

CONFIDENTIAL MEMORANDUM

(“PROSPECTUS”)

*Relating to an offering of up to 100,000,000 shares of various classes par value
Of U.S. \$0.0001 each of*

PERFORMA HIGH YIELD FUND LTD.

(An Exempted Company Incorporated with Limited Liability under the Laws of Bermuda as a Mutual Fund)

Listing Sponsored by:
Walkers Listing Services (Bermuda) Limited
Park Place, 55 Par-la-Ville Road
Hamilton HM 11, Bermuda

September 2019

Investment Advisors:
P.R.P. Performa Ltd.
The Continental Building
25 Church Street, 2nd Floor
Hamilton HM 12 Bermuda

Performa Limited (US), LLC
960 Morrison Drive, Suite 200
Charleston, SC 29403 USA

The Board of Directors accepts
Responsibility for the contents of
this document signed for and on
behalf of the Board of Directors



By:
Title: Director

THE BERMUDA STOCK EXCHANGE (THE “BSX”) TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS DOCUMENT, MAKES NO REPRESENTATIONS AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON ANY PART OF THE CONTENTS OF THIS DOCUMENT.

THIS PROSPECTUS INCLUDES PARTICULARS GIVEN IN COMPLIANCE WITH THE LISTING REGULATIONS OF THE BSX (THE “BSX LISTING REGULATIONS”). THE BOARD OF DIRECTORS OF THE COMPANY (THE “DIRECTORS”) COLLECTIVELY AND INDIVIDUALLY ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF THE INFORMATION CONTAINED IN THIS PROSPECTUS AND ANY SUPPLEMENT AND CONFIRM, HAVING MADE ALL REASONABLE ENQUIRIES, THAT TO THE BEST OF THEIR KNOWLEDGE AND BELIEF THERE ARE NO OTHER FACTS THE OMISSION OF WHICH WOULD MAKE ANY STATEMENT HEREIN MISLEADING.

NOTICES

Performa High Yield Fund Ltd. (the “**Company**” formerly MVI Investment Fund Ltd.) is an open-ended mutual fund incorporated on July 29, 2002, under the laws of Bermuda. On October 1, 2005, the Company, at the time known as MVI Investment Fund Ltd., redeemed all its investors and ceased trading. The Company remained dormant until its re-launch on February 2, 2012 at which time the Company changed its name from MVI Investment Fund Ltd. to Performa High Yield Fund Ltd.

The investment objective of the Company is to achieve, through individual portfolios, an above average rate of total return by investing primarily in fixed income securities.

The Company has an authorized share capital of U.S.\$10,001 divided into 100,000,000 non-voting, redeemable, participating accumulation shares of par value U.S.\$0.0001 each (the “**Common Shares**” or the “**Shares**”) and 100 ordinary, voting, non-participating, non-redeemable shares of par value U.S.\$0.01 each (the “**Founder Shares**”). The Company offered its Shares initially at U.S. \$10.00 per share, and thereafter at a price based on net asset value. The Bye-Laws of the Company empower the Board of Directors of the Company (the “**Directors**”) to create different classes of Shares (each a “**Class Fund**”), each of which shall may be further divided into classes and/or series within a class, from time to time, at the discretion of the Directors. The minimum initial investment per investor for Shares in each Class Fund is as provided in the applicable Supplement.

If you are in any doubt about the contents of this Prospectus and/or any Supplement you should consult your stockbroker, bank manager, lawyer, accountant or other professional advisor. The distribution of this Prospectus and/or any Supplement and the offering of Shares in certain jurisdictions may be restricted and accordingly persons into whose possession these documents comes are required by the Company to inform themselves about and to observe such restrictions. This Prospectus and/or any Supplement do not constitute an offer or solicitation to anyone in any jurisdiction in which such offer is not authorized or to any person to whom it is unlawful to make such offer or solicitation.

The Shares are offered on the basis of the information and representations contained in this Prospectus and/or any Supplement and any further information given or representations made by any person may not be relied upon as having been authorized by the Company or its Directors. Neither the delivery of this Prospectus and/or any Supplement nor the allotment or issue of Shares shall under any circumstances create any implication that there has been no change in the affairs of the Company since the date hereof.

The Shares will be offered and sold for investment only to Qualified Investors pursuant to Qualified Investor Rules of the BSX. Investors will be required to complete and sign a form of suitability declaration before being allowed to invest in the Shares. A copy of the form of suitability declaration is attached as appendix to the relevant Supplement.

The Shares are not offered to the general public of either Bermuda or the Cayman Islands.

Permission under The Exchange Control Act, 1972 of Bermuda (and regulations made thereunder) has been received from the Bermuda Monetary Authority (the “**Authority**”) for the issue and free transferability of up to 100,000,000 Shares.

The Company has been classified as an Institutional Fund and is subject to regulation and supervision under the Investment Funds Act 2006 of Bermuda (the “**Investment Funds Act**”). As such, the Company may not be supervised to the same degree as other funds which are authorized and regulated by the Authority. Therefore, the Company should be viewed as an investment suitable only for participants who can fully evaluate and bear the risks involved. Further, it must be distinctly understood that the authorization received from the Authority does not constitute a guarantee by the Authority as to the performance of the Company or its creditworthiness. Furthermore, in authorizing the Company, the Authority shall not be liable for the performance of the Company or default of its operators or service providers, nor the correctness of any opinions or statements expressed in this Prospectus and/or any Supplement.

In addition, a copy of this Prospectus, any the Supplement and all previous amendments or updates to such documents, have been delivered to the Registrar of Companies in Bermuda (the “**Registry**”) for filing pursuant to the Companies Act 1981 of Bermuda (the “**Companies Act**”). In accepting this Prospectus and/or the Supplement for filing, the Registry accepts no responsibility for the financial soundness of any proposal or for the correctness of any of the statements made or opinions expressed with regard to them.

The Shares have not been registered under any United States (“**US**”) securities laws and, except in a transaction which does not violate US securities laws, may not be directly or indirectly offered or sold in the US, or any of its territories or possessions or areas subject to its jurisdiction, or to or for the benefit of a US Person (as defined in this Prospectus).

The Company is not a recognized collective investment scheme under any United Kingdom financial services laws and, as such, Shares may not be offered or sold in the United Kingdom by means of this Prospectus and/or any Supplement except in accordance with all applicable provisions of the relevant United Kingdom financial services laws and all applicable orders, rules and regulations relating thereto.

The Directors of the Company, whose names appear on page 6, accept responsibility for the information contained in this Prospectus and/or any Supplement. To the best of the knowledge and belief of the Directors of the Company (who have taken all reasonable care to ensure that such is the case), these documents do not contain any untrue or misleading statement, or omit anything which would make any statement untrue or misleading.

All references to “**dollars**”, “**cents**” and the signs “**U.S. \$**,” “**US\$**” and “**\$**” in this Prospectus and/or any Supplement are, except where the context otherwise requires, to the currency of the United States of America.

This Prospectus and each relevant Supplement together with the latest audited (or unaudited) financial statements of the Company form the prospectus of the Company. All terms defined in this Prospectus shall have the same meaning in the relevant accompanying Supplement unless otherwise defined therein.

The Company has taken steps to apply for a listing of the Shares by way of an introduction of issued shares as of January 2013, and thereafter by continuous offer for subscription of further shares on the BSX. The Shares are not, and will not be listed on any other stock exchange. As of the date of this Prospectus, there are no plans to actively trade the Shares on the BSX.

SUMMARY OF TERMS

The following is a summary of certain information set forth more fully elsewhere in the Prospectus. This summary should be read in conjunction with such detailed information.

THE COMPANY:

The Company is an exempted open-ended mutual fund company incorporated in Bermuda on July 29, 2002 with limited liability under the provisions of the Companies Act, 1981 of Bermuda. On October 1, 2005, the Company, at the time known as MVI Investment Fund Ltd., redeemed all its investors and ceased trading. The Company remained dormant until its re-launch on February 2, 2012 at which time the Company changed its name from MVI Investment Ltd. to Performa High Yield Fund Ltd.

The Company has been classified as an Institutional Fund under the Investment Funds Act 2006 of Bermuda. The Company has an authorized capital of U.S.\$10,001 divided into 100,000,000 non-voting, redeemable, participating accumulation shares of par value U.S.\$0.0001 each (the “**Common Shares**” or the “**Shares**”) and 100 ordinary, voting, non-participating, non-redeemable shares of par value U.S.\$0.01 each (the “**Founder Shares**”).

CLASSES OF SHARES:

The Company may offer several classes of Shares to investors, details of which are set out in this Prospectus and/or any relevant Supplement. Separate pools of assets may be segregated in separate sub-funds established and maintained by the

Company in connection with each class of Shares created for issue (each a “**Class Fund**”). Each individual Class Fund will be managed by P.R.P. Performa Ltd. and/or Performa Limited (US) LLC (the “**Investment Advisors**”) along with Seix Investment Advisors, LLC acting as the additional sub-advisor to the Investment Advisors (the “**Sub-Investment Advisor**”). The Investment and Sub-Investment Advisors shall invest in such investment vehicles or securities as it considers appropriate to achieve the investment objective of the Class Fund.

INVESTMENT OBJECTIVE:

The overall investment objective of the Company is to achieve, through the individual Class Funds, an above average rate of total return while attempting to limit investment risk by investing in a diversified portfolio of fixed income securities.

INVESTMENT STRATEGY: The investment strategy of the Company is to invest principally in fixed income securities. The individual Class Funds are managed by the Investment Advisors with the assistance of the Sub-Investment Advisor. The Investment Advisors invests in such securities or investment vehicles as it considers appropriate to achieve the investment objective of the Class Fund.

LETTERS OF CREDIT:

The Company’s Shares have been approved by several banks (“**LOC Bank(s)**”) as eligible collateral to support letters of credit which these entities are in the business of issuing on behalf of insurance companies as required by insurance regulators in the United States. The LOC Banks have informed the Company that they would generally value the Shares for collateral purposes at the time of issuance of any letter of credit. The issuance of letters of credit by such LOC Banks is subject to their internal credit approval process for each applicant. The LOC Banks reserve the right to issue or refuse to issue letters of credit on behalf of any applicant, whether or not the applicant has invested in the Shares. The value described above is taken on a case by case basis and, as such, may vary with each approval.

No LOC Bank endorses the Company or the Shares and nor is participating in the offering. Comerica Bank acts as the Custodian to the Company by virtue of a Custodian Agreement (see under “**Custodian**” and “**Material Contracts**”).

OFFERING OF SHARES:

Shares of the Company will be available for subscription, pursuant to this Prospectus and any/or Supplement, on any Dealing Day (as defined below) and at such other times as the Directors of the Company may allow from time to time. The price at which Shares are issued is based upon the net asset value per Share (the “**Net Asset Value Per Share**”) generally as of the close of business on the Business Day preceding a Dealing Day. The subscription price is payable in full on application. “**Business Days**” means any day on which the Bermuda Stock Exchange is open for unrestricted trading. “**Dealing Day**” means a day on which the Shares of the Company may be subscribed or redeemed as set out in the relevant Supplement.

QUALIFIED INVESTOR:

An investor in the Company, who in accordance with the BSX Listing Regulations, is an investor who has truthfully completed an investor suitability declaration, in the form prescribed by the BSX from time to time or in such other forms as the BSX may approve and meets one of the suitability tests set out in the declaration, as modified by the requirements of the Investment Funds Act 2006 for the type of investors that can invest in an institutional fund.

MINIMUM SUBSCRIPTION:	The minimum investment per subscriber is U.S. \$100,000, unless waived by the Directors of the Company, subject to the provisions of the Investment Funds Act 2006 and the BSX Listing Regulations.
REDEMPTION:	Shares are redeemable pursuant to the Supplement at the option of the holder on any Dealing Day as set out in the relevant Supplement provided that written request is received by 5p.m. on the Business Day preceding the Dealing Day at a price based upon Net Asset Value per Share as of the close of business on the preceding Dealing Day.
SUBSCRIPTION PROCEDURE:	Persons interested in subscribing for Shares should complete the application form in respect of the relevant Class Fund attached to the Supplement of the Class Fund in which such persons wish to invest and return the same to the Administrator at the address listed thereon. Payment for Shares should be made by wire transfer.
CONVERSIONS:	Shares of any class can be converted to Shares of any other class on any Dealing Day with five (5) Business Days prior written notice. The price at which Shares are so converted is based on the Net Asset Value per Share of the class of Shares then held and the Net Asset Value per Share of the class into which the holder is converting on the appropriate Valuation Day (as defined the Bye-Laws).
NET ASSET VALUE:	The Net Asset Value per Share of each class will be determined in accordance with the Company's Bye- Laws. The net asset value (" Net Asset Value ") of each Class Fund is generally equivalent to the assets attributable to the Shares of each Class Fund less the liabilities attributable to the Shares of that Class- Fund on any Valuation Day. The Net Asset Value per Share of each Class Fund is determined by dividing the Net Asset Value of that Fund by the number of issued Shares of the relevant Class Fund.
INVESTMENT ADVISORY FEES:	The Company will pay the Investment Advisor a management fee and a sub-advisory fee payable in arrears on the last Business Day of each calendar month. The Investment Advisor will be responsible for paying any management fees or sub-advisory fees to the Sub-Investment Advisors. The details of the investment advisory fees payable in respect of each class of Shares are set out in the relevant attached Supplement.
RISK CONSIDERATIONS:	The specialized investment program of the Company involves significant risks (see " Risk Considerations ").

DIRECTORY

DIRECTORS:

Hugh Barit The Continental Bldg. 25 Church Street Hamilton, HM 12 Bermuda	David T. Kilborn, CFA 960 Morrison Drive Suite 200 Charleston, SC 29403 USA	Gary M. LeBlanc, CPA The Continental Bldg. 25 Church Street Hamilton, HM 12 Bermuda	Winston C. Robinson 2651 Gadsen Walk Duluth, GA 30097 USA
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SECRETARY AND REGISTERED OFFICE:

Walkers Corporate
(Bermuda) Limited
Park Place
55 Par-la-Ville Road
Hamilton HM 11
Bermuda
Tel: (441) 242-1500

INVESTMENT ADVISORS:

P.R.P. Performa Ltd.
The Continental Bldg.
25 Church St., 2nd Fl.
Hamilton HM 12
Bermuda
Tel: (441) 295-6754
www.performaltd.com

Performa Limited (US), LLC
960 Morrison Drive, Suite 200
Charleston, SC 29403 USA
Tel: (843) 297-4130
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CUSTODIANS, BANKS & FUTURES BROKERS:

Comerica Bank
One Detroit Center
500 Woodward Ave.
Detroit, MI 48226 USA
Tel: (313) 222-4000
Fax: (313) 222-7041

Interactive Brokers LLC
One Pickwick Plaza
Greenwich, CT 06830 USA
Tel: (843) 297-4130
Tel: (877) 442-2757

SUB INVESTMENT ADVISOR:

Seix Investment Advisors
LLC
One Maynard Drive, Ste. 3200
Upper Saddle River, NJ 07456
USA
Tel: (201) 391-0300
www.seixadvisors.com

ADMINISTRATOR, REGISTRAR & TRANSFER AGENT:

STP Investments
Services LLC
486 Thomas Jones Way
Suite 250
Exton, PA 19341 USA
Tel: (610) 363-5684
Fax: (610) 636-5781

LEGAL ADVISORS:

Taylor's in association
with WALKERS
Park Place
55 Par-la-Ville Road
Hamilton HM 11
Bermuda
Tel: (441) 242-1500

AUDITORS:

Deloitte & Touche
Ltd. The Corner
House
Church & Parliament
St. Hamilton HM 12
Bermuda
Tel: (441) 292-1500

BSX APPOINTED REPRESENTATIVE:

Kathy Nicholl
Chief Compliance Officer
960 Morrison Drive
Suite 200
Charleston, SC 29403 USA
Tel: (843) 297-4130

THE COMPANY

Performa High Yield Fund Ltd. (the “**Company**” formerly MVI Investment Fund Ltd.) is an exempted mutual fund company incorporated in Bermuda July 29, 2002 with limited liability under the provisions of the Companies Act, 1981 of Bermuda. On October 1, 2005, the Company, at the time known as MVI Investment Fund Ltd., redeemed all its investors and ceased trading. The Company remained dormant until its re-launch on February 2, 2012 at which time the Company changed its name from MVI Investment Fund Ltd. to Performa High Yield Fund Ltd. The Company is classified as an Institutional Fund under the Investment Funds Act 2006 of Bermuda (the “**Investment Funds Act**”). The Company’s registered office is located at Continental Building, 25 Church Street, Hamilton HM 12, Bermuda. The Company has the object of carrying on the business of a mutual fund. As such, it has the power to issue and redeem its Shares at a price based on Net Asset Value, as determined as set out herein.

The Company has an authorized share capital of U.S.\$10,001 divided into 100,000,000 non-voting, redeemable, participating accumulation shares of par value U.S.\$0.0001 each (the “**Common Shares**” or the “**Shares**”) and 100 ordinary, voting, non- participating, non-redeemable shares of par value U.S. \$0.01 each (the “**Founder Shares**”). The Bye-Laws of the Company (the “**Bye-Laws**”) empower the Board of Directors of the Company (the “**Directors**”) to create different classes of Shares (each a “**Class Fund**”), each of which shall may be further divided into different classes and/or series within a Class Fund, from time to time, at the discretion of the Directors. The net proceeds from the sale of each Class Fund will be segregated into such separate Class Fund. All income and capital gains earned on the assets of each Class Fund shall accrue to such Class Fund and all expenses and liabilities related to a particular Class Fund and any redemptions of the Shares related thereto shall be charged to and paid from the Class Fund in question. Except in relation to an insolvency event, the trading results of any one Class Fund should have no effect on the value of any other Class Fund and the holders of any class of Shares will not have any interest in any assets of the Company other than the Class Fund attributable to the class of Shares held by them.

Details of the financial performance of the Company may be found in respect of each relevant Class Fund to the relevant Class Fund Supplement.

The assets of each Class Fund may be subject to the general creditors of the Company.

The Directors have the ability to declare and pay dividends pursuant to the Bye-Laws. At this time, the Company does not anticipate that it will declare dividends

The Founder Shares have been issued to the Investment Advisor.

The Company has been established to permit sophisticated private and institutional investors to participate in internationally diversified investment portfolios managed by the Investment Advisor.

INVESTMENT OBJECTIVE AND STRATEGY

The overall investment objective of the Company is to achieve, through the individual Class Funds, an above average rate of total return while attempting to limit investment risk by investing in a diversified portfolio of fixed income securities.

The individual Class Funds will be managed by the Investment Advisors with Seix Investment LLC acting as the sub-advisor to the Investment Advisors (the “**Sub-Investment Advisor**”) and together will invest in such securities or investment vehicles as it considers appropriate to achieve the investment objective of each Class- Fund.

LETTER OF CREDIT SERVICES

A number of financial institutions including Comerica Bank, the Company’s custodian (“**LOC Banks**”), have informed the Company that they are willing to accept the Shares as collateral to support letters of credit which the Banks are in the business of issuing on behalf of insurance companies as required by insurance regulators in the United States. The LOC Banks have informed the Company that they will generally value the Shares for collateral purposes at the time of issuance of any letter of credit. The issuance of letters of credit by the LOC Banks are subject to credit approval of each applicant by the LOC Banks in their sole discretion and the LOC Banks reserve

the right to issue or refuse to issue letters of credit on behalf of any applicant whether or not the applicant has invested in the shares. The value described above is taken on a case by case basis and, as such, varies with each approval.

RISK CONSIDERATIONS

This offering is intended only for those investors who have such knowledge and experience in financial and business matters that they are capable of evaluating the merits and risks of an investment in Shares of the Company and are able to bear the risk of their entire investment in the Company.

There can be no assurance that the Company will achieve its investment objectives. Investment in the Company involves a high degree of risk and could result in substantial losses. Prospective Investors should give careful consideration to the following risk factors in evaluating the merits and suitability of an investment in the Company. The following does not purport to be a comprehensive summary of all of the risks associated with an investment in the Company. Rather, the following are only certain risks to which the Company is subject and that the Investment Advisor wishes to encourage prospective investors to discuss in detail with their professional advisers.

Investment and Trading Risks in General

All securities investments risk the loss of capital. Investment in the various securities and other instruments contemplated by the Company involves significant economic risks. Although the Company's investment program is expected to provide some protection from the risk of loss inherent in the ownership of such investments, there can be no assurance that these strategies will completely protect against this risk or that the Company's investment objectives will be obtained.

Potential Lack of Diversification

Subject to the Investment Restrictions as described in this Prospectus and/or any Supplement, the Company does not have any specific limits on holdings in securities of issuers in any one country, region or industry. Unlike many investment companies which, as a matter of investment policy, diversify portfolio holdings so that no more than a fixed percentage of their assets are invested in any country, region, industry or group of industries, the Company has not adopted fixed guidelines for diversification. Accordingly, the investment portfolio of the Company may be subject to more rapid change in value than would be the case if the Company were required to maintain a wide diversification among countries, industries, regions, types of securities, and other asset classes.

Competition

The securities industry is extremely competitive. The Company competes with firms, including many of the larger investment banking firms, which have substantially greater financial resources than does Investment Advisor and substantially greater research staffs and more securities traders than does the Investment Advisor. In any given transaction, arbitrage activity by other firms may tend to narrow the spread between the price at which a security may be purchased by the Company and the price it expects to receive upon consummation of the transaction.

Economic and Business Conditions

General economic and business conditions may affect the Company's activities. Interest rates, the prices of securities and participation by other investors in the financial markets may affect the value of instruments purchased by the Company. Unexpected volatility or liquidity in the markets in which the Company directly or indirectly holds positions, or volatility in interest rates in general, could impair the Company's ability to carry out its business and could cause it to incur losses.

Concentration of Investments

From time to time a significant portion of the Company's capital may be concentrated in a particular security, industry, market or country. Should such security, industry, market or country become subject to adverse financial

conditions, the Company's capital shall not be afforded the protection otherwise available through greater diversification of its investments.

Distributions

The Company is not required to distribute cash or other property to the Shareholders.

Possible Effect of Redemptions

Shareholders may redeem their Shares in accordance with the Bye-Laws of the Company. Substantial redemptions could require the Company to liquidate investments more rapidly than otherwise desirable in order to raise the necessary cash to fund the redemptions and to achieve a market position appropriately reflecting a smaller equity base. In the case that this could adversely affect the value of the Shares, the Directors of the Company can require an in-kind in securities; thereby delivering a prorated quantity of all investments held in the Company in lieu of cash.

An affiliate of the Investment Advisor may from time to time own a substantial portion of the issued Shares of the Company. If the affiliate were to cause its Shares in the Company to be redeemed, either voluntarily or through the actions of a secured creditor of the affiliate, it may request an in-kind redemption.

Cross Class Liability

The Company may have several classes of Shares. Each separate class of Shares will be maintained as a Class Fund with separate accounting records. However, each Class Fund is not a separate legal entity. Thus all of the assets of the Company may be available to meet all of the liabilities of the Company, regardless of the separate Class Fund to which such assets or liabilities are attributable. In practice, cross class liability will usually only arise where any Class Fund becomes insolvent or exhausts its assets and is unable to meet all of its liabilities. In this case, all of the assets of the Company attributable to the other Class Funds may be applied to cover the liabilities of the insolvent Class Fund.

Risks Associated With the Company

As the Company was re-launched on February 2, 2012, there the operating history for its current operations is relatively short, and there can be no guarantee that the Company's strategies, goals and objectives will be met. The Company's ability to implement its strategy and to achieve its desired returns may be limited by its ability to identify and to acquire suitable investments opportunities. Shareholders do not have any right or power to participate in the day-to-day management of the Company or in the Company's investment decisions. The Company is dependent on the skills and experience of the Directors, and the advice given by its advisers and may be adversely affected if their services or the respective services of any of their key personnel cease to be available to the Company. The continuing and future success of the Company's advisers may depend on the continued services of its principals. The loss of their services may adversely affect advisers' business and the financial condition, operating performance and prospects of the Company.

Risks Associated With the Shares

The price of the Shares and the income from them can go down as well as up. The valuation of the Shares may fluctuate due to a number of factors, including:

- Changes in the values of the Company's investments and other assets; and
- Variations in investment income from the Company's investments.

Any change in the Company's tax status or in taxation legislation in Bermuda could also affect the value of the Shares or affect the Company's ability to achieve its objectives, and to pay dividends.

An investment in the Shares should generally be viewed as a medium to long term investment as there is not expected to be a liquid market for the Shares.

Application has been made for up to 100,000,000 Shares to be listed on the BSX by way of placement. In the event that the Shares ceased to be listed on the BSX then certain investors may have to sell their Shares for legal or regulatory reasons and may only be able to do so at a substantial loss.

Finance and Borrowing Risk

The Company may use borrowing for the purpose of making investments. The use of borrowing will increase the Company's exposure to capital risk and interest costs. Amounts owing under any borrowing may rank ahead of shareholder entitlements.

Currency and Exchange Rate Risks

To the extent that the Company may invest in securities with a different currency to Bermuda dollars, and to the extent that such investments are un-hedged, the value of the assets of the Company will fluctuate with exchange rates.

Need for Independent Advice

The Company has consulted with counsel, accountants and other experts regarding this offering. Each prospective Investor should consult his own legal, tax and financial advisers regarding the desirability of an investment in the Company.

Litigation and Claims

The Company and the Investment Advisors, as independent legal entities, may be subject to lawsuits or proceedings by government entities or private parties. Except in the event of a lawsuit or proceeding arising from a Director's or the Investment Advisors' gross negligence, willful default, or fraud in the performance of its duties, expenses or liabilities of the Company arising from any suit shall be borne by the Company. As of the date of this Prospectus, there is no litigation or claims of material importance pending or threatened against any member of the group.

Conflicts of Interest

The Company and the Investment Advisor are subject to various conflicts of interest as set forth in the section of this Prospectus entitled "**POTENTIAL CONFLICTS OF INTEREST**".

Reliance on Certain Information

The Investment Advisors may elect to invest in securities on the basis of information and data filed by the issuers of such securities with the relevant regulators or securities exchanges or made directly available to the Investment Advisors by the issuers of the securities and other instruments or through sources other than the issuers. Although the Investment Advisors evaluate all such information and data and seeks independent corroboration when it considers it appropriate and when it is reasonably available, the Investment Advisors are not in a position to confirm the completeness, genuineness or accuracy of such information and data.

Exchange Rules

Each securities exchange typically has the right to suspend or limit trading in all securities that it lists. Such a suspension would render it impossible for the Company to liquidate positions and, accordingly, could expose the Company to losses. Similarly, the Directors have the right to suspend or limit redemptions when, in their opinion, the Company's net assets are not sufficiently liquid to fund redemptions. The Directors do not anticipate that an active secondary market will develop.

Forced Liquidation

Substantial redemptions by Shareholders within a short period of time could require the Investment Advisors to liquidate positions more rapidly than would otherwise be desirable, which could adversely affect the value of the Company's capital. The resulting reduction in the Company's capital could make it more difficult to generate a

positive rate of return or to recoup losses due to a reduced equity base. Additionally, such substantial redemptions may increase the share of the Company's fees and expenses payable by the remaining Shareholders.

Governmental and Regulatory Factors

The Company is incorporated in Bermuda and is listing by way of placement up to 100,000,000 of the Shares on the Bermuda Stock Exchange, and it cannot provide any assurance that future development in the Bermuda economy in which it operates, and over which the Company has no control, may not adversely affect the Company's operations. The Company must comply with various legal requirements, including requirements imposed by the securities laws, tax laws and pension laws in various jurisdictions. Should any of those laws change over the scheduled term of the Company, the legal requirements to which the Company and the Shareholders may be subject could differ materially from current requirements.

Tax Risks

The duration of the assurance granted to the Company under the Exempted Undertakings Tax Protection Act, 1966 is limited and expires on March 31, 2035. Tax policy and legislation in Bermuda could change in the future (as is the case in other jurisdictions) and as such we cannot give any guarantee as to whether the current tax treatment afforded to the Company would continue after March 31, 2035.

Compliance, Anti-Money Laundering and Anti-Terrorist Financing

The Company must comply with various legal requirements in connection with anti-money laundering and anti-terrorist financing, including requirements imposed by the securities laws, tax laws and pension laws in various jurisdictions. Should any of those laws change over the scheduled term of the Company, the legal requirements to which the Company and the Shareholders may be subject could differ materially from current requirements.

THE FOREGOING LIST OF RISK FACTORS DOES NOT PURPORT TO BE COMPLETE OR FULLY EXPLAIN THE RISKS INVOLVED IN AN INVESTMENT IN THE COMPANY.

INVESTMENT ADVISORS

P.R.P. Performa Ltd. ("**PRP**"), licensed to conduct investment business by the Authority as of this date hereof, was established on November 26, 1992. Performa Limited (US), LLC ("**PUSA**"), a registered investment advisor with the United States Securities and Exchange Commission (the "**SEC**"), was established on April 7, 2010 as Ansonborough Capital Management, LLC and changed its name on July 1, 2012. Registration and licensing with the SEC and the Authority does not confer those entities' approval of the Investment Advisors or the Company.

The Investment Advisors, as affiliates, provide portfolio management services for captive insurance and reinsurance companies. PRP, as a Bermuda domiciled investment management firm, provides its services to those clients domiciled offshore. PUSA focuses on those clients within the United States. The Investment Advisors and their subsidiaries manage core fixed income, core equity and other investment strategies internally and work with sub advisors to manage other sectors and strategies for their clients' portfolio exposures. Hugh Barit, David Kilborn and Gary M. LeBlanc are Directors of both the Company and PRP. David Kilborn is also the Managing Member and Chair of the Board of Managers of PUSA. Winston Robinson is an independent Director of both the Company and PRP.

The Investment Advisors have entered into separate investment management agreements with the Company whereby they provide certain management and investment advisory services to the Company (the "**Investment Management Agreements**"). The Investment Management Agreements may be terminated forthwith by either party in writing. The fees in respect of any part of the un-expired three-month period will be charged pro rata.

The Company will pay the Investment Advisors an investment advisory fee payable in arrears on the last business day of each calendar month. The details of the investment advisory fees payable in respect of each class of Shares are set out in the relevant Supplement.

The Investment Advisors have not been convicted of any regulatory, civil or criminal offences nor have been the subject of any regulatory disciplinary actions over the past five years.

SUB-INVESTMENT ADVISORS

Seix Investment Advisors LLC is a fixed income investment management firm with over \$28 billion in assets under management as of December 31, 2015. With over \$14 billion in high yield mandates, Seix has shown a consistently high-level performance over the course of over 15 years of investing in the asset class. The hallmark of Seix' success is a bottom-up, fundamental, credit driven investment process conducted by a team of seasoned professionals, implemented with sensitivity to risk, return and avoiding impairments. Seix provides the Company with bottom-up, fundamental credit research, security selection, trading and portfolio management direction as a sub-investment advisor.

DIRECTORS

The following are the Directors of the Company:

Hugh Barit

In December 1992 Mr. Barit formed the Investment Advisor in Bermuda and is currently Chairman and Chief Executive Officer. Mr. Barit graduated from Hobart College, Geneva, New York with a Bachelor of Arts degree in Economics. On January 1, 1984 he joined IBM as a Marketing Representative, responsible for marketing the company's products to multi-national insurance companies. He joined Performa Securities Limited, an investment management firm located in Bermuda, in June 1988 as Marketing Director, responsible for the management of the company's captive insurance clients.

David T. Kilborn, CFA[®]

Mr. Kilborn has been the Chief Investment Officer of the Investment Advisor since he joined the Investment Advisor in August 2011 and is responsible for the company's overall investment policy. Prior to joining the Investment Advisor, Mr. Kilborn served as Chief Investment Officer of Dwight Asset Management where he was responsible for over \$75 billion in fixed income client assets. As Chair of Dwight's Fixed Income Strategy Group, he led the decision making process for macro sector allocation and strategy duration. He also held previous positions with Manufacturers Hanover Trust in New York City in the Emerging Markets Group and traded emerging market and non-dollar securities at several other institutions. Mr. Kilborn graduated from Trinity College, Hartford, CT with a Bachelor's degree in Economics and holds the Chartered Financial Analyst (CFA[®]) designation from the CFA Institute.

Gary M. LeBlanc, CPA

Mr. LeBlanc joined the Investment Advisor as the Chief Compliance Officer in April 2002 and is now the current Chief Operating Officer. Mr. LeBlanc graduated from Pepperdine University with a Bachelor of Science in Accounting. In September 1997 he joined Deloitte & Touche LLP as an audit senior in the Business Advisory & Assurance Services group, specializing in audits of financial service companies. In November 2000, he joined Deloitte & Touche Tohmatsu International, located in Bermuda, specializing in audits of investment companies, off-shore hedge funds and captive insurance management.

Winston C. Robinson

Mr. Robinson, the Company's independent Director, was the Chief Financial Officer of the Investment Advisor until his retirement in 2015. Mr. Robinson graduated from North Carolina Central University, Durham North Carolina with a Bachelor of Business degree in Accounting and is a Certified Public Accountant. Previously, Mr. Robinson was the Managing Director for Appleby Corporate Services (Bermuda) Ltd. He has extensive financial, captive insurance management, accounting and telecommunications experience having worked at Price Waterhouse, Hanna Insurance Management and The Bermuda Telephone Company Limited.

The Directors have agreed to serve for no remuneration. The Directors may be paid, inter-alia, for traveling, hotel and other expenses properly incurred by them in attending meetings of the Directors or in connection with the business of the Company. Any Director who devotes special attention to the business of the Company may be paid remuneration as the Directors may determine. There are no provisions in the Bye-Laws of the Company requiring a Director to retire by reason of any age limit or share qualification for Directors.

POTENTIAL CONFLICTS OF INTEREST

The Investment Advisors and Sub-Investment Advisors may act as manager or advisor to other mutual funds or clients and may also invest for its own accounts. As such, the Investment Advisor and Sub-Investment Advisors on behalf of its other clients could compete for the same trades or investments as the Company may otherwise make. When such an occasion arises, investment opportunities are allocated based on what the Investment Advisor and Sub-Investment Advisors deems to be equitable. However, in some cases these allocation procedures may adversely affect the price paid or received by the Company or the size of the position obtained or disposed of by the Company.

Directors of the Company may also be directors of the Investment Advisor and Sub-Investment Advisors, the Company's legal advisors, or directors of companies in which the Company's assets are or may be invested. As such, the Directors may have a conflict between their obligation to act in the best interests of the Company and their interest in generating revenues or other benefits for other entities with persons with which they are affiliated.

A Director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of Director, or may act in a professional capacity to the Company on such terms as the Directors may determine. No Director shall be disqualified by his office from contracting with the Company in any capacity, nor shall any such contract or arrangement entered into by the Company in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realized by any such contract or arrangement by reason of such Director holding that office if he shall declare the nature of his interest.

A Director, notwithstanding his interest, may be counted in the quorum present at any meeting at which he or any other Director is appointed to hold any such office or place of profit under the Company or at which the terms of any such appointment are arranged, and he may vote on any such appointment or arrangement other than his own appointment or the arrangement of terms thereof.

The Directors may from time to time purchase shares in Funds offered by the Company. Some of the Directors of the Company are also directors of the Investment Advisor, Sub-Investment Advisors and therefore have a material interest in the Investment Management Agreement, any sub-advisory agreement and/or the Administration Agreement respectively. There are no existing or proposed service contracts between any of the Directors and the Company.

In the event a conflict of interest arises, the Directors will endeavor to ensure that the conflict is resolved fairly.

INDEMNITIES

The Bye-Laws of the Company provide that any Director or Officer of the Company shall be indemnified and held harmless out of the assets of the Company against all liabilities, loss, damage or expense (including but not limited to liabilities under contract, tort and statute or an applicable foreign law or regulation and all reasonable legal and other costs and expenses properly payable) incurred or suffered by him by or by reason of any act done, conceived in or omitted in the conduct of the Company's business or in the discharge of his duties and the indemnity contained in the Bye-Laws shall extend to any Director or Officer acting in any office or trust in the reasonable belief that he has been appointed or elected to such office or trust notwithstanding any defect in such appointment or election provided always that the indemnity contained in the Bye-Law shall not extend through his own fraud or dishonesty.

The Bye-Laws of the Company further provide that each Director or Officer of the Company shall be indemnified by the Company against, and it shall be the duty of the Directors out of the funds of the Company to pay, all costs, losses, and expenses which any Director or Officer may incur or become liable for by reason of any contract entered into, or act or thing done by him as such Director or Officer, or in any way in the discharge of his duties in which

judgment is given in his favor, or in which he is acquitted, or in connection with an application under the Companies Act in which relief from liability is granted to him by the court. If a Director or Officer is entitled to claim an indemnity pursuant to the Bye-Laws in respect of amounts paid or discharged by him, the relevant indemnity shall take effect as an obligation of the Company to reimburse the person making such payment or affecting such discharge.

Expenses incurred in defending any civil or criminal action or proceeding for which indemnification is required pursuant to the Bye-Laws shall be paid by the Company in advance of the final disposition of such action or proceeding upon receipt of an undertaking by or on behalf of the Director or Officer to repay such amount if any allegation of fraud or dishonesty is proved against the Director or Officer.

The Company has agreed to indemnify each of the Investment Advisor and Sub-Investment Advisors, the Administrator and the Custodian from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever (other than those resulting from the fraud, willful misconduct or gross negligence on the part of the Investment Advisor, Sub-Investment Advisors, Administrator, Custodian, or any agent appointed by them) which may be imposed on, incurred by or asserted against the Investment and Sub-Investment Advisors, Administrator or Custodian, or the case may be, in performing their respective obligations or duties under the Investment Management Agreement, Master Fund Administration and Transfer Agency Services Agreement or Custodian Agreement.

OFFERING OF SHARES

The Shares of the Company will be available for subscription pursuant to this Prospectus and any Supplement on any Dealing Day and at such other times as the Directors may allow from time to time. The price at which the Shares are issued is based upon the Net Asset Value per Share generally as of the close of business on the preceding Business Day. The subscription price is payable in full on application.

PROCEDURE FOR PURCHASING SHARES

Applications for Shares may be made on any Dealing Day (as defined in the Supplement), or if such a day is not a Business Day then the preceding Business Day. A Business Day is a day when the banks in Bermuda or New York are open for business and/or such other day as the Directors may from time to time determine.

Shares may be subscribed for at a price denominated in US dollars and calculated by reference to the Net Asset Value per Share on the Valuation Day immediately preceding the relevant Dealing Day. The Share price is available from the Administrator on request. A Valuation Day is generally each Business Day or at such other times as the Directors of the Company may allow from time to time.

Application should be made by completing and signing the Application Form. The Application Form should be sent to the Company c/o the Administrator's office in Bermuda by fax with the original to follow. Subscription monies should be sent by wire transfer to the Company's bank account at Comerica (please see the Application Form for details). In order for a subscription to be valid, the following must occur:

- Applications for the issue of Shares of a particular Class Fund must be received by the Administrator by 5:00 p.m. (Atlantic Standard Time) on the particular Valuation Day.
- The bank must confirm receipt of subscription monies by 5:00 p.m. (Atlantic Standard Time) on the particular Valuation Day. In the event that the subscription is part of an Investment Advisor approved reallocation scheme, subscription monies may be received in a timely manner subsequent to the deadline stated above.

If either of the above conditions is not met, the subscription will move to the next Valuation Day.

When first applying for Shares, applicants must purchase a minimum of U.S. \$100,000 worth of Shares, unless waived by the Directors of the Company. Applicants subscribing for Shares in the Company are advised that the Shares are issued subject to the provisions of the Company's Memorandum of Association, Bye-Laws, this

Prospectus and any relevant Supplement. Please contact the Administrator or the Investment Advisor for the most current Application Form.

REDEMPTION OF SHARES

Generally, Shares may be redeemed on any Dealing Day if received by 5:00 p.m. (Atlantic Standard Time) on the preceding Business Day (subject to the Directors waiving such notice), or at such other times as the Directors may determine. Shares will be redeemed at a price per Share equal to the Net Asset Value per Share of the relevant class as at the close of business in Bermuda on the Business Day preceding the Dealing Day on which the redemption is affected. Payment of the redemption price will normally be made by telegraphic transfer, sent at the risk of the Shareholder, to the Shareholder's designated bank account within three (3) Business Days following the redemption of the Shares.

If a partial redemption would result in the Shareholder holding a number of Shares having an aggregate Net Asset Value of U.S. \$100,000 or less, then the Company has the right to refuse to honor such request for partial redemption.

Shares will be maintained in book stock form unless a certificate is requested by the Shareholder. Shareholders holding share certificates wishing to redeem their Shares must complete the form on the reverse of the share certificate and send the same to the Administrator. Redemption instructions not received by 5:00 p.m. (Atlantic Standard Time) on the Business Days prior to the relevant Dealing Day set for redemption shall be treated as a request for redemption on the next day available for redemptions. The Investment Advisor may elect to purchase Shares offered for redemption at a price equal to the redemption price rather than requiring the Company to redeem them. The Company may satisfy any request for redemption of Shares by the transfer to the redeeming Shareholder of assets of the Company. Once submitted, a redemption request is irrevocable unless otherwise agreed by the Directors.

Under certain circumstances stated herein, an in-kind redemption may be the fairest way of handling the needs of the redeeming party without impairing the value of the remaining Shareholders. An in-kind redemption will result in the delivery of a prorated amount of each investment in the Company in lieu of cash. The prorating process will preserve the minimum trading quantities of the individual investments.

CONVERSION OF SHARES

Subject to the provisions of the Bye-Laws, the Company will, on receipt by it of a written request for conversion, convert all or a portion of the existing Shares held by a Shareholder into Shares of a different class.

The conversion of Shares will be made on the next Dealing Day falling five (5) Business Days after receipt of such written conversion request and for such purposes any written conversion request received after 5:00 p.m. (Atlantic Standard Time) on a day will be treated as having been received on the next Business Day. Where a certificate has been issued in respect of the Shares to be converted, the Shareholder must lodge with the Company such certificate prior to conversion.

TRANSFER OF SHARES

Shareholders are entitled to freely transfer their Shares (subject to the following restrictions) by an instrument in writing in the usual and common form. A Shareholder is not entitled to transfer Shares if as a result of such transfer either he or the person to whom the Shares are to be transferred will hold Shares having a Net Asset Value of less than US\$100,000, unless waived by the Company. Shareholders are not authorized to transfer Shares to any person who would not be entitled to subscribe for Shares (see "**Offering of Shares**" and "**Compulsory Redemptions**").

The transfer of Shares will be made on any Business Day provided a written transfer request shall have been received by the Administrator by 5:00 p.m. (Atlantic Standard Time) and for such purposes any written transfer request received after 5:00 p.m. (Atlantic Standard Time) on a day will be treated as having been received on the next Business Day. Where a certificate has been issued in respect of the Shares to be transferred, the Shareholder must lodge with the Company such certificate prior to transfer.

DETERMINATION OF NET ASSET VALUE

The Bye-Laws provide that the subscription price and redemption price of each Share will be determined by reference to the Net Asset Value per Share of that particular class. The Bye-Laws of the Company provide that the Net Asset Value per Share of each class will be determined as at the close of business in Bermuda on each Business Day preceding a Dealing Day and/or such other Business Day as the Directors may from time to time designate (the “**Valuation Day**”) and will be calculated by reference to the value of the net assets of the relevant Class Fund.

The value of the net assets of each Class Fund will be determined in accordance with, inter-alia, the following provisions:

- a) all calculations of the value of investments quoted, listed, traded or dealt in on any exchange shall be made by reference to the last quoted price (or, in the absence of any trades, at the mean between the last offer price and the last bid price) on the principal exchange for such investments as at the close of business on the day for which such calculation is to be made; all calculations of all other securities shall be made by reference to the mean between the last offer and the last bid prices quoted on the principal exchange of the security, provided always that:
 - i. if the Directors at their discretion consider that the prices ruling on an exchange other than the principal exchange provide in all the circumstances a fairer criterion of value in relation to any such investment, they may adopt such prices; and
 - ii. the Directors may, at their absolute discretion, permit some other method of valuation to be used if they consider that such valuation better reflects the value;
- b) if a Class Fund invests in a collective investment vehicle the value of such investment shall be determined by reference to the most recent reported valuation of the collective investment vehicle by its administrator or investment manager as the case may be;
- c) if no price quotations are available as above provided, the value of an asset shall be determined from time to time in such manner as the Directors shall determine; and
- d) any value (whether of a security or cash) otherwise than in US dollars shall be converted into US dollars at the rate (whether official or otherwise) which the Directors shall in their absolute discretion deem appropriate to the circumstances having regard, inter alia, to any premium or discount which they consider may be relevant and to costs of exchange.

The Bye-Laws of the Company provide that any written statement as to the Net Asset Value per Share of any class and/or the subscription price and/or redemption price per Share of any class given in good faith by or on behalf of the Directors is binding on all parties.

COMPULSORY REDEMPTIONS

The Directors of the Company may compel a Shareholder to redeem some or all of its Shares for any purpose, including for the purpose of ensuring that no Shares are acquired or held by any US Person or by any person in breach of the law or requirements of any country or governmental authority, or any person or persons in circumstances (whether directly or indirectly affecting such person or persons and whether taken alone or in conjunction with any other persons, connected or not (each, a “**Non-qualified Person**”), or any other circumstances appearing to the Directors to be relevant) which in the opinion of the Directors might result in the Company incurring any liability to taxation or suffering any other pecuniary disadvantage which the Company might not otherwise have incurred or suffered.

If it comes to the notice of the Directors that any Shares are held by any such Non-qualified Person, the Directors may give notice to such person requiring the redemption or transfer of such Shares in accordance with the provisions of the Bye-Laws of the Company. If a person becomes aware that he is holding or owning Shares in breach of any such restriction he is required either to deliver to the Company a written request for redemption of the Shares or to transfer the same to a person who is not such a Non-qualified Person.

Pursuant to the Bye-Laws of the Company, whenever the capital of the Company is divided into different classes, the Directors of the

Company have the power to redeem on not less than thirty (30) days' notice all but not less than all of the Shares of any Class in issue.

BORROWING RESTRICTIONS

The Directors may exercise the Company's powers to borrow and to charge its assets, but they are required to restrict the borrowing of the Company so as to secure that the aggregate amount for the time being remaining undischarged of all monies borrowed by the

Company does not exceed an amount equal to five percent (5%) of the net assets of each Fund. The Directors do not anticipate the Company engaging in significant borrowing.

INVESTMENT RESTRICTIONS

In carrying out its obligations under this Prospectus, the Investment Advisor shall have regard to and comply with both the investment guidelines contained in the relevant Supplement, as such may be amended from time to time, and the terms of the Investment Management Agreement.

THE SHARES

Shares

The capital of the Company is divided into U.S. \$10,001 divided into 100,000,000 non-voting, redeemable, participating accumulation shares of par value U.S. \$0.0001 each (the "**Common Shares**" or the "**Shares**") and 100 ordinary, voting, non-participating, non-redeemable shares of par value U.S. \$0.01 each (the "**Founder Shares**") which shall be divided in such number of classes as the Directors may determine (each a "**Class Fund**").

(a) The holders of the Founder Shares shall:

- i) be entitled to receive notice of and attend and vote at general meetings of the Company and one vote per Founder Share;
- ii) not be entitled to any dividends or other distribution;
- iii) in the event of a winding up or dissolution of the Company, whether voluntary or involuntary or for the reorganization or otherwise or upon distribution of capital, be entitled to the amount of capital paid up on their Founder Shares after the payment in full of the capital paid up on the Shares to the holders thereof but to no other or further amount;
- iv) not be entitled to redemption or repurchase of such Founder Shares, whether at the option of the Company or the holder.

(b) The holders of the Shares shall:

- i) save to the extent provided by the Companies Act and the Bye-Laws, not be entitled to receive notice of, nor to attend or vote at general meetings of the Company;
- ii) shall be entitled to any dividends as the Directors may declare (at this time, the Directors do not anticipate declaring dividends);
- iii) in the event of a winding up or dissolution of the Company, whether voluntary or involuntary or for the reorganization or otherwise or upon any distribution of capital, be entitled to the amount of capital paid up on their Shares in priority to the holder of the Founder Shares after the payment in full of the capital paid up on the Shares to the holders thereof to share pro rata in the surplus assets of the relevant Fund

- iv) be entitled and subject to redemption or repurchase of such Shares as provided in the Bye-Laws.

Share Certificates

Shares will be issued in book stock form, unless share certificates are specifically requested. If specifically requested, share certificates will be in registered form and will be dispatched by the Company as soon as practicable after the Shares have been issued.

Share certificates are only issued in the names of companies, partnerships or individuals. In the case of a shareholder acting in a special capacity (such as a trustee), certificates may, at the request of a shareholder, record the capacity in which the shareholder is acting. Shares purchased for those less than 21 years of age must be registered in the name of the parent or guardian, but may be designated with the minor's initials for the purposes of identification. The Company will take no cognizance of any trust applicable to the Shares represented by such certificates.

Variation of Class Rights

Any rights attached to a class of Shares of the Company may be varied (unless otherwise provided by the terms of issue of the Shares of that class) with the sanction of a resolution passed by a majority of three-fourths of the holders of such Shares at a separate general meeting. The rights attached to any class of Shares (unless otherwise expressly provided by the conditions of issue of such Shares) are deemed not to be varied by the creation, allotment or issue of Shares ranking *pari passu* therewith.

SUSPENSION OF DEALINGS

The Directors may suspend the determination of the Net Asset Value per Share of any class for the whole or any part of a period:

- (a) during which any exchange or over-the-counter market on which any significant portion of the investments of a Class Fund are listed, quoted, traded or dealt in is closed (other than customary weekend and holiday closing) or trading on any such exchange or market is restricted or suspended;
- (b) when circumstances exist as a result of which in the opinion of the Investment Advisor it is not reasonably practicable for the Company to dispose of investments comprised in a Class Fund or as a result of which any such disposal would be materially prejudicial to shareholders;
- (c) when a breakdown occurs in any of the means normally employed in ascertaining the value of investments or when for any other reason the value of any of the investments or other assets of a Class Fund cannot reasonably or fairly be ascertained; or
- (d) during which the Company is unable to repatriate funds required for the purpose of making payments due on redemption of the Shares of the relevant class or during which any transfer of funds involved in the realization or acquisition of investments or payments due on redemptions of the Shares of the relevant class cannot in the opinion of the Investment Advisor be effected at normal rates of exchange.

When the determination of the Net Asset Value of the Shares of any class has been suspended, Shares of that class may not be issued, converted or redeemed, except for an in-kind redemption as described in the Redemption of Shares section above.

CUSTODIANS, BANKS & FUTURES BROKER/COLLETERAL CUSTODIAN

Comerica Bank (“**Comerica**”) provides banking and main securities custodial services to the Company. Comerica is a commercial bank that has been serving customer financial needs since 1849. It provides a variety of services to retail and corporate customers including consumer loans and deposits, trust, commercial lending, cash management, and automobile and equipment leasing. Headquartered in Texas with assets over \$60 billion,

Comerica is one of the 25 largest commercial banks in the United States. Comerica also has offices in Arizona, California, Florida and Michigan.

Comerica is firmly committed to the custody business. It has over 90 years' experience in the securities business and is a direct participant of the Depository Trust Corporation (DTC) and the Federal Reserve Book Entry System. Comerica maintains a correspondent relationship to hold securities in New York. Comerica also provides global custody services through another correspondent relationship. Through this relationship, Comerica offers global custody service around the world through sub-custodian banks and such international organizations as Euroclear, Cedel and The First Chicago Clearing Corporation. The commitment to this business is also reflected in the quality of the bank's staff and systems. The custody officers who handle a client's daily transaction processing have an average of 10 years' experience in the business. Moreover, the bank's new state-of-the-art trust custody system provides timely and accurate information on the status of a client's portfolio.

Interactive Brokers, LLC (“**IB**”) provides futures hedging account trading facilitation and segregated regulatory collateral margin custodial services to the Company. Interactive Brokers Group, Inc. (“**Interactive Brokers**”) was founded by its Chairman and CEO Thomas Peterffy in 1977. It has grown internally to become one of the premier securities firms with over \$5 billion in equity capital.

Interactive Brokers conducts its broker/dealer and proprietary trading businesses on over 100 market destinations worldwide through its broker dealer agency business, IB. IB provides direct access ("on line") trade execution and clearing services to institutional and professional traders for a wide variety of electronically traded products including stocks, options, futures, forex, bonds, CFDs and funds worldwide. Interactive Brokers Group and its affiliates execute nearly 1,000,000 trades per day. interactive Brokers is headquartered in Greenwich, Connecticut and has approximately 960 employees in its offices in the USA, Switzerland, Canada, Hong Kong, UK, Australia, Hungary, Russia, Japan, India, China and Estonia. IB is regulated by the SEC, FINRA, NYSE, FCA and other regulatory agencies around the world.

ADMINISTRATOR

STP Investment Services LLC (the “**Administrator**” or “**STP**”) has been appointed as administrator of the Company in accordance with the terms of a master fund administration and transfer agency services agreement (the “**Master Fund Administration and Transfer Agency Services Agreement**”). The Administrator shall perform all general administrative tasks for the Company, including the preparation of valuations, keeping of financial records, acting as registrar and transfer agent and providing company secretarial functions.

Under the Master Fund Administration and Transfer Agency Services Agreement, the Company will indemnify the Administrator and to the fullest extent permitted by law against any and all judgments, fines, amounts paid in settlement and reasonable expenses, including legal fees and disbursements, incurred by the Administrator, except where such actions suits or proceedings are the result of fraud, willful misconduct or gross negligence of the Administrator.

STP is a financial and technology service provider specializing in operational, technical, and consulting services for investment managers. By embracing "straight through processing", STP allows investment managers to get back to their core competencies. Our cost effective operations outsourcing and administration service is customized to each clients' unique requirements and is second to none in terms of quality and high touch client service, which is all driven by a client-focused culture and a unique balance of vendor products and proprietary custom built STP applications.

STP core services include (but not limited to) Investment Accounting & Fund Administration, Reconciliation & Trade Settlement, Reporting & Data Management, Compliance & Risk Management, and Consulting services to asset managers.

EXPENSES

Operating Expenses

The Company will pay investment advisory, custodian and administration fees (“**Operating Expenses**”) payable in arrears on the last Business Day of each calendar month or quarter, as applicable. The details of these Operating Expenses in respect of each class of Shares are set out in the relevant attached Supplement.

Other Fees and Expenses

The Company bears all brokers, interest on borrowing and fees in respect thereof, fund registration fee, the fee and expenses of the auditors of and legal advisors to the Company, corporate secretary fees, share registrar and transfer agent fees and the cost of printing and distributing periodic, annual reports and statements.

TAX

The following comments are based on advice received by the Directors regarding current law and practice in Bermuda. Investors should appreciate that their taxation consequences for investors may be otherwise than as stated below. Investors should consult their professional advisors on the possible tax consequences of their subscribing for, purchasing, holding, selling or redeeming Shares under the laws of their countries of citizenship, residence, ordinary residence or domicile.

Bermuda

At the date of this Prospectus, there is no Bermuda income, corporation, or profits tax, withholding tax, capital gains tax, capital transfer tax, estate duty or inheritance tax payable by the Company or its shareholders, other than shareholders ordinarily resident in Bermuda. The Company is not subject to stamp duty on the issue, transfer or redemption of its Shares.

The Company has received from the Minister of Finance of Bermuda, under the Exempted Undertakings Tax Protection Act, 1966 an assurance that, in the event of there being enacted in Bermuda any legislation imposing tax computed on profits or income, or computed on any capital assets, gain or appreciation or any tax in the nature of estate duty or inheritance tax, such tax shall not until March 31, 2035 be applicable to the Company or to any of its operations, or to the shares, debentures or other obligations of the Company except in so far as such tax applies to persons ordinarily resident in Bermuda and holding such shares, debentures or other obligations of the Company or any land leased or let to the Company.

The Company is liable for a de Minimis annual registration fee calculated by reference to the current assessable share capital of the Company, payable to the Government of Bermuda. Furthermore as an authorized investment fund, the Company is liable to pay an additional, de Minimis annual fee under Bermuda’s Investment Funds Act.

Compliance with automatic exchange of information legislation

US Foreign Account Tax Compliance Act. Sections 1471 through 1474 of the US Internal Revenue Code (referred to as FATCA) will impose a withholding tax of 30 per cent on certain US-sourced gross amounts paid to certain “**Foreign Financial Institutions**”, including the Company, unless various information reporting requirements are satisfied. Amounts subject to withholding under these rules generally include gross US-source dividend and interest income, gross proceeds from the sale of property that produces dividend or interest income from sources within the US and certain other payments made by “**Participating Foreign Financial Institutions**” to “recalcitrant account holders” (so called “**foreign pass thru payments**”).

The Bermuda Government has entered into a Model 2 intergovernmental agreement with the United States (the “**US IGA**”) and implemented domestic legislation to facilitate compliance with FATCA. To comply with its obligations under applicable legislation, the Company will be required to report FATCA information to the United States Internal Revenue Service (“**IRS**”). To avoid withholding under FATCA, the Company may request additional information from any Shareholder and its beneficial owners (that may be disclosed to the IRS) to identify whether Shares are held directly or indirectly by “**Specified US Persons**” (as defined in the US IGA). If the Company is not able to comply with reporting requirements under the US IGA (whether due to a failure of one or more Shareholders to provide adequate information or otherwise), the 30 per cent withholding tax under FATCA could apply to the Company.

UK requirements regarding tax reporting. The Bermuda Government has also signed an intergovernmental agreement with the United Kingdom (the “**UK IGA**”) in a broadly similar form to the US IGA. The UK IGA and the Bermuda implementing legislation impose similar requirements to the US IGA, so that the Company will be required to identify Shares held directly or indirectly by “**Specified United Kingdom Persons**” (as defined in the UK IGA) and report information on such Specified United Kingdom Persons directly to HM Revenue & Customs (“**HMRC**”), the United Kingdom tax authority.

OECD Common Reporting Standard requirements regarding tax reporting. The OECD has adopted a “**Common Reporting Standard**” (CRS), which is intended to become an international standard for financial account reporting. The Bermuda Government is a signatory to the multi-lateral competent authority agreement (“**MCAA**”) that will be adopted by all jurisdictions committing to the CRS (each a “**Participating Jurisdiction**”). Participating Jurisdictions that have committed to adopt the CRS and the MCAA will become Reportable Jurisdictions when they implement local legislation and it is expected that the first exchanges of information under this regime will begin in 2017. Under the Bermuda implementing legislation (the “**CRS Legislation**”) the Company will be required to make an annual filing in respect of Shareholders who are resident in a Reportable Jurisdiction or whose “**Controlling Persons**” are resident in a Reportable Jurisdiction and who are not covered by one of the limited exemptions in the CRS Legislation. The MCAA and reporting obligations under the CRS Legislation are very similar to the UK IGA and will eventually replace the UK IGA.

A list of Participating and Reportable Jurisdictions will be published by the Bermuda Ministry of Finance.

Implications for Shareholders. In order to comply with the US IGA, the UK IGA, the MCAA and the relevant domestic legislation (collectively “**AEOI Legislation**”), the Company may be required to disclose certain confidential information provided by Shareholders to the IRS, HMRC or the Ministry of Finance (as the case may be). In addition, the Company may at any time require a Shareholder to provide additional information and/or documentation which the Company may be required to disclose to the IRS, HMRC or the Ministry of Finance.

If a Shareholder does not provide the requested information and/or documentation, whether or not that actually leads to compliance failures by the Company, or a risk of the Company being subject to any withholding tax or other liability or being required to withhold amounts from distributions to be made to any Shareholder, the Company may take any action and/or pursue any remedy at its disposal. Such action or remedy may include the compulsory redemption of some or all of the Shares held by the Shareholder concerned or the conversion of such Shares into Shares of another Class.

To the extent the Company incurs any costs or suffers any withholding as a result of a Shareholder’s failure, or is required by law to apply a withholding against the Shareholder, it may set off such amount against any payment otherwise due from the Company to the Shareholder or may allocate such amount to the Shares held by such Shareholder. No Shareholder affected by any such action or remedy shall have any claim against the Company for any form of damages or liability as a result of actions taken or remedies pursued by or on behalf of the Company in order to comply with the AEOI Legislation.

Shareholders are encouraged to consult their own advisors regarding the possible application of the AEOI Legislation and the potential impact of the same, on any their investment in the Company.

FINANCIAL REPORT

The Directors of the Company confirm that as of the date of this Prospectus, the Company has commenced business; dividends have not been declared as outlined in the financial statements for the year ending on the date specified in the Supplement of each Class- Fund for laying before a general meeting of the Company.

MATERIAL CONTRACTS

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

- (a) the Investment Advisory Agreement between the Company and the Investment Advisors dated June 2016 pursuant to which the Investment Advisors have been appointed to provide investment advice to the Company;
- (b) the Custodian Agreement between the Company and the Custodian dated January 2012 pursuant to which the Custodian has been appointed custodian of the assets of the Company; and
- (c) the Master Fund Administration and Transfer Agency Services Agreement between the Company, the Administrator dated March 2016 pursuant to which the Administrator has been appointed administrator (including providing secretarial and registrar services) of the Company.

MISCELLANEOUS

Dividends

Since the investment objective relating to the Shares is capital appreciation, it is expected that the Company will not distribute cash dividends in relation to the Shares. Dividends may be declared by the Board of Directors of the Company within the limits provided by law and the Bye-Laws and will, if so declared, be paid out of the net investment income and, when appropriate, net realized capital gains of the appropriate Fund. Any dividends so declared which remains unclaimed after six years from the date of declaration will lapse and revert to the Company

Bermuda Disclosure

The Company has been classified as non-resident of Bermuda for exchange control purposes by the Authority whose permission for the issue of Shares has been obtained. The issue, redemption and transfer of Shares to, by and between persons regarded as non-resident in Bermuda for exchange control purposes may be effected without specific consent under the Exchange Control Act 1972 of Bermuda and regulations made thereunder. Issues and transfers involving any person regarded as resident in Bermuda for exchange control purposes require specific prior authorization under the Exchange Control Act 1972. The Company, by virtue of being non-resident of Bermuda for exchange control purposes, is free to acquire, hold and sell any foreign currency and securities without restriction.

The minimum amount which in the opinion of the Directors must be raised by the initial offer of Shares in order to provide for the matters referred to in section 28 of the Companies Act, 1981 of Bermuda is nil.

Anti-Money Laundering, Countering Terrorist Financing Measures & “Customer Due Diligence” Documentation Provisions

As part of the Directors’, Investment Advisor’s, Administrator’s and the Company’s responsibility for protection against money laundering and/or anti-terrorist financing, “**Customer Due Diligence**” documentation is required for all potential applicants. Please contact the Administrator or Investment Advisor for a list of these requirements.

True copies of the original documents required under the application rules and regulations must be certified by the applicant’s Company Secretary or acceptable equivalent applicant.

The Company, the Directors, the Investment Advisors and the Administrator intend to comply with all applicable anti-money laundering and/or anti-terrorist financing regulations. The Company may be required to obtain certain assurances as may be necessary or advisable from Shareholders subscribing for Shares, disclose information pertaining to the Company’s Shareholders to governmental, regulatory or other authorities or financial intermediaries, engage in due diligence or take other related actions in the future. Each Shareholder may be required to provide such information as may be necessary or advisable for the Company, in the judgment of the Investment Advisor and/or Administrator, to comply with applicable anti-money laundering and/or anti-terrorist financing requirements. By executing the Company’s subscription materials, each Shareholder consents, and by owning Shares of the Company is deemed to have consented, to disclosure by the Company and its agents to relevant third parties of information as may be necessary or advisable in order for the Company to comply with applicable anti-money laundering and/or anti-terrorist financing requirements.

The Investment Advisors and/or Administrator reserves the right to request such information as it deems necessary or appropriate to verify the identity of a Shareholder or otherwise comply with anti-money laundering, anti-terrorist financing or similar regulations. In the event of delay or failure by an investor to produce any such information, the Investment Advisor and/or Administrator may not accept the investor's subscription materials and capital contributions relating thereto or may refuse to process a redemption request until proper information has been provided. In addition, the Company may require a Shareholder to redeem from the Company if the

Shareholder does not honor requests for further information. The Investment Advisor, the Board of Directors, the Company and the Administrator shall be held harmless and indemnified against any loss arising as a result of failure to process a subscription or redemption request if such requested information has not been provided by the Shareholder.

In addition, the Company may, in its sole discretion, undertake appropriate action to ensure compliance with applicable laws or regulations related to anti-money laundering, anti-terrorist financing and similar activities, including but not limited to freezing, segregating or redeeming a Shareholder's Shares in the Company.

If a person who is resident in Bermuda (including the Administrator) has a suspicion that a payment to the Company (by way of subscription or otherwise) contains the proceeds of criminal conduct, that person is required to report such suspicion pursuant to the Bermuda Proceeds of Crime Act, 1997 and Anti-Terrorism (Financial and Other Measures) Act 2004.

CONSTITUTION OF THE COMPANY

The Memorandum of Association and the Bye-Laws of the Company comprise its constitution.

The Memorandum of Association provides in clause six various objects of the Company including the carrying on of the businesses described in this Prospectus.

The Bye-Laws of the Company include provisions to the following effect:

Share Rights

The Company has an authorized share capital U.S. \$10,001.00 divided into 100,000,000 non-voting, redeemable, participating accumulation shares of par value U.S. \$0.0001 each (the "**Common Shares**" or the "**Shares**") and 100 ordinary, voting, non-participating, non-redeemable shares of par value U.S. \$0.01 each (the "**Founder Shares**"). The Board may from time to time at its absolute discretion, create, constitute and issue such further class or classes or series within a class. There are no pre-emption rights with respect to any class of Shares of the Company.

Alteration of Capital

The Company may from time to time by resolution of the holders of Founder Shares:

- a) increase its capital by such sum divided into shares of such amounts as the resolution shall prescribe;
- b) alter the share capital of the Company;
- c) Reduce its share capital to such sum not less than the minimum share capital prescribed by the Memorandum of Association as the resolution shall determine.

Classes of Shares

The Directors are required to establish a Class Fund relating to the assets of each class of and may from time to time establish new classes of Shares issued or allotted. The following provisions shall apply to such Class Funds:

- a) the proceeds from the allotment and issue of each class of Shares shall be applied in the books of the Company to the Class Fund established for that class of Shares, and the assets and liabilities and income and expenditure attributable thereto shall be applied to such Class Fund subject to the provisions of the Bye-Laws;
- b) in the case of a managed fund (i.e. a fund which may invest in or through other funds) the assets comprised within the managed fund may be paid into one or more of the other Class Funds in accordance with determinations made by the Investment Advisor or the portfolio manager of the relevant managed fund or such other person authorized by the Directors from time to time to make such determination and the managed fund shall be credited with such number of “notional shares” issued by the relevant Class Fund as represents the amount of money so transferred. A notional share of a particular Class Fund is deemed to have a net asset value equal to the Net Asset Value of the shares of the relevant Class Fund and is also deemed to be entitled to share pro rata in any dividends declared or surplus assets on a distribution of capital or otherwise of the relevant Class Fund;
- c) where any asset is derived from another asset (whether cash or otherwise), such derivative asset shall be applied in the books of the Company to the same Class Fund as the asset from which it was derived and on each revaluation of an investment the increase or diminution in value shall be applied to the relevant Class Fund;
- d) in the case of any asset of the Company (or amount treated as a notional asset) which the Directors do not consider is attributable to a particular Class Fund or Class Funds, the Directors shall have discretion to determine the basis upon which any such asset shall be allocated between Class Funds and the Directors shall have power at any time and from time to time to vary such basis;
- e) the Directors shall have the discretion to determine the basis upon which any liability which, in the opinion of the Directors, does not relate to any particular Class Fund shall be allocated among Class Funds (including conditions as to subsequent re-allocation thereof if circumstances so permit) and shall have power at any time and from time to time to vary such basis;
- f) the Directors may transfer any assets (or amounts treated as notional assets) to and from Class Funds if, as a result of a creditor proceeding against certain of the assets of the Company or otherwise, a liability would be borne in a different manner from that in which it would have been borne under paragraph (e) above, or in any similar circumstances.

Calculation of Net Asset Value

The Bye-Laws provide that the Net Asset Value per Share of any class will be determined as at the close of business in Bermuda on each Valuation Day and will be calculated by reference to the value of the net assets of the relevant Class Fund. The value of the net assets of a Class Fund will be determined in accordance with the provisions set out under “**Determination of Net Asset Value**”.

Subscription and Redemption Prices

The Bye-Laws provide that the subscription price and redemption price of each Share will be based on the Net Asset Value per Share of the appropriate class. The Bye-Laws provide that any certificate as to the net asset value per Share and/or the subscription price and/or redemption price per Share given in good faith by or on behalf of the Directors is binding on all parties.

Suspension of Valuations and Dealings

The Directors may suspend the determination of the Net Asset Value per Share of any class for the whole or any part of a period during which any exchange or over-the-counter market on which any significant portion of the

investments of a Class Fund are listed, quoted, traded or dealt in is closed (other than customary weekend and holiday closing) or trading on any such exchange or market is restricted; when circumstances exist as a result of which in the opinion of the Investment Advisor it is not reasonably practicable for the Company to dispose of investments comprised in a Class Fund or as a result of which any such disposal would be materially prejudicial to shareholders; when a breakdown occurs in any of the means normally employed in ascertaining the value of investments or when for any other reason the value of any of the investments or other assets of a Class Fund cannot reasonably or fairly be ascertained; or during which the Company is unable to repatriate funds required for the purpose of making payments due on redemption of the Shares of the relevant class or during which any transfer of funds involved in the realization or acquisition of investments or payments due on redemptions of the Shares of the relevant class cannot in the opinion of the Investment Advisor be effected at normal rates of exchange. In the case that this could adversely affect the value of the shares, the Directors of the Company can require an in-kind redemption; thereby delivering a prorated quantity of all investments held in a Class Fund in lieu of cash.

Variation of Class Rights

All or any of the special rights for the time being attached to any class of share for the time being issued (of which there are none at present save as referred to herein) may (unless otherwise provided by the terms of issue of the shares of that class) from time to time be altered or abrogated with the sanction of a resolution passed by a majority of three-fourths (3/4) at a separate general meeting of the holders of such shares on the register at the date on which notice of such separate general meeting was given.

The rights attached to any class of Shares shall (unless otherwise expressly provided by the conditions of issue of such shares) not be deemed to be varied by the creation, allotment or issue of further shares ranking equally therewith.

Voting Rights

Subject to any special terms as to voting upon which any shares may be issued or may for the time being be held, at any general meeting on a show of hands every holder of Founder Shares who (being an individual) is present in person or (being a corporation) is present by duly authorized representative shall have one vote. On a poll every such holder present as aforesaid or by proxy shall have one vote for every share held.

To be passed, resolutions of the Company in general meeting will require a simple majority of the votes cast by the Founder Shareholders voting in person or by proxy at the meeting at which the resolution is proposed.

Subject to the Bye-Laws, a simple majority of the votes cast by Founder Shareholders present in person or by proxy and (being entitled to vote) voting in general meeting is required in order to rescind, alter or amend a Bye-Law or make a new Bye-Law. Further, no Bye-Law shall be rescinded, altered or amended and no new Bye-Law shall be made unless the same shall have been proposed at a meeting of the Directors.

Directors

The remuneration of the Directors shall be determined by the Company by resolution of the holders of Founder Shares. The Directors may also be paid, inter alia, for traveling, hotel and other expenses properly incurred by them in attending meetings of the Directors or in connection with the business of the Company. Any Director who devotes special attention to the business of the Company may be paid such extra remuneration as the Directors may determine.

A Director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of Director, or may act in a professional capacity to the Company on such terms as the Directors may determine. No Director shall be disqualified by his office from contracting with the Company in any capacity, nor shall any such contract or arrangement entered into by the Company in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realized by any such contract or arrangement by reason of such Director holding that office if he shall declare the nature of his interest.

A Director, notwithstanding his interest, may be counted in the quorum present at any meeting at which he or any other Director is appointed to hold any such office or place of profit under the Company or at which the terms of any such appointment are arranged, and he may vote on any such appointment or arrangement other than his own appointment or the arrangement of terms thereof.

There is no provision in the Bye-Laws requiring a Director to retire by reason of any age limit and no share qualification for Directors.

Restrictions on Shareholders

The Directors have power to impose such restrictions as they may think necessary for the purpose of ensuring that no Shares in the Company are acquired or held by any person or persons in circumstances (whether directly or indirectly affecting such person or persons and whether taken alone or in conjunction with any other persons, connected or not, or any other circumstances appearing to the Directors to be relevant) which, in the opinion of the Directors, might result in the Company incurring any liability to taxation or suffering any other pecuniary or commercial disadvantage which the Company might not otherwise have incurred or suffered or a US Person (a “**Non-qualified Person**”).

If it comes to the notice of the Directors that any Shares are so held by any such Non-qualified Person the Directors may give notice to such person requiring the redemption or transfer of such shares in accordance with the provisions of the Bye-Laws. A person who becomes aware that he is holding or owning Shares in breach of any such restriction is required either to deliver to the Company a written request for redemption of his shares in accordance with the Bye-Laws or to transfer the same to a person who would not thereby be a Non-qualified Person.

“**US Person**” means

- a) any natural person resident in the 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 US Person;
- d) any trust of which any trustee is a US Person;
- e) any agency or branch of a foreign entity located in the United States;
- f) any estate or trust other than an estate or trust whose income from sources outside the United State is not includable in gross income from the purposes of computing United States income tax by it;
- g) 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 US Person;
- h) 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; or
- i) any partnership or corporation if (i) organized or incorporated under the laws of any foreign jurisdiction and (ii) formed by a US 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) under the Securities Act) who are not natural persons, estates or trusts.

“**US Person**” *does not* include:

- a) any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-US Person by a dealer or other professional fiduciary organized, incorporated or, if an individual, resident in the United States;
- b) any estate of which any professional fiduciary acting as executor or administrator is a US Person if (i) an executor or administrator of the estate who is not a US Person has sole or shared investment discretion with respect to the assets of the estate and (ii) the estate is governed by foreign law;

- c) any estate or trust whose income is from sources outside the United States is not includable in gross income for the purpose of computing U.S. income payable by it;
- d) any trust of which any professional fiduciary acting as trustee is a US Person if a trustee who is not a US Person has sole or shared investment discretion with respect to the trust assets, and no beneficiary of the trust (and no settlor if the trust is revocable) is a US Person;
- e) an employee benefit plan established and administered in accordance with the law of a country other than the United States and customary practices and documentation of such country;
- f) any agency or branch of a US Person located outside the United States if (i) the agency or branch operates for valid business reasons and (ii) the agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located;
- g) the International Monetary Fund, the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the United Nations and their agencies, affiliates and pension plans;
- h) any non-US corporation making an election for US tax purposes under Internal Revenue Code Section 953(d), Election by a Foreign Insurance Company to be treated as a Domestic Corporation;
- i) any employee benefit plan, endowment, not-for-profit or other entity determined to be tax-exempt by the Internal Revenue Service Code and Regulations; or
- j) The Performa (US) Series Fund, L.P., a Delaware series limited partnership or equivalent vehicles.

Borrowing Powers

The Directors may exercise the Company's powers to borrow and to charge its assets, but they are required to restrict the borrowing of the Company for the account of any Fund so as to ensure (as regards a Class Fund so far as by such exercising they can ensure) that the aggregate monies borrowed by the Company from time to time shall not exceed an amount equal to five percent (5%) of the net assets of the relevant Class Fund. Any change in the borrowing powers of the Company would require an amendment to the Bye-Laws.

Indemnities

There are indemnities in favor of the Directors, Secretary and other Officers for the time being of the Company.

Commissions

Except as disclosed in this Prospectus, no commissions, discounts, brokerages or other special terms have been granted by the Company in connection with the issue or sale of any Shares. No person has, or is entitled to be given, an option to subscribe for any Shares or loan capital of the Company.

Auditors

Deloitte & Touche Ltd. are the auditors of the Company (the “**Auditors**”). The Auditors have given and have not withdrawn their written consent to inclusion of their name and references to them within the Prospectus.

Change in Financial Position

Financial statements are provided as an appendix to the relevant supplement to this Prospectus. There has been no significant change in the financial position of the Company since the date of the financial statements provided.

Financial Year End

The financial year-end of the Company is the final Valuation Day in each calendar year, such Valuation Day being determined in accordance with the provisions of the Company's Bye-Laws. Shareholders are sent copies of the audited accounts prior to the annual general meeting in each year. Shareholders may also request copies of audited

accounts from the Company by contacting the Company's Secretary or Investment Advisors using the details provided in the Directory section of this Prospectus.

Annual General Meetings

Annual general meetings will usually be held in Bermuda. Only Founder Shareholders are entitled to attend and vote at general meetings. Notices convening each annual general meeting will be sent to Founder Shareholders together with the annual accounts and reports not later than twenty-one (21) days before the date fixed for the meeting.

Litigation

The Company is not engaged in any litigation or arbitration proceedings and is not aware of any litigation or claim pending or threatened by or against it. The Investment Advisor has not been the subject of any criminal convictions or disciplinary action taken by a supervisory or regulatory body in the last five (5) years.

Availability of Documents

Copies of the following documents will be available for inspection at any time during normal business hours on any Business Day free of charge at the registered office of the Company:

- a) the Companies Act,;
- b) the Memorandum of Association and Bye-Laws;
- c) the material contracts referred to above;
- d) any report of audited accounts prepared by the Auditors;
- e) the written consent of the Auditors referred to above; and
- f) the Prospectus and any/or Supplement.

-- END --

PERFORMA HIGH YIELD FUND (USD) Class A

Supplementary Information Memorandum

(the “Supplement”)

January 2019

Performa High Yield Fund (USD) Class A (the “**Class Fund**”) is a sub-fund of Performa High Yield Fund Ltd. (formerly MVI Investment Fund Ltd.) (the “**Company**”), an open ended mutual fund incorporated on July 29, 2002 under the laws of Bermuda. On October 1, 2005, the Company, at the time known as MVI Investment Fund Ltd., redeemed all its investors and ceased trading. The Company remained dormant until its re-launch on February 2, 2012 at which time the Company changed its name from MVI Investment Ltd. to Performa High Yield Fund Ltd. and the Class Fund was established and began offering shares.

This Supplement, together with the enclosed Confidential Memorandum of Performa High Yield Fund Ltd. (the “Prospectus”), forms the offering of the Performa High Yield Fund (USD) Class A. All terms defined in the Prospectus shall have the same meaning in this Supplement unless otherwise defined herein.

Investment Advisors

P.R.P. Performa Ltd. (“**PRP**”), licensed to conduct investment business by the Authority as of this date hereof, was established on November 26, 1992. Performa Limited (US), LLC (“**PUSA**”), a registered investment advisor with the United States Securities and Exchange Commission (the “**SEC**”), was established on April 7, 2010 as Ansonborough Capital Management, LLC and changed its name on July 1, 2012. Registration and licensing with the SEC and the Authority does not confer those entities’ approval of the Investment Advisors or the Company.

The Investment Advisors, and affiliates, provide portfolio management services for captive insurance and reinsurance companies. PRP, as a Bermuda domiciled investment management firm, provides its services to those clients domiciled offshore. PUSA focuses on those clients within the United States. The Investment Advisors and their subsidiaries manage core fixed income, core equity and other investment strategies internally and work with sub advisors to manage other sectors and strategies for their clients’ portfolio exposures. PUSA also manages hedging activity for client portfolios (“**Hedge Account Management**”). Hugh Barit, David Kilborn, and Gary M. LeBlanc are Directors of both the Company and PRP. David Kilborn is also the Managing Member and Chair of the Board of Managers of PUSA. Winston Robinson is an independent Director of both the Company and PRP.

The Investment Advisors have entered into separate investment management agreements with the Company whereby they provide certain management and investment advisory services to the Company (the “**Investment Management Agreements**”). The Investment Management Agreements may be terminated forthwith by either party in writing. The fees in respect of any part of the un-expired three-month period will be charged pro rata.

The Company will pay the Investment Advisors the applicable investment advisory fees as described in the section below titled “**Operating Expenses and Other Fees.**”

The Investment Advisors have not been convicted of any regulatory, civil or criminal offences nor have been the subject of any regulatory disciplinary actions over the past five years.

Investment Objective

The Class Fund’s primary investment objective is to provide long term capital appreciation through an optimized mix of non- investment grade securities across international markets and while maintaining a relatively short duration that will not exceed six (6) years. There can be no assurance that this objective will be achieved.

Investment Strategy

One of the Investment Advisors’ primary activities is the management of assets for offshore insurance and reinsurance companies. Its investment philosophy is conservative and intended to preserve the real value of capital by achieving above average returns while avoiding undue risk. In order to accomplish these objectives, it seeks to identify major trends in fixed income security markets. To achieve this, both in-house research and external sources are used to formulate economic, interest rate and currency forecasts regularly and in a structured manner. Moreover, credit quality is one of its utmost concerns because generally it does not believe that the higher yields obtainable on

low quality issues offer sufficient compensation for the additional risk incurred. Consequently, the analysis of the credit worthiness of a borrower is an essential ingredient in its approach to investing.

Active portfolio management also plays a major role in its investment philosophy. Within individual markets, it seeks to improve returns by identifying and exploiting market inefficiencies that create yield differentials on similar quality issues. Such yield differentials occur more frequently in less efficient markets such as the Eurobond market. It believes that the use of hedging techniques can also add value and offer significant protection against short-term volatility in the interest rate and bond markets.

The Investment Advisors seeks to take advantage of interest rate movements through active duration management and the use of yield curve strategies. Investments into global bond markets are made in order to capitalize on attractive yield spreads compared to the U.S. market, an expectation of a stronger currency, or of a strong bond market rally. Currency exposures are actively managed with the use of options, forwards and futures.

Investment Guidelines and Restrictions

General Strategy

The Class Fund's goal is to preserve ultimate principal through fundamental credit research, resulting in limited to no impairments coupled with appropriate total return positioning. While a goal is to out-perform the Merrill Lynch High Yield Cash Pay Index, the Investment Advisor is focused on absolute return with capital preservation as its primary objective. To achieve the Class Fund's goals, the Investment Advisor will invest primarily in high yield debt instruments of U.S. and non-U.S. issuers. An instrument is considered "High-Yield" if it is rated below investment grade by nationally recognized statistical rating organizations (NRSRO) such as S&P, Moody's or Fitch. The High Yield market is sensitive to cyclical economic events and therefore, the Manager will change the average credit quality and duration risk of the Class Fund from time to time as they deem appropriate.

Permissible Asset Types

- Fixed income instruments and loans issued by investment grade and non-investment grade entities
- Exchange traded products and other investment vehicles that invest in substantially similar instruments
- Obligations of the U.S. and foreign governments and their agencies
- Cash and bank deposits, certificate of deposits and equivalents with maturities less than 90 days
- Commercial paper and other securities that are considered cash equivalents with maturities or average lives less than 270 days
- Money market funds
- Convertible and preferred securities with fixed income characteristics
- Variable, floating rate and zero coupon instruments
- Rule 144A securities
- Hedges for risk management purposes including futures and swaps, including options on both, derived from debt securities and indices as well those for foreign exchange transactions
- Foreign exchange transactions for the facilitation of buying and selling permissible securities
- Stand-by commitments and common stock received in conjunction with a corporate restructuring as well as rights and warrants related to specific common stock

Non Permissible Assets

The following types or methods of direct investment are prohibited:

- Short Sales of physical securities
- Uncovered options, futures or margin transactions of any type not directly related to action of hedging and risk reduction with exception of foreign exchange transactions

- Commodities and commodity ETFs or other securities that invest directly in commodities
- Direct real estate transactions
- Trading on margin or borrowing

RISK MANAGEMENT LIMITS

Non-US Dollar Denominated Securities & Foreign Issuers

- Non-US Dollar securities limited to 20% of the portfolio at time of purchase and subject to a 30% limited due to market movements.
- All holdings must be fully hedged to US Dollars
- Foreign issuers are limited to 20% of the portfolio at time of purchase and subject to a 30% limited due to market movements.
- Foreign government and agency issuers are limited to 10% of the portfolio

Ratings

The Class Fund may invest securities of all ratings with a concentration on below investment grade (BB+/Ba1, as rated by S&P/Fitch and Moody's and below) securities:

- The average credit quality of the Class Fund may not be less than B/B2
- The Class Fund may hold no more than 25% in securities that are rated CCC+/Caa1 and below
- In the event of split ratings:
 - For three ratings - the middle of the three will be used
 - For two ratings - the lowest of the two will be used
 - For non-rated securities - the security will be assigned a CCC/Caa2 rating
- All cash equivalents securities must be rated A1/P1, or, carry a long term rating of AAA/Aaa

Diversification Requirements & Portfolio Construction

Portfolio holdings will target 100-125 issuers and 150 securities holdings. The Class Fund may not hold more than 130 issuers and 175 securities.

Portfolio Duration

The Class Fund's duration will not exceed six (6) years. The Class Fund may hold up to 20% of its net assets in cash in the form of money market investments or bank deposits and up to an additional 30% including cash equivalent securities as defined.

Industry Concentration

The Class Fund may hold securities within individual sectors of no more than the higher of 30% of the portfolio or twice the weighting of the Merrill Lynch High Yield Cash Pay Index.

Issuer Concentration

- The Class Fund may invest no more than 4% of the portfolio in the securities of any one issuer or issue.
- There is no limit to obligations of the US Government and Agencies.
- The Class Fund may investment no more than 5% in any cash equivalent issuer or repo counterparty except for STIF and money market funds.

Passive violations of these limits due to changes in the Class Fund's net asset value as a result of shareholder cash flow or market movements shall be corrected within forty-five (45) days.

Hedge Accounts & Management

The Class Fund may, within hedge accounts where collateral is held within a segregated account(s) for the benefit of the Class Fund (“**Hedge Account(s)**”), transact in the following types of derivatives or activities for hedging purposes only:

- Interest rate or fixed income related exchange traded futures and options contracts,
- Interest rate and credit or other fixed income related swaps in accordance with clearing house rules and regulations,
- Equity index exchange traded futures and options contracts;
- Other derivatives if used for hedging purposes and approved by the Directors of the Company,
- The Class Fund may not make short sales unless used for hedging purposes only.

The total sum of all collateral held for the benefit of the Class Fund within any Hedge Accounts may not exceed five (5%) of the Class Fund’s Net Asset Value. The Class Fund may trade in Board approved Exchange Traded Funds (“**ETF**”) and related options for hedging purposes or as a proxy for investment within the same markets in which the Class Fund normally does business.

Description of Shares Being Offered

The Company is offering up to 100,000,000 non-voting, redeemable participating, accumulation shares of par value U.S. \$0.0001 each to investors in the Class Fund (the “**Common Shares**” or the “**Shares**”).

The Shares were initially offered at a subscription price of U.S. \$10.00 per Share on February 2, 2012. The Shares thereafter are offered on each Dealing Day or such other time as the Directors may determine at a price equal to the Net Asset Value per Share.

“**Dealing Day**” means a day on which the Shares may be subscribed or redeemed being any Business Day or such other time as the Directors may determine.

Subscription Restrictions

Due to the reduced investment advisory fee structure for Class A, the Company may restrict subscriptions in Class A Shares to those investors that engage the Investment Advisors directly for investment services covered under a discretionary investment management agreement (“**Advisor Clients**”).

Minimum Investment

When applying for the Shares, applicants should initially apply for a minimum amount of U.S. \$100,000. Thereafter, applicants may apply for Shares with a minimum value of U.S. \$10,000. The Directors may accept subscriptions for lesser amounts in their absolute discretion, subject to the provisions of the Investment Funds Act 2006 and the BSX Listing Regulations. No minimum subscription amount applies to the reinvestment of distributions for the purchase of new shares.

Suitability of Investors

The Shares are not available for purchase by United States persons as defined in the Prospectus.

Operating Expenses and Other Fees

Investment and Sub-Investment Advisors

The Company will pay investment management and advisory fees of 0.45% (forty five basis points) per annum based on the daily asset value of the Class Fund to PUSA, who is responsible for the payment of those sub-investment advisory fees due the Sub-Investment Advisor. Investment management and advisory fees are calculated daily and payable monthly and in arrears.

The Custodian is entitled to receive fees calculated at the following maximum rates of:

- 0.030% (three basis points) per annum on the first US\$400 million
- 0.025% (two and one half basis points) per annum on the next US\$600 million

- 0.015% (one and one half basis points) on the next US\$1 billion
- 0.010% (one basis point) per annum on the amount over US\$2 billion

based on the daily asset value of the Class Fund for those assets in custody. The custody fee is calculated and paid quarterly in arrears.

The Administrator is entitled to receive fees calculated at the following rate:

- 0.055% (five and one half basis points) per annum on the first \$1,250,000,000 of Total Gross Assets subject to a minimum fee
- 0.045% (four and one half basis points) per annum on assets greater than \$1,250,000,000 and up to \$1,500,000,000
- 0.040% (four basis points) per annum on assets greater than \$1,500,000,000 and up to \$2,000,000,000
- 0.035% (three and one half basis points) per annum on assets greater than \$2,000,000,000

based on the average daily asset value of this Class Fund and all other Funds and Class Funds listed under the Master Fund Administration and Transfer Agency Services Agreement. The administration fee is calculated and paid monthly in arrears.

The Company bears the cost of the above mentioned fees, all brokers, interest on borrowing and fees in respect thereof, company registration fee, the fee and expenses of the auditors of and legal advisers to the Company, accounting and reporting fees, share registrar and transfer agent fees and the cost of printing and distributing periodic, annual reports and statements.

Auditors

Deloitte & Touche Ltd. are the auditors of the Company (the “**Auditors**”). The Auditors have given and have not withdrawn their written consent to the issue of this Supplement with the reference to them in the form and context in which they are included.

Financial Report

The Directors of the Company confirm that as of the date of this supplement, the Company has commenced business in relation to the Class Fund and dividends have been declared and/or paid as outlined in the financial statements of the Class Fund which accompany this supplement. The Directors have approved the latest financial statements of the Class Fund for the year just ended for laying before a general meeting of the Company and the Auditors have conducted an audit and issued their audit report with respect to the latest financial statements of the Class Fund.

Change in Financial Position

There has been no significant change in the financial position of the Company in respect of the Class Fund since the date of the latest audited financial statements of the Company.

Bermuda Stock Exchange

An application has been submitted to list the Shares by way of an introduction of the issued shares as of the date of this supplement, and an offer for subscription of further shares on a continuous basis on the Bermuda Stock Exchange.

Application Procedure

In order to apply for Shares attributable to the Class Fund please complete and sign the Application Form and send the same to the Administrator at the address set out on that form. Application may be made by fax to the Administrator provided that the original application form is also sent to the Administrator. Subscription moneys should be sent by wire transfer (see the application form for details).

For an application to be duly processed as of any Dealing Day, a faxed Application Form and cleared subscription monies must be received by 5:00 p.m. (Atlantic Standard Time) on the Business Day immediately preceding such Dealing Day (unless otherwise determined by the Directors).

Please see the section of the Prospectus, entitled “**OFFERING OF SHARES**”, for further details on the application procedure. The original Application Form must be followed immediately thereafter.

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PERFORMA HIGH YIELD FUND (USD) Class B

Supplementary Information Memorandum

(the “Supplement”)

January 2019

Performa High Yield Fund (USD) Class B (the “**Class Fund**”) is a sub-fund of Performa High Yield Fund Ltd. (formerly MVI Investment Fund Ltd.) (the “**Company**”), an open ended mutual fund incorporated on July 29, 2002 under the laws of Bermuda. On October 1, 2005, the Company, at the time known as MVI Investment Fund Ltd., redeemed all its investors and ceased trading. The Company remained dormant until its re-launch on February 2, 2012 at which time the Company changed its name from MVI Investment Ltd. to Performa High Yield Fund Ltd. and the Class Fund was established and began offering shares.

This Supplement, together with the enclosed Confidential Memorandum of Performa High Yield Fund Ltd. (the “Prospectus”), forms the offering of the Performa High Yield Fund (USD) Class B. All terms defined in the Prospectus shall have the same meaning in this Supplement unless otherwise defined herein.

Investment Advisors

P.R.P. Performa Ltd. (“**PRP**”), licensed to conduct investment business by the Authority as of this date hereof, was established on November 26, 1992. Performa Limited (US), LLC (“**PUSA**”), a registered investment advisor with the United States Securities and Exchange Commission (the “**SEC**”), was established on April 7, 2010 as Ansonborough Capital Management, LLC and changed its name on July 1, 2012. Registration and licensing with the SEC and the Authority does not confer those entities’ approval of the Investment Advisors or the Company.

The Investment Advisors, and affiliates, provide portfolio management services for captive insurance and reinsurance companies. PRP, as a Bermuda domiciled investment management firm, provides its services to those clients domiciled offshore. PUSA focuses on those clients within the United States. The Investment Advisors and their subsidiaries manage core fixed income, core equity and other investment strategies internally and work with sub advisors to manage other sectors and strategies for their clients’ portfolio exposures. PUSA also manages hedging activity for client portfolios (“**Hedge Account Management**”). Hugh Barit, David Kilborn, and Gary M. LeBlanc are Directors of both the Company and PRP. David Kilborn is also the Managing Member and Chair of the Board of Managers of PUSA. Winston Robinson is an independent Director of both the Company and PRP.

The Investment Advisors have entered into separate investment management agreements with the Company whereby they provide certain management and investment advisory services to the Company (the “**Investment Management Agreements**”). The Investment Management Agreements may be terminated forthwith by either party in writing. The fees in respect of any part of the un-expired three-month period will be charged pro rata.

The Company will pay the Investment Advisors the applicable investment advisory fees as described in the section below titled “**Operating Expenses and Other Fees.**”

The Investment Advisors have not been convicted of any regulatory, civil or criminal offences nor have been the subject of any regulatory disciplinary actions over the past five years.

Investment Objective

The Class Fund’s primary investment objective is to provide long term capital appreciation through an optimized mix of non- investment grade securities across international markets and while maintaining a relatively short duration that will not exceed six (6) years. There can be no assurance that this objective will be achieved.

Investment Strategy

One of the Investment Advisors’ primary activities is the management of assets for offshore insurance and reinsurance companies. Its investment philosophy is conservative and intended to preserve the real value of capital by achieving above average returns while avoiding undue risk. In order to accomplish these objectives, it seeks to identify major trends in fixed income security markets. To achieve this, both in-house research and external sources are used to formulate economic, interest rate and currency forecasts regularly and in a structured manner. Moreover, credit quality is one of its utmost concerns because generally it does not believe that the higher yields obtainable on

low quality issues offer sufficient compensation for the additional risk incurred. Consequently, the analysis of the credit worthiness of a borrower is an essential ingredient in its approach to investing.

Active portfolio management also plays a major role in its investment philosophy. Within individual markets, it seeks to improve returns by identifying and exploiting market inefficiencies that create yield differentials on similar quality issues. Such yield differentials occur more frequently in less efficient markets such as the Eurobond market. It believes that the use of hedging techniques can also add value and offer significant protection against short-term volatility in the interest rate and bond markets.

The Investment Advisors seeks to take advantage of interest rate movements through active duration management and the use of yield curve strategies. Investments into global bond markets are made in order to capitalize on attractive yield spreads compared to the U.S. market, an expectation of a stronger currency, or of a strong bond market rally. Currency exposures are actively managed with the use of options, forwards and futures.

Investment Guidelines and Restrictions

General Strategy

The Class Fund's goal is to preserve ultimate principal through fundamental credit research, resulting in limited to no impairments coupled with appropriate total return positioning. While a goal is to out-perform the Merrill Lynch High Yield Cash Pay Index, the Investment Advisor is focused on absolute return with capital preservation as its primary objective. To achieve the Class Fund's goals, the Investment Advisor will invest primarily in high yield debt instruments of U.S. and non-U.S. issuers. An instrument is considered "High-Yield" if it is rated below investment grade by nationally recognized statistical rating organizations (NRSRO) such as S&P, Moody's or Fitch. The High Yield market is sensitive to cyclical economic events and therefore, the Manager will change the average credit quality and duration risk of the Class Fund from time to time as they deem appropriate.

Permissible Asset Types

- Fixed income instruments and loans issued by investment grade and non-investment grade entities
- Exchange traded products and other investment vehicles that invest in substantially similar instruments
- Obligations of the U.S. and foreign governments and their agencies
- Cash and bank deposits, certificate of deposits and equivalents with maturities less than 90 days
- Commercial paper and other securities that are considered cash equivalents with maturities or average lives less than 270 days
- Money market funds
- Convertible and preferred securities with fixed income characteristics
- Variable, floating rate and zero coupon instruments
- Rule 144A securities
- Hedges for risk management purposes including futures and swaps, including options on both, derived from debt securities and indices as well those for foreign exchange transactions
- Foreign exchange transactions for the facilitation of buying and selling permissible securities
- Stand-by commitments and common stock received in conjunction with a corporate restructuring as well as rights and warrants related to specific common stock

Non Permissible Assets

The following types or methods of direct investment are prohibited:

- Short Sales of physical securities
- Uncovered options, futures or margin transactions of any type not directly related to action of hedging and risk reduction with exception of foreign exchange transactions

- Commodities and commodity ETFs or other securities that invest directly in commodities
- Direct real estate transactions
- Trading on margin or borrowing

RISK MANAGEMENT LIMITS

Non-US Dollar Denominated Securities & Foreign Issuers

- Non-US Dollar securities limited to 20% of the portfolio at time of purchase and subject to a 30% limited due to market movements.
- All holdings must be fully hedged to US Dollars
- Foreign issuers are limited to 20% of the portfolio at time of purchase and subject to a 30% limited due to market movements.
- Foreign government and agency issuers are limited to 10% of the portfolio

Ratings

The Class Fund may invest securities of all ratings with a concentration on below investment grade (BB+/Ba1, as rated by S&P/Fitch and Moody's and below) securities:

- The average credit quality of the Class Fund may not be less than B/B2
- The Class Fund may hold no more than 25% in securities that are rated CCC+/Caa1 and below
- In the event of split ratings:
- For three ratings - the middle of the three will be used
- For two ratings - the lowest of the two will be used
- For non-rated securities - the security will be assigned a CCC/Caa2 rating
- All cash equivalents securities must be rated A1/P1, or, carry a long term rating of AAA/Aaa

Diversification Requirements & Portfolio Construction

Portfolio holdings will target 100-125 issuers and 150 securities holdings. The Class Fund may not hold more than 130 issuers and 175 securities.

Portfolio Duration

The Class Fund's duration will not exceed six (6) years. The Class Fund may hold up to 20% of its net assets in cash in the form of money market investments or bank deposits and up to an additional 30% including cash equivalent securities as defined.

Industry Concentration

The Class Fund may hold securities within individual sectors of no more than the higher of 30% of the portfolio or twice the weighting of the Merrill Lynch High Yield Cash Pay Index.

Issuer Concentration

- The Class Fund may invest no more than 4% of the portfolio in the securities of any one issuer or issue.
- There is no limit to obligations of the US Government and Agencies.
- The Class Fund may investment no more than 5% in any cash equivalent issuer or repo counterparty except for STIF and money market funds.

Passive violations of these limits due to changes in the Class Fund's net asset value as a result of shareholder cash flow or market movements shall be corrected within forty-five (45) days.

Hedge Accounts & Management

The Class Fund may, within hedge accounts where collateral is held within a segregated account(s) for the benefit of the Class Fund (“**Hedge Account(s)**”), transact in the following types of derivatives or activities for hedging purposes only:

- Interest rate or fixed income related exchange traded futures and options contracts,
- Interest rate and credit or other fixed income related swaps in accordance with clearing house rules and regulations,
- Equity index exchange traded futures and options contracts;
- Other derivatives if used for hedging purposes and approved by the Directors of the Company,
- The Class Fund may not make short sales unless used for hedging purposes only.

The total sum of all collateral held for the benefit of the Class Fund within any Hedge Accounts may not exceed five (5%) of the Class Fund’s Net Asset Value. The Class Fund may trade in Board approved Exchange Traded Funds (“**ETF**”) and related options for hedging purposes or as a proxy for investment within the same markets in which the Class Fund normally does business.

Description of Shares Being Offered

The Company is offering up to 100,000,000 non-voting, redeemable participating, accumulation shares of par value U.S. \$0.0001 each to investors in the Class Fund (the “**Common Shares**” or the “**Shares**”).

The Shares were initially offered at a subscription price of U.S. \$10.00 per Share on February 2, 2012. The Shares thereafter are offered on each Dealing Day or such other time as the Directors may determine at a price equal to the Net Asset Value per Share.

“**Dealing Day**” means a day on which the Shares may be subscribed or redeemed being any Business Day or such other time as the Directors may determine.

Minimum Investment

When applying for the Shares, applicants should initially apply for a minimum amount of U.S. \$100,000. Thereafter, applicants may apply for Shares with a minimum value of U.S. \$10,000. The Directors may accept subscriptions for lesser amounts in their absolute discretion, subject to the provisions of the Investment Funds Act 2006 and the BSX Listing Regulations. No minimum subscription amount applies to the reinvestment of distributions for the purchase of new shares.

Suitability of Investors

The Shares are not available for purchase by United States persons as defined in the Prospectus.

Operating Expenses and Other Fees

Investment Advisors

The Company will pay investment management and advisory fees equal to 0.75% per annum (seventy five basis points).

Such fees are calculated daily on the asset value of the Class Fund and payable to the Investment Advisors monthly and in arrears. The investment management and advisory fees are payable as follows:

- 0.30% per annum (thirty basis points) to PRP, and
- 0.45% per annum (forty five basis points) to PUSA inclusive of fees due to the Sub-Investment Advisors.

The Custodian is entitled to receive fees calculated at the following maximum rates of:

- 0.030% (three basis points) per annum on the first US\$400 million
- 0.025% (two and one half basis points) per annum on the next US\$600 million

- 0.015% (one and one half basis points) per annum on the next US\$1 billion
- 0.010% (one basis point) per annum on the amount over US\$2 billion

based on the daily asset value of the Class Fund for those assets in custody. The custody fee is calculated and paid quarterly in arrears.

The Administrator is entitled to receive fees calculated at the following rate:

- 0.055% (five and one half basis points) per annum on the first \$1,250,000,000 of Total Gross Assets subject to a minimum fee
- 0.045% (four and one half basis points) per annum on assets greater than \$1,250,000,000 and up to \$1,500,000,000
- 0.040% (four basis points) per annum on assets greater than \$1,500,000,000 and up to \$2,000,000,000
- 0.035% (three and one half basis points) per annum on assets greater than \$2,000,000,000

based on the average daily asset value of this Class Fund and all other Funds and Class Funds listed under the Master Fund Administration and Transfer Agency Services Agreement. The administration fee is calculated and paid monthly in arrears.

The Company bears the cost of the above mentioned fees, all brokers, interest on borrowing and fees in respect thereof, company registration fee, the fee and expenses of the auditors of and legal advisers to the Company, accounting and reporting fees, share registrar and transfer agent fees and the cost of printing and distributing periodic, annual reports and statements.

Auditors

Deloitte & Touche Ltd. are the auditors of the Company (the “**Auditors**”). The Auditors have given and have not withdrawn their written consent to the issue of this Supplement with the reference to them in the form and context in which they are included.

Financial Report

The Directors of the Company confirm that as of the date of this supplement, the Company has commenced business in relation to the Class Fund and dividends have been declared and/or paid as outlined in the financial statements of the Class Fund which accompany this supplement. The Directors have approved the latest financial statements of the Class Fund for the year just ended for laying before a general meeting of the Company and the Auditors have conducted an audit and issued their audit report with respect to the latest financial statements of the Class Fund.

Change in Financial Position

There has been no significant change in the financial position of the Company in respect of the Class Fund since the date of the latest audited financial statements of the Company.

Bermuda Stock Exchange

An application has been submitted to list the Shares by way of an introduction of the issued shares as of the date of this supplement, and an offer for subscription of further shares on a continuous basis on the Bermuda Stock Exchange.

Application Procedure

In order to apply for Shares attributable to the Class Fund please complete and sign the Application Form and send the same to the Administrator at the address set out on that form. Application may be made by fax to the Administrator provided that the original application form is also sent to the Administrator. Subscription moneys should be sent by wire transfer (see the application form for details).

For an application to be duly processed as of any Dealing Day, a faxed Application Form and cleared subscription monies must be received by 5:00 p.m. (Atlantic Standard Time) on the Business Day immediately preceding such Dealing Day (unless otherwise determined by the Directors).

Please see the section of the Prospectus, entitled “**OFFERING OF SHARES**”, for further details on the application procedure. The original Application Form must be followed immediately thereafter.

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