating and administrative expenses.

General Expenses of the Master Fund

The expenses of the Master Fund incurred in connection with the establishment of any additional Fund, including the costs of the preparation of the placing memorandum, the costs of obtaining a listing of the shares of the Master Fund referable to the relevant Fund on the Cayman Island Stock Exchange, all legal costs in connection with the establishment of the relevant Fund and printing costs, which are estimated to amount to approximately US\$50,000 per Fund launch, will be borne by the relevant Fund pro rata to their respective Net Asset Values at the close of the initial offer period for the relevant Fund and amortised over the five financial years of the Master Fund

commencing from the close of the initial offer period for the relevant Fund or such other period as the directors of the Master Fund may determine.

The Master Fund will, in addition, bear the cost of all brokerage (if any) payable on the purchase or sale of investments, interest on borrowings and fees in respect thereof, the fees of any sub-custodians, fees payable in Mauritius on increases in the share capital of the Master Fund, the annual company registration fee payable in Mauritius, fees payable in relation to the listing of the shares of the Master Fund, the fees of the directors of the Master Fund and the Company (such fees not being expected to exceed US\$7,000 per annum per director per Fund) and the travel and per diem expenses incurred by the directors of the Master Fund for attending meetings or in connection with the Master Fund's business, premium payable in respect of directors' liability and professional indemnity insurance of the directors of the Master Fund, the fees and expenses of the auditors and legal advisers to the Master Fund, the cost of printing and distributing the annual and semi-annual reports and statements and all other operating and administrative expenses.

Soft Commission

The Manager and/or any company associated with it reserves the right to effect transactions by or through the agency of another person with whom the Manager and/or any company associated with it have an arrangement under which that party will from time to time provide to or procure for the Manager and/or any company associated with it goods, services or other benefits (such as research and advisory services, computer hardware associated with specialised software or research services and performance measures) the nature of which is such that their provision can reasonably be expected to benefit the Company and the Master Fund, each as a whole, and may contribute to an improvement in the performance of the Company, the Master Fund or of the Manager and/or any company associated with it in providing services to the Company and the Master Fund and for which no direct payment is made but instead the Manager and/or any company associated with it undertake to place business with that party. For the avoidance of doubt, such goods and services do not include travel, accommodation, entertainment, general administrative goods or services, general office equipment or premises, membership fees, employee salaries or direct money payments.

The Directors confirm that all soft commission arrangements will not detract from the duty of the Manager to seek best execution in all transactions undertaken for the Company.

VALUATION AND PRICES

Calculation of Net Asset Value

The Net Asset Value of the Company shall be determined as at each Valuation Point in accordance with the Articles of Association and shall be calculated as (i) the value of the Company's investment in the Master Fund (calculated as the Net Asset Value of the shares of the Master Fund as at the same Valuation Point which shall be determined in accordance with the Constitution of the Master Fund in the manner set out below) and (ii) the value of cash and other assets held for the benefit of the Company less (iii) the liabilities of the Company.

The Net Asset Value of the Company and Net Asset Value per Participating Share will be calculated by the Administrator and/or the Sub-Administrator.

The Net Asset Value per Participating Share as at any Valuation Point shall be the Net Asset Value of the Company at that Valuation Point divided by the total number of Participating Shares in issue immediately before that Valuation Point and rounding the resultant amount to the nearest US\$0.01 (US\$0.005 being rounded up).

The Net Asset Value of the Participating Shares (and the Net Asset Value of the shares of the Master Fund) will be determined as at the Valuation Point (and the valuation point in respect of the Master Fund as set out in the Master Fund Placing Memorandum) in accordance with International Financial Reporting Standards as follows:-

- (A) any security which is listed or quoted on any securities exchange or similar electronic system and regularly traded thereon will be valued at its last traded price on the relevant Valuation Day or, if no trades occurred on such day, at the closing bid price if held long by the Master Fund and at the closing offer price if sold short by the Master Fund, as at the relevant Valuation Day, and as adjusted in such manner as the Directors, in their sole discretion, think fit, having regard to the size of the holding, and where prices are available on more than one exchange or system for a particular security the price will be the last traded price or closing bid or offer price, as the case may be, on the exchange which constitutes the main market for such security or the one which the Directors in their sole discretion determine provides the fairest criteria in ascribing a value to such security;
- (B) investments, other than securities, which are dealt in or traded through a clearing firm or an exchange or through a financial institution will be valued by reference to the most recent official settlement price quoted by that clearing house, exchange or financial institution. If there is no such price, then the average will be taken between the lowest offer price and the

highest bid price at the close of business on any market on which such investments are or can be dealt in or traded, provided that where such investments are dealt in or traded on more than one market, the Directors may determine at their discretion which market shall prevail;

- (C) any security which is not listed or quoted on any securities exchange or similar electronic system or if, being so listed or quoted, is not regularly traded thereon or in respect of which no prices as described above are available, will be valued at its probable realisation value as determined by the Directors in good faith having regard to its cost price, the price at which any recent transaction in the security may have been effected, the size of the holding having regard to the total amount of such security in issue, and such other factors as the Directors in their sole discretion deem relevant in considering a positive or negative adjustment to the valuation;
- (D) investments, other than securities, which are not dealt in or traded through a clearing firm or an exchange or through a financial institution will be valued on the basis of the latest available valuation provided by the relevant counterparty;
- (E) deposits will be valued at their cost plus accrued interest;
- (F) any value (whether of an investment or cash) otherwise than in US dollars shall be converted into US dollars at the rate (whether official or otherwise) which the Directors in their absolute discretion deem applicable as at close of business on the relevant Valuation Day, having regard, among other things, to any premium or discount which they consider may be relevant and to costs of exchange.

The Directors may, at their discretion, permit any other method of valuation to be used if they consider that such method of valuation better reflects value and is in accordance with good accounting practice.

The Directors have delegated to the Administrator and/or Sub-Administrator the determination of the Net Asset Value of the Company and the Net Asset Value per Participating Share of each Class and, if applicable, series subject to the overall supervision and direction of the Directors. In determining the Net Asset Value of the Company and the Net Asset Value of each Class and series, the Administrator and/or the Sub-Administrator will follow the valuation policies and procedures adopted by the Company as set out in this Placing Memorandum and the Articles of Association. For the purpose of calculating the Net Asset Value of the Company, the Administrator shall, and shall be entitled to, rely on, and will not be responsible for the accuracy of, financial data furnished to it by the Master Fund's prime brokers, market makers and/or independent third party pricing

services and shall not be liable to the Company, the Master Fund, any investor, the Manager or any other person in so doing. The Administrator may also use and rely on industry standard financial models in pricing any of the Company's securities or other assets.

The Net Asset Value of each Class of the Index Fund Shares shall be notified to the Cayman Islands Stock Exchange immediately on calculation.

The Articles of Association provides that the Directors may at any time and from time to time suspend the determination of the Net Asset Value during, and/or extend the period for the payment of redemption moneys to persons who have been permitted to redeem Participating Shares relating thereto by the number of days comprised in, the whole or any part of a period:

- (a) during which any stock exchange, commodities exchange, futures exchange or over-the-counter market on which any significant portion of the investments of the Company, the Master Fund or a Fund is listed, quoted, traded or dealt in is closed (other than customary weekend and holiday closing) or trading on any such stock exchange or market is restricted or suspended; or
- (b) when dealings on any exchange or market are restricted or suspended;
- (c) when circumstances exist as a result of which in the opinion of the Directors it is not reasonably practicable for the Company, the Master Fund or a Fund to dispose of investments or as a result of which any such disposal would be materially prejudicial to Participating Shareholders; or
- (d) when a breakdown occurs in any of the means normally employed in ascertaining the value of the investments of the Company, the Master Fund or a Fund or the Net Asset Value or when for any other reason the value of any of the investments or other assets of the Company, the Master Fund or a Fund or the Net Asset Value cannot in the opinion of the Directors or their duly authorised agent reasonably or fairly be ascertained; or
- (e) during which the Company is unable to repatriate funds for the purpose of making payments on the redemption of Participating Shares of the relevant Class or during which any transfer of funds involved in the realisation or acquisition of investments or payments due on redemption of Participating Shares of the relevant Class cannot in the opinion of the Directors or their duly authorised agent be effected at normal rates of exchange; or

- (f) when the realisation of the Company's, the Master Fund's or a Fund's investments or the transfer of funds involved in such realisation cannot, in the opinion of the Directors or their authorised agent be effected at normal prices or normal rates of exchange;
- (g) when the business operations of the Manager, the Administrator or the Sub-Administrator(s) in relation to the operations of the Company or the Master Fund are substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riots, strikes or acts of God;
- (h) during which the determination of the net asset value of the Master Fund or a Fund or the issue and redemption of ordinary shares of the Master Fund or the payment of redemption proceeds in relation thereto is suspended.

No Participating Shares of the Class affected may be issued or redeemed during such a period of suspension. All reasonable steps will be taken to bring any period of suspension to an end as soon as possible.

In the event that such a suspension is declared in respect of the Index Fund Shares, the Cayman Islands Stock Exchange will be notified of such suspension as soon as practicable thereafter.

Subscription and Redemption Prices

For the E.I.P. Overlay Fund and Class Z Shares – Series share calculation for performance fees

In order to ensure that holders of the shares in the Master Fund referable to the E.I.P. Overlay Fund (“**E.I.P. Shares**”) bear the performance fee (see above under "Manager's Fees") according to the actual performance of their E.I.P. Shares, a new series of E.I.P. Shares will be issued on each subscription day in respect of the Master Fund. E.I.P. Shares of each series will carry identical rights save that the number of undivided E.I.P. Shares of each series will differ. This system has been adopted to facilitate the calculation and allocation of the performance fee by reference to the performance of E.I.P. Shares, having regard to the different times and prices at which such E.I.P. Shares were acquired.

The subscription price or redemption price of E.I.P. Shares of each series for any relevant subscription day or redemption day in respect of the Master Fund (as set out in the Master Fund Placing Memorandum) will, subject as provided below, be determined by (i) determining the Net Asset Value of the E.I.P. Overlay Fund as at the relevant valuation point for the Master Fund before deducting any liabilities which are specifically attributable to the series in question; (ii) apportioning the resulting amount between each series by reference to the numbers of undivided

E.I.P. Shares represented by the aggregate number of E.I.P. Shares of each series; (iii) deducting the liabilities and adding any assets specifically attributable to the relevant series from or to such apportioned amount; and (iv) dividing the resulting amount by the number of E.I.P. Shares of the relevant series, the resulting amount being rounded to the nearest cent (0.5 of a cent being rounded up for the benefit of the E.I.P. Overlay Fund).

The first E.I.P. Shares in each new series issued shall be issued at a subscription price equal to the redemption price calculated as at the relevant subscription day of the oldest series of E.I.P. Shares in issue on such day.

The subscription price for E.I.P Shares will be exclusive of any initial charge.

Class Z Shares are referable to the E.I.P Overlay Fund. As such, a new series of Class Z Shares will be issued on each Subscription Day. Class Z Shares of each series will carry identical rights save that the number of undivided Class Z Shares of each series will differ.

The Subscription Price or Redemption Price of Class Z Shares of each series for any relevant Subscription Day or Redemption Day will, subject as provided below, be determined by (i) determining the Net Asset Value of the Class Z Shares as at the relevant Valuation Point before deducting any liabilities which are specifically attributable to the series in question; (ii) apportioning the resulting amount between each series by reference to the numbers of undivided Class Z Shares represented by the aggregate number of Class Z Shares of each series; (iii) deducting the liabilities and adding any assets specifically attributable to the relevant series from or to such apportioned amount; and (iv) dividing the resulting amount by the number of Class Z Shares of the relevant series, the resulting amount being rounded to the nearest cent (0.5 of a cent being rounded up for the benefit of the relevant Class).

The first Class Z Shares in each new series issued shall be issued at a Subscription Price equal to the Redemption Price calculated as at the relevant Subscription Day of the oldest series of Class Z Shares in issue on such day.

The Subscription Price for Class Z Shares will be exclusive of any initial charge.

For the Index Funds and Index Fund Shares– Series share calculation for performance fees

The subscription price or redemption price of shares of the Master Fund referable to the Index Funds for any relevant subscription day or redemption day in respect of the Master Fund (as set out in the Master Fund Placing Memorandum) will, subject as provided below, be determined by determining the Net Asset Value of the Index Fund relating thereto as at the relevant valuation

point for the Master Fund (as set out in the Master Fund Placing Memorandum) and dividing the resulting amount by the number of Index Fund Shares of the relevant class, the resulting amount being rounded to the nearest cent. (0.5 of a cent being rounded up for the benefit of the relevant Index Fund).

The subscription price of shares of the Master Fund referable to the Index Funds is exclusive of any initial charge.

Index Fund Shares are referable to the Index Funds. As such, the Subscription Price or Redemption Price of Index Fund Shares of the relevant Class for any relevant Subscription Day or Redemption Day will, subject as provided below, be determined by determining the Net Asset Value of the Index Fund Share of the relevant Class as at the relevant Valuation Point and dividing the resulting amount by the number of Index Fund Shares of the relevant Class, the resulting amount being rounded to the nearest cent. (0.5 of a cent being rounded up for the benefit of the relevant Class).

General

The Directors have the power, in determining the Subscription Price of a Participating Share of any Class, to add to the Net Asset Value per Participating Share of that Class (before making any rounding adjustment) an amount, for the account of the Class relating thereto, which they consider to be an appropriate allowance to reflect (a) the difference between the last traded price (or the mean between the last available bid and asked prices) of the investments of such Class and the latest available asked price of such investments and (b) fiscal and purchase charges which would be incurred for the account of such Class in investing an amount equal to that Net Asset Value per Participating Share of that Class. Similarly, the Directors may, when determining the Redemption Price of a Participating Share of any Class, deduct for the account of the Class, from the Net Asset Value per Participating Share of that Class (before making any rounding adjustment) an amount which they consider to be an appropriate allowance to reflect (a) the difference between the last traded price (or the mean between the last available bid and asked prices) of the investments of such Class and the latest available bid price of such investments, and (b) fiscal and sale charges which would be incurred for the account of such Class in realising assets or closing out positions to provide funds to meet any redemption request permitted by the Directors. Further, the Directors may arrange for a revaluation of Participating Shares of any Class if they consider that the Subscription Price or Redemption Price calculated in relation to any Subscription Day or Redemption Day does not accurately reflect the true value of the Participating Shares of that Class.

INFORMATION DISCLOSURE

Each prospective shareholder will be required to acknowledge in its subscription application that any of the Company, the Master Fund, the Administrator, the Sub-Administrator or its affiliates and/or the Manager may disclose to each other, to any other service provider to the Company or to any regulatory body in any applicable jurisdiction to which any of the Company, the Master Fund, the Administrator, the Sub-Administrator and/or the Manager is or may be subject, copies of the prospective shareholder's subscription application/documents and any information concerning the prospective shareholder provided by the prospective shareholder to the Company, the Administrator, the Sub-Administrator and/or the Manager or to any of their affiliates, including details of that prospective shareholder's Participating Shares in the Company, historical and pending transactions in the Company's Participating Shares and values thereof, and any such disclosure shall not be treated as a breach of any restriction upon the disclosure imposed on such person by law or otherwise.

ARTICLES OF ASSOCIATION OF THE COMPANY

1. Share Capital of the Company

The Company was incorporated on 2 June 2005 in the Cayman Islands as an exempted company and has an authorised share capital of US\$100,000 being made up of 100 Management Shares of a par value of US\$1.00 each and 99,900,000 Participating Shares of a par value of US\$0.001 each.

The Manager is the holder of 100 Management Shares.

The Directors have the right, in their sole discretion and at any time and from time to time to issue new Classes of Participating Shares in the capital of the Company upon such terms, in such manner as they may determine and without the consent of or notice to existing investors. Each Class of Participating Shares will relate exclusively to a particular Fund and, on or before allotment of each Participating Share, the Manager will determine for which of the Funds the application moneys relating thereto are intended and issue Participating Shares of the relevant Class accordingly. Each Class of Participating Shares confers the sole right to dividends paid out of the profits of the Fund to which that Class relates.

In addition, separate series of Participating Shares of a Class may be issued to reflect calculation of performance fees payable by the Master Fund to the Manager.

On 5 July 2005 the Directors resolved to create and issue the Class A Shares, the Class B Shares, the Class C Shares and the Class D Shares.

On 15 May 2007 the Directors resolved to create and issue the Class E Shares, the Class F Shares, the Class G Shares, the Class H Shares and the Class Y Shares.

So far as the Directors are aware, as at 30 January 2012 the substantial shareholders of the Company as defined by the Listing Rules of the Cayman Islands Stock Exchange are set out in Appendix C of this Placing Memorandum.

Prospective investors should note that there are no provisions under the laws of the Cayman Islands or under the Articles of Association conferring pre-emption rights on Participating Shareholders. The Articles of Association provides that the unissued Participating Shares are at the disposal of the Directors who may offer, allot, issue, grant

options over or otherwise dispose of them to such persons, at such times, for such consideration and on such terms and conditions as the Directors think fit.

The Company may from time to time by Ordinary Resolution increase its capital, consolidate its shares or any of them into a smaller number of shares, sub-divide shares or any of them into a larger number of shares or cancel any shares not taken or agreed to be taken by any person. The Company may by Special Resolution from time to time reduce its share capital in any way permitted by the laws of the Cayman Islands from time to time.

The Directors have resolved to issue Participating Shares on the terms of this Placing Memorandum.

2. Share Capital of the Master Fund

The Master Fund was incorporated on 8 May 2002 in Mauritius and has an authorised share capital of US\$50,000 being made up of 100 management shares of US\$1.00 each and 49,900,000 redeemable shares of US\$0.001 each ("**Redeemable Shares**").

The Manager is the holder of 100 management shares in the Master Fund.

As at ~~31 December 2012~~ October 2012-2013 the Redeemable Shares of each class issued by the Master Fund to its investors were approximately:

Redeemable Shares referable to the Enhanced Taiwan Index Fund ~~43,801,945,776,389~~;
Redeemable Shares referable to the Enhanced China Index Fund ~~1,451,484,777,428~~;
Redeemable Shares referable to the Enhanced India Index Fund ~~709,593,307,124~~;
Redeemable Shares referable to the Enhanced Malaysia Index Fund ~~2,860,665,547~~;
Redeemable Shares referable to the Enhanced South Korea Index Fund ~~2,982,381,740,628~~;
Redeemable Shares referable to the Enhanced Thailand Index Fund ~~1,286,819,548,609~~;
Redeemable Shares referable to the Enhanced Indonesia Index Fund ~~1,540,018,684,810~~;
Redeemable Shares referable to the Enhanced Philippines Index Fund ~~1,434,254,440,956~~
and
Redeemable Shares referable to the E.I.P Overlay Fund in aggregate (as different series have been issued) ~~1,034,929,386,751~~.

The Master Fund has issued Redeemable Shares to the Company pursuant to the "master-feeder" arrangement set out in this Placing Memorandum.

3. Rights of the Management Shares

The Management Shares may only be issued to the Manager. The rights attaching to the Management Shares are as follows:

(a) Voting Rights

At any meeting of the Company each holder of Management Shares present is entitled to one vote on a show of hands and to one vote for each Management Share held by him/her on a poll. Votes may be given in person or by proxy.

(b) Dividends

The Management Shares carry no right to dividends.

(c) Liquidation

In the event of liquidation, the holders of Management Shares are entitled to return of the nominal capital paid-up on the Management Shares, after return of the nominal amounts paid up on Participating Shares. Holders of the Management Shares will not be entitled to any surplus remaining thereafter.

One Management Share was taken up by the subscribers and has transferred to the Manager. The remaining 99 Management Shares have been allotted and issued to the Manager at par and are fully paid.

4. Rights of the Participating Shares

The rights and restrictions attaching to the Participating Shares are as follows:

(a) Voting Rights

The voting rights of the holders of Participating Shares are limited. Holders of Participating Shares are only entitled to vote upon:

- (i) any resolution which varies the rights attaching to the Participating Shares held by him/her; and

- (ii) any resolution which deals with the capitalisation of any amounts for the purpose of any bonus issues other than to holders of Participating Shares or the creation of any undistributable reserves.

At any meeting of the Company at which holders of Participating Shares are entitled to vote, each Participating Shareholder present is entitled to one vote on a show of hands and to one vote for each Participating Share held by him/her on a poll. Votes may be given in person or by proxy.

(b) Dividends

It is not expected that any dividends will be declared by the Company although the Directors have a right to make a payment of dividends on the Participating Shares in accordance with the Articles of Association, any applicable laws of the Cayman Islands and, to the extent applicable, the rules of the Cayman Islands Stock Exchange.

(c) Liquidation

The Participating Shares carry a right to return of the nominal capital paid-up on them in priority to the return of nominal capital on the Management Shares, and a right to the surplus of assets (if any) of the Company after return of the nominal capital on Management Shares, *pari passu* among holders of Participating Shares.

5. Allocation of Assets and Liabilities of the Company between Classes of Participating Shares

- (a) A separate Class of Participating Shares shall be established to reflect each Fund. The assets and liabilities and income and expenditure attributable to such Class will be applied, charged or allocated to the Class and the following provisions will apply thereto:
 - (i) the proceeds from the allotment and issue of Participating Shares of a Class (excluding any initial charge payable to the Manager) will be applied in the books of the Company to that Class of Participating Shares, and the assets and liabilities and income and expenditure attributable thereto will be applied to that Class of Participating Shares, subject to the provisions set out below;
 - (ii) where any asset is derived from another asset (whether cash or otherwise), such derivative asset will be applied in the books of the Company to the same Class of Participating Shares as the asset from which it was derived and on each revaluation

of an investment the increase or diminution in value will be applied to the relevant Class of Participating Shares;

- (iii) in the case of any asset (or amount treated as a notional asset) of the Company which is not considered attributable to a particular Class of Participating Shares or Classes of Participating Shares, the Directors will have discretion to determine the basis (which they may vary from time to time) upon which any such asset shall be allocated among Classes of Participating Shares;
 - (iv) the Directors will have discretion to determine the basis upon which any liability shall be allocated among Classes of Participating Shares (including conditions as to subsequent re-allocation thereof if circumstances so permit) and will have power to vary such basis; and
 - (v) the Directors may transfer in the books of the Company any assets (or amounts treated as notional assets) to and from Classes of Participating Shares if, as a result of a creditor proceeding against certain of the assets of the Company or otherwise, a liability would be borne in a different manner from that in which it would have been borne under sub-paragraph (iv) above, or in any similar circumstances.
- (b) In the event of a Fund being wound up the liquidator will apply the assets of that Fund in satisfaction of creditors' claims in such a manner and order as prescribed by law and, in particular, the Protected Cell Companies Act. In summary, the assets available for distribution will then be applied in the following priority:
- (i) first, in the payment to the shareholders of the Master Fund holding shares in the Master Fund referable to that Fund in the amount of such sum as nearly as possible equal to the nominal amount of such shares in the Master Fund (and the Company as a shareholder of the Master Fund will receive such payment and shall distribute the payment to the Participating Shareholders holding Participating Shares referable to that Fund); and
 - (ii) secondly, in the payment to the shareholders of the Master Fund holding shares in the Master Fund referable to that Fund in the amount of any balance then remaining in the relevant Fund, such payment being made as nearly as practicable in proportion to the number of such shares held in the Master Fund (and the Company as a shareholder of the Master Fund will receive such payment and shall distribute the payment to the Participating Shareholders holding Participating Shares referable to that Fund).

- (c) If the Master Fund is wound up, the liquidator shall first liquidate each Fund in the manner and order stated at (b) above, and thereafter any non-cellular assets shall be distributed among the holders of the management shares of the Master Fund as nearly as possible equal to the nominal amount paid on the management shares of the Master Fund.
- (d) In winding up a Fund or the Master Fund, distribution (whether of cash or assets in specie) may be effected in such instalments and over such periods as the liquidator considers reasonable in the circumstances having regard to the time involved and the manner of realisation of the investments of the Fund or the Master Fund (as the case may be). The liquidator may also divide among the relevant shareholders *in specie* the whole or any part of the remaining assets of the Fund or the Master Fund, as appropriate. The liquidator may also vest any part of the assets in trustees upon such trusts for the benefit of the relevant shareholders as the liquidator shall think fit, and the liquidation of a Fund or the Master Fund may be closed and the relevant entity dissolved, but so that no shareholder is compelled to accept any securities in respect of which there is liability.

6. Variation of Class Rights

- (a) All or any of the special rights for the time being attached to any class of share for the time being issued or unissued and any shares hereafter created (of which there are none at present save as referred to herein) may (unless otherwise provided by the terms of issue of the shares of that class or the Articles of Association) from time to time (whether or not the Company is being wound up) be altered or abrogated with the consent in writing of the holders of all the issued shares of that class or with the sanction of a Special Resolution passed at a separate general meeting of the holders of such shares on the register of members of the Company at the date on which notice of such separate general meeting is given. To any such separate general meeting all the provisions of the Articles of Association as to general meetings of the Company shall *mutatis mutandis* apply, but so that the quorum for such meeting shall be one or more holders of shares of the class present in person or by proxy representing not less than one-eighth of the issued shares of that class except that at an adjourned meeting of the shareholders those shareholders who are present in person or by proxy shall constitute a quorum.
- (b) The special rights attached to any class of share having preferential or other special rights shall (unless otherwise expressly provided by the conditions of issue of such shares) not be deemed to be varied by the creation, allotment or issue of further shares

ranking pari passu therewith or the creation, allotment, issue or redemption of shares of any other class or classes.

7. Termination

The Company may be wound up by a Special Resolution of the Shareholders entitled to vote.

The Directors, with the approval of the holders of the Management Shares, may resolve to redeem all Participating Shares of a particular Class compulsorily if the Net Asset Value of the Participating Shares or of the Fund to which Participating Shares of that Class relate falls below US\$5 million. In the event of any such resolution being passed by the holders of the Management Shares, the Directors shall give not less than one month's notice in writing specifying the date on which such redemption is to take effect to the holders of the Participating Shares of the relevant Class. Upon the expiry of such notice, no Participating Shares of the relevant Class may be issued or redeemed and the Directors shall procure the realisation of the assets of the relevant Fund and that the liabilities thereof are duly discharged or adequately provided for. The Directors shall then determine the amount of the surplus assets of the relevant Fund.

8. Quorum; Voting rights

- (a) At least two shareholders present in person or by proxy who are entitled to vote and are registered as the holders of, in aggregate, not less than one-eighth of the shares then in issue and entitled to vote shall be a quorum for all purposes at any general meeting of the Company.
- (b) Subject to any special terms as to voting upon which any shares in the Company may be issued or may for the time being be held and subject as described in paragraph 8(c) below, at any general meeting on a show of hands every holder of a Management Share or Participating Share who is present in person and entitled to vote shall have one vote and on a poll every member who is present in person or by proxy shall have one vote (or the corresponding fraction of a vote) for every Participating Share (or fraction thereof) held by him and one vote for every Management Share held by him.
- (c) No relevant person (as defined below) (nor any connected person of that relevant person) shall be entitled to cast any vote in respect of shares beneficially owned by him or it in relation to any resolution in which that relevant person or any of his or its

connected persons has a material interest and in relation to such a resolution all shares beneficially owned by the relevant person and his or its connected persons shall be ignored for all purposes in establishing whether or not a quorum is present as if such shares were not then in issue. A "relevant person" is any Director, the Custodian, the Manager or the Investment Advisers.

- (d) To be passed, resolutions (other than Special Resolutions) of the Company in general meeting require a simple majority of the votes cast at the meeting at which the resolution is proposed. A Special Resolution is a resolution which is passed by not less than three-quarters of such members of the Company for the time being entitled to vote as may be present, in person or by proxy, at any general meeting of which notice specifying the intention to propose such resolution as a Special Resolution has been duly given.

9. Dividends

Dividends shall only be payable to the holders of Participating Shares and, in relation to each Class of Participating Shares, only out of distributable reserves referable to the relevant Fund as may be lawfully distributed as dividends. Any dividend unclaimed after a period of five years from the date of declaration of such dividend shall be forfeited and shall revert to the Company.

10. Directors

- (a) The remuneration of the Directors shall be paid by the Master Fund and shall be determined by the directors of the Master Fund (such fees are not expected to exceed US\$7,000 per annum per Director per Fund). The Directors may also be paid, *inter alia*, for all travelling, hotel and other expenses properly incurred by them in attending meetings of the Directors or in connection with the business of the Company. Any Director who devotes special attention to the business of the Company may be paid such extra remuneration as the Directors may determine.
- (b) 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 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.

- (c) 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, or may act in a professional capacity to the Company on such terms as the Directors may determine. No Director shall be disqualified by his office from contracting with the Company either as vendor, purchaser or otherwise, nor shall any such contract or any 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 relationship established thereby.
- (d) A Director, notwithstanding his interest, may be counted in the quorum present at any meeting at which he or any other Director is appointed to hold any such office or place of profit under the Company or at which the terms of any such appointment are arranged, and he may vote on any such appointment or arrangement other than his own appointment or the arrangement of terms thereof.
- (e) There is no provision in the Articles of Association requiring a Director to retire by reason of any age limit.
- (f) The chairman of the meeting shall have a casting vote at any meeting of the Directors.
- (g) The Directors may exercise all the powers of the Company to borrow money (including the power to borrow for the purpose of redeeming Participating Shares) and to secure such borrowings in any manner and to issue debentures and other securities whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

11. Indemnity of Directors and Others

The Directors, auditors, company secretary and other officers and servants for the time being of the Company are entitled to be indemnified out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them or any of their heirs or executors shall or may incur or sustain by reason of any contract entered into or any act done, concurred in, or omitted in or about the

execution of their duty or supposed duty in their respective offices or trusts, except such (if any) as they shall incur or sustain by or through their own wilful act, gross negligence, fraud or wilful default.

12. Transfer of Participating Shares and Restrictions on Shareholders

Participating Shares are transferable by instrument in writing signed by or on behalf of the transferor and the transferee and registered in the register of members of the Company. Any transferee is required to furnish the same information which would be required in connection with a direct subscription in order for a transfer application to be considered by the Company. The Directors may decline to register any transfer of Participating Shares over which the Company has a lien and may also decline to recognise any instrument of transfer unless it is deposited with the Sub-Administrator or at such other place or places as the Directors may from time to time determine. In addition, the Directors will not permit the transfer of Participating Shares to persons who are not Qualified Holders. In the case of the death of any one of joint Participating Shareholders, the survivor or survivors will be the only person or persons recognised by the Company as having any title to the interest of the deceased joint Participating Shareholder in the Participating Shares registered in the names of such joint Participating Shareholders.

The Directors have power to impose such restrictions as they may think necessary for the purpose of ensuring that no Participating Shares are held by (a) any person in breach of the law or requirements of any country, any governmental or other regulatory authority or any stock exchange on which any of the Participating Shares may be listed or (b) any person or persons in circumstances which, in the opinion of the Directors, would or may result in the Company or the Shareholders suffering a legal, regulatory, tax pecuniary or material administrative disadvantage incurring any liability to taxation or suffering any other pecuniary disadvantage which the Company might not otherwise have incurred or suffered. A person who becomes aware that he is holding or owning Participating Shares in breach of any such restriction or holding Participating Shares on behalf of a person who is not a Qualified Holder is required either to deliver to the Company a written request for redemption of such Participating Shares in accordance with the Articles of Association or to transfer the same to a person who would not thereby be a non-qualified person. If it comes to the notice of the Directors that any Participating Shares are so held by a person who is not a Qualified Holder the Directors may give notice to such person requiring the redemption or transfer of such Participating Shares in accordance with the provisions of the Articles of Association.

Any proposed transferee of Participating Shares that is a United States Person may be required to provide such representations, warranties or documentation as are determined by the Directors to be necessary or desirable to ensure that any transfer does not result in the violation of United States securities laws.

Transfers of Participating Shares to any US Person who would not be a Permitted US Person may be rejected. Any transferee is required to furnish the same information which would be required in connection with a direct subscription. A transferor shall be deemed to remain the holder of the Participating Shares until the name of the transferee is entered on the Company's register. Violation of applicable ownership and transfer restrictions may result in compulsory redemption.

Neither Euroclear nor Clearstream in any way undertakes to, and neither Euroclear nor Clearstream shall have the responsibility to, monitor or ascertain the compliance of any transactions in the Participating Shares with any selling or ownership restrictions.

13. Alteration of the Articles of Association

The Articles of Association may at any time be altered, modified or revoked by Special Resolution of the Shareholders entitled vote.

GENERAL INFORMATION

1. Material Contracts

The following contracts (not being contracts in the ordinary course of business) have been entered into by the Company, the Master Fund or the Manager and are, or may be, material:-

- (a) an agreement dated 5 July 2005 between the Company and the Manager pursuant to which the Manager was appointed, subject to the overall supervision of the Directors, to manage the Company's investments and affairs;
- (b) an agreement dated 21 May 2002 between the Master Fund and the Manager pursuant to which the Manager was appointed, subject to the overall supervision of the directors of the Master Fund, to manage the Master Fund's investments and affairs;
- (c) an agreement dated 21 February 2009 between the Manager and the Investment Adviser, pursuant to which Enhanced Investment Products Limited was appointed to act as an investment adviser, to manage the assets of the Index Funds and to provide certain recommendations and investment advice to the Manager;
- (d) an agreement dated 21 May 2002 between the Manager and Enhanced Investment Products Limited, pursuant to which Enhanced Investment Products Limited was appointed to act as an investment adviser, to manage the assets of the E.I.P. Overlay Fund and to provide certain recommendations and investment advice to the Manager;
- (e) a letter dated 26 April 2012 between the Manager and the Investment Adviser, confirming the Manager and the Investment Adviser agreed that the Funds, which the Investment Adviser was appointed as an investment adviser to manage, include the Index Funds (excluding Enhanced Emerging Asia Index Fund);
- (f) an agreement effective on 1 August ~~23 January~~ 2013 between the Company, Master Fund and the Administrator, pursuant to which the

Administrator was appointed by the Company and the Master Fund to provide certain administration services to the Company;

- (g) an agreement dated 21 May 2002 between the Master Fund and the Prime Broker pursuant to which the Prime Broker was appointed to act as prime broker to the Master Fund for the E.I.P. Overlay Fund;
- (h) a Prime Brokerage Agreement, a Master Netting Agreement, a 2002 ISDA Master Agreement, a ISDA Credit Support Annex and a Master Confirmation for Equity Swap Transactions between the Master Fund and the Prime Broker pursuant to which the Prime Broker was appointed to act as prime broker to the Master Fund for Enhanced Malaysia Index Fund, Enhanced South Korea Index Fund, Enhanced Thailand Index Fund, Enhanced Indonesia Index Fund, Enhanced Philippines Index Fund and Enhanced Emerging Asia Index Fund;
- (i) an agreement dated 21 May 2002 between the Master Fund and the Custodian pursuant to which the Custodian was appointed to act as custodian of the assets of the Master Fund for the Enhanced Taiwan Index Fund;
- (j) two agreements dated 21 November 2003 between the Master Fund and the Custodian pursuant to which the Custodian was appointed to act as custodian of the assets of the Master Fund for the Enhanced China Index Fund and the Enhanced India Index Fund respectively; and
- (k) an agreement dated 28 June 2005 between the Master Fund and the Custodian pursuant to which the Custodian was appointed to act as custodian of the assets of the Master Fund for the Enhanced Malaysia Index Fund.

2. Inspection of Documents

Copies of the following documents are available for inspection free of charge upon the arrangement of a prior appointment at any time during normal business hours on any day (excluding Saturday, Sundays and public holidays) at the offices of the Administrator:-

- (a) this Placing Memorandum;

- (b) the Master Fund Placing Memorandum;
- (c) the Articles of Association of the Company;
- (d) the Constitution of the Master Fund;
- (e) the agreements referred to in paragraph 1 above; and
- (f) the most recent annual and (if available) interim financial statements of the Master Fund.

3. Litigation

The Company and the Master Fund are not engaged in any litigation or arbitration and no litigation or claim is known to the Directors to be pending or threatened by or against the Company or the Master Fund or in relation to the Class A Shares, the Class B Shares, the Class C Shares, the Class D Shares, the Class E Shares, the Class F Shares, the Class G Shares, the Class H Shares, the Class Y Shares or the Class Z Shares.

4. Directors' and Manager's Interests

There are no service contracts in existence between the Company and any of its Directors, nor are such contracts proposed.

Tobias Bland, ~~Howard Ho Yuen Ng~~[David Che Loon Lau](#) and Richard Ford are directors of the Manager, which will receive fees as disclosed elsewhere in this Placing Memorandum and in the Master Fund Placing Memorandum.

The Directors may be paid remuneration and certain travelling, hotel and other expenses as mentioned in paragraph 10(a) under "Articles of Association of the Company".

Since incorporation of the Company, no remuneration has been paid and no benefits in kind or loans have been granted to the Directors, and the Company has not provided any guarantee for the benefit of any Director. The Master Fund has paid remuneration to the Directors as directors of the Master Fund.

Save as disclosed elsewhere herein:

- (a) no Director 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 issued to, the Company;
- (b) no Director is materially interested in any contract or arrangement subsisting at the date hereof which is unusual in its nature or significant in relation to the business of the Company; and
- (c) no Director (nor any spouse or child under 18 of a Director nor any connected person of a Director) has any interest, direct or indirect, in the share capital of the Company. Such persons may acquire Participating Shares on the same terms as other investors. Tobias Bland holds shares in the Master Fund referable to the E.I.P. Aleph Fund and the E.I.P. Overlay Fund. The Manager is the holder of 100 Management Shares. The Directors and the Manager do not hold any options in respect of the Participating Shares or the Management Shares or in respect of any of the share capital of the Master Fund.

5. Disclosure of Interests

Save as may result from the entry by the Company into the agreements listed under "Material Contracts" above or any other fees, commissions or expenses discharged, reimbursed or paid as disclosed elsewhere in this Placing Memorandum, no amount or benefit has been paid or given or is intended to be paid or given to any promoter of the Company.

6. Conflicts of Interest

The Directors, the Administrator, the Sub-Administrator, the Manager, the Investment Adviser(s) and the Prime Broker may from time to time act as directors, administrator, registrar, secretary, transfer agent, manager, custodian, prime broker, investment manager or investment adviser or carry out other functions as may be required from time to time in relation to, or be otherwise involved in or with, other funds and clients which have similar investment objectives to those of the Funds. It is, therefore, possible that any of them may, in the course of business, have potential conflicts of interest with the Funds. Each will, at all times, have regard in such event to its obligations to the Funds and will endeavour to ensure that such conflicts are resolved fairly.

In addition, any of the foregoing may deal, as principal or agent, with the Company and the Master Fund provided that such dealings are carried out as if effected on normal commercial terms negotiated on an arm's length basis. Where the Manager is managing or advising other funds or accounts with similar investment policies to the Funds, it will ensure that appropriate investment opportunities are allocated on a fair and equitable basis between the Funds and such other funds or accounts.

The Manager may share with any other person (including, but not limited to, any investor or any person introducing investors) any fees and other benefits to which it may be entitled from the Company and/or the Master Fund (as the case may be). The Manager and any person connected with it, including any employee of the Manager or its associated companies, may invest in the Company, and the Manager may allow to any such person a reduction in the initial charge and/or a rebate of any fee to which the Manager may be entitled from the Company and/or the Master Fund (as the case may be).

7. Change in Service Providers

The Company shall immediately notify the Cayman Islands Stock Exchange of any changes to the service providers to the Enhanced Taiwan Index Fund, Enhanced China Index Fund, Enhanced India Index Fund, Enhanced Malaysia Index Fund, Enhanced South Korea Index Fund, Enhanced Thailand Index Fund, Enhanced Indonesia Index Fund, Enhanced Philippines Index Fund, Enhanced Emerging Asia Index Fund or in the auditors of the Company.

8. Miscellaneous

- (a) No dividends have been declared as at the date of this Placing Memorandum.
- (b) To the best of the knowledge and belief of the Directors, as at the date of this Placing Memorandum no person or persons, jointly or severally, exercise or could exercise, directly or indirectly, control over the Company.
- (c) The Directors do not currently intend to seek a listing of Participating Shares on any stock exchange other than the Cayman Islands Stock Exchange. This Placing Memorandum may be amended and updated as required by the Cayman Islands Stock Exchange in connection with the listing of the Index Fund Shares without prior investor consent.

APPENDIX A
SUBSCRIPTION AGREEMENT

APPLICATION FORM

ENHANCED INDEX FUNDS (CAYMAN) LIMITED

To: Citco Fund Services (Singapore) Pte.Ltd.
10 Changi Business Park Central 2
05-01 Hansapoint @ CBP
Singapore 486030

Attention: Investor Relations Group
Email: SngCfsOrders@citco.com
Facsimile: (65) 6571 1032

Please email any queries to SingaporeIRGroup@citco.com.

with a copy to: Enhanced Investment Products Limited
337 New Henry House
10 Ice House Street
Central
Hong Kong
Email: eipoperations@eip.com.hk
Facsimile: (852) 2119 8089

This Subscription Agreement relates to the private offering of participating shares ("Participating Shares") in Enhanced Index Funds (Cayman) Limited (the "Company") as described in the private placing memorandum and supplementary offering memorandum prepared in relation to a new Class of Participating Shares, if any, (together, the "Placing Memorandum") of the Company. Please refer to the latest Placing Memorandum for complete details of the Fund. Capitalised terms not otherwise defined herein shall have the same meaning as in the Placing Memorandum.

Subscription Application

I/We hereby apply to purchase non-voting participating shares ("Participating Shares") of the Company referable to the following Funds of the Master Fund:-

	<u>Subscription Amount</u>
Class A (Enhanced Taiwan Index Fund)	US\$ _____
Class B (Enhanced China Index Fund)	US\$ _____
Class C (Enhanced India Index Fund)	US\$ _____
Class D (Enhanced Malaysia Index Fund)	US\$ _____
Class E (Enhanced South Korea Index Fund)	US\$ _____
Class F (Enhanced Thailand Index Fund)	US\$ _____
Class G (Enhanced Indonesia Index Fund)	US\$ _____
Class H (Enhanced Philippines Index Fund)	US\$ _____
Class Y (Enhanced Emerging Asia Index Fund)	US\$ _____
Class Z (E.I.P. Overlay Fund)	US\$ _____

Note: the minimum investment in the E.I.P. Overlay Fund is US\$150,000 or its equivalent (inclusive of any initial charge), the minimum investment in an Index Fund is US\$1 million or its equivalent (inclusive of any initial charge) and the minimum addition to any existing holding of an Index Fund or the E.I.P. Overlay Fund is US\$50,000 or its equivalent (inclusive of any initial charge) or in each case, such other amount as determined by the Directors in their discretion.

PAYMENT DETAILS:

I/We have instructed/undertake to instruct my/our bank _____
(State name of bank and branch)
to remit by telegraphic transfer for value (net of all bank charges) by
_____ US\$ _____
(State value date) (State amount)

For the Class A Shares (to be invested in the Enhanced Taiwan Index Fund)

Intermediary Bank: *Swift Field 56*

To: HSBC Bank
 452 Fifth Avenue
 New York
 NY 10018 USA

BIC: MRMDUS33

Fed Wire: 021001088

Account with institution: *Swift Field 57*

Account Name: Citco Bank Nederland N.V. Dublin Branch

A/C#: 000306487

BIC: CITCIE2D

Beneficiary Customer: *Swift Field 59*

Beneficiary Account Name: Enhanced Index Funds (Cayman) Ltd. Class A Shares

Beneficiary IBAN: IE45CITC00000021179401

Beneficiary A/c Number: 0052-211794-001

Reference: [Shareholder Name]

For the Class B Shares (to be invested in the Enhanced China Index Fund)

Intermediary Bank: Swift Field 56

To: HSBC Bank
 452 Fifth Avenue
 New York
 NY 10018 USA

BIC: MRMDUS33

Fed Wire: 021001088

Account with institution: Swift Field 57

Account Name: Citco Bank Nederland N.V. Dublin Branch

A/C#: 000306487

BIC: CITCIE2D

Beneficiary Customer: Swift Field 59

Beneficiary Account Name: Enhanced Index Funds (Cayman) Ltd. Class B Shares

Beneficiary IBAN: IE61CITC00000021179501

Beneficiary A/c Number: 0052-211795-001

Reference: [Shareholder Name]

For the Class C Shares (to be invested in the Enhanced India Index Fund)

Intermediary Bank: *Swift Field 56*

To: HSBC Bank
 452 Fifth Avenue
 New York
 NY 10018 USA

BIC: MRMDUS33

Fed Wire: 021001088

Account with institution: *Swift Field 57*

Account Name: Citco Bank Nederland N.V. Dublin Branch

A/C#: 000306487

BIC: CITCIE2D

Beneficiary Customer: *Swift Field 59*

Beneficiary Account Name: Enhanced Index Funds (Cayman) Ltd. Class C Shares

Beneficiary IBAN: IE77CITC00000021179601

Beneficiary A/c Number: 0052-211796-001

Reference: [Shareholder Name]

For the Class D Shares (to be invested in the Enhanced Malaysia Index Fund)

Intermediary Bank: *Swift Field 56*

To: HSBC Bank
452 Fifth Avenue
New York
NY 10018 USA

BIC: MRMDUS33

Fed Wire: 021001088

Account with institution: *Swift Field 57*

Account Name: Citco Bank Nederland N.V. Dublin Branch

A/C#: 000306487

BIC: CITCIE2D

Beneficiary Customer: *Swift Field 59*

Beneficiary Account Name: Enhanced Index Funds (Cayman) Ltd. Class D Shares

Beneficiary IBAN: IE93CITC00000021179701

Beneficiary A/c Number: 0052-211797-001

Reference: [Shareholder Name]

For the Class E Shares (to be invested in the Enhanced South Korea Index Fund)

Intermediary Bank: *Swift Field 56*

To: HSBC Bank
452 Fifth Avenue
New York
NY 10018 USA

BIC: MRMDUS33

Fed Wire: 021001088

Account with institution: *Swift Field 57*

Account Name: Citco Bank Nederland N.V. Dublin Branch

A/C#: 000306487

BIC: CITCIE2D

Beneficiary Customer: *Swift Field 59*

Beneficiary Account Name: Enhanced Index Funds (Cayman) Ltd. Class E Shares

Beneficiary IBAN : IE56CITC00000021522001

Beneficiary A/c Number : 0052-215220-001

Reference: [Shareholder Name]

For the Class F Shares (to be invested in the Enhanced Thailand Index Fund)

Intermediary Bank: Swift Field 56

To: HSBC Bank
452 Fifth Avenue
New York
NY 10018 USA

BIC: MRMDUS33

Fed Wire: 021001088

Account with institution: Swift Field 57

Account Name: Citco Bank Nederland N.V. Dublin Branch

A/C#: 000306487

BIC: CITCIE2D

Beneficiary Customer: Swift Field 59

Beneficiary Account Name: Enhanced Index Funds (Cayman) Ltd. Class F Shares

Beneficiary IBAN: IE72CITC00000021522101

Beneficiary A/c Number: 0052-215221-001

Reference: [Shareholder Name]

For the Class G Shares (to be invested in the Enhanced Indonesia Index Fund)

Intermediary Bank: Swift Field 56

To: HSBC Bank
452 Fifth Avenue
New York
NY 10018 USA

BIC: MRMDUS33

Fed Wire: 021001088

Account with institution: Swift Field 57

Account Name: Citco Bank Nederland N.V. Dublin Branch

A/C#: 000306487

BIC: CITCIE2D

Beneficiary Customer: Swift Field 59

Beneficiary Account Name: Enhanced Index Funds (Cayman) Ltd. Class G Shares

Beneficiary IBAN: IE88CITC00000021522201

Beneficiary A/c Number: 0052-215222-001

Reference: [Shareholder Name]

For the Class H Shares (to be invested in the Enhanced Philippines Index Fund)

Intermediary Bank: Swift Field 56

To: HSBC Bank
452 Fifth Avenue
New York
NY 10018 USA

BIC: MRMDUS33

Fed Wire: 021001088

Account with institution: Swift Field 57

Account Name: Citco Bank Nederland N.V. Dublin Branch

A/C#: 000306487

BIC: CITCIE2D

Beneficiary Customer: Swift Field 59

Beneficiary Account Name: Enhanced Index Funds (Cayman) Ltd. Class H Shares

Beneficiary IBAN: IE07CITC00000021522301

Beneficiary A/c Number: 0052-215223-001

Reference: [Shareholder Name]

For the Class Y Shares (to be invested in the Enhanced Emerging Asia Index Fund)

Intermediary Bank: Swift Field 56

To: HSBC Bank
452 Fifth Avenue
New York
NY 10018 USA

BIC: MRMDUS33

Fed Wire: 021001088

Account with institution: Swift Field 57

Account Name: Citco Bank Nederland N.V. Dublin Branch

A/C#: 000306487

BIC: CITCIE2D

Beneficiary Customer: Swift Field 59

Beneficiary Account Name: Enhanced Index Funds (Cayman) Ltd. Class Y Shares

Beneficiary IBAN: IE23CITC00000021522401

Beneficiary A/c Number: 0052-215224-001

Reference: [Shareholder Name]

For Class Z Shares (to be invested in the E.I.P. Overlay Fund)

Intermediary Bank: Swift Field 56

To: HSBC Bank
452 Fifth Avenue
New York
NY 10018 USA

BIC: MRMDUS33

Fed Wire: 021001088

Account with institution: Swift Field 57

Account Name: Citco Bank Nederland N.V. Dublin Branch

A/C#: 000306487

BIC: CITCIE2D

Beneficiary Customer: Swift Field 59

Beneficiary Account Name : Enhanced Index Funds (Cayman) Ltd. Class Z Shares

Beneficiary IBAN: IE12CITC00000021179801

Beneficiary A/c Number: 0052-211798-001

Reference: [Shareholder Name]

The remitter should instruct the remitting bank to send a SWIFT advice (format MT103) to the Sub-Administrator advising details of remittance, including the name of subscriber(s) and the Fund(s) to which the investment relates, for ease of identification.

Prospective Participating Shareholders will not be accepted into the Company until the Sub-Administrator is satisfied that cleared funds have been received.

The Company reserves the right to reject any subscription for Participating Shares in whole or in part, in which event the application money or any balance will be returned by post or to the account from which it was received at the risk of the subscriber. Any interest earned on such sums will accrue to the Company.

All subscription moneys must originate from an account held in the name of the subscriber. No third party payments shall be permitted.

Note: For cleared funds to be received in Dublin prior to 4:00 p.m. (Singapore time) on the Business Day prior to the relevant Subscription Day, payment must be made for value on the Business Day in Dublin preceding the relevant payment day in Singapore on which payment in cleared funds is due.

NOTES

KNOW YOUR CUSTOMER PROCEDURES AND DOCUMENTATION

In light of changes to the global financial environment, particularly concerning the prevention of laundering of monies derived from criminal activities or connected to terrorist financing, we are required to obtain relevant due diligence information in relation to clients with whom we have or will have an on-going business relationship. In addition, as you may be aware, all member countries of the Financial Action Task Force have been asked to do their utmost to detect and prevent the misuse of the world financial system.

1. ADDRESS VERIFICATION:

In order to comply with applicable Anti-Money Laundering Legislation, we must verify the address supplied by the investor in the Subscription Agreement. To prevent unnecessary delays, we kindly request you to enclose documents that will confirm your address, with your Subscription Agreement.

For **individual investors**, we are required to verify the residential address. This could be by means of provision of an original utility bill or copy of it duly certified as a true copy as per the below requirements showing the name and address, or any of the other examples mentioned under 4(a)(ii).

For **legal entities**, we require verification of the registered address. This could be by means of (depending on the jurisdiction): certificate of good standing which includes the address; excerpt from the Chamber of Commerce; receipt of payment of license or registration fee (not more than 6 weeks old); or any other document issued by an independent third party that contains both name and registered office address of the legal entity.

2. SIGNATURE VERIFICATION - EVIDENCE OF AUTHORITY:

In order to verify the signature(s) on the subscription agreement, as well as the authority for all future requests relating to the investment, please provide a list of authorized signatories together with their specimen signatures or for individual investors, a certified copy of your current passport/driver's license/national identity card

3. WIRE INFORMATION:

(a) In the space provided below, please provide details of **where the monies were transferred from** to the Fund in relation to your subscription for shares in the Fund

SPACE INTENTIONALLY LEFT BLANK

Name, address and account number of bank account from which the subscription funds will be wired.¹

Bank Name

City and Country

Account Name

Account Number

Investor's Name

Please note that in cases where the Account Name is not the same as the Investor Name above, documentary information must be provided detailing the reason for, and background to, such a “third party” payment request. **Please note that supporting documentation on the relationship between the third party and the Investor should be provided within three business days of receipt of the funds.** Should this not be to the satisfaction of the Administrator, the funds will be returned to the remitting party.

Additionally, as part of our compliance with Anti-Money Laundering Legislation, we may require detailed verification of the Investor’s identity and the source of the payment of the subscription amount. If your bank is unable to wire the funds as per the specifications mentioned, we will request your bank to confirm to us in writing that the funds were wired from a bank account held with them in the name of the Investor. We reserve the right to request such information as is necessary to verify the identity of any Investor.

(b) If subscription monies were transferred/wired to the Fund from a country that is not on the "Approved Jurisdictions List" (see below) please provide documentation to the Fund Administrator as listed under 4.

¹ **IMPORTANT NOTICE:** Due to international banking laws, your bank **MUST** send a SWIFT MT103 message and complete field 50 (“Ordering Customer”) and field 52D (“Ordering Institution”) on subscription wires. **Your transaction may be delayed or rejected if this information is not provided.**

(all documentation should be in English or translated into English and be duly certified as per the below requirements).

Approved Jurisdictions:

1. Countries of the European Community:

- ◆ Austria ◆ France ◆ Luxembourg ◆ Sweden
- ◆ Belgium ◆ Germany ◆ Netherlands ◆ United Kingdom
- ◆ Denmark ◆ Ireland ◆ Portugal
- ◆ Finland ◆ Italy ◆ Spain

- 2. Australia 5. Channel Islands 9. Japan 13. Switzerland
- 6. Hong Kong 10. New Zealand
- 3. Canada 7. Iceland 11. Norway 14. United States of America
- 4. Cayman Islands 8. Isle of Man 12. Singapore

4. KNOW YOUR CUSTOMER DOCUMENTATION:

Wherever reference is made to certified copies, please note that certification of passports/driver’s licenses/national identity cards, address verification documents and any other copy documents to be provided, should be certified by a suitable person. Suitable persons include:

- Police Officers;
- Chartered & Certified Public Accountants;
- Notaries Public/Practicing Attorneys/Solicitors/Lawyers/Commissioners for Oaths;
- Embassy/Consular staff;
- Officers of Financial Institutions in Approved Jurisdictions²; or
- A Citco officer or employee who has signing authority for the relevant Citco Company.

The certifier should sign the copy (printing his/her name underneath) and clearly indicate his/her position or capacity, and include a contact address and phone number. The certifier must indicate that the document is a true copy of the original, and for copies of passports/driver’s licenses/national identity cards, include wording which confirms that *"the individual whose identity is represented in the passport/driver’s license/national identity card has appeared personally before the party providing the certification on the date of certification, that the*

² **Approved jurisdictions:**
Countries of the European Community: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, Sweden, United Kingdom; and Australia; Bermuda; Canada; Cayman Islands; Channel Islands; Hong Kong; Iceland; Isle of Man; Japan; New Zealand; Norway; Singapore; Turkey; Switzerland; United States of America.

attached document is a true copy of the original and that the picture thereon is a good likeness of the holder".

Please also note that the copy should be clear and legible.

The following documentary requirements must be satisfied within two weeks of receipt of this request

(a) **Individual Investors**

Where the Investor is an individual, the following information and documentation with respect to that individual should be provided:

(i) **Personal Identity**

A *certified* true copy of the Investor's current valid passport(s)/driver's license/national identity card displaying the true name, signature, date of birth and photograph of the Investor. The name of the Investor provided in the Subscription Agreement must match the name of the Investor on the certified true copy passport, driver's license or national identity card. See above regarding certification of identity documents.

(ii) **Address Verification**

Verification of the residence address of the Investor. Examples of documents which are acceptable to verify the address of an individual are originals or certified true copies of any **ONE** of the following:

- utility bill (electricity, gas, telephone, mobile telephone, etc.)
- bank, building society or other financial institution statement;
- notice of determination for tax credit;
- household/motor insurance certificates;

(b) **Limited Partnerships ("LPs") or Limited Liability Companies ("LLCs")**

Where the Investor is an LP or LLC, the following information and documents with respect to that LP or LLC should be provided:

- a certified true copy of the partnership agreement or limited liability company operating agreement;

- a mandate from the LP or LLC authorizing the establishment of the relationship (either generally or specific to the relevant fund) and conferring authority on those who issue instructions (e.g. authorized signatory list);
- the identity of the general partner/managing member or authorized signatories of those authorized to issue instructions for the LP/LLC. Where the general partner or managing member is an entity, then the entity has to be identified in accordance with the requirement set forth in this document (depending on what type of entity is involved), and also the individual(s) acting for such entity;
- verification of registered address – this should be included in the partnership agreement or limited liability company operating agreement, if not, further verification of the registered address should be provided for example an extract from a public registry or other appropriate document.

(c) **Corporate Entities**

(i) **Listed Corporations**

Where the Investor is a corporation and the corporation:

- ◇ is quoted on a stock exchange in an Approved Jurisdiction; or
- ◇ is known to be the subsidiary of such a quoted company; or
- ◇ is regulated by a regulator in an Approved Jurisdiction,

the following information and documents are required:

- evidence that the corporation is so quoted, is the subsidiary of a corporation so quoted, or is regulated (e.g. a Bloomberg or search of the list of corporations listed on the relevant Stock Exchange);
- a list of directors' names;
- an authorized signatory list which must include the name(s) and specimen signature(s) of the person(s) who have signing authority;

(ii) **Private Corporations**

Where the Investor is a private corporation, the following information and documents are required:

- certified true copy of the certificate of incorporation or similar document;
- a list of directors' names;
- an authorized signatory list including the name(s) and specimen signature(s) of the person(s) who have signing authority;
- the identity of all directors, independently verified in accordance with paragraph 4(a) above (i.e. the Personal Identity and Address Verification of all directors)

Note:

- if the private corporation has a corporate director, then such entity has to be identified in accordance with the requirements set forth in this document and the Personal Identities and Address Verification of all directors (i.e. being individuals) of that corporate director must be provided.
- a list of names and addresses of shareholders holding 10% or more of the issued share capital of the private corporation, and in the case of individual shareholders, their occupations and dates of birth;
- where a significant shareholder (owning 25% or more of the issued share capital of the Investor) is a body corporate and particularly where it concerns a nominee or "front" company, information regarding the ultimate beneficial ownership of that particular company must be provided. Where the ultimate beneficial owner(s) is/are individual(s), documentation concerning the Personal Identity and Address Verification with respect to the individual(s) in accordance with paragraph 4(a) is required.

(iii) **Investment Fund**

Where the Investor is an Investment Fund, the following information and documents are required:

- certified true copy of the certificate of incorporation or similar document;
- a list of directors' names;
- an authorized signatory list;
- the identity of all directors, independently verified in accordance with paragraph 4(a) above (i.e. the Personal Identity and Address Verification of all directors);
- Written confirmation by the administrator of the fund that 1. no shareholders own more than 10% of the issued capital; 2. the administrator has anti-money laundering policies and procedures in place reasonably designed to verify the identity of its shareholders and their sources of funds. This letter should also include information concerning the regulatory oversight under which the administrator operates and the legislation that is applied to their KYC/AML procedures.

(d) **Trusts**

(i) **Where the trustee is a Financial Institution in an Approved Jurisdiction, a subsidiary thereof, or a trust company which is licensed and regulated in an Approved Jurisdiction,**

the following information and documents should be provided:

- purpose of the trust;
- name of the trustee;
- documentary evidence showing that the trustee is a ***Financial Institution in an Approved Jurisdiction***, subsidiary thereof or licensed trust company in an Approved Jurisdiction.

(ii) **Where the trustee is an entity but not a Financial Institution in an Approved Jurisdiction, a subsidiary thereof, or a trust company which is licensed and regulated in an Approved Jurisdiction,**

the following information and documents should be provided:

- full name, occupation, business and/or residential address and, where available, telephone and facsimile numbers of the settlor (if no settlor is named in the trust deed or declaration of trust, then the identity of the person(s) who established the trust should be obtained);
- purpose of the trust;
- name of the trustee;
- a copy of the trustee's license (or equivalent);
- a list of directors of the trustee;
- the identity of all directors of the trustee independently verified in accordance with paragraph 4(a) above (i.e. the Personal Identity and Address Verification of the directors);
- an authorized signature list;
- a certified true copy of the Trust Deed.

(iii) **Where the trustee is one or more individuals,**

the following information and documents should be provided:

- full name, occupation, business and/or residential address and, where available, telephone and facsimile numbers of the settlor (if no settlor is named in the trust deed or declaration of trust, then the identity of the person(s) who ultimately established the trust should be obtained)
- purpose of the trust;
- name(s) of the trustee(s);
- the identity of the trustee(s) independently verified in accordance with paragraph 4(a) above (i.e. the Personal Identity and Address Verification of the trustee(s));
- a certified true copy of the Trust Deed.

(e) **Private Foundations**

Where the Investor is a private endowment or foundation (as opposed to, for example, a University or other educational establishment or foundation), the following information and documents should be provided:

- full name, occupation, business and/or residential address and, where available, telephone and facsimile numbers of the founder of the foundation;
- the Personal Identity and Address Verification of the founder (in accordance with paragraph 4(a) above);
- a certified true copy of the certificate of incorporation or similar document;
- a list of directors' names;
- an authorized signatory list which must include the name(s) and specimen signature(s) of the person(s) who signed the relevant Subscription Agreement or redemption request;
- the identity of all directors, independently verified in accordance with paragraph 4(a) above (i.e. the Personal Identity and Address Verification of the directors);

Note:

- if the private endowment or foundation has a corporate director, then such entity has to be identified in accordance with the requirements set forth in this document and the Personal Identities and Address Verification of all the directors (i.e. being individuals) of that corporate director must be provided.

(f) **Financial Institutions in Non-Approved Jurisdictions**

Where the Investor is a Financial Institution in a country that is not on the list of Approved Jurisdictions, and its ultimate parent company is not established in an Approved Jurisdiction, documentation as stipulated above for Corporate Entities under 4(c) must be provided.

Where the Investor is a Financial Institution in a country that is not on the list of Approved Jurisdictions, but its ultimate parent company **is** established in an Approved Jurisdiction, please have the ultimate parent company confirm to us in writing that, without exception, the institution applies substantially similar requirements for identifying customers as the ultimate parent company.

If you have any questions please do not hesitate to contact the Sub-Administrator's Compliance Department at +65 6571 1000.

REGISTRATION DETAILS:

A.

SINGLE APPLICANT

Name _____
(in full)

Address _____

(No P.O. Box for registration purposes)

I.D./Passport No: _____

Social Security Number or Taxpayer I.D. (U.S. investors): _____

Nationality: _____

Date of Birth: _____

Telephone No: _____

Fax No: _____

JOINT APPLICANTS

Name _____
(in full)

Address _____

(Only the first-named applicant's address will be used for registration purposes)
(No P.O. Box for registration purposes)

I.D./Passport No: _____

Social Security Number or Taxpayer I.D. (U.S. investors): _____

Nationality: _____

Date of Birth: _____

Telephone No.: _____

Fax No: _____

INSTRUCTIONS OF JOINT HOLDERS:

In the case of a joint application, until further notice in writing, the Company, the Manager, the Administrator and the Sub-Administrator and each of their subsidiaries, affiliates, directors and other officers, shareholders, servants, employees, agents and permitted delegates and sub-delegates ("**Administrator Affiliates**") are authorised to rely upon and act in accordance with the instructions, communications and requests and to deal with instruments purporting to be made, drawn, accepted, endorsed or given by courier, post or facsimile from:

- any of the joint holders (the joint holders hereby undertake that any instructions, communications, requests and instruments purporting to be made, drawn, accepted, endorsed or given by any one joint holder is binding on each joint holder); * or
- all of the joint holders. *

* Tick whichever box is applicable. Where no indication is made, all of the joint holders will be required to sign any instructions.

B. US SUBSCRIBERS ONLY – If you are not a US Subscriber, proceed to “B.B”
SUBSCRIBER QUALIFICATION AND INFORMATION:-

1. Each US Subscriber to the Company is requested to furnish the following information. Information is to be given with respect to the person or entity intended to be the actual beneficial owner of an interest in the Company, not as to any agent, custodian, nominee or trustee for the beneficial owner. (In the case of an IRA or a Keogh Plan, please answer on behalf of the beneficiary of the IRA or the Keogh Plan directing the investment.)

(a) **Accredited Investor.** Each Subscriber must indicate whether he qualifies as an “accredited investor” as defined in Regulation D under the Securities Act of 1933 pursuant to at least one of the following tests. Please check all that apply.

- Natural Person.** The Subscriber is a *natural person* who either:
- has individual net worth, or joint net worth with that person’s spouse, at the time of his or her purchase in excess of \$1 million; or
 - had individual income in excess of \$200,000 in each of the last two calendar years, or joint income with that person’s spouse in excess of \$300,000 in each of those years, and has a reasonable expectation of reaching the same income level in this calendar year.
- Entity.** The Subscriber is an *entity* with total assets at the time of purchase in excess of \$5 million, which was not formed for the purpose of investing in the Company and which is one of the following:
- a corporation; or
 - a partnership; or
 - a business trust; or
 - a tax-exempt organisation described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended.
- Personal Trust.** The Subscriber is a personal (non-business) *trust* with total assets in excess of \$5 million which was not formed for the purpose of investing in the Company and whose decision to invest in the Company has been directed by a person who has such knowledge and experience in

financial and business matters that he is capable of evaluating the merits and risks of the investment.

- Revocable Trust.** The Subscriber is a personal (non-business) *revocable trust* and each settlor or other person who has contributed assets to the trust was an accredited investor. Please provide a list of all settlors (or other persons) who have contributed assets to the trust.
 - Employee Benefit Plan.** The Subscriber is an *employee benefit plan* within the meaning of Title I of the Employee Retirement Income Security Act of 1974 which satisfies at least one of the following conditions:
 - it has total assets in excess of \$5 million; or
 - the investment decision is being made by a plan fiduciary which is a bank, savings and loan association, insurance company or registered investment adviser; or
 - it is a self-directed plan (i.e., a tax-qualified defined contribution plan in which a participant may exercise control over the investment of assets credited to his or her account) and the decision to invest is made by those participants investing, and each such participant qualifies as an accredited investor.
 - State Employee Benefit Plan.** The Subscriber is an *employee benefit plan* established and maintained by a state, its political subdivisions or any agency or instrumentality of a state or its political subdivisions, which has total assets in excess of \$5 million.
 - Bank, Insurance Company or SBIC.** The Subscriber is licensed, or subject to supervision, by US Federal or state examining authorities as a “bank”, “savings and loan association”, “insurance company”, or “small business investment company” (as such terms are used and defined in 17 CFR §230.501(a)) or is an account for which a bank or savings and loan association is subscribing in a fiduciary capacity and over which such fiduciary exercises investment discretion.
 - Registered Broker, Dealer, Investment Company or BDC.** The Subscriber is registered with the United States Securities and Exchange Commission as a broker or dealer or an investment company; or has elected to be treated or qualifies as a “business development company” (within the meaning of Section 2(a)(48) of the Investment Company Act of 1940 or Section 202(a)(22) of the Investment Adviser Act of 1940).
 - Other.** The Subscriber is an entity in which *all* of the equity owners are *accredited investors* described above.
- (b) **Qualified Purchaser.** Each Subscriber may also be required to qualify as a “qualified purchaser” under Section 2(a)(51) of the Investment Company Act of 1940. (Please check any that apply)

- The Subscriber is a **natural person** with not less than \$5 million in investments³.
- The Subscriber is an **entity** with not less than \$5 million in investments and is owned directly or indirectly by or for two or more natural persons who are related as siblings or spouse (including former spouses), or direct lineal descendants by birth or adoption, spouses of such persons, the estates of such persons, or foundations, charitable organisations, or trusts established by or for the benefit of such persons.
- The Subscriber is a **trust** not formed for the specific purpose of acquiring interests in the Company, as to which the trustee or other person authorised to make decisions with respect to the trust, and each settlor or other person who has contributed assets to the trust, is a person described in this Section 2(b).
- The Subscriber is a **person or entity** acting for its own account or the accounts of other persons described in the preceding paragraphs of this Section 2(b), who in the aggregate owns and invests on a discretionary basis, not less than \$25 million in investments.
- The Subscriber is a **qualified institutional buyer** (“QIB”), as defined in Rule 144A under the Securities Act of 1933, provided that the following criteria are met: (a) if the QIB is a dealer, the dealer must own and invest on a discretionary basis at least \$25 million of QIB securities; and (b) if the QIB is a self-directed employee benefit plan, the employees in the plan must meet one of the above criteria for “qualified purchasers”.
- The Subscriber is currently employed by the Manager or an affiliate of the Manager (other than an employee performing solely clerical, secretarial or administrative functions) and, in connection with his or her regular functions and duties, participates in the investment activities of the Company or other investment companies managed by the Manager or an affiliate of the Manager, provided that the Subscriber has performed the same or substantially similar functions or duties for or on behalf of the Manager or another person for at least 12 months.
- All of the beneficial owners of securities of the Subscribers are “qualified purchasers” as described in this Section 2(b).

2. Supplemental Data for Entities

- (a) Legal form of entity: _____
- (b) Jurisdiction of organisation: _____
- (c) Year of organisation: _____

³ “Investments” includes each of the following if held for investment purposes: securities, commodities, currencies, real estate, cash and cash equivalents.

- (d) Was the Subscriber organised primarily for the purpose of acquiring the interests in the Company?
- Yes No
- (e) Do individual investors or participants in the Subscriber have any right to decide whether or not to participate in this investment?
- Yes No
- (f) Is the Subscriber acting as agent, customer, nominee, trustee, partner or otherwise on behalf of, for the account of or jointly with any other person or entity?
- Yes No
- (g) ***Investment Funds.*** Please answer “Yes” if all of the following statements are true: The Subscriber is not an investment company or “excepted investment company” as defined in the Investment Company Act, is not registered under the Investment Company Act, is not engaged, and does not hold itself out as being engaged, primarily in the business of investing, reinvesting or trading in securities, does not own or propose to acquire investment securities (as defined in the Investment Company Act) having a value exceeding 40% of the value of the Subscriber’s total assets (exclusive of securities issued or guaranteed by the US government or on its authority and cash items) on an unconsolidated basis, and does not propose to engage in any such activity?
- Yes No
- (h) *If the Subscriber is an entity engaged primarily in investing or trading securities:*
- (A) Does the amount of the Subscriber’s subscription to the Company exceed 40% of the value of the Subscriber’s total assets?
- Yes No
- (B) State whether *each* of the shareholders, partners or other holders of equity or beneficial interests in the Subscriber:
- (i) either has a net worth of at least \$1.5 million or invested at least \$750,000 in the Subscriber:
- Yes No
- (ii) is a natural person or is an entity which is not engaged primarily in investing or trading in securities.
- Yes No
- (i) If the Subscriber is an investment entity, please indicate the capacity in which the investment adviser, sponsor or general partner of the Subscriber is registered with the CFTC or the exemption from registration on which it is relying:
- _____.

B.B BENEFIT PLAN INVESTOR QUESTIONNAIRE

I. The Subscriber represents that it is (please check all applicable boxes):

A. **not** a Benefit Plan Investor*(**Code: NBPI**); or

* A “Benefit Plan Investor” is (i) any plan subject to Title I of ERISA (e.g., U.S. corporate plans), (ii) any plan subject to Section 4975 of the Code (e.g., IRAs) and (iii) any passive investment fund whose underlying assets include “plan assets” (generally because plans (described in (i) or (ii)) own 25% or more of a class of the investment fund’s equity interests). Any entity that is a Benefit Plan Investor by virtue of (iii) above should check I-B.3 below.

B. a Benefit Plan Investor that is:

1. An employee benefit plan or trust that is subject to the provisions of ERISA – this includes U.S. pension plans and U.S. profit-sharing and 401(k) plans, “Multiemployer Plans” and “Taft-Hartley Plans” but does not include U.S. governmental plans, certain church plans and non-U.S. employee pension and welfare benefit plans (**Code: ERISA**);

2. A U.S. individual retirement account, Keogh Plan and/or other plan subject to Section 4975 of the Internal Revenue Code of 1986, as amended(“IRC”) (**Code: E-IRC**);

3. An entity (e.g. a fund of funds) whose underlying assets include “plan assets” by reason of a plan’s investment in the entity and such plan investors include (1) one or more U.S. pension benefit plans, welfare benefit plans or similar plans subject to ERISA and/or (2) one or more individual retirement accounts, Keogh plans or other individual arrangement subject to Section 4975(e)(1) of the IRC (including by reason of 25% or more of any class of equity interests in the entity being held by Benefit Plan Investors that include any plan described above) (**Code: E-25%+**).

If the Subscriber is an entity whose underlying assets include “plan assets,” indicate that the percentage of such assets that constitute “plan assets” within the meaning of ERISA or the IRC is not more than (please check an applicable box):

10% ** 20% ** 30% 40% 50%
 60% 70% 80% 90% 100%

**Applicable to entities with multiple classes, one of which exceeds the 25% threshold for Benefit Plan Investors.

The Subscriber agrees to promptly notify the Administrator in writing if there is a change in the percentage as set forth above and at such time or times as the Manager and/or Administrator may request.

II Insurance Company

If the Subscriber is an insurance company, please certify to either 1 or 2 below:

1. The Subscriber is an insurance company investing the assets of its general account (or the assets of a wholly owned subsidiary of its general account) in the Company but none of

3. I/We acknowledge that this application is made at a price determined in accordance with the Articles of Association and that the Manager reserves the right to reject any application in whole or in part.
4. I/We declare that I am/we are of full legal age and capacity.
5. I/We acknowledge that, due to money laundering requirements operating within its jurisdiction and/or the requirements of the Money Laundering Regulations (as amended) of the Cayman Islands and the Guidance Notes issued pursuant thereto, the Administrator or Sub-Administrator may require further identification of the applicant(s) before the application can be processed and the Administrator and Sub-Administrator shall be held harmless and indemnified against any loss arising as a result of a failure to process the application if such information has been requested by the Administrator and has not been provided by me/us.
6. In consideration of the Sub-Administrator processing this Subscription Agreement and the Company making a provisional allotment of Participating Shares, I/we hereby agree to indemnify and hold harmless the Company, the Administrator, the Sub-Administrator, the Administrator Affiliates, the Directors of the Company and the Manager against any loss, costs or expenses incurred by it or them as a result of my/our failure to pay the required subscription monies for the application of Participating Shares within the time required by the Sub-Administrator.
7. I/We confirm that I/we am/are a Qualified Holder (as such term is defined in the Placing Memorandum) and am/are not acquiring Participating Shares on behalf of, nor for the benefit of, a person who is not a Qualified Holder nor do I/we intend selling or transferring any Participating Shares which I/we may purchase to any person who is not a Qualified Holder.
8. I/We warrant that: (a) I/We (or an advisor or consultant not affiliated with the Company or any of the parties providing services to the Company upon whom I/We have relied in reaching a decision to subscribe) has such knowledge and experience in financial, tax and business matters as to enable me/us (or such advisor or consultant) to evaluate the merits and risks of an investment in the Participating Shares; (b) I am/we are aware of the risks inherent in investing in the Participating Shares and the method by which the assets of the Company are held and/or traded, and in

particular, of the risks inherent in investing in a closed-ended fund as defined in the Listing Rules of the Cayman Islands Stock Exchange; (c) I/we can bear the risk of loss of my/our entire investment; and (d) I am/we are a qualified investor for the purposes of the Listing Rules of the Cayman Islands Stock Exchange.

9. I/We warrant that I am/we are able to acquire Participating Shares without violating applicable laws.
10. I/We hereby accept such lesser number of Participating Shares, if any, than may be specified above in respect of which this application may be accepted.
11. I/We, having received and considered a copy of the Placing Memorandum, hereby confirm that this application is based solely on the Placing Memorandum and any supplemental Placing Memorandum current at the date of this Subscription Agreement, the material contracts therein and the Articles of Association, together (where applicable) with the most recent financial statements of the Company.
12. I/We request that the Participating Shares issued pursuant to this application be registered in the name(s) and address set out below.
13. I/We hereby authorise and instruct the Sub-Administrator to accept and execute any instructions in respect of the Participating Shares to which this application relates given by me/us in written form. If the instructions are given by me/us by facsimile, I/we undertake to confirm them in writing. I/We hereby agree to indemnify the Administrator and Sub-Administrator and the Administrator Affiliates and agree to keep it indemnified against any loss of any nature whatsoever arising to it as a result of it acting upon facsimile instructions. The Administrator and Sub-Administrator and the Administrator Affiliates may rely conclusively upon and shall incur no liability in respect of any action taken upon any notice, consent, request, instruction or other instrument believed in good faith to be genuine or to be signed by properly authorised persons.
14. I/We are fully empowered and have authority to make this investment whether the investment is on my/our own behalf or on the behalf of another person or institution.

15. I/We confirm that I/we have the right and authority to request a redemption of Participating Shares and confirm that I/we will comply with the redemption procedures set out in the Placing Memorandum. I/We acknowledge that all redemption instructions must be made in writing.
16. I/We agree that the issue and allotment to me/us of Participating Shares is subject to the provisions of the Memorandum and the Articles, that subscription for Participating Shares will be governed and construed in accordance with Cayman Islands law and I/we confirm that by subscribing for Participating Shares, I/we am/are not relying on any information or representation other than such as may be contained in the Placing Memorandum.
17. I/We hereby agree to indemnify and keep indemnified the Company, the Administrator, the Sub-Administrator and the Administrator Affiliates against any loss arising to either of them as a result of any breach of any representation, warranty, covenant or confirmation by me/us in this Subscription Agreement or of my/our failure to disclose any relevant details or provide them with all information requested by either of them.
18. In the case of delay or failure to provide satisfactory information, the Company may take such action (including declining to accept an application) as it thinks fit.
19. I/We agree to notify the Company, the Administrator and/or the Sub-Administrator immediately if I/we become aware that any of these confirmations are no longer accurate and complete in all respects and agree immediately either to sell or to tender to the Company for redemption a sufficient number of Participating Shares to allow the confirmation to be made.
20. I/We agree to provide the above confirmations to the Company or its duly authorised agents at such times as the Company or its duly authorised agents may request, and to provide on request such certifications, documents or other evidence as the Company or its duly authorised agents may reasonably require to substantiate such representations.

21. (In respect of joint applicants only) We direct that on the death of one of us the Participating 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 or manager of such survivor or survivors.
22. If investing as a regulated custodian or nominee service I/We declare that I/we have satisfactory evidence of the identity of the beneficial owners and will make such evidence available to the Company or its duly authorised agents or any regulator.
23. I/We acknowledge that I am/we are investing in an exempted company incorporated under the laws of the Cayman Islands and that I/we will have no recourse against any assets of any Cell.
24. I/We understand and acknowledge that the Sub-Administrator will process subscription, transfer and redemption requests which are initially received by facsimile and that the original request signed by the shareholder or by an authorised signatory of the shareholder should follow by courier thereafter. I/We further understand and acknowledge that neither the Company nor the Sub-Administrator shall be responsible for any mis-delivery or non-receipt of any facsimile. Facsimiles sent to the Company or the Sub-Administrator shall only be effective when actually acknowledged by the Company or the Sub-Administrator. In the event that no acknowledgement is received from the Administrator within five (5) days of submission of the request, **Shareholders should contact the Sub-Administrator by telephone on (65) 6571 1000 to confirm that the Sub-Administrator has received the facsimile redemption request.** The Subscriber agrees that the foregoing shall also apply to any subscription request made using the short form subscription application form.
25. I/We acknowledge that the Company, the Administrator, the Sub-Administrator and/or the Manager may disclose to each other, to any other service provider to the Company or to any regulatory body in any applicable jurisdiction copies of the subscriber's subscription application and any information concerning the subscriber provided by the subscriber to the Company, the Administrator, the Sub-Administrator and/or the Manager and any such disclosure shall not be treated as a breach of any

restriction upon the disclosure of information imposed on such person by law or otherwise.

26. I/we agree to indemnify and hold harmless the Company, the Master Fund, the Administrator, the Sub-Administrator and the Administrator Affiliates against any and all loss, liability, claim, damage and expense whatsoever (including, but not limited to, any and all expenses whatsoever reasonably incurred in investigating, preparing or defending against any litigation commenced or threatened or any claim whatsoever) arising out of or based upon (a) any false representation or warranty or breach or failure by me/us to comply with any covenant or agreement made by the me/us herein, in this Subscription Agreement or in any other document furnished by me/us to any of the foregoing in connection with this transaction or (b) any action for securities law violations instituted by me/us which is finally resolved by judgment against me/us.

For individual investors only:

27. I/We agree that information supplied on this Subscription Agreement and otherwise in connection with my/our subscription for Participating Shares may be held by the Administrator and/or the Sub-Administrator and will be used for the purposes of processing my/our subscription and investment in the Company and completion of information on the register of members of the Company, and may also be used for the purpose of carrying out my/our instructions or responding to any enquiry purporting to be given by me/us or on my/our behalf, dealing in any other matters relating to my/our holding of Participating Shares (including the mailing of reports or notices), forming part of the records of the recipient as to the business carried on by it, observing any legal, governmental or regulatory requirements of any relevant jurisdiction (including any disclosure or notification requirements to which any recipient of the data is subject) and to provide a marketing database for product and market research or to provide information for the despatch of information on other products or services to me/us from the Manager or any connected person of the Manager. All such information may be retained after my/our Participating Shares have been redeemed.
28. I/We understand that the Participating Shares have not been and will not be registered under the Securities Act of 1933, as amended, or any state

law and that the Company is not registered under the Investment Company Act of 1940, as amended. I/We agree to notify the Company prior to any proposed sale, transfer, distribution or other disposition of any Participating Shares or any beneficial interest therein, and not to sell, transfer, distribute or otherwise dispose of any Participating Shares without the consent of the Company, which may be granted or withheld in the Company's sole discretion, and unless the Participating Shares are registered or such sale, transfer, distribution or other disposition is exempt from registration. I/We understand that the Company has no intention to register the Company or the Participating Shares, and is under no obligation to assist it in obtaining or complying with any exemption from registration.

29. I/We recognise that there is not now any public market for the Participating Shares, and that such a market is not expected to develop; accordingly, it may not be possible for me/us readily to liquidate my/our investment in the Participating Shares.
30. If the Subscriber is a corporation, partnership, trust or other entity, it was not formed or availed of primarily for the purpose of investing in the Company, and individual investors or participants in the Subscriber do not have any power to decide whether or not to participate in the Subscriber's investment in the Company. We hereby consent to the treatment of the Company as a Qualified Purchaser with respect to any investments by the Company in other funds, and we represent that we have obtained the consent of all of our investors to such treatment of us and the Company as required under Section 2(a)(51) of the US Investment Company Act of 1940 and the rules thereunder.
31. If the Subscriber is, or is acting on behalf of, an employee benefit plan (a "Plan") which is subject to the United States Employee Retirement Income Security Act of 1974, as amended ("ERISA"), Subscriber represents and warrants that: (a) it is aware of and has taken into consideration any applicable diversification requirements of Section 404(a)(1)(c)(3) of ERISA; (b) it has concluded that its proposed investment in the Company is a prudent one and has independently decided to invest in the Company; (c) the fiduciary or other person signing this Subscription Agreement is independent of the Company and parties providing services to the Company; (d) this subscription and the

investment contemplated hereby is in accordance with all requirements applicable to the Plan under its governing instruments and under ERISA; (e) the Subscriber acknowledges and agrees that parties providing services to the Company shall not be a “fiduciary” (within the meaning of Section 3(e) of ERISA) with respect to any assets of the Plan by reason of the Subscriber’s investment in the Company; (f) the Subscriber represents and warrants that none of the Manager, the Investment Advisor nor any affiliate thereof has acted as a fiduciary to the Subscriber with respect to the decision to invest in the Company nor have such persons provided investment advice or a recommendation with respect to the decision of the Subscriber to invest in the Company; and (g) the investment by the Subscriber in the Company will not result in a “prohibited transaction” under Section 406 of ERISA or Section 4975(c) of the Internal Revenue Code.

32. Neither myself/we nor any beneficial owner thereof is a person, government, country or entity: (1) that is listed in the Annex to, or is otherwise subject to the provisions of, United States Executive Order 13224, as issued on September 23, 2001 and as subsequently supplemented (“EO 13224”) (which list is published at <http://www.treasury.gov/terrorism.html>); (2) whose name appears on the most current US Office of Foreign Assets Control (“OFAC”) list of “Specially Designated Nationals and Blocked Persons” (which list is published on the OFAC website, <http://www.treas.gov/ofac>); (3) who commits, threatens to commit or supports “terrorism”, as that term is defined in EO 13224; (4) that is a senior official in the executive, legislative, administrative, military or judicial branches of a foreign government (whether elected or not), a senior official of a major foreign political party, or a senior official of a foreign government-owned corporation (a “Senior Foreign Political Figure”), including any corporation, business or other entity that has been formed by, or for the benefit of a Senior Foreign Political Figure; (5) that is a foreign bank that does not have a physical presence in any country (a “Foreign Shell Bank”), other than a Foreign Shell Bank that (i) is an affiliate of a depository institution, credit union, or foreign bank that maintains a physical presence in the United States or a foreign country, as applicable, and (ii) is subject to supervision by a banking authority in the country regulating such affiliated depository institution, credit union or foreign bank; or (6) who is otherwise affiliated with any person, government, country or entity listed above. No

funds used by the Subscriber to invest in the Company were, directly or indirectly, derived from activities that may contravene US federal and/or state laws and regulations, including anti-money laundering laws, or that may contravene the anti-money laundering laws of any other jurisdiction.

33. I/We acknowledge that, in compliance with applicable anti-money laundering laws, regulations and orders, the Company, the Administrator, the Sub-Administrator, the Administrator Affiliates or the Manager may be required to release or share information provided by me/us or about me/us to relevant regulatory or police authorities.
34. I/We acknowledge that due to anti-money laundering requirements operating within its jurisdiction and/or the requirements of the Money Laundering Regulations (as amended) of the Cayman Islands and the Guidance Notes issued pursuant thereto the Administrator and/or the Sub-Administrator may require further identification of the applicant(s) before the application can be processed by them on behalf of the Company and the Administrator and/or Sub-Administrator and/or the Administrator Affiliates shall be held harmless and indemnified against any loss arising as a result of a failure to process the application if such information has been requested by the Administrator, the Sub-Administrator and/or the Administrator Affiliates and has not been provided by the Subscriber.

D. Underlying Investors. If you are executing this Subscription Application as a record holder in your capacity as agent, representative or nominee on behalf of one or more investors (the “*Underlying Investors*”) you further agree and confirm that the representations, warranties, and covenants made in this Subscription Application are made by you on behalf of yourself and the Underlying Investors. You (1) have all requisite power and authority from the Underlying Investors to execute and perform the obligations under this Subscription Application, (2) have carried out investor identification procedures designed to verify the Underlying Investors’ identities to the extent reasonable and practicable, and (3) have established the identity of all of the Underlying Investors, hold evidence of such identities and will make such information available to the Company and/or Administrator and/or Sub-Administrator upon request. You will provide the Company and/or Administrator and/or Sub-Administrator any information reasonably requested by either or both of them or required by any applicable law or regulations with respect to the Underlying Investors.

- E. The Subscriber further agrees to indemnify and hold harmless the Administrator, the Sub-Administrator and the Administrator Affiliates, in their capacity as “paying agent” under the European Union Savings Directive 2003/48/EC (the “Directive”), against any loss, liability, costs or expenses (including without limitation attorneys’ fees, taxes, and penalties) which may be incurred by them directly or indirectly as a result of the Subscriber’s failure to provide information required in terms of the Directive. The Subscriber acknowledges that the Participating Shares may not be issued and redemption proceeds may be frozen until all required information and documentation required by the Administrator and/or Sub-Administrator pursuant to the Directive is provided.
- F. The Subscriber understands and acknowledges that trade confirmations will be sent to applicants upon approval of a subscription application as soon as practicable after the relevant subscription day, setting out details of the shares that they have subscribed for. The Subscriber further understands and acknowledges that if it does not receive a trade confirmation, it is Subscriber’s responsibility to contact the Sub-Administrator to ascertain the status of its subscription application and that Subscriber cannot assume its successful subscription until it receives a trade confirmation from the Sub-Administrator.
- G. The Subscriber hereby acknowledges and agrees that the Company or the Administrator or the Sub-Administrator may deliver and make reports, statements and other communications available in electronic form, such as E-mail or by posting on a web site.
- H. In the case of Joint Applicants, all must sign and supply names and addresses using "Registration Details" above. A corporation should sign under the hand of a duly authorised official who should state his representative capacity. If this form is signed under a power of attorney, such power or a duly certified copy thereof must accompany this form. Individual investors are requested to attach a certified copy of their passport or identity card and corporate investors are requested to attach a certified copy of their certificate of incorporation and business registration certificate (or equivalent) as proof of identity together with a list of authorised signatories.
- I. All individual investors have the right of access to, and to update, all their records (whether held on computer files or manually) held by the Sub-Administrator. A copy of such record will be provided to an investor who requests it, upon the payment of a modest administration charge to cover the costs of complying with such request.

Requests should be made in writing to the Sub-Administrator at the address set out in the Placing Memorandum relating to the Company.

- J. Where the applicant is a financial institution, broker or other person applying to acquire Participating Shares on behalf of its individual client(s) the applicant represents and warrants that it has full power and authority on behalf of the individual investor to subscribe for Participating Shares and to execute any necessary subscription documentation, including this Subscription Agreement and, in particular but without limitation to the aforesaid, to make the representations above on behalf of such individual investor as to the agreement of such individual investor regarding the use of personal data.
- K. Where this Subscription Agreement is sent by fax, you should also send the original signed application to the address specified above. Neither the Sub-Administrator nor the Administrator Affiliates will be responsible to an applicant for any loss resulting from the non-receipt of any application sent by fax.

This Subscription Agreement shall be governed by and construed in accordance with the laws of the Cayman Islands.

Pursuant to an exemption from the United States Commodity Futures Trading Commission (the "CFTC") in connection with pools whose participants are limited to qualified eligible persons, this private placement memorandum is not required to be, and has not been, filed with the CFTC. The CFTC does not pass upon the merits of participating in a pool or upon the adequacy or accuracy of an offering memorandum. Consequently, the CFTC has not reviewed or approved the offering(s) under this private placement memorandum or any offering memorandum for shares in the Company.

SIGNATURES

Date: _____

Signature(s) of applicant(s): _____

NOTES:

1. This Subscription Agreement must be received by the Sub-Administrator prior to 4:00 pm (Singapore time) on a Business Day at least 2 Business Days prior to the relevant Subscription Day together with application

moneys in cleared funds received in the Company's subscription account prior to 4:00 p.m. (Singapore time) on the Business Day prior to that Subscription Day as set out in the Placing Memorandum.

2. For cleared funds to be received in Dublin prior to 4:00 p.m. (Singapore time) on the Business Day prior to the relevant Subscription Day, payment must be made for value on the Business Day in Dublin preceding the relevant payment day in Singapore on which payment in cleared funds is due.
3. To be valid, Subscription Agreements must be signed by each applicant.
4. In the case of a firm (not a limited company), applications should be in the name(s) of and signed by the proprietor(s).
5. A corporation should complete this Subscription Agreement under seal or under the hand of a duly authorised official who should state his capacity and furnish a certified copy of the authority pursuant to which such official is authorised.
6. If this Subscription Agreement is signed under a power of attorney, such power of attorney or a duly certified copy thereof and confirmation from a local lawyer as to the validity of such power of attorney under its proper or governing law must accompany this Subscription Agreement.
7. If this Subscription Agreement is not fully completed to the satisfaction of the Sub-Administrator, the application may not be accepted.
8. In order to verify the signature(s) on the subscription agreement, as well as the authority for all future requests relating to the investment, please provide a list of authorized signatories, or for *individual investors*, a copy of the your passport or other Government issued document (e.g. driver's license) bearing your name, picture and signature. Please note that the copy of your identification document must be certified if you are not a national of one of the countries appearing on our "Approved Jurisdictions" list.

APPENDIX B

FINANCIAL INFORMATION

1. **Audited Financial Statements for the Company for the year ended 31 December 2014~~2~~.**

The audited financial statements for the Company for the year ended 31 December 2014~~2~~ form part of this Placing Memorandum.

2. **Net Asset Value**

- (a) As at ~~30 December 2014~~ 31 October 2013, the Net Asset Value per Class A Share calculated by reference to the Net Asset Value of the Enhanced Taiwan Index Fund is US\$~~1418,4564,2097.~~
- (b) As at ~~30 December 2014~~ 31 October 2013, the Net Asset Value per Class B Share calculated by reference to the Net Asset Value of the Enhanced China Index Fund is US\$~~2532,91901608.~~
- (c) As at ~~30 December 2014~~ 31 October 2013, the Net Asset Value per Class C Share calculated by reference to the Net Asset Value of the Enhanced India Index Fund is US\$~~2731,3377,7157.~~
- (d) As at ~~30 December 2014~~ 31 October 2013, the Net Asset Value per Class D Share calculated by reference to the Net Asset Value of the Enhanced Malaysia Index Fund is US\$~~1316,6479,6456.~~
- (e) As at ~~30 December 2014~~ 31 October 2013, the Net Asset Value per Class E Share calculated by reference to the Net Asset Value of the Enhanced South Korea Index Fund is US\$~~9,150711,4026.~~
- (f) As at ~~30 December 2014~~ 31 October 2013, the Net Asset Value per Class F Share calculated by reference to the Net Asset Value of the Enhanced Thailand Index Fund is US\$~~16,319921,9941.~~
- (g) As at ~~30 December 2014~~ 31 October 2013, the Net Asset Value per Class G Share calculated by reference to the Net Asset Value of the Enhanced Indonesia Index Fund is US\$~~19,113617,4518.~~
- (h) As at ~~30 December 2014~~ 31 October 2013, the Net Asset Value per Class H Share calculated by reference to the Net Asset Value of the Enhanced Philippines Index Fund is US\$~~11,150617,7319.~~

3. **Material Change**

There has been no material change in the trading or financial position of the Company or the Index Funds since the date to which the latest financial statements were made up.

4. **Aggregate Borrowings**

For details of the borrowings of the Company please refer to the audited financial statements.

APPENDIX C
SUBSTANTIAL SHAREHOLDERS

Management Shares			
ENHANCED INVESTMENT	100.000		
PRODUCTS (CAYMAN) LIMITED	Management Shares		100%
	100.000		100%