

# CERES FUND LTD

## OFFERING DOCUMENT

An International Business Company incorporated in The Bahamas on 15 August 1997  
Registered Number 63,431B

Licensed as a Self-Administered Standard Fund under S6 & S8 of the Bahamas Investment Funds Act, 2019

In licensing, registering or filing the investment fund the Bahamas Securities Commission does not take responsibility for the financial soundness of the investment fund or for the correctness of any statements made or opinions expressed in this regard.

### MARKETING

**This Fund is not approved for marketing in the United Kingdom, the United States or South Africa.**

### IMPORTANT

**If you are in any doubt about the contents of this offering document, you should consult your stockbroker, bank manager, counsel and attorney, accountant or other financial advisor.**

### CAUTIONARY

**The value of units can fall as well as rise. Investors may not get back the value of their original investment.**

Updated: 10 October 2021

## CERES FUND LTD

### PLACEMENT of registered shares in:

Ceres Low Volatility Fund (Class “A” Ordinary Shares with a par value of US\$0.01 per share) of CERES FUND LTD (“the Company”) which may be purchased on a monthly basis at prices calculated by reference to the Net Asset Value thereof. Shares in the Ceres Low Volatility Fund may be redeemed on a monthly basis;

and

Ceres Aggressive Fund (Class “B” Ordinary Shares with a par value of US\$0.01 per share) of the Company which may be purchased on a monthly basis at prices calculated by reference to the Net Asset Value thereof. Shares in the Ceres Aggressive Fund may be redeemed on a monthly basis;

and

Ceres Equity & Hedge Fund (Class “C” Ordinary Shares with a par value of US\$0.01 per share) of the Company which may be purchased on a monthly basis at prices calculated by reference to the Net Asset Value thereof. Shares in the Ceres Equity & Hedge Fund may be redeemed on a monthly basis;

and

Ceres Direct Equity Fund (Class “D” Ordinary Shares with a par value of US\$0.01 per share) of the Company which may be purchased on a monthly basis at prices calculated by reference to the Net Asset Value thereof. Shares in the Ceres Direct Equity Fund may be redeemed on a monthly basis and may be redeemed in specie from its underlying assets at the Directors’ discretion;

and

Ceres Equity Fund (Class “E” Ordinary Shares with a par value of US\$0.01 per share) of the Company which may be purchased on a monthly basis at prices calculated by reference to the Net Asset Value thereof. Shares in the Ceres Equity Fund may be redeemed on a monthly basis;

and

Ceres High Growth Fund (Class “F” Ordinary Shares with a par value of US\$0.01 per share) of the Company which may be purchased on a monthly basis at prices calculated by reference to the Net Asset Value thereof. Shares in the Ceres High Growth Fund may be redeemed on a monthly basis;

and

Ceres General Fund (Class “G” Ordinary Shares with a par value of \$0.01 per share) of the Company which may be purchased on a monthly basis at prices calculated by reference to the Net Asset Value thereof. Shares in the Ceres General Fund may be redeemed on a monthly basis and may be redeemed in specie from its underlying assets at the Directors’ discretion;

and

Ceres Private Equity Fund (Class “H” Ordinary Shares with a par value of US\$0.01 per share) of the Company which may be purchased on a monthly basis at prices calculated by reference to the Net Asset Value thereof. Shares in the Ceres US Private Equity Fund may be redeemed on a monthly basis and may be redeemed in specie from its underlying assets at the Directors’ discretion;

and

Ceres SA Private Equity Fund (Class “I” Ordinary Shares with a par value of US\$0.01 per share) of the Company which may be purchased on a monthly basis at prices calculated by reference to the Net Asset Value thereof. Shares in the Ceres SA Private Equity Fund may be redeemed on a monthly basis and may be redeemed in specie from its underlying assets at the Directors’ discretion;

and

Ceres GBP Alternative Fund (Class "J" Ordinary Shares with a par value of £0.01 per share) of the Company which may be purchased on a monthly basis at prices calculated by reference to the Net Asset Value thereof. Shares in the Ceres GBP Alternative Fund may be redeemed on a monthly basis;

and

Ceres Euro Alternative Fund (Class "K" Ordinary Shares with a par value of Euro0.01 per share) of the Company which may be purchased on a monthly basis at prices calculated by reference to the Net Asset Value thereof. Shares in the Ceres Euro Alternative Fund may be redeemed on a monthly basis;

and

Ceres FX Fund (Class "L" Ordinary Shares with a par value of US\$0.01 per share) of the Company which may be purchased on a monthly basis at prices calculated by reference to the Net Asset Value thereof. Shares in the Ceres FX Fund may be redeemed on a monthly basis;

and

Ceres Finance Fund (Class "M" Ordinary Shares with a par value of US\$0.01 per share) of the Company which may be purchased on a monthly basis at prices calculated by reference to the Net Asset Value thereof. Shares in the Ceres Finance Fund may be redeemed on a monthly basis and may be redeemed in specie from its underlying assets at the Directors' discretion;

and

Ceres Capital Fund (Class "N" Ordinary Shares with a par value of GBP0.01 per share) of the Company which may be purchased on a monthly basis at prices calculated by reference to the Net Asset Value thereof. Shares in the Ceres Capital Fund may be redeemed on a monthly basis;

and

Ceres Property Fund (Class "P" Ordinary Shares with a par value of GBP0.01 per share) of the Company which may be purchased on a monthly basis at prices calculated by reference to the Net Asset Value thereof. Shares in the Ceres Property Fund may not be redeemed until 31 December 2015 and thereafter on a monthly basis and may be redeemed in specie from its underlying assets at the Directors' discretion;

and

Ceres Restricted Fund (Class "R" Ordinary Shares with a par value of US\$0.01 per share) of the Company which may be purchased at the discretion of the Board on a monthly basis at prices calculated by reference to the Net Asset Value thereof. Shares in the Ceres Capital Fund may be redeemed on a monthly basis;

\*\*\*

Specimen application forms are attached as Appendix B at the end of this Offering Document.

\*\*\*

In this Offering Document, references to US\$ or US dollars are to United States dollars; references to GBP or to Sterling are to Pounds Sterling, references to Euro are to the currency of the European Union.

\*\*\*

Ceres Fund Ltd (the "Company") is a Standard Fund licensed under The Bahamas Investment Funds Act, 2019 (the "Act") and is regulated under the terms of that Act.

As a regulated investment fund, the Company is subject to the supervision of, and regulated by, the Securities Commission of the Bahamas (the "SCB"). The SCB requires the Company to have its accounts audited and to submit such accounts to the SCB annually and at such other times and within prescribed times as the SCB shall specify. In addition, the SCB may ask the Company to give the SCB such information or such explanation in respect of the Company as the SCB may reasonably require to enable the SCB to carry out its duties under the Act.

The Company's Directors must give the SCB access to, or provide at any reasonable time, all records relating to the Company and the SCB may make copies or take extracts of any record that the SCB is given access to. Failure to comply with these requests of the SCB may result in substantial fines and/or penalties being imposed upon the Directors.

The SCB is prohibited by the Act from disclosing any information relating to the affairs of the Company other than disclosure necessary for the effective regulation of the Company or when lawfully required or permitted to make such disclosure by a court or pursuant to the provisions of any other Act of The Bahamas. The SCB may disclose to a mutual fund regulating authority outside of The Bahamas any information that it deems necessary to assist the non-Bahamian regulator in its regulatory functions, including the conduct of civil or administrative investigations or proceedings to enforce laws, regulations and rules administered by that authority, provided that the recipient authority undertakes to hold such information in confidence unless authorization to disclose has been given by the SCB and that such information does not expose the persons supplying the information to criminal proceedings.

The SCB may take certain actions if it is satisfied that the Company is, or is likely to become, unable to meet its obligations as they fall due, or is carrying on or attempting to carry on, business or is winding up its business voluntarily in a manner that is prejudicial to its investors or creditors. The powers of the SCB include, inter alia, the power to require substitution of the Directors of the Company (or promoters of the Company); the power to appoint a person to advise the Company on the proper conduct of its affairs; and the power to appoint a person to assume control of the affairs of the Company. The SCB may also apply to the courts of The Bahamas for an order to take such other action as the SCB considers necessary to protect the interests in, and creditors of, the Company.

This Offering Document (the "Offering Document") has been prepared solely for the benefit of persons who are interested in the prospective purchase of the Shares (as hereinafter defined) and has been filed with the SCB. Any reproduction, in whole or in part, or the divulgence of its contents, without the prior written consent of the Company, is prohibited.

The Directors of the Company whose names appear in the Directory of this Offering Document are the persons responsible for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts. The Directors accept responsibility accordingly. Statements made in this Offering Document are based on the law and practice currently in force in The Bahamas and are subject to changes therein.

The circulation and distribution of this Offering Document in certain jurisdictions is restricted by law, and no public offering is intended hereby. This Offering Document does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation. This Offering Document constitutes an offer only if delivery of this Offering Document is properly authorized by the Company and complies with the law of the country in which the offeree resides. This Offering Document does not constitute an offer or a solicitation of an offer in any jurisdiction in which such offer or solicitation is unlawful.

No person is authorised to give any information or to make any representations which are not contained in this Offering Document and in the documents referred to herein and which are available to Investors for inspection, and, if given or made, such information or representations may not be relied upon as having been authorised by the Company. Any purchase made by any person on the basis of statements or representations not contained in, or inconsistent with, information herein shall be solely at the risk of the purchaser. Shares will be issued only on the basis of the information and representations contained in this Offering Document and the Subscription Agreement. No other information or representation has been authorised.

No invitation may be made to the public in The Bahamas to subscribe for the Shares.

The Company is an unregulated collective investment scheme for the purposes of the United Kingdom Financial Services Act 1986 (the "FSA") and is not regulated by The Financial Services Authority nor by any United Kingdom self-regulating organization. Consequently, investors will not have the benefit of the Investors' Compensation Scheme or other protection afforded by the FSA or the rules and regulations made thereunder. This Offering Document has not been issued or approved for the purposes of Section 57 of the FSA by a person authorized under the FSA. Accordingly, it may not be distributed in the United Kingdom other than to persons who are of a kind described in Article 11(3) of the Financial Services Act 1986 (Investment Advertisements) (Exemptions) Order 1996 or who are persons to whom this Placing Offering Document may otherwise lawfully be distributed. The Company may however be promoted in the United Kingdom by persons authorized under the FSA to certain categories of

persons specified in Section 76 of the FSA and in The Financial Services (Promotion of Unregulated Schemes) Regulations 1991.

The Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the "1933 Act") and have not been and will not be registered or qualified under the securities laws of any state or jurisdiction of the United States of America ("U.S."). Accordingly, the Shares may not be directly or indirectly offered, sold, transferred or otherwise disposed of in the United States or to or for the benefit of any United States Person (as defined in the Rules promulgated under the 1933 Act) without the consent of the Company and in compliance with US federal and state securities laws. In addition, all purchasers of Shares must not be United States persons (as defined in the U.S. Internal Revenue Code of 1986, as amended (the "Code")) and only Non-United States persons (as hereinafter defined) are being offered shares. Shares will not be offered to persons designated as being subject to foreign exchange controls by the Central Bank of The Bahamas. The Company has not been and will not be registered under the United States Investment Company Act of 1940, as amended or the United States Commodity Exchange Act, as amended.

The Company has NOT obtained approval from the South African Registrar of Collective Investment Schemes as contemplated in section 65(1) of CISC in relation to the Fund. The Fund is not registered with or regulated by the Financial Services Board in South Africa. This Offering Document is not intended to solicit investments from "members of the public" in South Africa, as such term is contemplated in the Collective Investment Schemes Control Act, 2002 ("CISC").

The Articles of Association of the Company give powers to the Directors to require the redemption or transfer of Shares held by any person in breach of any law or requirement of any country or governmental authority or by any person or persons in circumstances which, in the opinion of the Directors and the Investment Manager, might result in the Company incurring any liability for taxation, suffering any other pecuniary disadvantage or being subject to additional law or regulation which the Company might not otherwise have incurred or suffered.

The distribution of this Offering Document and the offering of Class "A", Class "B", Class "C", Class "D", Class "E", Class "F", Class "G", Class "H", Class "I", Class "J", Class "K", Class "L", Class "M", Class "N", Class "P" and Class "R" Ordinary Shares in the Company ("Ordinary Shares") may be restricted in certain jurisdictions. It is the responsibility of any persons in possession of this Offering Document and any persons wishing to apply for Ordinary Shares pursuant to this Offering Document to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdictions. Prospective applicants for Ordinary Shares in the Company should inform themselves as to the legal requirements of so applying and any applicable exchange control regulations and taxes in the countries of their respective citizenship, residence or domicile.

\*\*\*

**INVESTORS' ATTENTION IS DRAWN TO THE RISK FACTORS SECTION OF THIS OFFERING DOCUMENT.**

\*\*\*

**DO NOT CONSTRUE THE CONTENTS OF THIS OFFERING DOCUMENT AS LEGAL OR TAX ADVICE.**

**IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS OFFERING DOCUMENT, YOU SHOULD CONSULT YOUR FINANCIAL OR LEGAL ADVISOR(S).**

**THE PRICE OF EQUITY INTERESTS IN THE COMPANY MAY BE SUBJECT TO MARKET FLUCTUATIONS. PROSPECTIVE INVESTORS ARE URGED TO READ THIS OFFERING DOCUMENT IN ITS ENTIRETY.**

**THE VALUE OF UNITS CAN FALL AS WELL AS RISE. INVESTORS MAY NOT GET BACK THE VALUE OF THEIR ORIGINAL INVESTMENT.**

## TABLE OF CONTENTS

DIRECTORY.....	8
SUMMARY.....	10
THE COMPANY.....	13
Introduction.....	13
The Sub-Funds.....	13
General.....	13
Ceres Low Volatility Fund.....	14
Ceres Aggressive Fund.....	14
Ceres Equity & Hedge Fund.....	14
Ceres Direct Equity Fund.....	15
Ceres Equity Fund.....	15
Ceres High Growth Fund.....	15
Ceres General Fund.....	15
Ceres Private Equity Fund.....	15
Ceres SA Private Equity Fund.....	15
Ceres GBP Alternative Fund.....	15
Ceres Euro Alternative Fund.....	16
Ceres FX Fund.....	16
Ceres Finance Fund.....	16
Ceres Capital Fund.....	16
Ceres Property Fund.....	16
Ceres Restricted Fund.....	16
Investment Restrictions.....	16
Structure.....	18
Subscription for Ordinary Shares.....	19
Redemptions.....	19
Suspension of the Redemption of Ordinary Shares.....	20
Transferability and Conversion of Shares.....	20
Transferability of Ordinary Shares.....	20
Conversion of Ordinary Shares.....	20
Dividends.....	21
Management.....	21
Directors.....	21
Fund Manager.....	21
Advisor.....	22
Custodian.....	22
Costs.....	22
Charges and Expenses.....	22
Advisor’s Expense Allocation.....	23

Investment Advisory Fee .....	23
Broker/Nominee’s Brokerage and All-in Fee .....	23
Risk Factors .....	23
Tax Considerations .....	25
General Information.....	25
Borrowing by the Company .....	25
Basis for Pricing.....	25
Determination of Net Asset Value .....	26
Suspension of Valuation of Net Asset Value .....	26
Potential Conflicts of Interest .....	27
Report to Investors.....	27
Communications to the Company .....	27
Auditors.....	27
Share Certificates .....	27
APPENDIX A – GENERAL COMPANY INFORMATION.....	28
APPENDIX B – APPLICATION / REDEMPTION / SWITCH FORM.....	37

\*\*\*\*\*

## DIRECTORY

### Directors

Jacques van Eeden, Deon Huysamer and  
Chikuni Shenjere-Mutiswa  
c/o St Andrew's Court  
Frederick Street Steps  
P O Box N-4805  
Nassau, Bahamas

Tel: +1 242 3221126  
Fax: +1 320 2135078  
Email: [directors@ceresfund.com](mailto:directors@ceresfund.com)

### Registered Agent/Principal Office

Alexiou, Knowles & Co/ Lex Management  
St Andrew's Court  
Frederick Street Steps  
P O Box N-4805  
Nassau  
Bahamas

Tel: +1 242 322 1126  
Fax: +1 242 328 8395

### Auditor

BDO Bahamas  
Gresham House  
Charlotte Street  
P.O Box N-10144  
Nassau, Bahamas

Tel: +1-224-325 6591  
Fax: +1-242-325 6592

### Registered Office / Duplicate Records Office

Trinity Place Annex  
cnr Frederick & Shirley Streets  
P O Box N-4805  
Nassau  
Bahamas

Tel: +1 242 3221126  
Fax: +1 320 2135078  
Email: [bahamas@ceresfund.com](mailto:bahamas@ceresfund.com)

### Broker/Nominee

HSBC Private Bank (Suisse) SA (outgoing)  
2 quai General Guisan  
Case Postale 3580  
CH – 1211  
Geneve 3  
Switzerland

Tel: (+41) 58 705 5488  
Fax: (+41) 58 705 5860



**Investment Manager**

Global Fund Services Ltd  
St Andrew's Court  
Frederick Street Steps  
P O Box N-4805  
Nassau  
Bahamas

Tel/Fax: +1 320 213 5078  
Email: [gfs@sent.com](mailto:gfs@sent.com)

Registered Address:  
Trinity Place Annex  
cnr Frederick & Shirley Streets  
P O Box N-4805  
Nassau  
Bahamas

**Promotor**

Sentinel Investment Advisors Ltd  
Registered Address:  
St Andrew's Court  
Frederick Street Steps  
P O Box N-4805  
Nassau  
Bahamas

Tel/Fax: +1 320 213 5078  
Email: [promotor@ceresfund.com](mailto:promotor@ceresfund.com)

**Registrar**

The Directors  
Global Fund Services Ltd  
St Andrew's Court  
Frederick Street Steps  
P O Box N-4805  
Nassau  
Bahamas

Tel/Fax: +1 320 213 5078  
Email: [gfs@sent.com](mailto:gfs@sent.com)

**Advisor to the Investment Manager**

Sentinel Investment Management Inc  
St Andrew's Court  
Frederick Street Steps  
P O Box N-4805  
Nassau  
Bahamas

Tel/Fax: +1 320 2135078  
Email: [SIM@ceresfund.com](mailto:SIM@ceresfund.com)

Registered Address:  
Trinity Place Annex  
cnr Frederick & Shirley Streets  
P O Box N-4805  
Nassau  
Bahamas

**Bankers**

Barclays Bank Plc  
PO Box 48  
Barclays House  
Victoria St  
Douglas  
Isle of Man  
IM99 1DF

Tel +44 1624 682860  
Fax +44 1624 684 565  
Email: [natalie.king@barclays.com](mailto:natalie.king@barclays.com)

## SUMMARY

**Investment Vehicle** Ceres Fund Ltd (“the Company”) is an open-ended multi-class investment company with one class of Sponsor Shares and twenty-four classes of Ordinary Shares designated as Class “A” Ordinary Shares through to Class “X” Ordinary Shares, the Ordinary Shares each representing an investment in a distinct portfolio of securities called a Sub-Fund. The Company is incorporated as an International Business Company in The Bahamas.

**Sub-Funds** The Sub-Funds invest principally in other collective investment undertakings which are selected on the basis of their investment strategy and their exceptional performance.

**Ceres Alternative Fund:** Class “A” Ordinary Shares relate to the Sub-Fund designated as the “Ceres Low Volatility Fund”.

**Ceres Aggressive Fund:** Class “B” Ordinary Shares relate to the Sub-Fund designated as the “Ceres Aggressive Fund”.

**Ceres Equity & Hedge Fund:** Class “C” Ordinary Shares relate to the Sub-Fund designated as the “Ceres Equity & Hedge Fund”.

**Ceres Direct Equity Fund:** Class “D” Ordinary Shares relate to the Sub-Fund designated as the “Ceres Direct Equity Fund”.

**Ceres Equity Fund:** Class “E” Ordinary Shares relate to the Sub-Fund designated as the “Ceres Equity Fund”.

**Ceres High Growth Fund:** Class “F” Ordinary Shares relate to the Sub-Fund designated as the “Ceres High Growth Fund”.

**Ceres General Fund:** Class “G” Ordinary Shares relate to the Sub-Fund designated as the “Ceres General Fund”.

**Ceres Private Equity Fund:** Class “H” Ordinary Shares relate to the Sub-Fund designated as the “Ceres Private Equity Fund”.

**Ceres SA Private Equity Fund:** Class “I” Ordinary Shares relate to the Sub-Fund designated as the “Ceres SA Private Equity Fund”.

**Ceres GBP Alternative Fund:** Class “J” Ordinary Shares relate to the Sub-Fund designated as the “Ceres GBP Alternative Fund”.

**Ceres Euro Alternative Fund:** Class “K” Ordinary Shares relate to the Sub-Fund designated as the “Ceres Euro Alternative Fund”.

**Ceres FX Fund:** Class “L” Ordinary Shares relate to the Sub-Fund designated as the “Ceres FX Fund”.

**Ceres Finance Fund:** Class “M” Ordinary Shares relate to the Sub-Fund designated as the “Ceres Finance Fund”.

**Ceres Capital Fund:** Class “N” Ordinary Shares relate to the Sub-Fund designated as the “Ceres Capital Fund”.

**Ceres Property Fund:** Class “P” Ordinary Shares relate to the Sub-Fund designated as the “Ceres Property Fund”.

**Ceres Restricted Fund:** Class “R” Ordinary Shares relate to the Sub-Fund designated as the “Ceres Restricted Fund”.

<b>Denomination of Ordinary Shares</b>	The Classes “A” to “I” and Classes “L” and “M” and Classes “O”, and “Q” to “Z” Ordinary Shares are denominated in United States dollars, Classes “J”, “N” and “P” Ordinary Shares in Pounds Sterling and Class “K” Ordinary Shares in Euros.
<b>Minimum Initial Investment</b>	US Dollar 50,000 or its equivalent in Sterling or Euros, which may be waived at the discretion of the directors, representing the aggregate investment of a single Investor in one or more classes of Ordinary Shares.
<b>Acceptance of Subscriptions</b>	Subscriptions will be accepted until 16h00 GMT on the last business day of each month.
<b>Acceptance of Redemptions</b>	Redemption notices will be accepted until 16h00 GMT on the last business day before the start of a redemption notice period. Any redemption effected pursuant to such a notice will be made at the redemption price calculated in respect of the next redemption date for each share class in respect of which the redemption is made.
<b>Conversion</b>	Except for the Class “H”, “I”, “L”, “P” and “R” Ordinary Shares, it is possible for Investors to convert any one class of Ordinary Shares to Ordinary Shares of any other class. Conversion will be free of charge.
<b>Borrowings</b>	The Company may borrow up to 25% of the aggregate value of its assets.
<b>NAV calculation</b>	The Net Asset Value per Class of Ordinary Share will be rounded to four decimal places.
<b>Form of Shares</b>	Ordinary Shares will be issued in non-certificated paperless form, and evidenced by entry into the Share Register.
<b>Reports</b>	<p>Each Shareholder will receive a quarterly, unaudited statement of the Net Asset Value of the Ordinary Shares they hold.</p> <p>An annual audited report on the financial position of the Company will be sent to Investors on record within four months following the end of each fiscal year, unless the Regulator has approved an extension to the audit deadline of the Company.</p>
<b>Fund Administrator</b>	The Company is self-administered by its directors.
<b>Risk Factors</b>	<p>The investments of the Company are subject to normal market fluctuations and other risks inherent in investing in securities and commodities and there can be no assurance that any appreciation in value will occur. <b>The value of investments, and therefore the value of the Ordinary Shares relating to these, can go down as well as up and an Investor may not realise the amount originally invested.</b></p> <p><b>Your attention is drawn to the “Risk Factors” in paragraph 12.</b></p>
<b>Fees</b>	The Advisor is paid an Investment Advisory Fee from the assets of the Company at a monthly rate of 1.5/12% of the Net Asset Value of the Company (approximately 1.5% annualised) before taking into account such fee and any other running expenses as at the end of each month. In respect of shares of classes other than the “A”, “D”, “G”, “H”, “I”, “J”, “K” and “R” Classes, the Advisor is entitled to a monthly performance fee of 10% of all new profits which exceed one-twelfth of the US three month money market rate plus three percent, applied to the Net Asset Value at the beginning of any month. In respect of the “G” Class, the Advisor is entitled to a monthly performance fee of 20% of all net new profits (which the Advisor may waive) and in respect of the “H” Class, the Advisor is entitled

to a monthly performance fee of 20% of all new profits which exceed one-twelfth of 20% applied to the Net Asset Value at the beginning of any month.

The Advisor is paid an expense allocation from the assets of the Company at a monthly rate of 0.7/12% (approximately 0.7% annualized) applied to the Net Asset Value, reduced by the costs of the directors and staff of the Company, but before taking into account any such fee or any other running expenses as at the end of any month. Where the full annual rate of 0.7/12% has been paid over to the Advisor for the sake of ease of administration, the Advisor shall refund an amount equal to the costs of the directors and staff to the Company.

The Company shall bear the expenses of its incorporation and other preliminary expenses, as well as costs of the Directors and staff, the audit fees, annual regulation fees and governmental duties as well as the expense allocation to the Advisor. The Company pays US\$2,000 per annum in Directors' remuneration to those directors of the Company who have not waived receiving directors' fees.

The Advisor shall pay all other expenses incurred in the operation of the Company out of the expense allocation, including the fees of the legal advisors and consultants to the Company, including the costs of Advisors to the Manager and the cost of any Fund Administrator to the Company, the cost of printing and distributing the annual reports as well as any other reports to Members and the cost of publication of the Company's prices.

The Broker/Nominee charge an annual All-in Fee of 0.35% of the market value of all assets registered in its Nominee name as well as a buy and sell brokerage commission of 1.25% on the value of such transactions.

Bankers are paid a quarterly fee of up to \$2,500.

Investors pay no subscription, redemption or switching charges to the Company. On redemption investors receive the redemption proceeds net of bank charges payable by the Company on such electronic transfers.

## THE COMPANY

### 1. Introduction

Ceres Fund Ltd (“the Company”) aims to provide Investors with a choice of Sub-Funds investing in a range of asset classes and featuring a range of investment strategies. The Company has adopted the structure of an “umbrella fund” or “Fund of Funds” and as such offers diverse investment objectives and strategies under the umbrella of a single corporate entity.

The objective of the Company is to preserve capital while achieving long-term capital appreciation with low to medium monthly volatility and to reduce risk by investing into a broad diversity of alternative and traditional asset classes and other financial instruments including granting loans, using a wide range of investment strategies.

With respect to the “hedged” share classes, emphasis is placed upon the attainment of above average risk-adjusted returns through a focus upon capital preservation and medium to low observed volatility. This objective is pursued by allocating funds to a number of investment managers around the world who adopt a “hedged” approach to investing as well as to apply some proprietary investment strategies outside of funds.

The prime objective of the equity-based share classes is to provide near-market related returns with fewer draw-downs. This is achieved by the underlying fund managers in uncertain times through a variety of investment techniques including holding cash and hedging long equity holdings with short positions in equities or indices and by the Sub-Funds by holding investments in trading and macro-type managers to balance holdings in long only equity managers and also by hedging with index futures and options.

Through application of the “multi-manager” approach, the Company hopes to ensure a broad distribution of assets amongst a series of distinct yet complementary investment managers Operating in defined niches. The Fund believes that the multi-manager route, combined with the positive attributes of hedged investing, affords investors access and exposure to a range of outstanding investment talent around the world.

At the date of this Offering Document, eight Sub-Funds are on general offer to Investors: the Ceres Low Volatility Fund, the Ceres Aggressive Fund, the Ceres Equity & Hedge Fund, the Ceres High Growth Fund, the Ceres GBP Alternative Fund, the Ceres Euro Alternative Fund, the Ceres FX Fund and the Ceres Property Fund.

The Board on advice from the Investment Manager may from time-to-time resolve to introduce additional Sub-Funds, each of which will offer a distinguishable investment objective or strategy. The Fund Administrator on advice from the Investment Manager may temporarily close any of the Sub-Funds to further cash inflows or permanently close and redeem any of the Sub-Funds.

The Directors of the Company accept responsibility for the information contained in the offering document as being accurate as at the date of publication

### 2. Sub-Funds

#### 2.1 General

By adopting a “multi-manager” or composite fund investment strategy in the general sub-funds, the Company aims to achieve a broad distribution of assets amongst several investment managers operating in defined niches. The Company believes that this strategy offers Investors exposure to a range of outstanding investment talent while achieving a significant diversification of risk.

The primary advantages for Investors in the general Sub-Funds are:

- They expose Investors to an array of established investment talent from which they might otherwise be excluded due to the typically high minimum investment levels imposed by most of the qualifying money managers.
- They enable Investors to participate in the funds of investment managers whose funds are closed to new investments.

- They afford Investors access to a diversity of investments managed by some of the world’s most established and proven money managers.
- They allow Investors to participate in a range of sophisticated strategies and non-traditional asset classes.
- It provides access to some of the best investment funds without the upfront fees of up to 5% which are charged by certain of the funds.
- The performance of each sub-fund manager or composite fund is regularly monitored and the overall portfolio characteristics are actively adjusted in order to achieve overall portfolio balance and to ensure that the portfolio remains appropriately hedged.
- Investors retain significant liquidity through the ability to exit from the Fund at notice shorter than the quarterly or one year "lock-up" periods often imposed by many hedge fund managers.

2.2 The factors considered in the identification of outstanding money managers are essentially bound up with their consistency of performance in all market conditions. Consistent performance is a minimum requirement but not a sufficient indicator of reliable performance. It is also part of the process to establish whether the money manager’s superior investment performance is attributable to a distinct investment philosophy which is converted into a successful and distinct investment process.

2.2.1 Investment managers are selected by analysing performance data and by evaluating the investment philosophy and approach of each manager. Managers are monitored to ensure that the performance standards and other attributes, which were originally persuasive factors in the decision to invest with them, are being maintained or improved.

2.2.2 Each investment is monitored and evaluated on an on-going basis by the Investment Manager and changes may be effected from time to time when performance varies from prior expectations or where developments in the financial markets warrant a change of emphasis.

### 2.3 **Ceres Low Volatility Fund**

Class “A” Ordinary Shares relate to the general Sub-Fund designated as the “Ceres Low Volatility Fund”. The objective of this sub-fund is to provide monthly returns with low down-side volatility and to aim to achieve positive monthly returns 80% of the time. The target is an annual return of up to twice the three month US Money Market Rate after fees. The sub-fund invests in other funds that are either commodity traders or invest in equity markets or equity indices but are hedged. Some of the underlying funds may also deploy arbitrage strategies to exploit temporary miss-pricings or price anomalies in equity markets.

### 2.4 **Ceres Aggressive Fund**

Class “B” Ordinary Shares relate to the general Sub-Fund designated as the “Ceres Aggressive Fund”. The objective of this sub-fund is to provide returns that are little correlated to equity markets and to achieve positive monthly returns 70% of the time. The annual target return is between 4% and 8% after fees. The sub-fund invests in other funds that are commodity traders, global macro traders, and arbitrageurs.

### 2.5 **Ceres Equity & Hedge Fund**

Class “C” Ordinary Shares relate to the general Sub-Fund designated as the “Ceres Equity & Hedge Fund”. The Fund aims to capture some of the equity market upside but with much less downside volatility. The sub-fund invests with funds that invest in North American and European equities and are either positioned long only or have long positions hedged by borrowing and selling short to reduce equity market exposure. The sub-fund maintains a significant exposure to commodity traders to provide downside protection when equity markets are falling. The sub-fund may hold direct equities provided it does not exceed 30% of the value of the assets of the sub-fund and may buy options or futures on stock indices or currencies.

## 2.6 Ceres Direct Equity Fund

Class “D” Ordinary Shares relate to the specialist Sub-Fund designated as the “Ceres Direct Equity Fund”. This sub-fund invests directly in Listed or Unlisted Shares of Companies operating in the Intellectual Property, Agency, Timber and Trading Sectors and may grant bridging or long term loans to such Companies. This sub-fund has monthly redemptions with no lock-up, but may meet redemptions by distribution of its underlying holdings in specie to Investors.

## 2.7 Ceres Equity Fund

Class “E” Ordinary Shares relate to the general Sub-Fund designated as the “Ceres Equity Fund”. This sub-fund invests directly in Listed Shares of Companies, in bonds, equity or bond funds, Exchange Traded Funds (“ETFs”), mutual funds, derivatives, commodities and in Hedge Funds. This sub-fund has monthly redemptions with no lock-up.

## 2.8 Ceres High Growth Fund

Class “F” Ordinary Shares relate to the general Sub-Fund designated as the “Ceres High Growth Fund”. The aim of this sub-fund is to achieve annual returns of between 5% and 10%. The sub-fund invests with funds that are commodity traders and long/short equity investors, provided that the sub-fund may also invest in other investment instruments providing directional exposure, including Exchange Traded Funds (“ETF”) and option or futures on Indices or currencies provided they meet the return objective. In spite of the high return high-risk nature of this sub-fund it concentrates on funds that have shown the ability to limit losses in volatile markets. The sub-fund may also invest in funds denominated in currencies other than the US Dollar, provided such other currency exposure may not exceed 40% of the value of the assets of this sub-fund. The Sub-Fund may also provide loan finance up to 40% of the value of its assets.

## 2.9 Ceres General Fund

Class “G” Ordinary Shares relate to the specialist Sub-Fund designated as the “Ceres General Fund”. This sub-fund invests in listed or unlisted equities, private equity, commodities, derivatives, mutual funds and hedge funds.

## 2.10 Ceres Private Equity Fund

Class “H” Ordinary Shares relate to the specialist Sub-Fund designated as the “Ceres Private Equity Fund”. This sub-fund invests predominantly in unlisted companies, but may also invests in commodities, foreign currency contracts, derivatives, hedge funds and in listed companies. The sub-fund may borrow up to 75% of the value of its assets. Its investment target is to outperform the S & P 500 Index over the life of the sub-fund. This Sub-Fund has monthly redemptions with no lock-up, but may meet redemptions by distribution of its underlying holdings in specie to Investors.

## 2.11 Ceres SA Private Equity Fund

Class “I” Ordinary Shares relate to the specialist Sub-Fund designated as the “Ceres SA Private Equity Fund”. This sub-fund is invested predominantly in Southern African private companies and has monthly redemptions with no lock-up, but may meet redemptions by distribution of its underlying holdings in specie to Investors.

## 2.12 Ceres GBP Alternative Fund

Class “J” Ordinary Shares relate to the general Sub-Fund designated as the “Ceres GBP Alternative Fund”. The aim of this fund is to return up to twice the GBP three-month Money Market Rate after fees in Pound Sterling with positive months 70% of the time. This Share Class invests with commodity traders, long/short equity funds and arbitrage funds, and may also invest in indices, foreign exchange contracts and listed equities and Exchange Traded Funds up to 40% of its assets.

### 2.13 **Ceres Euro Alternative Fund**

Class “K” Ordinary Shares relate to the general Sub-Fund designated as the “Ceres Euro Alternative Fund”. The objective of this fund is to return up to twice the Euro three-month Money Market Rate after fees in Euro with positive months 60% of the time. This Share Class invests with commodity traders, long short equity funds and arbitrage funds and may also invest in indices, foreign exchange contracts and listed equities and Exchange Traded Funds up to 40% of its assets.

### 2.14 **Ceres FX Fund**

Class “L” Ordinary Shares relate to the specialist Sub-Fund designated as the “Ceres FX Fund”. The objective of this fund is to provide currency hedging to investors. Investors in the Sub-Fund are obligated collectively to fund the Sub-Fund monthly to maintain cash levels at 10% of the nominal value of all open forex contracts from their investments in other Sub-Funds and authorise the Company to do so to ensure that intra month forex losses do not exceed cash in the Sub-Fund.

### 2.15 **Ceres Finance Fund**

Class “M” Ordinary Shares relate to the specialist Sub-Fund designated as the “Ceres Finance Fund”. The objective of this fund is to seek enhanced fixed interest returns by providing loans including but not limited to bridging, trade, project and property finance loans. The Sub-Fund may borrow up to 95% of the value of its assets.

### 2.16 **Ceres Capital Fund**

Class “N” Ordinary Shares relate to the specialist Sub-Fund designated as the “Ceres Capital Fund”. The objective of this fund is to seek long term private equity type returns and may invest in listed or private equity, direct or listed property, foreign exchange contracts, indices, ETF’s, hedge funds, may issue debentures secured against the assets of this share class only, and may grant loans and may borrow up to 75% of the value of its assets.

### 2.17 **Ceres Property Fund**

Class “P” Ordinary Shares relate to the specialist Sub-Fund designated as the “Ceres Property Fund”. The purpose of this fund is to invest in property, either via property owning companies, or in funds that invest in property owning companies, or in listed or unlisted equities of property companies or directly into properties and may borrow up to 50% of the value of its assets.

### 2.18 **Ceres Restricted Fund**

Class “R” Ordinary Shares relate to the specialist Sub-Fund designated as the “Ceres Restricted Fund”. The purpose of this fund is to take over funds in which other Ceres Sub-Funds were invested, and that had subsequently either suspended redemptions or calculation of their NAV, or funds or direct investments in equities where the Net Asset Value approximates zero. The objective of this fund is to manage the suspended funds or equities until their final redemption, liquidation or rehabilitation.

2.19 In addition to anything specified above, the Sub-Funds may invest in Exchange Traded Funds. They may also invest in composite funds or holding companies that consist of a portfolio of hedge or other funds and in other Ceres sub-funds; up to a maximum of 90% of their Net Asset Value in composite funds or general Ceres sub-fund or up to 50% of their Net Asset Value in specialist Ceres sub-fund or a combination of the three with the actual exposure dependent on each investing sub-fund’s risk profile.

## 3. **Investment Restrictions**

3.1 There shall be no restrictions on the markets or asset types that the Company may invest in.

In terms of the Articles of Association of the Company, once each Sub-Fund reaches US\$10,000,000 no Investment shall be made and no holding of any Investment shall be added to if:-

3.1.1 the value of the Company’s holding of securities issued by any one company or body or investment in any one underlying fund (other than any government or governmental agency) would exceed twenty-five per cent (25%) of the total assets of the Company as



at the most recent Valuation Date, provided however that holdings by the Company's "D", "G", "H", "I", "M", "N" and "P" Classes of Ordinary Shares will be excluded from this calculation. If, however, as a result of market appreciation or as a result of any other event beyond the control of the Board, the value of a single holding exceeds twenty-five per cent (25%) of the value of the total assets of the Company, the Board will not be obliged to reduce the holding to a value that would represent less than twenty-five per cent (25%) of the total assets of the Company;

- 3.1.2 the nominal amount of the Company's holding of a security of any one class in any company or body would exceed twenty per cent (20%) of the total nominal amount of all the issued securities of that class immediately after such Investment or any addition thereto has been made, provided however that holdings by the Company's "G", "H", "I", "M", "N" and "P" Classes of Ordinary Shares will be excluded from this restriction.

PROVIDED THAT:

- (a) securities shall be deemed to be of the same class if they confer identical rights and (if applicable) are subject to identical restrictions but in the case of an issue of securities which are in other respects identical with securities already in issue, any temporary differences in rights as to the dividends or interest between such existing and new securities shall be disregarded;
- (b) the Company may beneficially own any entity, including all or part of the issued Share capital of any company or companies, which for fiscal or other reasons the Fund Manager considers it necessary or desirable for the Company to incorporate or acquire for the purpose of holding certain of the Investments contained in the Company. None of the limitations or restrictions in this paragraph 3 shall apply to Investments in, loans to or deposits with any such entity, and for the purpose of this paragraph 3 investments held by any such entity shall be deemed to be held directly by the Company;
- (c) the value of any Investment for the purpose of any limit contained herein shall not include any accrued interest in respect thereof, even if such accrued interest is included in the net assets of the Company;
- (d) the term "securities" shall not include bank deposits, whether in current or in term deposit accounts;
- (e) the nominal amount of the Company's total holdings of a security of any one class in any company or body may account for up to one hundred per cent (100%) of the total nominal amount of all the issued securities of that class, in the case of an investment made for or added to the Company's "D", "G", "H", "I", "M", "N" or "P" Classes of Ordinary Shares.

- 3.2 It shall not be necessary for the Investment Manager to effect changes to Investments merely because, owing to appreciations or depreciations of the value of Investments held by the Company and/or variations in exchange rates, any of the limitations prescribed by paragraph 3.1 shall be exceeded, or by reason of any of the said limits being exceeded as a result of :-

- 3.2.1 the receipt by the Company or the Custodian of any rights, bonuses or benefits in the nature of capital; or
- 3.2.2 any scheme or arrangement for amalgamation, reconstruction, conversion or exchange; or
- 3.2.3 any realisation of any Investments;

but if, and so long as any of the said limits shall be exceeded, the Company shall not purchase any type of Investment which would result in any of the said limits being further exceeded.

- 3.3 The Investment Manager shall not on behalf of the Company:

- 3.3.1 invest in a security of any class in any company or body if the Board and officers of the Company and the Fund Manager collectively own more than ten per cent (10%) or those securities, unless the investments are made for the Company's "D", "G", "H", "I", "M", "N" or "P" Classes of Ordinary Shares;
  - 3.3.2 assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person in respect of borrowed money;
  - 3.3.3 take legal or management control of investments in its portfolio, unless the investments are made for the Company's "D", "G", "H", "I", "M", "N" or "P" Classes of Ordinary Shares.
- 3.4 The Company shall not enter into an obligation or acquire any asset or Investment which involves the assumption of any liability by the Company which is unlimited. Further, the obligation entered into or acquisition of any asset or Investment on behalf of any share class shall not involve the assumption of any liability by the Company which is more than 75% of the net asset value of that share class.
- 3.5 If the Company applies any part of its assets to the acquisition of any Investments which are for the time being nil paid or partly paid or otherwise likely to involve the Company in any liability (contingent or otherwise) the Company shall be bound to appropriate and set aside cash or other property to provide for paying up such Investment in full unless according to the terms of the issue thereof the Investment will or may at the option of the holder become within one year from the date of its acquisition by the Company fully paid up and free from all such liabilities as aforesaid. The cash or other property so appropriated shall form part of the assets of the Company but shall not be applied by the Company otherwise than as may be required for paying up the Investment so long as and to the extent that such Investment remains nil paid or partly-paid and part of the assets of the Company. Notwithstanding the foregoing, these assets may be invested short term in low volatility hedge funds to improve the return available on cash.
- 3.6 There is no restriction on Government bodies, local authorities or public international bodies in whose Securities the Company may invest and decisions on the concentration of investment in the securities of any one particular such body will be at the discretion of the Investment Manager.

#### 4. Structure

The Company is incorporated in The Bahamas as an open-ended investment company. The Company was incorporated as an International Business Company with limited liability on 15 August 1997.

The registered office of the Company is at Trinity Place Annex, cnr Frederick & Shirley Streets, P O Box N-4805, Nassau, Bahamas.

The Company has twenty-five classes of Shares which have such rights and privileges as are determined with reference to the Memorandum and Articles of Association. The respective rights and privileges of each class of Ordinary Shares are set out in detail in the section entitled "Shares" in Appendix A.

The Sponsor Shares in the Company are owned by trustees of a Trust of which the Ultimate Beneficial Owner is a UK Registered Foundation, and have voting rights but are not redeemable and have limited rights to participate in the assets of the Company after the interest of any creditors and the Ordinary Shareholders have been paid out in full on the winding-up of the Company.

The Ordinary Shares are offered to Investors and have a preferential right to the assets of the Company but restricted voting rights. The Ordinary Shares are redeemable.

Property held by and income earned on the assets of any Sub-Fund shall be attributed exclusively to the holders of the Class of Ordinary Shares relating to that Sub-Fund.

Pursuant to the provisions of its Memorandum and Articles of Association the Company shall issue non-Certificated Ordinary Shares. Share ownership is recorded by entry in the Company's Share register. A total of 2,200,000 shares divided into 22 classes of Ordinary Shares of one series each denominated "A", "B", "C", "D", "E", "F", "G", "H", "I", "L", "M", "O", "Q", "R", "S", "T", "U", "V", "W", "X", "Y" and "Z", each class comprising 100,000 Ordinary Shares with a par value of US\$ 0.01 per share and three Classes of

Ordinary Shares of one series denominated “J”, “N” and “P”, each such classes comprising 100,000 Ordinary Shares with a par value of GBP0.01 per share and one Class of Ordinary Shares of one series denominated “K”, such class comprising 100,000 Ordinary Shares with a par value of EURO0.01 per share in the capital of the Company are authorised and available for issue.

## 5. **Subscription for Ordinary Shares**

The initial placement price for all the Sub-Funds other than the “J”, “N”, “P” and “K” Classes of Ordinary Shares was US\$1,000 per Ordinary Share. The initial placement price for the “J”, “N” and “P” Classes of Ordinary Shares was GBP1,000 per Ordinary Share and EURO 1,000 for the “K” Class of Ordinary Shares.

The Company accepts new subscriptions on the last business day of each month for each of the Sub-Funds at the subscription price. The minimum initial subscription amount per Investor is US\$50,000 (or its equivalent in Sterling or Euros) in one or more of the Sub-Funds. The Fund Administrator may in its sole discretion accept a lower initial subscription amount and may impose such conditions as it deems appropriate on such acceptance. Thereafter there is no minimum incremental subscription amount.

Applications should be made on the appropriate Application Form (see Appendix B at the end of this Offering Document). Application Forms must be received by the Fund Administrator no later than 16h00 GMT on or before the last business day of any month. The Fund Administrator has the discretion to accept late subscriptions.

Subscription amounts should be remitted in US dollars, in British Sterling in the case of the Ceres GBP Alternative Fund and in Euro in the case of the Ceres Euro Alternative Fund. Amounts remitted in other currencies may be accepted and then converted at an appropriate market rate for comparable amounts prevailing on the relevant conversion date, as determined by the Fund Administrator in its discretion.

Cleared monies must be received into the appropriate Subscription Client Accounts maintained by the Fund Administrator no later than 16h00 GMT on or before the last business day of the month. Should the Fund Administrator in its sole discretion accept a subscription amount after the last business day of the month, interest for the number of days the amount was received after the last business day of the month calculated at prevailing rates may be deducted from the subscription amount and the balance invested. Subscriptions monies received need not be invested in the following month and can be invested at a later date at the discretion of the Fund Administrator.

Any interest received from monies passed through the Subscription Client Accounts will accrue for the benefit of the Fund. However, the Fund Administrator, in its discretion, may elect to credit interest to any Subscription amount received prior to the last business day of the month, until such amount is invested.

Each Investor whose subscription has been accepted by the Fund Administrator will be issued that number of the appropriate class of Ordinary Shares together with any fraction thereof (rounded to four decimal places), which is determined by dividing his subscription monies by the Net Asset Value per Ordinary Share of the appropriate class prevailing at the time when the subscription is made.

The Fund Administrator reserves the right to refuse any subscription for Ordinary Shares and to return the Application Form and any payment received, less bank charges, to the sender.

Ordinary Shares will be issued as fully paid. There is no cost to subscribing for shares in the Company.

Full details of the calculation of Net Asset Value are set out in the section entitled “Determination of Net Asset Value” in Appendix A.

## 6. **Redemptions**

Apart from those sub-funds with fixed investment periods, Investors may redeem their Shares on any month end, provided that a request in writing is received by the Fund Administrator no later than 65 days before the month end. The Fund Administrator may waive the 65 days’ notice period partially or fully at its discretion, in particular for partial redemptions or redemptions involving small amounts. Partial redemption of Shares which would reduce an Investor’s remaining investment in the Company to less than US\$50,000 (or its equivalent in Sterling or Euros) may be accepted at the discretion of the Fund Administrator, provided that should the remaining balance not increase to US\$50,000 (or its equivalent in Sterling or Euros) within 24

months of the partial redemption, the Fund Administrator may require the redeeming Shareholder to redeem such residual Shares.

The price per share at which Shares will be redeemed is determined with reference to the appropriate Net Asset Value as calculated at the Dealing Day immediately following the expiration of the 65 days' notice period. Full details of the calculation of Net Asset Value are set out in the section entitled "Determination of Net Asset Value" in Appendix A.

Redemptions will be in paid in US dollars other than redemptions of Classes "J", "N" and "P" which will be paid in Sterling and "K" Ordinary Shares which will be paid in Euro. Redemption proceeds may on request or at the discretion of the Fund Administrator be paid in other currencies, converted at an appropriate market rate for comparable amounts prevailing on the relevant payment date, as determined by the Fund Administrator in its discretion.

Redemption requests should be made to the Fund Administrator by fax or email containing a signed image of the request, followed by mailed original. Redemption Requests must include the class of and the number or monetary amount of the Shares to be redeemed and any special instructions for dispatch of the redemption proceeds. No interest will accrue to the redemption proceeds from the relevant Dealing Day to the date of payment.

The Company will pay the Investor's redemption proceeds by electronic transfer within forty-five days of the relevant Dealing Day following the expiry of the 65 days' notice period plus any period after receipt of the redemption request during which calculation of the Net Asset Value or redemptions have been suspended pursuant to the Articles of Association of the Company. Any costs incurred in transferring the proceeds will be deducted from the redemption proceeds, otherwise redemptions are made at no cost. The payment of the redemption proceeds is carried out at the risk of the Investor.

## **7. Suspension of the Redemption of Ordinary Shares**

The Company may suspend the redemption of Ordinary Shares of any Class:

- 7.1 During any period when dealings in any of the Company's investments held by the Ordinary shareholders of any such Class are restricted or suspended;
- 7.2 During the existence of any state of affairs which, in the opinion of the Fund Administrator or the Board, constitutes an emergency as a result of which disposal of investments by the Company would not be reasonably practical and might seriously prejudice the Investors of the Company;
- 7.3 When, for any other reason, an accurate valuation of the Company's investments is unavailable; or
- 7.4 During any period when the transfer of funds involved in the realisation or acquisition of any investments cannot in the opinion of the Fund Administrator or the Board of Directors of the Company, be effected at normal rates of exchange.

In circumstances where the Company, acting through the Fund Administrator or its Board of Directors, has suspended the redemption of Ordinary Shares a notice to this effect will be dispatched to each Investor immediately. Such notice will explain the circumstances giving rise to the suspension and give an indication of the date and time on which redemptions may again be effected.

## **8. Transferability and Conversion of Shares**

### **8.1 Transferability of Ordinary Shares**

The Ordinary Shares shall be freely transferable subject to the approval of the Directors of the Company, which approval shall not be unreasonably withheld unless the new ownership of the Ordinary Shares could result in adverse tax, legal or regulatory consequences for the Company.

### **8.2 Conversion of Ordinary Shares**

It will be possible for Investors to convert any one class of Ordinary Shares to Ordinary Shares of any other class in the manner provided for in the Articles of Association, with the exception of shares in Class "H" and "P" which may only with the permission and at the discretion of the Fund

Administrator or the Board be converted to shares in another. Shares in Class “R” may only be converted to other share classes to the extent notified by the Board. There is no cost to switching shares between Share Classes.

## 9. Dividends

The Company’s objective is capital appreciation which will be pursued by the reinvestment of any investment income. Consequently, it is not the intention of the Board to propose the payment of a dividend in the normal course of the Company’s business.

## 10. Management

### 10.1 Directors

The Directors of the Company are: Deon Huysamer (SA); Chikuni Shenjere-Mutiswa (Zim) and Jacques van Eeden (SA/UK).

**Deon Huysamer** is a law graduate and has been active in the South African financial markets since 1988. He was senior partner and managing director of top SA stock-broking firms Huysamer Stals and ABN Amro Securities (SA). In 2002 he started a boutique asset management firm, Huysamer Capital Investments, where he is still involved. In August 2008 he was appointed as CEO of Kagiso Securities, the stock-broking firm of South African Kagiso Group. He stepped down in October 2010 when Kagiso Securities was sold to the Vunani Group. Deon was a director of the WAM Australian equity fund and the Wilson Investments Taurine Fund from 1998 to 2005 and served on the audit committee of the latter. Deon was elected President of the Afrikaans Chamber of Commerce (“AHI”), one of the pre-eminent business organisations in South Africa, from 2009 to 2010. He is also actively involved in several charities in South Africa, including ones for the education of disadvantaged children, nature conservation and environmental education.

**Chikuni Shenjere-Mutiswa** is a Chartered Financial Analyst (“CFA”) and holds an MSc in Finance from the London Business School. Chikuni is Research Director of the Advisor to the Fund Manager. His years of experience in Zimbabwe's fluid capital markets span investment analysis and management as well as corporate advisory work. Prior to joining Interneuron Zimbabwe as a portfolio manager, he was portfolio manager at Tetrad Financial Services in Harare.

**Jacques van Eeden** is a law graduate, a Chartered Accountant (SA) and holds an Investment Advice Certificate from the UK Securities Institute. He trained with Coopers & Lybrand in Cape Town and worked at Allan Gray Investments before he left for the UK in 1994 and became involved in fund management. He has UK nationality and Belgian residence. He has many years’ experience in hedge fund research and selection, fund administration and fund accounting. He has been involved in the accounting and Net Asset Value computation of the Company since its inception.

The Directors of the Company accept responsibility for the information contained in the offering document as being accurate as at the date of publication.

### 10.2 Fund Administrator

The Fund has received ratification by its Regulator of the resumption of self-administration by its directors which had commenced effective 31 December 2018. Ceres Fund Ltd was previously self-administered until 14 March 2011.

The Administrator provides each of the Sub-Funds with administrative and accounting services. The directors are responsible for the preparation of the Sub-Funds' prices or NAV using prices provided by the underlying funds in which the Company is invested and there is no third party independent verification of the NAV.

Inter alia the Administrator performs the following duties:

- 10.2.1 The maintenance and accounting for the bank and brokerage accounts required to manage the portfolios of the respective Sub-Fund;
- 10.2.2 the administration of the Company's bank accounts;
- 10.2.3 calculating the Net Asset value of each of the Sub-Funds and the administration of Investor Subscriptions and Redemptions;
- 10.2.4 provision of accounting services.

### 10.3 Investment Manager

Global Fund Services Ltd ("GFS") has been appointed Investment Manager to the Company pursuant to an Investment Management and Administration Agreement entered into on 15 October 2021 between the Company, GFS and Sentinel Investment management Inc ("SIM").

Under its Investment Management Agreement, GFS is not liable for any loss or damage, except as a result of gross negligence or wilful default.

The Investment Manager inter alia, performs the following duties:

- 10.3.1 the monitoring of investments made by the respective Sub-Fund to ensure that they are made in accordance with the investment restrictions;
- 10.3.2 make decisions on the Buying and Selling of investments, on exchange rate and portfolio hedging, and prepare regulatory and other reports for Government Agencies or Investors on behalf of the Company;
- 10.3.3 entering into investment contracts on behalf of the company;

Details of GFS' fees are set out in paragraph 11.

### 10.4 Custodian

The Company primarily invests in hedge funds. Hedge Funds issue no share certificates. Other than the Ceres "D", "G", "H", "I", "M", "N" and "P" Classes which may invest in unlisted companies which may issue share certificates to the Company, no share certificates have been issued in any of the other Sub-Funds. Due to the "Fund of Hedge Fund" structure of the Company and the absence of share certificates being issued by the funds invested in, the Directors are of the opinion that appointing a Custodian is not required and would serve no purpose. All funds received or paid out by the Company are in custody with the Company's Bankers or Brokers and no negotiable instruments or value paper are received or handled by the Administrator or Investment Manager.

## 11. Costs

### 11.1 Charges and Expenses

The Company shall bear the expenses of its incorporation and other preliminary expenses, as well as costs of the Directors and staff, the audit fees, annual regulation fees and governmental duties as well as the expense allocation to the Advisor.

The Advisor shall pay all other expenses incurred in the operation of the Company out of the expense allocation, including the fees of the legal advisors and consultants to the Company, including the costs of Advisors to the Manager and Fund Administrator to the Company, the cost of printing and

distributing the annual reports as well as any other reports to Members and the cost of publication of the Company's prices.

All the expenses paid by the Company will be allocated to the Sub-Funds pro-rata to the relative estimated net assets of the Sub-Funds as at the commencement of each calendar month.

#### 11.2 **Investment Advisor's Expense Allocation**

The Advisor is paid an expense allocation from the assets of the Company at a monthly rate of 0.7/12% (approximately 0.7% annualized) applied to the Net Asset Value, reduced by the costs of the directors and staff of the Company, but before taking into account any such fee or any other running expenses as at the end of any month. Where the full annual rate of 0.7/12% has been paid over to the Advisor for the sake of ease of administration, the Advisor shall refund an amount equal to the costs of the directors and staff to the Company.

Pursuant to the Investment Management Agreement with GFS and SIM, the Company pays SIM an Investment Advisory Fee from the assets of the Company at a monthly rate of 1.5/12% of the Net Asset Value of the Company (approximately 1.5% annualised) before taking into account such fee and any other running expenses as at the end of each month. In respect of shares of classes other than the "A", "G", "H", "I", "J", "K" and "M" Classes, the Advisor is entitled to a monthly performance fee of 10% of all new profits which exceed one-twelfth of the US three month money market rate (or the Euro or Sterling three month money market rate in the case of the "K", and "N" and "P" Classes respectively) plus three percent, applied to the Net Asset Value at the beginning of any month. In respect of the "G" Classes, the Advisor is entitled to a monthly performance fee of 20% of all net new profits (which the Advisor may waive) and in respect of the "H" Class, the Advisor is entitled to a monthly performance fee of 20% of all new profits which exceed one-twelfth of 20% applied to the Net Asset Value at the beginning of any month.

#### 11.4 **Brokerage and All-in Fee**

The Broker/Nominee charge an annual All-in Fee of 0.35% of the market value of all assets registered in its Nominee name as well as a buy and sell brokerage commission of 1.25% on the value of such assets.

### 12. **Risk Factors**

Investment in the Company may involve significant risks and prospective investors should consider the factors set out below when evaluating the suitability of making such an investment. The contents of this Confidential Memorandum does not in any way constitute legal, financial or tax advice and should not be construed by investors as such. Furthermore, prospective investors should consult their own professional investment, financial and legal advisors within their own countries regarding regulatory, taxation and other legal implications which may be applicable to investments in the Company and to the suitability of an investment in the Company in the light of the investor's overall investment profile.

The success of the Company is significantly dependent upon the expertise of F. J. van Eeden in respect of the hedge fund research he conducts for the Advisor to the Investment Manager and his involvement in the calculations of the NAV. The Company has a Key Person Contingency Plan in terms of which it has secured the contingency services of two key replacement persons for F.J. van Eeden, namely a lawyer and company administrator who is a director of the majority shareholder of the Fund Manager, for administration and accounting services and a Chartered Financial Analyst who is the director of the Advisor, for the NAV services and investment research.

Liquidity in the Company is restricted by the provisions for redemption stated in this Confidential Memorandum and to that extent investors will not be able to withdraw their participation at short notice. In addition, various investments made by some of the underlying fund managers in the Sub-Funds may from time to time be in securities which are neither widely nor actively traded. This may make it difficult to dispose of these rapidly at attractive prices in the event of greater than anticipated levels of redemption during adverse periods.

Investments are made by the Fund and by the Sub-Funds in underlying Funds which may not be regulated by any stock exchange or other regulatory body or authority. In calculating the Net Asset Value of each

Segregated Portfolio, the Administrator may be relying on estimates of the Net Asset Value of the underlying funds in which Ceres Fund is invested, which will be supplied by the managers or the administrators of those funds. Some of the investments made by the Company may have not be readily realisable or only at specific intervals and their marketability is restricted as disposal of such investment is made by way of a redemption subject to the notice period and redemption terms set by the relevant fund manager. By underlying funds allowing redemptions only at specific times and dates and it may be difficult for the Company to sell or realise some of its investments quickly, which may result in liquid investments being sold to meet urgent investor redemptions even though these may not be the most appropriate investments to sell as such time. Each Segregated Portfolio will invest in offshore funds, which may be subject to issue and redemption charges, and to management, administration and performance fees, in addition to those fees charged by the Company.

As with any investment programme in securities and commodities, investment in the Company involves risk of capital loss and there is no guarantee that the Company will be able to accomplish its stated investment objectives. The Company's investment programme is centred on the allocation of funds to a variety of investment pools, funds, managed accounts and open-ended investment companies managed by independent fund managers. These managers utilise a diverse range of operating techniques including short selling, risk arbitrage, leverage (borrowing), options trading and highly concentrated portfolios, all of which could be regarded as speculative. These techniques may have the effect of magnifying the scale of capital loss under certain circumstances.

There can be no guarantee that the investment objectives of the Company will be achieved nor is prior performance of the Company or the underlying funds in which the Company is invested indicative of future performance. Prospective Investors may not recover the full amount initially invested.

Even strategies that the Fund Manager and/or Advisor believe to be theoretically sound and designed to produce a positive rate of return may not do so for reasons including the following:

- Historical relationships change;
- Sales may be forced prior to the strategy proving successful;
- A counter-party defaults in respect of a strategic component;
- Market distortions occur; and
- Other unexpected or unanticipated events may occur

The Company's shares are denominated in United States Dollars, except for the “J”, “N” and “P” Share Classes (Sterling) and “K” Share Class (Euro) and both subscriptions and redemptions will be effected in the currency of the particular Share Class. However, underlying assets may well be denominated in other currencies in order to accomplish a broader geographical and asset base. The periodic translation or conversion of non-US Dollar denominated assets into US Dollars or vice-versa may result in the realisation of foreign exchange losses as a result of adverse currency movements from the time of initial investment. This factor may be of considerable significance, particularly to those investors whose asset base is denominated primarily in currencies other than the US Dollar, Sterling or the Euro.

Certain fund managers selected by the Company may utilise leverage by borrowing to the maximum extent allowed by law in order to finance the purchase of securities and the impact of this may be to accentuate the magnitude of losses arising from unanticipated market movements. In addition, the Company's Net Asset Value may also fluctuate due to the impact of borrowings undertaken by the Company in order to augment the size of the Company's investments with certain fund managers.

Although it is the intention of the Company to distribute its assets in a manner consistent with achieving broad diversification, there may be significant exposure in some share classes to a small number of managers or even a single manager. There can also be no assurance against disproportionate concentrations of investments in particular sectors or individual securities.

Securities and commodity exchanges typically have the right to suspend or limit trading in any instrument traded on the exchange. A suspension could make it impossible for a manager to liquidate positions in an orderly fashion, thereby exposing the Company to the possibility of capital loss.



The investments of the Company are subject to normal market fluctuations and other risks inherent in investing in securities and commodities and there can be no assurance that any appreciation in value will occur.

**The value of investments can go down as well as up and an Investor may not realise the amount originally invested.**

**THE AFOREGOING LIST OF RISK FACTORS DOES NOT PURPORT TO BE A COMPLETE ENUMERATION OF THE RISKS INVOLVED IN AN INVESTMENT IN ANY CLASS OF PARTICIPATING SHARES. PROSPECTIVE INVESTORS SHOULD READ THIS OFFERING MEMORANDUM IN ITS ENTIRETY AND CONSULT WITH THEIR OWN ADVISERS BEFORE DECIDING TO SUBSCRIBE FOR PARTICIPATING SHARES. IN PARTICULAR, PROSPECTIVE INVESTORS SHOULD REVIEW AND UNDERSTAND THE RISK FACTORS ASSOCIATED WITH AN INVESTMENT IN THE COMPANY AND IN THE SPECIFIC SHARE CLASSES AND IN THE TYPES OF UNDERLYING FUNDS IN WHICH THE COMPANY MAY INVEST AS SUMMARISED IN THE OFFERING MEMORANDUM.**

### 13. **Tax Considerations**

Under current legislation in the Bahamas, no income tax, capital gains or withholding tax, estate duty or inheritance tax is payable by the Company or its Shareholders who are not residents or citizens of the Bahamas.

There are no exchange control restrictions applicable to non-residents of the Bahamas.

The Company's gains from trading in stocks, securities, commodities or other investments should not be subject to United States federal income, branch or withholding taxes because the Company expects that it will not be engaged or treated as engaged in a "trade or business" in the United States for United States federal income tax purposes. However, due to the constantly changing nature of tax legislation and the factual nature of such legislation, this interpretation may be subject to change and alternative interpretation. Any dividend income received by the Company or by the investment funds in which the Company will invest, will generally be subject to United States federal withholding taxes. Although substantially all of the interest earned by the Company from sources within the United States is expected to be of the type which is generally not subject to United States federal income, branch or withholding taxes, the Company may earn interest from time to time which might be subject to United States federal withholding taxes.

In addition, in relation to Participating Shares held by non-US persons who are not engaged in a trade or business in the United States, such persons should not be subject to United States federal income, branch or withholding taxes on the redemption of their Participating Shares in the Company. The Company expects that it will not be subject to state and local taxes in the United States on its income or capital. The general conclusions arrived at in this section of the Private Memorandum are based upon existing laws, regulations, practice and judicial decisions, all of which are subject to constant change.

**Prospective investors are urged to consult their professional advisors on the possible tax ramifications of subscribing for, buying, holding, selling, transferring or redeeming Participating Shares under the laws of their country of citizenship, residence or domicile.**

### 14. **General Information**

#### 14.1 **Borrowing by the Company**

The Company is entitled by its Articles of Association to borrow in respect of any one Class of Ordinary shares of the Company up to one quarter of the value of that Class of Ordinary shares, except in the case of the "H", "M", "N" and "P" Share Classes where it may borrow more and the total borrowings of the Company may not exceed one quarter of the aggregate value of the total assets of the Company as determined on the date of the debt being assumed.

#### 14.2 **Basis for Pricing**

The basis for the pricing of underlying investments is on a bid price basis. Where the underlying investments only quote a single price or Net Asset Value, this price is used for the basis of pricing.

Unlisted real estate investments are valued by the Directors of the companies owning such investments, using publicly available surveys of real estate capitalization rates and rental levels as a guide. Unlisted operating companies are valued at Net Asset Value for the first two years of their existence, and thereafter at the market value estimated by the Directors of such companies. Such estimates are derived from the current market valuations of similar listed operating entities, suitably discounted for lack of marketability and other differentiating factors. The typical discounts are between 25% and 50%.

#### **14.3 Determination of Net Asset Value**

The Net Asset Value per share of each of the Sub-Funds is calculated as at 16h00 GMT on the last Business Day of each month (“Dealing Day”). An estimated Net Asset Value per share is determined by the Fund Administrator once estimates have been received of the month end valuations of each of the funds in which the Company has invested.

The Net Asset Value per Ordinary Share of any class may be adjusted on the penultimate Business Day of the month following the relevant Dealing Day or once the final month-end valuations for each of the underlying funds in which the Company has invested have been received.

The Net Asset Value of each class of Ordinary Shares in the Company will be equivalent to its gross assets attributable to that class less the gross liabilities attributable to the class on any Dealing Day. To the extent determinable, expenses, fees, and other liabilities will be accrued.

The Net Asset Value per Ordinary Share of any class is determined by dividing the Net Asset Value of the class by the number of Ordinary Shares of that class in issue. The result will be rounded to four decimal places.

The Fund Administrator may, at its discretion, establish the basis for ascertaining bid and ask prices for securities comprised in the investment portfolio and to establish other methods for determining the value of securities and other assets when such other methods are deemed by it to be necessary or desirable.

In the event that any of the assets are revalued for any reason, all Investor Subscriptions or Redemptions effected on the relevant Month End will be adjusted on the basis of the price established as a result of the revised valuation.

Further details of the calculation of the Net Asset Value are set out in the section entitled “Determination of Net Asset Value” in Appendix A.

#### **14.4 Suspension of Calculation of Net Asset Value**

The Fund Administrator or the Directors are empowered to suspend the calculation of the Net Asset Value and may do so in any of the following events:

- when one or more exchanges which provide the basis for valuing any of the assets of the Company are closed other than for or during holidays or if dealings therein are restricted or suspended;
- when, as a result of any events or circumstances outside the control of the Company, disposal of the assets of the Company is not reasonably practicable without being seriously detrimental to Investors’ interests or if, in the opinion of the Fund Administrator or the Directors, a price cannot reasonably be calculated for the assets of the Company;
- in the case of a breakdown of the means of communication normally used for the valuing of any investment of the Company or if for any reason the value of any asset of the Company may not be determined as rapidly and accurately as required;
- if, as a result of exchange restrictions or other restrictions affecting the transfer of funds, transactions on behalf of the Company are rendered impracticable or if purchases, sales, deposits and withdrawals of the Company’s assets cannot be effected at the normal rates of exchange.

#### 14.5 **Potential Conflicts of Interest**

The Operators of the Fund, the Advisor and the Investment Manager and their Shareholders may trade in securities or invest in underlying Funds for their own account. The records of such trading will not be available for inspection by Investors. It is, therefore, possible that any of them may, in the course of business, have potential conflicts of interests with the Company. Each will, at all times, have regard in such event to its obligations to the Company and will endeavour to ensure that such conflicts are resolved fairly.

In addition, any of the foregoing may deal as principal or agent with the Company, provided that such dealings are carried out as if effected on normal commercial terms negotiated on an arm's length basis, provided that the Directors of the Company may not deal with the Company as principals while the Company is Self-Administered.

A director of the Company is also a Trustee of the Ultimate Beneficial Owner of the Fund and is due to become a Trustee of the largest investor in the Fund. The Ultimate Beneficial Owner of the Fund Manager is a Trustee of the Ultimate Beneficial Owner of the Fund and a Trustee of the largest investor in the Fund. A director of the Advisor is also a director of the Company.

#### 14.6 **Reports to Investors**

The Company will provide Investors with a quarterly unaudited report on the Net Asset Value of the Ordinary Shares and the value of their holdings in each Sub-Fund.

An annual audited report on the financial position of the Company will be made available to Investors within four months following the end of each fiscal year, unless the Regulator has approved an extension to the audit deadline of the Company.

#### 14.7 **Communications to the Company**

Communications to the Company should be addressed to the Fund Administrator by e-mail at [admin@ceresfund.com](mailto:admin@ceresfund.com) or by fax to +1 320 2135078.

#### 14.8 **Auditors**

BDO Bahamas, Chartered Accountants, of Nassau, Bahamas have been appointed as Auditors to the Company.

#### 14.9 **Share Certificates**

Share Certificates for Ordinary Shares will only be issued in non-certificated form, and evidenced by entry into the Share Register.

**15. Incorporation and Registration**

The Company was incorporated in The Bahamas as an open-ended investment company. The Company was incorporated with limited liability on 15 August 1997 under The Bahamas International Business Company Act, 1989, as amended.

**16. Objects**

The Company's principal object as set out in Clause 4 of the Memorandum of Association is to invest in securities of all kinds with the objective of protecting capital whilst seeking returns commensurate with the chosen level of risk.

**17. Authorised Capital**

The Company has an authorised capital as follows:

- 2000 voting Sponsor Shares with a par value of US\$1.00 each;
- 100,000 each of restricted voting participating Classes "A", "B", "C", "D", "E", "F", "G", "H", "I", "L", "M", "O", "Q", "R", "S", "T", "U", "V", "W", "X", "Y" and "Z" Ordinary Shares with a par value of US\$0.01 each;
- 100,000 each of restricted voting participating Classes "J", "N" and "P" Ordinary Shares with a par value of GBP0.01 each;
- 100,000 of restricted voting participating Class "K" Ordinary Shares with a par value of EURO 0.01 each;

The Company will only allocate Shares in the form of non-certificated registered shares evidenced by entry into the Company's Share Register and not to Bearer.

The classes of Ordinary Shares are distinguishable by the currency in which they are denominated and the nature of investments in which each Sub-Fund is invested.

**18. Registered Office / Duplicate Records Office**

The Company's registered office is Trinity Place Annex, Corner of Frederick and Shirley Streets, P O Box N-4805, Nassau, Bahamas.

The register of Shareholders is maintained by the Fund Administrator and a copy is filed at the Registered Office together with duplicate corporate and accounting records.

**19. Meetings and Reports****Meetings**

The annual general meeting of Shareholders of the Company (the "Annual General Meeting") will be held within four months of the financial year end of the Company at such time and place as the Board of Directors may determine.

Notices of general meetings and other notices are given by email, fax or mail to the Shareholders entitled to vote at such meetings and in accordance with the Articles of Association of the Company. Notices will be given at least seven days prior to the meeting and specify the place and time of the meetings, the conditions of admission, the agenda, the quorum and the voting requirements.

Separate class meetings will be convened in the same manner as ordinary general meetings in all circumstances where the rights of the Shares of any one class are affected.

**Reports**

The financial year of the Company commences on 1 September each year and ends on the last day of August in the following year. The annual report containing the audited financial accounts (prepared in accordance with International Accounting Standards) of the Company in respect of the preceding financial period and with details of the portfolio of the Company, will be made available to Shareholders shown in the Company's Register, within four months of the year end, unless the Regulator has granted an extension.

## 20. Shares

### 20.1 Issue of Shares

The Board is authorised, without limitation, to issue Sponsor Shares at par and Ordinary Shares at the Net Asset Value per share.

### 20.2 Voting

At annual general meetings each Shareholder has the right to one vote for each Share of which he is the holder, subject to the provision set out herein, provided that the holders of Classes "J", "N" and "P" Ordinary Shares will be entitled to exercise a number of votes per Ordinary Share equal to an appropriate market rate at which one Pound Sterling can be converted into United States dollars, as determined by the Board in its discretion. The holders of Class "K" Ordinary Shares will be entitled to exercise a number of votes per Ordinary Share equal to an appropriate market rate at which one Euro can be converted into United States dollars, as determined by the Board in its discretion. Any Shareholder may appoint a proxy to attend and vote at meetings on his behalf. The person so appointed need not be a Shareholder. Separate meetings will be held for the Members of the individual Class or Classes of Ordinary Shares if the possibility exists of a conflict of interests between those different Classes of Members. The right of the holders of Ordinary Shares to attend and vote at other general meetings is restricted to general meetings considering resolutions having the following effect:

20.2.1 Changing the corporate object;

20.2.2 Materially changing or otherwise materially affecting the rights attaching to the Ordinary Shares of which they are holders. Ordinary Shareholders are not required to be notified of meetings at which they will not have voting rights, provided a copy of the Resolutions taken at any such meeting is circulated to Ordinary Shareholders with their Quarterly Report.;

20.2.3 Increasing the rights attaching to the Sponsor Shares;

20.2.4 The creation of a new class of Shares, other than Sponsor Shares, which have preferential rights;

20.2.5 Increasing the maximum fees paid to the Advisor, Fund Manager, Directors or Custodian, or imposing any other fees not otherwise provided for in the Memorandum and Articles;

20.2.6 Amending the Articles of Association or the Memorandum of Association except in those instances where the Directors certify that the amendment is necessary to make possible compliance with fiscal, or statutory requirements or requirements of any overseas regulatory authority, does not materially prejudice investors' interests, does not to any material extent release the custodian, administrator, investment manager, advisor or any other person from any liability to investors, or does not materially increase the costs and charges payable from the investment fund property;

20.2.7 The dissolution of the Company;

20.2.8 Declaration of a dividend.

There are no limitations on the voting rights of Sponsor Shares.

### 20.3 **Joint Holders**

The Company shall register the Ordinary Shares jointly in the names of all the joint holders should they so require. In such case the rights attaching to such a Share must be exercised jointly by all those parties in whose name(s) it is registered unless they appoint in writing one or more persons to do so.

### 20.4 **Attribution of Property and Income Earned on Assets**

Property held by and income earned on the assets of any Sub-Fund shall be attributed exclusively to the holders of the class of Ordinary Shares relating to that Sub-Fund.

### 20.5 **Rights on a Winding-Up**

20.5.1 Upon a winding-up, Sponsor Shares will participate only in any surplus which remains after the payment to the holders of the different Classes of Ordinary Shares of an amount equal to the realisable value of the assets less the liabilities and after payment of the costs of winding up.

20.5.2 If the Company is voluntarily liquidated, its liquidation will be carried out in accordance with the provisions of the law of The Bahamas and the Articles of Association of the Company.

### 20.6 **Transferability of Ordinary Shares**

The Fund Administrator or the Directors may impose or relax restrictions on the transferability of Ordinary Shares as they may think necessary to ensure that Ordinary Shares are neither acquired nor held by or on behalf of any person in breach of the law or requirements of any country or governmental or regulatory authority, or which might have adverse taxation or other monetary consequences for the Company, including a requirement to register under any securities or investment or similar laws or requirements of any country or authority.

The Fund Administrator or Directors may, in this connection, require a Shareholder to provide such information as they may consider necessary to establish whether he is the beneficial owner of the Ordinary Shares which he holds.

### 20.7 **Class Rights and Restrictions**

The rights attached to the Shares of any one class may only be varied with the consent in writing of the holders of at least three-quarters of the Shares or the sanction of a resolution passed at a separate general meeting of holders of Shares relating to that class by a majority of three-quarters of the holders entitled to vote and present at the meeting of the relevant class of Shares.

## 21. **Basis for Pricing**

The basis for the pricing of underlying investments is on a bid price basis. Where the underlying investments only quote a single price or Net Asset Value, this price is used for the basis of pricing. Unlisted real estate investments are valued by the Directors of the companies owning such investments, using publicly available surveys of real estate capitalization rates and rental levels as a guide. Unlisted operating companies are valued at Net Asset Value for the first two years of their existence, and thereafter at the market value estimated by the Directors of such companies. Such estimates are derived from the current market valuations of similar listed operating entities, suitably discounted for lack of marketability and other differentiating factors. The typical discounts are between 25% and 50%. The value of unlisted investment holding companies shall be Net Asset Value.

## 22. **Determination of Net Asset Value**

The Net Asset Value of each Class of Ordinary Shares in the Company shall be expressed in US dollars (in respect of those Classes of Ordinary Shares denominated in US dollars) or in Sterling (in respect of those Classes of Ordinary Shares denominated in Sterling) or in Euro (in respect of those Classes of Ordinary Shares denominated in Euro) as a per share figure and shall be determined in respect of any Dealing Day by dividing the net assets of the Company attributable to each Class by the number of Ordinary Shares of that

Class then in issue or deemed to be in issue. The Net Asset Value of Sponsor Shares shall for these purposes be assumed to be zero.

The valuation of the Net Asset Value of the Company shall be made in the following manner:

- 22.1 The assets of the Company attributable to a particular Class shall be deemed to include:
  - 22.1.1 investments owned and acquired with monies received from an issue of Ordinary Shares of that Class or as a result of a disposal of an investment derived from such monies;
  - 22.1.2 cash on hand or on deposit including accrued interest received from an issue of Ordinary Shares of that Class or derived therefrom;
  - 22.1.3 cash payments outstanding on any Ordinary Shares of that Class allotted;
  - 22.1.4 bills and demand notes and amounts receivable;
  - 22.1.5 interest accrued on interest bearing Investments of that Class except that accrued on securities which is included in the quoted price; and
  - 22.1.6 other property and assets of any kind and nature purchased with monies received from an issue of Ordinary Shares of that Class or derived therefrom, including prepaid expenses and payments for investments not yet allocated to the Company.
- 22.2 The liabilities of the Company attributable to a particular Class shall be deemed to include each of the items listed below:
  - 22.2.1 investments attributable to that Class contracted to be sold by the Company and for which payment has been received;
  - 22.2.2 bills and accounts payable of that Class;
  - 22.2.3 the gross acquisition consideration of Investments attributable to that Class or other such property already purchased and for which payment has not been made;
  - 22.2.4 reserves attributable to that Class authorised or approved by the Fund Administrator or the Board for duties and charges or taxes or contingencies (accrued where appropriate on a day-to-day basis);
  - 22.2.5 the aggregate amount of all borrowings and interest attributable to that Class, commitment fees, and other charges arising in connection therewith (accrued where appropriate on a day-to-day basis);
  - 22.2.6 other liabilities of the Company attributable to that Class of whatsoever nature (which shall, where appropriate, be deemed to accrue from day-to-day) including outstanding payments on any Ordinary Shares previously redeemed and, as from the Record Date in respect thereof, any dividends declared and not paid (contingent liabilities (if any) being valued in such manner as the Fund Administrator or the Board may determine from time to time or in any particular case);
  - 22.2.7 management and administrative expenses payable and/or accrued (the latter on a day-to-day basis); and
  - 22.2.8 amounts received from investors which have not yet been invested.
- 22.3 For the purposes of the provisions stated above the value of the assets of the Company shall be determined as follows:
  - 22.3.1 the value of any cash on hand or on deposit, bills, demand notes, accounts receivable, prepaid expenses, cash dividends and interest declared or accrued and not yet received shall be deemed to be the full amount thereof unless the Fund Administrator or the Board shall have determined that any such deposit, bill, demand note or account receivable is not worth the full amount thereof in which event the value thereof shall be deemed to be

such value as the Fund Administrator or the Board shall deem to be the reasonable value thereof;

- 22.3.2 the value of securities will be the last sales price for listed securities as of the close of business on the Valuation Date on the principal securities market on which such securities shall have been traded on such date, or, if trading in such securities on such exchange was reported on the consolidated tape, the last sales price on the consolidated tape (or, in the case of securities not listed, the last bid price for “longs” and the last asked price for “shorts” as determined by the Fund Administrator from representative dealers’ quotations). Where no last sales price for listed securities has been reported during a day, the mean between the most recent bid and asked price on the largest securities exchange on which such securities are traded will be used. Unlisted real estate investments are valued by the Directors of the companies owning such investments, using publicly available surveys of real estate capitalization rates and rental levels as a guide. Unlisted operating companies are valued at Net Asset Value for the first two years of their existence, and thereafter at the market value estimated by the Directors of such companies. Such estimates are derived from the current market valuations of similar listed operating entities, suitably discounted for lack of marketability and other differentiating factors. The typical discounts are between 25% and 50%. The value of unlisted investment holding companies shall be Net Asset Value;
- 22.3.3 the value of investments in underlying funds shall be the final Net Asset Value of the shares or units in those funds at the close of business on the Valuation Date. Where the final Net Asset Value or Offer Price is not available on the Valuation Date, the month-end estimate or intra-month estimate advised by the underlying fund, its agent, promoter or administrator or HSBC Private Bank (Suisse) SA Alternative Investment Group will be used, or for those underlying funds reporting quarterly, the latest available quarter-end Net Asset Value or Offer Price, unless the final Net Asset Value or Offer Price is received within 14 days of the relevant Dealing Day and substituted. Where an estimate is not available the last available price shall be used;
- 22.3.4 the value of an option which is written by the Company on property of any description will be the total of the amount of premium which would be paid if an option of that kind on property of that description were purchased at the relevant time on the best terms then available on an options and futures market on which such options are traded;
- 22.3.5 the value of a margined contract, which is not a written option, will be whichever is applicable of the following:
- (a) in a case in which margin would be received by the Company if the contract were to be closed out at the time of the valuation, the amount of margin which would be receivable if the contract were closed out at that time on the best terms then available on an options and futures market on which contracts of that kind are traded; and
  - (b) in a case in which margin would be payable out of the property of the Company if the contract were to be closed out at the time of the valuation, a negative amount equal to the total of the amount of margin which would be payable if the contract were closed out at that time on the best terms then available on an options and futures market on which contracts of that kind are traded;
  - (c) if there is no price of the property in question under sub-paragraphs (a) or (b) , the value thereof will be a reasonable estimate of the amount which would be received by a seller by way of consideration for an immediate transfer or assignment from him at arm’s length.

PROVIDED ALWAYS that:

- (d) if the Fund Administrator in its discretion considers that the prices ruling on a securities market other than the principal securities market provide, in all the circumstances, a fairer criterion of value in relation to any such investment, it may adopt such prices; or



- (e) the Fund Administrator may, at its absolute discretion, permit some other method of valuation to be used if it considers that such valuation better reflects the fair value;
- 22.3.6 if and whenever the quoted, listed or available price of an investment is a single price, such price shall be taken as the mean between the lowest available market dealing offered price and the highest available market dealing bid price unless the single price is clearly stated to be a bid price or an offer price for the security in question;
- 22.3.7 if no price quotations are available as above provided, the value thereof shall be determined by the Fund Administrator based on the reasonable, foreseeable sales price determined prudently and in good faith;
- 22.3.8 any value (whether of a security or cash) otherwise than in US dollars shall be translated into US dollars (in respect of those Classes of Ordinary Shares denominated in US dollars) or into Sterling (in respect of those Classes of Ordinary Shares denominated in Sterling) or into Euro (in respect of those Classes of Ordinary Shares denominated in Euro) at the rate (whether official or otherwise) which the Fund Administrator shall in its absolute discretion deem appropriate to the circumstances having regard, *inter alia*, to any premium or discount which it considers may be relevant and to costs of exchange.

## 23. **Directors**

The Board of Directors shall be composed of at least two persons. Each Director shall be elected by the Sponsor Shareholders in General Meeting for a period of one year expiring at the end of the next Annual General Meeting following his appointment.

Directors may be removed from the Board or replaced at any time by the Shareholders.

There is no age limit or Share qualification for Directors.

The Board of Directors is vested with all powers to perform all acts necessary or useful for accomplishing the objects of the Company. In particular, the Board of Directors has power to appoint any person to act as an Investment Manager, Advisor, Custodian, or Fund Administrator and such other representatives or agents as it may consider necessary.

No contract or other transaction between the Company and any other company or firm shall be affected or invalidated by the fact that any one or more of the Directors or officers of the Company has a material interest in, or is a director, associate, officer or employee of that other company or firm.

If any Director or officer of the Company has any material interest in any transaction of the Company which has not been disclosed to Shareholders, that Director or officer shall declare such material interest to the Directors and shall not be counted in the quorum of any meeting of the Directors to consider or vote on any such transaction and he shall not vote on any such transaction and such transaction and the Director's or officer's interest therein shall be reported to the next succeeding meeting of Shareholders.

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

The Company may indemnify any Director or officer, and his heirs, executors and administrators, against expenses reasonably incurred by him in connection with any action, suit or proceeding to which he may be made a party by reason of his being or having been a director or officer of the Company or, at its request, of any other company of which the Company is a shareholder or creditor and from which he is not entitled to be indemnified. Such person shall be so indemnified in all circumstances except in relation to matters on which he shall be finally adjudged in such action, suit or proceeding, to be liable for gross negligence or wilful misconduct; in the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement on which the Company is advised by counsel that the person to be

indemnified did not commit such a breach of duty. The foregoing right of indemnification shall not exclude other rights to which he may be entitled.

24. **Amendment to the Memorandum and Articles of Association**

The Memorandum and Articles of Association may be amended at any time by a resolution of a general meeting of Shareholders subject to the quorum and voting requirements provided by the Law of The Bahamas and the Articles of Association of the Company. Any amendment materially affecting the rights of the holders of Shares of any class *vis-a-vis* those of any other class shall be subject, further, to the said quorum and majority requirements in respect of each such relevant class. Provided in those instances where the Directors certify that the amendment is necessary to make possible compliance with fiscal, or statutory requirements or requirements of any overseas regulatory authority, does not materially prejudice investors' interests, does not to any material extent release the custodian, advisor, investment manager or any other person from any liability to investors, or does not materially increase the costs and charges payable from the investment fund property, the Directors may amend the Memorandum and Articles of Association.

25. **Procedure on the Winding Up of the Company**

The Company may voluntarily commence to wind up and dissolve by a special resolution of the Company. The holders of Ordinary Shares will be entitled to vote on such a resolution. The rights of Shareholders to the assets of the company upon its being wound up are described in paragraph 20.5 above.

26. **Statutory and Other Information**

26.1 The following contracts which are or may be material have been entered into otherwise than in the ordinary course of the Company's business:

26.1.1 a Fund Management and Administration Agreement between the Company and the Investment Manager and the Advisor;

26.1.2 [deleted];

26.1.3 [deleted].

26.2 Details of the remuneration arrangements for each of the parties to the above contracts are set out in paragraphs 10.4 and 11 above.

26.3 The Company is not engaged in any litigation or arbitration and no litigation or claim is known to the Directors to be pending or threatened against the Company.

26.4 The Company has no employees.

26.5 There are no existing or proposed service contracts between any of the Directors and the Company but the Directors may receive remuneration as referred to above in this Offering Document.

26.6 The Company has not purchased nor acquired, nor agreed to purchase or acquire, any fixed property.

26.7 No Shares in the Company are under option or agreed, conditionally or unconditionally, to be put under option.

26.8 No Shares or loan capital of the Company have been, or are agreed to be issued as fully or partly paid up otherwise than in cash.

26.9 Neither the Advisor, Investment Manager nor the Fund Operators nor an affiliated person of any of them may as principal knowingly buy or sell any security from or to the Company without the consent of the Directors of the Company.

26.10 Copies of the following documents are available for inspection on the Company's website at [www.ceresfund.com](http://www.ceresfund.com) or during usual business hours on any weekday (Saturdays and Public Holidays excepted) at the registered office of the Company and Fund Administrator.

26.10.1 the Memorandum and Articles of Association of the Company;

26.10.2 the contracts referred to in paragraph 12.1 above;

26.10.3 the International Business Companies Act 2000 of The Bahamas as amended;

26.10.4 this Offering Document;

26.10.5 the most recent audited financial statements of the Company (once audited).

Copies of these documents may be obtained by Shareholders from the office of the Fund Administrator, free of charge.

## 27. **Anti - Money Laundering Procedures**

27.1. To ensure compliance with statutory and other generally accepted principles relating to anti-money laundering in the country in which the Company is regulated and in the countries in which its banking is conducted, the Company, or its appointed Registrar, may require a detailed verification of a prospective investor's identity.

27.2. Depending on the circumstances of each application, a detailed verification may not be required if:

- the applicant makes the payment from an account held in the applicant's name at a recognized financial institution; or
- the application is made through a recognized financial intermediary.

These exceptions will only apply if the financial institution or intermediary referred to above is within a country recognized by the Financial Transactions Reporting Act, 2000, Statute Laws of The Bahamas as having sufficient anti-money laundering regulations. Currently approved are: Australia, Barbados, Belgium, Bermuda, Brazil, Canada, Cayman Islands, Channel Islands, Denmark, Finland, France, Germany, Gibraltar, Greece, Hong Kong SAR, Ireland, Isle of Man, Italy, Japan, Liechtenstein, Luxembourg, Malta, Netherlands, New Zealand, Norway, Panama, Portugal, Singapore, Spain, Sweden, Switzerland, United Kingdom, United States.

27.3. An individual investor may be required to provide:

- full names;
- a copy of the relevant pages of a passport, driver's license, voter's card, national identity card or such other identification document bearing a photographic likeness of the person as is reasonably capable of establishing the identity of the person;
- proof of permanent address, by way of a recent utility bill e.g.: water, rates, electricity, telephone, gas or a personal bank or credit card statement (no more than three months old). This document should reflect the permanent residential address. Alternatively, an original letter of reference from a firm of lawyers, accountants or bankers is required. The letter should confirm the length of time the individual has been known to them, the capacity in which they have acted for the individual and should also confirm the individual's residential address and any other relevant details or information regarding their professional relationship with the individual. This letter should be addressed to the Company by name.
- email address, telephone and fax number (if any); and
- date and place of birth.

27.4 Corporate applicants or other legal entities may be required to produce a Certificate of Good Standing (or other document evidencing the status of the legal entity in the country of domicile), and provide details of the Registered office including the registered agent's address and the names and addresses of all officers, directors and beneficial owners of the applicant together with copy of the relevant pages of passport, driver's license, voter's card, national identity card or such other identification document bearing a photographic likeness of the person as is reasonably capable of establishing the identity of each officer, director and beneficial owner. A beneficial owner is defined as some-one with a 10% or larger holding in a corporate entity's voting shares.

- 27.5 Trusts or similar organizational units without specific beneficial owner, which subscribe to the Company must demonstrate organizational documents which verify their existence and the authority of one or more signatories to sign subscriptions on their behalf.
- 27.6 Copies of documents should be certified by a director or manager of a recognized bank or regulated institution, a certified accountant, a notary public, a serving police officer, a member of the judiciary or a lawyer. The certifier should state their credentials on each of the documents.
- 27.7 The Company reserves the right to request such further information as is necessary to verify the identity of an applicant. In the event of delay or failure by the applicant to produce any information required for verification purposes, the Company may refuse to accept the application and the subscription monies relating thereto.
- 27.8 Redemption proceeds and any other payments due to investors or creditors may be made to third party bank accounts at their request provided the accounts are maintained in a) any of the \*European Union member states, b) \*FATF member countries or c) a member country of the FATF-style regional body, the \*Offshore Group of Banking Supervisors. Payments to third parties with bank accounts in any other countries may require the same due diligence to be provided on the payee as required for an individual investor set out in Section 27.3 above.

\*a) **European Union member states:** Austria, Belgium, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, The Netherlands, Poland, Portugal, Slovakia, Slovenia, Spain, Sweden, United Kingdom,

\*b) **FATF member countries:** Argentina, Australia, Austria, Belgium, Brazil, Canada, Denmark, Finland, France, Germany, Greece, Gulf Co-operation Council, Hong Kong, China, Iceland, Ireland, Italy, Japan, Luxembourg, Mexico, Kingdom of the Netherlands, New Zealand, Norway, Portugal, Russian Federation, Singapore, South Africa, Spain, Sweden, Switzerland, Turkey, United Kingdom, United States, or

\*c) **Offshore Group of Banking Supervisors** (a FATF-style regional body) member countries: Aruba, Bahamas, Bahrain, Barbados, Bermuda, Cayman Islands, Cyprus, Gibraltar, Guernsey, Hong Kong, China, Isle of Man, Jersey, Labuan, Macau, China, Mauritius, Netherlands Antilles, Panama, Singapore, Vanuatu.



# Ceres Fund Ltd

www.ceresfund.com

Tel: +230 251 9446  
Fax: +1 320 213 5078  
Email: [admin@ceresfund.com](mailto:admin@ceresfund.com)

Registered Address: St. Andrews Court, Frederick St., P. O. Box N-4205, Nassau, Bahamas

## SUBSCRIPTION / REDEMPTION / SWITCH FORM Appendix B

The undersigned acknowledges receiving/viewing the Ceres Fund Ltd Offering Document ([www.ceresfund.com](http://www.ceresfund.com)).  
The undersigned has read the Offering Document and has carefully considered the risks outlined therein.

1) Investor's Name/s: \_\_\_\_\_  
Address: \_\_\_\_\_  
Telephone Number: \_\_\_\_\_ Mobile: \_\_\_\_\_  
Fax Number: \_\_\_\_\_ Email: \_\_\_\_\_

2) I/We hereby subscribe/redeem/switch in the amount indicated for the Class of Ordinary Shares of Ceres Fund Limited on the terms and conditions set out in the Offering Document as follows (indicate amount or percentages and buy [+] or sell [-]), and will transfer our funds to the bank accounts below (where applicable):

"A" shares \$ \_\_\_\_\_/units      "F" shares \$ \_\_\_\_\_/units      "L" shares \$ \_\_\_\_\_/units  
"B" shares \$ \_\_\_\_\_/units      "H" shares \$ \_\_\_\_\_/units      "\_\_\_" shares \$ \_\_\_\_\_/units  
"C" shares \$ \_\_\_\_\_/units      "J" shares £ \_\_\_\_\_/units      "N" shares £ \_\_\_\_\_/units  
"E" shares \$ \_\_\_\_\_/units      "K" shares € \_\_\_\_\_/units      "P" shares £ \_\_\_\_\_/units

Amount: US\$ \_\_\_\_\_  
Barclays Bank PLC  
Victoria Street  
Isle of Man, IM99 1AJ  
IBAN: GB33 BARC 2026 7466 4584 55  
SwiftBIC: BARCGB22  
Account: Ceres Fund Ltd  
Account Number: 66458455  
Reference: " \_\_\_\_\_ "

Amount: GBP \_\_\_\_\_  
Barclays Bank PLC  
Victoria Street  
Isle of Man, IM99 1AJ  
IBAN: GB26 BARC 2026 7400 8851 26  
SwiftBIC: BARCGB22  
Account: Ceres Fund Ltd  
Account Number: 00885126  
Reference: " \_\_\_\_\_ "

Amount: Euro \_\_\_\_\_  
Barclays Bank PLC  
Victoria Street  
Isle of Man, IM99 1AJ  
IBAN: GB82 BARC 2026 7444 5616 66  
Swift: BARCGB22  
Account: Ceres Fund Ltd  
Account Number: 44561666  
Reference: " \_\_\_\_\_ "

3) Date .....

4) Authorised Signatory .....

Authorised Signatory .....

Declaration by Subscriber: "I/We declare that I am/we are not a US Citizen or Permanent Resident and that I am/we are not a Bahamian Citizen or Permanent Resident of The Bahamas or any form of entity deemed resident within the meaning of the Exchange Control Regulations of The Bahamas made under the Exchange Control Regulations Act."

5) Please fax this form together with a) a certified copy of the investor's passport and b) an original utility (telephone/electricity/rates) bill or bank statement addressed to the investor at his/her home address to US fax +1 320 213 5078, or SA fax +27 866 7157 34, or UK fax +44 20 7681 3239 or scan and email to [admin@ceresfund.com](mailto:admin@ceresfund.com) and return the originals by post to the address below:

**Global Fund Services Ltd, Trinity Place Annex, cnr Frederick/Shirley Street, PO Box N-4805, Nassau, Bahamas**