

Dragon Dynamic Funds Platform Ltd.

(an open-ended exempted company incorporated on 12 December 2017 for an unlimited duration, as a mutual fund with limited liability under the Companies Act 1981, as amended and registered, as a segregated accounts company under the Segregated Accounts Companies Act 2000, as amended)

DRAGON DYNAMIC CATALYTIC BRIDGE SAC FUND

(a Segregated Account constituted as a segregated fund and Linked to the class of shares known as the Dragon Dynamic Catalytic Bridge SAC Shares)

FUND SUPPLEMENT

This Supplement is supplemental to, forms part of, and should be read in conjunction with, the Prospectus dated January, 2023

January, 2023

Investment Manager: Dragon Dynamic Advisors SA

Administrator: Centaur Fund Services US Inc.

MINIMUM INVESTMENT: USD\$100,000

Dragon Dynamic Funds Platform Ltd.
c/o
Conyers Corporate Services (Bermuda) Limited
Clarendon House
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Bermuda

GENERAL NOTICES AND SECURITIES WARNINGS

This supplement dated August 2021 (“**Supplement**”) is supplemental to, forms part of, and should be read in conjunction with, the Prospectus dated August 2021 (“**Prospectus**”) for Dragon Dynamic Funds Platform Ltd. (“**Company**”).

All capitalized terms used herein and not otherwise defined shall have the same respective meanings as set forth in the Prospectus.

Dragon Dynamic Catalytic Bridge SAC Fund (“**Fund**”) is a segregated account which is linked to the Dragon Dynamic Catalytic Bridge SAC Shares (“**Shares**”), which is the designated name of a distinct and segregated class of Investor Shares in the Dragon Dynamic Funds Platform Ltd. (“**Company**”), a company incorporated under the laws of Bermuda as a segregated accounts company. The Shares are offered pursuant to the terms of the Prospectus and this Supplement and are issued by the Fund. Copies of the Prospectus are available during usual business hours on any weekday (Saturdays, Sundays and holidays excepted), on behalf of the Company, free of charge, from the offices of the Investment Manager and the Administrator. No offering literature shall be employed in the offering of the Shares, except as provided by the Company together with the Prospectus and this Supplement. No Person has been authorized to make any representations or provide any information with respect to the Shares, except such information as is contained in the Prospectus and this Supplement. Neither the delivery of the Prospectus and this Supplement nor any sales made hereunder shall under any circumstances create an implication that there has been no change in the matters discussed herein since the date hereof.

The Board has overall responsibility for the management and control of the Company and the Fund. The Directors, whose names appear in the Prospectus, accept full responsibility for the information contained in this 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. The information contained in this Supplement should be read in the context of, and together with, the information contained in the Prospectus and distribution of this Supplement is not authorised unless accompanied by, or supplied in conjunction with, a copy of the Prospectus. This Supplement and the Prospectus should be accompanied by, and read in conjunction with, the Company’s Memorandum of Association and Bye-laws (collectively the “**Constitutional Documents**”), its latest annual report and audited accounts (if any). Neither this Supplement nor the Prospectus set out all the provisions of the Company’s Constitutional Documents that may be significant to a particular prospective investor. Statements made with respect to the provisions of those documents are not necessarily complete, and reference is made to the actual document for complete information as to the rights and obligations of the parties thereto. Each prospective investor should examine this Supplement and the Prospectus and the applicable subscription agreement as well as the underlying Constitutional Documents in order to assure itself that the terms of the investment offered and the Fund’s investment objective and methods of operation are satisfactory to it.

THIS SUPPLEMENT TOGETHER WITH THE PROSPECTUS CONSTITUTE THE OFFERING OF THE FUND. THEY DO NOT CONSTITUTE AN OFFER TO SUBSCRIBE OR A SOLICITATION OF AN OFFER TO SUBSCRIBE TO ANYONE IN ANY JURISDICTION IN WHICH SUCH OFFER IS NOT AUTHORISED OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION.

In making an investment decision, investors must rely on their own examination of the Company and the terms of the offering, including the merits and risks involved. No assurance can be given that the Company's or the Fund's investment objective will be achieved.

When considering what action you should take you are recommended to seek your own financial advice immediately from your stockbroker, solicitor, accountant or another appropriate authorised independent adviser.

The purchase of the Shares involves a high degree of risk. The performance of the Shares is subject to fluctuations and no assurance can be given that appreciation will occur or that losses will not be realised. Investment in the Shares is intended for professional or sophisticated investors who can afford the risks inherent in this type of investment. Prospective investors' attention is drawn to the "RISK FACTORS" section of the Prospectus. Prospective investors should inform themselves as to the legal requirements and tax consequences within the countries of their residence or domicile for the acquisition, holding or disposal of Shares and any foreign exchange restrictions which may be relevant to them. Shares which are acquired by persons not entitled to under the Company's policies and regulatory requirements to hold them may be compulsorily redeemed.

DIRECTORY

The following are the service providers to the Company with respect to the Fund.

<p>Directors James A. Michie jam@dragondynamicfp.com</p> <p>Gary John Carr gary@dragondynamicfp.com</p>	<p>Company Secretary and Registered Office c/o Conyers Corporate Services (Bermuda) Limited Clarendon House 2 Church Street Hamilton HMFY Bermuda Tel: + 1 441 295 1422 www.conyers.com</p>
<p>Investment Manager Dragon Dynamic Advisors S.A Via España, Plaza Comercial San Fernando 1st floor, suite 41 Panama City Panama</p>	<p>Auditors Richey May & Co 9605 S Kingston Ct # 200 Englewood, CO 80112 USA www.richeymay.com</p>
<p>Administrator Centaur Fund Services US Inc. 3rd Floor, 16-00 Route 208 Fair Lawn New Jersey 07410 USA Tel: +1 201 335 1271 www.centaurfs.com</p>	<p>Legal Counsel to Fund Conyers Dill & Pearman Limited Clarendon House 2 Church Street Hamilton HM FX Bermuda Tel: + 1 441 295 1422 www.conyers.com</p>
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<p>Segregated Accounts Company Representative Gary Carr Paget, Bermuda</p>	<p>Special U.S. Fund Counsel Sadis & Goldberg LLP 551 Fifth Avenue, 21st Floor New York, NY 10176, United States Tel: (212) 573-6660 https://www.sadis.com</p>

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DEFINITIONS

Initial Series	has the meaning ascribed thereto on page 7.
Business Day	a day on which commercial banks in Bermuda settle payments and are open for general business, being Monday to Friday inclusive (save for public holidays).
Company	Dragon Dynamic Funds Platform Ltd.
USD\$	the lawful currency of United States of America, and functional currency of the Fund.
Dragon Dynamic Catalytic Bridge SAC Fund or Fund	a separate segregated account of the Company.
Initial Subscription Period	the period commencing at 9.00 a.m. 1 August 2021 and expiring at 5.00 p.m. on 31 August 2021 or such earlier or later date as the Directors may determine.
Incentive Allocation	the performance related incentive allocation payable to the Investment Manager or any affiliate or any delegated manager of the Fund out in detail in this Supplement
Performance Period	the period of time for which an Incentive Allocation is calculated.
Redemption Fee	A fee, if any, charged upon redemption of Shares of the Fund by an investor.
Redemption Day	the last Business Day of each calendar month or such other day as the Directors may in their discretion determine.
Shares	the class of Investor Shares known as Dragon Dynamic Catalytic Bridge SAC Shares which are linked to the Fund.
Subscription Day	The final day of Initial Subscription Period and thereafter the first Business Day of each calendar month or such other day as the Directors may determine either generally or in any particular case
Subscription Price	has the following meaning: (i) in respect of the Initial Subscription Period or were a new series of Shares are issued on any Subscription Day, USD\$1,000 per Share; and (iii) thereafter, the Net Asset Value of the Shares as at the applicable Subscription Day.
Supplement or Fund Supplement	this supplement to the Company's Prospectus constituting the offering of Shares of the Fund.
Valuation Day	the last Business Day of each calendar month or such other day as the Directors may in their discretion determine.

More detailed information concerning the Company and the Dragon Dynamic Catalytic Bridge SAC Fund is set forth in the Prospectus, which should be read in conjunction with this Supplement, the Constitutional Documents and the documents and agreements referred to herein and therein which are available from the Manager or the Administrator on request.

THE COMPANY AND DRAGON DYNAMIC CATALYTIC BRIDGE SAC FUND

Details regarding the incorporation and nature of the Company and its designation as a segregated accounts company under the laws of Bermuda are set forth in the Company's Prospectus.

The Offering

The Company has an authorised capital of US\$12,000 comprised of (i) 1,000 Management Shares of par value US\$1.00 each issued to, and held by, the Investment Manager and (ii) 110,000,000 Investor Shares of par value US\$0.0001. The Investor Shares are issuable by the Directors in such classes and series as the Directors may determine from time to time and the Directors will establish and maintain a separate and distinct Segregated Account in connection with each class or classes and series of Investor Shares created for issue and within which all assets and liabilities attributable to each relevant class or classes of Investor Shares are held and are segregated from the assets and liabilities attributable to each other segregated account of the Company and from the general assets and liabilities of the Company.

By this Supplement the Company is offering the “*Dragon Dynamic Catalytic Bridge SAC Shares*” (the “**Shares**”) and the Segregated Account to be linked to the Shares will be known as the “*Dragon Dynamic Catalytic Bridge SAC Fund*” (ie the Fund). The Shares will be issued in series (each a “Series”). The reason for the different Series within the Shares is to reflect equitably the Incentive Allocation attributable to each Series due to the different issuance dates of each Series throughout the Fiscal Year. Each of the outstanding Shares participates ratably with all other outstanding Shares of the same Series in the Fund's fees, expenses, assets and earnings with respect to such Series.

Any issued and outstanding Shares (other than the oldest Series issued in connection with the offering of the Shares (such Series being referred to as the “**Initial Series**”)) subject to an Incentive Allocation will be re-designated and converted into the Initial Series, after payment of any Incentive Allocation, by redemption and issuance of Shares at the end of a Performance Period at the prevailing Net Asset Value per Share of the Initial Series. All conversions of Shares from one Series of Shares to another Series of Shares shall be effected by redemption of Shares in one Series of Shares and the issue of new Shares in the other Series of Shares.

There is no minimum amount which, in the opinion of the Directors, must be raised with respect to the offer of the Shares for purposes of Section 28 of the Companies Act.

INVESTMENT CRITERIA AND STRATEGY

The overriding objective of the Company and the Funds is to provide unique investment opportunities for investors. The Dragon Dynamic Catalytic Bridge SAC Fund will be small cap and emerging growth focused, targeting opportunities that present asymmetric potential risk reward metrics. The investments are made through structured products that provide liquidity

preference (maximizing investor security) and risk mitigation. The small cap market provides a robust pipeline of pricing and informational inefficiencies; where being early, having close relations to the management teams, and being in front identifiable catalysts (corporate developments) can create advantaged positions before the broader investment community becomes educated on these companies. The Investment Manager has appointed portfolio managers with extensive experience in this sector. The portfolio managers are mandated to maximize investor security and to combine fundamental analysis and structured finance with market mechanics and institutional outreach to identify opportunities, but to work an investment through to liquidity for the fund investors. It is the goal of the Fund to position the investors to have equity-like upside, where the anticipated success of a target company creates value; but the structure provides downside protection in the event that either market conditions or company specific events are slower than anticipated to develop. Liquidity events for the Fund can take on a number of different potential outcomes; these can be company specific catalysts (developments) and or capital raises that drive value and market liquidity, or structural provisions that allow for profitable exits based on the share price and volume. It is the goal of the Fund to use these hedges to secure early profits and leverage structural incentives such as warrants to provide longer term return with limited principal risk.

THERE CAN BE NO ASSURANCE THAT THE FUND'S INVESTMENT STRATEGY WILL ACHIEVE PROFITABLE RESULTS. AS A RESULT OF INVESTMENT RISKS, A SHAREHOLDER MAY LOSE ANY CAPITAL SUBSCRIBED.

Dividend Policy

The Company with respect to the Fund may distribute any capital, income or gains from the Fund's investments by way of dividend. In the event that a dividend is declared and remains unclaimed after a period of six (6) years from the date of payment of such dividend, such dividend will be forfeited and will revert to the applicable Fund.

RISK FACTORS

Applicants should give careful consideration to the factors set out in the Prospectus and as set out below in evaluating the merits and suitability of an investment in the Company or the Fund. Neither the risks described in the Prospectus nor this Supplement purport to be a comprehensive summary of all of the risks associated with an investment in the Company or the Fund.

Risks Particular to the Dragon Dynamic Catalytic Bridge SAC Fund

Leverage, Finance and Indebtedness Risk

The Fund will not leverage its capital and therefore there is no risk to the Fund regarding leverage.

Industry Concentration Risk

The Fund invests in structured products that await catalytic developments to produce excess returns. and as such investment performance can be skewed without the moderating effects a more diversified portfolio may supply.

Reliance on the Investment Manager and Key Individuals

The Fund's success depends solely on the Investment Manager's ability to identify investments that will positively contribute to the Fund's performance. There can be no assurance that the investing and/or trading methods employed by the Investment Manager will produce profits. Moreover, the Investment Manager is dependent on the services of a limited number of key persons. If the services of such persons were to become unavailable, this might have a serious impact on the Fund's performance and continuity.

Liquidity Risks

Many of the intended investments will be in highly illiquid instruments and or private companies. There can be no assurance of an ability to immediately liquidate the majority of the portfolio if there were significant cash requirements.

Capitalization Risks

The intended focus on small capitalization companies can result in adverse returns if the underlying sector were to remain out of favor for an extended period of time.

Transactional Risks

Bridges are interim fundings and returns and liquidity are largely predicated on the success of the subsequent transaction. If those transactions fail to close successfully the investors can be exposed to additional liquidity risk.

Reporting Risks

The majority of portfolio companies will have periodic financial reporting requirements and if they are not able to maintain current filings the underlying investments could be impaired.

Conflicts of Interest

The manager may participate and or lead subsequent underwritings for existing portfolio companies, in which case they are required to abide their fiduciary responsibility to the investors.

Volatility Risks

Smaller capitalization companies tend to have higher beta and as a result underlying portfolio positions may be subject to greater price volatility.

Regulatory Requirements

The fund may take positions that require ongoing reporting requirements with regulatory bodies.

Strategy Restrictions

Certain institutions may be restricted from directly utilizing investment strategies of the type in which the Company may engage. Such institutions, including entities subject to the ERISA, should consult their own advisors, counsel and accountants to determine what restrictions may apply and whether an investment in a Fund is appropriate.

INDUSTRY EXPERT PARTNER

Following recommendations from the Investment Manager, the Board has approved the appointment of an Industry Expert Partner to assist the Fund with achieving its investment objective. The Industry Expert Partner is Joe Giamichael.

Joe has approximately 20 years of capital markets experience, learning the mechanics of the market on a trading desk for Knight Securities, then training as analyst at CJS Securities, prior to joining Rodman and Renshaw, where he built out numerous equity research industry verticals as the Director of Research and finished his career as an analyst with Global Hunter Securities. Joe then developed buy side expertise by founding an emerging growth focused corporate advisory firm, helping to raise and invest in excess of several hundred million dollars over the past seven years, across numerous market segments and various structures with the assistance of several investment banks.

The Industry Expert Partner will provide its recommendations on investment opportunities to the Investment Manager who will make the final investment decisions for the Fund.

SHARE DEALINGS

The provisions dealing with subscriptions and redemptions generally are set forth in the Prospectus. Those Particulars relating to subscription in and redemption from the Fund are set forth below. Prospective investors and existing Shareholders must read those provisions in conjunction with the provisions set forth below.

Subscription for Shares

Admission

The Shares of Fund shall only be available for subscription by persons who are Eligible Investors. The general admission provisions are set forth in the Prospectus. Shares may be offered and sold to certain Permitted U.S. Persons (as defined in the Prospectus) who are Accredited Investors (as defined under the Securities Act). The Fund's subscription documentation sets forth in detail the definition of Eligible Investors including Accredited Investor. In order to ensure that the Fund may rely upon the relevant exemptions, the Fund will obtain appropriate representations and undertakings from its Shareholders.

Shares are available for subscription at the Subscription Price of USD\$ 1,000 during the Initial Subscription Period. Thereafter, Shares will be available for subscription on each Subscription Day at the Subscription Price equal to the then prevailing Net Asset Value per Share on the applicable Valuation Day in accordance with the Prospectus. Shares are issuable in Series in order to properly allocation the Performance Allocation owed with respect to each Share of a Series.

The minimum initial subscription for each Shareholder is USD\$100,000 which may be waived or reduced by the Directors or by the Investment Manager, on behalf of the Directors, in their

discretion on a case by case basis. Subsequent subscriptions may be made in multiples of USD \$10,000.

Application Procedure

The application and acceptance procedure set forth in the Prospectus applies to this Fund and the Subscription Agreement for this Fund is available from the Administrator and/or the Investment Manager.

The Directors have absolute discretion to accept or reject subscriptions and to accept subscriptions greater or smaller than the minimum subscription, in either instance without ascribing any reasons therefor.

Money Laundering

As part of the Company, the Administrator, its affiliates, subsidiaries or associates responsibility for the prevention of money laundering and terrorist financing, the Company, the Administrator, its affiliates, subsidiaries or associates may require a detailed verification of an investor's identity, investor's source of wealth and the source of payment.

A description of the money laundering provisions is set forth in the Prospectus.

The Fund reserves the right, to the extent permitted under Applicable Law, to use any information that is gathered as part of its anti-money laundering procedures also for compliance with tax related information reporting requirements.

Valuations

Generally, Net Asset Value shall be determined in accordance with the provisions set forth in the Prospectus save that the Net Asset Value of the Fund will be calculated in United States Dollars and in accordance with the policy set out under "Net Asset Value of the Fund" as set out below.

Redemptions

Redemption by Shareholders

Shareholders may request redemption of their Shares on each Redemption Day provided that Redemption Requests are submitted to the Administrator at least ninety (90) Business Days (or such shorter period as the Directors may determine either generally or in any particular case) prior to the applicable Redemption Day in accordance with the redemption procedure set forth in the Prospectus. If the Redemption Request is received by the Administrator after 5.00 pm (Bermuda time) on the Redemption Day, then the Redemption Request will be withheld and processed at the next available Redemption Day.

The form of Redemption Request is available from the Administrator.

If a Shareholder submits a Redemption Request with respect to all or some of its holding of Shares during the period commencing on the date of issue of such Shares (the "Issue Date") and ending on the second (2) anniversary of the Issue Date, then a Redemption Fee equal to fifteen percent (15%) of the Redemption Proceeds otherwise payable to the Shareholder will be charged and made payable to the Fund.

The redemption price per Share is equal to the Net Asset Value per Share on the Valuation Day. Payment of the Redemption Proceeds will be made (at the applicable Shareholders risk and expense) by wire transfer, to the Designated Bank Account of the applicable Shareholder in USD\$. The proceeds of any redemption will be reduced by the amount of any Incentive Allocation accrued on the redeemed Shares, which Incentive Allocation will be calculated and paid on such Shares as of the Redemption Day on which the Shares are redeemed

The timing of payment of the Redemption Proceeds (less any Redemption Fee payable) will generally be made within thirty (30) Business Days after the applicable Redemption Day. However, in certain unusual or unforeseen circumstances where the Fund is unable to liquidate securities positions in a timely and orderly manner in order to fund redemptions, or where the value of the assets and liabilities of the Fund cannot reasonably be determined, the Fund may, in the sole discretion of the Directors, take longer than the time period mentioned above to effect settlements of redemptions or may effectuate only a portion of a requested redemption. Under certain circumstances, the Fund may settle redemptions, in whole or in part, in-kind and may extend the duration of the redemption notice period if the Directors deem such an extension as being in the best interest of the Fund and the non-redeeming Shareholders. Shareholders will be provided advance notice of any proposed extension of the redemption notice period. Furthermore, under certain circumstances, the Fund may suspend redemptions.

The Fund may withhold a portion of any Redemption Proceeds if necessary, to comply with applicable legal or regulatory requirements. Additionally, complete or substantially complete redemptions (i.e., redemptions of ninety percent (90%) or more of the Shareholder's aggregate balance) generally will be paid within sixty (60) days of the applicable Redemption Day; provided, however, that:

- up to twenty-five per cent (25%) of the Redemption Proceeds may be retained at the discretion of the Board, pending final reconciliation of valuations for any illiquid portions of the Fund; and
- the Board may elect to further retain such payments pending completion of the Fund's audit for the fiscal year in which the redemption occurs.

Redemption by The Company and the Fund

The Fund is expected to have liquidity events as investments mature and are realised, and the intent of the company is to pay out proceeds at the sole discretion of the board of directors. Proceeds may not be paid in full subject to expense withholdings, performance fees and investment prospects for the fund. Additionally, there is a limit to the size of the Fund that can be effectively managed, and this would be a consideration as to the return of capital.

Reporting by the Fund

The Fund is event driven, therefore reporting to investors will follow in line with investment events. An NAV will be calculated monthly based on valuations estimated by the Investment Manager, with the annual NAV at the end of each calendar year being audited. The first audited accounts will be prepared for the period from launch to December 31, 2022. It is also expected that ad hoc communications will be issued by the Investment Manager tied to specific event such as investments, redemptions or general updates on portfolio company events.

NET ASSET VALUE OF THE FUND

The Net Asset Value (the “Net Asset Value” or the “NAV”) of the Fund and of each Series will be equivalent to its assets less its liabilities as of any date of calculation. Expenses, fees and other liabilities will generally be accrued according to US GAAP.

The Net Asset Value per Series of Shares (prior to the deduction of any accrued Incentive Allocation) is calculated by first allocating any increase or decrease in the Net Asset Value of the Fund among the Series of Shares pro rata in accordance with the Net Asset Value of each Series at the beginning of the relevant period, and then by dividing the Net Asset Value of each Series by the number of outstanding Shares therein. An Incentive Allocation or Management Fee determined with respect to a particular Series will be debited against the Net Asset Value of such Series.

For the purpose of calculating the Net Asset Value of the Fund and the Net Asset Value per Series of Shares and the Net Asset Value per Share, any value not in U.S. dollars will be converted into U.S. dollars at spot conversion rates quoted on the day of the calculation or, if a rate is not quoted on such date, at the previously quoted exchange rate or at such other appropriate rate as may be determined by the Administrator in good faith. Each Shareholder, and not the Fund, will bear the risk of any foreign currency exposure resulting from changes, if any, in the value of the U.S. dollar relative to the value of the currency of the country in which such Shareholder maintains its net worth.

FEES AND EXPENSES OF THE FUND

The Fund will pay its pro-rata share of all fees and expenses as set out in the Prospectus. Additionally, the Fund shall pay the following fees:

Management Fee

The Fund will pay the Investment Manager a Management Fee at the annual rate of two per cent (2%) on the Net Asset Value of the Fund. The Management Fee will be calculated and paid from the Fund Account, monthly, in arrears, as of the last Business Day of each calendar month before giving effect to any subscriptions or redemptions as of the end of such month, and before any accrual for any Incentive Allocation that is not yet payable.

The Asset values of the fund will be calculated using close of business valuations as of 5 PM EST on each Valuation Day. The valuation policy is US GAAP based and agreed with the Administrator.

Incentive Allocation

Dragon Dynamic Advisors S.A., in its capacity as the owner of Series D Shares of the Fund (the "Incentive Allocation Shares"), will receive a special allocation of net profits of the Fund at the end of each Performance Period (including realized and unrealized net gains and losses, and after deducting all Management Fees and Fund expenses incurred during the relevant performance period) (the "Incentive Allocation"). The Incentive Allocation will equal 20% of the net increase in the Net Asset Value per Share of each outstanding Share during each "Performance Period". The first Performance Period with respect to a Share will end (and the first Incentive Allocation will be calculated and allocated) on December 31 following the date such Share was issued, and each subsequent Performance Period with respect to such Share will end (and an Incentive Allocation will be calculated and allocated) at the end of each subsequent Fiscal Year.

For example, a Share issued on August 1, 2021 will be subject to the first Incentive Allocation as of December 31, 2021 and will thereafter be subject to an Incentive Allocation as of December 31, 2022 and each subsequent December 31.

The Incentive Allocation is calculated separately with respect to each Series of Shares, and is deducted from the Net Asset Value of such Shares and credited to the net asset value of the Incentive Allocation Shares as of the end of the Performance Period. The Incentive Allocation can be redeemed at any time by the holder of the Incentive Allocation Shares by way of dividend or redemption.

If Shares are redeemed prior to the end of a Performance Period, then an Incentive Allocation with respect to such redeemed Shares will be calculated and deducted at such time with respect to such Shares.

The Investment Manager, in its discretion, may waive or rebate all or part of the Management Fee or Incentive Allocation for certain investors or pay a portion of such fees to third parties, including investors in the Fund, for services rendered in connection with the placement of the Shares.

Such fees will be borne by the Investment Manager, and will be paid by the Investment Manager out of the Management Fees and Incentive Allocation payable to the Investment Manager (or its affiliate) by the Fund.

Other Expenses

Other Expenses: Other expenses are payable by the Dragon Dynamic Catalytic Bridge SAC Fund. Such expenses include reasonable administration, banking, specific Fund start up costs, trading and similar customary costs.

TAXATION AND CERTAIN ERISA CONSIDERATIONS

United States Federal Income Taxation of the Fund and Shareholders

For purposes of this discussion, a “**U.S. Person**” is (a) a citizen or resident of the United States, (b) a corporation, partnership, or other entity organized under the laws of the United States, any state, or the District of Columbia, other than a partnership that is not treated as a United States person under the Regulations, (c) an estate whose income is subject to United States income tax, regardless of its source, or (d) a trust if either (i) a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. Persons have the authority to control all substantial decisions of the trust or (ii) such trust has in effect a valid election to be treated as a United States person under applicable Regulations. Shareholders that are U.S. Persons are referred to below as “**U.S. Shareholders.**” U.S. tax considerations relating to Shareholders that are not U.S. Persons are not discussed herein.

The Company has elected for the Fund to be treated as a partnership, separate from the Company and from each other segregated account of the Company, for U.S. federal income tax purposes. Although current U.S. Treasury Regulations (“**Regulations**”) do not address the eligibility of a non-U.S. entity such as the Company to elect separate entity treatment with respect to separate segregated portfolios, the Company intends to take the position that the Fund will be treated as a separate entity from the Company and from any other segregated account of the Company, and the remainder of this discussion assumes that the Fund will be so treated.

Certain partnerships may be taxable as corporations for U.S. federal income tax purposes under the publicly traded partnership rules set forth in the Code and applicable Regulations, and the Fund will not qualify for one of the safe harbors under the Regulations if the Fund has more than 100 Partners. The Fund expects not to be taxed as a corporation as a result of being treated as a publicly traded partnership under the Regulations. It is assumed in the following discussion of tax considerations that the Fund will be treated as a partnership for U.S. federal income tax purposes.

As a partnership, the Fund generally is not itself subject to U.S. federal income tax but will file an annual partnership information return with the IRS if it has more than de minimis U.S.-source income or U.S. Shareholders. Each U.S. Shareholder, in computing his or its own federal income tax liability for a taxable year, is required to take into account such person’s distributive share of the Fund’s net ordinary income or loss, net long-term and short-term capital gain or loss, and any separately stated income items, deductions and credits for the taxable year of the Fund that ends with or within such Shareholder’s taxable year. The Fund will use the calendar year as its taxable year unless a different fiscal year is required under the Code. The Fund’s investment and trading

strategies may produce both short-term and long-term capital gain (or loss), as well as ordinary income (or loss). The Fund will send annually to each U.S. Shareholder a Schedule K-1 (or the equivalent) reporting such person's distributive share of the Fund's items of income, gain, loss, deduction and credit.

Each U.S. Shareholder will be subject to tax on such person's distributive share of the Fund's taxable income regardless of whether such person has received or will receive any distribution of cash from the Fund. Thus, in any particular year, a Shareholder's distributive share of taxable income from the Fund (and the taxes imposed on that income) could exceed the amount of cash, if any, such Shareholder has received or is entitled to redeem from the Fund.

For financial statement presentation and capital account maintenance purposes, all securities and other financial instruments held by the Fund will be marked-to-market at the end of each relevant accounting period and the net gain or loss from marking-to-market will be reported as income or loss, without regard to whether or not gain or loss has been recognized for tax purposes. This divergence between accounting and tax treatments may result in substantial variation between financial statement income (or loss) and taxable income (or loss) reported by the Fund.

The Fund may be required to determine (on an annual basis) whether it will take the position for U.S. federal income tax purposes that it is: (i) carrying on a trade or business as a trader in securities, or (ii) an investor in securities. This determination will be made each year based primarily on the frequency, extent and regularity of the Fund's securities transactions during the particular year. Currently it is expected that the Fund will be treated as an investor for these purposes. If, as currently expected, the Fund were to be characterized as an investor for a tax year, a non-corporate U.S. Shareholder's share of the Fund's investment expenses (other than interest expense, and including Management Fees) for such year would pass through to the Fund as separately stated investment expenses classified under the Code as "miscellaneous itemized deductions." For taxable years beginning before January 1, 2026, the deductions previously available to individuals and other non-corporate taxpayers for such miscellaneous itemized deductions are disallowed. See discussion below in "Limitations on Losses and Deductions—Itemized Deduction Limitations". The separate limitations on deductions claimed by non-corporate taxpayers for "investment interest" are discussed below in "Limitations on Losses and Deductions—Investment Interest Limitations". Alternatively, if the Fund is treated as engaged in a trade or business, then each non-corporate U.S. Shareholder may deduct his or its share of the Fund's expenses (other than interest expense) under Code Section 162 as a business expense.

Tax Consequences to Redeeming U.S. Shareholder. A U.S. Shareholder receiving a cash liquidating distribution from the Fund in connection with a complete redemption of his or its Shares generally will recognize capital gain or loss to the extent of the difference between the proceeds received and the Shareholder's adjusted tax basis in such Shares. Such capital gain or loss will be short-term, long-term or some combination of both, depending on the timing of the Shareholder's purchases of Shares. A redeeming U.S. Shareholder will recognize ordinary income to the extent that such Shareholder's share of the Fund's "unrealized receivables" exceeds the Shareholder's tax basis in such unrealized receivables (as determined pursuant to the Regulations). For these purposes, accrued but untaxed market discount, if any, on debt instruments held by the Fund will be treated as an unrealized receivable with respect to which a redeeming U.S. Shareholder would recognize ordinary income. A U.S. Shareholder redeeming a portion of his or its Shares will recognize income in a similar manner, but only to the extent that the amount distributed exceeds such Shareholder's adjusted tax basis in the Shares. Distributions in partial redemption that do not exceed a U.S. Shareholder's adjusted tax basis would be treated as tax-free returns of capital which would reduce the Shareholder's tax basis for the Shares by the amount of cash distributed.

Limitations on Losses and Deductions.

Basis Limitation. A Shareholder is not permitted to deduct Fund losses that exceed the Shareholder's adjusted tax basis in his or its Shares at the end of the year in which such loss is incurred. A Shareholder's tax basis for his or its Shares is generally equal to the amount of such Shareholder's cash purchase price for such Shares, increased by (i) the Shareholder's allocable share of Fund taxable income, (ii) the Shareholder's allocable share of Fund tax-exempt income, and (iii) the Shareholder's allocable share of any liabilities of the Fund; and decreased by (w) the Shareholder's allocable share of Fund taxable losses and non-deductible expenses, (x) any distributions of cash received by the Shareholder from the Fund, (y) the tax basis of any property distributed by the Fund to such Shareholder and (z) any decrease in the Shareholder's share of any Fund liabilities.

At Risk Limitations. Section 465 of the Code limits certain taxpayers' losses from certain activities to the amount they are "at risk" in the activities. Taxpayers subject to the "at risk" rules are non-corporate taxpayers and certain closely held corporations. The activities subject to the "at risk" limitations include the activities in which the Fund expects to engage. A Shareholder subject to the "at risk" rules will not be permitted to deduct in any year losses arising from its interest in the Fund to the extent that the losses exceed the amount such Shareholder is considered to have "at risk" in the Fund at the close of that year.

A taxpayer is considered to be "at risk" in any activity to the extent of such taxpayer's cash contribution to the activity, the tax basis in other property contributed by the taxpayer to the activity and such taxpayer's personal liability for repayments of amounts borrowed for use in the activity. With respect to amounts borrowed for use in the activity, the taxpayer is not considered to be "at risk" even if such taxpayer is personally liable for repayment if the borrowing was from a person who has an "interest" in the activity other than an interest as a creditor.

Each Shareholder will be at risk initially for the amount of such Shareholder's capital contribution. A Shareholder's amount "at risk" will be increased by such Shareholder's distributive share of income from the Fund and will be decreased by such Shareholder's distributive share of losses of the Fund and distributions received from the Fund. If a Shareholder's amount "at risk" decreases to zero, such Shareholder can take no further losses until such Shareholder has an "at risk" amount to cover the losses. A Shareholder is subject to a recapture of losses previously allowed to the extent that such Shareholder's amount "at risk" is reduced below zero (limited to loss amounts previously allowed to the Shareholder over any amounts previously recaptured).

Passive Activity Loss Limitations. It is anticipated that the passive activity loss rules of Section 469 of the Code will not apply to the Fund's investing and trading activities. A U.S. Shareholder's net income or loss from the Fund is expected to be classified under Section 469 as portfolio income or loss rather than passive activity income or loss. However, if the Fund were to acquire an equity interest in a partnership which was engaged in a business, the Fund's income or loss from such partnership investment could be treated as passive activity income or loss.

Limitations on "Excess Business Loss" Deductions. For taxable years beginning before January 1, 2027, an "excess business loss" of any taxpayer other than a C corporation is disallowed as a deduction. An excess business loss is treated as a net operating loss carryover to the following year. An excess business loss for the tax year is the excess of (1) the aggregate deductions of the taxpayer attributable to trades or businesses of the taxpayer over (2) the income or gain of the taxpayer from such businesses, plus a statutorily determined threshold amount. The limitation is applied at the partner level. To the extent that any of the Fund's income allocable to a Shareholder (other than a C corporation) is not treated as business income, the Shareholder could be unable to offset such investment income from the Fund with the Shareholder's business

losses. This limitation on the deductibility of excess business losses is applied after applying the tax basis, “at risk” and passive activity loss rules discussed above.

Investment Interest Limitations. To the extent that the Fund incurs interest expense or short sale expenses, a non-corporate Shareholder will likely be subject to the “investment interest expense” limitations of Section 163(d) of the Code. Investment interest expense includes: (i) interest paid or accrued on indebtedness incurred or continued to purchase or carry property held for investment and (ii) any amounts deductible in connection with personal property used in a short sale. The deduction for investment interest expense is limited to the non-corporate taxpayer’s net investment income for the taxable year; i.e., the excess of investment income over investment expenses. Excess investment interest expense that is disallowed may be carried forward to succeeding years, subject to the Section 163(d) limitation in each such year. Net capital gain (i.e., net long-term capital gain over net short-term capital loss) on property held for investment and qualified dividend income are only included in investment income to the extent that the taxpayer elects to subject some or all of such gain or dividend income to taxation at ordinary income tax rates. The Section 163(d) limitations will apply at the partner level with regard to the non-corporate Shareholder’s distributive share of the Fund’s interest expense.

Whether all or any portion of the Fund’s operations constitutes a trade or business rather than investment activity is a question of fact. As the Fund’s operations may encompass a variety of strategies, the Fund cannot predict to what extent its operations will constitute a trade or business. If the Fund is treated as engaged in a trade or business by reason of being deemed a trader, a non-corporate Shareholder’s share of the Fund’s interest expense that was incurred in connection with such trading activity would retain its character as investment interest subject to the Section 163(d) investment income limitation, but the allowable investment interest deduction would be deducted “above the line” in determining adjusted gross income, rather than being treated as an itemized deduction.

Itemized Deduction Limitations. To the extent that the Fund’s activities in a taxable year are not treated as a trade or business within the meaning of Section 162 of the Code, a non-corporate Shareholder’s allocable share of Management Fees, and other non-business expenses of the Fund may be classified as miscellaneous itemized deductions instead of deductible business expenses. For taxable years beginning before January 1, 2026, the deductions previously available to individuals, trusts and estates for such miscellaneous itemized deductions are disallowed. A non-corporate taxpayer’s investment expenses that are miscellaneous itemized deductions are also not deductible in calculating the taxpayer’s alternative minimum tax liability.

Capital Loss Limitations. Capital losses generally may be deducted only to the extent of capital gains, except for non-corporate taxpayers, who are allowed to deduct \$3,000 of excess capital losses per year against ordinary income.

Other Tax Issues.

Wash Sales. The “wash sale” rules of Section 1091 of the Code disallow any deduction for losses arising from the sale or other disposition of “stock or securities”, where, within a period beginning 30 days before such sale or disposition and ending 30 days afterwards, the taxpayer acquires “substantially identical” stocks or securities by purchase or by an exchange on which the entire amount of gain or loss is recognized. This disallowance rule also applies where, within such 61-day period, the taxpayer enters into a contract or option to acquire substantially identical stock or securities. Thus, if the Fund were to engage in such a “wash sale” transaction, the Shareholders would not be able to recognize their distributive share of any loss realized in connection with such sale in the current year.

Short Sales. Gain or loss from a short sale of property is generally considered as capital gain or loss to the extent that the property used to close the short sale constitutes a capital asset in the Fund's hands.

Section 1256 Contracts. In the case of "Section 1256 contracts", the Code generally applies a "mark-to-market" system of taxing unrealized gains and losses on such contracts and otherwise provides for special rules of taxation. A Section 1256 contract includes certain regulated futures contracts, certain foreign currency forward contracts, and certain options contracts.

Under these rules, Section 1256 contracts held by the Fund at the end of each taxable year are treated for federal income tax purposes as if they were sold by the Fund for their fair market value on the last business day of such taxable year. The net gain or loss, if any, resulting from such deemed sales (known as "marking to market"), together with any gain or loss resulting from actual sales of Section 1256 contracts, must be taken into account by the Fund in computing its taxable income for such year. If a Section 1256 contract held by the Fund at the end of a taxable year is sold in the following year, the amount of any gain or loss realized on such sale will be adjusted to reflect the gain or loss previously taken into account under the "mark-to-market" rules.

Capital gains and losses from Section 1256 contracts generally are characterized as short-term capital gains or losses to the extent of 40% thereof and as long-term capital gains or losses to the extent of 60% thereof.

The Code allows a taxpayer to elect to offset gains and losses from positions that are part of a "mixed straddle". A "mixed straddle" is any straddle in which one or more but not all positions are Section 1256 contracts. The Fund may be eligible to elect to establish one or more mixed straddle accounts for certain of its mixed straddle trading positions.

Currency Fluctuations—"Section 988" Gains and Losses. To the extent that the Fund's investments are made in securities denominated in a foreign currency, gain or loss realized by the Fund may be affected by the fluctuation in the value of such foreign currencies relative to the value of the U.S. dollar. Generally, gains or losses with respect to the Fund's investments in common stock of foreign issuers will be taxed as capital gains or losses at the time of the Fund's sale of such stock. However, under Section 988 of the Code, gains or losses of the Fund on the acquisition or disposition of foreign currency (i.e., the purchase of foreign currency and subsequent use of such currency to acquire stock) will be treated as ordinary income or loss. Moreover, under Section 988, gains and losses from disposition of debt securities denominated in a foreign currency that are attributable to the fluctuations in such currency between the date of acquisition of the debt security and the date of its disposition will be treated as ordinary income or loss. Since the Code provides limitations on the ability of taxpayers to deduct capital losses against ordinary income, a Shareholder's share of capital losses realized by the Fund on sale of foreign securities would not be available to offset the Shareholder's share of ordinary income realized by the Fund on its currency hedging transactions.

The Fund may acquire foreign currency forward contracts, enter into foreign currency futures contracts and acquire put and call options on foreign currencies. Generally, foreign currency regulated futures contracts and option contracts that qualify as Section 1256 contracts will not be subject to ordinary income and loss treatment under Section 988. However, if the Fund acquires currency futures contracts or options contracts that are not Section 1256 contracts, or any currency forward contracts, any gain or loss realized by the Fund with respect to such instruments will be ordinary income or loss, unless (i) the contract is a capital asset in the hands of the Fund and is not part of a straddle transaction and (ii) the Fund makes an election (by the close of the day the transaction is entered into) to treat the gain or loss attributable to such contract as capital gain or loss.

Debt Obligations. The taxation of debt obligations under the Code is complex; the following discussion is intended to provide only a general description of these rules. Generally, interest income and income items similar to interest, such as accrued original issue discount and accrued market discount on disposition are treated as items of ordinary income. Subject to treatment of such amounts as ordinary income, disposition of debt obligations held as capital assets gives rise to capital gain or loss, which will be long-term if the debt obligation is held for longer than one year, and short-term, if held for a period of one year or less. In the event that any such debt obligations are not held as capital assets, such dispositions will generally give rise to ordinary gain or loss, as the case may be.

Constructive Sales. Section 1259 of the Code requires that the Fund recognize gain on the constructive sale of any appreciated financial position in stock, a partnership interest, or certain debt instruments. A constructive sale of an appreciated financial position occurs if, among other things, the Fund enters into (1) a short sale of the same or substantially identical property, (2) an offsetting notional principal contract with respect to the same or substantially identical property, or (3) a futures or forward contract to deliver the same or substantially identical property. Exceptions to the foregoing apply to certain transactions closed within 30 days after the close of the taxable year if the underlying appreciated financial position remains “unhedged” for at least 60 days thereafter, and to transactions involving certain contracts to sell stock, debt instruments, or partnership interests if the contract settles within one year.

Straddles. The IRS may treat certain positions in securities held (directly or indirectly) by a Shareholder and its indirect interest in similar securities held by the Fund as “straddles” for federal income tax purposes. The application of the “straddle” rules in such a case could affect a Shareholder’s holding period for the securities involved and may defer the recognition of losses with respect to such securities. In addition, if either of the Shareholder’s positions in such a transaction is an “appreciated financial position”, application of the “straddle” rules may trigger a constructive sale of that position under the rules described above.

Conversion Transactions. Section 1258 of the Code recharacterizes capital gain from a “conversion transaction” as ordinary income, with certain limitations. Conversion transactions are defined as transactions in which substantially all the expected return is attributable to the time value of money and either: (a) the transaction consists of the acquisition of property by the taxpayer and a substantially contemporaneous agreement to sell the same or substantially identical property in the future; (b) the transaction qualifies as a “straddle” (within the meaning of Section 1092(c) of the Code); (c) the transaction is one that was marketed or sold to the taxpayer on the basis that it would have the economic characteristics of a loan but the interest-like return would be taxed as capital gain; or (d) the transaction is described as a conversion transaction in the Regulations. The amount of gain so recharacterized will not exceed the amount of interest that would have accrued on the taxpayers’ net investment for the relevant period at a yield equal to 120% of the “applicable rate”.

Special Rules Applicable to Ownership of “Passive Foreign Investment Company” Stock.

Ownership of PFIC Stock. The Fund may acquire equity interests in certain foreign corporations that will be classified as “passive foreign investment companies” (“**PFICs**”) for U.S. tax purposes. Under the PFIC rules, unless the Fund makes one of the elections described below, any gain realized by the Fund on the sale or disposition of stock in a PFIC that is allocable to Shareholders that are U.S. Persons (as defined in the Code) will be treated as ordinary income and will be subject to U.S. federal income tax as if (i) the gain had been realized ratably over the Shareholder’s holding period and (ii) the amount deemed realized had been subject to tax in each year of that holding period at the highest applicable federal income tax rate; in addition, an

interest charge at the rate generally applicable to underpayments of federal income tax will be imposed on the amount. Further, any “excess distributions” from a PFIC (as defined in the Regulations) are treated as ordinary income (regardless of their original character) and subject to this deferred tax and interest charge.

Provided the PFIC complies with certain reporting requirements, the Fund may elect to have the PFIC treated as a “qualified electing fund”, in which case the Fund would include annually in its gross income its pro rata share of the PFIC’s net ordinary income and net realized capital gains, whether or not such amounts are actually distributed. Generally, any net operating losses or net capital losses of the PFIC will not pass through to the Fund and will not offset any ordinary income or capital gains of the PFIC reportable to the Fund in subsequent years. Alternatively, the Fund could elect to “mark-to-market” stock in certain PFICs if such stock is considered “marketable stock” under the Code, and thereby avoid being subject to the deferred tax and interest charge discussed above. There can be no assurance that the Fund will be able to make either of these elections with respect to any PFICs in which it invests. Shareholders may be subject to IRS reporting requirements with respect to the Fund’s investments in PFICs.

Medicare Surtax on Net Investment Income.

High income U.S. individuals are subject to an annual 3.8% Medicare contribution tax on their “net investment income” (“**NII Tax**”). The NII Tax is an “add on” federal surtax which must be paid in addition to the regular federal income tax on such income. The NII Tax applies to individual taxpayers with “modified” adjusted gross income (“**MAGI**”) in excess of certain statutorily determined thresholds. Trusts and estates are also subject to the NII Tax (in modified form) on the lesser of (i) their undistributed net investment income for the taxable year or (ii) the amount of their adjusted gross income that is taxable in the highest applicable federal income tax bracket for trusts and estates in such taxable year.

For purposes of the NII Tax, “investment income” is defined to include (1) interest, dividends, annuities, royalties and rents (subject to certain exceptions); (2) income from a trade or business that consists of trading financial instruments or commodities; (3) income from a trade or business that is a passive activity for the taxpayer; and (4) net gain attributable to disposition of capital assets and certain other property.

It is anticipated that a non-corporate U.S. Shareholder’s distributive share of taxable income from the Fund’s investing and trading activity will be classified as investment income of the type subject to the NII Tax.

Net investment income for purposes of calculating the NII Tax is (i) investment income (as defined above) reduced by (ii) any deductions allowed under the regular rules applicable for federal income tax purposes that are properly allocable to such gross income or net gain. Thus, if the Fund is not engaged in a trade or business, a non-corporate U.S. Shareholder’s distributive share of investment-related expenses (other than investment interest) would pass through as miscellaneous itemized deductions. For taxable years beginning before January 1, 2026, the deductions previously available to individuals, trusts and estates for such miscellaneous itemized deductions are disallowed.

U.S. Tax-Exempt Shareholders

If the Fund derives income which would be considered “unrelated business taxable income” (as defined in Section 512 of the Code) (“**UBTI**”), if derived directly by a qualified retirement plan or other organization exempt from tax under Sections 401 or 501(a) of the Code or an individual retirement account (“**IRA**”) exempt under Section 408(e) of the Code (each, a “**Tax-Exempt**

Entity”), a Shareholder that is a Tax-Exempt Entity’s allocable share of such income would be subject to tax. A Tax-Exempt Entity that is subject to tax on its allocable share of the Fund’s UBTI may also be subject to the alternative minimum tax with respect to items of tax preference which enter into the computation of UBTI.

UBTI is generally the excess of gross income from any unrelated trade or business conducted by a Tax-Exempt Entity (or by a partnership of which the Tax-Exempt Entity is a member) over the deductions attributable to such trade or business. UBTI generally does not include certain passive income, including dividends, interest, annuities, royalties and gain or loss from the disposition of property held for investment, unless such income items are debt-financed income (as discussed below).

U.S. tax-exempt entities are required to calculate UBTI separately for each unrelated trade or business, and net losses from one unrelated trade or business are not permitted to offset income from a separate unrelated trade or business. Prospective investors that are Tax-Exempt Entities should consult their tax advisors regarding the application of such rules to an investment in the Fund.

For certain types of Tax-Exempt Entities, the receipt of any UBTI may have extremely adverse consequences. In particular, for charitable remainder trusts (as defined under Section 664 of the Code), the receipt of any taxable income from UBTI during a taxable year will result in the imposition of an excise tax equal to the amount of such UBTI.

A Tax-Exempt Entity also includes in its UBTI its “unrelated debt-financed income” (and its allocable share of the “unrelated debt-financed income” of any partnership in which it invests) pursuant to Section 514 of the Code. In general, unrelated debt-financed income consists of: (i) income derived by a Tax-Exempt Entity (directly or through a partnership) from income producing property with respect to which there is “acquisition indebtedness” at any time during the taxable year; and (ii) gains derived by a Tax-Exempt Entity (directly or through a partnership) from the disposition of property with respect to which there is “acquisition indebtedness”. Acquisition indebtedness is generally defined as debt incurred to purchase or carry an investment. Such income and gains derived by a Tax-Exempt Entity from the ownership and sale of debt-financed property are taxable in the proportion to which such property is financed by acquisition indebtedness during the relevant period of time.

The Fund may incur indebtedness in connection with its investment program. If the Fund incurs indebtedness, a portion of the allocable share of the Fund’s income of a Tax-Exempt Entity would be treated as UBTI. The law is not clear regarding the appropriate method to be used to determine what portion of a tax-exempt Shareholder’s share of the Fund’s income is attributable to debt financing and therefore constitutes “debt-financed income”. There can be no assurance that the IRS will accept the method of computation used by the Fund.

In addition, to the extent that a Tax-Exempt Entity borrows money to finance its investment in the Fund, such entity would be subject to tax on the portion of its income which is unrelated debt-financed income even though such income may constitute an item otherwise excludable from UBTI, such as dividends, interest or capital gains.

Tax-exempt Shareholders will also realize UBTI if the Fund invests in equity interests of publicly traded partnerships or private partnerships that are engaged in trade or business activities.

Certain Tax Elections and Return Filing Requirements.

If the Fund is treated as a securities trader for federal income tax purposes, the Fund may elect to “mark-to-market” its securities at the end of each taxable year, in which case such securities would be treated for federal income tax purposes as though sold for fair market value on the last business day of such taxable year. Such an election under Code Section 475(f) would apply to the taxable year for which made and all subsequent taxable years and may not be revoked without the consent of the IRS. If the Fund were to make such an election, all or a portion of the Fund’s gains and losses would be considered ordinary income or loss, rather than capital gain or loss.

The Code provides for optional adjustments to the tax basis of partnership property upon distributions of partnership property to a partner and transfers of partnership interests (including by reason of death); provided that a partnership election has been made pursuant to Section 754 of the Code. Any such election, once made, cannot be revoked without the IRS’s consent.

Even if a partnership has not made a Section 754 election, Section 743 of the Code provides for a mandatory tax basis adjustment to partnership property on certain transfers of partnership interests (including transfers by reason of death), if the partnership has a “substantial built-in loss” immediately after such transfer. A partnership is treated as having a “substantial built-in loss” if: (1) the partnership’s aggregate adjusted tax basis in partnership property exceeds the properties’ aggregate fair market value by more than \$250,000 or (2) the transferee partner would be allocated a loss of more than \$250,000 if the partnership’s assets were sold for cash equal to their fair market value immediately after the transfer. Section 734 of the Code also provides for mandatory tax basis adjustments in the case of certain property distributions to partners. Such Code provisions could cause the Fund to decrease the tax basis of its remaining assets in such circumstances.

All Shareholders are required to treat tax items consistently on their own federal income tax return with their treatment on the Fund’s return (if any), unless they file a statement with the IRS disclosing the inconsistency. Since the Fund may engage in transactions whose treatment for tax purposes is not clear, there is a risk that a claim of tax liability could be asserted against the Fund. In the event that the income tax returns of the Fund are audited by the IRS, the tax treatment of Fund income and deductions generally is determined at the partnership level in a single proceeding rather than by individual audits of the Shareholders. The “Partnership Representative” of the Fund will have considerable authority to make decisions affecting the tax treatment and procedural rights of all Shareholders. In addition, the Partnership Representative has the authority to bind certain Shareholders to settlement agreements and the right on behalf of all Shareholders to extend the statute of limitations relating to tax liabilities with respect to partnership items. The Fund may consult with, and rely upon, the Fund’s auditors and other advisors and their determinations or advice as to tax and/or accounting matters.

IRS Partnership Tax Audit Rules. An IRS audit adjustment to the Fund’s federal tax return for any tax year (“**Prior Year**”) could result in a tax liability (including interest and penalties) being imposed on the Fund for the year during which the IRS adjustment is determined (“**Current Year**”). The Fund may be able to elect to pass through such tax adjustments for any Prior Year to those current and former Shareholders who were partners of the Fund during the Prior Year, in which case each Prior Year participating partner, and not the Fund, would be responsible for the payment of any tax deficiency allocable to such person, determined after including the partner’s share of the adjustments on his or its own federal income tax return for that Prior Year. If such pass through election is made by the Fund, interest on any deficiency will be calculated by the IRS at a rate that is two percentage points higher than the otherwise applicable interest rate for tax underpayments. If the Fund did not make such a pass through election, the Current Year

partners may bear the tax liability (including interest and penalties) arising from IRS audit adjustments that are unrelated to their Prior Year economic interests in the tax items of the Fund that were adjusted. The Fund will designate an eligible person as required to serve as the Partnership Representative of the Fund, with the sole authority to represent the Fund with respect to U.S. federal income tax matters for the tax year for which designated.

PFIC Reporting. Each U.S. Person that is a direct or indirect shareholder of a PFIC is required to file an annual information return containing such information as the IRS may require. U.S. Shareholders may be required to file such IRS PFIC reporting forms with the taxpayer's federal income tax return. Certain U.S. tax-exempt entities are exempt from such PFIC filing requirement unless they realize UBTI with respect to the PFIC investment.

FATCA Withholding and Compliance. The provisions of the Code known as the Foreign Account Tax Compliance Act ("**FATCA**") provide that a 30% withholding tax will be imposed on payments of U.S.-source dividends and interest (and certain other items of U.S.-source income) to certain foreign financial entities and on gross proceeds from the sale of property that give rise to U.S.-source, interest or dividends, unless the foreign financial entity has registered with the IRS and agreed to provide specified U.S. tax information concerning "specified U.S. persons" that own interests in the foreign entity. U.S. and non-U.S. Shareholders will be required to furnish appropriate documentation certifying as to their U.S. or non-U.S. tax status, together with such other additional tax information as the Fund may from time to time request. Shareholders that are "non-financial foreign entities" (as defined in Code Section 1472) are required to certify whether they have any "substantial United States owners" and, if so, to disclose the identity and tax identification numbers of such persons to the Fund. Failure to provide such information may subject a Shareholder to withholding taxes or mandatory withdrawal of its entire interest in the Fund. Shareholders are encouraged to consult with their own tax advisors regarding the possible impact of the FATCA legislation on their investment in the Fund.

Certain ERISA Considerations

An investment of benefit plan assets in the Fund may raise issues under ERISA and the Code. ERISA and the Code impose certain duties on persons who are fiduciaries of a Plan (as defined below) and prohibit certain transactions involving the assets of a Plan and its fiduciaries or other interested parties. Under ERISA and the Code, any person who exercises any discretionary authority or control over the administration of a Plan, or the management or disposition of the assets of a Plan or who renders investment advice for a fee or other compensation to a Plan, is generally considered to be a fiduciary of the Plan.

In considering an investment in the Fund of a portion of the assets of any employee benefit plan (including a "Keogh" plan) subject to the fiduciary and prohibited transaction provisions of ERISA or the Code or similar provisions under applicable state law (collectively, a "Plan"), a Plan fiduciary should determine, in light of the risks and limited liquidity inherent in an investment in the Fund, whether the investment is in accordance with the documents and instruments governing the Plan and the applicable provisions of ERISA or similar law relating to a fiduciary's duties to the Plan. Furthermore, absent an exemption, the fiduciaries of a Plan should not purchase Shares with the assets of any Plan if the Investment Manager or any affiliate thereof is a fiduciary or other "party in interest" or "disqualified person" (collectively, a "party in interest") with respect to such Plan.

Regulations promulgated under ERISA by the U.S. Department of Labor (“**Plan Asset Regulations**”) generally provide that when a Plan subject to Title I of ERISA or Section 4975 of the Code acquires an equity interest in an entity that is neither a “publicly-offered security” nor a security issued by an investment company registered under the Investment Company Act, the Plan’s assets include both the equity interest and an undivided interest in each of the underlying assets of the entity, unless it is established either that equity participation in the entity by “benefit plan investors” is not “significant” or that the entity is an “operating company”, in each case, as defined in the Plan Asset Regulations. The Shares will not constitute “publicly offered” securities or securities issued by an investment company registered under the Investment Company Act, and it is not expected that the Fund will qualify as an “operating company” under the Plan Asset Regulations. For purposes of the Plan Asset Regulations, equity participation in an entity by benefit plan investors will not be “significant” as long as they own, directly or indirectly, in the aggregate less than 25% of the value of each class of such entity’s equity. For purposes of such calculation, equity interests owned by persons (other than a benefit plan investor) with discretionary authority or control over the assets of the entity or who provide investment advice for a fee (direct or indirect) with respect to such assets, and any affiliates thereof, are disregarded. For purposes of this 25% test (“**Benefit Plan Investor Test**”), “benefit plan investors” include: employee benefit plans subject to the provisions of Title I of ERISA and plans subject to Section 4975 of the Code, including “Keogh” plans and individual retirement accounts (“**IRAs**”). The following are not included in the definition of a benefit plan investor: employee benefit plans maintained outside the U.S. by foreign companies that cover non-U.S. Persons, governmental plans, and certain church plans. Absent satisfaction of another exception under the Plan Asset Regulations, if 25% or more of the value of any class of Interests in a Fund were held by benefit plan investors, an undivided interest in each of the underlying assets of the Fund would be deemed to be “plan assets” of any Plan subject to Title I of ERISA or Section 4975 of the Code that invested in the Fund.

The Board intends to use reasonable efforts either (i) to prohibit plans subject to Title I of ERISA or Section 4975 of the Code from investing in the Fund or (ii) to provide that investment by “benefit plan investors” in the Fund will not be “significant” for purposes of the Plan Asset Regulations by limiting the aggregate equity participation by benefit plan investors in the Fund to less than 25% of the value of each class of Shares in each Fund as described above. However, each Plan fiduciary should be aware that even if the Fund were to avoid plan asset status under the Benefit Plan Investor Test at the time a Plan acquires Shares, the exemption could become unavailable at a later date as a result, for example, of subsequent transfers or redemptions of Shares, and that Shares held by benefit plan investors may be subject to mandatory redemption in such event in order for the Fund to continue to avoid plan asset status under the Benefit Plan Investor Test.

There can be no assurance that the Fund will qualify for a plan asset exemption under the Benefit Plan Investor Test, that the structure of particular investments of the Fund will otherwise satisfy the Plan Asset Regulations or that the underlying assets of the Fund will not otherwise be deemed to include ERISA plan assets.

If the assets of the Fund were deemed to be “plan assets” under ERISA, (i) the prudence and other fiduciary responsibility standards of ERISA would extend to investments made by the Fund and (ii) certain transactions in which the Fund might seek to engage could constitute “prohibited transactions” under ERISA and the Code. If a prohibited transaction occurs for which no exemption is available, the Investment Manager and any other fiduciary that has engaged in the prohibited transaction could be required (x) to restore to the Plan any profit realized on the transaction and (y) to reimburse the Plan for any losses suffered by the Plan as a result of the investment. In addition, each party in interest involved could be subject to an excise tax equal to 15% of the amount involved in the prohibited transaction for each year the transaction continues and, unless the transaction is corrected within statutorily required periods, to an additional tax of 100%. Plan fiduciaries that decide to invest in the Fund could, under certain circumstances, be liable for prohibited transactions or other violations as a result of their investment in the Fund or as co-fiduciaries for actions taken by or on behalf of the Fund or the Investment Manager. With respect to an IRA that invests in the Fund, the occurrence of a prohibited transaction involving the individual who established the IRA, or his or her beneficiaries, could cause the IRA to lose its tax-exempt status.

The Board of Directors has the power to take certain actions to avoid having the assets of the Fund characterized as plan assets, including, without limitation, the right to refuse a subscription or to compulsorily redeem Shares.

Each Plan fiduciary should consult its own legal advisor concerning the considerations discussed above before making an investment in the Fund.

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 1981.
- (b) The Segregated Account Companies Act 2000 (Bermuda).
- (c) The Memorandum of Association and the Bye-laws.
- (d) The material contracts referred to in the Prospectus “Material Contracts”.
- (e) Any report of audited accounts prepared by the auditor of the Company.