



## **Confidential**

This is a offering memorandum for non-voting participating preference shares (“Participation Shares”) representing interests in FTC Commodity Fund Alpha, FTC Futures Fund Dynamic and FTC Systematic Macro, all sub-funds of FTC Futures Fund PCC Limited (“Fund”), issued and available for issue on the Official List and to trading on the Main Market of the Irish Stock Exchange.

The directors of the Fund, whose names appear on page 3 of this offering memorandum, have taken all reasonable care to ensure that the facts stated in this document are true and accurate in all material respects, and that there are no other facts the omission of which would make misleading any statement in the document, whether of facts or of opinion. The Directors accept responsibility accordingly.

# **FTC FUTURES FUND PCC LIMITED**

**A Gibraltar Multi-class Protected Cell Experienced Investor Fund**

**Minimum initial subscription is €100,000 or its USD equivalent**

## **OFFERING MEMORANDUM**

**17 February 2010**

As at the date of this offering memorandum the Fund has no loan capital (including term loans) outstanding or created but unissued, and no outstanding mortgages, charges or other borrowings or indebtedness in the nature of borrowing, including bank overdrafts and liabilities under the acceptances or acceptance of credits, hire purchase or finance lease commitments, guarantees or other contingent liabilities. The Fund has not issued or granted any debt securities, warrants or options.

A copy of this document comprises listing particulars for the purposes of listing the Participation Shares of FTC Systematic Macro on the Official List and to trading on the Main Market of the Irish Stock Exchange. The issue of shares to which these listing particulars relate has not been underwritten or guaranteed.



**HASSANS**

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Tel +350 2007 9000 Fax +350 2007 1966  
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## CONTENTS

<b>DIRECTORY .....</b>	<b>3</b>
<b>NOTICE .....</b>	<b>6</b>
<b>PART A .....</b>	<b>10</b>
<b>SUMMARY.....</b>	<b>10</b>
<b>DEFINITIONS.....</b>	<b>14</b>
<b>THE FUND .....</b>	<b>15</b>
1. Fund Objective.....	15
2. Investment Objective and Strategy .....	15
3. Investment Guidelines and Restrictions.....	15
4. Risk Factors.....	15
<b>MANAGEMENT .....</b>	<b>25</b>
1. Board of Directors.....	25
2. Investment Managers .....	26
3. Investment Advisers.....	26
4. Depositaries.....	27
5. Administrator .....	29
6. Auditors.....	30
<b>FEES AND EXPENSES.....</b>	<b>31</b>
1. Organisation Costs .....	31
2. Fees of the Directors .....	31
3. Fees of the Administrator.....	31
4. Fees of the Depositary.....	31
5. Fees of the Investment Managers.....	31
6. Fees of the Secretary .....	31
7. Other Operating Expenses.....	31
8. Transactional Costs.....	32
9. Division of Fees between Sub-Funds.....	32
<b>SHARES OF THE FUND .....</b>	<b>34</b>
1. Share Capital and Voting Rights.....	34
2. Subscriptions .....	36
3. Investor Suitability .....	37
4. Gibraltar Legal and Anti Money Laundering Requirements.....	38
5. Redemptions.....	39
6. Suspension of Redemptions and Sale.....	39
7. Net Asset Valuations.....	40
8. Registration and Transfer of Shares .....	43
9. Dividend Policy.....	44
10. Data Protection.....	44

<b>TAXATION .....</b>	<b>45</b>
1. The Fund .....	45
2. The Shareholders .....	45
<b>ADDITIONAL INFORMATION.....</b>	<b>46</b>
1. Reporting.....	46
2. Relevant Documentation .....	46
3. Enquiries .....	46
4. Material Contracts.....	47
5. Conflicts of Interest.....	49
6. Declarations of interests by the directors .....	51
7. Voting of the Fund Assets.....	51
8. Governing Law.....	51
<b>PART B.....</b>	<b>52</b>
<b>CELL A – FTC FUTURES FUND DYNAMIC</b>	
1. Sub-Fund Particulars.....	53
2. Subscription Agreement– Cell A .....	72
3. Subscription Information– Cell A .....	74
4. Payment Instructions– Cell A .....	76
5. Return of Redemption Monies – Cell A.....	77
<b>CELL B – FTC Systematic Macro</b>	
1. Sub-Fund Particulars.....	79
2. Subscription Agreement– Cell B .....	99
3. Subscription Information– Cell B .....	101
4. Payment Instructions– Cell B.....	103
5. Return of Redemption Monies – Cell B.....	104
<b>CELL C – FTC COMMODITY FUND ALPHA</b>	
1. Sub-Fund Particulars.....	106
2. Subscription Agreement– Cell C .....	125
3. Subscription Information– Cell C .....	127
4. Payment Instructions– Cell C.....	129
5. Return of Redemption Monies – Cell C.....	130
<b>APPENDIX</b>	
Forms of letter of reference to be supplied by Investor	
a) Individual Investor (Appendix A).....	132
b) Corporate Investor (Appendix B).....	133
c) Disclaimer letter required for tax exemption (Appendix C) .....	134
Subscription Checklist .....	135

## **DIRECTORY**

**Registered office:** Blake House  
19c Town Range  
Gibraltar

**Date of incorporation:** 22 February 2002 (Bahamas with registration number  
122926B)  
  
9 January 2006 (Redomicile and registration in Gibraltar)

**Registered number:** 95738

**Administrator:** **CAPITA FINANCIAL ADMINISTRATORS  
(GIBRALTAR) LIMITED**  
Blake House, 19c Town Range  
Gibraltar

**Directors:** **MAG. THOMAS BERGER**  
Lerchenfelder Str. 156/4/48  
1080 Austria  
  
**JAMES LASRY**  
57/63 Line Wall Road  
Gibraltar  
  
**ROLF MAJCEN**  
Bruno Seitz Wohnpark 25  
2524 Teesdorf, Austria  
  
**DAVID WAHNON**  
5 Sunset Close  
Windmill Hill  
Gibraltar

**Ordinary shareholder:** **FTC CAPITAL GMBH**  
Galaxy 21  
Praterstrasse 31/11  
1020 Vienna  
Austria

**Secretary:** **CAPITA FINANCIAL ADMINISTRATORS  
(GIBRALTAR) LIMITED**  
Blake House, 19c Town Range  
Gibraltar

**Legal advisers:** **HASSANS**  
57/63 Line Wall Road  
Gibraltar

**Auditors:** **BDO ORION LIMITED**  
PO Box 1200, Montagu Pavilion,  
8-10 Queensway  
Gibraltar

BDO Orion Limited is registered under the Gibraltar Audit Registration Board.

**Bankers for the Fund:** **CREDIT SUISSE (GIBRALTAR) LIMITED**  
Neptune House  
Gibraltar

**Depository for Cell A:** **CREDIT SUISSE (GIBRALTAR) LIMITED**  
Neptune House  
Gibraltar

**Depository for Cell B:** **CREDIT SUISSE (GIBRALTAR) LIMITED**  
Neptune House  
Gibraltar

**Depository for Cell C:** **CREDIT SUISSE (GIBRALTAR) LIMITED**  
Neptune House  
Gibraltar

**Investment manager:  
For Cell A, Cell B and Cell C:** **FTC CAPITAL GMBH**  
Galaxy 21  
Praterstrasse 31/11  
1020 Vienna  
Austria

**Clearing Broker for Cell A:** **NEWEDGE GROUP (UK Branch)**  
10 Bishops Square  
London E 1 6EG

**Clearing Broker for Cell B:** **NEWEDGE GROUP (UK Branch)**  
10 Bishops Square  
London E 1 6EG

**Clearing Broker for Cell C:** **NEWEDGE GROUP (UK Branch)**  
10 Bishops Square  
London E 1 6EG

**Registrar:** **CAPITA FINANCIAL ADMINISTRATORS  
(GIBRALTAR) LIMITED**  
Blake House, 19c Town Range  
Gibraltar

**Public registrar:** Companies House (Gibraltar) Limited  
1<sup>st</sup> Floor, The Arcade  
30-38 Main Street  
P.O. Box 848  
Gibraltar

## NOTICE

This offering memorandum which contains certain information about **FTC FUTURES FUND PCC LIMITED** ("Fund") invites selected individuals or entities, to apply for Participation Shares in the Fund. This document may not be reproduced.

**SAVE AS STATED BELOW NO ACTION HAS BEEN TAKEN TO PERMIT OR OTHERWISE REGISTER THE DISTRIBUTION OF THIS OFFERING MEMORANDUM IN ANY JURISDICTION. ACCORDINGLY, THIS DOCUMENT MAY NOT BE USED FOR THE PURPOSE OF, AND DOES NOT CONSTITUTE, AN OFFER OR SOLICITATION BY OR TO ANYONE IN ANY JURISDICTION OR IN ANY CIRCUMSTANCES IN WHICH SUCH SOLICITATION IS NOT AUTHORISED OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION. THE SUB-FUNDS CELL C FTC COMMODITY FUND ALPHA AND CELL A-FTC FUTURES FUND DYNAMIC ARE AUTHORISED FOR PUBLIC DISTRIBUTION IN AUSTRIA WITH THE EFFECT FROM 23 OCTOBER 2008**

The distribution of this document and the offering of the Participation Shares in certain jurisdictions may be restricted. Accordingly this document may not be used for the purpose of, and does not constitute, an offer or solicitation by anyone in any jurisdiction or in any circumstances in which such solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. Persons into whose possession this offering memorandum comes are required by the Fund to inform themselves about, and to observe, any such restrictions. Save as stated above in Austria, Participation Shares will not be offered to the general public.

The directors of the Fund have taken all reasonable care to ensure that the facts stated in this document are true and accurate in all material respects, and that there are no other facts the omission of which would make misleading any statement in the document, whether of facts or of opinion. The directors accept responsibility accordingly.

THIS FUND HAS BEEN ESTABLISHED IN GIBRALTAR AS AN EXPERIENCED INVESTOR FUND. IT IS SUITABLE ONLY FOR THOSE WHO FALL WITHIN THE DEFINITION OF "EXPERIENCED INVESTOR" CONTAINED IN THE FINANCIAL SERVICES (EXPERIENCED INVESTOR FUNDS) REGULATIONS 2005.

REQUIREMENTS WHICH MAY BE DEEMED NECESSARY FOR THE PROTECTION OF RETAIL OR NON-EXPERIENCED INVESTORS, DO NOT APPLY TO EXPERIENCED INVESTOR FUNDS. BY ACKNOWLEDGING THIS STATEMENT YOU ARE EXPRESSLY AGREEING THAT YOU FALL WITHIN THE DEFINITION OF AN "EXPERIENCED INVESTOR" AND ACCEPT THE REDUCED REQUIREMENTS ACCORDINGLY.

YOU ARE WHOLLY RESPONSIBLE FOR ENSURING THAT ALL ASPECTS OF THIS FUND ARE ACCEPTABLE TO YOU. INVESTMENT IN EXPERIENCED INVESTOR FUNDS MAY INVOLVE SPECIAL RISKS THAT COULD LEAD TO A LOSS OF ALL OR A SUBSTANTIAL PORTION OF SUCH INVESTMENT. UNLESS YOU FULLY UNDERSTAND AND ACCEPT THE NATURE OF THIS FUND AND THE POTENTIAL RISKS INHERENT IN THIS FUND YOU SHOULD NOT INVEST IN THIS FUND.

FURTHER INFORMATION IN RELATION TO THE REGULATORY TREATMENT OF EXPERIENCED INVESTOR FUNDS IN GIBRALTAR MAY BE OBTAINED FROM THE GIBRALTAR FINANCIAL SERVICES COMMISSIONER.

No person is authorised to issue any advertisement, give any information or make any representation in connection with the offering, subscription or sale of Participation Shares if it is not contained in

this offering memorandum. Any advertisement so issued or information or representation not contained must not be relied upon as having been authorised by or on behalf of the Fund. The delivery of this document at any time and the allocation of Participation Shares do not imply that information contained in this document is correct at any time subsequent to its date.

Prospective investors should not construe the contents of this offering memorandum as legal, tax or financial advice. The Fund's portfolio is subject to normal market fluctuations as well as the risks inherent in the investment instruments described below and there can be no assurance that appreciation of the Fund's assets will occur or that losses will not be realised. Consequently, the value of Participation Shares may be subject to volatile movements and may fall as well as rise. Investment in Participation Shares should be considered speculative and suitable only for persons who can assume the risk of loss. Each prospective investor should consult his own professional advisers as to (a) the legal requirements within the country of his residence for the purchase, holding or disposal of Participation Shares, (b) any foreign exchange restrictions that may be relevant to him and the income and other tax consequences that may be relevant to the purchase, holding or disposal of Participation Shares.

### **Restrictions on promotion**

This offering memorandum is intended solely for the person to whom it has been delivered by the Fund for the purpose of evaluating a possible investment by the recipient in the Participation Shares, and it is not to be reproduced or distributed to any other persons (other than professional advisers of the prospective investor receiving this document from the Fund).

The value of any investment can go down as well as up and no representation is made as to any return that investors will earn on their investment in the Fund.

#### **(a) Restrictions within Gibraltar and Ireland**

Participation Shares may not be offered or held by or for the account of, nor will any invitation to subscribe be made, to any resident of Gibraltar or Ireland for tax purposes even if they are experienced investors. It is not the intention of the Directors to advertise or market Participation Shares in Ireland and no such marketing will take place without the prior approval in writing of the Irish Financial Services Regulatory Authority.

#### **(b) Within the United States**

THE PARTICIPATION SHARES OF THE COMPANY HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 AS AMENDED ("SECURITIES ACT") AND THE COMPANY HAS NOT BEEN REGISTERED UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940 AS AMENDED (TOGETHER WITH THE SECURITIES ACT, "ACTS"). PARTICIPATION SHARES MAY NOT BE AND WILL NOT BE OFFERED FOR SALE OR SOLD, TRANSFERRED OR DELIVERED, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES, ITS TERRITORIES OR POSSESSIONS, OR TO A U.S. PERSON (BOTH AS DEFINED UNDER REGULATIONS OF THE SECURITIES ACT), EXCEPT IN A TRANSACTION WHICH DOES NOT VIOLATE THE ACTS.

Accordingly, the Participation Shares may not be offered, sold or delivered, directly or indirectly, in the United States, or to any citizen or resident thereof (including any corporation, partnership or other entity organised or created under the laws of the United States or any political subdivision thereof) or to any estate or trust the income of which is subject to United States Federal Income Taxation, regardless of its source or to any person, corporation, partnership or other entity qualifying as a 'US Person' as defined under the Securities Act from time to time EXCEPT FOR any person falling within any relevant exemption under the Securities Act (each such prohibited person being a "US

Person").

For your information, the definition of US Person is contained in Rule 902 of Regulation S under the Securities Act 1933 which reads:

- a. U.S. person.
  1. "U.S. person" means:
    - i. Any natural person resident in the United States;
    - ii. Any partnership or corporation organized or incorporated under the laws of the United States;
    - iii. Any estate of which any executor or administrator is a U.S. person;
    - iv. Any trust of which any trustee is a U.S. person;
    - v. Any agency or branch of a foreign entity located in the United States;
    - 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 organized, incorporated, or (if an individual) resident in the United States; and
    - viii. Any partnership or corporation if:
      - A. Organized or incorporated under the laws of any foreign jurisdiction; and
      - B. Formed by a U.S. person principally for the purpose of investing in securities not registered under the Act, unless it is organized or incorporated, and owned, by accredited investors (as defined in Rule 501(a)) who are not natural persons, estates or trusts.

PROVIDED THAT a person or entity shall not be considered a U.S. Person if he or she or it qualifies under any exemption in the Securities Act.

#### **UK Financial Services and Markets Act 2000**

This communication is exempt from the general restriction (in section 21 of the Financial Services and Markets Act 2000) on the communication of invitations or inducements to engage in investment activity on the grounds that it is only made to certified high net worth individuals or self certified sophisticated investors.

It is only open to individuals who have within the preceding 12 months signed a statement either (i) of being a certified high net worth individual in the form of schedule 5 part i of the Financial Services and Markets Act 2000 (financial promotion) order 2005 ("fpo"); or (ii) of being self certified sophisticated investors in the form of schedule 5 part ii of the fpo.

Any individual who is in any doubt about the investment to which the communication relates should consult an authorised person specialising in advising on investments of the kind in question.

**(c) Within the United Kingdom**

The Fund is a collective investment scheme whose promotion in the United Kingdom is restricted by section 238 of the Financial Services and Markets Act 2000 ("FSMA"). Participation Shares may not be offered or sold in the UK other than to persons who are already participants in the Fund or persons who have been, in the last 30 months, participants in the Fund and persons for whom an authorized person to carry on investment business under the FSMA has taken reasonable steps to ensure that investment in the fund is suitable and who is an established or newly accepted customer. Participation Shares may not be offered or sold by an authorised person in the United Kingdom other than to persons authorised to carry on investment business under the FSMA and persons whose ordinary business involves the acquisition and disposal of property of the same kind as the property or a substantial part of the property in which the Fund invests and persons permitted to receive this document under the Financial Services (Promotion of Unregulated Schemes) Regulations 1991. Except as described above, no document, including this document, issued in connection with the Participation Shares in the United Kingdom may be passed on to any person, unless that person is of a kind described in Article 11 (3) of the Financial Services (Investment Advertisements) (Exemptions) Order 1996 (as amended) or is a person to whom this document may be otherwise lawfully be issued or passed on.

17 February 2010

**SUMMARY**

This summary should be read in conjunction with, and is qualified in its entirety by reference to, the information appearing in the main text of this offering memorandum and the documents described in it.

**THE FUND**

**FTC FUTURES FUND PCC LIMITED** was incorporated under the laws of the Bahamas on 22<sup>nd</sup> February 2002 as an open-ended investment company with limited liability with registration number 122926B. On 9 January 2006 FTC Futures Fund Limited was re-domiciled into Gibraltar as a private investment company operating as a collective investment scheme. It has been established as an Experienced Investor Fund under the laws of Gibraltar with a company registration number 95738. On 12 March 2009 FTC Futures Fund Limited was reregistered as a protected cell investment company.

The Fund's legal status means that the Directors may create separate classes of shares with differing investment objectives and to which specific assets are attributed ("Sub-Funds").

**THE SUB-FUNDS**

Each Sub-Fund shall constitute a separate cell with a separate class of shares ("Cell") for the purposes of the Protected Cell Companies Act 2001 ("PCC Act") in Gibraltar. Participation Shares may be issued and redeemed based on the underlying net value of a Sub-Fund's assets. Specific information relating to each Sub-Fund is detailed in part B of this offering memorandum.

**SUB-CLASS**

One or more classes of shares within a Sub-Fund ("Cell") whose assets shall be commonly invested according to the investment policy of the same Cell, but where a specific sales and redemption charge structure, fee structure, distribution policy, reference currency, category of investors, marketing country or other specificity shall apply. Specific information relating to each Sub-Class is detailed in part B of this offering memorandum.

**INVESTMENT OBJECTIVE**

The investment objective and policy of each Sub-Fund is detailed in part B of this offering memorandum.

**SUBSCRIPTIONS**

The Fund is offering redeemable preference shares ("Participation Shares") for subscription in each Sub-Fund as set out in part B hereof. The board of directors reserves the right to vary any of the subscription requirements of the Fund.

**FEES AND EXPENSES**

Restructuring costs, estimated not to exceed £50,000, will be paid by the Fund. Previous organisation costs which have not yet been amortised now amounting to approximately €6,000 are due to be amortised in full by April 2010. The

financial statements of the Fund will be prepared in accordance with International Financial Reporting Standards which do not permit the amortisation of these costs. However, in order not to prejudice existing investors the Directors intend to amortise the restructuring expenses over a period not exceeding 3 years and, in consequence, the audit report on the financial statements may be qualified as a result although the Directors are confident that these amounts are not material in relation to the financial statements.

Restructuring costs will be divided between the Sub-Funds (pro rata based on net assets) and will be amortised by the different Sub-Funds over a period of between 36-60 months or as determined by the Directors.

Additionally, the Fund pays the Administrator an annual fee for each Cell as disclosed in part B.

The Directors are entitled to a fixed annual fee for their directorship services at a rate to be determined from time to time, but the current aggregate amount of Directors' remuneration in the current year does not exceed £15,000. The remuneration is reviewed annually.

The Directors may negotiate and receive rebates of commission in respect of each brokerage transaction and other banking charges. Any rebates shall be for the benefit of the Fund and the relevant Cell.

The Investment Managers and Depositories will receive from the Fund fees as set out below.

The Fund will pay its own legal, audit and other expenses. These are estimated not to exceed £25,000 per annum. These expenses will be split between the Sub-Funds pro rata based on their net assets or otherwise as the Directors may, in their absolute discretion determine.

**BOARD OF DIRECTORS**

Rolf Majcen, James Lasry, Mag. Thomas Berger and David Wahnon are the current directors of the Fund.

**ADMINISTRATOR**

Capita Financial Administrators (Gibraltar) Limited ("Administrator") has been appointed as administrator, registrar, transfer agent and secretary for the Fund under the terms of an administration agreement dated 3 April 2009.

**AUDITORS**

BDO Orion Limited of Gibraltar is the Fund's auditor ("Auditors").

**DEPOSITARY**

Credit Suisse (Gibraltar) Limited has been appointed as Depositary for the Fund under the terms of depositary agreements dated 12 March 2009 and 12 January 2010. The Depositary will not provide any other services or perform

any other functions except safekeeping and administration relating to the provision of safe custody services for the assets of the Fund.

The Fund may appoint additional depositaries in the future if the Directors deem that this would assist the running of the Fund and will inform all investors accordingly of the appointment.

**INVESTMENT MANAGER**

The Fund has appointed FTC Capital GmbH (“Investment Manager”) as Investment Manager for Cells A, B & C. FTC Capital GmbH will provide investment management services to the Fund under investment management agreements dated 12 October 2009 (with the effect of 1 January 2010) and 15 January 2010.

**BANKER**

The Fund has appointed Credit Suisse (Gibraltar) Ltd. as banker to the Fund (not to the cells). Liabilities of the Fund not otherwise attributable to any of its cells shall be discharged from the non-cellular assets of the Fund (i.e. normal running costs of the Fund [e.g. company registration fees, etc.]). Only for such reason – but not for the extension of credit to the Fund - an account with Credit Suisse (Gibraltar) Ltd. has been opened on normal commercial terms and Credit Suisse (Gibraltar) Ltd. may be removed in accordance with the terms of the Agreement.

**CLEARING BROKER**

The Fund has appointed Newedge Group (UK Branch) (“Clearing Broker”) as Clearing Broker for Cell A, B and Cell C under the terms of a brokerage agreement dated 24 March 2002 in conjunction with supplemental letters dated as of 20 December 2005 and February 2010. A Clearing Broker is a broker who specifically mediates the transactions between the Fund and a clearing corporation. The Fund has agreed to deposit and maintain collateral (cash in eligible currency or such other property as the Clearing Broker expressly agrees to accept at the value determined by it) including, without limitation, initial (or original) and variation (or maintenance) margin together with any additional collateral in such amounts, at such times and in such form as required by the Clearing Broker from time to time in its discretion. Further details are set out in part B below.

**ELIGIBLE INVESTORS**

Participation Shares may only be subscribed to by experienced investors as defined under the Financial Services (Experienced Investor Funds) Regulations 2005 and who are not resident in Gibraltar or Ireland for tax purposes. Experienced Investors are generally persons or entities whose business or profession includes dealing with investments or who have a net worth in excess of €1,000,000 or who invest a minimum of €100,000 or its equivalent in the Fund.

Participation Shares may not be subscribed to by investors who are U.S. Persons (as defined in this offering memorandum).

**REDEMPTIONS**

The terms for the redemption of Participation Shares, in respect of each Sub-Fund are set out in part B.

The board of directors reserves the right to vary any of the redemption requirements of the Fund.

**DIVIDENDS**

The dividend policy of each Sub-Fund is set out in part B. The Fund reserves the right to change this policy.

**TAXATION**

The Fund has been exempted by the Commissioner of Income Tax (“Commissioner”) from the payment of income tax on its investment income under Rule 3 (17) of the Income Tax (Allowances, Deductions and Exemptions) Rules 1992.

**Each shareholder should consult his or her tax adviser as to his or her own tax position.**

## DEFINITIONS

Unless otherwise stated in part B in respect to a particular Cell in this offering memorandum the following words shall have the meanings as set out below:

<b>Business Day</b>	means a day on which banks are open in Gibraltar.
<b>Fund</b>	means FTC Futures Fund PCC Limited
<b>Cell or Sub-Fund</b>	means a sub-fund of the Fund details of which are set out in part B.
<b>Financial Services Commission and/or FSC</b>	means the Financial Services Commission of Gibraltar.
<b>Net Asset Value</b>	means the net asset value of the Fund or a Sub-Fund (as the case may be) as defined and determined in accordance with the section on Net Asset Valuations below.
<b>Net Asset Value per share</b>	means the net asset value per share of the Fund or Sub-Fund (as the case may be) as defined and determined in accordance with the section on Net Asset Valuations below.
<b>Nominal Shares</b>	means the shares in the Fund to be issued by the Directors as nominal shares under the articles of association of the Fund.
<b>Ordinary Shareholder(s)</b>	means the members registered as the holders of ordinary shares in the Fund. At the date hereof all the Ordinary Shares are held by FTC Capital GmbH.
<b>Ordinary Shares</b>	means the ordinary management shares in the Fund issued by the Directors under the articles of association of the Fund.
<b>PCC Act</b>	means the Protected Cell Companies Act 2001 of Gibraltar.
<b>Euro and/or €</b>	means the lawful currency of the Eurozone.
<b>USD and/or \$</b>	means the lawful currency of the United States of America.
<b>Pound and/or £</b>	means the lawful currency of the United Kingdom.
<b>Participation Shares</b>	means the redeemable preference participation shares in the Fund to be issued by the Directors as separate classes (whether Cell A, B or C or another class) of Participation Shares under the articles of association of the Fund.
<b>Subscription Amount</b>	means in respect of each Participation Share the amount paid by a shareholder to acquire that share.
<b>Valuation Day</b>	shall have the meaning, in respect of each Cell, as set out in part B.
<b>Valuation Point</b>	shall have the meaning, in respect of each Cell, as set out in part B

## **THE FUND**

**FTC FUTURES FUND PCC LIMITED** was incorporated under the laws of the Bahamas on 22 February 2002 as an open-ended investment company with limited liability with registration number 122926B. On 9 January 2006 FTC Futures Fund Limited re-domiciled to Gibraltar as a private investment company operating as a collective investment scheme. It has been established as an Experienced Investor Fund under the laws of Gibraltar with a company registration number 95738 and has its registered office and principal business office at Blake House, 19c Town Range, Gibraltar. The Fund was reregistered as a protected cell company and changed its name to “FTC Futures Fund PCC Limited” on 12 March 2009.

The Sub-Funds will be open to investors as set out in part B.

The Fund is a protected cell company for the purposes of the Protected Cell Companies Act, 2001 (“PCC Act”) which means that under Gibraltar law the Directors may create separate classes of shares with differing investment objectives and to which specific assets are attributed (“Cells” or “Sub-Funds”).

Each Sub-Fund will constitute a separate “cell” whose assets will be kept separate and separately identifiable from assets not attributable to that Sub-Fund. Under Gibraltar law, provided the requirements of the PCC Act are complied with, the assets attributable to each Sub-Fund will only be available to the creditors of the Fund who are creditors in respect of that Sub-Fund and shall be protected from creditors of the Fund who are not creditors in respect of that Sub-Fund.

As set out in clause 3 of the memorandum and articles of association the Fund may do all such things as are lawful to be done by a company registered under the Companies Act subject only to any specified restriction on that power contained in the Fund’s memorandum and articles of association.

### **1. FUND OBJECTIVE**

The objective of the FTC Futures Fund PCC Limited is to provide investors with a return on their investment; further details are set out in part B below.

### **2. INVESTMENT OBJECTIVE AND STRATEGY**

The investment objective and policy of each Sub-Fund is detailed in part B of this offering memorandum.

The Directors may create new Sub-Funds with other investment objectives, on terms to be disclosed at that time.

### **3. INVESTMENT GUIDELINES AND RESTRICTIONS**

The investment guidelines and restrictions of each Sub-Fund are detailed in part B of this offering memorandum.

The Directors may create new Sub-Funds with other investment guidelines and restrictions, through different cells on terms to be disclosed at that time.

### **4. RISK FACTORS**

Investments in Participation Shares will involve certain risks associated with investing in financial instruments on the international markets and there can be no assurance that the investment objectives of the Fund and/or the Sub-Fund will be achieved.

Investors will not have an opportunity to select or value any of the investments of each Sub-Fund. All Sub-Fund investments will be selected by the Directors or by investment managers appointed by the Directors. The likelihood that investors will realize income or gain will depend on the skill and expertise of the Directors, any investment managers and advisers appointed to the relevant Cells and the legal structure and operations created.

Investment in Participation Shares is intended only for, and limited to, the professional or sophisticated investor who can afford the risks inherent in this type of investment.

There may be a change in government regulation or policies which materially adversely affects the Fund's activities.

U.S. investors should be aware that the Fund may be treated as a "passive foreign investment company" for U.S. federal income tax purposes and that they may be subject to adverse tax consequences. Potential U.S. purchasers should consult their own tax advisers regarding the potential tax consequences of an investment in the Participation Shares.

Prospective investors are recommended to review this offering memorandum in its entirety before deciding whether to invest in Participation Shares and should specifically consider the following, together with those matters set out in part B:

1. Investment in a fund

Except for a listing on the Irish Stock Exchange and registration with the Austrian Financial Markets Authority for public distribution in Austria, the Fund's shares have not been registered or listed in any jurisdiction nor is any such registration or listing contemplated.

An investment in the Fund is illiquid and investors should plan to hold their shares for a long period of time.

Although the shares are transferable with the prior approval of the Directors (subject to a prohibition on transfers to ineligible investors) there is no recognized market for the shares and thus any investment in them. Shares will have limited liquidity. Investors should be fully aware of the medium to long-term nature of their investment in the Fund and should have other financial reserves so that they are able to bear the economic risk of the loss of their entire investment. Investors should be able to bear the economic risk of an investment in the Fund for a long period of time.

In common with most similar financial products, an investment in the Fund should be considered as a medium-term to long-term investment.

2. Interest Rates

Increases in interest rates may increase the Fund's interest expense.

3. Exchange rate

The Fund accepts subscriptions, pays redemptions and computes its Net Asset Values in the base currency of each Sub-Fund. However, many or all of the Fund's investments may be in instruments denominated in currencies other than in the base currency of the Sub-Fund. Accordingly, currency exchange rates are expected to play an important role in the Fund's return to investors. A change in the value of currencies against the base currency of a Sub-

Fund will result in a corresponding change in base currency value of the Fund's assets denominated in these currencies.

4. Regulatory supervision

The Fund's investments are not monitored or supervised by any regulatory body although the Fund and its Administrator are subject to the authority of the Financial Services Commission of Gibraltar ("FSC"). As an Experienced Investor Fund, the Fund will provide annual audited accounts to the FSC and will comply with the relevant regulatory regime details of which can be found at the FSC's website: [www.fsc.gi](http://www.fsc.gi).

5. Taxation

The Board of Directors and Investment Adviser will attempt to structure the Fund in a manner that is tax efficient. However, there can be no assurance that such structure will be tax efficient in general or for any particular investor or that any particular tax result will be achieved. Tax consequences upon a sale or refinancing of any assets may result in conflicts of interest, and refinancing may trigger tax indemnification obligations. There also can be no assurance that the applicable tax authorities will not attempt to challenge and/or raise claims concerning the tax consequences resulting from the structure and/or the operation of the Fund. Further, in general, tax laws, treaties, rules and procedures are extremely complex and are subject to changes on a frequent basis, which in some cases may reduce existing tax benefits, and may also have a retroactive effect. Accordingly, each potential investor is urged to consult his, her or its own tax adviser regarding the applicability, effects and implications of the various tax laws with respect to such potential investor.

The tax consequences to the Fund and Shareholders in the Fund, the ability of the Fund as a foreign investor to invest in the Markets, the ability of the Fund to repatriate its assets including any income and profit earned on those assets and other operations of the Fund are based on existing regulations, which are subject to change through legislative, judicial or administrative action in the various jurisdictions in which the Fund or the trading managers operate. It is recommended that an investor seek advice from his tax adviser before making an investment in the Fund as to the potential tax consequences of such an investment.

6. Leverage

A Sub-Fund may use leverage in its investment program when deemed appropriate by the Directors. Leverage is the use of borrowed funds for investment. The amount of leverage will not exceed the percentage of the net assets of the particular Sub-Fund as described in part B (if any). While the use of leverage can substantially improve the return on invested capital, it may also substantially increase the adverse impact to which an investment portfolio may be subject.

7. Reliance on Directors and Investment Managers

The success of any investment of the Sub-Funds will depend to a large extent on the efforts and skills of the Directors and the Investment Managers, their associates and/or advisers. No warranty is given by the Directors or the Investment Managers as to the performance or profitability of the Sub-Funds.

The Investment Manager invests the Fund's capital and makes recommendations for specific portfolio securities. The Fund's success depends, to a large extent, on the profitability of the technical trading model employed by the Investment Manager. In addition, if any of the officers of the Investment Manager cease to participate in the operation of the Investment

Manager to the extent they relate to the operations of the Fund for any reason, the operations, objectives and activities of the Fund may be adversely affected.

8. Short operating history

The track records of the Sub-Funds are set out in part B.

9. Substantial expenses

The Fund must pay various fees and other costs regardless of whether it is profitable. The Sub-Funds must generate significant net investment income and/or capital profit in order to break even.

10. Protected Cell Company

The Fund is a protected cell company for the purposes of the PCC Act which means that under Gibraltar law, provided the conditions laid down in the PCC Act are complied with, assets attributable to each Cell or “Sub-Fund” of the Fund shall only be available to creditors in respect of that cell and the assets of that cell shall be protected from creditors of the Fund who are not creditors in respect of that cell. Potential investors should be aware that the segregation of assets and liabilities in this manner under Gibraltar law might not necessarily be recognised in jurisdictions where the Fund’s assets are located.

11. Security

The Fund may not be able to extend its existing credit arrangements, refinance its debt on substantially similar terms when it matures or obtain acquisition financing on financially attractive terms as and when needed.

12. Limited liquidity

In respect of certain Cells redemption of shares in the Sub-Fund before liquidation of the Sub-Fund may not be possible either completely or in part due to reduced liquidity, market conditions and due to the fact that an early sale of assets to provide liquidity for the redemption may prejudice the returns of other investors. The shares of certain Sub-Funds are likely to be illiquid as there is no anticipated secondary market for such shares.

13. Lack of separate representation

Hassans has acted as Gibraltar counsel to the Fund in connection with the formation of the Fund and the securities offered and transactions contemplated hereby. Hassans is not representing any investors and is not rendering any legal advice to any prospective investors in connection with their investment in the Fund and the transactions contemplated hereby. Accordingly, prospective investors are strongly urged to consult their own tax and legal advisers with respect to the tax and other legal aspects of investment in the Fund and the transactions contemplated hereby, and with specific reference to their own personal financial and tax situation.

14. Forward Looking Statements

Certain statements in this offering memorandum constitute “forward-looking statements”. When used in this offering memorandum or in any Marketing Material, the words “project,” “anticipate,” “believe,” “estimate,” “expect,” and similar expressions are generally intended to identify forward-looking statements. Such forward-looking statements, including the

intended actions and performance objectives for the Fund, involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of the Fund to differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements. All forward-looking statements in this offering memorandum or in any Marketing Material speak only as of the date hereof. The Fund and the Board of Directors expressly disclaim any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement contained herein to reflect any change in its expectation with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

15. Emerging/developing country risks

A Sub-Fund may invest in certain countries which will involve risks not normally associated with investments in more developed and more politically and economically stable jurisdictions with more sophisticated capital markets and regulatory regimes, such as the United States and Western Europe.

The Directors believe there are opportunities in these less developed countries. However, it is important to realize that the economic and democratic system in certain eastern European countries and less developed countries have only developed over the last 10-15 years and is therefore very much a work in progress. It is necessary for any potential investor to carefully consider potential general risks such as:

- The value of the relevant Cell's assets may be affected by uncertainties such as changes in government policies, taxation, currency repatriation restrictions and other developments in the law or regulations of the countries in which that Cell invests.
- Asset values rise and fall in response to a variety of factors, including local, regional and national economic conditions, interest rates and tax considerations.
- Investments in certain emerging markets in which the relevant Cell may invest entail specific risk factors to which investors in more developed markets might not be otherwise exposed. Such risks include the following:
  - currency devaluations and other currency exchange rate fluctuations;
  - political uncertainty and instability;
  - more substantial government involvement in the economy;
  - higher rates of inflation;
  - less government supervision and regulation of the securities markets, and participants in those markets;
  - controls on foreign investment and limitations on repatriation of invested capital and on an investor's ability to exchange local currencies for convertible currencies (there is a risk that exchange controls may be introduced which would prevent the relevant Cell being able to withdraw funds from a country);

- greater price volatility, substantially less liquidity and significantly smaller market capitalisation of securities markets;
- custody and settlement systems which may be less developed. In addition, accounting, auditing and reporting standards, practices and disclosure requirements applicable in some less developed markets may differ from those in more developed markets in that less information is available to investors and such information may be out of date;
- risks regarding the preservation and security of private ownership rights in various countries;
- disputes between parties over the assets in which the relevant Cell has invested. The resolution/outcome of such disputes in the local courts could be unpredictable. Such disputes have taken place within certain countries;
- the legal system in certain countries the relevant Cell may invest in is in the midst of reform, and many laws have been rewritten to suit the market economy. There are, however, many issues which are still not fully covered by the new legislation, as well as many conflicting laws, and even if the laws now exist, most of the courts, police and prosecutors have very little experience of adjudicating and enforcing the legal issues of a market economy. This leads to uncertainty and delays in the legal process;
- in certain countries the banking system and the local banks are not as stable as Western banks and in some countries are still one of the areas in need of most structural reforms in order to give it more endurance and efficiency. Some sort of banking crisis in the future is a distinct risk unless improvements are made;
- the liberalization of trade and other business activities witnessed during the recent years is likely to continue in the opinion of the relevant Cell, but one can of course not rule out a reversion. Any reversion to previous policies by the different countries could have an adverse impact on the relevant Cell;
- the tax system in the different developing countries in which the relevant Cell may invest have undergone serious revisions both as regards corporate and individual/personal taxes. Further revisions are a distinct possibility and predicting the future rate of taxation may prove impossible. Tax-related issues cannot be ruled out and may have an adverse impact on the relevant Cell;
- accounting, auditing and financial reporting standards and requirements in various developing countries that the relevant Cell may invest in are in many respects less stringent and less consistent than those applicable in most Western countries. Less information is available to investors investing in these countries than to investors investing in Western companies and assets;
- the lack of environmental controls in developing countries has led to a widespread pollution of air, ground and water resources. The legislative framework for environmental liability and the extent of any exposure of

businesses for the costs of pollution clean up has not been established in certain countries. Accordingly, the extent of the responsibility, if any, for pollution-related liabilities of any business or asset the relevant Cell owns may not be determinable at the time of an investment. Substantial environmental liability for one or more investments may harm the value of the relevant Cell;

- if the relevant Cell invests through local companies and is a minority shareholder, there is no guarantee that minority shareholders will be treated fairly. A high level of corporate restructuring, including for example mergers between different entities, is expected in a number of developing countries and this may result in unfavourable terms for minorities in the past;
- the limited size of various countries' property markets may result in a lack of liquidity, especially when the investment climate deteriorates. This means that an investor, such as the relevant Cell, wanting to liquidate its position might find this only possible at a disadvantageous price; and
- there is still a serious corruption problem in various less developed countries where the relevant Cell may invest. There may be risks of regime change which may result in new legislation and other regulations being introduced which might have an adverse impact on the assets of the relevant Cell.

Investors should be aware that investments the relevant Cell may make in emerging market countries are more speculative in nature, are subject to greater market fluctuations and risk of loss than investments in more developed countries.

16. No control over the operations of the Fund

Shareholders will have no control over the management of the business activities or affairs of the Fund. Consequently, an investor should not become a member in the Fund unless it is willing to entrust management of the Fund to the Board.

17. Dividend policy

Although payments of dividends on the Fund's shares maybe made from time at the discretion of the Directors with the approval as required of holders of shares of a particular class it is not the policy of the Fund to pay dividends. Those who anticipate the need for regular income from dividends from their investments should not invest in the Fund. It is currently intended that all earnings of the Fund will be reinvested rather than be paid as dividends.

18. Changes to law and regulation

Changes in legal, tax and regulatory regimes within the jurisdictions of the respective investments as well as the Fund may occur during the life of the Fund. These may materially affect the performance as well as the current projected performance of any given investment. In countries with greater geopolitical risk, these risks are acute and therefore may have a greater impact on investments in these markets given the nascence of these markets.

There may be a change in government regulation or policies which materially affect European Union members have been under some pressure from international organisations such as the OECD and the European Union to remove state aid, harmful tax regimes and to

harmonise taxation. There can be no assurance that the Fund will maintain its tax status. If this is revoked the Directors will use their best endeavours to relocate the residence of the Fund to preserve its tax status.

19. Past performance

Past performance of similar investments is not necessarily a guide to future performance of the Fund's and/or Sub-Fund's investments. No assurances can be given that either the projected returns for any of the existing or contemplated investments or the target returns of the Fund will be achieved.

20. Failure of clearing brokers

Because clearing brokers may, at times, be the sole counterparties with respect to a significant portion of the Fund's assets, the Fund has credit risk to the clearing brokers. Clearing brokers that are futures commission merchant registered with the Commodity Futures Trading Commission ("CFTC") are required by CFTC regulations to segregate from their own assets, and for the sole benefit of its commodity customers (including the Fund), all assets held by the them in respect of CFTC exchange traded futures contracts, including an amount equal to the net unrealized gain on all such open contracts. Exchange traded contracts are marked to market on a daily basis, with variations in value credited or charged to the Fund's account, and any funds received in connection with profits on a futures or options position belonging to the Fund must be treated as the property of the Fund and maintained by the broker in a customer segregated account. Under CFTC regulations brokers are also required to deposit their own funds into customer segregated accounts to the extent necessary to ensure that such accounts do not become under segregated and that no customer's excess funds in the segregated account may be used to meet the margin requirements of another customer. In the unlikely event of a broker's financial collapse, insolvency or bankruptcy, the customer funds held in that broker's customer segregated accounts would be safely insulated as an identifiable separate pool of assets and, as such, would not be available for distribution to the broker's general creditors. Under such circumstances, each customer with assets on deposit in the broker's customer segregated account would receive its *pro rata* share of such assets. As long as a broker is collecting margin payments from its customers or advancing its own funds in accordance with CFTC regulations, each customer would receive 100 per cent of its assets from the customer segregated account. To the extent that any segregated account may be under margined, however, the deficiency would be shared on a *pro-rata* basis by each customer holding assets in such account.

A client's assets that are deposited as margin in respect of non-exchange traded derivative contracts such as currency forwards on the interbank market are not required under CFTC or any other regulations to be held in a customer segregated account. Consequently assets deposited as margin in respect of non-exchange traded derivative contracts are indistinguishable from a broker's assets and therefore may be subject to creditors' claims in the unlikely event of the insolvency of that broker. A clearing broker will only hold the margin deposits of the Fund's assets. Assets not held a margin by the clearing broker will be held by the Depositary. The Fund does not currently intend to trade on the interbank markets.

21. No Equalisation for Shares Subject to Performance Fee

Investors should note that the Fund does not operate any form of equalisation. As a result, investors may bear a disproportionate performance fee when acquiring their shares depending upon when during a calculation period the shares were purchased.

22. Trading strategies may not be successful

There can be no assurance that any trading method employed on behalf of the Fund will produce profitable results, and the past performance of these investment vehicles is not necessarily indicative of their future profitability.

Profitable trading is often dependent on anticipating trends or trading patterns. In addition, markets experiencing random price fluctuations, rather than defined trends or patterns, may generate a series of losing trades. There have been periods in the past when the markets have been subject to limited and ill-defined price movements, and such periods may recur. Any factor which may lessen major price trends (such as governmental controls affecting the markets) may reduce the prospect for future trading profitability. Any factor which would make it difficult to execute trades, such as reduced liquidity or extreme market developments resulting in prices moving the maximum amount allowed in a single day, could also be detrimental to profits or cause losses. Increases in margin levels on securities may occur in the future. Such increased margin and other potential regulatory changes may adversely impact the trading strategies. No assurance can be given that the trading techniques and strategies of the Fund's investment vehicles will be profitable in the future.

23. Shareholder liability for margin calls

The liability of shareholders investing in the Fund is limited to the subscription price paid for the shares upon subscription/purchase or otherwise. Under no circumstances will there be "margin-calls" to shareholders.

24. Indemnification of the Fund's officers, directors, Investment Adviser, Investment Manager, Depositary, Administrator and Auditor

The Fund's officers, directors, Investment Manager, Investment Adviser, Depositary, Administrator, and Auditor and their respective affiliates, are entitled to be indemnified in certain circumstances, excluding case of fraud or wilful default. As a result, there is a risk that the Fund's assets will be used to indemnify such persons, companies or their employees or satisfy their liabilities as a result of their activities in relation to the Fund.

An investment in the relevant Cell should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.

**THE FOREGOING LIST OF RISK FACTORS DOES NOT PURPORT TO BE A COMPLETE ENUMERATION OR EXPLANATION OF THE RISKS INVOLVED IN AN INVESTMENT IN THE FUND. PROSPECTIVE INVESTORS SHOULD READ THIS ENTIRE OFFERING MEMORANDUM AND CONSULT THEIR OWN COUNSEL AND ADVISERS BEFORE DECIDING TO INVEST IN THE COMPANY**

**EVEN IF IT IS NOT EXPECTED THAT INVESTORS MAY LOSE CAPITAL (ESPECIALLY OVER THE MEDIUM TO LONG TERM) THE INVESTORS' CAPITAL IS NOT GUARANTEED. THE VALUE OF INVESTMENTS MAY FALL AS WELL AS RISE.**

**Gibraltar**

There are currently moves by the Government of Gibraltar to reform Gibraltar tax legislation. This arises from the need to ensure that Gibraltar continues to comply with EU and other international obligations. The proposed Government reforms of the Gibraltar tax system would result principally in the replacement of the Tax Exempt Company legislation with a non-discriminatory low corporate tax regime. This new regime has the full support of the UK Government.

For four years now Gibraltar and its financial services industry have been eagerly awaiting the overturning of a decision of the European Commission that because Gibraltar was part of the EU through the UK, it had to have a common tax system with the UK. A new tax system proposed for Gibraltar revoking tax on company profits and imposing in its place a payroll tax and a tax on the use of business properties was halted by the Commission in 2004 on the grounds that it constituted unacceptable state aid because it was dissimilar to the UK system and also imposed taxes on a basis that materially benefited those with no significant physical presence in Gibraltar. The Government of Gibraltar, with the support of the UK Government, appealed the decision.

The decision by the European Court of First Instance on the appeal has taken four years to come but is a total vindication of the Gibraltar position. The decision is crystal clear on the point that Gibraltar is entitled to draw up its own tax system totally independently of the UK tax system. On the subject of the structure of the system proposed, the decision dismisses the European Commission's decision on the basis that the Commission did not even apply the correct tests to the issue before making its decision. The decision leaves Gibraltar free to legislate for a tax system that will be appropriate to the demands of the 21<sup>st</sup> century and that will endure for a considerable period.

The Government of Gibraltar has already made a start on a new, more mainstream, system by implementing changes to the tax system over the past three years and has given an undertaking to introduce a 10% corporate tax rate by 2010. It is understood that work on this has already commenced.

## MANAGEMENT

### 1. BOARD OF DIRECTORS

The directors of the Fund are currently Rolf Majcen, James Lasry, Mag. Thomas Berger and David Wahnnon.

The function of the Directors is to conduct the Fund's business operations, review and be responsible for the activities of the Fund under director's service agreements between the Directors and the Fund. The Directors directly, or through investment managers and advisers, will provide all investment management services which may be required for the Fund's operations. The Directors are required to ensure compliance by the Fund with all laws and regulations that are applicable to it.

Management and control of the Fund cannot be delegated without prior approval of the Gibraltar Financial Services Commissioner. Nothing however shall prevent the Fund from delegating its functions of investment management to a third party who is authorised to act as an investment manager in the jurisdiction where it provides such investment management.

The Directors will meet at least quarterly each year to review the investment and administrative affairs of the Fund.

The Directors will only adopt changes to a Sub-Fund's investment policies, investment restrictions and operating and valuation policies after obtaining the approval (by the passing of an ordinary resolution) of a majority of the Ordinary Shares.

The Directors will hold office until their resignation, incapacity, death or removal or they are disqualified in accordance with the articles of association of the Fund. Subject to the provisions of the Fund's articles of association, the Directors shall have power at any time and from time to time to appoint any person to be a Director either to fill a casual vacancy or as an addition to the existing Directors. Any Director so appointed shall hold office only until the next following Annual General Meeting and shall then be eligible for re-election. The holders of the majority in nominal value of the Ordinary Shares for the time being in issue shall have the right by notice in writing to the Fund to appoint additional Directors or to remove any Director from office.

Currently, the Board of Directors is comprised of the following:

#### **ROLF MAJCEN**

Rolf Majcen was born in 1966 in South Africa. He served as an officer in the Austrian Army from 1985 to 1998. In 1991, he was admitted to practice within the district of the Supreme Court of Graz (Austria). From 1993 to 1998 he worked for prominent Austrian financial services companies as in-house counsel. From 1998 to 2005 he was employed by one of Austria's leading investment management company Erste-Sparinvest Kapitalanlagegesellschaft m.b.H as in-house counsel and authorised signatory. Since April 2005 he has been employed as legal and compliance officer of FTC Capital GmbH, Austria. From November 2007 until September 2008 Mr. Majcen was a member of the board of directors of the Austrian Association of Alternative Investments (VAI).

#### **JAMES LASRY**

James Lasry is a partner of Hassans International Law Firm in Gibraltar since 1<sup>st</sup> July 2005 and has worked in Hassans since 1999. He is a noted figure in the initiation and development of Gibraltar's fund industry. He specialises in funds, trusts, corporate law and financial services. He has advised the government of Gibraltar on the regulatory and tax treatment of investment funds and also assisted in drafting the Financial Services (Experienced Investor Funds) Regulations, 2005. Mr. Lasry has advised the majority of Gibraltar's funds, including the first experienced investor fund and the first protected cell company fund. Mr Lasry serves on the boards of various private investment companies

and funds in Gibraltar and abroad. He is a graduate of Johns Hopkins University and Bar-Ilan University, a member of the Law Society of England & Wales, the Israel Bar Association and the Gibraltar Bar. Mr. Lasry is chairman of the Gibraltar Funds & Investments Association.

#### **DAVID WAHNON**

David Wahnon previously held the position as senior manager in the assurance division of PricewaterhouseCoopers, Gibraltar, and has been a member of the Association of Chartered Certified Accountants since 1994 and a fellow since 1999. He graduated with honours in computer science from the University of Reading and shortly after joined KPMG where he spent 5 years. In 1994 he joined one of PricewaterhouseCoopers' legacy firms. Mr Wahnon is the chairman of the training committee of the Gibraltar Society of Chartered and Certified Accountancy Bodies, which looks after the training needs of both members and students. Mr Wahnon has considerable experience serving a variety of businesses, with specific industry specialisation in banking and financial services. Mr Wahnon joined Capita Financial Administrators (Gibraltar) Limited in August 2005 as operations director and was in June 2007 promoted to managing director where he served until July 2009. Given his considerable experience, he currently serves as a director for several other funds including some listed on various exchanges. In July 2009, Mr. Wahnon left Capita to take over as managing director of a Gibraltar based audit and accounting practice.

#### **MAG. THOMAS BERGER**

Thomas Berger was born in Austria in 1967. After finishing his military service in 1987, he studied at the Vienna University of Economics and Business Administration and the University of Illinois at Urbana-Champaign, USA, and subsequently received his MBA degree.

In September 1995 he joined CA Global Futures AG as account executive on the institutional financial futures desk. In 1996 he transferred within Creditanstalt Group to CAGF Investment Management Ltd. where he was part of the effort to establish a managed futures operation. Based first in Vienna and then in London he held various responsibilities from product development, to operations, and finally fund management.

From 1998 to 2000 Mr. Berger was employed by Applied Financial Management Inc, Chicago, USA. Based in London, he held responsibility for the European client base. In September 2000 he returned to Austria to join Hasenbichler Asset Management, an international CTA firm, as manager for the Vienna office.

From August 2001 to March 2005, and again from June 2007, Mr. Berger was employed by FTC Capital GmbH, Vienna, Austria, as chief operating officer with responsibilities for finance, fund administration and controlling.

#### **Ordinary Shareholder**

At the date hereof the Ordinary Shares in the Fund are held by FTC Capital GmbH.

## **2. INVESTMENT MANAGERS**

The investment managers appointed to the various Sub-Funds are listed in part B of this offering memorandum. The remuneration of each of these investment managers is also detailed in part B of this offering memorandum.

## **3. INVESTMENT ADVISERS**

The Directors and Investment Managers may call on the services of investment advisers to make recommendations in relation to the particular markets in which they specialize and to advise upon how the Sub-Funds should invest.

The investment advisers appointed to the various Sub-Funds are listed in part B of this offering memorandum. The remuneration of each of these investment managers is also detailed in part B of this offering memorandum.

#### **4. DEPOSITARIES**

The Fund has appointed Credit Suisse (Gibraltar) Limited as depositary, under Depositary Agreements dated on or about 12 March 2009 and 12 January 2010 ("Depositary Agreements").

The Depositary will not provide any other services or perform any other functions except

1. safekeeping and administration relating to the provision of safe custody services of the assets of the Fund:

The Depositary will provide a service which comprises:

- a. safe custody administration of securities;
  - b. collection of interest, dividends when due and principal moneys on maturity or sale of the securities;
  - c. payment of moneys so collected to such account as may be designated by the Fund;
  - d. furnishing periodic statements of current holdings including securities; and
  - e. notification to the Fund of redemptions, rights issues, bonus issues and matters relating to corporate actions;
2. acting as banker and broker for the Fund which includes the following services:
    - a. acceptance of deposits and other repayable funds;
    - b. issuing and administering means of payment;
    - c. trading for account of the Fund in:
      - i. money market instruments;
      - ii. foreign exchange;
      - iii. options;
      - iv. exchange and interest rate instruments;
      - v. transferable securities;
    - d. dealing or arranging deals in securities, investments, options or other derivatives as agent of the Fund;
    - e. provision of foreign exchange services in connection with investment services,

and will have no other duties or responsibilities relating to the Fund, for example the Depositary will not provide advisory services or asset management services nor will it monitor investment management activities or investment strategies of the Fund as set out in part B. The Depositary shall not supervise or control the activities of the Investment Manager, or the Administrator of the Fund. The Depositary does not warrant the contents of the relevant fund-documentation nor will it be involved in the management, administration or Net Asset Value calculation of the Fund. The Depositary does not act as sponsor or promoter of the Fund and therefore, does not assume any liability for negligent or wilful misconduct of the Fund's Investment Manager, or Administrator and potential investors should not rely upon the Depositary in deciding whether or not to invest in the Fund. The Depositary Agreement may be terminated by notice in accordance with its terms (see Material Contracts below).

Credit Suisse (Gibraltar) Ltd. has over \$ 2 Billion assets under custody and is regulated as a custodian by the Financial Services Commission, PO Box 940, Suite 943, Europort, Gibraltar.

Credit Suisse (Gibraltar) Ltd. holds the assets of the Fund in segregated accounts.

The Fund may appoint additional depositaries in the future if the Directors deem that this would assist the running of the fund, and will inform all investors accordingly of the appointment.

Any depositary will be responsible solely for the assets which it holds in custody and not for the assets held in custody by other depositaries or brokers. The Fund may remove the Depositary in accordance with the Depositary Agreement.

Credit Suisse (Gibraltar) Limited will provide safe custody services to the Fund subject to section 14 of the Depositary Agreement, which states the following:

“If the Fund appoints other parties to hold assets and other property belonging to the Fund (“Co-Custodians”), and such parties are not appointed by Credit Suisse (Gibraltar) Limited, the Fund agrees to advise all investors in writing before or at the time of subscription to the Fund of the existence of these parties and shall specifically refer to this clause in any offering document or memorandum of the Fund. All risks and consequences that might result for Credit Suisse (Gibraltar) Limited shall be borne by the Fund. Credit Suisse (Gibraltar) Limited bears no liability nor provides any guarantees whatsoever for the performance of any obligations on the part of the Co-Custodian, its affiliates, agents or representatives. In particular but without prejudice to the generality of the foregoing, Credit Suisse (Gibraltar) Limited shall not be liable for any failure on the part of the Co-Custodian, its affiliates, agents or representatives to pay outstanding cash or other assets due to the Fund and/or failure to deal properly with corporate actions relating to the assets and other property. The Fund hereby holds harmless and indemnifies and keeps indemnified Credit Suisse (Gibraltar) Limited and its officers and employees from and against all liabilities, costs and damages of any kind (including, for the avoidance of doubt, all legal expenses incidental thereto) which may be incurred by any of them and all actions or proceedings which may be brought by or against them.”

### **Bankers to the Fund**

The Fund has appointed Credit Suisse (Gibraltar) Ltd. as banker to the Fund (not to the cells). Liabilities of the Fund not otherwise attributable to any of its cells shall be discharged from the non-cellular assets of the Fund (i.e. normal running costs of the Fund [f.e. company registration fees, etc.]). Only for such reason – but not for the extension of credit to the Fund - an account with Credit Suisse (Gibraltar) Ltd. has been opened on normal commercial terms and Credit Suisse (Gibraltar) Ltd. may be removed in accordance with the terms of the Agreement.

### **Separate responsibilities of the Depositary, the Clearing Broker and the Investment Manager**

The assets held by the Depositary (under the terms of the Depositary Agreement referred to herein above) and the Clearing Broker(s) are held at the sole responsibility of each and no responsibilities shall be taken by either of the Depositary or the Clearing Broker(s) for any of the assets of the Fund held by the other party/parties.

A Clearing Broker is a broker who specifically mediates the transactions between the Fund and a clearing corporation. The Fund has agreed to deposit and maintain collateral (cash in eligible currency or such other property as the Clearing Broker expressly agrees to accept at the value determined by it) including, without limitation, initial (or original) and variation (or maintenance) margin together with any additional collateral in such amounts, at such times and in such form as required by the Clearing Broker from time to time in its discretion.

The Investment Manager will satisfy itself as to the adequacy of the custody arrangements entered into by the investment managers to which the assets of the Fund are allocated or funds in which assets of the Fund are invested.

## 5. ADMINISTRATOR

The Fund has appointed Capita Financial Administrators (Gibraltar) Limited (“Administrator”) as the administrator for the Fund. Capita Financial Administrators (Gibraltar) Limited was established in Gibraltar in January 2004 for the purpose of providing niche services for third party mutual fund administration and accounting services. Capita Financial Administrators (Gibraltar) Limited is licensed by the Financial Services Commission of Gibraltar as a Collective Investment Scheme Administrator.

Under an Administrative Services Agreement dated as of 3 April 2009 with an addendum effective as of 16 February 2010 between the Administrator and the Fund, the Administrator will be responsible, among other things, for the following matters, under the general supervision of the Board of Directors:

- ◆ Communicating with shareholders;
- ◆ Maintaining the Fund’s share register;
- ◆ Identifying subscribers of the Fund’s shares in accordance with anti money laundering requirements;
- ◆ Maintaining the Fund’s financial and accounting records;
- ◆ Preparing accounting records and to ensure that full and proper accounting records of the Fund are maintained;
- ◆ to ensure that proper calculations of the Net Asset Value of the Participation Shares of the Fund are carried out in accordance with the relevant provisions of the articles of association of the Fund and of this offering memorandum (as amended from time to time) and report such Net Asset Value per Participation Share to the holders of such shares and the Fund;
- ◆ to calculate the Performance Fee and other fees payable to the Investment Manager and the Administrator;
- ◆ to process subscription applications and redemption notices;
- ◆ to monitor the receipt of subscriptions and calculate the amount of sales commissions and Performance Fees to be deducted from subscriptions, the amounts of any balance cheques to be remitted to subscribers and the number of Participation Shares to be issued;
- ◆ to act as the transfer agent of the Fund and receive and forward to the Depositary or any other person as the Directors may from time to time determine subscription monies and other payments received by it on behalf of the Fund;
- ◆ to communicate with the Fund’s Auditors;
- ◆ acting as company secretary of the Fund.

The Administrator will instruct the Depositaries to pay the Sub-Fund's expenses, dividends (if any) and redemption proceeds to investors. The Depositaries will not assume any responsibility for any payment if executed according to instructions received from the Administrator.

Expenses payable in respect of the Fund, and not the Cells, will be paid from the Fund's account at Credit Suisse (Gibraltar) Bank Limited.

The Fund may remove the Administrator in accordance with the Administrative Services Agreement. The administration agreement commenced on 3 April 2009 and shall, unless earlier terminated in accordance with the terms of the agreement, continue until 31 December 2010 (the "Initial Period"). At the expiry of the Initial Period, the administration agreement shall be automatically renewed for successive periods of 12 months, unless or until terminated by either party by giving not less than 90 days' prior written notice to the other party (such notice capable of being served at any time but not to expire earlier than the expiry of the Initial Period). The Administrator is indemnified by the Fund in the performance of its duties under the Administrative Services Agreement except in respect of actions arising from wilful breach of duty, fraud or negligence.

## **6. AUDITORS**

The Fund has appointed BDO Orion Limited of Gibraltar as the Fund's auditors. The Fund shall at each Annual General Meeting appoint an Auditor or Auditors to hold office from the conclusion of that meeting until the conclusion of the next Annual General Meeting.

The Directors may fill any casual vacancy in the office of auditors but while any such vacancy continues the surviving or continuing Auditors if any may act.

BDO Orion Limited is registered under the Gibraltar Audit Registration Board.

## **FEES AND EXPENSES**

### **1. ORGANISATION COSTS**

Restructuring costs, including government, incorporation charges and professional fees and expenses in connection with the preparation of the Fund's information documents and the preparation of its corporate documents and contracts are estimated not to exceed £50,000, will be paid by the Fund. Previous organisation costs which have not yet been amortised now amounting to approximately €6,000 are due to be amortised in full by April 2010. The financial statements of the Fund will be prepared in accordance with International Financial Reporting Standards which do not permit the amortisation of these costs. However, in order not to prejudice existing investors the Directors intend to amortise the restructuring expenses over a period not exceeding 3 years and, in consequence, the audit report on the financial statements may be qualified as a result although the directors are confident that these amounts are not material in relation to the financial statements.

Restructuring costs will be divided between the Sub-Funds and will be amortised by the different Sub-Funds over a period of between 36 and 60 months or as determined by the Directors.

### **2. FEES OF THE DIRECTORS**

The Directors shall be entitled to a fixed annual fee for their directorship services at a rate to be determined from time to time, but the aggregate amount of Directors' remuneration in the current year will not exceed £15,000. In addition certain directors will charge fees based on time spent on the activities of the Fund. These fees will be reviewed on an annual basis.

### **3. FEES OF THE ADMINISTRATOR**

The fees of Administrator are set out in part B below.

### **4. FEES OF THE DEPOSITARIES**

Each of the Depositaries will charge fees in respect of the various Sub-Funds as set out in part B. The Fund's bankers will charge fees on normal commercial terms.

### **5. FEES OF THE INVESTMENT MANAGERS**

The Fund pays fees to the investment managers as set out in part B.

### **6. FEES OF THE COMPANY SECRETARY**

The Fund pays fees to the Fund's Secretary as set out in the Administration Agreement which provides a minimum payment of £6,000 per annum.

### **7. OTHER OPERATING EXPENSES**

The Administrator will be responsible for providing all office personnel, office space and office facilities required for the performance of their services.

The Fund, or, in the discretion of the Directors, the relevant Sub-Fund, will bear all other expenses incidental to its operations and business, including:

- 1) Bankers' transfer fees;
- 2) Brokerage commissions;

- 3) Fees of the Fund's legal advisers and the auditors;
- 4) Any income tax, withholding taxes, transfer taxes and other governmental charges and duties occurring for the Fund;
- 5) The costs of printing and distributing any prospectuses, reports as well as notices to the shareholders;
- 6) Registered office and administrative charges;
- 7) Banking charges;
- 8) Bookkeeping costs;
- 9) Fees and expenses of the Auditors, tax, legal and other professional advisers of the Fund;
- 10) Any income tax, withholding taxes, transfer taxes and other governmental charges and duties occurring for the Fund;
- 11) The costs of printing and distributing any offering documents and reports as well as notices to the Shareholders;
- 12) Fees connected with the listing of Participation Shares on any stock exchange;
- 13) Company secretarial fees;
- 14) Costs of registration of Participation Shares in jurisdictions outside Gibraltar;
- 15) Any necessary translation fees; and
- 16) Any other fees and expenses attributable to the management of the Fund's investments (e.g. fees and expenses (in particular transaction costs) for using systems that enable the application of intraday trading).

## **9. TRANSACTIONAL COSTS**

For its futures, options and other derivative trading, the Fund will use the services of one or more brokerage firms to execute and clear its transactions and to carry its accounts. The Directors in consultation with the Investment Managers will select the brokers for the Fund and will negotiate fees and commissions. The Fund will pay all expenses incurred in connection with its trading and investment activities, including but not limited to all execution, other transaction costs and expenses, custody expenses and all other related expenses and costs.

The Directors may negotiate and receive rebates of commission in respect of each brokerage transaction. Any rebates received shall be for the benefit of the relevant Sub-Fund.

## **10. DIVISION OF FEES BETWEEN SUB-FUNDS**

The fees payable to the different parties, including restructuring fees for the Fund, management fee, other fees to the Directors and fees to the Fund's Secretary shall be split between the Sub-Funds in accordance with their net assets or otherwise as the directors may, in their absolute discretion, determine.

All expenses directly attributable to a Sub-Fund are paid by that Sub-Fund.

All expenses of the Fund not directly attributable to a specific Sub-Fund (including, by way of example, Directors' fees and expenses) will be allocated to all Sub-Funds in the ratio of the net asset value of each Sub-Fund to the total net asset value of the Fund.

## SHARES OF THE FUND

### 1. SHARE CAPITAL AND VOTING RIGHTS

#### *Characteristics of shares*

A share is a division of the Fund's capital. The holder of that share may be entitled to participate in the property and the income of the Fund which it represents, in proportion to that value of that share or may have rights only to participate in the property and income of a particular Sub-Fund. The voting and other rights attaching to each class of shares are set out in the Articles. However, no shareholders of any class have rights in respect of any specific property or assets of the Fund or of any Sub-Fund. No shareholders, for example, have any right to vote at any meeting called by a company or other vehicle whose securities are included within the property of the Sub-Fund in question or the Fund.

Investors should note that in accordance with company law, the assets and property in the Sub-Funds are legally the property of the Fund and may be subject to attack by any third party. However, the Fund is a protected cell company for the purposes of the PCC Act which means that under Gibraltar law, provided the conditions laid down in the PCC Act are complied with, assets attributable to each Sub-Fund of the Fund shall only be available to creditors in respect of that Sub-Fund and the assets of that Sub-Fund shall be protected from creditors of the Fund who are not creditors in respect of that Sub-Fund. Potential investors should be aware that the segregation of assets and liabilities in this manner under Gibraltar law might not necessarily be recognised in jurisdictions where the Fund's assets are located.

Shareholders are not directly liable for the debts of the Fund, and are not obliged to contribute towards the assets of the Fund (or of any Sub-Fund) in any amount in excess of the price which they have agreed to pay for their shares.

Subject to restrictions contained in the Gibraltar Companies Acts, the memorandum and articles of association of the Fund and set out in this offering memorandum all unissued shares in the Fund are under the control of the Directors who may (without prejudice to any special rights for the time being conferred on the holders of any shares or class of shares any shares in the Fund) allot and dispose of or grant options over the shares to such persons on such terms (and with such rights or restrictions whether in regard to dividend, return of capital, voting or otherwise as the Fund may determine) and in such manner as the Directors think fit.

The Fund has an authorised capital of \$3,010 and €1,000 (comprising of four hundred and one thousand (401,000) shares) divided into:

- a) 100,000 Class A Redeemable Preference Participation Shares of \$0.01 each which may be issued as separate classes of Participation Shares;
  - b) 100,000 Class B Redeemable Preference Participation Shares of \$0.01 each which may be issued as separate classes of Participation Shares;
  - b) 100,000 Class C Redeemable Preference Participation Shares of €0.01 each which may be issued as separate classes of Participation Shares;
- all of the above shares being referred to as "Participation Shares".
- c) 100,000 Unclassified Shares of \$0.01 each which may be issued as either Participation Shares or Nominal Shares (whether Cell A, B or C or another class);

- d) 1,000 Ordinary Shares of \$0.01 each which shall have voting rights but shall not participate in any profit or distribution of the Fund that is attributable to the Sub-Funds (save for the repayment of the nominal amount paid up on them). At the date hereof all Ordinary Shares are owned by FTC Capital GmbH;

The Fund is authorised to issue fractions of Participation Shares as the Directors may by resolution determine and each such fractional share shall have the corresponding fractional rights, obligations, designations, powers, preferences, qualifications, limitations and liabilities of a whole share of the same class.

In accordance with the articles of association, the Fund may from time to time by Ordinary Resolution increase its authorized capital by such sum to be divided into shares of such amounts as the Ordinary Resolution shall prescribe. All new shares are subject to the provisions of the Fund's articles of association with reference to payment lien transfer transmission and otherwise.

Voting by Ordinary Shareholders shall be (i) on a show of hands (if present in person) to one vote; (ii) on a poll (if present in person or by proxy) to one vote in respect of each Ordinary Share held by him in accordance with the Fund's articles of association.

#### **Alterations to the Fund's Share Capital**

The Fund may, by resolution of the Ordinary Shareholders or by resolution of the Directors, increase or reduce its share capital.

#### **Variation of Class Rights**

If at any time the authorised capital is divided into classes or series of shares different from those then existing, the rights attached to any then existing class or series (unless otherwise provided by the terms of issue of the shares of that class or series) may, whether or not the Fund is being wound up, be varied with the consent in writing of the holders of not less than three-fourths of the issued shares of that class and of any other class or series of shares which may be affected by such variation.

Participation Shares shall rank *pari passu* in all respects in respect of the Sub-Fund in which they are issued.

Participation Shares shall not be entitled to vote at General Meetings of the Fund except on a resolution to change the memorandum and articles of association of the Fund so far as it affects the rights and obligations of the Participation Shares or class thereof, or at separate class Meetings of the holders of Participation Shares or any class of Participation Shares.

The establishment and winding up of a Sub-Fund and the issue and redemption of shares shall not be regarded as affecting any class of share other than the relevant class being issued or wound up.

The rights of Participation Shares are deemed not to be varied by (a) the issue or redemption of any Participation Shares in accordance with the articles of association of the Fund; (b) a reduction of issued share capital of any Cell established for any class of shares (other than the affected Class); (c) the exercise by the Directors of any discretion under the Articles or, if the Fund should be wound up, the exercise by the liquidator of their powers under Article 139; (d) the payment of a dividend on the Ordinary Shares where the dividend is paid out of non-cellular assets; (e) the removal and appointment of an investment manager; or (f) the removal and appointment of any Director.

If at any time the Participation Shares in issue are divided into separate classes different amounts of dividends may be payable in respect of the separate classes. No dividend shall be declared or paid other than from the profits or gains of the relevant Cell.

Nominal Shares shall have no voting rights except on a resolution to wind up the Fund and shall not participate in any profit or distribution of the Fund (except the repayment of the amount paid up on the Nominal Shares)

Ordinary Shares of par value US\$0.01 each have been issued to FTC Capital GmbH. Ordinary Shares do not participate in the assets of the Fund nor in any distributions that the Fund may from time to time make (other than a return of paid up capital on a winding-up after payment of all other amounts due to other classes of shares). The Ordinary Shares carry all voting rights in relation to the Fund and the holders thereof therefore have voting control of the Fund.

Each class of Participation Share shall be constituted as a separate cell for the purposes of the PCC Act. In the event of a winding-up, each Participation Share carries an entitlement, with respect to the assets of the Cell in which it has been constituted, to a return of the nominal capital paid up in respect of each share in priority to the repayment of the nominal capital paid up on Nominal Shares. Only Participation Shares carry the right to share in surplus assets after the return of the nominal capital paid up on Nominal Shares.

All shares are, when issued, fully paid and non-assessable, and shareholders have no personal liability for the debts of the Fund. The shares have no pre-emptive, conversion, exchange or other rights or privileges save as set out in the memorandum and articles of association of the Fund.

The Fund shall in each year hold a general meeting as its Annual General Meeting in addition to any other meeting in that year. Such meetings may be held at such time and place as may be determined by the Directors in accordance with the articles of association.

Notices of every general meeting shall be given in any manner authorised by the articles of association to every Member and to:- (a) each Director and Alternate Director of the Fund; (b) the Auditors; (c) the Investment Manager; and (d) such other person(s) as the Director shall at any time and from time to time determine.

The Directors may at any time convene a separate meeting of any class of holders of shares. A separate meeting of any class may also be convened by such requisitionists as provided in section 159 of the Companies Act. Notices of every general meeting of the Fund shall be given in the manner authorised in the articles of association to every Member. At any general meeting of the Fund, a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is demanded. The articles of association of the Fund provide further details of the manner in which meetings of the Fund will be held.

## **2. SUBSCRIPTIONS**

Participation Shares will be available for subscription in each Sub-Fund as set out in part B.

The minimum initial subscription that will be accepted from a new investor will be €100,000 or its USD equivalent. Additional subscriptions may be accepted into certain Sub-Funds (as set out in part B). The Board of Directors reserves the right to alter the above-mentioned minimum subscription requirements at its absolute discretion.

The minimum initial subscription will not be below € 100,000 for as long as the Fund is listed on the Irish Stock Exchange.

Subscription monies should be received within three Business Days after the relevant Dealing Day as referred to in part B below. The acceptance of subscriptions is subject to confirmation of the prior

receipt of cleared funds credited to the Fund's subscription account with the Depository. The Board of Directors reserves the right to reject subscriptions in its absolute discretion.

The Board of Directors reserves the right to vary the above-mentioned minimum subscription requirements and any other subscription requirements of the Fund at its absolute discretion.

Further details are set out in part B below.

### **3. INVESTOR SUITABILITY**

#### *Experienced Investors*

The Fund is an Experienced Investor Fund as defined under the Financial Services (Experienced Investor Funds) Regulations, 2005 ("Experienced Investor Regulations"). Participation Shares may be subscribed to only by experienced investors as defined under the Experienced Investor Regulations. An experienced investor is generally:-

- (a) a person or partnership whose ordinary business or professional activity includes, or it is reasonable to expect that it includes, acquiring, underwriting, managing, holding or disposing of investments, whether as principal or agent, or the giving of advice concerning investments;
- (b) a body corporate which has net assets in excess of €1,000,000 or which is part of a group which has net assets in excess of €1,000,000;
- (c) an unincorporated association which has net assets in excess of €1,000,000;
- (d) the trustee of a trust where the aggregate value of the cash and investments which form part of the trust's assets is in excess of €1,000,000;
- (e) an individual whose net worth, or joint net worth with that person's spouse, is greater than €1,000,000, excluding that person's principal place of residence; or
- (f) a participant who invests a minimum of €100,000 in the Fund.

#### *Non-US Investors*

Each prospective investor will be required to certify that the Participation Shares are not being acquired directly or indirectly for the account or benefit of a U.S. Person. "U.S. Person" means:

- (a) Any natural person resident in the United States of America, its territories and possessions, any State of the United States, and the District of Columbia ("United States");
- (b) Any partnership or corporation organized or incorporated under the laws of the United States;
- (c) Any estate of which any executor or administrator is a U.S. person;
- (d) Any trust of which any trustee is a U.S. person;
- (e) Any agency or branch of a foreign entity located in the United States;
- (f) 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;

- (g) Any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organized, incorporated, or (if an individual) resident in the United States; and
- (h) Any partnership or corporation if:
  - (i) Organized or incorporated under the laws of any foreign jurisdiction; and
  - (ii) Formed by a U.S. person principally for the purpose of investing in securities not registered under the Securities Act unless it is organized or incorporated, and owned, by accredited investors (as defined in Rule 501(a) of the Securities Act) who are not natural persons, estates or trusts.

PROVIDED THAT a person or entity shall not be considered a U.S. Person if he or she or it qualifies under any exemption in the Securities Act.

Each prospective investor will be required to certify that the Participation Shares are not being acquired directly or indirectly for the account or benefit of a Politically Exposed Person such as a senior political figure or the spouse or associate of a senior political figure, or a person on any Swiss or UK Foreign Office Money Laundering or Terrorism “Watch List”.

It is the responsibility of each investor to verify that the purchase of and payment for the Participation Shares is in compliance with all relevant laws of the investor’s jurisdiction of residence.

#### **4. GIBRALTAR LEGAL & ANTI MONEY LAUNDERING REQUIREMENTS**

As part of the Fund’s responsibility for the prevention of money laundering, the Fund will require a detailed verification of an investor’s identity and origin of their investment funds. Such verification will be performed by the Administrator. An individual shall be required to produce the information listed in the Checklist at the end of this Memorandum. The Fund may require that such document be certified by a notary public. In the case of corporate applicants, they may be required to produce a certified copy of the names, occupations, dates of birth and residential and business addresses of all directors, major shareholders and beneficial owners, along with certified copies of a passport or ID card as detailed for individual investors.

Each investor will be required to produce a letter of reference from a banker, lawyer or accountant in the attached format. Please note the different formats for individual and corporate investors.

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

Any information supplied to the Fund will, subject to any legal restrictions, be made available by the Fund to the Administrator and, upon request, to its advisers, brokers, bankers and Depositaries.

Investors may be required to produce such further information, documents and/or references to the Administrator as the Administrator and/or the Fund may in its absolute discretion require.

Finally, as the aforementioned legislation is subject to change, any additional requirements imposed on the Administrator will be reflected in its requirements of the applicant.

## 5. REDEMPTIONS

Details of the terms for the redemption of Participation Shares in respect of each Sub-Fund are set out in part B.

The Board of Directors reserves the right to vary any of the redemption requirements of the Fund.

Further details are set out in part B below.

## 6. SUSPENSION OF REDEMPTIONS AND SALE

The Board of Directors may suspend the calculation of the Net Asset Value of the Participation Shares and consequently may suspend the sale of Participation Shares and the right of shareholders to require the Fund to redeem Participation Shares for the whole or any part of any period in any of the following events:

- (a) When any securities exchange or organised inter-dealer market on which a significant portion of a Sub-Fund's assets is regularly quoted or traded is closed (other than for holidays) or trading thereon has been restricted or suspended;
- (b) When as a result of political, economic, military or monetary events or any circumstances outside the control, responsibility and power of the Fund, disposal of the assets of a Sub-Fund is not reasonable or normally practicable without being seriously detrimental to shareholders' interests;
- (c) If it is not reasonably practicable to determine the Net Asset Value of the Participation Shares on an accurate and timely basis;
- (d) If, as a result of exchange restrictions or other restrictions affecting the transfer of funds, transactions on behalf of a Sub-Fund are rendered impracticable or if purchases and sales of a Sub-Fund's assets cannot be effected at normal rates of exchange;
- (e) Upon the decision to liquidate and dissolve the Fund or any Sub-Fund;
- (f) In the event the directors deem such action will be materially detrimental to the remaining investors; or
- (g) when the calculation of the net asset value or the redemption of units representing a material part of a Sub-Fund's investments is restricted or suspended; or
- (h) during the existence of any state of affairs which, in the opinion of the Directors, constitutes an emergency as a result of which disposition or valuation of assets owned by the Fund is not reasonably practicable or would be seriously prejudicial to the interest of the Fund or the Shareholders; or
- (i) when any breakdown occurs in the means of communication or computation normally employed in determining the price or value of any of the assets owned by the Fund or the current price or values on any exchange in respect of the assets owned by the Fund or when, for any other reason, the prices or values of any such assets cannot reasonably be promptly and accurately ascertained; or
- (j) when the Fund is unable to repatriate moneys for the purposes of making payments on the redemption of the Participation Shares or during which any transfer of moneys involved in

the realisation or acquisition of investments or payments due on redemption of Participation Shares cannot in the opinion of the Directors be effected at normal rates of exchange; or

- (k) when a notice has been published convening a meeting of Ordinary Shareholders for the purpose of resolving a winding up of the Fund; or
- (l) during which, in the opinion of the Directors, redemptions would seriously impair the Fund's ability to operate or to jeopardise its tax status.

In the event of a suspension as described above, the Administrator shall immediately notify the Gibraltar Financial Services Commissioner, and the Irish Stock Exchange that dealing in the Participation Shares ceased or is suspended and the fact that dealing is suspended shall be published immediately following such a decision and at least once a month during the period of suspension, in the newspaper (if any) in which the Fund's prices are normally published. Where possible the Directors will take all reasonable steps to bring any period of suspension to an end as soon as possible.

## **7. NET ASSET VALUATIONS**

In respect of the valuation of each Cell the articles of association provide as follows:

“The value of the assets of a Cell shall be determined in what the Directors opinion is a fair value therefore taking into account the provisions set out in any offering document issued by the Fund in respect of the Cell, international accounting standards, the market prices of listed or quoted securities and in respect of other assets and special situations (including property assets) such fair value determined by the Board of Directors based on the information available to them” and

“The liabilities of a Cell shall be deemed to include all the liabilities (including such amount as the Directors determined to provide in respect of contingent or prospective liabilities) of whatsoever kind and nature attributable to the Cell except liabilities represented by Participation Shares. In determining the amount of such liabilities the Directors may calculate any liabilities on an estimated figure for yearly or other periods in advance and accrue the same in equal proportions over any such period.”

The Administrator will determine net asset valuations in respect of each Sub-Fund on each Valuation Day (as defined below in respect of each Cell), at the Valuation Point (as defined in part B below). The Board of Directors may determine any other date as being the Valuation Day.

The Net Asset values will be notified to the Irish Stock Exchange immediately upon calculation.

Net Asset Value calculations are determined in the following manner:

The articles of association of the Fund provide for the valuation of the Participation Shares by reference to the Net Asset Value (“NAV”) of the Sub-Fund.

The “NAV” of the Sub-Fund shall be determined by the Administrator as at each Valuation Point on the basis of generally accepted accounting principles as follows.

The NAV of the Sub-Fund on a particular date means the NAV of that Sub-Fund of Participation Shares on that date divided by the number of Participation Shares of that Sub-Fund in issue on that date. On any particular date the NAV of the Fund shall be equal to the value on that date of the assets of the Sub-Fund in respect of which those Participation Shares have been issued less:

- (a) The value on that date of the liabilities of that Sub-Fund; and

- (b) The Performance Fee, if any, in relation to that Sub-Fund of Participation Shares, as determined on that date in accordance with this offering memorandum

The determination of the NAV per Participation Share of any Participation Shares made during any accounting period of the Fund shall be examined and reported thereon by the Fund's auditors as part of the audit of the Fund's affairs for that accounting period. In the event that there is a disagreement between the Directors and the Auditors regarding any such determination and the Directors and the Auditors are unable to reach agreement, the final determination shall be made by the Directors. In such a case, the Auditors shall express any differing opinion in their report.

The Assets of each Sub-Fund shall be valued as follows:

- (a) Each Investment (including spot, forward or derivative contracts) which is traded on a Recognised Exchange (other than an Investment which, in the opinion of the Directors or the Administrator as their delegate, falls to be valued under (iii) below) will be valued on the Recognised Exchange or, if traded on more than one Recognised Exchange, on the Recognised Exchange which the Directors, or the Administrator as their delegate, determine provides the fairest criterion of value for such Investment, by reference to the last traded price on the relevant Recognised Exchange as at the Valuation Point or, if no such last traded price is available, or is unrepresentative in the opinion of the Directors or the Administrator as their delegate, such Investment shall be valued at the middle market quotation or if the last middle market quotation is unavailable, or is unrepresentative in the opinion of the Directors or the Administrator as their delegate, such Investment shall be valued at the probable realisation value as certified by a competent person approved for that purpose by the Administrator; or at such other value as the Directors or the Administrator as their delegate, with the approval of the Administrator consider in the circumstances to be fair.
- (b) The value of any Investment which is not traded on a Recognised Exchange (other than an Investment which, in the opinion of the Directors or the Administrator as their delegate, falls to be valued under (iii) below) shall be the probable realisation value of the Investment determined in good faith by the Directors and the Administrator.
- (c) The prices of over-the-counter spot contracts, forwards and other contracts shall be valued as follows:-
- (i) spot contracts shall be valued at the mid-exchange rate determined by the Administrator as of the relevant Valuation Point;
  - (ii) forward contracts shall be valued in the same manner as spot contracts referred to in paragraph (a) above as adjusted for the mid-price premia or discounts as determined by the Administrator in consultation with the Directors or on the basis of the latest available quotation provided by the relevant counterparty to the Administrator as of the relevant Valuation Point; and
  - (iii) other over-the-counter contracts will be valued by the Administrator on the basis of the latest available quotation provided by the relevant counterparty to the Administrator as of the relevant Valuation Point.
- (d) Cash deposits and similar liquid Investments will be valued at their nominal value together with all accrued interest thereon to the relevant Valuation Point.
- (e) Treasury bills and bills of exchange shall be valued with reference to prices ruling in the appropriate markets for such instruments of like maturity, amount and credit risk as of the relevant Valuation Point.

- (f) Other assets shall be valued by the Directors (with the approval of the Auditor) determining what is in their opinion a fair value. Provided that if in the case of any Asset the Directors at any time (with the approval of the Auditor) consider that the above basis of valuation is inapplicable or that the value determined in accordance with the foregoing principles is unfair, they shall be entitled to substitute what in their opinion is a fair value therefor.

Investments, cash balances and other assets shall be valued and liabilities shall be calculated in the currency of the Fund and shall be valued at the exchange rate in effect on the relevant Valuation Point.

Any expense or liability may be amortised over such period as the Directors (with the approval of the Auditor) may determine (and the Directors may at any time and from time to time determine with the approval of the Auditor to lengthen or shorten any such period), and the unamortised amount thereof at any time shall also be deemed to be an asset of the Sub-Fund.

In determining the liabilities of any Sub-Fund :

- (a) in the event any net amount payable in respect of any such liability is not payable until some future time after the relevant Valuation Point, the Directors (which may consult with and rely on the advice of the Administrator) shall make such allowance as is considered appropriate to reflect the true current value of that liability;
- (b) the Directors may calculate administrative and other expenses of a regular or recurring nature as well as accrued assets on an estimated figure for yearly or other periods in advance and accrue the same in equal proportions over any such period.

The liabilities of a Sub-Fund or Class of Participation share shall be deemed to include all liabilities (including such amount as the Directors determine to provide in respect of contingent liabilities) of whatsoever kind and nature except liabilities represented by shares in the Fund. In determining the amount of such liabilities the Directors may calculate any liabilities on an estimated figure for yearly or other periods in advance and accrue the same in equal proportions over any such period.

The Directors, in consultation with the Administrator, shall be entitled to adopt an alternative method of valuation in relation to any particular asset or liability if the Directors consider, on the advice of the Administrator, that the method of valuation otherwise provided for in the articles of association does not provide a fair valuation of that asset.

#### Foreign Exchange Rates

The Fund's accounts are maintained and presented in United States Dollars. Cell B's and Cell C's accounts are maintained in Euros and Cell A's in United States Dollars. Assets and liabilities denominated in other currencies are translated at the rate of exchange in effect at the relevant Valuation Day and translation adjustments are reflected in the results of operations. Portfolio transactions and income and expenses are translated at the rates of exchange in effect at the time of each transaction.

#### Temporary Suspension

The determination of the NAV per Participation Share may be suspended for any reason outlined in *Suspension of Issue and Redemption of Participation Shares* herein below. No investor Share may be issued or redeemed during a period of suspension.

In the event of a suspension of the determination of NAV per Participation Share, a Shareholder may withdraw his request for purchase or redemption of Participation Shares, provided such a withdrawal is actually received before the termination of the period of suspension. Where the request is not so withdrawn, the purchase or redemption of the Participation Shares will be made on the Dealing Day next following the end of the suspension.

## **8. REGISTRATION AND TRANSFER OF SHARES**

Share certificates representing shares will not be issued by the Administrator, instead contract notes shall be issued and client statements shall be prepared at each month end and issued to the shareholders.

The Fund maintains a current list of the registered names and addresses of the Fund's shareholders at the registered office of the Fund in Gibraltar.

Transfers of Participation Shares can only take effect by serving upon the Fund in the manner prescribed by law, an instrument of transfer signed by or on behalf of the transferor and the transferee.

The Fund has designated the Administrator under the terms of the Administrative Services Agreement to perform the above-mentioned duties in connection with the registration and transfer of Participation Shares.

Any transferee will be required to provide the same information which would be required in connection with a direct subscription in order for a transfer application to be considered by the Administrator (Gibraltar Legal & Anti Money Laundering Requirements above and the Subscription Checklist and Application Form below). Violation of applicable ownership and transfer restrictions may at the discretion of the Board of Directors result in compulsory redemption of the relevant Participation Shares.

Except for a listing on the Irish Stock Exchange, the Participation Shares are not listed nor are they proposed to be listed on any securities exchange. As of this date, it is not anticipated that there will be any secondary market for trading in the Participation Shares.

Participation Shares may not be transferred to any U.S. Person.

The shares are calculated to three decimal places.

The Participation Shares are freely transferable. However, transfers or assignments of the Participation Shares may not be made without the prior approval of the Fund, which approval will not be unreasonably withheld (see "Refusal to Approve Transfer of Participation Shares" below). Any attempted transfer or assignment without such approval will be void and without effect. A Shareholder desiring to transfer his Participation Shares must make available to the Administrator, a written instrument of transfer executed by the proposed transferor and transferee setting forth (i) the names and addresses of the proposed transferor and transferee, (ii) the number of Participation Shares to be transferred, (iii) the consideration to be paid for such Participation Shares and (iv) such other information as the Fund may require, including information necessary to satisfy the Fund that the proposed transfer complies with applicable laws. In addition, the proposed transferee must, in the above-mentioned instruments of transfer, agree to take such Participation Shares subject to the same conditions, warranties and restrictions under which the Participation Shares were held by the transferor.

## **Refusal to Approve Transfer of Participation Shares**

If within 30 days of receipt by the Administrator of an acceptable instrument of transfer the Board does not deny permission for the transfer, the Fund shall be deemed to have approved the transfer. However, the Board may only decline to give effect to the proposed transfer of any Participation Share if the manner, form or evidence of transfer is unacceptable, if the transfer violates the minimum initial subscription requirement of the Fund, if the transfer might violate applicable laws or when such transfer is deemed by the Board in its absolute discretion to be contrary to the best interests of the Fund by virtue of resulting in legal, pecuniary, regulatory, taxation or material administrative disadvantage to the Fund, the relevant Sub-Fund or its shareholders as a whole.

## **9. DIVIDEND POLICY**

The dividend policy in respect of each Sub-Fund is set out in part B hereof.

## **10. DATA PROTECTION**

As part of the application process all subscribers are required to submit various documents to the Administrator. These are required to enable completion of the application process and to comply with all relevant legislation. Any information received will be kept by the Administrator in accordance with any applicable Data Protection legislation and, in the normal course of business, will not be made available to anyone other than the Administrator and the Directors.

However, it may become necessary to transfer data at any time to comply with legislation in force either now or at any time in the future (see under 'Anti Money Laundering Legislation' for further details). Further, should the administrative functions, in whole or in part, be transferred to another entity, data will be transferred to the extent necessary for such new entity to carry out its functions effectively.

By subscribing to the Fund all subscribers should note the above, and also note that, by completion of the application form, they are agreeing to any transfer of data carried out for any of the reasons given above, or for any reason that the Administrator deems necessary to comply with legislation in force at the time.

Further, the Fund and its Service Providers consent that any and all data required by the Administrator (in its capacity as such or in its capacity as Registrar or Secretary) in exercise of its duties on behalf of the Fund may be transferred to and/or from the Administrator (in its capacity as such or in its capacity as Registrar or Secretary) in accordance with any applicable data protection legislation.

## TAXATION

### 1. THE FUND

#### Gibraltar

The Fund has been granted an exemption from income tax on its investment income by the Commissioner of Income Tax under Rule 3 (17) of the Income Tax (Allowances, Deductions and Exemptions) Rules 1992. The issuing of the exemption certificate means that the Fund will not be subject to tax on dividend income, investment and derivatives premiums, interest income, income from trading of securities, financial instruments and property of any Sub-Fund including real property and capital gains achieved through active trading of any of the above. No death duties, capital gains tax, gift, inheritance or capital transfer taxes are levied in Gibraltar.

There can be no assurance, however, that the exemption certificate will not be revoked or revised for reasons outside the control of the Fund. In particular, there can be no guarantee that the Government of Gibraltar may not in future be required to change the tax system in Gibraltar to the detriment of companies such as the Fund.

There is no stamp duty levied in Gibraltar on the issue or transfer of shares in a fund. There is no requirement for the Fund to withhold tax from dividends. Stamp duty is levied in Gibraltar in an amount of £10.00 on the par value and issue of shares in the share capital of the Fund, the costs of which form part of the establishment expenses which have been borne by the Fund. There was a capital duty of 0.5% on the par value of the share capital of the Fund the costs of which form part of the establishment expenses which have been borne by the Fund.

No death duties, capital gains tax, gift, inheritance or capital transfer taxes are levied in Gibraltar.

#### Ireland

Under current Irish law and practice, on the basis that the business of the Fund will not be carried on in Ireland and that no Participation Shares would be held by persons who are resident for taxation purposes in Ireland:

The Fund will not be liable to Irish income tax, corporation tax or capital gains tax on any income earned or capital gain made by the Fund, no Irish withholding tax will be applicable to distributions or payments made to Shareholders, and no liability in respect of Irish capital duty or stamp duty will arise in respect of the issue, redemption, sale, conversion or re-issue of Participation Shares in the Fund.

Potential investors should consult their own professional adviser on the possible tax implications of buying, holding, transferring or selling any of the Participation Shares under the laws of their countries of citizenship, residence and domicile.

No warranty is given or implied regarding the applicability or interpretation of the tax laws in any jurisdiction.

### 2. THE SHAREHOLDERS

Persons interested in purchasing the Participation Shares should inform themselves as to any tax consequences particular to their circumstances arising in the jurisdiction in which they are resident or domiciled for tax purposes in connection with the acquisition, ownership, redemption or disposition of the Participation Shares. **Each shareholder should consult a tax adviser as to his or her own tax position.**

## ADDITIONAL INFORMATION

### 1. REPORTING

The reporting details for each Sub-Fund are contained in part B of this offering memorandum.

The Fund's financial year ends on the 31<sup>st</sup> December in each year.

The accounts for the Fund will be produced in the operating currency for the Fund, which is United States Dollars. Accounts for each Sub-Fund will be produced in their Base Currency, as set out in part B.

Accounts and audits will be prepared in accordance with International Financial Reporting Standards.

#### Reporting

The Fund keeps its books on an accrual basis with a fiscal year ending 31<sup>st</sup> of December. The financial statements of the Fund are prepared in accordance with International Accounting Standards (save as stated under "Accounting Practices" herein below) and are audited annually at the Fund's expense by an independent firm of auditors appointed by the Directors. A copy of the Annual Audited Report and Accounts will be sent to each Shareholder and the Irish Stock Exchange not later than four (4) months after the end of the period to which such report relates. In addition to the Annual Audited Report and Accounts, an unaudited interim report made up to the last day of June each year, including income statements and a statement of charges included in the calculation of the NAV, will be sent to Shareholders and to the Irish Stock Exchange not later than four months after the end of the period to which such report relates.

### 2. RELEVANT DOCUMENTATION

This offering memorandum is not intended to provide a complete description of the Fund's memorandum and articles of association or the agreements with its Directors, Administrator, or Depositary. Copies of all such documents are available for inspection by shareholders during normal business hours at the office of the Administrator. Shareholders may inspect copies of the annual audited report and accounts, when available, and the register of shareholders of the Fund at the offices of the Administrator.

Copies of the memorandum and articles of association of the Fund and this offering memorandum are available from the Administrator.

### 3. ENQUIRIES

Enquiries concerning the Fund and its Participation Shares (including information concerning subscription and valuation of the Participation Shares) should be directed to the Administrator at:

**CAPITA FINANCIAL ADMINISTRATORS (GIBRALTAR) LIMITED**

Blake House, 19c Town Range, Gibraltar  
Tel: +350 200 43339 - Fax: +350 200 49450  
Email: [gibinfo@capitafinancial.com](mailto:gibinfo@capitafinancial.com)

Enquiries concerning the Fund and its shares (including information concerning subscription for and valuation of the Participation Shares) should be directed to the Administrator at Blake House, 19C Town Range, Gibraltar.

#### 4. MATERIAL CONTRACTS

The following contracts have been entered into by the Fund (other than in the ordinary course of business) since incorporation and are, or may be, material.

*Directors service agreement* dated 9 October 2007 between the Fund and James Lasry specifies the terms whereby Mr. Lasry agrees to act as a director of the Fund and, as such, is responsible for the Fund's portfolio of investments. The agreement will continue in force unless and until terminated by any party giving to the other not less than 60 days' written notice, except that the agreement may be terminated immediately by either party if the other shall commit any breach of its obligations under it subject to a thirty day remedy period or go into liquidation or otherwise become insolvent. The agreement contains an indemnity in favour of the director in respect of actions brought against him. The director is empowered under the agreement to delegate his functions, powers, discretions, privileges and duties as he deems appropriate. The director is required to ensure compliance by the Fund with all laws and regulations that are applicable to it.

*Directors service agreement* dated 1 January 2006 between the Fund and Rolf Majcen specifies the terms whereby Mr. Majcen agrees to act as a director of the Fund and, as such, is responsible for the Fund's portfolio of investments. The agreement will continue in force unless and until terminated by any party giving to the other not less than 60 days' written notice, except that the agreement may be terminated immediately by either party if the other shall commit any breach of its obligations under it subject to a thirty day remedy period or go into liquidation or otherwise become insolvent. The agreement contains an indemnity in favour of the director in respect of actions brought against him. The director is empowered under the agreement to delegate his functions, powers, discretions, privileges and duties as he deems appropriate. The director is required to ensure compliance by the Fund with all laws and regulations that are applicable to it.

*Directors service agreement* dated 12 November 2008 between the Fund and Mag. Thomas Berger specifies the terms whereby Mag. Thomas Berger agrees to act as a director of the Fund and, as such, is responsible for the Fund's portfolio of investments. The agreement will continue in force unless and until terminated by any party giving to the other not less than 60 days' written notice, except that the agreement may be terminated immediately by either party if the other shall commit any breach of its obligations under it subject to a thirty day remedy period or go into liquidation or otherwise become insolvent. The agreement contains an indemnity in favour of the director in respect of actions brought against him. The director is empowered under the agreement to delegate his functions, powers, discretions, privileges and duties as he deems appropriate. The director is required to ensure compliance by the Fund with all laws and regulations that are applicable to it.

*Directors service agreement* dated 9 October 2007 between the Fund and David Wahnnon specifies the terms whereby Mr. Wahnnon agrees to act as a director of the Fund and, as such, is responsible for the Fund's portfolio of investments. The agreement will continue in force unless and until terminated by any party giving to the other not less than 60 days' written notice, except that the agreement may be terminated immediately by either party if the other shall commit any breach of its obligations under it subject to a thirty day remedy period or go into liquidation or otherwise become insolvent. The agreement contains an indemnity in favour of the director in respect of actions brought against him. The director is empowered under the agreement to delegate his functions, powers, discretions, privileges and duties as he deems appropriate. The director is required to ensure compliance by the Fund with all laws and regulations that are applicable to it.

*Administration and company secretarial agreement*, dated 3 April 2009 as amended on 16 February 2010 between the Fund and Capita Financial Administrators (Gibraltar) Limited, specifies the terms on which the Administrator agrees to provide administrative, share registration and company secretarial services to the Fund. The administration agreement commenced on 3 April 2009 and shall, unless earlier terminated in accordance with the terms of the agreement, continue until 31 December 2010 (the “Initial Period”). At the expiry of the Initial Period, the administration agreement shall be automatically renewed for successive periods of 12 months, unless or until terminated by either party by giving not less than 90 days’ prior written notice to the other party (such notice capable of being served at any time but not to expire earlier than the expiry of the Initial Period).

The agreement contains an indemnity from the Administrator to the Fund in respect of all liabilities, losses, damages, actions, proceedings and claims which may be brought against, suffered or incurred by the Fund to the extent that they are directly attributable to the negligence, fraud or wilful misconduct on the part of the Administrator in the performance of its duties.

The aggregate liability of the Administrator under the administration and company secretarial agreement (including, but not limited to, contractual or tortious liability, including negligence and non-fraudulent misrepresentation, breach of statutory duty, restitution or otherwise) for any damage or other loss howsoever caused arising out of or in connection with the administration and company secretarial agreement or the services provided under that agreement will be limited to the lesser of £500,000 or an amount equal to three times the annual fee payable to the Administrator under the administration and company secretarial agreement.

*Cell A depositary agreement* The terms of agreement between the Fund, in respect of Cell A, and the Depositary are set out in part B.

*Cell B depositary agreement* The terms of agreement between the Fund, in respect of Cell B, and the Depositary are out in part B.

*Cell C depositary agreement* The terms of agreement between the Fund, in respect of Cell C, and the Depositary are set out in part B.

Bank mandate: The Fund will enter into a bank mandate with Credit Suisse (Gibraltar) Limited, Gibraltar (“Bank”) whereby the Banker has agreed to act as banker to the Fund itself (but not to the Cells). The mandate will be on normal commercial terms and the Banker may be removed in accordance with the terms of the agreement.

*Investment management agreements* The terms of agreements between the Fund, in respect of each Cell, and the Investment Manager are set out in part B.

*Investment adviser agreements* The terms of agreements with any investment advisors are set out in part B.

Under the terms of the investment management agreement dated 12 October 2009 (with the effect of 1 January 2010) and 15 January 2010 between the Fund and the Investment Manager, the Investment Manager agrees to act as investment manager to the Fund with regard to the assets of the Fund. The agreement shall continue in force unless and until terminated by either party giving the other party not less than 90 days' written notice (or such shorter notice as the other party may agree to accept), except that this agreement may be terminated forthwith by either party if the other party shall commit any breach of its obligations under the agreement.

## 5. CONFLICTS OF INTEREST

There may arise instances where the interest of the Directors, the Investment Managers, the investment adviser(s), the Administrators, the Depositary or their affiliates (together the "Interested Parties"), conflict or could/may conflict with interests of the Fund and its shareholders and there may be common directors. Should a conflict of interest arise the parties involved, the Directors of the Fund and the service providers will endeavour to ensure that it is resolved fairly providing that any interested party who may have such a direct or indirect conflict of interest declares such an interest in resolving such conflict.

Such conflicts include, but are not limited to the following:

The Directors may be engaged in other substantial activities apart from the activities with respect to the Fund and may devote to the Fund only as much time as is reasonably necessary, in their judgement, for its management.

One or more of the Directors of the Fund is also legal counsel to the Fund.

One or more of the Directors of the Fund are be associated with the Investment Manager.

One or more of the directors may be a director of other companies or funds that trade similar instruments and/or invest in similar assets to that traded by the Fund.

One or more of the directors may be a director of other companies or funds that trade similar instruments and/or invest in similar assets to that traded by the Fund.

The remuneration of Directors is determined by the holders of Ordinary Shares in general meeting of the Fund. The Ordinary Shares are currently held by FTC Capital GmbH.

The Ordinary Shareholder holds 100% of the voting Ordinary Shares, which entitle the holder, *inter-alia*, to appoint and remove, the investment managers, investment adviser(s) and Directors of the Fund. In the event of any conflict of interest between its offices as shareholder of and directors to the Fund, the directors' duty to act in the interests of the shareholders of the Fund shall prevail.

There may be circumstances where an investment opportunity may be open to more than one Sub-Fund but the amount that can be invested is limited. In such circumstances the Investment Manager will determine, in their absolute discretion, which Sub-Fund should make the investment.

The Fund may invest in various companies where certain directors of the Fund are shareholders and/or directors of the investee companies. In such a situation the director concerned will declare his interest to the Board but will be allowed to vote in respect of the proposed investment.

The Investment Manager acts as Investment Manager for a number of other funds, companies and clients. They will be recommending to such clients similar instruments and/or similar assets to that traded by the Fund and which they are recommending to the Fund.

### Directors' interests

- (a) None of the Directors nor any connected person has an interest, direct or indirect, in the capital of the Fund except as disclosed herein. Conflicts of interests are disclosed herein.
- (b) None of the Directors has any interest in any transactions which are unusual in their nature or significant to the business of the Fund, except as disclosed under "Conflicts of Interest".

- (c) No loan or guarantee has been granted or provided by the Fund to any Director.
- (d) No Director may vote on any transaction in which he has a material interest. The Directors, with the prior approval of the Ordinary Shareholders, may fix the emoluments of Directors with respect to services to be rendered in any capacity to the Fund.
- (e) The Directors may, by resolution, exercise all the powers of the Fund to borrow money and to mortgage or charge its undertakings and property or any part thereof, to issue debentures, debenture stock and other securities whenever money is borrowed or as security for any debt, liability or obligation of the Fund or of any third party, subject only to the Trading Policies and Restrictions defined herein above.
- (f) There is no provision for the retirement of Directors on their attaining a certain age and the articles do not provide for retirement of Directors by rotation.

None of the Directors:

- (a) has any unspent convictions in relation to indictable offences; or
- (b) has been bankrupt or the subject of an individual voluntary arrangement, or has had a receiver appointed to any asset of such Director; or
- (c) has been a director of any company which, while he was a director or within 12 months after he ceased to be a director, had a receiver appointed or went into compulsory liquidation, creditors voluntary liquidation, administration or company voluntary arrangement, or made any composition or arrangement with its creditors generally or with any class of its creditors; or
- (d) has been a partner of any partnership which, while he was a partner or within 12 months after he ceased to be a partner, went into compulsory liquidation, administration or partnership voluntary arrangement, or had a receiver appointed to any partnership asset; or
- (e) has had any public criticism by statutory or regulatory authorities (including recognised professional bodies); or
- (f) has been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.

A memorandum detailing the names of all companies and partnerships of which the directors of the Fund have been a director or partner in the past five years, together with an indication of whether or not the individual is still a director or partner, is available for inspection at the offices of Goodbody Stockbrokers, Ballsbridge Park, Ballsbridge, Dublin 4.

### **The Investment Manager**

The Investment Manager will not be devoting its time exclusively to the management of the Fund. In addition, the Investment Manager may perform similar or different services for others and may sponsor, establish or manage other investment funds during the same period that it acts for the Fund. The Investment Manager therefore, will have conflicts of interest in allocating management time, services and functions among the Fund and such other persons for which it provides services. However, at all times the Investment Manager will ensure a fair and equitable allocation of their

management time, services, functions and investment opportunities between the Fund and any other such persons it provides services to.

## **6. DECLARATIONS OF INTERESTS BY THE DIRECTORS**

Mr Majcen is the managing director of the Investment Manager and, accordingly, may, when acting as Director of the Fund, have a conflict of interest with regard to decisions of the Board relating to transactions and agreements with, including remuneration paid to the Investment Manager.

Mr Lasry is a partner of the legal firm offering advisory services to the Fund and, accordingly, may, when acting as Director of the Fund, have a conflict of interest with regard to decisions of the Board relating to transactions and agreements with, including remuneration paid to the legal counsel.

Mr. Berger is the chief operating officer of the Investment Adviser and, accordingly, may, when acting as Director of the Fund, have a conflict of interest with regard to decisions of the Board relating to transactions and agreements with, including remuneration paid to the Investment Adviser.

## **7. VOTING OF THE FUND ASSETS**

Any options or rights including voting rights in underlying Fund assets will be exercised by the Directors, in what in their opinion is in the best interests of the Fund.

## **8. GOVERNING LAW**

The Fund is governed by the law of Gibraltar and any dispute relating to the Fund shall be submitted in first instance to a competent court of Gibraltar.

## **9. DOCUMENTS AVAILABLE FOR INSPECTION**

A copy of the following documents may be inspected at the registered offices of the Fund, the Administrator and Goodbody Stockbrokers during usual business hours on each Business Day for a period of not less than 14 days from the date of this Offering Memorandum:

- (a) The memorandum and articles of association and certificate of incorporation;
- (b) all material agreements (being: the Administration and Company Secretarial Agreement, the Depositary Agreements, the investment management agreement, the Directors Service Agreements and any amendments thereto);
- (c) this Offering Memorandum;
- (d) the Financial Services (Experienced Investor Funds) Regulations, 2005;
- (e) a list of past and present directorships and partnerships of each Director held over the past five years; and
- (f) the most recent audited financial statements of the Fund (when available).

## **PART B**

**Part B contains particulars relating to the Sub-Funds launched as part of FTC Futures Fund PCC Limited (“Fund”). The Fund intends to launch other Sub-Funds at various times in the future, when suitable investor interest has been identified. Subject to any legal restrictions, the Fund reserves the right to amalgamate or merge existing or future Sub-Funds into or with other Sub-Funds of the Fund. The details set out in this part B form part of the offering memorandum issued on 17 February 2010 and should be read, together with Part A above, as one document.**

## PART B

### Cell A

#### FTC FUTURES FUND PCC LIMITED CELL A - FTC FUTURES FUND DYNAMIC

This part B contains particulars relating to the Sub-Fund “FTC Futures Fund Dynamic” launched as Cell A (“Cell”) and part of FTC Futures Fund PCC Limited (“Fund”).

The Fund intends to launch other Sub-Funds at various times in the future, when suitable investor interest has been identified. Subject to any legal restrictions, the Fund reserves the right to amalgamate or merge existing or future Sub-Funds into or with other Sub-Funds of the Fund. The details set out below in respect of each Sub-Fund form part of the offering memorandum issued on 17 February 2010 and should be read, together with Part A above, as one document.

#### DEFINITIONS

<b>Business Day</b>	means any day, on which banks in Gibraltar are open for business
<b>Redemption Price</b>	the NAV per Participation Share, rounded down to the nearest whole USD cent on any Dealing Day provided written notice (including facsimile) in a form acceptable to the Fund (see "Redemption Notice" below) is received by the Administrator no later than 4.00 PM Gibraltar time on the Valuation Day prior to the relevant Redemption Date as defined below.
<b>Redemption Date</b>	means the Business Day following the appropriate Valuation Day based on the Net Asset Value per Participation Share calculated on the appropriate Valuation Day. In addition, the Directors reserve the right to deduct any applicable transfer charges, exchange fees, statutory taxes and duties from redemption proceeds.
<b>Redemption Notice</b>	the notice to be sent by a shareholder to the Fund redeeming shares in the Sub-Fund in the form attached or such other form acceptable to the Fund. The Redemption Notice must include the number of Participation Shares to be redeemed or the amount (in monetary terms) of Participation Shares to be redeemed and the Shareholder's name and number as registered with the Fund. A Redemption Notice will not be treated as valid unless it is in respect of Participation Shares for which the Subscription Price has been fully paid.
<b>Dealing Day</b>	means the next Business Day following the Valuation Day
<b>Subscription Amount</b>	means in respect of each Participation Share the amount paid by a shareholder to acquire such share (less any subscription fee).

**Valuation Day** means the 15<sup>th</sup> day of each month and the last Business Day of each calendar month or such other days as the Directors may in their sole discretion determine.

**Valuation Point** means the close of business on the relevant Valuation Day.

**Front-end Load subscription fee** A front end load subscription fee of up to 4.5% that may be charged unless waived or reduced, at the sole discretion of the Directors, on all subscriptions of the Fund.

## **SUMMARY**

**BASE CURRENCY** United States Dollars.

**INVESTMENT OBJECTIVE** The investment objectives of the FTC Futures Fund Dynamic is to maximise the returns for investors by achieving high capital appreciation over a medium term to long term for investors who are willing to accept the risks inherent in investing in futures, forwards, commodities, currencies and other derivatives. All futures are exchange-cleared or settled. It is intended that all profits generated will be retained by the Fund and be re-invested for the benefit of the investors notwithstanding the fact that the Fund has the power to declare dividends payable to such investors from time to time.

The Fund will employ systematic, technical trading models in order to achieve returns with low correlation to traditional asset classes, such as equities or bonds. These models imply significant use of leverage and, as a consequence, an increased level of volatility of returns and risk of loss.

**INVESTMENT MANAGER** FTC Capital GmbH will provide investment management services to the Fund under an investment management agreement between the Fund, in respect of Cell A, and the Investment Manager dated 12 October 2009 (with the effect of 1 January 2010).

**DEPOSITARY** Credit Suisse (Gibraltar) Limited (“Depositary”) has been appointed as Depositary for the Fund under the terms of a depositary agreement between the Fund, in respect of Cell A, and the Depositary dated 12 March 2009.

**ADMINISTRATOR** Capita Financial Administrators (Gibraltar) Limited (“Administrator”) has been appointed as administrator, registrar, transfer agent and company secretary for the Fund under the terms of an administration agreement between the Fund, in respect of Cell A, and the Administrator dated 3 April 2009.

**AUDITORS** BDO Orion Limited.

**BROKER**

Newedge Group (UK Branch), 10 Bishops Square, London E 1 6EG (“Broker”) has been appointed as Broker for the Fund under the terms of a brokerage agreement between the Fund, in respect of Cell A, and the Broker dated 24 March 2002. The Directors may terminate the agreement with Newedge and appoint one or more clearing brokers provided that the Financial Securities Commission (FSC) has given its prior approval to the appointment(s) of the new broker(s).

**SUBSCRIPTIONS**

The initial minimum investment by a subscriber is \$100,000 or its euro equivalent provided that this amount is equivalent to at least €100,000 as per the requirements of the Irish Stock Exchange. Additional investments for the same subscriber thereafter shall be a minimum of \$3,000 or a lesser amount as the Directors may from time to time permit.

Participation Shares will be valued on the Valuation Day or such other days as the Directors may in their sole discretion determine. Such shares shall be available for subscription on the Dealing Day at a price equal to the Net Asset Value per Participation Share taken from the previous Valuation Day. The Participation shares will be issued at the prevailing Net Asset Value per Participation Share rounded up to the nearest whole USD cent, plus any applicable Front-end Load subscription fee.

A front end load subscription fee of up to 4.5% will be charged unless waived or reduced, at the sole discretion of the Directors, on all subscriptions of the Sub-Fund.

The Board of Directors reserves the right to vary any of the subscription requirements of the Sub-Fund. Further details are set out below.

**REDEMPTIONS**

Participation Shares may be redeemed on any Dealing Day following the appropriate Valuation Day after giving written notice of redemption to the Fund such notice to be received at the office of the Administrator by 4 p.m. Gibraltar time on the Valuation Day preceding the relevant Dealing Day. (The Fund may, in its absolute discretion, redeem Participation Shares within less than the specified notice period).

The Board of Directors reserves the right to vary any of the redemption requirements of the Fund.

Further details are set out below.

**DIVIDENDS**

The Fund does not anticipate that any dividends shall be paid to shareholders out of the Sub-Fund’s earnings and profits, but rather such income will be reinvested. The Fund reserves the right to change this policy.

**FEES**

**Administrator's Fee:** The Administrator will receive from the Fund remuneration for services rendered as invoiced to the Fund at an initial rate of 0.15 % per annum of the net assets of the Sub-Fund subject to a minimum fee of USD 48,000 per annum payable monthly in arrears.

**Investment Management Fee** The Fund will pay an Investment Management Fee to the Investment Manager in respect of Class A Participation Shares at the rate of 2.75% per annum of the NAV of the Class A Participation Shares of the FTC Futures Fund Dynamic being calculated and accrued on each Valuation Day of Class A Participation Shares and payable monthly in arrears. The Investment Manager will be paid a Performance Fee, accrued twice monthly on the Sub-Fund's Valuation Dates and payable monthly, equal to 20% of the Sub-Fund's cumulative trading profits for the valuation period. Further details are set out below.

**Depository** will be paid an annual fee based on its standard fee schedule as agreed with the Depository, plus out-of-pocket expenses.

**Front-end Load subscription fee** A front end load subscription fee of up to 4.5% of the subscription amount may be charged unless waived or reduced, at the sole discretion of the Directors, on all subscriptions of the Sub-Fund.

## **INVESTOR INFORMATION**

The Fund agrees to compute and provide the following reports to investors, or their nominees, each in a form acceptable to the directors and prepared in accordance with International Accounting Standards.

Audited annual accounts prepared to 31 December and unaudited half-yearly accounts will be made available at the office of the Administrator to Shareholders upon request within 21 days of approval by Directors, or at least within 6 months of the financial year end or within 4 months of the half-year end, as the case may be.

The audited annual accounts shall also be provided to the Gibraltar Financial Services Commissioner within 6 months of the financial year end. The most recent audited annual report and accounts of the fund may be inspected at the registered offices of the Fund in Gibraltar.

Whilst the Fund, in respect of the Sub-Fund will endeavour to provide the aforementioned by the time deadlines stated, the Fund, in respect of the Sub-Fund shall not be held liable for any delays in providing the relevant reports and/or publishing the relevant information which result from unexpected contingencies, such as delays in receiving necessary information from which to prepare such reports or information; equipment failure; fire or other physical damage to office or equipment; power failures or acts of God.

## **INVESTMENT OBJECTIVES AND POLICY**

### **Investment Objectives:**

The investment objectives of the FTC Futures Fund Dynamic are to maximise the returns for investors by achieving high capital appreciation over a medium term to long term for investors who

are willing to accept the risks inherent in investing in futures, forwards, commodities, currencies and other derivatives. All futures are exchange-cleared or settled. It is intended that all profits generated will be retained by the Fund and be re-invested for the benefit of the investors notwithstanding the fact that the Fund has the power to declare dividends payable to such investors from time to time.

### **Investment Policies:**

The Fund, in respect of the Sub-Fund, trades a portfolio of liquid futures contracts that trade on internationally recognised exchanges. The futures traded are from different sectors such as currency, interest, equity indices and commodities. The Fund, in respect of the Sub-Fund, trades multiple strategies that are 100% algorithmic and are mostly trend-orientated. The strategy holding periods span various time horizons and styles (short to long-term trend-following and mean reversion). Volatility is controlled using strict and systematic risk management. The Fund, in respect of the Sub-Fund, will employ systematic, algorithmic trading models in order to increase the possibility of achieving positive returns whether traditional asset classes are increasing or decreasing in value. These models can require the use of leverage and, as a consequence, an increased level of volatility of returns and risk of loss. The Investment Manager may use all categories of derivative instruments for hedging purposes or for efficient portfolio management. The Investment Manager may engage in foreign exchange transactions relevant to the Sub-Fund's assets. Risks associated with investments in this Sub-Fund, in addition to those otherwise referred to herein, include risks linked to credit, commodity, currency, equity and interest rates markets and risks associated with the use of derivatives.

The Sub-Fund's currency risk will be hedged through currency forward contracts by the Investment Manager on a monthly basis.

### **INVESTMENT GUIDELINES AND RESTRICTIONS**

In order to limit exposure to risk the Investment Manager is required to adhere to the following investment policies and restrictions in implementing the investment objectives and strategies of the Sub-Fund in its sole discretion:

1. No more than 20% of the gross assets of the Sub-Fund may be lent to or invested in the securities of any one issuer or exposed to the creditworthiness or solvency of any one counterparty. This restriction shall not apply to securities issued or guaranteed by a government, government agency or instrumentality of any European Union or OECD Member States or by any supranational authority of which one or more European Union or OECD Member States are members.
2. The Fund, in respect of the Sub-Fund, will not invest more than 10% of the Sub-Fund's gross assets (being the total value of all investments held by an applicant before deducting any liabilities, including borrowings) directly in physical commodities. However, the Fund, in respect of the Sub-Fund, may invest in derivative contracts on physical commodities.
3. The Fund, in respect of the Sub-Fund, will not invest in options.
4. The Fund, in respect of the Sub-Fund, may invest in UCITS authorised according to EU Directive 85/611/EC and/or collective investment undertakings other than UCITS, provided that:

- (a) no more than 10 % of the assets of the Sub-Fund are invested in units of a single UCITS or other collective investment undertaking, and
  - (b) investments made in units of UCITS and/or collective investment undertakings other than UCITS may not exceed, in aggregate, 10% of the assets of the Sub-Fund.
5. The Fund, in respect of the Sub-Fund, may invest in any type of ETF (f.e. Index ETF's, Commodity ETF's actively manages ETFs etc.) provided that:
- (a) no more than 10% of the assets of the Sub-Fund are invested in shares of a single ETF, and
  - (b) investments made in shares of ETF's may not exceed, in aggregate, 10% of the assets of the Sub-Fund; and
  - (c) shares of ETFs may also be purchased on margin and traded using stop orders and limit orders, which allow the Sub-Fund to specify the price points at which it is willing to trade.
6. The Fund, in respect of the Sub-Fund, will not invest in real estate.
7. The Fund, in respect of the Sub-Fund, will not take legal or management control of the issuers of underlying investments.
8. The Fund, in respect of the Sub-Fund, will adhere to the principle of risk spreading with respect to their derivative trading and money market activity.
9. The Fund, in respect of the Sub-Fund, will not invest in "below investment grade" securities.
10. The Fund, in respect of the Sub-Fund may, at the discretion of the Directors and with the consent of the Custodian, undertake short-term borrowing to fund the payment of redemption proceeds. The aggregate borrowing capacity of the Sub-Fund shall be limited to a maximum of an amount equal to an amount of 10% of its Net Asset Value at any time and from time to time. Short-term funding for the acquisition of investments is not allowed.
11. No business deals may be conducted which involve the sale of securities not belonging to the Sub-Fund assets.

Other than investment restriction (7) above which applies at all times, the investment limits outlined above apply to any investment at the time that investment is made. The Investment Manager will monitor the underlying investments to ensure that the restrictions set out above are not breached. Where any restriction is breached, other than investment restriction (7) above which applies at all times, the Investment Manager shall ensure that immediate corrective action is taken except where the breach is due to appreciation or depreciation in the assets of the Sub-Fund, changes in exchange rates, or by reason of the receipt of rights, bonuses, benefits in the nature of capital or by reason of any other action affecting every holder of that investment. However, the Investment Manager shall have regard to the investment restrictions when considering changes in the investment portfolio of the Sub-Fund.

The information contained under "RISK FACTORS" herein regarding the risks inherent in trading in the markets should be carefully read by prospective investors considering allocation of funds to the Sub-Fund.

The Directors will ensure, that corrective action is taken where the Fund is in breach of any of the above investment restrictions.

## **INVESTMENT MANAGER**

The assets of the Cell are to be invested at the discretion of FTC Capital GmbH with (until such time as the Directors see fit).

The Fund has appointed FTC Capital GmbH with effect from 1 January 2010 as investment manager of the Fund ( "Investment Manager"). The Investment Manager is responsible for managing the assets of the Fund having regard to the investment objectives and restrictions as set out in this offering memorandum. The Investment Manager has absolute discretion on behalf of the Fund to select investment managers to manage the assets of the Fund, including the discretion to allocate the assets of the Fund to, or withdraw from any investment vehicle, managed account and/or such assets of the Fund from time to time as the Investment Manager shall in its absolute discretion deem appropriate.

FTC Capital GmbH is an investment firm established as a limited liability company under Austrian law with registered office at Galaxy 21, Praterstrasse 31/11, 1020 Vienna ([www.ftc.at](http://www.ftc.at)). It is registered under FN 131215 p at the Commercial Court of Vienna. FTC Capital GmbH is supervised by the Austrian Financial Market Authority (FMA, [www.fma.gv.at](http://www.fma.gv.at)). It has been licensed by the FMA as portfolio manager (restricted to professional clients) according to section 3 (2) fig. 2 of the Austrian Federal Law of 1 November 2007 governing the supervision of financial institutions, Austrian Federal Law Gazette, nr. 21/2006 in its current version ("Wertpapieraufsichtsgesetz – WAG 2007"). FTC Capital GmbH is specialised in systems development for and marketing of Alternative Investment products (in particular Managed Futures) with a track record stretching back to 1994. FTC Capital GmbH shall provide management services to the Fund, in respect of the Sub-Fund, under an investment management agreement between the Fund, in respect of the Sub-Fund, and FTC Capital GmbH.

The investment management agreement shall continue in force unless and until terminated by the Company giving to the Investment Manager or the Investment Manager giving to the Company not less than 90 days written notice (or such shorter notice as the parties may agree to accept ) provided that this Agreement may be terminated forthwith by notice in writing by either party if the other party:

- (a) shall commit any material breach of its obligations under the investment management agreement and shall fail to make good such breach within thirty days of receipt of notice from the other party requiring it so to do;
- (b) shall go into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the other party) or if a receiver is appointed over any of its assets.

The Investment Manager shall indemnify and hold harmless the Fund against all loss or damage (including costs and expenses incidental thereto) of any kind or nature whatsoever suffered by the Fund arising directly out of any failure by the Investment Manager properly to perform and fulfil its obligations under the investment management agreement.

## **RISK FACTORS**

The following risks will substantially apply to the Sub-Fund / Cell A, in addition to those set out in Part A above:

Notwithstanding the investment strategy outlined above and discussed herein, investments in the Fund may involve a number of significant risk factors directly or indirectly due to the fact the Fund's portfolios may invest in other vehicles. Prospective investors should carefully consider the following factors, among others, in making their investment decision and should consult their own legal, tax and financial advisers as to all of these risks and an investment in the Fund. The risk of loss in investing in the Participation Shares can be substantial. Investors should therefore carefully consider whether such type of investment is suitable for them in light of their financial condition. As with other investments, there can be no assurance that trading in the markets will be profitable.

Prospective investors are recommended to review this offering memorandum in its entirety before deciding whether to invest in Participation Shares and should specifically consider the following:

1. Derivatives

For hedging or efficient portfolio management purposes the Sub-Fund may invest in instruments which may be characterised as derivatives. Investments in indexed instruments subject the Sub-Fund to the risks associated with changes in particular indices, which may include reduced or eliminated interest payments and losses of invested capital.

Trading in derivatives (including futures) carries a high degree of risk. As a result of the gearing or leverage available in derivatives trading it means that a relatively small movement in price can lead to proportionally large losses or gains. Consequently the Fund may lose more than its initial capital.

The low margin normally required in futures trading permit an extremely high degree of leverage, since margin requirements for futures trading in some cases are as little as 2% of the face value (or "exposure") of the contracts traded. Therefore the gross value of positions held may be several times the value of the assets under management. Consequently, even a slight movement in the prices of commodities to which the assets under management are exposed could result in immediate and substantial losses to the investor.

2. Effect of Substantial Redemptions

Substantial redemptions of Participation Shares could require the Sub-Fund to liquidate investments/positions more rapidly than would otherwise be desirable, which could adversely affect the value of the Participation Shares. Substantial redemptions might also cause the liquidation of the Sub-Fund.

Sizeable redemptions of Participation Shares by Shareholders may also have an adverse impact on the ability of the Fund to successfully conduct its business and activities.

3. Leverage

The Sub-Fund may use leverage in its investment program when deemed appropriate by the Directors. Leverage is the use of borrowed funds for investment. While the use of leverage can substantially improve the return on invested capital, it may also substantially increase the adverse impact to which an investment portfolio may be subject.

4. Stock Market Fluctuations

General fluctuations in the prices of securities on the stock markets may affect the value of the investments held by the Sub-Fund.

5. Speculative Position Limits

Some exchanges have established speculative position limits, which govern the maximum position, which any person may hold or control. It is possible that the General Investment Manager may have to modify trading strategies or liquidate positions in order to avoid exceeding speculative position limits. Such modification or liquidation, if required, could adversely affect the Sub-Fund's objective to achieve capital appreciation.

6. Forward Markets

Although the forward markets, including the foreign currency markets, may not necessarily be more volatile than the markets in other assets, the forward markets offer less protection against defaults in trading than is available when trading occurs on an exchange. Forward contracts are not guaranteed by an exchange or clearing house, and therefore, a non-settlement or default on the contract would deprive the Sub-Fund of unrealised profits or force the Sub-Fund to cover its commitment for purchase and resale, if any, at the current market price.

The low margin normally required in forward trading permit an extremely high degree of leverage, since margin requirements for futures trading in some cases are as little as 2% of the face value (or "exposure") of the contracts traded. Therefore the gross value of positions held may be several times the value of the assets under management. Consequently, even a slight movement in the prices of commodities to which the assets under management are exposed could result in immediate and substantial losses to the investor.

7. Exchange Rates

Cell A may invest in assets in any currency and is therefore subject to exchange Rate risks on its investments.

8. Financial Security of Counterparty

The return of deposits made by the Sub-Fund is dependant on the financial strength of the counterparty with whom the moneys have been deposited. If such company or institution fails or defaults on its obligations for any reason the moneys will be lost and investors may not get their capital back.

9. Conflicts

Investors attention is drawn to the section on Conflicts below and in Part A above.

10. Interest Rates

Changes in Interest rates will have an impact on the returns of the Sub-Fund.

11. Duration of Investment

Investments in the markets may experience periods of draw down or loss. For this reason investors should plan to commit funds for a medium to long term, although this is not an obligation.

12. Trading Costs

The Sub-Fund may engage in a high rate of trading activity resulting in correspondingly high costs being borne by the Sub-Fund.

13. Trading Risks

Substantial risks are involved in the trading of futures, forwards, commodities, currencies and other derivatives. Market movements can be volatile and are difficult to predict. U.S. Government activities, particularly those of the Federal Reserve Board, can have a profound effect on interest rates which, in turn, substantially affects prices, as well as the liquidity of such markets. Politics, recession, inflation, employment levels, trade policies, international events, war and other unforeseen events can also have significant impact upon the prices of securities. A variety of possible actions by various government agencies also can inhibit the profitability of the Fund's business or can result in losses. Such events, which can result in high market movements and volatile market conditions, create the risk of catastrophic losses for the trading entities in which the Fund will invest.

The Fund employs various techniques to attempt to reduce a portion of the risks inherent in their respective trading strategies. The ability to achieve the desired effect through a particular technique is dependent upon many factors, including the liquidity of the market at the desired time of execution. Thus, substantial risk remains that such techniques cannot always be implemented or effective in reducing losses. The activities undertaken on behalf of the Fund will involve investment in readily marketable futures, forwards, commodities, currencies and other derivatives and will involve a high degree of leverage. Accordingly, the investments are subject to the general volatility and swings of all the underlying markets and a relatively small price movement may result in substantial and immediate losses in excess of the amount committed to this entity's positions. At various times, the markets for exchange-listed equity securities and/or other securities may be "thin" or illiquid, making purchases or sales of securities at desired prices or in desired quantities difficult or impossible. The value and volatility of trading in these markets depends in part on general public interest and public opinion concerning economic conditions as well as the liquidity provided by market-makers and specialists. The liquidity of the market may also be affected by a halt in trading on a particular futures or securities exchange or exchanges. Illiquid markets may make it difficult for the Fund's underlying investment funds to get an order executed at a desired price.

14. Potential Conflicts of Interest

The Fund's Investment Manager may form and manage other investment entities (including without limitation investment partnerships, investment companies and mutual funds) with substantially the same or different objectives as those of the Fund. In addition, the Investment Manager functions as the Investment Manager for other investment companies in addition to the Fund. Such activities could detract from the time that the Investment Manager allocates to the affairs of the Fund. Only the Ordinary Shares have voting rights and therefore can appoint and remove the directors of the Fund. Only the Directors may terminate the services of the Administrator, Investment Manager, Depository and other agents of the Sub-Fund.

15. Mandatory Redemptions or Repurchases

The Fund has the right to require the compulsory redemption or repurchase of all shares held by a Shareholder in the circumstances set out below under Compulsory Redemption.

16. Fees Paid to the Fund's Shareholders

The Fund will retain an Investment Manager who will hold the Ordinary Shares and will pay it a management fee.

17. Clearing Firm Loss or Insolvency

If a clearing firm utilized in connection with accounts maintained on behalf of the Fund were to become insolvent, the Fund could have some or all of these positions closed out without its consent.

18. Risk of Leverage in trading futures, forwards, commodities, currencies and other derivatives.

The Investment Manager may utilize leverage in its investment program. The use of leverage, while providing the opportunity for a higher return in investment, also increases the volatility of such investments and the risk of loss. Investors should be aware that an investment program utilizing leverage is inherently more speculative, with a greater potential for losses, than a program, which does not utilize leverage. The Fund may, to different degrees, trade in the futures markets which will be effected with a high degree of leverage (compared to certain of its other investments), acquiring contracts with a gross value substantially in excess of the value of the Fund's assets allocated to this account. The use of leverage increases the volatility of the Fund's performance and makes it possible for the Fund to suffer losses on any open position in excess of the assets allocated to such position as margin or of any line of credit permitting the Fund to maintain such position. The use of leverage will be limited to the extent of normal "margin-calls" with regard to futures and other derivative trading.

19. Foreign Exchanges

The Fund's Investment Manager may trade in instruments on exchanges located outside the United States, such as the London International Financial Futures and Options Exchange or the Sydney Futures Exchange, Ltd. Trading on such exchanges is not regulated by any United States regulator and may, therefore, be subject to more risks than trading on United States exchanges.

20. Highly Volatile Markets

The prices of derivative instruments are highly volatile. Price movements of forward contracts and other derivative contracts in which the Fund's assets may be invested are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. In addition, governments from time to time intervene, directly and by regulation, in certain markets, particularly those in currencies and financial instruments. Such intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations. The Fund also is subject to the risk of the failure of any of the exchanges on which its positions trade or of their clearinghouses.

21. Operating History

The Fund has been operating since February 2002 and only has that operating history upon which prospective investors can evaluate its likely performance. FTC Futures Fund Dynamic started trading in May 2002. At the end of December 2009 it had a 92-month track record. FTC Futures Fund Dynamic targets investors who are willing to accept the risks inherent in investing in futures, forwards, commodities, currencies and other derivatives. Its objective is an average sharpe ratio of 1.0 with a target volatility of around 23%.

22. Limited Transferability

Since the Participation Shares are transferable only with the prior approval of the Directors (See Transfer of Participation Shares below), Shareholders may not be able to sell their investments and therefore would have to utilize the Fund's redemption /repurchase program, which itself may be subject to restrictions — see "Redemptions" or "Repurchase of Participation Shares" below.

23. Restrictions on Redemptions

Any redemption, which will result in the Net Asset Value of all the remaining Participation Shares owned by such Shareholder being less than the minimum subscription amount will be treated as a notice of redemption for all remaining Participation Shares held by such Shareholder.

Redemptions of Participation Shares will be suspended while the calculation of Net Asset Value is suspended - see “Suspension of Issue and Redemption of Participation Shares” below.

Substantial losses may be incurred by the Fund in its trading activities. Accordingly the Fund may have insufficient funds from which to pay the requested redemption payment or may be otherwise restricted by Gibraltar Law.

**The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in the Fund. Prospective investors should read this entire offering memorandum and consult their own counsel and advisers before deciding to invest in the Fund**

**Even if it is not expected that investors may lose capital (especially over the medium to long term) the investors CAPITAL IS NOT GUARANTEED. The value of investments may fall as well as rise.**

## **SUBSCRIPTIONS**

The Sub-Fund is offering redeemable preference shares (“Participation Shares”) in Cell A – FTC Futures Fund Dynamic.

Participation Shares will be valued on the Valuation Day or such other days as the Directors may in their sole discretion determine. Such shares shall be available for subscription on the Dealing Day at a price equal to the Net Asset Value per Participation Share. The Participation shares will be issued at the prevailing Net Asset Value per Participation Share rounded up to the nearest whole USD cent, plus any applicable Front-end Load subscription fee.

The minimum initial subscription that will be accepted from a new investor will be \$100,000 or its euro equivalent. The initial minimum investment by a subscriber shall in any event never be less than the US dollar equivalent of €100,000 as per the requirements of the Irish Stock Exchange. Additional investments for the same subscriber thereafter shall be a minimum of \$3,000 or a lesser amount as the Directors may from time to time permit.

The Board of Directors reserves the right to alter the above-mentioned minimum subscription requirements at its absolute discretion. Tradable securities in lieu of or in addition to cash for payment of subscription moneys (*in specie subscription*) are not allowed.

Subscription applications in the form attached and all “know your client” and Anti Money Laundering documentation should be received at least 4 p.m. Gibraltar time at the Valuation Day prior to the relevant Dealing Day, or such later time as the Directors may from time to time permit. Payment for the shares and the subscription fee must be transferred within three (3) business days after the relevant Dealing Day used for the respective shares purchased, by electronic funds transfer to the Fund’s subscription bank account.

Interest will not be paid to investors on Subscription Moneys. Any interest earned or received by the Sub-Fund between the date money is received and Dealing Day will be for the account of the Sub-Fund.

If a subscription application and cleared monies are received and accepted by the Administrator prior to a Dealing Day, the Fund reserves the right to invest the monies before the upcoming Dealing Day. Any interest earned on these monies being retained by the Sub-Fund. Should the subscription application be unsuccessful the original subscription amounts only shall be returned by telegraphic transfer (with charges for the account of the recipient) to the applicant’s account at the Remitting Bank/Financial Institution

The Participation Shares will be issued at the prevailing Net Asset Value per Participation Share rounded up to the nearest whole USD cent, plus any applicable Front-End Load subscription fee .

The acceptance of subscriptions is subject to confirmation of the prior receipt of cleared funds credited to the Fund’s subscription bank account as well as the necessary due diligence documentation.

The Administrator and or directors may reject a subscription for any reason and is not obliged to disclose the reason, or reasons, for rejecting any subscription application. In the event of a subscription application being rejected, the subscription money will be returned by telegraphic transfer (with charges for the account of the recipient) to the applicant’s account at the Remitting Bank/Financial Institution. All subscriptions are irrevocable. The Directors, in their sole discretion at any time, may withdraw and terminate the offering of Participation Shares in whole or in part or in respect of any particular jurisdiction.

The Fund through the Administrator will send to subscribers a notice of the acceptance of their applications and of the number of Participation Shares issued to them.

Interested investors should apply to the Fund using the Subscription Agreement and Application Form attached hereto.

The par value per Participation Share is \$0.01. The balance of the Subscription Price paid for Participation Shares in excess of the par value per Participation Share shall be treated as share premium which will be credited to the Fund’s share premium account and will be included in the NAV of the relevant Sub-Fund.

Interest will not be paid to investors on Subscription Moneys if returned. Any interest earned or received by the Sub-Fund will be for the account of the Sub-Fund and shall be used as the directors determine.

## **REDEMPTIONS**

A Shareholder may cause any or all of his Participation Shares to be redeemed by the Fund for cash at the prevailing Redemption Price which will be the NAV per Participation Share, rounded down to the nearest whole USD cent on any Dealing Day provided written notice (including facsimile) in a form acceptable to the Fund (see "Redemption Notice" attached below) is received by the Administrator no later than 4.00 PM Gibraltar time on the Valuation Day prior to the relevant Redemption Date as defined below.

Participation Shares will be redeemed on the relevant Redemption Date based on the Net Asset Value per Participation Share calculated on the appropriate Valuation Day. The Directors reserve the right to deduct any applicable transfer charges, exchange fees, statutory taxes and duties from redemption proceeds.

If a Redemption Notice is received with less than 1 Business Day prior to the following Redemption Date, the Participation Shares will be redeemed on the subsequent Redemption Day; however the Fund may, if conditions allow, accept a shorter notice period for any redemptions.

The Redemption Notice must include the number of Participation Shares to be redeemed or the amount (in monetary terms) of Participation Shares to be redeemed and the Shareholder's name and number as registered with the Fund.

If, as a result of a redemption request, less than the euro equivalent of \$100,000 is held by a shareholder on redemption, then all remaining shares shall be compulsorily redeemed and payment shall be made in accordance with "Payment of Redemptions" as set out below.

A Redemption Notice will not be treated as valid unless it is in respect of Participation Shares for which the Subscription Price has been fully paid.

The Board of Directors reserves the right to vary any of the redemption requirements of the Fund.

Redemption proceeds will not be released until written confirmation of the order has been received by the Administrator.

### Payment of Redemptions

Under the articles of association of the Fund, the Fund has agreed to pay the redemption monies fourteen days (14) from the applicable Redemption Date but normally the Fund will arrange for payment to the shareholder of the net proceeds within five (5) Business Days after the Redemption Date. Payment on redemption may be delayed in the case of extraordinary circumstances, such as the inability to liquidate existing positions, or the default or delay in payments due to the Fund from the brokers, banks or other persons. Payment will be made by telegraphic transfer (with charges for the account of the recipient), to the registered Shareholder's account at the Remitting Bank/Financial Institution in accordance with the instructions of the Shareholder given in the Application Form. Requests for redemption in the proper form will be honoured and the Fund's positions in the markets will be liquidated to the extent necessary (if any) to discharge its liability on the date of redemption.

If all of the relevant information requested under the Client Verification Requirements section of the Subscription Agreement Application Form has not been supplied to the Administrator, the Shareholder's shareholding will be redeemed but that the related monies will not be released until such documentation requested has been supplied.

Redemption proceeds will not be released until written confirmation of the order has been received by the Administrator.

### Redemption Notice

A request for redemption must, at a minimum, contain the information set out in the Redemption Notice (see below), i.e. the number of Participation Shares to be redeemed, representations and warranties that the redeeming Shareholder is the lawful and beneficial owner of the Participation Shares to be redeemed and that such Participation Shares are not subject to any pledge or otherwise encumbered in any fashion. The Fund and Registrar are entitled to require additional documents, such as, but not limited to, trust instruments, death certificates, appointments as executor or administrator and certificates of corporate authority prior to making any payment in respect of redemptions.

Redemption proceeds will not be released until written confirmation of the order has been received by the Administrator. If a redemption form, or any other communication, is sent to the Fund and/or the Administrator, it will not be deemed to have been received by the Fund or Administrator unless receipt is acknowledged in writing by the Administrator. Exceptions are made where the delivery of the communication has been acknowledged by a signed receipt.

### Compulsory Redemptions

The Fund may at any time, by giving 20 days' prior written notice to a Shareholder, redeem all or any of that Shareholder's Participation Shares on the first Dealing Day next following the expiry of the twenty day notice period ("Compulsory Redemption Date") in the event that Participation Shares are acquired by, or on behalf of, a US Person or a person resident in Gibraltar or Ireland for tax purposes, or in the event that the holding of Participation Shares by the Shareholder concerned may result in regulatory, pecuniary, legal, taxation or material administrative disadvantage for the Fund or the Shareholders as a whole or his investment falls below €100,000 or foreign currency equivalent..

The price at which any Participation Share shall be compulsorily redeemed shall be the NAV per Participation Share of that Participation Share as of the Valuation Point prior to the Compulsory Redemption Date, and:

- (a) shall be payable on the Compulsory Redemption Date; and
- (b) shall be paid in United States Dollars or, at the option of the Directors, in any other currency or in specie.

All costs incurred in a compulsory redemption of Participation Shares shall be for the account of the Member thereof and may be withheld from the proceeds of the redemption.

### **DIVIDEND POLICY**

The Fund does not anticipate that any dividends shall be paid to shareholders out of the Fund's earnings and profits, but rather such income will be reinvested.

### **FEES SPECIFIC TO CELL A**

#### **1. Directors' fees**

The Directors' fees are set out in Part A and divided between the Sub-Funds as determined by the directors. Disbursements such as telecommunication, fax, mail and office costs are charged separately.

## **2. Fees of the Administrator**

The Fund will pay the Administrator an annual fee of 0.15% per annum of the net assets of the Sub-Fund with a minimum of \$48,000 per annum. Disbursements and “out of pocket expenses” such as telecommunication, fax, mail and office costs are charged separately.

These fees are calculated and paid monthly in arrears within 10 working days after the net asset value of the Cell has been approved by the Directors (or if such days are not Business Days then on the preceding Business Day).

## **3. Fees of the Depositary**

The Depositary will be paid an annual fee based on their standard fee schedule as agreed with the Depositary, plus out-of-pocket expenses. The Fund will pay the Depositary an annual safecustody fee of 0.20% per annum of the net assets of the Sub-Fund.

## **4. Fees of the Investment Manager**

The Fund will pay an Investment Management Fee to the Investment Manager in respect of Class A Participation Shares at the rate of 2.75% per annum of the NAV of the Class A Participation Shares of FTC Futures Fund Dynamic being calculated and accrued on each Valuation Day of Class A Participation Shares and payable monthly in arrears.

The Investment Manager will be paid a Performance Fee, accrued twice monthly on the Fund's Valuation Day and payable monthly, equal to 20% of the Fund's cumulative trading profits for the valuation period. The valuation period shall be the period from one Valuation Day to the next Valuation Day.

There are two nearly equal valuation periods within a month separated by the 15<sup>th</sup> day of each month (or in case this day is a holiday, the next following business day).

The terms “Account Size” and “Trading Profit” are defined below.

The Performance Fee is payable only on new Trading Profits. For example, if the Account incurs Trading Losses (“Trading Losses” as defined below) after a previous Performance Fee payment has been made, the Investment Manager will retain previous payments but will receive no further fee in subsequent periods until such losses have been recovered through trading activities. On any given Valuation Day the High Water Mark (as defined below) represents the point which needs to be surpassed in order to generate new Trading Profits (which are the prerequisite and basis for a Performance Fee payment).

The High Water Mark is the sum of the highest NAV previously achieved and all management fees that the fund has incurred since such last valuation was obtained and reflected in the Account. When the Account's value has fallen below the High Water Mark (the Account then is in a drawdown), the payout of redemption proceeds from the Fund will result in a proportional reduction of the High Water Mark. Such proportional reduction is calculated as follows: the redemption proceeds are taken as a percentage of the Fund's total net assets (as calculated by the Fund's Administrator); the resulting percentage rate is applied on the cumulative Trading Loss (that is the Account's balance minus the High Water Mark); then, the resulting amount is deducted from the High Water Mark; the result is the “new” High Water Mark for the following Valuation Day.

The fees shall be calculated and paid in US Dollars.

Account Size is the sum of:

- (a) The Total Net Assets of the Sub-Fund as of the previous Valuation Day increased or decreased by any subscriptions or redemptions as of the previous Valuation Day.
- (b) The net of realized gains and losses from closed futures, forward and cash transactions during the valuation period, plus or minus the change in unrealised gains and losses from open futures, forward and cash transactions during such valuation period, minus the sum of the transactional costs (including all brokerage commissions, clearing, exchange and give-up fees paid or accrued in order to liquidate open positions) incurred by the Fund.

Trading Profit or Loss shall mean the net of realized gains and losses from closed futures, forward and cash transactions during a valuation period, plus or minus the change in unrealised gains and losses from open futures, forward and cash transactions during such valuation period, minus the sum of the transactional costs during such valuation period (including all brokerage commissions, clearing, exchange and give-up fees paid or accrued in order to liquidate open positions) incurred by the Fund, and minus the management fee earned by the Investment Manager during such valuation period, but not the Performance Fee earned by the Investment Manager. Trading Profits do not include interest income.

The Performance Fees are due and payable 15 days after the end of each calendar month.

In the event of termination of the investment management agreement, the Investment Management Fee shall be computed by treating the effective date of termination as if it were the last day of the relevant month.

## **5. Other Fees**

Other fees in respect of this Cell are set out in Part A.

## **MATERIAL CONTRACTS**

Any investment management agreements dated 12 October 2009 between the Fund and FTC Capital GmbH specifies the terms whereby FTC Capital GmbH agrees to act as Investment Manager for Cell A of the Fund. The investment management agreement shall continue in force unless and until terminated by the Fund giving to the Investment Manager or the Investment Manager giving to the Fund not less than 90 days written notice (or such shorter notice as the parties may agree to accept) provided that the agreement may be terminated forthwith by notice in writing by either party if the other party:

- (a) shall commit any material breach of its obligations under the investment management agreement and shall fail to make good such breach within thirty days of receipt of notice from the other party requiring it so to do;
- (b) shall go into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the other party) or if a receiver is appointed over any of its assets.

The Investment Manager shall indemnify and hold harmless the Fund against all loss or damage (including costs and expenses incidental thereto) of any kind or nature whatsoever suffered by the Fund arising directly out of any failure by the Investment Manager properly to perform and fulfil its obligations under the investment management agreement.

The Investment Manager does not guarantee the success of any investment. No warranty is given by the Investment Manager as to the performance or profitability of the Cell.

The Investment Manager shall not supervise, control or assume any responsibility for the activities of the Directors, the Depositaries, the Administrator or any other services provider to the Fund. The Investment Manager will not provide valuation of the assets of the Cell, nor will it monitor compliance with the offering memorandum of such valuation or of the net asset value calculation of the Cell's shares or of the calculation of the prices at which any shares of the Cell are issued, subscribed or redeemed.

*Cell A Depositary Agreement* dated 12 March 2009 between the Fund and Credit Suisse (Gibraltar) Limited specifies the terms whereby Credit Suisse agrees to act as depositary for Cell A of the Fund. This agreement shall continue in force until determined by either party giving to the other not less than 90 days' written notice provided that this Agreement may be terminated immediately if Credit Suisse goes into liquidation (except a voluntary liquidation for the purposes of reconstruction or amalgamation), appoints a receiver or is otherwise declared insolvent. Under the Depositary Agreement, the Fund will indemnify and hold the Depositary harmless against all actions, proceedings, claims, costs, charges, demands, outstanding liabilities or commitments which may be incurred by the Depositary or brought against it in connection with the performance of its obligations provided such actions are not in respect of any expense, loss, liability or damage which was caused by the Depositary's gross negligence, fraud and/or wilful default. .

According to the Depositary Agreement, the Depositary will not provide other services or perform other functions except the safekeeping of the Fund's assets held by it and will have no other duties or responsibilities relating to the Fund. The Depositary will not act as sponsor, promoter, director(s), investment manager, adviser, administrator or any other services provider of the Fund. The Depositary shall not supervise, control or assume any responsibility for the activities of the directors, the investment manager, the adviser, the Administrator or any other services provider to the Fund. The Depositary will not monitor the investment management activities or investment strategies of the Fund nor compliance of investments with this Memorandum, the Fund's investment policy, restrictions or other investment guidelines applicable to the assets of the Fund. The Depositary will not provide valuation of the Custody Assets, nor will it monitor compliance with the Memorandum of such valuation or of the net asset value calculation of the Fund's shares or of the calculation of the prices at which any shares of the Fund are allotted, issued or redeemed. Potential investors should not rely upon the Depositary in deciding whether or not to invest in the Fund.

Credit Suisse (Gibraltar) Limited will provide safe custody services to the Fund subject to section 14 of the Depositary Agreement, which states the following:

“If the Fund appoints other parties to hold assets and other property belonging to the Fund (“Co-Custodians”), and such parties are not appointed by Credit Suisse (Gibraltar) Limited, the Fund agrees to advise all investors in writing before or at the time of subscription to the Fund of the existence of these parties and shall specifically refer to this clause in any offering document or memorandum of the Fund. All risks and consequences that might result for Credit Suisse (Gibraltar) Limited shall be borne by the Fund. Credit Suisse (Gibraltar) Limited bears no liability nor provides any guarantees whatsoever for the performance of any obligations on the part of the Co-Custodian, its affiliates, agents or representatives. In particular but without prejudice to the generality of the foregoing, Credit Suisse (Gibraltar) Limited shall not be liable for any failure on the part of the Co-Custodian, its affiliates, agents or representatives to pay outstanding cash or other assets due to the Fund and/or failure to deal properly with corporate actions relating to the assets and other property. The Fund hereby holds harmless and indemnifies and keeps indemnified Credit Suisse (Gibraltar) Limited and its officers and employees from and against all liabilities, costs and damages of any kind (including, for the avoidance of doubt, all legal expenses incidental thereto) which may be incurred by any of them and all actions or proceedings which may be brought by or against them.”

Credit Suisse (Gibraltar) Limited shall be entitled to have recourse to any assets of the Sub-Fund including the right to sell or otherwise dispose of the assets of Cell A held by Credit Suisse (Gibraltar) Limited and appropriate all or part of the cash proceeds thereof with a view to meeting and discharging the cost of any indemnity to which it is entitled under the provisions of this Agreement or at law or otherwise.

Save as stated above and those referred to in Part A there are no other contracts have been entered into by the Sub-Fund (other than in the ordinary course of business) since incorporation that are, or may be, material.

### **CONFLICTS OF INTEREST**

In addition to those referred to in Part A there are the following conflicts of interest in respect of this Sub-Fund

The Investment Manager acts as Investment Manager for a number of other funds, companies and clients. They will be recommending to such clients similar instruments and/or similar assets to that traded by the Fund and which they are recommending to the Fund.

The Issuer of instruments and products acquired by the Fund may be associated with the Investment Manager, and/or a member of its Group.

# **SUBSCRIPTION AGREEMENT**

## **FTC FUTURES FUND PCC LIMITED CELL A – FTC FUTURES FUND DYNAMIC**

**FTC FUTURES FUND PCC LIMITED**

Blake House, 19c Town Range, Gibraltar.

Fax (350) 200 49450

Dear Sirs,

The undersigned (“the Shareholder”) acknowledges having received the offering memorandum dated 17 February 2010 for the offering of redeemable preference shares (“Participation Shares”) of FTC Futures Fund PCC Limited (“Fund”) Cell A – FTC Futures Fund Dynamic on the terms of the offering memorandum and subject to the provisions of the memorandum and articles of association of the Fund.

The undersigned confirms that (a) he is an experienced investor within the meaning of the Financial Services (Experienced Investor Funds) Regulations, 2005 (“Regulations”) (b) none of the Shares (nor any interest therein) are being acquired or will at any time be held, directly or indirectly, for the account or benefit of a person who is not an Experienced Investor, (as defined in the Regulations) and (c) acknowledges that he has received and accepted the investment warnings set out in the offering memorandum. The undersigned wishes to subscribe for Participation Shares on the terms of the offering memorandum and subject to the provisions of the memorandum and articles of association of the Fund and this Subscription Agreement. The undersigned acknowledges that except as provided under applicable securities laws, this subscription is and shall be irrevocable, except that the undersigned shall have no obligations hereunder if this subscription is for any reason rejected or this offering is for any reason cancelled.

The Subscriber represents and warrants that:

- 1) the Participation Shares are not being purchased with a view to immediate resale or active trading;
- 2) all consents required to be obtained and all legal requirements necessary to be complied with or observed in order for this Agreement or the issuance of the Participation Shares to be lawful and valid under the laws of any jurisdiction to which the Subscriber is subject have been obtained, complied with or observed;
- 3) none of the Participation Shares (nor any interest therein) are being acquired or will at any time be held, directly or indirectly, for the account or benefit of a Politically Exposed Person (“PEP”) such as a senior political figure or the spouse or associate of a senior political figure;
- 4) none of the Participation Shares (nor any interest therein) are being acquired or will at any time be held, directly or indirectly, for the account or benefit of a person on any Swiss Money Laundering or Foreign Office “Watch List” or any other OECD Money Laundering “Watch List”;
- 5) the Subscriber has not relied on any representations or other information purported to be given on behalf of the Fund except as set forth in the offering memorandum which he has fully read and hereby acknowledges, any documents referred to therein or the published financial accounts of the Fund, and has consulted his/her/its own attorney, accountant and/or investment manager with respect to the investment contemplated hereby and its suitability for the Subscriber;
- 6) none of the Participation Shares (nor any interest therein) are being acquired or will at any time be held, directly or indirectly, for the account or benefit of a U.S. Person and none of the Participation Shares will be transferred to any person who has failed to supply a similar representation. “U.S. Person” means:
  - i) Any natural person resident in the United States of America, its territories and possessions, any State of the United States, and the District of Columbia (“United States”);
  - ii) Any partnership or corporation organized or incorporated under the laws of the United States;
  - iii) Any estate of which any executor or administrator is a U.S. person;
  - iv) Any trust of which any trustee is a U.S. person;
  - v) Any agency or branch of a foreign entity located in the United States;
  - 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 organized, incorporated, or (if an individual) resident in the United States; and
- viii) Any partnership or corporation if:
  - A. Organized or incorporated under the laws of any foreign jurisdiction; and
  - B. Formed by a U.S. person principally for the purpose of investing in securities not registered under the United States Securities Act of 1933, as amended, ("Securities Act"), unless it is organized or incorporated, and owned, by accredited investors (as defined in Rule 501(a) of the Securities Act) who are not natural persons, estates or trusts

PROVIDED THAT a person or entity shall not be considered a U.S. Person if he or she or it qualifies under any exemption in the Securities Act.

- 7) None of the Participation Shares (nor any interest therein) are being acquired or will be acquired at any time by a person who is Gibraltarian or who is a resident of Gibraltar.
- 8) The Fund has made available to the Subscriber, during the course of this transaction and prior to the purchase of any of the Participation Shares, the opportunity to ask questions of and receive answers from any Director of the Fund concerning the terms and conditions of the offering described in the offering memorandum and in any documents referred to therein, and to obtain any additional information necessary to verify the information contained therein or otherwise relative to the financial data and business of the Fund, to the extent that such parties possess such information or can acquire it without unreasonable effort or expense, and all such questions, if asked, have been answered satisfactorily and all such documents, if examined, have been found to be fully satisfactory.
- 9) The Subscriber will promptly inform the Fund of any changes to the information disclosed, or to any of the above representations.

The Subscriber acknowledges that, subject as otherwise stated in the Depositary Agreements, the Depositaries will not provide any other services or perform any other functions except safekeeping and the usual administrative matters relating to the custody of assets of the Fund held by them, and will have no other duties or responsibilities relating to the Fund. The depositaries will not monitor investment management activities or investment strategies of the Fund nor compliance of investments with the Investment Policies or Investment Guidelines and Restrictions set out in the offering memorandum. The Depositaries shall not supervise or control the activities of the Board of Directors or the Administrator of the Fund. The Depositaries will not act as sponsor or promoter of the Fund. Each Depositary does not warrant the contents of the relevant fund-documentation, save as it relates to the relevant Depositary, nor will it be involved in the management, administration, valuation of assets or Net Asset Value calculation of the Fund.

**The Subscriber agrees to indemnify and hold harmless the Fund, its promoters, directors and officers and each other person or entity, if any, who controls it, against any and all loss, liability, claim, damage, costs 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 any false representation or warranty or breach or failure by the Subscriber to comply with the covenant or agreement made by the Subscriber herein or in any other document in connection with this transaction.**

The Subscriber has evaluated the risks of investing in the Participation Shares, and has determined that the Participation Shares are a suitable investment for the Subscriber. The Subscriber acknowledges that there can be no assurance that appreciation of the Fund's assets will occur or that losses will not be realized and that the value of Participation Shares may be subject to volatile movements and may fall as well as rise. Accordingly, the Subscriber can bear the economic risk of this investment and can afford a complete loss of the Subscriber's investment. The Subscriber agrees that any information supplied by them to the Fund will be made available by the Fund to the Administrator and any Depositaries of the Fund.

We are wholly responsible for ensuring that all aspects of this Fund are acceptable to you. Investment in experienced investor funds may involve special risks that could lead to a loss of all or a substantial portion of such investment. Unless you fully understand and accept the nature of this Fund and the potential risks inherent in this Fund you should not invest in this Fund.

This Agreement shall be governed by and interpreted in accordance with the laws of Gibraltar. Any dispute or controversy arising out of, under, in connection with or in relation to this Agreement shall be determined and settled by the Gibraltar court of competent jurisdiction. The unsuccessful party shall be responsible for all costs of such action, including but not limited to fees associated with the arbitration proceeding, reasonable attorneys' fees, court costs (if any), any filing fees, any associated disbursements, and any other fees and charges incurred in connection therewith.

Date :Signature:

**CELL A**  
**FTC FUTURES FUND DYNAMIC**  
**ISUBSCRIPTION INFORMATION**

*Date of Subscription:*

*Name & Address for Share Registration:*

.....  
.....

*Postal Address (if other than address of registration):*

.....  
.....

*Telephone:* .....

*Fax:* .....

*E-mail:* .....

*Name of Particular Sub-Fund:* Cell A – FTC Futures Fund Dynamic

*Number of Shares applied for*..... *Amount of Subscription USD*.....

*Name & Address of Remitting Bank:*

.....  
.....

*Name & Address of Bank for transfers and payments of Redemptions in case of redemption (if different from above):*

.....  
.....  
..... IBAN NO.....

*Is the subscriber the exclusive beneficial owner of the assets?*  *yes*       *no*  
*(if no, please complete financial details below in relation to the beneficial owner)*

.....  
.....

*Is the subscribe a Politically Exposed Person*  *yes*       *no*

Name and Address of Employer or Business (if individual investor) or Business (if corporate investor):

.....  
.....

Subscriber's Position with Employer or Business: .....

Origin of assets to be invested (please tick)

- |  |   |
|--|---|
| <input type="checkbox"/> sale of business          | <input type="checkbox"/> investment profits |
| <input type="checkbox"/> life time earnings/salary | <input type="checkbox"/> (lottery) winnings |
| <input type="checkbox"/> gift/inheritance          | <input type="checkbox"/> others *           |
| <input type="checkbox"/> sale of real estate       |   |

\* For others please specify:

Estimated total income p.a. (please tick)

- |  |  |
|--|--|
| <input type="checkbox"/> < \$ 100 000            | <input type="checkbox"/> \$ 700,000 – \$ 1.5 Million |
| <input type="checkbox"/> \$ 100'000 – \$ 300'000 | <input type="checkbox"/> >\$ 1.5 Million*            |
| <input type="checkbox"/> \$ 300'000 – \$ 700,000 | * Please   |

specify:.....

Estimated total assets (please tick)

- |  |  |
|--|--|
| <input type="checkbox"/> < \$ 700,000                | <input type="checkbox"/> \$ 5 Million – \$ 10 Million  |
| <input type="checkbox"/> \$ 700,000 – \$ 2 Million   | <input type="checkbox"/> \$ 10 Million – \$ 40 Million |
| <input type="checkbox"/> \$ 2 Million – \$ 5 Million | <input type="checkbox"/> >\$ 40 Million *              |

\* Please specify:.....

Signed: ..... Date: .....

Name: .....

Entity (if corporate investor):

Position of signatory: .....

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**Fund's use only: Accepted and confirmed:**

## PAYMENT INSTRUCTIONS

Once the Subscription Documents been filled in and faxed and then sent to the Fund, subscription funds should be sent to the Fund at the following address:

Transfer instructions in USD in favour of FTC Futures Fund Dynamic:

Remit to: Bank of New York  
Swift Code IRVTUS3N  
Fedwire ABA 021000018  
For the a/c of: Credit Suisse (Gibraltar) Ltd, A/C 890-0360-909  
Reference: A/C: [ ] A/C Name: FTC Futures Fund Dynamic

Remit to: Credit Suisse, Zürich  
Swift Code CRESCHZZ80A  
For the a/c of: 0835-0993000-04  
Beneficiary: Credit Suisse (Gibraltar) Limited  
Reference: A/C: [ ] A/C Name: FTC Futures Fund Dynamic

Transfer instructions in EUR in favour of FTC Futures Fund Dynamic:

Bank: Credit Suisse, Zürich, Swift Code CRESCHZZ80A  
Account: 0835-0993000-04-006  
Beneficiary: Credit Suisse (Gibraltar) Limited  
Reference: A/C: [ ] A/C Name: FTC Futures Fund Dynamic

Please remember to add the name of the Subscriber as a reference on the fund wiring instructions to ensure proper crediting of funds.

Please also advise the Administrator and the Investment Manager that the funds have been sent:

### **CAPITA FINANCIAL ADMINISTRATORS (GIBRALTAR) LIMITED**

Blake House, 19c Town Range, Gibraltar  
Tel: +350 200 43339 - Fax: +350 200 49450  
Email: [gibinfo@capitafinancial.com](mailto:gibinfo@capitafinancial.com)

**RETURN OF REDEMPTION MONIES**

**To:**

FTC FUTURES FUND PCC LIMITED  
Blake House, 19c Town Range, Gibraltar  
Tel: +350 20043339 - Fax: +350 20049450

Dear Sirs:

The undersigned ("Shareholder") has invested in preference shares ("Participation Shares") in Cell A FTC Futures Fund Dynamic of FTC Futures Fund PCC Limited ("Fund") under the terms of the offering memorandum dated 17 February 2010 and subject to the provisions of the memorandum and articles of association of the Fund hereby irrevocably request the redemption of Participation Shares of FTC FUTURES FUND PCC LIMITED- FTC Futures Fund Dynamic ("Fund") in accordance with the instructions provided below:

FTC Futures Fund Dynamic – Class A Participation shares      **ISIN: GI000A0H01K6**

Number of Participation Shares to be redeemed: \_\_\_\_\_

or

USD amount to be redeemed: USD \_\_\_\_\_

I/We hereby represent and warrant that I/we am/are the lawful and beneficial owner(s) of the Participation Shares to be redeemed and that such shares are not subject to any pledge or otherwise encumbered in any fashion.

I/We acknowledge and agree that if all of the relevant information requested under the Client Verification Requirements section of the Subscription Agreement Application Form has not been supplied to the Administrator, that my/our shareholding will be redeemed but that the related monies will be held by the Administrator until such documentation requested has been supplied.

I/We agree that the requested redemption shall be effected strictly in accordance with the terms relating to redemptions in the offering memorandum and the memorandum and articles of association and shall be bound by such terms.

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

Signature: \_\_\_\_\_

By (print name): \_\_\_\_\_

Title: \_\_\_\_\_

On behalf of: \_\_\_\_\_

(entity) \_\_\_\_\_

REDEMPTION INFORMATION

Name and Address of  
Registered Shareholder:

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Number of Shares or amount  
to be Redeemed:

---

Date of Redemption:

---

Provide full wire transfer routing instructions:

Name and Address of  
Receiving Bank:

---

---

SWIFT code

---

Account Name:

---

Account Number:

---

IBAN:

---

Other details/instructions:

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## **PART B**

### **Cell B**

#### **FTC FUTURES FUND PCC LIMITED CELL B - FTC SYSTEMATIC MACRO**

This part B contains particulars relating to the Sub-Fund “FTC Systematic Macro” launched as Cell B (“Cell”) and part of FTC Futures Fund PCC Limited (“Fund”).

The Fund intends to launch other Sub-Funds at various times in the future, when suitable investor interest has been identified. Subject to any legal restrictions, the Fund reserves the right to amalgamate or merge existing or future Sub-Funds into or with other Sub-Funds of the Fund. The details set out below in respect of each Sub-Fund form part of the offering memorandum issued on 17 February 2010 and should be read, together with Part A above, as one document.

#### **DEFINITIONS**

<b>Sub-Class</b>	One or more classes of shares within Cell B whose assets shall be commonly invested according to the investment policy of Cell B, but where a specific sales and redemption charge structure, fee structure, distribution policy, reference currency, category of investors, marketing country or other specificity shall apply.
<b>Business Day</b>	means any day on which banks in Gibraltar are open for business.
<b>Dealing Day</b>	means the next Business Day following the Valuation Day.
<b>Initial Offer Period</b>	the period of the Initial Offer beginning on 15 January 2010 or such later date as the directors may from time to time determine and ending on 15 February 2010 or such earlier or later date as the Directors, in their discretion, may decide (“Closing Date”).
<b>Redemption Price</b>	the NAV per Participation Share, rounded down to the nearest whole euro cent or US dollar cent, as the case may be, on any Dealing Day provided written notice (including facsimile) in a form acceptable to the Fund (see "Redemption Notice" as Appendix 1 below) is received by the Administrator no later than 4.00 PM Gibraltar time on the Valuation Day prior to the relevant Redemption Date as defined below.
<b>Redemption Date</b>	means the Business Day following the appropriate Valuation Day based on the Net Asset Value per Participation Share calculated on the appropriate Valuation Day. In addition, the Directors reserve the right to deduct any applicable transfer charges, exchange fees, statutory taxes and duties from redemption proceeds.

<b>Redemption Notice</b>	the notice to be sent by a shareholder to the Fund redeeming shares in the Sub-Fund in the form attached or such other form acceptable to the Fund. The Redemption Notice must include the Sub-Class, number and currency of Participation Shares to be redeemed or the amount (in monetary terms) of Participation Shares to be redeemed and the Shareholder's name and number as registered with the Fund. A Redemption Notice will not be treated as valid unless it is in respect of Participation Shares for which the Subscription Price has been fully paid.
<b>Subscription Amount</b>	means in respect of each Participation Share the amount paid by a shareholder to acquire such share (less any subscription fee).
<b>Valuation Day</b>	means the last Business Day of each calendar week,
<b>Valuation Point</b>	means the close of business on the relevant Valuation Day.
<b>Front-end Load subscription fee</b>	means a front end load subscription fee of up to 4.5% will be charged unless waived or reduced, at the sole discretion of the Directors, on all subscriptions of the Fund.

## SUMMARY

<b>BASE CURRENCY</b>	USD
<b>INVESTMENT OBJECTIVE</b>	The investment objectives of the FTC Systematic Macro, are to maximise returns for investors by achieving high capital appreciation over a medium term to long term for investors who are willing to accept the risks inherent in investing in futures, forwards, commodities, currencies and other derivatives. Further details are set out below.
<b>INVESTMENT MANAGER</b>	FTC Capital GmbH will provide investment management services to the Fund under an investment management agreement between the Fund, in respect of Cell B, and the Investment Manager dated 15 January 2010.
<b>DEPOSITARY</b>	Credit Suisse (Gibraltar) Limited ("Depositary") has been appointed as Depositary for the Fund under the terms of a depositary agreement between the Fund, in respect of Cell B, and the Depositary dated as of 12 January 2010.
<b>ADMINISTRATOR</b>	Capita Financial Administrators (Gibraltar) Limited ("Administrator") has been appointed as administrator, registrar, transfer agent and company secretary for the Fund under the terms of an administration agreement between the Fund, in respect of Cell B, and the Administrator dated 3 April 2009 as amended on 16 February 2010.

**AUDITORS**

BDO Orion Limited.

**BROKER**

Newedge Group (UK Branch) (“Broker”) has been appointed as Broker for the Fund under the terms of a brokerage agreement between the Fund, in respect of Cell B, and the Broker dated 24 March 2002 as amended in February 2010.

**SUBSCRIPTIONS**

Cell B Participation Shares are available for subscription in the following Sub-Classes:

- Sub-Class (EUR)
- Sub-Class (USD)

The minimum investment for a subscriber are as follows:

**Sub-Class (EUR)**

Minimum investment: € 250.000.-

Additional investments for the same subscriber: € 25.000.- or a lesser amount as the Directors may from time to time permit.

**Sub-Class (USD)**

Minimum investment: USD 250.000.-

Additional investments for the same subscriber: USD 25.000.- or a lesser amount as the Directors may from time to time permit.

Participation Shares will be valued on the Valuation Day or such other days as the Directors may in their sole discretion determine. Such shares shall be available for subscription on the Dealing Day at a price equal to the Net Asset Value per Participation Share taken from the previous Valuation Day. The Participation shares will be issued at the prevailing Net Asset Value per Participation Share rounded up to the nearest whole Euro cent or US dollar cent (as the case may be), plus any applicable Front-end Load subscription fee.

A front end load subscription fee of up to 4.5% may be charged unless waived or reduced, at the sole discretion of the Directors, on all subscriptions of the Fund.

The Board of Directors reserves the right to vary any of the subscription requirements of the Fund. Further details are set out below.

**REDEMPTIONS**

Participation Shares may be redeemed on any Dealing Day after giving written notice of redemption to the Fund (The Fund may, in its absolute discretion, redeem Participation Shares within less than the specified notice period).

The Board of Directors reserves the right to vary any of the redemption requirements of the Fund. Further details are set out below.

## **DIVIDENDS**

The Fund does not anticipate that any dividends shall be paid to shareholders out of the Sub-Fund's earnings and profits, but rather such income will be reinvested. The Fund reserves the right to change this policy.

## **FEES**

### **Administrator's Fee:**

The Administrator will receive from the Fund remuneration for services rendered as invoiced to the Fund at an initial rate of 0,15 % per annum of the net assets of the Sub-Fund subject to a minimum fee of GBP 32.000 per annum payable monthly in arrears.

### **Investment Management Fee :**

The Fund will pay an investment management fee to the Investment Manager in respect of Class B Participation Shares at the rate of 2% per annum of the NAV of the Class B Participation Shares of the FTC Systematic Macro being calculated and accrued on each Valuation Day of Class B Participatinon Shares and payable monthly in arrears. The Investment Manager will be paid a performance fee, accrued weekly on the Sub-Fund's Valuation Day and payable monthly, equal to 20% of the Sub-Fund's cumulative trading profits for the valuation period. The valuation period is the respective calendar week between one Valuation Day and another. Further details are set out below.

### **Depositary**

will be paid an annual fee based on its standard fee schedule as agreed with the Depositary, plus out-of-pocket expenses.

### **Front-end Load subscription fee**

A front end load subscription fee of up to 4.5% of the subscription amount may be charged unless waived or reduced, at the sole discretion of the Directors, on all subscriptions of the Fund.

## **INVESTOR INFORMATION**

The Fund agrees to compute and provide the following reports to investors, or their nominees, each in a form acceptable to the Directors and prepared in accordance with International Accounting Standards.

Audited annual accounts prepared to the 31<sup>st</sup> December and unaudited half-yearly accounts will be made available at the office of the Administrator to Shareholders upon request within 21 days of approval by Directors, or at least within 6 months of the financial year end or within 4 months of the half-year end, as the case may be.

The audited annual accounts shall also be provided to the Gibraltar Financial Services Commission within 6 months of the financial year end. The most recent audited annual report and accounts of the fund may be inspected at the registered offices of the Fund in Gibraltar.

Whilst the Fund, in respect to the Sub-Fund, will endeavour to provide the aforementioned by the time deadlines stated, the Fund, in respect to the Sub-Fund, shall not be held liable for any delays in providing the relevant reports and/or publishing the relevant information which result from unexpected contingencies, such as delays in receiving necessary information from which to prepare such reports or information; equipment failure; fire or other physical damage to office or equipment; power failures or acts of God.

## **INVESTMENT OBJECTIVES AND POLICY**

### **Investment Objectives:**

The investment objectives of the FTC Systematic Macro are to maximise returns for investors by achieving high capital appreciation over a medium term to long term for investors who are willing to accept the risks inherent in investing in futures, forwards, commodities, currencies and other derivatives.

Although the Investment Managers shall do its utmost to achieve the Fund's objectives, there are no guarantees that these will actually be achieved.

### **Investment Policies:**

The Fund, in respect of the Sub-Fund, trades a portfolio of liquid futures contracts that trade on internationally recognised exchanges. The futures traded are from different sectors such as currency, interest, equity indices and commodities. The Fund, in respect of the Sub-Fund, trades multiple strategies that are 100% algorithmic and use a variety of different approaches to trading. The strategy holding periods span various time horizons and styles (short to long-term, trend-following and mean reversion, market neutral and directional). Volatility is controlled using strict and systematic risk management. The Fund, in respect of the Sub-Fund, will employ systematic, algorithmic trading models in order to increase the possibility of achieving positive returns whether traditional asset classes are increasing or decreasing in value. These models may require the use of leverage and, as a consequence, an increased level of volatility of returns and risk of loss. The Investment Manager may use all categories of derivative instruments for hedging purposes or for efficient portfolio management. The Investment Manager may engage in foreign exchange transactions relevant to the Sub-Fund's assets. Risks associated with investments in this Sub-Fund, in addition to those otherwise referred to herein, include risks linked to credit, commodity, currency, equity and interest rates markets and risks associated with the use of derivatives. The Sub-Fund's currency risk will be regularly hedged through currency forward contracts by the Investment Manager.

The Fund, in respect of the Sub-Fund, will adhere to its investment objectives and policies for a period of 3 years from the date of admission of the Class B Participation Shares to the Official List and to trading on the Main Market of the Irish Stock Exchange. No change will take place within that period save in exceptional circumstances and then only with the consent of shareholders.

## **INVESTMENT GUIDELINES AND RESTRICTIONS**

In order to limit exposure to risk the Investment Manager is required to adhere to the following investment policies and restrictions in implementing the investment objectives and strategies of the Sub-Fund in its sole discretion:

1. No more than 20% of the gross assets of the Sub-Fund may be lent to or invested in the securities of any one issuer or exposed to the creditworthiness or solvency of any one counterparty. This restriction shall not apply to securities issued or guaranteed by a government, government agency or instrumentality of any European Union or OECD Member States or by any supranational authority of which one or more European Union or OECD Member States are members.
2. The Fund, in respect of the Sub-Fund will not invest more than 10% of the Sub-Fund's gross assets (being the total value of all investments held by an applicant before deducting any liabilities, including borrowings) directly in physical commodities. However, the Fund, in respect of the Sub-Fund, may invest in derivative contracts on physical commodities.
3. The Fund, in respect of the Sub-Fund, will not invest in options.
4. The Fund, in respect of the Sub-Fund, may invest in UCITS authorised according to EU-Directive 85/611/EC and/or collective investment undertakings other than UCITS,
  - provided that no more than 10 % of the assets of the Fund are invested in units of a single UCITS or other collective investment undertaking, and
  - Investments made in units of UCITS and/or collective investment undertakings other than UCITS may not exceed, in aggregate, 10% of the assets of the Fund.
5. The Fund, in respect of the Sub-Fund, may invest in any type of ETF (f.e. Index ETF's, Commodity ETF's actively manages ETFs etc.) provided that:
  - (a) no more than 10% of the assets of the Sub-Fund are invested in shares of a single ETF, and
  - (b) investments made in shares of ETF's may not exceed, in aggregate, 10% of the assets of the Sub-Fund; and
  - (d) shares of ETFs may also be purchased on margin and traded using stop orders and limit orders, which allow the Sub-Fund to specify the price points at which it is willing to trade.
6. The Fund, in respect of the Sub-Fund, will not invest in real estate.
7. The Fund, in respect of the Sub-Fund, will not take legal or management control of the issuers of underlying investments.
8. The Fund, in respect of the Sub-Fund, will adhere to the principle of risk spreading with respect to their derivative trading and money market activity.
9. The Fund, in respect of the Sub-Fund, will not invest in "below investment grade" securities.
10. The Fund, in respect of the Sub-Fund, may, at the discretion of the Directors and with the consent of the Depositary, undertake short-term borrowing to fund the payment of Redemption Proceeds.
11. The aggregate borrowing capacity of the Sub-Fund shall be limited to a maximum of an amount equal to an amount of 10% of its Net Asset Value at any time and from time to time. Short-term funding for the acquisition of investments is not allowed.

12. No business deals may be conducted which involve the sale of securities not belonging to the fund assets.
13. The Fund, in respect of the Sub-Fund, may invest in securities which are listed and traded on stock exchanges; the Fund, in respect of the Sub-Fund, will not invest in securities which are unlisted.

Other than investment restriction (7) above which applies at all times, the investment limits outlined above apply to any investment at the time that investment is made. The Investment Manager will monitor the underlying investments to ensure that the restrictions set out above are not breached. Where any restriction is breached, other than investment restriction (7) above which applies at all times, the Investment Manager shall ensure that immediate corrective action is taken except where the breach is due to appreciation or depreciation in the assets of the Sub-Fund, changes in exchange rates, or by reason of the receipt of rights, bonuses, benefits in the nature of capital or by reason of any other action affecting every holder of that investment. However, the Investment Manager shall have regard to the investment restrictions when considering changes in the investment portfolio of the Fund.

The information contained under "RISK FACTORS" herein regarding the risks inherent in trading in the markets should be carefully read by prospective investors considering allocation of funds to the Fund.

The Directors will ensure that corrective action is taken where the Sub-Fund is in breach of any of the above investment restrictions.

Application has been made to the Irish Stock Exchange Limited for the Class B Participation Shares - Sub-Class (EUR) Shares and the Class B Participation Shares - Sub-Class (USD) Shares (the "Shares") of FTC Systematic Macro (the "Sub-Fund") a cell of FTC Futures Fund PCC Limited issued and to be issued to be admitted to the Official List and to trading on the Main Market of the Irish Stock Exchange. It is expected that admission will become effective on or about 16 February 2010. The directors of the Fund (the "Directors") do not anticipate an active secondary market will develop in the Shares. No application has been made for the Shares to be listed on any other stock exchange.

Neither the admission of the Shares to the Official List and to trading on the Main Market of the Irish Stock Exchange nor the approval of the Offering Memorandum pursuant to the listing requirements of the Irish Stock Exchange Limited shall constitute a warranty or representation by the Irish Stock Exchange Limited as to the competence of the service providers to or any other party connected with the Fund, the adequacy of information contained in the listing particulars or the suitability of the Fund for investment purposes.

## **INVESTMENT MANAGER**

The assets of the Cell are to be invested at the discretion of FTC Capital GmbH.

FTC Capital GmbH is an investment firm established as a limited liability company under Austrian law with registered office at Galaxy 21, Praterstrasse 31/11, 1020 Vienna (www.ftc.at). It is registered under FN 131215 p at the Commercial Court of Vienna. FTC Capital GmbH is supervised by the Austrian Financial Market Authority (FMA, www.fma.gv.at). It has been licensed by the FMA as portfolio manager (restricted to professional clients) according to section 3(2)fig.2 of the Austrian Federal Law of 1 November 2007 governing the supervision of financial institutions, Austrian

Federal Law Gazette, nr. 21/2006 in its current version (“Wertpapieraufsichtsgesetz – WAG 2007”). FTC Capital GmbH shall provide management services to the Fund, in respect of the Sub-Fund, under an investment management agreement between the Fund, in respect of the Sub-Fund, and FTC Capital GmbH.

As of 7 January 2010, FTC Capital GmbH has approximately USD 400 million under discretionary management.

An investment management agreement dated 15 January 2010 between the Fund, in respect of the Sub-Fund, and FTC Capital GmbH specifies the terms whereby FTC Capital GmbH agrees to act as Investment Manager for Cell B of the Fund.

The investment management agreement shall continue in force unless and until terminated by the Fund giving to the Investment Manager or the Investment Manager giving to the Fund not less than 90 days written notice (or such shorter notice as the parties may agree to accept ) provided that this Agreement may be terminated forthwith by notice in writing by either party if the other party:

- (a) shall commit any material breach of its obligations under the investment management agreement and shall fail to make good such breach within thirty days of receipt of notice from the other party requiring it so to do;
- (b) shall go into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the other party) or if a receiver is appointed over any of its assets.

The Investment Manager shall indemnify and hold harmless the Fund against all loss or damage (including costs and expenses incidental thereto) of any kind or nature whatsoever suffered by the Fund arising directly out of any failure by the Investment Manager properly to perform and fulfil its obligations under the investment management agreement.

FTC Capital GmbH is specialised in systems development for and marketing of alternative investment products (in particular managed futures) with a track record stretching back to 1994. The principals of the Investment Manager have extensive experience in the futures and commodities markets.

## **RISK FACTORS**

The following risks will substantially apply to the Sub-Fund / Cell B, in addition to those set out in Part A above:

Notwithstanding the investment strategy outlined above and discussed herein, investments in the Sub-Fund may involve a number of significant risk factors directly or indirectly due to the fact the Sub-Fund’s portfolios may invest in other vehicles. Prospective investors should carefully consider the following factors, among others, in making their investment decision and should consult their own legal, tax and financial advisers as to all of these risks and an investment in the Sub-Fund. The risk of loss in investing in the Participation Shares can be substantial. Investors should therefore carefully consider whether such type of investment is suitable for them in light of their financial condition. As with other investments, there can be no assurance that trading in the markets will be profitable.

Prospective investors are recommended to review this offering memorandum in its entirety before deciding whether to invest in Participation Shares and should specifically consider the following:

1. Derivatives

For hedging or efficient portfolio management purposes the Fund, in respect of the Sub-Fund may invest in instruments which may be characterised as derivatives. Investments in indexed instruments subject the Sub-Fund to the risks associated with changes in particular indices, which may include reduced or eliminated interest payments and losses of invested capital.

Trading in derivatives (including futures) carries a high degree of risk. As a result of the gearing or leverage available in derivatives trading it means that a relatively small movement in price can lead to proportionally large losses or gains. Consequently the Fund may lose more than its initial capital.

The low margin normally required in futures trading permit an extremely high degree of leverage, since margin requirements for futures trading in some cases are as little as 2% of the face value (or “exposure”) of the contracts traded. Therefore the gross value of positions held may be several times the value of the assets under management. Consequently, even a slight movement in the prices of commodities to which the assets under management are exposed could result in immediate and substantial losses to the investor.

2. Effect of Substantial Redemptions

Substantial redemptions of Participation Shares could require the Fund, in respect of the Sub-Fund to liquidate investments/positions more rapidly than would otherwise be desirable, which could adversely affect the value of the Participation Shares. Substantial redemptions might also cause the liquidation of the Fund.

Sizeable redemptions of Participation Shares by Shareholders may also have an adverse impact on the ability of the Fund, in respect of the Sub-Fund to successfully conduct its business and activities.

3 Leverage

The Sub-Fund may use leverage in its investment program when deemed appropriate by the Directors. Leverage is the use of borrowed funds for investment. While the use of leverage can substantially improve the return on invested capital, it may also substantially increase the adverse impact to which an investment portfolio may be subject.

4. Stock Market Fluctuations

General fluctuations in the prices of securities on the stock markets may affect the value of the investments held by the Fund, in respect of the Sub-Fund.

5. Speculative Position Limits

Some exchanges have established speculative position limits, which govern the maximum position, which any person may hold or control. It is possible that the General Investment Manager may have to modify trading strategies or liquidate positions in order to avoid exceeding speculative position limits. Such modification or liquidation, if required, could adversely affect the Fund’s objective to achieve capital appreciation.

6. Forward Markets

Although the forward markets, including the foreign currency markets, may not necessarily be more volatile than the markets in other assets, the forward markets offer less protection against defaults in trading than is available when trading occurs on an exchange. Forward

contracts are not guaranteed by an exchange or clearing house, and therefore, a non-settlement or default on the contract would deprive the Fund of unrealised profits or force the Fund to cover its commitment for purchase and resale, if any, at the current market price.

The low margin normally required in forward trading permit an extremely high degree of leverage, since margin requirements for futures trading in some cases are as little as 2% of the face value (or “exposure”) of the contracts traded. Therefore the gross value of positions held may be several times the value of the assets under management. Consequently, even a slight movement in the prices of commodities to which the assets under management are exposed could result in immediate and substantial losses to the investor.

7. Exchange Rates

Cell B may invest in assets in any currency and is therefore subject to exchange rate risks on its investments.

8. Financial Security of Counterparty

The return of deposits made by the Fund, in respect of the Sub-Fund is dependant on the financial strength of the counterparty with whom the moneys have been deposited. If such company or institution fails or defaults on its obligations for any reason the moneys will be lost and investors may not get their capital back.

9. Conflicts

Investors’ attention is drawn to the section on conflicts below and in Part A above.

10. Interest Rates

Changes in Interest rates will have an impact on the returns of the Sub-Fund.

11. Duration of Investment

Investments in the markets may experience periods of draw down or loss. For this reason investors should plan to commit funds for at least three to five years, although this is not an obligation.

12. Trading Costs

The Fund, in respect of the Sub-Fund, may engage in a high rate of trading activity resulting in correspondingly high costs being borne by the Fund.

13. Trading Risks

Substantial risks are involved in the trading of futures, forwards, commodities, currencies and other derivatives. Market movements can be volatile and are difficult to predict. U.S. government activities, particularly those of the Federal Reserve Board, can have a profound effect on interest rates which, in turn, substantially affects prices, as well as the liquidity of such markets. Politics, recession, inflation, employment levels, trade policies, international events, war and other unforeseen events can also have significant impact upon the prices of securities. A variety of possible actions by various government agencies also can inhibit the profitability of the Fund’s business or can result in losses. Such events, which can result in

high market movements and volatile market conditions, create the risk of catastrophic losses for the trading entities in which the Fund, in respect of the Sub-Fund, will invest.

The Fund, in respect of the Sub-Fund, employs various techniques to attempt to reduce a portion of the risks inherent in their respective trading strategies. The ability to achieve the desired effect through a particular technique is dependent upon many factors, including the liquidity of the market at the desired time of execution. Thus, substantial risk remains that such techniques cannot always be implemented or effective in reducing losses. The activities undertaken on behalf of the Fund will involve investment in readily marketable futures, forwards, commodities, currencies and other derivatives and will involve a high degree of leverage. Accordingly, the investments are subject to the general volatility and swings of all the underlying markets and a relatively small price movement may result in substantial and immediate losses in excess of the amount committed to this entity's positions. At various times, the markets for exchange-listed equity securities and/or other securities may be "thin" or illiquid, making purchases or sales of securities at desired prices or in desired quantities difficult or impossible. The value and volatility of trading in these markets depends in part on general public interest and public opinion concerning economic conditions as well as the liquidity provided by market-makers and specialists. The liquidity of the market may also be affected by a halt in trading on a particular futures or securities exchange or exchanges. Illiquid markets may make it difficult for the Fund's underlying investment funds to get an order executed at a desired price.

14. Potential Conflicts of Interest

The Fund's Investment Manager may form and manage other investment entities (including without limitation investment partnerships, investment companies and mutual funds) with substantially the same or different objectives as those of the Fund. In addition, the Investment Manager functions as the Investment Manager for other investment companies in addition to the Fund. Such activities could detract from the time that the Investment Manager allocates to the affairs of the Fund. Only the Ordinary Shares have voting rights and therefore can appoint and remove the Directors of the Fund. Only the Directors may terminate the services of the Administrator, Investment Manager, Depository and other agents of the Fund.

15. Mandatory Redemptions or Repurchases

The Fund, in respect of the Sub-Fund has the right to require the compulsory redemption or repurchase of all Participation Shares held by a Shareholder in the circumstances set out below under Compulsory Redemption.

16. Fees Paid to the Fund's Shareholders

The Fund will retain an Investment Manager who will hold the Ordinary Shares and will pay it a management fee.

17. Clearing Firm Loss or Insolvency

If a clearing firm utilized in connection with accounts maintained on behalf of the Sub-Fund were to become insolvent, the Fund, in respect of the Sub-Fund, could have some or all of these positions closed out without its consent.

18. Risk of Leverage in trading futures, forwards, commodities, currencies and other derivatives.

The Investment Manager may utilize leverage in its investment program. The use of leverage, while providing the opportunity for a higher return in investment, also increases the volatility of such investments and the risk of loss. Investors should be aware that an investment program utilizing leverage is inherently more speculative, with a greater potential for losses, than a program, which does not utilize leverage. The Fund, in respect of the Sub-Fund, may, to different degrees, trade in the futures markets which will be effected with a high degree of leverage (compared to certain of its other investments), acquiring contracts with a gross value substantially in excess of the value of the Fund's assets allocated to this account. The use of leverage increases the volatility of the Sub-Fund's performance and makes it possible for the Fund to suffer losses on any open position in excess of the assets allocated to such position as margin or of any line of credit permitting the Fund to maintain such position. The use of leverage will be limited to the extent of normal "margin-calls" with regard to futures and other derivative trading.

19. Foreign Exchanges

The Investment Manager may trade in instruments on exchanges located outside the United States, such as the London International Financial Futures and Options Exchange or the Sydney Futures Exchange, Ltd. Trading on such exchanges is not regulated by any United States regulator and may, therefore, be subject to more risks than trading on United States exchanges.

20. Highly Volatile Markets

The prices of derivative instruments are highly volatile. Price movements of forward contracts and other derivative contracts in which the Fund's assets may be invested are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. In addition, governments from time to time intervene, directly and by regulation, in certain markets, particularly those in currencies and financial instruments. Such intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations. The Fund also is subject to the risk of the failure of any of the exchanges on which its positions trade or of their clearinghouses.

21. Operating History

The Fund, in respect of the Sub-Fund, will start operating in February 2010 and only will have that operating history upon which prospective investors can evaluate its likely performance. FTC Systematic Macro targets investors who are willing to accept the risks inherent in investing in futures, forwards, commodities, currencies and other derivatives. Its objective is a relatively stable return subject to a volatility target of 10% annualized.

22. Limited Transferability

Since the Participation Shares are transferable only with the prior approval of the Directors (See Transfer of Participation Shares below), Shareholders may not be able to sell their investments and therefore would have to utilize the Fund's redemption /repurchase program, which itself may be subject to restrictions — see "Redemptions" or "Repurchase of Participation Shares" below.

## 23. Restrictions on Redemptions

Any redemption, which will result in the Net Asset Value of all the remaining Participation Shares owned by such Shareholder being less than the minimum subscription amount will be treated as a notice of redemption for all remaining Participation Shares held by such Shareholder.

Redemptions of Participation Shares will be suspended while the calculation of Net Asset Value is suspended - see “Suspension of Issue and Redemption of Participation Shares” below.

Substantial losses may be incurred by the Fund, in respect of the Sub-Fund, in its trading activities. Accordingly the Fund, in respect of the Sub-Fund, may have insufficient funds from which to pay the requested redemption payment or may be otherwise restricted by Gibraltar Law.

**The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in the Sub-Fund. Prospective investors should read this entire offering memorandum and consult their own counsel and advisers before deciding to invest in the Sub-Fund**

**Even if it is not expected that investors may lose capital (especially over the medium to long term) the investors CAPITAL IS NOT GUARANTEED. The value of investments may fall as well as rise.**

### **SUBSCRIPTIONS**

The Fund is offering redeemable preference shares (“Participation Shares”) in Cell B – FTC Systematic Macro. Cell B Participation Shares are available for subscription in the following sub-classes:

- Sub-Class (EUR)
- Sub-Class (USD)

Shares of “Sub-Class (EUR)” are available to both institutional and non-institutional investors and denominated in Euro, notwithstanding further reservations at this sub-class level.

Shares of “Sub-Class (USD)” are available to both institutional and non-institutional investors and denominated in USD, notwithstanding further reservations at this sub-class level.

Participation Shares will be valued on the Valuation Day or such other days as the Directors may in their sole discretion determine. Such shares shall be available for subscription on the Dealing Day at a price equal to the Net Asset Value per Participation Share. The Participation Shares will be issued at the prevailing Net Asset Value per Participation Share rounded up to the nearest whole Euro or US dollar cent (as the case may be), plus any applicable Front-end Load subscription fee.

The minimum subscription amounts that will be accepted from investors will be as follows:

#### **Sub-Class (EUR)**

Minimum investment: € 250.000.-

Additional investments for the same subscriber: € 25.000.- or a lesser amount as the Directors may from time to time permit.

### **Sub-Class (USD)**

Minimum investment: USD 250.000.-

Additional investments for the same subscriber: USD 25.000.- or a lesser amount as the Directors may from time to time permit.

The Directors reserve the right to alter the above-mentioned minimum subscription requirements at their absolute discretion. Tradable securities in lieu of or in addition to cash for payment of Subscription moneys (*in specie subscription*) are not allowed.

Subscription applications in the form attached and all “know your client” and anti money laundering documentation should be received at least 4 p.m. Gibraltar time at the Valuation Day prior to the relevant Dealing Day, or such later time as the Directors may from time to time permit. Payment for the Shares and the subscription fee must be transferred within three (3) business days after the relevant Dealing Day used for the respective shares purchased, by electronic funds transfer.

Interest will not be paid to investors on subscription moneys. Any interest earned or received by the Fund, in respect of the Sub-Fund, between the date money is received and Dealing Day will be for the account of the Sub-Fund.

If a subscription application and cleared monies are received and accepted by the Administrator prior to a Dealing Day, the Fund, in respect of the Sub-Fund, reserves the right to invest the monies before the upcoming Dealing Day. Any interest earned on these monies being retained by the Fund. Should the subscription application be unsuccessful the original subscription amounts only shall be returned by telegraphic transfer (with charges for the account of the recipient) to the applicant’s account at the remitting bank/financial institution.

The Participation Shares will be issued at the prevailing Net Asset Value per Participation Share rounded up to the nearest whole Euro cent or US dollar cent (as the case may be), plus any applicable Front-End Load subscription fee .

The acceptance of subscriptions is subject to confirmation of the prior receipt of cleared funds credited to the Fund’s subscription bank account as well as the necessary due diligence documentation.

The Administrator and/or Directors may reject a subscription for any reason and is not obliged to disclose the reason, or reasons, for rejecting any subscription application. In the event of a subscription application being rejected, the subscription money will be returned by telegraphic transfer (with charges for the account of the recipient) to the applicant’s account at the remitting bank/financial institution. All subscriptions are irrevocable. The Directors, in their sole discretion at any time, may withdraw and terminate the offering of Participation Shares in whole or in part or in respect of any particular jurisdiction.

The Fund through the Administrator will send to subscribers a notice of the acceptance of their applications and of the number of Participation Shares issued to them.

Interested investors should apply to the Fund using the Subscription Agreement and Application Form attached.

The par value per Participation Share is USD 0.01. The balance of the Subscription Price paid for Participation Shares in excess of the par value per Participation Share shall be treated as share premium which will be credited to the Fund’s share premium account and will be included in the NAV of the relevant Sub-Fund.

Interest will not be paid to investors on Subscription Moneys if returned. Any interest earned or received by the Fund, in respect to the Sub-Fund, will be for the account of the Sub-Fund and shall be used to cover start up costs and fees incurred by the Fund in establishing the Sub-Fund.

## **REDEMPTIONS**

A Shareholder may cause any or all of his Participation Shares to be redeemed by the Fund for cash at the prevailing Redemption Price which will be the NAV per Participation Share, rounded down to the nearest whole Euro cent or US dollar cent (as the case may be) on any Dealing Day provided written notice (including facsimile) in a form acceptable to the Fund (see "Redemption Notice" below) is received by the Administrator no later than 4.00 PM Gibraltar time on the Valuation Day prior to the relevant Redemption Date as defined below.

Participation Shares will be redeemed on the relevant Redemption Date based on the Net Asset Value per Participation Share calculated on the appropriate Valuation Day. The Directors reserve the right to deduct any applicable transfer charges, exchange fees, statutory taxes and duties from redemption proceeds.

If a Redemption Notice is received with less than 1 Business Day prior to the following Redemption Date, the Participation Shares will be redeemed on the subsequent Redemption Day; however the Fund may, if conditions allow, accept a shorter notice period for any redemptions.

The Redemption Notice must include the sub-class, number and currency class of Participation Shares to be redeemed or the amount (in monetary terms) of Participation Shares to be redeemed and the Shareholder's name and number as registered with the Fund.

If, as a result of a redemption request, less than €100,000, or its equivalent in another currency, is held by a Shareholder on redemption, then all remaining shares shall be compulsorily redeemed and payment shall be made in accordance with "Payment of Redemptions" as set out below.

A Redemption Notice will not be treated as valid unless it is in respect of Participation Shares for which the Subscription Price has been fully paid.

The Directors reserve the right to vary any of the redemption requirements of the Fund.

Redemption proceeds will not be released until written confirmation of the order has been received by the Administrator.

### Payment of Redemptions

Under the articles of association of the Fund, the Fund has agreed to pay the redemption monies 14 days from the applicable Redemption Date but normally the Fund will arrange for payment to the shareholder of the net proceeds within five Business Days after the Redemption Date. Payment on redemption may be delayed in the case of extraordinary circumstances, such as the inability to liquidate existing positions, or the default or delay in payments due to the Fund from the brokers, banks or other persons. Payment will be made by telegraphic transfer (with charges for the account of the recipient), to the registered Shareholder's account at the remitting bank/financial institution in accordance with the instructions of the Shareholder given in the Application Form. Requests for redemption in the proper form will be honoured and the Fund's positions in the markets will be liquidated to the extent necessary (if any) to discharge its liability on the date of redemption.

If all of the relevant information requested under the Client Verification Requirements section of the Subscription Agreement and Application Form has not been supplied to the Administrator, the

Shareholder's shareholding will be redeemed but that the related monies will not be released until such documentation requested has been supplied.

#### Redemption Notice

A request for redemption must, at a minimum, contain the information set out in the Redemption Notice (see below), i.e. the number of Participation Shares to be redeemed, representations and warranties that the redeeming Shareholder is the lawful and beneficial owner of the Participation Shares to be redeemed and that such Participation Shares are not subject to any pledge or otherwise encumbered in any fashion. The Fund and the registrar of the Fund are entitled to require additional documents, such as, but not limited to, trust instruments, death certificates, appointments as executor or administrator and certificates of corporate authority prior to making any payment in respect of redemptions.

Redemption proceeds will not be released until written confirmation of the order has been received by the Administrator. If a redemption form, or any other communication, is sent to the Fund and/or the Administrator, it will not be deemed to have been received by the Fund or Administrator unless receipt is acknowledged in writing by the Administrator. Exceptions are made where the delivery of the communication has been acknowledged by a signed receipt.

#### Compulsory Redemptions

The Fund may at any time, by giving 20 days' prior written notice to a Shareholder, redeem all or any of that Shareholder's Participation Shares on the first Dealing Day next following the expiry of the twenty day notice period ("the Compulsory Redemption Date"). In the event that Participation Shares are acquired by, or on behalf of, a US Person or a person resident in Gibraltar or Ireland for tax purposes, or in the event that the holding of Participation Shares by the Shareholder concerned may result in regulatory, pecuniary, legal, taxation or material administrative disadvantage for the Sub-Fund or the Shareholders as a whole or his investment falls below €100,000 or its equivalent in another currency.

The price at which any Participation Share shall be compulsorily redeemed shall be the NAV per Participation Share of that Participation Share as of the Valuation Point prior to the Compulsory Redemption Date, and:

- (a) shall be payable on the Compulsory Redemption Date;
- (b) shall be paid in euros or, at the option of the Directors, in any other currency or in specie.

All costs incurred in a compulsory redemption of Participation Shares shall be for the account of the Shareholders thereof and may be withheld from the proceeds of the redemption.

#### **DIVIDEND POLICY**

The Fund does not anticipate that any dividends shall be paid to shareholders out of the Sub-Fund's earnings and profits, but rather such income will be reinvested.

## **FEES SPECIFIC TO CELL B**

### **1. Directors' fees**

The Directors' fees are set out in part A and divided between the Sub-Funds as determined by the directors. Disbursements such as telecommunication, fax, mail and office costs are charged separately.

### **2. Fees of the Administrator**

The Fund will pay the Administrator an annual fee of 0.15 % per annum of the net assets of the Sub-Fund subject to a minimum of GBP 32.000 per annum. Disbursements and "out of pocket expenses" such as telecommunication, fax, mail and office costs are charged separately.

These fees are calculated and paid monthly in arrears within 10 working days after the net asset value of the Cell has been approved by the Directors (or if such days are not Business Days then on the preceding Business Day).

### **3. Fees of the Depositary**

The Depositary will be paid an annual fee based on its standard fee schedule as agreed with the Depositary, plus out-of-pocket expenses. The Fund will pay the Depositary an annual safe-custody fee of 0.20% per annum of the net assets of the Sub-Fund.

### **4. Fees of the Investment Managers**

The Fund will pay an Investment Management Fee to the Investment Manager in respect of Class B Participation Shares at the rate of 2 % per annum of the NAV of the Class B Participation Shares of FTC Systematic Macro being calculated and accrued on each Valuation Day of Class B Participation Shares and payable monthly in arrears.

The Investment Manager will be paid a performance fee, accrued weekly on the Fund's Valuation Day and payable monthly, equal to 20% of Cell B's cumulative trading profits for the valuation period. The valuation period shall be the respective calendar week between a Valuation Day, and another.

The terms "Account Size" and "Trading Profit" are defined below.

The Performance Fee is payable only on new Trading Profits. For example, if the Account incurs Trading Losses ("Trading Losses" as defined below) after a previous performance fee accrual or payment has been made, the Investment Manager will be entitled to retain previous payments received and will also be entitled to receive any amounts accrued but unpaid, but will receive no further fee in subsequent periods until such losses have been recovered through trading activities. On any given Valuation Day the High Water Mark (as defined below) represents the point which needs to be surpassed in order to generate new Trading Profits (which are the prerequisite and basis for a Performance Fee payment).

The High Water Mark is the sum of the highest NAV previously achieved on a Valuation Day and all management fees that the fund has incurred since such last valuation was obtained and reflected in the accounts. When the Account's value has fallen below the High Water Mark (the Account then is in a drawdown), the payout of redemption proceeds from the Fund will result in a proportional reduction of the High Water Mark. Such proportional reduction is calculated as follows: the redemption proceeds are taken as a percentage of the Sub-Fund's total net assets (as calculated by the Fund's

Administrator); the resulting percentage rate is applied on the cumulative Trading Loss (that is the Account's balance minus the High Water Mark); then, the resulting amount is deducted from the High Water Mark; the result is the "new" High Water Mark for the following Valuation Day.

The fees shall be calculated and paid in euros.

Account Size is the sum of:

- (a) The total Net Assets of the Sub-Fund as of the previous Valuation Day increased or decreased by any subscriptions or redemptions as of the previous Valuation Day.
- (b) The net of realized gains and losses from closed futures, forward and cash transactions during the valuation period, plus or minus the change in unrealised gains and losses from open futures, forward and cash transactions during such valuation period, minus the sum of the transactional costs (including all brokerage commissions, clearing, exchange and give-up fees paid or accrued in order to liquidate open positions) incurred by the Fund, in respect of the Sub-Fund..

Trading Profit or Loss shall mean the net of realized gains and losses from closed futures, forward and cash transactions during a valuation period, plus or minus the change in unrealised gains and losses from open futures, forward and cash transactions during such valuation period, minus the sum of the transactional costs during such valuation period (including all brokerage commissions, clearing, exchange and give-up fees paid or accrued in order to liquidate open positions) incurred by the Fund, and minus the management fee earned by the Investment Manager during such valuation period, but not the Performance Fee earned by the Investment Manager. Trading Profits do not include interest income.

The performance fees are due and payable 15 days after the end of each calendar month.

## **5. Other Fees**

Other fees in respect of Cell B are set out in Part A.

## **MATERIAL CONTRACTS**

An investment management agreement dated 15 January 2010 between the Fund, in respect of the Sub-Fund and FTC Capital GmbH specifies the terms whereby FTC Capital GmbH agrees to act as Investment Manager for Cell B.

The investment management agreement shall continue in force unless and until terminated by the Fund giving to the Investment Manager or the Investment Manager giving to the Fund not less than 90 days written notice (or such shorter notice as the parties may agree to accept ) provided that the agreement may be terminated forthwith by notice in writing by either party if the other party:

- (a) shall commit any material breach of its obligations under the investment management agreement and shall fail to make good such breach within thirty days of receipt of notice from the other party requiring it so to do;
- (b) shall go into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the other party) or if a receiver is appointed over any of its assets.

The Investment Manager shall indemnify and hold harmless the Fund against all loss or damage (including costs and expenses incidental thereto) of any kind or nature whatsoever suffered by the

Fund arising directly out of any failure by the Investment Manager properly to perform and fulfil its obligations under the investment management agreement.

The Investment Manager does not guarantee the success of any investment. No warranty is given by the Investment Manager as to the performance or profitability of the Cell.

The Investment Manager shall not supervise, control or assume any responsibility for the activities of the Directors, the Depositary, the Administrator or any other services provider to the Fund. The Investment Manager will not provide valuation of the assets of the Cell, nor will it monitor compliance with the offering memorandum of such valuation or of the net asset value calculation of the Cell's shares or of the calculation of the prices at which any shares of the Cell are issued, subscribed or redeemed.

*Cell B Depositary agreement* dated on or 12 January 2010 between the Fund, in respect of the Sub-Fund, and Credit Suisse (Gibraltar) Limited specifies the terms whereby Credit Suisse (Gibraltar) Limited agrees to act as depositary for Cell B of the Fund. This agreement shall continue in force until determined by either party giving to the other not less than 90 days' written notice provided that the Agreement may be terminated immediately if Credit Suisse goes into liquidation (except a voluntary liquidation for the purposes of reconstruction or amalgamation), appoints a receiver or is otherwise declared insolvent. Under the Depositary Agreement, the Fund will indemnify and hold the Depositary harmless against all actions, proceedings, claims, costs, charges, demands, outstanding liabilities or commitments which may be incurred by the Depositary or brought against it in connection with the performance of its obligations provided such actions are not in respect of any expense, loss, liability or damage which was caused by the Depositary's gross negligence, fraud and/or wilful default. .

According to the Depositary Agreement, the Depositary will not provide other services or perform other functions except the safekeeping of the Fund's assets held by it and will have no other duties or responsibilities relating to the Fund. The Depositary will not act as sponsor, promoter, director(s), investment manager, adviser, administrator or any other services provider of the Fund. The Depositary shall not supervise, control or assume any responsibility for the activities of the Directors, the Investment Manager, the Administrator or any other services provider to the Fund. The Depositary will not monitor the investment management activities or investment strategies of the Fund nor compliance of investments with this offering memorandum, the Fund's investment policy, restrictions or other investment guidelines applicable to the assets of the Fund. The Depositary will not provide valuation of the custody assets, nor will it monitor compliance with the offering memorandum of such valuation or of the net asset value calculation of the Participation Shares or of the calculation of the prices at which any shares of the Fund are allotted, issued or redeemed. Potential investors should not rely upon the Depositary in deciding whether or not to invest in the Fund.

If the Fund, in respect to the Sub-Fund, appoints other parties ("co-depositaries") to hold assets and other property belonging to Cell B and those parties are not appointed by Credit Suisse (Gibraltar) L.td, the Fund has agreed to indemnify and keep Credit Suisse (Gibraltar) Limited and its officers and employees indemnified from and against all liabilities, costs and damages of any kind (including, for the avoidance of doubt, all legal expenses incidental thereto) which may be incurred by any of them and all actions or proceedings which may be brought by or against them as a result of the appointment of such a co-depositary.

Credit Suisse (Gibraltar) Limited shall be entitled to have recourse to any assets of the Sub-Fund including the right to sell or otherwise dispose of the assets of Cell B held by Credit Suisse (Gibraltar) Limited and appropriate all or part of the cash proceeds thereof with a view to meeting and discharging the cost of any indemnity to which it is entitled under the provisions of the depositary agreement or at law or otherwise.

Except as stated above and those referred to in Part A there are no other contracts have been entered into by the Fund, in respect of the Sub-Fund (other than in the ordinary course of business) since incorporation that are, or may be, material.

### **CONFLICTS OF INTEREST**

In addition to those referred to in Part A there are the following conflicts of interest in respect of this Sub-Fund

The Investment Manager act as investment manager for a number of other funds, companies and clients. It will be recommending to such clients similar instruments and/or similar assets to that traded by the Fund, in respect of the Sub-Fund, and which they are recommending to the Fund, in respect of the Sub-Fund..

The issuer of instruments and products acquired by the Fund, in respect of the Sub-Fund, may be associated with the Investment Manager and/or a member of its group.

At the date of this document, the Fund, in respect of the Sub-Fund, has not been involved in any legal or arbitration proceedings nor, so far as any of the Directors are aware, are any such proceedings threatened or pending against the Fund, in respect of the Sub-Fund..

The Directors confirm that at the date of this document, the Sub-Fund has not commenced business, no dividends have been paid and no accounts have been prepared.

# **SUBSCRIPTION AGREEMENT**

## **FTC FUTURES FUND PCC LIMITED CELL B – FTC SYSTEMATIC MACRO**

**FTC FUTURES FUND PCC LIMITED**

Blake House, 19c Town Range, Gibraltar.

Fax (350) 200 49450

Dear Sirs,

The undersigned (“the Shareholder”) acknowledges having received the offering memorandum dated 17 February 2010 for the offering of redeemable preference shares (“Participation Shares”) of FTC Futures Fund PCC Limited (“Fund”) Cell B – FTC Systematic Macro on the terms of the offering memorandum and subject to the provisions of the memorandum and articles of association of the Fund.

The undersigned confirms that (a) he is an experienced investor within the meaning of the Financial Services (Experienced Investor Funds) Regulations, 2005 (“Regulations”) (b) none of the Shares (nor any interest therein) are being acquired or will at any time be held, directly or indirectly, for the account or benefit of a person who is not an Experienced Investor, (as defined in the Regulations) and (c) acknowledges that he has received and accepted the investment warnings set out in the offering memorandum. The undersigned wishes to subscribe for Participation Shares on the terms of the offering memorandum and subject to the provisions of the memorandum and articles of association of the Fund and this Subscription Agreement. The undersigned acknowledges that except as provided under applicable securities laws, this subscription is and shall be irrevocable, except that the undersigned shall have no obligations hereunder if this subscription is for any reason rejected or this offering is for any reason cancelled.

The Subscriber represents and warrants that:

- 1) the Participation Shares are not being purchased with a view to immediate resale or active trading;
- 2) all consents required to be obtained and all legal requirements necessary to be complied with or observed in order for this Agreement or the issuance of the Participation Shares to be lawful and valid under the laws of any jurisdiction to which the Subscriber is subject have been obtained, complied with or observed;
- 3) none of the Participation Shares (nor any interest therein) are being acquired or will at any time be held, directly or indirectly, for the account or benefit of a Politically Exposed Person (“PEP”) such as a senior political figure or the spouse or associate of a senior political figure;
- 4) none of the Participation Shares (nor any interest therein) are being acquired or will at any time be held, directly or indirectly, for the account or benefit of a person on any Swiss Money Laundering or Foreign Office “Watch List” or any other OECD Money Laundering “Watch List”;
- 5) the Subscriber has not relied on any representations or other information purported to be given on behalf of the Fund except as set forth in the offering memorandum which he has fully read and hereby acknowledges, any documents referred to therein or the published financial accounts of the Fund, and has consulted his/her/its own attorney, accountant and/or investment manager with respect to the investment contemplated hereby and its suitability for the Subscriber;
- 6) none of the Participation Shares (nor any interest therein) are being acquired or will at any time be held, directly or indirectly, for the account or benefit of a U.S. Person and none of the Participation Shares will be transferred to any person who has failed to supply a similar representation. “U.S. Person” means:
  - i) Any natural person resident in the United States of America, its territories and possessions, any State of the United States, and the District of Columbia (“United States”);
  - ii) Any partnership or corporation organized or incorporated under the laws of the United States;
  - iii) Any estate of which any executor or administrator is a U.S. person;
  - iv) Any trust of which any trustee is a U.S. person;
  - v) Any agency or branch of a foreign entity located in the United States;
  - 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 organized, incorporated, or (if an individual) resident in the United States; and
  - viii) Any partnership or corporation if:

- A. Organized or incorporated under the laws of any foreign jurisdiction; and
- B. Formed by a U.S. person principally for the purpose of investing in securities not registered under the United States Securities Act of 1933, as amended, (“Securities Act”), unless it is organized or incorporated, and owned, by accredited investors (as defined in Rule 501(a) of the Securities Act) who are not natural persons, estates or trusts

PROVIDED THAT a person or entity shall not be considered a U.S. Person if he or she or it qualifies under any exemption in the Securities Act.

- 7) None of the Participation Shares (nor any interest therein) are being acquired or will be acquired at any time by a person who is Gibraltarian or who is a resident of Gibraltar.
- 8) The Fund has made available to the Subscriber, during the course of this transaction and prior to the purchase of any of the Participation Shares, the opportunity to ask questions of and receive answers from any Director of the Fund concerning the terms and conditions of the offering described in the offering memorandum and in any documents referred to therein, and to obtain any additional information necessary to verify the information contained therein or otherwise relative to the financial data and business of the Fund, to the extent that such parties possess such information or can acquire it without unreasonable effort or expense, and all such questions, if asked, have been answered satisfactorily and all such documents, if examined, have been found to be fully satisfactory.
- 9) The Subscriber will promptly inform the Fund of any changes to the information disclosed, or to any of the above representations.

The Subscriber acknowledges that, subject as otherwise stated in the Depositary Agreements, the Depositaries will not provide any other services or perform any other functions except safekeeping and the usual administrative matters relating to the custody of assets of the Fund held by them, and will have no other duties or responsibilities relating to the Fund. The depositaries will not monitor investment management activities or investment strategies of the Fund nor compliance of investments with the Investment Policies or Investment Guidelines and Restrictions set out in the offering memorandum. The Depositaries shall not supervise or control the activities of the Board of Directors or the Administrator of the Fund. The Depositaries will not act as sponsor or promoter of the Fund. Each Depositary does not warrant the contents of the relevant fund-documentation, save as it relates to the relevant Depositary, nor will it be involved in the management, administration, valuation of assets or Net Asset Value calculation of the Fund.

**The Subscriber agrees to indemnify and hold harmless the Fund, its promoters, directors and officers and each other person or entity, if any, who controls it, against any and all loss, liability, claim, damage, costs 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 any false representation or warranty or breach or failure by the Subscriber to comply with the covenant or agreement made by the Subscriber herein or in any other document in connection with this transaction.**

The Subscriber has evaluated the risks of investing in the Participation Shares, and has determined that the Participation Shares are a suitable investment for the Subscriber. The Subscriber acknowledges that there can be no assurance that appreciation of the Fund’s assets will occur or that losses will not be realized and that the value of Participation Shares may be subject to volatile movements and may fall as well as rise. Accordingly, the Subscriber can bear the economic risk of this investment and can afford a complete loss of the Subscriber’s investment. The Subscriber agrees that any information supplied by them to the Fund will be made available by the Fund to the Administrator and any Depositaries of the Fund.

We are wholly responsible for ensuring that all aspects of this Fund are acceptable to you. Investment in experienced investor funds may involve special risks that could lead to a loss of all or a substantial portion of such investment. Unless you fully understand and accept the nature of this Fund and the potential risks inherent in this Fund you should not invest in this Fund.

This Agreement shall be governed by and interpreted in accordance with the laws of Gibraltar. Any dispute or controversy arising out of, under, in connection with or in relation to this Agreement shall be determined and settled by the Gibraltar court of competent jurisdiction. The unsuccessful party shall be responsible for all costs of such action, including but not limited to fees associated with the arbitration proceeding, reasonable attorneys’ fees, court costs (if any), any filing fees, any associated disbursements, and any other fees and charges incurred in connection therewith.

Date :Signature:

**CELL B**  
**FTC SYSTEMATIC MACRO**  
**SUBSCRIPTION INFORMATION**

*Date of Subscription:*

*Name & Address for Share Registration:*

.....  
.....

*Postal Address (if other than address of registration):*

.....  
.....

*Telephone:* .....

*Fax:* .....

*E-mail:* .....

*Name of Particular Sub-Fund: Cell B – FTC Systematic Macro*

*Number of Shares applied for*..... *Amount of Subscription €/\$*.....

*O Sub-Class (EUR), ISIN:.....:*

*O Sub-Class (USD), ISIN.....*

*(please cross where applicable)*

*Name & Address of Remitting Bank:*

.....  
.....

*Name & Address of Bank for transfers and payments of Redemptions in case of redemption (if different from above):*

.....  
.....  
..... IBAN NO.....

*Is the subscriber the exclusive beneficial owner of the assets?*  *yes*       *no*  
*(if no, please complete financial details below in relation to the beneficial owner)*

.....

.....  
Is the subscribe a Politically Exposed Person  yes  no

Name and Address of Employer or Business (if individual investor) or Business (if corporate investor):  
.....  
.....

Subscriber's Position with Employer or Business: .....

Origin of assets to be invested (please tick)

- |  |   |
|--|---|
| <input type="checkbox"/> sale of business          | <input type="checkbox"/> investment profits |
| <input type="checkbox"/> life time earnings/salary | <input type="checkbox"/> (lottery) winnings |
| <input type="checkbox"/> gift/inheritance          | <input type="checkbox"/> others *           |
| <input type="checkbox"/> sale of real estate       |   |

\* For others please specify:

Estimated total income p.a. (please tick)

- |  |  |
|--|--|
| <input type="checkbox"/> < € 100 000           | <input type="checkbox"/> € 700,000 – € 1.5 Million |
| <input type="checkbox"/> € 100'000 – € 300'000 | <input type="checkbox"/> >€ 1.5 Million*           |
| <input type="checkbox"/> € 300'000 – € 700,000 | * Please   |

specify: .....

Estimated total assets (please tick)

- |  |  |
|--|--|
| <input type="checkbox"/> < € 700,000               | <input type="checkbox"/> € 5 Million – € 10 Million  |
| <input type="checkbox"/> € 700,000 – € 2 Million   | <input type="checkbox"/> € 10 Million – € 40 Million |
| <input type="checkbox"/> € 2 Million – € 5 Million | <input type="checkbox"/> >€ 40 Million *             |

\* Please specify: .....

Signed: ..... Date: .....

Name: .....

Entity (if corporate investor):

Position of signatory: .....

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**Fund's use only: Accepted and confirmed:**

## PAYMENT INSTRUCTIONS

Once the Subscription Documents been filled in and faxed and then sent to the Fund, subscription funds should be sent to the Fund at the following address:

Transfer instructions in favour of FTC Systematic Macro:

IBAN:

USD GI86CRES000002010196666  
EUR GI64CRES000002010196674

Beneficiary: FTC Systematic Macro

Bank: Credit Suisse (Gibraltar) Limited  
Swift: CRESGIGI

Correspondent Banks

USD  
Bank of New York  
SWIFT Code IRVTUS3N  
Fedwire/ABA 021000018  
A/C 890 0360 909

EUR  
Deutsche Bank AG Frankfurt  
SWIFT Code DEUTDEFF  
A/C DE49500700100927552000

Please remember to add the name of the Subscriber as a reference on the fund wiring instructions to ensure proper crediting of funds.

Please also advise the Administrator and the Investment Manager that the funds have been sent:

**CAPITA FINANCIAL ADMINISTRATORS (GIBRALTAR) LIMITED**

Blake House, 19c Town Range, Gibraltar  
Tel: +350 200 43339 - Fax: +350 200 49450  
Email: [gibinfo@capitafinancial.com](mailto:gibinfo@capitafinancial.com)

**RETURN OF REDEMPTION MONIES**

**To:**

FTC FUTURES FUND PCC LIMITED  
Blake House, 19c Town Range, Gibraltar  
Tel: +350 20043339 - Fax: +350 20049450

Dear Sirs:

The undersigned (“Shareholder”) has invested in preference shares (“Participation Shares”) in Cell B FTC Systematic Macro of FTC Futures Fund PCC Limited (“Fund”) under the terms of the offering memorandum dated 17 February 2010 and subject to the provisions of the memorandum and articles of association of the Fund hereby irrevocably request the redemption of Participation Shares of FTC FUTURES FUND PCC LIMITED - FTC Systematic Macro in accordance with the instructions provided below:

FTC Systematic Macro– Class B Participation shares

Number of Shares to be redeemed: \_\_\_\_\_

or

EUR/USD amount to be redeemed: EUR/USD \_\_\_\_\_

*O Sub-Class (EUR), ISIN:.....:*

*O Sub-Class (USD), ISIN.....*

*(please cross where applicable)*

I/We hereby represent and warrant that I/we am/are the lawful and beneficial owner(s) of the Participation Shares to be redeemed and that such shares are not subject to any pledge or otherwise encumbered in any fashion.

I/We acknowledge and agree that if all of the relevant information requested under the Client Verification Requirements section of the Subscription Agreement Application Form has not been supplied to the Administrator, that my/our shareholding will be redeemed but that the related monies will be held by the Administrator until such documentation requested has been supplied.

I/We agree that the requested redemption shall be effected strictly in accordance with the terms relating to redemptions in the offering memorandum and the memorandum and articles of association and shall be bound by such terms.

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

Signature: \_\_\_\_\_

By (print name): \_\_\_\_\_

Title: \_\_\_\_\_

On behalf of: \_\_\_\_\_

(entity) \_\_\_\_\_

**REDEMPTION INFORMATION**

Name and Address of  
Registered Shareholder:

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Number of Shares or amount  
to be Redeemed:

---

Date of Redemption:

---

Provide full wire transfer routing instructions:

Name and Address of  
Receiving Bank:

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---

SWIFT code

---

Account Name:

---

Account Number:

---

IBAN:

---

Other details/instructions:

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## **PART B**

### **Cell C**

#### **FTC FUTURES FUND PCC LIMITED CELL C - FTC COMMODITY FUND ALPHA**

This part B contains particulars relating to the Sub-Fund “FTC Commodity Fund Alpha” launched as Cell C (“Cell”) and part of FTC Futures Fund PCC Limited (“Fund”).

The Fund intends to launch other Sub-Funds at various times in the future, when suitable investor interest has been identified. Subject to any legal restrictions, the Fund reserves the right to amalgamate or merge existing or future Sub-Funds into or with other Sub-Funds of the Fund. The details set out below in respect of each Sub-Fund form part of the offering memorandum issued on 17 February 2010 and should be read, together with Part A above, as one document.

#### **DEFINITIONS**

<b>Sub-Class</b>	One or more classes of Shares within Cell C whose assets shall be commonly invested according to the investment policy of Cell C, but where a specific sales and redemption charge structure, fee structure, distribution policy, reference currency, category of investors, marketing country or other specificity shall apply
<b>Business Day</b>	means any day on which banks in Gibraltar are open for business
<b>Dealing Day</b>	means the next Business Day following the Valuation Day
<b>Redemption Price</b>	the NAV per Participation Share, rounded down to the nearest whole euro cent or US dollar cent, as the case may be, on any Dealing Day provided written notice (including facsimile) in a form acceptable to the Fund (see "Redemption Notice" as Appendix 1 below) is received by the Administrator no later than 4.00 PM Gibraltar time on the Valuation Day prior to the relevant Redemption Date as defined below.
<b>Redemption Date</b>	means the Business Day following the appropriate Valuation Day based on the Net Asset Value per Participation Share calculated on the appropriate Valuation Day. In addition, the Directors reserve the right to deduct any applicable transfer charges, exchange fees, statutory taxes and duties from redemption proceeds.

<b>Redemption Notice</b>	the notice to be sent by a shareholder to the Fund redeeming shares in the Sub-Fund in the form attached or such other form acceptable to the Fund. The Redemption Notice must include the number and currency class of Participation Shares to be redeemed or the amount (in monetary terms) of Participation Shares to be redeemed and the Shareholder's name and number as registered with the Fund. A Redemption Notice will not be treated as valid unless it is in respect of Participation Shares for which the Subscription Price has been fully paid.
<b>Subscription Amount</b>	means in respect of each Participation Share the amount paid by a shareholder to acquire such share (less any subscription fee).
<b>Valuation Day</b>	means the last Business Day of each calendar week,
<b>Valuation Point</b>	means the close of business on the relevant Valuation Day.
<b>Front-end Load subscription fee</b>	means a front end load subscription fee of up to 4.5% that will be charged unless waived or reduced, at the sole discretion of the Directors, on all subscriptions of the Fund.

## **SUMMARY**

<b>BASE CURRENCY</b>	Euro
<b>INVESTMENT OBJECTIVE</b>	The investment objectives of the FTC Commodity Fund Alpha, are to maximise returns for investors by achieving high capital appreciation over a medium term to long term for investors who are willing to accept the risks inherent in investing in futures, forwards, commodities, currencies and other derivatives. Further details are set out below.
<b>INVESTMENT MANAGER</b>	FTC Capital GmbH will provide investment management services to the Fund under the investment management agreement between the Fund, in respect of Cell C, and the Investment Manager dated 12 October 2009 with effect from 1 January 2010.
<b>DEPOSITARY</b>	Credit Suisse (Gibraltar) Limited ("Depositary") has been appointed as Depositary for the Fund under the terms of a depositary agreement between the Fund, in respect of Cell C, and the Depositary dated 12 March 2009.
<b>ADMINISTRATOR</b>	Capita Financial Administrators (Gibraltar) Limited ("Administrator") has been appointed as administrator, registrar, transfer agent and company secretary for the Fund under the terms of an administration agreement between the Fund, in respect of Cell C, and the Administrator dated 3 April 2009.
<b>AUDITORS</b>	BDO Orion Limited.

**BROKER**

Newedge Group (UK Branch) (“Broker”) has been appointed as Broker for the Fund under the terms of a brokerage agreement between the Fund, in respect of Cell C, and the Broker dated 24 March 2002 in conjunction with a supplemental letter dated as of 20 December 2005.

**SUBSCRIPTIONS**

Cell C Participation Shares are available for subscription in a euro class and a US dollar class.

The initial minimum investment by a subscriber is €100,000 or its foreign currency equivalent. Additional investments for the same subscriber thereafter shall be a minimum of €3,000 or a lesser amount as the Directors may from time to time permit.

Participation Shares will be valued on the Valuation Day or such other days as the Directors may in their sole discretion determine. Such shares shall be available for subscription on the Dealing Day at a price equal to the Net Asset Value per Participation Share taken from the previous Valuation Day. The Participation shares will be issued at the prevailing Net Asset Value per Participation Share rounded up to the nearest whole Euro cent or US dollar cent (as the case may be), plus any applicable Front-end Load subscription fee.

A front end load subscription fee of up to 4.5% may be charged unless waived or reduced, at the sole discretion of the Directors, on all subscriptions of the Fund.

The Board of Directors reserves the right to vary any of the subscription requirements of the Fund. Further details are set out below.

**REDEMPTIONS**

Participation Shares may be redeemed on any Dealing Day after giving written notice of redemption to the Fund (The Fund may, in its absolute discretion, redeem Participation Shares within less than the aforementioned notice period).

The Board of Directors reserves the right to vary any of the redemption requirements of the Fund. Further details are set out below.

**DIVIDENDS**

The Fund does not anticipate that any dividends shall be paid to shareholders out of the Fund’s earnings and profits, but rather such income will be reinvested. The Fund reserves the right to change this policy.

**FEES****Administrator’s Fee:**

The Administrator will receive from the Fund remuneration for services rendered as invoiced to the Fund at an initial rate of 0,15 % per annum of the Sub-Fund’s net assets subject to

a minimum fee of € 54,000 per annum payable monthly in arrears.

**Investment Management Fee**

The Fund will pay an Investment Management Fee to the Investment Manager in respect of Class C Participation Shares at the rate of 2% per annum of the NAV of the Class C Participation Shares of the FTC Commodity Fund Alpha being calculated and accrued on each Valuation Day of Class C Participation Shares and payable monthly in arrears. The Investment Manager will be paid a Performance Fee, accrued weekly on the Sub-Fund's Valuation Day and payable monthly, equal to 20% of the Sub-Fund's cumulative trading profits for the valuation period. The Valuation period is the respective calendar week between one Valuation Day and another. Further details are set out below.

**Depository**

will be paid an annual fee based on their standard fee schedule as agreed with the Depository, plus out-of-pocket expenses.

**Front-end Load subscription fee**

A front end load subscription fee of up to 4.5% of the subscription amount may be charged unless waived or reduced, at the sole discretion of the Directors, on all subscriptions of the Fund.

**INVESTOR INFORMATION**

The Fund agrees to compute and provide the following reports to investors, or their nominees, each in a form acceptable to the directors and prepared in accordance with International Accounting Standards.

Audited annual accounts prepared to the 31<sup>st</sup> December and unaudited half-yearly accounts will be made available at the office of the Administrator to Shareholders upon request within 21 days of approval by Directors, or at least within 6 months of the financial year end or within 4 months of the half-year end, as the case may be.

The audited annual accounts shall also be provided to the Gibraltar Financial Services Commission within 6 months of the financial year end. The most recent audited annual report and accounts of the fund may be inspected at the registered offices of the Fund in Gibraltar.

Whilst the Fund, in respect of the Sub-Fund, will endeavour to provide the aforementioned by the time deadlines stated, the Fund, in respect of the Sub-Fund shall not be held liable for any delays in providing the relevant reports and/or publishing the relevant information which result from unexpected contingencies, such as delays in receiving necessary information from which to prepare such reports or information; equipment failure; fire or other physical damage to office or equipment; power failures or acts of God.

**INVESTMENT OBJECTIVES AND POLICY**

**Investment Objectives:**

The investment objectives of the FTC Commodity Fund Alpha are to maximise returns for investors by achieving high capital appreciation over a medium term to long term for investors who are willing

to accept the risks inherent in investing in futures, forwards, commodities, currencies and other derivatives.

Although the Investment Managers shall do its utmost to achieve the Fund's objectives, there are no guarantees that these will actually be achieved.

### **Investment Policies:**

The Fund, in respect of the Sub-Fund, trades liquid commodity futures contracts that trade on internationally recognised exchanges. The futures traded are on commodities such as energy, metals, grains, meats, industrials and soft commodities. The Fund, in respect of the Sub-Fund, trades multiple strategies that are 100% algorithmic and are mostly trend-orientated. The strategy holding periods span various time horizons and styles (short to long-term trend-following and mean reversion). Volatility is controlled using strict and systematic risk management. The Fund, in respect of the Sub-Fund, will employ systematic, algorithmic trading models in order to increase the possibility of achieving positive returns whether the underlying commodity markets are increasing or decreasing in value. These models can require the use of leverage and, as a consequence, an increased level of volatility of returns and risk of loss. The Investment Manager may use all categories of derivative instruments for hedging purposes or for efficient portfolio management. The Investment Manager may engage in foreign exchange transactions relevant to the Sub-Fund's assets. Risks associated with investments in this Sub-Fund, in addition to those otherwise referred to herein, include risks linked to commodity markets (in sectors such as energies, precious and base materials, agricultural products and meats) and risks associated with the use of derivatives.

### **INVESTMENT GUIDELINES AND RESTRICTIONS**

In order to limit exposure to risk the Investment Manager is required to adhere to the following investment policies and restrictions in implementing the investment objectives and strategies of the Fund in its sole discretion:

1. No more than 20% of the gross assets of the Sub-Fund may be lent to or invested in the securities of any one issuer or exposed to the creditworthiness or solvency of any one counterparty. This restriction shall not apply to securities issued or guaranteed by a government, government agency or instrumentality of any European Union or OECD Member States or by any supranational authority of which one or more European Union or OECD Member States are members.
2. The Fund, in respect of the Sub-Fund, will not invest more than 10% of the Sub-Fund's gross assets (being the total value of all investments held by an applicant before deducting any liabilities, including borrowings) directly in physical commodities. However, the Fund, in respect of the Sub-Fund, may invest in derivative contracts on physical commodities.
3. The Fund, in respect of the Sub-Fund, will not invest in options.
4. The Fund, in respect of the Sub-Fund, may invest in UCITS authorised according to EU-Directive 85/611/EC and/or collective investment undertakings other than UCITS,
  - provided that no more than 10 % of the assets of the Fund are invested in units of a single UCITS or other collective investment undertaking, and
  - Investments made in units of UCITS and/or collective investment undertakings other than UCITS may not exceed, in aggregate, 10% of the assets of the Sub-Fund.

5. The Fund, in respect of the Sub-Fund, may invest in any type of ETF (f.e. Index ETF's, Commodity ETF's actively manages ETFs etc.) provided that:
  - (a) no more than 10% of the assets of the Sub-Fund are invested in shares of a single ETF, and
  - (b) investments made in shares of ETF's may not exceed, in aggregate, 10% of the assets of the Sub-Fund; and
  - (c) shares of ETFs may also be purchased on margin and traded using stop orders and limit orders, which allow the Sub-Fund to specify the price points at which it is willing to trade.
6. The Fund, in respect of the Sub-Fund, will not invest in real estate.
7. The Fund, in respect of the Sub-Fund, will not take legal or management control of the issuers of underlying investments.
8. The Fund, in respect of the Sub-Fund, will adhere to the principle of risk spreading with respect to their derivative trading and money market activity.
9. The Fund, in respect of the Sub-Fund, will not invest in "below investment grade" securities.
10. The Fund, in respect of the Sub-Fund, may, at the discretion of the Directors and with the consent of the Depositary, undertake short-term borrowing to fund the payment of Redemption Proceeds.
11. The aggregate borrowing capacity of the Sub-Fund shall be limited to a maximum of an amount equal to an amount of 10% of its Net Asset Value at any time and from time to time. Short-term funding for the acquisition of investments is not allowed.
12. No business deals may be conducted which involve the sale of securities not belonging to the fund assets.

Other than investment restriction (7) above which applies at all times, the investment limits outlined above apply to any investment at the time that investment is made. The Investment Manager will monitor the underlying investments to ensure that the restrictions set out above are not breached. Where any restriction is breached, other than investment restriction (7) above which applies at all times, the Investment Manager shall ensure that immediate corrective action is taken except where the breach is due to appreciation or depreciation in the assets of the Fund, changes in exchange rates, or by reason of the receipt of rights, bonuses, benefits in the nature of capital or by reason of any other action affecting every holder of that investment. However, the Investment Manager shall have regard to the investment restrictions when considering changes in the investment portfolio of the Fund.

The information contained under "RISK FACTORS" herein regarding the risks inherent in trading in the markets should be carefully read by prospective investors considering allocation of funds to the Fund.

The Directors will ensure that corrective action is taken where the Fund is in breach of any of the above investment restrictions.

#### **INVESTMENT MANAGER**

The assets of the Cell are to be invested at the discretion of FTC Capital GmbH (until such time as the Directors see fit).

The Fund has appointed FTC Capital GmbH with effect from 1 January 2010 as the investment managers of the Fund (“Investment Manager”). The Investment Manager is responsible for managing the assets of the Fund having regard to the investment objectives and restrictions as set out in this offering memorandum. The Investment Manager has absolute discretion on behalf of the Fund to select investment managers to manage the assets of the Fund, including the discretion to allocate the assets of the Fund to, or withdraw from any investment vehicle, managed account and/or such assets of the Fund from time to time as the Investment Manager shall in its absolute discretion deem appropriate.

FTC Capital GmbH is an investment firm established as a limited liability company under Austrian law with registered office at Galaxy 21, Praterstrasse 31/11, 1020 Vienna (www.ftc.at). It is registered under FN 131215 p at the Commercial Court of Vienna. FTC Capital GmbH is supervised by the Austrian Financial Market Authority (FMA, www.fma.gv.at). It has been licensed by the FMA as portfolio manager (restricted to professional clients) according to section 3(2)fig.2 of the Austrian Federal Law of 1 November 2007 governing the supervision of financial institutions, Austrian Federal Law Gazette, nr. 21/2006 in its current version (“Wertpapieraufsichtsgesetz – WAG 2007”). FTC Capital GmbH shall provide management services to the Fund, in respect of the Sub-Fund, under an investment management agreement between the Fund, in respect of the Sub-Fund, and FTC Capital GmbH. The investment management agreement dated 12 October 2009 between the Fund and FTC Capital GmbH specifies the terms whereby FTC Capital GmbH agrees to act as Investment Manager for Cell C of the Fund.

The investment management agreement shall continue in force unless and until terminated by the Fund giving to the Investment Manager or the Investment Manager giving to the Fund not less than 90 days written notice (or such shorter notice as the parties may agree to accept ) provided that this Agreement may be terminated forthwith by notice in writing by either party if the other party:

- (a) shall commit any material breach of its obligations under the investment management agreement and shall fail to make good such breach within thirty days of receipt of notice from the other party requiring it so to do;
- (b) shall go into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the other party) or if a receiver is appointed over any of its assets.

The Investment Manager shall indemnify and hold harmless the Fund against all loss or damage (including costs and expenses incidental thereto) of any kind or nature whatsoever suffered by the Fund arising directly out of any failure by the Investment Manager properly to perform and fulfil its obligations under the investment management agreement.

## **RISK FACTORS**

The following risks will substantially apply to the Sub-Fund / Cell C, in addition to those set out in Part A above:

Notwithstanding the investment strategy outlined above and discussed herein, investments in the Fund may involve a number of significant risk factors directly or indirectly due to the fact the Fund’s portfolios may invest in other vehicles. Prospective investors should carefully consider the following factors, among others, in making their investment decision and should consult their own legal, tax and financial advisers as to all of these risks and an investment in the Fund. The risk of loss in investing in the Participation Shares can be substantial. Investors should therefore carefully consider whether

such type of investment is suitable for them in light of their financial condition. As with other investments, there can be no assurance that trading in the markets will be profitable.

Prospective investors are recommended to review this offering memorandum in its entirety before deciding whether to invest in Participation Shares and should specifically consider the following:

1. Derivatives

For hedging or efficient portfolio management purposes the Sub-Fund may invest in instruments which may be characterised as derivatives. Investments in indexed instruments subject the Sub-Fund to the risks associated with changes in particular indices, which may include reduced or eliminated interest payments and losses of invested capital.

Trading in derivatives (including futures) carries a high degree of risk. As a result of the gearing or leverage available in derivatives trading it means that a relatively small movement in price can lead to proportionally large losses or gains. Consequently the Fund may lose more than its initial capital.

The low margin normally required in futures trading permit an extremely high degree of leverage, since margin requirements for futures trading in some cases are as little as 2% of the face value (or “exposure”) of the contracts traded. Therefore the gross value of positions held may be several times the value of the assets under management. Consequently, even a slight movement in the prices of commodities to which the assets under management are exposed could result in immediate and substantial losses to the investor.

2. Effect of Substantial Redemptions

Substantial redemptions of Participation Shares could require the Sub-Fund to liquidate investments/positions more rapidly than would otherwise be desirable, which could adversely affect the value of the Participation Shares. Substantial redemptions might also cause the liquidation of the Fund.

Sizeable redemptions of Participation Shares by Shareholders may also have an adverse impact on the ability of the Fund to successfully conduct its business and activities.

3. Leverage

The Sub-Fund may use leverage in its investment program when deemed appropriate by the Directors. Leverage is the use of borrowed funds for investment. While the use of leverage can substantially improve the return on invested capital, it may also substantially increase the adverse impact to which an investment portfolio may be subject.

4. Stock Market Fluctuations

General fluctuations in the prices of securities on the stock markets may affect the value of the investments held by the Fund.

5. Speculative Position Limits

Some exchanges have established speculative position limits, which govern the maximum position, which any person may hold or control. It is possible that the General Investment Manager may have to modify trading strategies or liquidate positions in order to avoid

exceeding speculative position limits. Such modification or liquidation, if required, could adversely affect the Fund's objective to achieve capital appreciation.

6. Forward Markets

Although the forward markets, including the foreign currency markets, may not necessarily be more volatile than the markets in other assets, the forward markets offer less protection against defaults in trading than is available when trading occurs on an exchange. Forward contracts are not guaranteed by an exchange or clearing house, and therefore, a non-settlement or default on the contract would deprive the Fund of unrealised profits or force the Fund to cover its commitment for purchase and resale, if any, at the current market price.

The low margin normally required in forward trading permit an extremely high degree of leverage, since margin requirements for futures trading in some cases are as little as 2% of the face value (or "exposure") of the contracts traded. Therefore the gross value of positions held may be several times the value of the assets under management. Consequently, even a slight movement in the prices of commodities to which the assets under management are exposed could result in immediate and substantial losses to the investor.

7. Exchange Rates

Cell C may invest in assets in any currency and is therefore subject to exchange Rate risks on its investments.

8. Financial Security of Counterparty

The return of deposits made by the Sub-Fund is dependant on the financial strength of the counterparty with whom the moneys have been deposited. If such company or institution fails or defaults on its obligations for any reason the moneys will be lost and investors may not get their capital back.

9. Conflicts

Investors' attention is drawn to the section on Conflicts below and in Part A above.

10. Interest Rates

Changes in Interest rates will have an impact on the returns of the Sub-Fund.

11. Duration of Investment

Investments in the markets may experience periods of draw down or loss. For this reason investors should plan to commit funds for at least three to five years, although this is not an obligation.

12. Trading Costs

The Fund may engage in a high rate of trading activity resulting in correspondingly high costs being borne by the Fund.

13. Trading Risks

Substantial risks are involved in the trading of futures, forwards, commodities, currencies and other derivatives. Market movements can be volatile and are difficult to predict. U.S. Government activities, particularly those of the Federal Reserve Board, can have a profound effect on interest rates which, in turn, substantially affects prices, as well as the liquidity of such markets. Politics, recession, inflation, employment levels, trade policies, international events, war and other unforeseen events can also have significant impact upon the prices of securities. A variety of possible actions by various government agencies also can inhibit the profitability of the Fund's business or can result in losses. Such events, which can result in high market movements and volatile market conditions, create the risk of catastrophic losses for the trading entities in which the Fund will invest.

The Fund employs various techniques to attempt to reduce a portion of the risks inherent in their respective trading strategies. The ability to achieve the desired effect through a particular technique is dependent upon many factors, including the liquidity of the market at the desired time of execution. Thus, substantial risk remains that such techniques cannot always be implemented or effective in reducing losses. The activities undertaken on behalf of the Fund will involve investment in readily marketable futures, forwards, commodities, currencies and other derivatives and will involve a high degree of leverage. Accordingly, the investments are subject to the general volatility and swings of all the underlying markets and a relatively small price movement may result in substantial and immediate losses in excess of the amount committed to this entity's positions. At various times, the markets for exchange-listed equity securities and/or other securities may be "thin" or illiquid, making purchases or sales of securities at desired prices or in desired quantities difficult or impossible. The value and volatility of trading in these markets depends in part on general public interest and public opinion concerning economic conditions as well as the liquidity provided by market-makers and specialists. The liquidity of the market may also be affected by a halt in trading on a particular futures or securities exchange or exchanges. Illiquid markets may make it difficult for the Fund's underlying investment funds to get an order executed at a desired price.

14. Potential Conflicts of Interest

The Fund's Investment Manager may form and manage other investment entities (including without limitation investment partnerships, investment companies and mutual funds) with substantially the same or different objectives as those of the Fund. In addition, the Investment Manager functions as the Investment Manager for other investment companies in addition to the Fund. Such activities could detract from the time that the Investment Manager allocates to the affairs of the Fund. Only the Ordinary Shares have voting rights and therefore can appoint and remove the Directors of the Fund. Only the Directors may terminate the services of the Administrator, Investment Manager, Depository and other agents of the Fund.

15. Mandatory Redemptions or Repurchases

The Fund has the right to require the compulsory redemption or repurchase of all Shares held by a Shareholder in the circumstances set out below under Compulsory Redemption.

16. Fees Paid to the Fund's Shareholders

The Fund will retain an Investment Manager who will hold the Ordinary Shares and will pay it a management fee.

17. Clearing Firm Loss or Insolvency

If a clearing firm utilized in connection with accounts maintained on behalf of the Fund were to become insolvent, the Fund could have some or all of these positions closed out without its consent.

18. Risk of Leverage in trading futures, forwards, commodities, currencies and other derivatives.

The Investment Manager may utilize leverage in its investment program. The use of leverage, while providing the opportunity for a higher return in investment, also increases the volatility of such investments and the risk of loss. Investors should be aware that an investment program utilizing leverage is inherently more speculative, with a greater potential for losses, than a program, which does not utilize leverage. The Fund may, to different degrees, trade in the futures markets which will be effected with a high degree of leverage (compared to certain of its other investments), acquiring contracts with a gross value substantially in excess of the value of the Fund's assets allocated to this account. The use of leverage increases the volatility of the Fund's performance and makes it possible for the Fund to suffer losses on any open position in excess of the assets allocated to such position as margin or of any line of credit permitting the Fund to maintain such position. The use of leverage will be limited to the extent of normal "margin-calls" with regard to futures and other derivative trading.

19. Foreign Exchanges

The Fund's Investment Manager may trade in instruments on exchanges located outside the United States, such as the London International Financial Futures and Options Exchange or the Sydney Futures Exchange, Ltd. Trading on such exchanges is not regulated by any United States regulator and may, therefore, be subject to more risks than trading on United States exchanges.

20. Highly Volatile Markets

The prices of derivative instruments are highly volatile. Price movements of forward contracts and other derivative contracts in which the Fund's assets may be invested are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. In addition, governments from time to time intervene, directly and by regulation, in certain markets, particularly those in currencies and financial instruments. Such intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations. The Fund also is subject to the risk of the failure of any of the exchanges on which its positions trade or of their clearinghouses.

21. Operating History

The Fund has been operating since February 2002 and only has that operating history upon which prospective investors can evaluate its likely performance. FTC Commodity Fund Alpha started trading in April 2005. At the end of December 2009 it had a 57-month track record. FTC Commodity Fund Alpha targets investors who are willing to accept the risks inherent in investing in futures, forwards, commodities, currencies and other derivatives. Its objective is an average sharpe ratio of 0.8 with a target volatility of around 18%.

22. Limited Transferability

Since the Participation Shares are transferable only with the prior approval of the Directors (See Transfer of Participation Shares below), Shareholders may not be able to sell their investments and therefore would have to utilize the Fund's redemption /repurchase program, which itself may be subject to restrictions — see "Redemptions" or "Repurchase of Participation Shares" below.

23. Restrictions on Redemptions

Any redemption, which will result in the Net Asset Value of all the remaining Participation Shares owned by such Shareholder being less than the minimum subscription amount will be treated as a notice of redemption for all remaining Participation Shares held by such Shareholder.

Redemptions of Participation Shares will be suspended while the calculation of Net Asset Value is suspended - see “Suspension of Issue and Redemption of Participation Shares” below.

Substantial losses may be incurred by the Fund in its trading activities. Accordingly the Fund may have insufficient funds from which to pay the requested redemption payment or may be otherwise restricted by Gibraltar Law.

**The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in the Fund. Prospective investors should read this entire offering memorandum and consult their own counsel and advisers before deciding to invest in the Fund**

**Even if it is not expected that investors may lose capital (especially over the medium to long term) the investors CAPITAL IS NOT GUARANTEED. The value of investments may fall as well as rise.**

## **SUBSCRIPTIONS**

The Fund is offering redeemable preference shares (“Participation Shares”) in Cell C – FTC Commodity Fund Alpha. Cell C Participation Shares are available for subscription in following Sub-Classes:

- Sub-Class (EUR)
- Sub-Class (USD)

Shares of “Sub-Class (EUR)” are available to both institutional and non-institutional investors and denominated in Euro, notwithstanding further reservations at this Sub-Class level.

Shares of “Sub-Class (USD)” are available to both institutional and non-institutional investors and denominated in USD, notwithstanding further reservations at this Sub-Class level.

Participation Shares will be valued on the Valuation Day or such other days as the Directors may in their sole discretion determine. Such shares shall be available for subscription on the Dealing Day at a price equal to the Net Asset Value per Participation Share. The Participation shares will be issued at the prevailing Net Asset Value per Participation Share rounded up to the nearest whole Euro cent or US dollar cent (as the case may be), plus any applicable Front-end Load subscription fee.

The minimum initial subscription that will be accepted from a new investor will be €100,000 or its equivalent in another currency. Additional investments for the same subscriber thereafter shall be a minimum of Euro 3,000 or its equivalent in another currency or a lesser amount as the Directors may from time to time permit.

The Board of Directors reserves the right to alter the above-mentioned minimum subscription requirements at its absolute discretion. Tradable securities in lieu of or in addition to cash for payment of Subscription moneys (*in specie subscription*) are not allowed...

Subscription applications in the form attached and all “know your client” and Anti Money Laundering documentation should be received at least 4 p.m. Gibraltar time at the Valuation Day prior to the relevant Dealing Day, or such later time as the Directors may from time to time permit. Payment for the Shares and the subscription fee must be transferred within three (3) business days after the relevant Dealing Day used for the respective shares purchased, by electronic funds transfer.

Interest will not be paid to investors on Subscription Moneys. Any interest earned or received by the Sub-Fund between the date money is received and Dealing Day will be for the account of the Sub-Fund.

If a subscription application and cleared monies are received and accepted by the Administrator prior to a Dealing Day, the Fund reserves the right to invest the monies before the upcoming Dealing Day. Any interest earned on these monies being retained by the Fund. Should the subscription application be unsuccessful the original subscription amounts only shall be returned by telegraphic transfer (with charges for the account of the recipient) to the applicant’s account at the Remitting Bank/Financial Institution

The Participation Shares will be issued at the prevailing Net Asset Value per Participation Share rounded up to the nearest whole Euro cent or US dollar cent (as the case may be), plus any applicable Front-End Load subscription fee .

The acceptance of subscriptions is subject to confirmation of the prior receipt of cleared funds credited to the Fund’s subscription bank account as well as the necessary due diligence documentation.

The Administrator and or directors may reject a subscription for any reason and is not obliged to disclose the reason, or reasons, for rejecting any subscription application. In the event of a subscription application being rejected, the subscription money will be returned by telegraphic transfer (with charges for the account of the recipient) to the applicant’s account at the Remitting Bank/Financial Institution. All subscriptions are irrevocable. The Directors, in their sole discretion at any time, may withdraw and terminate the offering of Participation Shares in whole or in part or in respect of any particular jurisdiction.

The Fund through the Administrator will send to subscribers a notice of the acceptance of their applications and of the number of Participation Shares issued to them.

Interested investors should apply to the Fund using the Subscription Agreement and Application Form attached.

The par value per Participation Share is €0.01. The balance of the Subscription Price paid for Participation Shares in excess of the par value per Participation Share shall be treated as share premium which will be credited to the Fund’s share premium account and will be included in the NAV of the relevant Sub-Fund.

Interest will not be paid to investors on Subscription Moneys if returned. Any interest earned or received by the Sub-Fund will be for the account of the Fund and shall be used to cover start up costs and fees incurred by the Fund in establishing the Fund.

## **REDEMPTIONS**

A Shareholder may cause any or all of his Participation Shares to be redeemed by the Fund for cash at the prevailing Redemption Price which will be the NAV per Participation Share, rounded down to the nearest whole Euro cent or US dollar cent (as the case may be) on any Dealing Day provided written notice (including facsimile) in a form acceptable to the Fund (see "Redemption Notice" below) is received by the Administrator no later than 4.00 PM Gibraltar time on the Valuation Day prior to the relevant Redemption Date as defined below.

Participation Shares will be redeemed on the relevant Redemption Date based on the Net Asset Value per Investor Share calculated on the appropriate Valuation Day. The Directors reserve the right to deduct any applicable transfer charges, exchange fees, statutory taxes and duties from redemption proceeds.

If a Redemption Notice is received with less than 1 Business Day prior to the following Redemption Date, the Participation Shares will be redeemed on the subsequent Redemption Day; however the Fund may, if conditions allow, accept a shorter notice period for any redemptions.

The Redemption Notice must include the number and currency class of Participation Shares to be redeemed or the amount (in monetary terms) of Participation Shares to be redeemed and the Shareholder's name and number as registered with the Fund.

If, as a result of a redemption request, less than €100,000, or its equivalent in another currency, is held by a shareholder on redemption, then all remaining shares shall be compulsorily redeemed and payment shall be made in accordance with "Payment of Redemptions" as set out below.

A Redemption Notice will not be treated as valid unless it is in respect of Participation Shares for which the Subscription Price has been fully paid.

The Board of Directors reserves the right to vary any of the redemption requirements of the Fund.

Redemption proceeds will not be released until written confirmation of the order has been received by the Administrator.

### Payment of Redemptions

Under the articles of association of the Fund, the Fund has agreed to pay the redemption monies 14 days from the applicable Redemption Date but normally the Fund will arrange for payment to the shareholder of the net proceeds within five Business Days after the Redemption Date. Payment on redemption may be delayed in the case of extraordinary circumstances, such as the inability to liquidate existing positions, or the default or delay in payments due to the Fund from the brokers, banks or other persons. Payment will be made by telegraphic transfer (with charges for the account of the recipient), to the registered Shareholder's account at the Remitting Bank/Financial Institution in accordance with the instructions of the Shareholder given in the Application Form. Requests for redemption in the proper form will be honoured and the Fund's positions in the markets will be liquidated to the extent necessary (if any) to discharge its liability on the date of redemption.

If all of the relevant information requested under the Client Verification Requirements section of the Subscription Agreement Application Form has not been supplied to the Administrator, the

Shareholder's shareholding will be redeemed but that the related monies will not be released until such documentation requested has been supplied.

#### Redemption Notice

A request for redemption must, at a minimum, contain the information set out in the Redemption Notice (see below), i.e. the number of Participation Shares to be redeemed, representations and warranties that the redeeming Shareholder is the lawful and beneficial owner of the Participation Shares to be redeemed and that such Participation Shares are not subject to any pledge or otherwise encumbered in any fashion. The Fund and Registrar are entitled to require additional documents, such as, but not limited to, trust instruments, death certificates, appointments as executor or administrator and certificates of corporate authority prior to making any payment in respect of redemptions.

Redemption proceeds will not be released until written confirmation of the order has been received by the Administrator. If a redemption form, or any other communication, is sent to the Fund and/or the Administrator, it will not be deemed to have been received by the Fund or Administrator unless receipt is acknowledged in writing by the Administrator. Exceptions are made where the delivery of the communication has been acknowledged by a signed receipt.

#### Compulsory Redemptions

The Fund may at any time, by giving 20 days' prior written notice to a Shareholder, redeem all or any of that Shareholder's Participation Shares on the first Dealing Day next following the expiry of the twenty day notice period ("the Compulsory Redemption Date"). In the event that Participation Shares are acquired by, or on behalf of, a US Person or a person resident in Gibraltar or Ireland for tax purposes, or in the event that the holding of Participation Shares by the Shareholder concerned may result in regulatory, pecuniary, legal, taxation or material administrative disadvantage for the Fund or the Shareholders as a whole or his investment falls below €100,000 or its equivalent in another currency.

The price at which any Participation Share shall be compulsorily redeemed shall be the NAV per Participation Share of that Participation Share as of the Valuation Point prior to the Compulsory Redemption Date, and:

- (a) shall be payable on the Compulsory Redemption Date;
- (b) shall be paid in euros or, at the option of the Directors, in any other currency or in specie.

All costs incurred in a compulsory redemption of Participation Shares shall be for the account of the Member thereof and may be withheld from the proceeds of the redemption.

#### **DIVIDEND POLICY**

The Fund does not anticipate that any dividends shall be paid to shareholders out of the Fund's earnings and profits, but rather such income will be reinvested.

## **FEES SPECIFIC TO CELL C**

### **1. Directors' fees**

The Directors' fees are set out in part A and divided between the Sub-Funds as determined by the directors. Disbursements such as telecommunication, fax, mail and office costs are charged separately.

### **2. Fees of the Administrator**

The Fund will pay the Administrator an annual fee of 0.15% per annum of the net assets of the Sub-Fund with a minimum of €54,000 per annum. Disbursements and "out of pocket expenses" such as telecommunication, fax, mail and office costs are charged separately.

These fees are calculated and paid monthly in arrears within 10 working days after the net asset value of the Cell has been approved by the Directors (or if such days are not Business Days then on the preceding Business Day).

### **3. Fees of the Depositary**

The Depositary will be paid an annual fee based on their standard fee schedule as agreed with the Depositary, plus out-of-pocket expenses. The Fund will pay the Depositary an annual safecustody fee of 0.20% per annum of the net assets of the Sub-Fund.

### **4. Fees of the Investment Manager**

The Fund will pay an Investment Management Fee to the Investment Manager in respect of Class C Participation Shares at the rate of 2 % per annum of the NAV of the Class C Participation Shares of FTC Commodity Fund Alpha being calculated and accrued on each Valuation Day of Class C Participation Shares and payable monthly in arrears.

The Investment Manager will be paid a performance fee, accrued weekly on the Fund's Valuation Day and payable monthly, equal to 20% of the Fund's cumulative trading profits for the valuation period. The valuation period shall be the respective calendar week between a Valuation Day, and another.

The terms "Account Size" and "Trading Profit" are defined below.

The Performance Fee is payable only on new Trading Profits. For example, if the Account incurs Trading Losses ("Trading Losses" as defined below) after a previous Performance Fee accrual or payment has been made, the Investment Manager will be entitled to retain previous payments received and will also be entitled to receive any amounts accrued but unpaid, but will receive no further fee in subsequent periods until such losses have been recovered through trading activities. On any given Valuation Day the High Water Mark (as defined below) represents the point which needs to be surpassed in order to generate new Trading Profits (which are the prerequisite and basis for a Performance Fee payment).

The High Water Mark is the sum of the highest NAV previously achieved on a Valuation Day and all management fees that the fund has incurred since such last valuation was obtained and reflected in the accounts. When the Account's value has fallen below the High Water Mark (the Account then is in a drawdown), the payout of redemption proceeds from the Fund will result in a proportional reduction of the High Water Mark. Such proportional reduction is calculated as follows: the redemption proceeds are taken as a percentage of the Fund's total net assets (as calculated by the Fund's Administrator); the resulting percentage rate is applied on the cumulative Trading Loss (that is the

Account's balance minus the High Water Mark); then, the resulting amount is deducted from the High Water Mark; the result is the "new" High Water Mark for the following Valuation Day.

The fees shall be calculated and paid in euros.

Account Size is the sum of:

- (a) The Total Net Assets of the Fund as of the previous Valuation Day increased or decreased by any subscriptions or redemptions as of the previous Valuation Day.
- (b) The net of realized gains and losses from closed futures, forward and cash transactions during the valuation period, plus or minus the change in unrealised gains and losses from open futures, forward and cash transactions during such valuation period, minus the sum of the transactional costs (including all brokerage commissions, clearing, exchange and give-up fees paid or accrued in order to liquidate open positions) incurred by the Fund.

Trading Profit or Loss shall mean the net of realized gains and losses from closed futures, forward and cash transactions during a valuation period, plus or minus the change in unrealised gains and losses from open futures, forward and cash transactions during such valuation period, minus the sum of the transactional costs during such valuation period (including all brokerage commissions, clearing, exchange and give-up fees paid or accrued in order to liquidate open positions) incurred by the Fund, and minus the management fee earned by the Investment Manager during such valuation period, but not the Performance Fee earned by the Investment Manager. Trading Profits do not include interest income.

The Performance Fees are due and payable 15 days after the end of each calendar month.

## **5. Other Fees**

Other fees in respect of this Cell are set out in Part A.

## **MATERIAL CONTRACTS**

The investment management agreement dated 12 October 2009 between the Fund and FTC Capital GmbH specifies the terms whereby FTC Capital GmbH agrees to act as Investment Manager for Cell C of the Fund.

The investment management agreement shall continue in force unless and until terminated by the Fund giving to the Investment Manager or the Investment Manager giving to the Fund not less than 90 days written notice (or such shorter notice as the parties may agree to accept ) provided that this Agreement may be terminated forthwith by notice in writing by either party if the other party:

- (a) shall commit any material breach of its obligations under the investment management agreement and shall fail to make good such breach within thirty days of receipt of notice from the other party requiring it so to do;
- (b) shall go into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the other party) or if a receiver is appointed over any of its assets.

The Investment Manager shall indemnify and hold harmless the Fund against all loss or damage (including costs and expenses incidental thereto) of any kind or nature whatsoever suffered by the Fund arising directly out of any failure by the Investment Manager properly to perform and fulfil its obligations under the investment management agreement.

The Investment Manager does not guarantee the success of any investment. No warranty is given by the Investment Manager as to the performance or profitability of the Cell.

The Investment Manager shall not supervise, control or assume any responsibility for the activities of the Directors, the Depositaries, the Administrator or any other services provider to the Fund. The Investment Manager will not provide valuation of the assets of the Cell, nor will it monitor compliance with the offering memorandum of such valuation or of the net asset value calculation of the Cell's shares or of the calculation of the prices at which any shares of the Cell are issued, subscribed or redeemed.

*Cell C Depositary Agreement* dated on or about 12 March 2009 between the Fund and Credit Suisse (Gibraltar) Limited specifies the terms whereby Credit Suisse (Gibraltar) Limited agrees to act as depositary for Cell C of the Fund. This agreement shall continue in force until determined by either party giving to the other not less than 90 days' written notice provided that this Agreement may be terminated immediately if Credit Suisse goes into liquidation (except a voluntary liquidation for the purposes of reconstruction or amalgamation), appoints a receiver or is otherwise declared insolvent. Under the Depositary Agreement, the Fund will indemnify and hold the Depositary harmless against all actions, proceedings, claims, costs, charges, demands, outstanding liabilities or commitments which may be incurred by the Depositary or brought against it in connection with the performance of its obligations provided such actions are not in respect of any expense, loss, liability or damage which was caused by the Depositary's gross negligence, fraud and/or wilful default. .

According to the Depositary Agreement, the Depositary will not provide other services or perform other functions except the safekeeping of the Fund's assets held by it and will have no other duties or responsibilities relating to the Fund. The Depositary will not act as sponsor, promoter, director(s), investment manager, adviser, administrator or any other services provider of the Fund. The Depositary shall not supervise, control or assume any responsibility for the activities of the directors, the investment manager, the adviser, the Administrator or any other services provider to the Fund. The Depositary will not monitor the investment management activities or investment strategies of the Fund nor compliance of investments with this Memorandum, the Fund's investment policy, restrictions or other investment guidelines applicable to the assets of the Fund. The Depositary will not provide valuation of the Custody Assets, nor will it monitor compliance with the Memorandum of such valuation or of the net asset value calculation of the Fund's shares or of the calculation of the prices at which any shares of the Fund are allotted, issued or redeemed. Potential investors should not rely upon the Depositary in deciding whether or not to invest in the Fund.

If the Fund appoints other parties ("co-depositaries") to hold assets and other property belonging to Cell C and those parties are not appointed by CS, the Fund has agreed to indemnify and keep Credit Suisse (Gibraltar) Limited and its officers and employees indemnified from and against all liabilities, costs and damages of any kind (including, for the avoidance of doubt, all legal expenses incidental thereto) which may be incurred by any of them and all actions or proceedings which may be brought by or against them as a result of the appointment of such a Co-Depositary.

Credit Suisse (Gibraltar) Limited shall be entitled to have recourse to any assets of the Sub-Fund including the right to sell or otherwise dispose of the assets of Cell C held by Credit Suisse (Gibraltar) Limited and appropriate all or part of the cash proceeds thereof with a view to meeting and discharging the cost of any indemnity to which it is entitled under the provisions of this Agreement or at law or otherwise.

Save as stated above and those referred to in Part A there are no other contracts have been entered into by the Sub-Fund (other than in the ordinary course of business) since incorporation that are, or may be, material.

## **CONFLICTS OF INTEREST**

In addition to those referred to in Part A there are the following conflicts of interest in respect of this Sub-Fund

The Investment Manager acts as Investment Manager for a number of other funds, companies and clients. They will be recommending to such clients similar instruments and/or similar assets to that traded by the Fund and which they are recommending to the Fund.

The Issuer of instruments and products acquired by the Fund may be associated with the Investment Managers and/or a member of its group.

# **SUBSCRIPTION AGREEMENT**

## **FTC FUTURES FUND PCC LIMITED CELL C – FTC COMMODITY FUND ALPHA**

**FTC FUTURES FUND PCC LIMITED**

Blake House, 19c Town Range, Gibraltar.

Fax (350) 200 49450

Dear Sirs,

The undersigned (“the Shareholder”) acknowledges having received the offering memorandum dated 17 February 2010 for the offering of redeemable preference shares (“Participation Shares”) of FTC Futures Fund PCC Limited (“Fund”) Cell C – FTC Commodity Fund Alpha on the terms of the offering memorandum and subject to the provisions of the memorandum and articles of association of the Fund.

The undersigned confirms that (a) he is an experienced investor within the meaning of the Financial Services (Experienced Investor Funds) Regulations, 2005 (“Regulations”) (b) none of the Shares (nor any interest therein) are being acquired or will at any time be held, directly or indirectly, for the account or benefit of a person who is not an Experienced Investor, (as defined in the Regulations) and (c) acknowledges that he has received and accepted the investment warnings set out in the offering memorandum. The undersigned wishes to subscribe for Participation Shares on the terms of the offering memorandum and subject to the provisions of the memorandum and articles of association of the Fund and this Subscription Agreement. The undersigned acknowledges that except as provided under applicable securities laws, this subscription is and shall be irrevocable, except that the undersigned shall have no obligations hereunder if this subscription is for any reason rejected or this offering is for any reason cancelled.

The Subscriber represents and warrants that:

- 1) the Participation Shares are not being purchased with a view to immediate resale or active trading;
- 2) all consents required to be obtained and all legal requirements necessary to be complied with or observed in order for this Agreement or the issuance of the Participation Shares to be lawful and valid under the laws of any jurisdiction to which the Subscriber is subject have been obtained, complied with or observed;
- 3) none of the Participation Shares (nor any interest therein) are being acquired or will at any time be held, directly or indirectly, for the account or benefit of a Politically Exposed Person (“PEP”) such as a senior political figure or the spouse or associate of a senior political figure;
- 4) none of the Participation Shares (nor any interest therein) are being acquired or will at any time be held, directly or indirectly, for the account or benefit of a person on any Swiss Money Laundering or Foreign Office “Watch List” or any other OECD Money Laundering “Watch List”;
- 5) the Subscriber has not relied on any representations or other information purported to be given on behalf of the Fund except as set forth in the offering memorandum which he has fully read and hereby acknowledges, any documents referred to therein or the published financial accounts of the Fund, and has consulted his/her/its own attorney, accountant and/or investment manager with respect to the investment contemplated hereby and its suitability for the Subscriber;
- 6) none of the Participation Shares (nor any interest therein) are being acquired or will at any time be held, directly or indirectly, for the account or benefit of a U.S. Person and none of the Participation Shares will be transferred to any person who has failed to supply a similar representation. “U.S. Person” means:
  - i) Any natural person resident in the United States of America, its territories and possessions, any State of the United States, and the District of Columbia (“United States”);
  - ii) Any partnership or corporation organized or incorporated under the laws of the United States;
  - iii) Any estate of which any executor or administrator is a U.S. person;
  - iv) Any trust of which any trustee is a U.S. person;
  - v) Any agency or branch of a foreign entity located in the United States;
  - 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 organized, incorporated, or (if an individual) resident in the United States; and
  - viii) Any partnership or corporation if:

- A. Organized or incorporated under the laws of any foreign jurisdiction; and
- B. Formed by a U.S. person principally for the purpose of investing in securities not registered under the United States Securities Act of 1933, as amended, (“Securities Act”), unless it is organized or incorporated, and owned, by accredited investors (as defined in Rule 501(a) of the Securities Act) who are not natural persons, estates or trusts

PROVIDED THAT a person or entity shall not be considered a U.S. Person if he or she or it qualifies under any exemption in the Securities Act.

- 7) None of the Participation Shares (nor any interest therein) are being acquired or will be acquired at any time by a person who is Gibraltarian or who is a resident of Gibraltar.
- 8) The Fund has made available to the Subscriber, during the course of this transaction and prior to the purchase of any of the Participation Shares, the opportunity to ask questions of and receive answers from any Director of the Fund concerning the terms and conditions of the offering described in the offering memorandum and in any documents referred to therein, and to obtain any additional information necessary to verify the information contained therein or otherwise relative to the financial data and business of the Fund, to the extent that such parties possess such information or can acquire it without unreasonable effort or expense, and all such questions, if asked, have been answered satisfactorily and all such documents, if examined, have been found to be fully satisfactory.
- 9) The Subscriber will promptly inform the Fund of any changes to the information disclosed, or to any of the above representations.

The Subscriber acknowledges that, subject as otherwise stated in the Depositary Agreements, the Depositaries will not provide any other services or perform any other functions except safekeeping and the usual administrative matters relating to the custody of assets of the Fund held by them, and will have no other duties or responsibilities relating to the Fund. The depositaries will not monitor investment management activities or investment strategies of the Fund nor compliance of investments with the Investment Policies or Investment Guidelines and Restrictions set out in the offering memorandum. The Depositaries shall not supervise or control the activities of the Board of Directors or the Administrator of the Fund. The Depositaries will not act as sponsor or promoter of the Fund. Each Depositary does not warrant the contents of the relevant fund-documentation, save as it relates to the relevant Depositary, nor will it be involved in the management, administration, valuation of assets or Net Asset Value calculation of the Fund.

**The Subscriber agrees to indemnify and hold harmless the Fund, its promoters, directors and officers and each other person or entity, if any, who controls it, against any and all loss, liability, claim, damage, costs 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 any false representation or warranty or breach or failure by the Subscriber to comply with the covenant or agreement made by the Subscriber herein or in any other document in connection with this transaction.**

The Subscriber has evaluated the risks of investing in the Participation Shares, and has determined that the Participation Shares are a suitable investment for the Subscriber. The Subscriber acknowledges that there can be no assurance that appreciation of the Fund’s assets will occur or that losses will not be realized and that the value of Participation Shares may be subject to volatile movements and may fall as well as rise. Accordingly, the Subscriber can bear the economic risk of this investment and can afford a complete loss of the Subscriber’s investment. The Subscriber agrees that any information supplied by them to the Fund will be made available by the Fund to the Administrator and any Depositaries of the Fund.

We are wholly responsible for ensuring that all aspects of this Fund are acceptable to you. Investment in experienced investor funds may involve special risks that could lead to a loss of all or a substantial portion of such investment. Unless you fully understand and accept the nature of this Fund and the potential risks inherent in this Fund you should not invest in this Fund.

This Agreement shall be governed by and interpreted in accordance with the laws of Gibraltar. Any dispute or controversy arising out of, under, in connection with or in relation to this Agreement shall be determined and settled by the Gibraltar court of competent jurisdiction. The unsuccessful party shall be responsible for all costs of such action, including but not limited to fees associated with the arbitration proceeding, reasonable attorneys’ fees, court costs (if any), any filing fees, any associated disbursements, and any other fees and charges incurred in connection therewith.

Date :Signature:

**CELL C**  
**FTC COMMODITY FUND ALPHA**  
**ISUBSCRIPTION INFORMATION**

*Date of Subscription:*

*Name & Address for Share Registration:*

.....  
.....

*Postal Address (if other than address of registration):*

.....  
.....

*Telephone:* .....

*Fax:* .....

*E-mail:* .....

*Name of Particular Sub-Fund:* Cell C – FTC Commodity Fund Alpha

*Number of Shares applied for*..... *Amount of Subscription €/\$*.....

*O Sub-Class (EUR), ISIN: GI000A0H01J8*

*O Sub-Class (USD), ISIN: GI000A0YEST6*

*(please cross where applicable)*

*Name & Address of Remitting Bank:*

.....  
.....

*Name & Address of Bank for transfers and payments of Redemptions in case of redemption (if different from above):*

.....  
.....  
.....IBAN NO.....

*Is the subscriber the exclusive beneficial owner of the assets?*  *yes*       *no*  
*(if no, please complete financial details below in relation to the beneficial owner)*

.....

.....  
Is the subscriber a Politically Exposed Person  yes  no

Name and Address of Employer or Business (if individual investor) or Business (if corporate investor):  
.....  
.....

Subscriber's Position with Employer or Business: .....

Origin of assets to be invested (please tick)

- |  |   |
|--|---|
| <input type="checkbox"/> sale of business          | <input type="checkbox"/> investment profits |
| <input type="checkbox"/> life time earnings/salary | <input type="checkbox"/> (lottery) winnings |
| <input type="checkbox"/> gift/inheritance          | <input type="checkbox"/> others *           |
| <input type="checkbox"/> sale of real estate       |   |

\* For others please specify:

Estimated total income p.a. (please tick)

- |  |  |
|--|--|
| <input type="checkbox"/> < € 100 000           | <input type="checkbox"/> € 700,000 – € 1.5 Million |
| <input type="checkbox"/> € 100'000 – € 300'000 | <input type="checkbox"/> >€ 1.5 Million*           |
| <input type="checkbox"/> € 300'000 – € 700,000 | * Please   |

specify: .....

Estimated total assets (please tick)

- |  |  |
|--|--|
| <input type="checkbox"/> < € 700,000               | <input type="checkbox"/> € 5 Million – € 10 Million  |
| <input type="checkbox"/> € 700,000 – € 2 Million   | <input type="checkbox"/> € 10 Million – € 40 Million |
| <input type="checkbox"/> € 2 Million – € 5 Million | <input type="checkbox"/> >€ 40 Million *             |

\* Please specify: .....

Signed: ..... Date: .....

Name: .....

Entity (if corporate investor):

Position of signatory: .....

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**Fund's use only: Accepted and confirmed:**

## **PAYMENT INSTRUCTIONS**

Once the Subscription Documents been filled in and faxed and then sent to the Fund, subscription funds should be sent to the Fund at the following address:

Transfer instructions in EUR in favour of FTC Commodity Fund Alpha:

FTC Commodity Fund Alpha

Bank: Credit Suisse, Zürich, Swift Code CRESCHZZ80A  
Account: 0835-0993000-04-006  
Beneficiary: Credit Suisse (Gibraltar) Limited  
Reference: A/C: XXXXXXXXXX A/C Name: FTC Commodity Fund Alpha

Transfer instructions in USD in favour of FTC Commodity Fund Alpha:

FTC Commodity Fund Alpha

Bank: Credit Suisse, Zürich, Swift Code CRESCHZZ80A  
Account: [0835-0993000-04-006]  
Beneficiary: Credit Suisse (Gibraltar) Limited  
Reference: A/C: XXXXXXXXXX A/C Name: FTC Commodity Fund Alpha

Please remember to add the name of the Subscriber as a reference on the fund wiring instructions to ensure proper crediting of funds.

Please also advise the Administrator and the Investment Manager that the funds have been sent:

### **CAPITA FINANCIAL ADMINISTRATORS (GIBRALTAR) LIMITED**

Blake House, 19c Town Range, Gibraltar  
Tel: +350 200 43339 - Fax: +350 200 49450  
Email: gibinfo@capitafinancial.com

**RETURN OF REDEMPTION MONIES**

**To:**

FTC FUTURES FUND PCC LIMITED  
Blake House, 19c Town Range, Gibraltar  
Tel: +350 20043339 - Fax: +350 20049450

Dear Sirs:

The undersigned (“Shareholder”) has invested in preference shares (“Participation Shares”) in Cell C FTC Commodity Fund Alpha of FTC Futures Fund PCC Limited (“Fund”) under the terms of the offering memorandum dated 17 February 2010 and subject to the provisions of the memorandum and articles of association of the Fund hereby irrevocably request the redemption of Participation Shares of FTC FUTURES FUND PCC LIMITED - FTC Commodity Fund Alpha in accordance with the instructions provided below:

FTC Commodity Fund Alpha– Class C Participation Shares

*O Sub-Class (EUR), ISIN: GI000A0H01J8*

*O Sub-Class (USD), ISIN: GI000A0YEST6*

*(please cross where applicable)*

Number of Shares to be redeemed: \_\_\_\_\_

or

EUR/USD amount to be redeemed: EUR/USD \_\_\_\_\_

I/We hereby represent and warrant that I/we am/are the lawful and beneficial owner(s) of the Participation Shares to be redeemed and that such shares are not subject to any pledge or otherwise encumbered in any fashion.

I/We acknowledge and agree that if all of the relevant information requested under the Client Verification Requirements section of the Subscription Agreement Application Form has not been supplied to the Administrator, that my/our shareholding will be redeemed but that the related monies will be held by the Administrator until such documentation requested has been supplied.

I/We agree that the requested redemption shall be effected strictly in accordance with the terms relating to redemptions in the offering memorandum and the memorandum and articles of association and shall be bound by such terms.

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

Signature: \_\_\_\_\_

By (print name): \_\_\_\_\_

Title: \_\_\_\_\_

On behalf of: \_\_\_\_\_

(entity) \_\_\_\_\_

**REDEMPTION INFORMATION**

Name and Address of  
Registered Shareholder:

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Number of Shares or amount  
to be Redeemed:

---

Date of Redemption:

---

Provide full wire transfer routing instructions:

Name and Address of  
Receiving Bank:

---

---

SWIFT code

---

Account Name:

---

Account Number:

---

IBAN:

---

Other details/instructions:

---

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**APPENDIX A**

**FORMS OF LETTER TO BE SUPPLIED BY THE INVESTOR**

**INDIVIDUAL INVESTOR**  
**[Letterhead of banker/lawyer/accountant]**

**FTC FUTURES FUND PCC LIMITED**

Blake House, 19c Town Range,  
Gibraltar.

[Date]

Dear Sir

This letter is to confirm that \_\_\_\_\_ of \_\_\_\_\_ [insert Residential Address] has been known to me/us for \_\_\_\_ years [must be minimum of two years] and to confirm that during that time he has always proved reliable, honest and trustworthy in his financial and business dealings.

Yours faithfully

**[MUST BE SIGNED BY A BANKER, LAWYER OR ACCOUNTANT]**

**APPENDIX B**

**CORPORATE INVESTOR**

[THE ATTACHED REFERENCE MUST BE PROVIDED ON EACH OF THE BENEFICIAL OWNERS OF THE CORPORATE INVESTOR, AND THE CORPORATE INVESTOR MUST PROVIDE THE ATTACHED DISCLAIMER.]

[Letterhead of banker/lawyer/accountant]

**FTC FUTURES FUND PCC LIMITED**

Blake House, 19c Town Range,  
Gibraltar.

[Date]

Dear Sir

This letter is to confirm that \_\_\_\_\_ of \_\_\_\_\_ [insert Residential Address] has been known to me/us for \_\_\_\_ years [must be minimum of two years] and to confirm that during that time he has always proved reliable, honest and trustworthy in his financial and business dealings.

Yours faithfully

**[MUST BE SIGNED BY A BANKER, LAWYER OR ACCOUNTANT]**

**APPENDIX C**

[Letterhead of the Corporate Investor]

**FTC FUTURES FUND PCC LIMITED**

Blake House, 19c Town Range,  
Gibraltar.

[Date]

Dear Sir

[Name of Corporate Investor]

We hereby confirm that to the best of our belief, no Gibraltarian or resident of Gibraltar has any interest in the share capital of this company and we undertake that no such person will acquire such an interest without prior consent from your office.

Yours faithfully

\_\_\_\_\_  
[Authorised Signatory]

## Subscription checklist

<b>1.</b>	<b><u>PERSONAL APPLICANTS</u></b>
1.1	<p>Acceptable <b>Evidence of Identity</b> in the form of one of the following:</p> <ul style="list-style-type: none"> <li>a) Valid passport</li> <li>b) National Identity Card</li> <li>c) Valid photocard driving licence</li> <li>d) Armed forces Identity Card</li> </ul> <p>The document must be current, should show the issue and expiry date and it must show a good quality photograph, bearer's signature and date of birth, and the name of the issuing authority.</p> <p>The document will need to be certified as a true copy of the original. The certifier must confirm that that the photograph bears a true likeness to the individual named in the document.</p>
1.2	<p>Acceptable <b>Evidence of Address</b> in the form of an original or certified true copy of one of the following documents:</p> <ul style="list-style-type: none"> <li>a) an account statement from bank or bank credit card (non-bank cards, such as store cards statements are not acceptable);</li> <li>b) a utility, rates or council tax bill (mobile telephone bills are not acceptable);</li> <li>c) an extract from the official register of electors.</li> </ul> <p>Evidence of Address documents must show the name of the individual and their current residential address and should have been issued within the last 3 months.</p> <p>Where an applicant uses a PO Box address, evidence of their 'true' address must be provided.</p>
1.3	<p>Source of Income/Wealth – <b>confirmation of where and how the total net worth of the investor has been generated (e.g. savings from employment with XYZ Ltd based in ..., inheritance, sale of stocks and shares, sale of real estate located at ... etc.);</b></p>
1.4	<p>Source of funds <b>(i) state where and how the cash or assets used to purchase the shares were originally derived/generated (please provide this information if not already provided in the subscription forms);</b></p> <p><b>(ii) please also provide a copy of the bank transfer/Swift confirmation.</b></p>
<b>2.</b>	<b><u>GIBRALTAR OR EU CREDIT OR FINANCIAL INSTITUTIONS</u></b>
	<p><i>An EU Credit or Financial Institution, in the context of a Subscription Application, means:</i></p> <p><i>1) a credit or financial institution which is subject to the requirements of the EU Money Laundering Directives or</i></p> <p><i>2) a credit or financial institution situated in a non-EEA State which imposes requirements equivalent to those laid down in the EU Money Laundering Directives and is supervised for compliance with those requirements.</i></p>
2.1	<p><b>AML letter confirming that the credit or financial institution complies with EU or equivalent anti-money laundering and Counter Terrorist Financing regulations with regard to verifying identity of investor(s), source of funds/wealth etc (<u>see below for specimen letter</u>);</b></p>
2.2	<p>Certified or original Authorised Signatory List, including names, positions and specimen</p>

	signatures of signatories;
2.3	Source of funds: Please also provide a copy of bank transfer/Swift confirmation.

<b>3.</b>	<b><u>CORPORATE ENTITIES LISTED ON A RECOGNISED EXCHANGE</u></b>
3.1	Certified copy of the Certificate of Incorporation or equivalent document which states full name and registered number of the company;
3.2	Evidence of the company's registered office;
3.3	Certified copy of Register of Directors;
3.4	Latest audited Annual Report and Accounts;
3.5	Certified or original Authorised Signatory List, including names, positions and specimen signatures of signatories;
3.6	Source of funds: Please also provide a copy of bank transfer/Swift confirmation.

<b>4.</b>	<b><u>PRIVATE CORPORATE ENTITY</u></b>
4.1	Certified copy of Certificate of Incorporation or equivalent document which states full name and registered number of the company;
4.2	Certified copy of Memorandum and Articles of Association or equivalent document;
4.3	Companies/Commercial Registry extract/report/profile issued by the relevant authority, or equivalent document (this document should provide full details of the company including its registered office and business address, all appointed directors/officers etc);
4.4	Latest Annual Report and Accounts, audited if applicable;
4.5	Certified copy of the Share Register;
4.6	Verification of Identity and Address on at least 2 Directors and any person authorised to sign in respect of this application (as per requirements for Personal Applicants 1.1 and 1.2 above);
4.7	Verification of Identity and Address on all Shareholders (if different from the beneficial owners) holding more than 25% of the issued share capital (as per requirement 1.1 and 1.2 above);
4.8	Where the holder of 25% or more of the shares is a holding company, trust or nominee then we will require further details of that Shareholder's ultimate beneficial owner <sup>1</sup> , and Verification of Identity and Address of the ultimate beneficial owner will be required;
4.9	In certain circumstances, we may consider that the risk profile of the company is such that holders of 10% or more of the issued share capital as at the date of the application is more appropriate and should be identified. The principal requirement is to look behind the corporate entity to identify those who have ultimate control over it.

<sup>1</sup> The term "beneficial owner" is to be interpreted as meaning the following;

- i. The natural person(s) who ultimately own or control a legal entity through direct or indirect ownership of or control over more than 25% of the shares or voting rights in that legal entity, including through bearer share holdings, other than a company listed on a regulated market that is subject to disclosure requirements consistent with Community legislation or subject to equivalent international standards;
- ii. The natural person(s) who otherwise exercises control over the management of a legal entity;

4.10	If the company is regulated, certified copy of the authorisation/license from the relevant authority;
4.11	A certified copy of the Board Resolution authorising the investment and empowering authority for those who will operate the account, together with an Authorised Signatory List;
4.12	Source of funds (i) please state where and how the cash or assets used to purchase the shares were originally derived/generated (please provide this information if not already provided in the subscription forms); (ii) Please also provide a copy of bank transfer/Swift confirmation.

<b>5.</b>	<b><u>PARTNERSHIPS AND OTHER UNINCORPORATED BUSINESSES</u></b>
5.1	Details of the nature of the partnership/business;
5.2	<b>Certified copy of partnership agreement or other agreement establishing the unincorporated business;</b>
5.3	Evidence of the trading address of the partnership/business;
5.4	Where possible, a set of the latest Annual Report and Accounts, audited if applicable;
5.5	A list of all partners or controllers, and Verification of Identity and Address of at least two (as per requirement 1.1 and 1.2 above);
5.6	Verification of Identity and Address of all persons who own or control over 25% of the capital, profit or voting rights of the partnership/business as at the date of the application;
5.7	In certain circumstances, we may consider that the risk profile of the partnership or business is such that persons who own or control 10% or more as at the date of the application is more appropriate and should be identified. The principal requirement is to identify those who have ultimate control over the partnership/business;
5.8	A resolution/mandate from the partnership authorising the investment and empowering authority for those who will operate the account, together with an Authorised Signatory List.
5.9	Source of funds (i) please state where and how the cash or assets used to purchase the shares were originally derived/generated (please provide this information if not already provided in the subscription forms); (ii) Please also provide a copy of bank transfer/Swift confirmation.

<b>6.</b>	<b><u>PERSONAL TRUSTEE APPLICATIONS</u></b>
6.1	Verification of Identity and Address of all trustees (as per requirement 1.1 and 1.2 above);
6.2	Satisfactory evidence of proper appointment of the trustees (e.g. certified extracts of the trust deed and any subsequent deeds of appointment);
6.3	Full name and country of establishment of the trust;
6.4	An explanation of the nature and purpose of the trust (this is usually found in the trust deed) ( <i>e.g., discretionary, testamentary, bare</i> );
6.5	An explanation of the source or origin of the assets under the trust (this is usually found in the trust deed);
6.6	Details of the parties to the trust at the time of the application, that is: <ul style="list-style-type: none"> <li>▪ The full name, current residential address and date of birth of the Settlor or Grantor;</li> <li>▪ The full name, current residential address and date of birth of the Protector, if one has</li> </ul>

	<p>been appointed;</p> <ul style="list-style-type: none"> <li>▪ Where the beneficiaries have already been determined, the full name, current residential address and date of birth of the natural person(s) who is/are the beneficiary(ies) of 25% or more of the trust assets;</li> <li>▪ Where the individuals that benefit from the trust have yet to be determined, the class of persons in whose main interest the arrangement is set up. However, this requirement does not apply for any named beneficiaries that are not yet aware of their status within the trust. However verification documentation would be required before any payment of trust property is made to such a beneficiary.</li> </ul>
6.7	<p>Source of funds (i) please state where and how the cash or assets used to purchase the shares were originally derived/generated (please provide this information if not already provided in the subscription forms);</p> <p>(ii) Please also provide a copy of bank transfer/Swift confirmation.</p>

<b>7.</b>	<b><u>CORPORATE TRUSTEE APPLICATIONS</u></b>
7.1	Certified copy of Certificate of Incorporation or equivalent document which states full name and registered number and certified copy of Memorandum and Articles of Association or equivalent document of the trust company;
7.2	Companies/Commercial Registry extract/report/profile issued by the relevant authority, or equivalent document (this document should provide full details of the company including its registered office and business address, all appointed directors/officers etc);
7.3	Satisfactory evidence of proper appointment of the current trustees (e.g. certified extracts of the trust deed and any subsequent deeds of appointment);
7.4	Verification of Identity and Address on at least 2 Directors and any person authorised to sign in respect of this application (as per requirements for Personal Applicants 1.1 and 1.2 above);
7.5	Full name and country of establishment of the trust;
7.6	An explanation of the nature and purpose of the trust (this is usually found in the trust deed) ( <i>e.g., discretionary, testamentary, bare</i> );
7.7	An explanation of the source or origin of the assets under the trust (this is usually found in the trust deed);
7.8	A resolution/mandate from the trustee trust company authorising the investment and empowering authority for those who will operate the account, together with an Authorised Signatory List;
7.9	<p>Details of the parties to the trust at the time of the application, that is:</p> <ul style="list-style-type: none"> <li>▪ The full name, current residential address and date of birth of the Settlor or Grantor;</li> <li>▪ The full name, current residential address and date of birth of the Protector, if one has been appointed;</li> <li>▪ Where the beneficiaries have already been determined, the full name, current residential address and date of birth of the natural person(s) who is/are the beneficiary(ies) of 25% or more of the trust assets;</li> <li>▪ Where the individuals that benefit from the trust have yet to be determined, the class of persons in whose main interest the arrangement is set up. However, this requirement does not apply for any named beneficiaries that are not yet aware of their status within the trust. However verification documentation would be required before any payment of trust property is made to such a beneficiary.</li> </ul>

7.10	Source of funds (i) please state where and how the cash or assets used to purchase the shares were originally derived/generated (please provide this information if not already provided in the subscription forms); (ii) Please also provide a copy of bank transfer/Swift confirmation.
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**All investors**

- completed and signed Subscription Agreement in Appendix A
- completed and signed Subscription Information in Appendix A
- subscription funds to be sent to the Fund at the address in Appendix A

**Individual investors**

- certified copy of a passport or identification card
- certified copy of a utility bill (no more than three months old)

**Corporate investors (except for companies listed on a Recognised EU Exchange or equivalent; EU Credit Institutions; EU Regulated Financial Institutions, including UCITS or retail funds or Gibraltar Regulated Financial Institutions.**

- identification, (as for individuals above,) for all directors and every beneficial owner in excess of 25% ownership
- letter of reference from the company appointed banker or accountant in the form set out in Appendix B
- certified copy of certificate of incorporation, or certificate to trade
- confirmation of registered office and business address
- latest copy of report and accounts ( audited where available)
- a properly authorised mandate to open /operate an account or establish the business relationship
- a list of authorised signatories

**Unincorporated Associations, Partnerships, Trusts and unregulated funds (except for registered charities)**

- Certified copy of partnership agreement; or, Certified copy of association constitution; or Certified copy of trust deed; or Certified copy of fund offer document and Certificate of Incorporation
- Identification (as for individuals above) of at least 2 association members/partners; or  
Identification (as for individuals above) of all fund directors; or,  
Identification (as for individuals above) of all trustees and beneficiaries of more than 25% of the trust property; and

personal details of the settlor of the trust

- Latest copy of report and accounts, of the association, partnership, trust or fund, audited if available
- A properly authorised mandate to open/operate an account or establish the business relationship
- A list of authorised signatories
- Letter of good standing from the association, partnership or trust appointed bank or accountant
- For unregulated funds, a signed declaration in the format specified by QFAL, from the fund directors in respect of the identity of underlying investors or shareholders in the fund