

Scheme Particulars

Royal Bank of Canada ARC Fund Limited

An investment fund established under the laws of Guernsey, Channel Islands

US DOLLAR CLASSES:

B CLASS ISIN GB0003058020 SEDOL 0305802
C CLASS ISIN GB00B24C7Y81 SEDOL B24C7Y8

STERLING CLASS:

C CLASS ISIN GG00B4PS3859 SEDOL B4PS385

Royal Bank of Canada ARC Fund Limited is a fund of funds investing in a diversified portfolio of hedge funds which themselves use various alternative investment styles. The risks of such hedge funds are not comparable with those of conventional funds. Thus, potential investors have to be prepared to bear losses and are hereby explicitly referred to the special risk factors mentioned in these Scheme Particulars. Furthermore, the possibility is not excluded that the Fund will suffer a substantial loss by reason of a total loss of one or more of the hedge funds in which the Fund is invested. There is no guarantee that investors who redeem their investment will receive the amount invested. The Fund shall, however, endeavour to minimize these risks by broadly diversifying its investments amongst different investment strategies and by thoroughly analyzing and monitoring the individual hedge funds in which the Fund invests.

ROYAL BANK OF CANADA ARC FUND LIMITED (THE "FUND" OR THE "COMPANY") SCHEME PARTICULARS

These Scheme Particulars are valid as at 01 December 2011.

The Fund was launched on 24 March 2000 at an initial price of USD 1,000 (representing share capital of 1 cent per share and share premium of USD 999.99 per share).

On 9 August 2007 each one cent share in the Fund in issue was divided into 10 shares of US\$0.001 each and were redesignated as B Shares Investor Class and a new class termed C Shares Institutional Class was created.

On 30 December 2011 a new class of C Shares denominated in £ Sterling was created.

The distribution of these Scheme Particulars and the offering of shares in Royal Bank of Canada ARC Fund Limited may be restricted in certain jurisdictions. Therefore, potential investors should first ensure that their request to the Manager for details about the Fund and/or their subsequent investment in the Fund does not contravene any legislation appertaining in such country or affecting directly or indirectly any national or resident of such country or its territories, possessions or any area subject to its jurisdiction. Persons who receive the Scheme Particulars are required to inform themselves about and to observe any restrictions. The Scheme Particulars do not constitute an offer or solicitation by any one in any jurisdiction in which such an offer or solicitation is not authorised or to any person to whom it is not lawful to make such an offer or solicitation.

In particular the units have not been registered with any authority in either Canada or the United States of America. Accordingly, residents or citizens of the United States of America or residents of Canada cannot invest in the Fund. Should an existing investor, who invested in the Fund whilst residing overseas, subsequently relocate to either Canada or the USA then the holding in the Fund would have to be fully redeemed at that time.

The Scheme Particulars are not available to the general public in the United Kingdom. For the purpose of

distribution in the UK, Royal Bank of Canada ARC Fund Limited is an unregulated collective investment scheme and, as such, promotion in the UK is restricted to certain categories of person.

In the event that an investor moves to a country where the Fund is not authorized or citizens of that country are not permitted to hold Shares in the Fund then the client's holding will be subject to compulsory redemption at the time that the Fund becomes aware of the investors new circumstances.

No person has been authorised to give any information or to make any representations, other than those contained in the Scheme Particulars in connection with the initial and on-going offering of shares in the Fund and if given or made, such information or representations must not be relied on as having been authorised by the Fund. Neither delivery of the Scheme Particulars nor the allotment or issue of shares shall under any circumstances create any implication that there has been no change in the affairs of the Fund since the date thereof.

The Fund complies with the terms of Rule 10.01 of the Collective Investment Schemes (Class B) Rules 1990 (the Class B Rules) and has been authorised by the Guernsey Financial Services Commission under the Protection of Investors (Bailiwick of Guernsey) Law 1987 (the "Law") as a Class B Scheme. In giving this consent neither the Commission nor the States of Guernsey Policy Council take any responsibility for the financial soundness of the Fund or for the correctness of any of the statements made or opinions expressed with regard to it.

The directors of the Fund (the "Directors"), whose names appear on page 6 of this document, accept responsibility 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 and does not omit anything likely to affect the importance of such information. The Directors accept responsibility accordingly.

These Scheme Particulars will be reviewed periodically and may be subject to change from time to time. The up-to-date Scheme Particulars can be viewed on the website at:

www.rbcwminternational.com/fund-brochures.

If you are in any doubt about the contents of this document you should consult your accountant, legal or professional adviser or financial adviser.

Investors in the Fund are not eligible for the payment of any compensation under the Collective Investment Scheme (Compensation of Investors) Rules 1988 made under the Law. The attention of investors is drawn to the section entitled Risk Warnings on page 10.

Explanation of technical terms used in this Document

Accumulation Share

A share in respect of which profits are reinvested and accumulated in the Net Asset Value and not distributed.

B Share

A participating share issued as a B Share Investor Class Share of the relevant Class Fund having the rights and restrictions and subject to the obligations set out in these Scheme Particulars and the Articles.

C Share

A participating share issued as a C Share Institutional Class Share of the relevant Class Fund having the rights and restrictions and subject to the obligations set out in these Scheme Particulars and the Articles.

Class Fund

A class of share or shares in the Company denominated in a specific currency of investment.

Closed-ended fund

A fund which has a pre-determined capital and is not obliged to redeem shares at their net asset value. The share value, which is determined by market demand, can differ from the net asset value of the fund.

Commission

The Guernsey Financial Services Commission

Conventional (or traditional) fund

A fund which invests in securities or in other equity or debt instruments. Conventional funds cannot invest in commodities nor, in principle, go short or take leverage.

Correlation

Statistical measure used to illustrate the degree of similarity of price movements in two securities or investments.

Derivative

Financial instrument whose value depends on the values of other more basic underlying variables. The variables underlying derivatives are often the prices of traded securities such as commodities and shares. Examples of derivatives include futures, options, forward contracts and swaps.

DP Law

The Data Protection (Bailiwick of Guernsey) Law, 2001.

Due diligence

Detailed procedure of auditing, selection and monitoring.

Forward contract

Derivative. Private agreement between two parties to buy or sell an asset at a certain time for a certain price. Forwards are generally traded over-the-counter between institutions and are not traded on regulated exchanges.

Fund of funds

A fund which invests in other funds.

Futures

Derivative. Standardized agreement between two parties to buy or sell an asset at a certain time in the future for a certain price. Futures are normally traded on an exchange.

FX and Settlement Provider

Means Royal Bank of Canada (Channel Islands) Limited.

Hedge Fund or Alternative Investment Fund

A fund, which uses non-traditional investment techniques and strategies, making a particular use of derivatives/short selling/leverage.

High Watermark

The highest price achieved during any financial year which is rebased at the beginning of each financial year to the closing price of the previous financial year.

Law

The Protection of Investors (Bailiwick of Guernsey)

Law1987

Leverage

Use of borrowed money in order to increase investment positions. The use of derivatives may result in the same effect.

Net Asset Value or NAV

Total assets of the Fund (or of a class of Shares) less any liabilities and accrued expenses valued on a mid-market basis.

NAV Calculation

The calculation of the Net Asset Value is normally completed on or about the 15th business day of the month, dependent on the receipt of the prices from the underlying investments.

Open-ended fund

A fund with an open capital structure which is obliged to redeem its shares, the share value being determined by the net asset value of the fund.

Option (long)

Derivative. Confers to the holder the right, but not the obligation, to buy (call option) or to sell (put option) the underlying asset within a specified period and for a certain price.

Participating Shares

Means an unclassified share issued as Participating Shares under the Articles of Association of the Company.

Performance fee

Remuneration depending on the result achieved.

Redemption date

Last business day in March, June, September and December each year. Any request for redemption should be received by the Manager 45 days prior to the appropriate redemption date.

Share (s)

A participating share or shares in the Company.

Short selling

Sale of securities or other financial instruments which the seller does not own. The purpose of a short sale is to invest into a falling market and to repurchase the borrowed security at a lower price.

Side-Pocket

Type of account or share in a hedge fund for holding illiquid assets and other non-traded investments separate from the main investments of the hedge fund. Typically Side-Pocket investments are held in anticipation of the resolution of a special event or circumstance. Side-Pockets are only redeemable on a realization of the underlying investments.

Sterling Class

The Class Fund identified as the Sterling Class C Shares with ISIN GG00B4PS3859

Swap

Derivative. Private agreement between two entities to exchange cash flows in the future according to a prearranged formula.

Subscription date

Last business day in each calendar month. Application must be received five business days prior to the subscription date.

US Dollar Class

The Class Fund identified as the US Dollar Class B Shares with ISIN GB0003058020 and the US Dollar Class C Shares with ISIN GB00B24C7Y81 or either, as applicable.

Valuation date

Last business day in each calendar month.

Valuation Day

The day upon which the valuation of the assets of the Fund is carried out. This will normally be on or around the 15th Business Day of each calendar month when the prices of the underlying funds in which the Company ultimately invests become available.

Valuation Point The close of business on the last business day of each calendar month.

Directory

Registered Office:

Canada Court, Upland Road, St Peter Port, Guernsey,
Channel Islands, GY1 3QE

Directors:

Mr. Alex Ward, Canada Court, Upland Road, St Peter Port,
Guernsey, Channel Islands, GY1 3QE

Mr. George Riley, Canada Court, Upland Road, St Peter
Port, Guernsey, Channel Islands, GY1 3BQ

Mr. David Moore, 1 Le Marchant Street, St. Peter Port,
Guernsey, Channel Islands, GY1 4HP

Mr. Robin Amer, Canada Court, Upland Road, St Peter Port,
Guernsey, Channel Islands, GY1 3QE

Manager, Administrator and Registrar:

RBC Offshore Fund Managers Limited, PO Box 246,
Canada Court, St Peter Port, Guernsey, Channel Islands,
GY1 3QE

Investment Manager:

RBC Investment Solutions (CI) Limited, PO Box 48, Canada
Court, St Peter Port, Guernsey, Channel Islands, GY1 3BQ

Investment Adviser:

Saguenay Strathmore Capital, LLC, 2 Manhattanville Road,
Suite 403, Purchase, New York, 10577 USA

Custodian:

Royal Bank of Canada (Channel Islands) Limited, PO Box
48, Canada Court, St Peter Port, Guernsey, Channel
Islands, GY1 3BQ

Advisers on Guernsey Law and Regulatory Issues:

Mourant Ozannes, 1 Le Marchant Street, St Peter Port,
Guernsey, Channel Islands, GY1 4HP

Auditors:

Deloitte LLP Chartered Accountants, PO Box 137, 1st Floor
Regency Court, Glatigny Esplanade, St Peter Port,
Guernsey, Channel Islands GY1 3HW

Introduction

The Company

Royal Bank of Canada ARC Fund Limited is a company incorporated in Guernsey on 25 February 2000. The Fund is authorised to issue a number of different classes of Shares. These Shares may either carry differing rights to the same pool of assets or be in respect of segregated pools of assets.

At the date of these Scheme Particulars, the Manager has resolved to create two Class Funds, the US Dollar Class and the Sterling Class with two share classes in the US Dollar Class termed B Shares and C Shares and one class in the Sterling Class termed C Shares.

All Share classes in the Fund invest in separate classes of shares in a subsidiary company which holds one pool of underlying assets with a single investment objective and policy. Specific minimum investment levels and annual management fees have been set for both the B Shares and C Shares respectively. In addition Sterling Class Shares are hedged against movements in the US Dollar. Shares are issued in the base currency of the Class Fund to which they relate.

The Directors may create additional Class Funds denominated in different currencies and having one or more share classes from time to time having the same investment objective, but specifying the base currency, the initial offer price and other provisions which may be relevant to the specific Share class.

The Fund's aim will be to achieve absolute returns by investing in a number of hedge funds. The investment policy and restrictions to meet this objective are detailed below.

The base currency of the shares in the US Dollar Class is the US Dollar and the base currency of the Shares in the Sterling Class is Pounds Sterling. Shares, following an initial offer, can be subscribed for on a monthly basis and redeemed each calendar quarter subject to the conditions detailed in the Scheme Particulars under the headings of Application Procedure and Redemption Procedure on pages 7 and 8.

Investment Objective

The investment objective of the Fund is to generate absolute returns, generally independent of market direction, through investment in hedge funds employing a variety of alternative investment styles. (Absolute return (i) means the return that an asset achieves over a certain period of time; and (ii) differs from relative return because it is concerned with the return of a particular asset and does not compare it to any other measurement or benchmark.) Although the Fund must be invested in at least 10 hedge funds, it is anticipated that the Fund should be invested in approximately 20 to 60 hedge funds. The Fund will attempt to minimize risk, including by virtue of both the number, and the diversity of style, of hedge funds in which it invests.

Investment Policy

The policy of the Fund will be to invest globally in a diversified portfolio of hedge funds. This diversification will be by investment styles. The hedge funds in which the Fund invests are generally open or closed ended funds and in a variety of legal forms (collective investment schemes, investment companies, limited partnerships etc.). Most of these funds are not quoted on recognised public exchanges. These hedge funds may be incorporated in jurisdictions where there is no statutory investor protection legislation and where there are no legal regulatory bodies exercising control and surveillance over the funds. As a result investors should be aware that the risks associated with such funds are different to similar funds which are subject to statutory regulation and investor protection legislation.

The Fund will principally invest in funds which:

1. delegate custody of their assets to a recognised bank or custodian;
2. delegate audit responsibilities to a recognised firm of auditors; and
3. calculate the net asset value at least once a month.

Characteristics and risks of conventional and non-conventional investments

Whilst conventional (or traditional) investment vehicles primarily invest in securities, namely shares and bonds, with their own assets (long positions), non-conventional investment strategies such as those pursued by hedge funds also engage in short sales, take up loans and use derivative financial instruments in order to achieve a leverage effect. The hedge funds in which the Fund will invest apply different investment styles and strategies, such as Global Macro managers, long/short equity strategies, arbitrage, event-driven investment, etc. Investments in individual hedge funds represent a relatively high level of risk. Combining different strategies and funds into a fund of funds product systematically reduces the risk, subject to extreme situations where Correlations among different strategies may arise which would not be expected based on available historical data applied to a normal distribution.

Alternative investment strategies generally attempt to offer returns independent from, and with a low correlation to, the performance of the "traditional" equity and bond markets, by focusing on risk allocation. Alternative investment strategies may provide portfolio diversification

through innovative strategies and investment flexibility as well as reduced portfolio volatility and asset protection during difficult markets. The breadth of products employing alternative investment strategies has expanded to encompass capital markets around the world and virtually every asset class. Pooled investment portfolios that use alternative investment strategies are frequently referred to as hedge funds. It is important to note that the term “hedge fund” applies to a market segment and that the operations of individual hedge funds can vary significantly in terms of investment philosophy and the use of investment tools to carry out their objectives.

Hedge funds are distinguishable from traditional mutual funds in a number of ways. Hedge funds are generally privately offered funds that are not available to the general public for investment. Hedge funds usually have a great degree of latitude in terms of investment mandate. Most hedge funds are designed to take advantage of anomalies between directly and indirectly related securities and other financial instruments rather than pure directional market moves. Unlike most mutual funds, which are limited to long positions in securities, hedge funds can also engage in leverage and short selling of investments.

The Fund may invest in hedge funds which may enter into Side-Pocket investments which have indeterminate liquidity conditions. Any Side Pockets owned by any relevant Share class of the Fund will be pooled for the collective benefit of all shareholders in that class and will be valued according to their reported Net Asset Value in the same way as any other investment in a hedge fund.

Advantages and disadvantages of the fund of funds structure

The Fund is a fund of alternative investments and will therefore invest its assets in shares of numerous other funds, namely hedge funds.

Compared with individual alternative investment, the advantages of a fund of funds structure are the following: A broad diversification can be created by spreading the assets of the Fund over various investment styles and strategies. Therefore, the risk is limited to the combined losses sustained by individual funds. Furthermore, the Fund applies a strict selection procedure based on a thorough qualitative knowledge about the managers of the considered offshore funds and monitors closely and regularly its investments.

The disadvantages of a fund of funds structure are namely the possibility of relative under-performance to direct holdings in some of the underlying funds due to broad risk diversification and the additional running costs of the structure holding the underlying funds.

Investment Process

The Investment Adviser utilizes a combination of top-down (macro) analysis and bottom-up fund selection to select and allocate assets among portfolio managers.

Through its related investment advisory activity, the Investment Adviser has developed knowledge of the universe of portfolio managers and has developed a disciplined procedure for evaluating, selecting and monitoring performance of such portfolio managers. The Investment Adviser intends to utilize the knowledge gained through its advisory activities in evaluating and monitoring potential portfolio managers. While portfolio managers inherently have a degree of opaqueness because they do not disclose details of their portfolios and only report their performance on a periodic basis, the Investment Adviser seeks to mitigate this opaqueness by adhering to its due diligence process. Elements of the due diligence process include:

- Top down macro analysis - Macro analysis incorporates an assessment of various factors to determine which asset classes, investment strategies and styles should experience a favourable investment climate for the foreseeable future. This analysis then has an impact on the amount of capital that may be allocated to the different strategies. Factors considered in this analysis by the Investment Adviser are:
 - General market conditions and the outlook for the global economy and key asset classes, including valuation and technical factors;
 - Capital inflows or outflows to the various asset classes and investment styles; and
 - Geopolitical events.
- Preliminary screening and ongoing monitoring of the universe of portfolio managers with concentration on the Fund’s main focus areas as outlined above.
- For those potential portfolio managers who pass the initial screen, the Investment Adviser considers a variety of factors including:
 - The background and historic performance of the fund’s manager(s) focusing on risk adjusted performance and the ability to generate alpha;
 - Performance over time and during different market phases including change leverage and exposure levels;
 - The consistency of actual investments with the fund’s stated investment objectives over time;
 - The fund’s correlation with various market indices;
 - Evaluation of the investment process;
 - Evaluation of risk management policies and procedures;
 - Evaluation of current and prior financial statements, including accounting and valuation policies and procedures;
 - Evaluation of trading practices, policies and procedures;
 - Evaluation of operational practices and controls;
 - Review of fund organizational structure and documentation;
 - Identification and understanding of the fund’s sustainable advantage;
 - Analysis of key risk factors;
 - Qualitative judgment of the integrity and capabilities of the fund’s manager(s) derived through face to face meetings;
 - The degree of management co-investment; and
 - Concentration of investors, capacity agreements and preferential terms.
- Once a portfolio manager has been selected, its impact on the Fund is evaluated from the perspective of the Fund’s resulting asset allocation and risk concentrations. In addition, the Investment Adviser will evaluate and assess each fund’s key risk factors in combination with the key risk factors of other portfolio managers in order to prevent risk concentrations, including the impact on the Fund’s diversification of assets and the expected impact on the Fund’s volatility.
- Once a portfolio manager is included in the portfolio of the Fund, its performance will be monitored on an ongoing basis. Factors included in the ongoing review include:
 - Review of periodic performance, at least monthly;
 - Consistency of investment style with stated objectives;
 - Review of portfolio risks versus stated risk objectives and limits;
 - Ongoing re-assessment of key risk factors;

- Ongoing reassessment of portfolio manager's impact on key risk factors; and
- Periodic face to face meetings or conference calls with the portfolio manager.

The identity and number of portfolio managers for the Fund is likely to change over time. The Investment Adviser may remove a portfolio manager or appoint new portfolio managers without prior notice to or with the consent of the Fund's shareholders.

The Fund may invest through investment partnerships, corporations and other entities managed by portfolio managers. Some of the investments may be made through one or more investment entities for which the Investment Adviser or an associated person may serve as the general partner, sponsor or manager.

The Investment Adviser may, with the agreement of the Manager, alter or modify the investment strategies of the Fund (in the context of the investment styles and strategies of the underlying funds in which the Fund may invest) in light of available investment opportunities or to take advantage of changing market conditions, where the Investment Adviser concludes that such alterations or modifications are consistent with the goal of maximizing returns to investors.

Information on the planned investment styles and strategies of the Hedge Funds into which the Fund invests.

While it is anticipated that actual portfolio manager selection and performance will result in differing concentrations of asset class and investment style over time, the Investment Adviser generally expects to focus on the following core investment styles and asset classes:

- Long/Short Equity. Portfolio managers who employ the long/short equity style typically take long and short positions in publicly traded equity securities. Various derivative strategies may also be employed by long/short portfolio managers. The resulting portfolio may be either long-biased or short-biased depending on the market view of the portfolio manager. Generally, long biased strategies have a positive correlation to equity markets while short bias strategies tend to have a negative correlation to such markets. Security selection is typically based on fundamental research.
- Fixed Income. Portfolio managers who employ fixed income arbitrage strategies attempt to capture mispricing within and across global fixed income markets and their associated derivative markets. The markets where anomalies may exist from time to time include government bond markets, corporate debt markets and mortgage markets. Typically these strategies attempt to capture trading anomalies within and between interest rates, rather than outright predictions of their directions. Identified anomalies are usually small and portfolio managers utilize leverage to enhance their returns.
- Event Driven: Distressed Securities, Risk Arbitrage, Multi-Strategy Event Driven. The Company may focus on Distressed Securities and Risk Arbitrage.
Portfolio managers who employ distressed securities/event driven strategies take long and short positions in the equity, debt and derivative securities of companies which are in financial distress, in a bankruptcy proceeding or in a major restructuring. Investment ideas in the distressed sector may be implemented in any one of, or combination of, financial instruments including, but not limited to, bank loans, secured and unsecured bond obligations, equities and derivatives on the underlying securities. Style of investment may range from directional long, where the

portfolio manager expects the investment to appreciate, to directional short, where the portfolio manager expects the investment to depreciate, to capital structure arbitrage, where the portfolio manager expects one portion of the capital structure of a specific company to outperform another portion of the capital structure. In general, the distressed debt market is less liquid than other markets.

Portfolio managers who employ risk or merger arbitrage usually invest in the securities of companies involved in mergers or acquisitions. Risk arbitrageurs are typically long the stock of the company being acquired and short the stock of the acquirer. The major risk is deal risk, or the possibility that the merger or acquisition will not go through.

- Global Macro. Portfolio managers employing global macro strategies seek to profit from changes in global financial markets and take positions to exploit changes in interest rates, exchange rates, liquidity and other macro-economic factors. Investment ideas may be executed through a variety of financial instruments including long or short cash securities, futures contracts, derivative contracts or options. Global macro funds may employ a variety of asset classes including equities, fixed income, currencies or commodities and typically employ leverage in their portfolios.
- Other. Some managers deploy market strategies that do not conform with the above classifications. Such strategies may be too diversified to fit in any of the above classifications or they could be involved in other markets such as emerging markets, convertible arbitrage or quantitative / volatility / statistical arbitrage.

Investment Restrictions

The investment restrictions of the Fund are as follows:

1. The Fund will only hold investments in hedge funds and cash, but will not effect any direct investments in underlying securities. In particular, the Fund will not invest directly in derivative financial instruments.
2. The Fund will not invest more than 20 % of its Net Asset Value in closed-ended hedge funds that are not listed on an exchange or traded on another regulated market open to the public.
3. The Fund will not invest more than 10% of its Net Asset Value in shares in the capital stock of any one hedge fund
4. Not more than 20% of the Net Asset Value of the Fund may be in hedge funds managed by any one fund management group.
5. The Fund will invest in at least 10 separate funds.
6. The Fund will not use managed accounts
7. The Fund will not effect any direct short sales nor enter into any securities lending transactions.
8. The Fund may not grant loans to third parties. Furthermore, the Fund will have the ability to borrow up to 15% of its gross asset value. Borrowing will be for settlement timing differences (including settlement of foreign exchange hedging transactions). No gearing for the sake of leveraging returns will be permitted.
9. The Fund will not invest in funds whose principal activity is to invest in other funds; unless special reasons exist such as a geographical, economic or volume-related reasons and in the latter case without exceeding 30% of the Net Asset Value of the Fund.
10. The Fund and the funds in which the Fund is invested will not invest in art, antiques or similar goods.
11. The Fund will not take any legal or management control of any underlying hedge fund, or in any Hedge Funds managed by any one fund management group.

12. The Fund may invest in funds which are managed by the Manager, or the Investment Adviser or an associate of either, provided however that the investments of such funds are limited according to geographical or industry-specific criteria. In the event that this arises, the Manager will ensure that there is no double charging of fees. In any case, such investments will not exceed 20 % of the Fund's Net Asset Value.
13. It is not the intention of the Fund to enter into hedging arrangements other than in respect of US Dollar/Sterling movements for the Sterling Class (or any future issuance of Shares in respect of a new Class Fund denominated in a new currency).

The limits in restrictions numbered 2, 3 and 4 shall apply at the time of investment only. Adjustments to meet those limits are not required where limits are exceeded due to movements in the value of the Fund's portfolio.

It has to be noted that the individual hedge funds in which the Fund invests are subject only to the restrictions set out in their own fund regulations.

Investment Guidelines

In addition to the Investment Restrictions, the Manager, with the consent of the Directors, may establish additional investment guidelines for the Investment Advisor. These guidelines are subject to alterations by the Manager from time to time.

The current investment guidelines require that not more than 60% of the Net Asset Value of the Fund at the time of investment may be assigned to the same investment style or strategy.

Borrowing Limits

The Fund will have the ability to borrow up to 15% of its gross asset value. Borrowing will be for settlement timing differences and to fund forward foreign exchange dealings made for hedging purposes only. No gearing by the use of borrowings is permitted.

Currency Hedging

The Fund may enter into forward foreign exchange transactions for the purpose of protecting the Sterling value of the Sterling Class Fund from adverse movements in the US Dollar against Sterling. Hedging transactions will be made for efficient portfolio management purposes and not for speculative or gearing purposes. There are no limits on the amount of premium or margin that may be payable by the Fund in connection with such transactions. Profits or losses accruing on hedging transactions are attributable by the Fund to the Sterling Class Fund Shares.

Management and Administration

Directors

The Board of Directors has overall responsibility for the management of the Fund and for ensuring it conforms with the stated investment objectives and restrictions.

In accordance with the relevant law, regulations and the terms of the management contract completed on March 6th 2000, between the Fund, Royal Bank of Canada (Channel Islands) Limited and RBC Offshore Fund Managers Limited, the Directors appointed RBC Offshore Fund Managers Limited as Manager to the Fund. By an investment management agreement dated as of 1st May 2007 between the Fund, the Manager and RBC Investment Solutions (CI) Limited, the Manager appointed RBC Investment Solutions (CI) Limited as Investment Manager of the Fund.

The Board of Directors is made up of the following:

Robin Amer. Born in 1963, Mr. Amer qualified as a Chartered Accountant in 1990 and spent 10 years with

PwC in the Channel Islands, focusing mainly on the audit of financial services clients. He joined Royal Bank of Canada in 1996 as a fund accountant. He was appointed a director of RBC Offshore Fund Managers Limited in 2006 and currently holds the position of Deputy Managing Director within RBC Offshore Fund Managers Limited.

David Moore. Born in 1960, Mr. Moore is a Partner in the firm of Mourant Ozannes, the Fund's lawyers in Guernsey. He has been with Mourant Ozannes since 1993 and before that spent 10 years practicing in the City of London, predominantly with Ashurst Morris Crisp. He specialises in corporate and financial matters and is a non-executive director of a number of investment, investment management and insurance related companies.

George Riley. Born in 1954, Mr. Riley had 16 years of experience with Lloyds Bank Executor & Trustee Department and Lloyds Bank International Bank in the Channel Islands and Monaco. He joined Royal Bank of Canada in 1988. In 2000 he moved to Geneva with RBC (Suisse) and was appointed Chief Investment Officer in 2002. Since September 2010 he has been CIO, Discretionary Investment Management, RBC Investment Solutions (CI) Limited.

Alexander T Ward. Born in 1952, Mr. Ward has been employed by RBC Wealth Management in the Channel Islands since 1998, where he has held a number of operational management roles with RBC Offshore Fund Managers Limited. In February 2006 Mr Ward was appointed the Managing Director of RBC Offshore Fund Managers Limited. Alex is a Fellow of the International Compliance Association.

The Manager

The Manager is RBC Offshore Fund Managers Limited, (registered company number 8494,) which was incorporated as a company with limited liability in Guernsey on 31 January 1980 and licensed under the Law to carry on controlled investment business in the Bailiwick of Guernsey. Its registered office is at Canada Court, Upland Road, St Peter Port, Guernsey, Channel Islands. The issued share capital of the Manager is £75,000 of which £275,000 has been paid by way of share capital and premium. The Manager is a wholly owned subsidiary of Royal Bank of Canada, 1 Place Ville Marie, Montreal, Quebec, Canada.

The directors of the Manager are Alexander T Ward, Managing Director; Robin Amer, Deputy Managing Director, Alan Brint, Senior Manager Corporate & Institutional Business, British Isles; and Kevin Flanagan, Head of Global Manager Research, RBC Global Asset Management. All Directors are employees of RBC.

The Manager is permitted to trade in Shares and to satisfy investors' applications for Shares either from its own holding of Shares or by requesting the Custodian to create Shares. Conversely upon a shareholder wishing to redeem his holding, the Manager may acquire Shares or alternatively ask the Custodian to cancel Shares. Whilst the Manager may only trade in such Shares on a subscription date and at prices calculated in accordance with the Scheme Particulars, it is under no obligation to account to the Custodian or to any shareholder for any profit it makes on the issue of Shares or on the re-issue or cancellation of Shares which it has re-purchased. For the purposes of the Law, the Manager is the Designated Manager.

The Manager was appointed by an agreement dated 6 March 2000. Further details of the contract can be found on page 14. The remuneration of the Manager is detailed on page 9. The Manager has delegated responsibility for investment management to the Investment Manager.

The Investment Manager

The Investment Manager is RBC Investment Solutions (CI) Limited, (registered company number 3403,) which was incorporated in Guernsey on 21 August 1973 and is licensed under the Law to carry on controlled investment business in the Bailiwick of Guernsey. Its registered office is at Canada Court, Upland Road, St Peter Port, Guernsey, Channel Islands. The issued share capital of the Investment Manager is £1,000,000. The Investment Manager is a wholly owned subsidiary of Royal Bank of Canada, 1 Place, Ville Marie, Montreal, Quebec, Canada.

The directors of the Investment Manager are Tracy Maeter, George Riley, Alan Hunt, Tim Watts, David McFadzean and Ashley Northgrave.

The Investment Manager was appointed by an agreement dated as of 1st May 2007. Further details of the investment management agreement can be found on page 15. The Investment Manager receives remuneration for its services from the Manager out of its management fee.

The Investment Adviser

The Fund's Investment Adviser is Saguenay Strathmore Capital, LLC, ("SSC"). SSC is a United States Securities and Exchange Commission registered investment adviser specializing in alternative assets. The Investment Adviser's principal place of business is at 2 Manhattanville Road, Suite 403, Purchase, New York 10577. Founded in 2002 as a family office investment adviser for a prominent international family, SSC has an expanded base of clients who now include family offices, high net worth individuals and institutional investors.

SSC's focus is on hedge funds, and its first priority is the preservation of capital followed by the pursuit of superior long term, absolute risk adjusted returns irrespective of the market direction of traditional asset classes such as stocks and bonds.

SSC's managing members have over 100 years of experience derived from prior positions at senior levels in global capital markets, corporate finance and investment management. Such experience supports a seasoned, balanced perspective that is essential to understanding and assessing the market and business risks of the wide array of hedge fund strategies deployed around the world.

The Investment Adviser was appointed by an Investment Advisory Agreement dated as of 1st June 2007 pursuant to which the Investment Adviser has authority to purchase and sell investments on behalf of the Fund subject to the overall direction and control of the Investment Manager. Further details of the investment advisory agreement can be found on page 15. The Investment Adviser is remunerated for its services by the Investment Manager out of the investment management fee it receives from the Manager.

The Custodian

The Custodian is Royal Bank of Canada (Channel Islands) Limited, (registered company number 3295,) which is a company incorporated with limited liability in Guernsey on 10 July 1973. Its registered office is at Canada Court, Upland Road, St Peter Port, Guernsey. The Custodian is a wholly owned subsidiary of Royal Bank of Canada, 1 Place Ville Marie, Montreal, Quebec, Canada. Its authorised share capital is £7,500,000 divided into 7,500,000 shares of £1 each of which 5,000,000 shares have been issued and are fully paid up.

The Custodian is licensed in Guernsey as a Bank and is also licensed under the Protection of Investors Law to carry on the business of a Trustee/Custodian of Collective Investment Schemes. The Custodian has been appointed under an agreement dated 6 March 2000. Further details of

the agreement can be found on page 15 of the Scheme Particulars. The fees of the Custodian are payable by the Manager. The Custodian is not responsible for the selection or valuation of investments.

The Registrar and Register

The Registrar is RBC Offshore Fund Managers Limited, Canada Court, Upland Road, St Peter Port, Guernsey. The register of holders can be inspected at the address of the Registrar between 9am and 5pm on any business day.

Auditors

The Auditors of the Fund are Deloitte LLP Chartered Accountants, PO Box 137, 1st Floor Regency Court, Glatigny Esplanade, St Peter Port, Guernsey, Channel Islands GY1 3HW.

Legal Advisers

The Advisers to the Fund on Guernsey legal and regulatory issues are Mourant Ozannes, 1 Le Marchant Street, St Peter Port, Guernsey, Channel Islands.

Subscription and Redemption of Shares

Sterling Class Fund Initial Offer

Under the initial offer for the Sterling Class Fund an unlimited number of £ Sterling C Class Shares are being offered at a subscription price of £100 per Share.

Subscription should be for a minimum of £50,000 or such other amount as the Directors may determine.

The initial offer for the Sterling C Class Shares will close on 30 December 2011. Application for Shares must be made in writing and received by the Manager before 4pm on 21 December 2011 (the "Closing Date"). There is no minimum aggregate subscription amount for the Sterling Class Fund on which the Directors may proceed to allotment. Subscriptions made after the Closing Date should be made in accordance with the section on Application Procedures below.

Sterling C Class Shares will not be allotted unless the Manager is satisfied cleared funds have been received 5 business days before the Closing Date unless special arrangements have been made with the Manager.

Subscription Date

The subscription date of the Fund is the last business day in each month. All applications for subscriptions, together with cleared funds must be received 5 business days before the subscription date. If cleared monies are not available before that time Shares will not be issued without special arrangement with the Manager.

Types of Shares

The Fund at the present time only issues Accumulation Shares, which do not carry an entitlement to a dividend.

Application Procedure

The price at which Shares are issued will be not less than a sum calculated to 4 decimal places by reference to the Net Asset Value of that Class. The minimum initial subscription for US\$ B Shares in the Company is US\$50,000. The minimum subscription for US\$ C Shares in the Company is US\$50,000. The minimum initial subscription for Sterling Class C Shares in the Company is £50,000. For any subsequent subscription, the minimum is US\$10,000 for the US\$ Class Shares and £10,000 for the Sterling Class Shares. The Directors have discretion to accept subscriptions of lower amounts.

The initial application for Shares must be made in writing and received by the Manager before 4pm (Guernsey time) 5 business days prior to the subscription date by completing the application form. Applications received after this time

may be carried forward to the next subscription date at the discretion of the Directors. Subsequent applications should be notified to the Manager in writing. All cleared monies for applications must be received by the Manager 5 business days before the subscription date. If cleared monies are not available before that time, Shares will not be issued without special arrangement with the Manager.

Payments for applications should be made to RBC Offshore Fund Managers Limited by telegraphic transfer.

On receipt of an application and cleared monies for investment, the Manager will provide, within two business days of the subscription date, a notification confirming that the application has been accepted. A contract note detailing the number of Shares issued will be dispatched to the investor by the 30th calendar day following the day on which the transaction was effected.

Shares will be issued to three decimal places and any rounding resulting from the issue or redemption of Shares will be held for the benefit of the Fund.

The Manager is relieved of any obligation to issue certificates for Shares but any shareholder is entitled to request a certificate. The Manager recommends that investors apply for non-certificated Shares as these make future transactions both simple and rapid. In the case of uncertificated holdings, titles to the Shares will be evidenced by entries on the register of holders. Share certificates (if requested) shall be issued within 21 Days of the calculation of the Net Asset Value.

Redemption Procedure

Shares may be redeemed by reference to the Net Asset Value per Share on a quarterly basis on the last business day in March, June, September and December each year. Requests to redeem Shares should be received by the Manager before 4pm on the business day 45 calendar days prior to the appropriate redemption date. Such a request should clearly identify the holding to be redeemed by including the details as inscribed on the register or the purchase contract note. The Directors have discretion to waive the notice period. Requests received after this time may be held over and dealt with on the following redemption date.

The price at which Shares are redeemed will be calculated to 4 decimal places by reference to the Net Asset Value of the relevant class.

Redemption proceeds will be paid to investors in the base currency of their investment (US Dollars or Pounds Sterling), subject to the Manager receiving valid instructions, within 5 business days of the valuation being completed, which is normally on or about 15th business day of the month. No third party payments will be made. Redemption proceeds may be paid in a currency other than US Dollars or Pounds Sterling (as the case may be) at the request and cost of the applicant, any conversion between currencies being at such rate as the Manager may from time to time determine. Investors may make partial redemption of their shareholding provided that the aggregate value of the remaining shareholding does not, as a consequence, fall below US\$50,000 for US\$ B Shares or US\$50,000 for US\$ C Class Shares or £50,000 for £ Sterling C Class Shares, subject to the Directors discretion.

The Directors of the Fund have the power compulsorily to redeem the Shares of any investor whose existence as a shareholder in the Fund causes or may cause the Fund to pay any tax or suffer any regulatory or fiscal restrictions in any jurisdictions in which the Fund would otherwise not have elected to suffer.

The Directors of the Fund have power to give notice compulsorily to redeem all Shares of a particular class in issue if at any time the Net Asset Value of that class on

each valuation day within any consecutive three-month period is less than US\$10 million (or equivalent).

Suspension

The Directors of the Fund have the power to suspend the calculation of the Net Asset Value and the redemption of Shares in one of the following events:

- a) If a market which constitutes the basis for the valuation of a substantial proportion of the Fund assets is closed, or if trading on a market is limited or suspended;
- b) In the event of political, economic, military, monetary or other emergencies;
- c) If, due to restrictions in currency transfer or restrictions in other asset transfers the Fund can no longer transact business.

Notice of any suspension in the calculation of Net Asset Value and of the redemption of Shares will be given to any shareholder tendering his Shares for redemption. If the redemption request is not subsequently withdrawn by the shareholder the redemption will take place as at the first valuation date following the end of suspension. The first business day following the end of the period of suspension will be treated as a valuation day.

Prevention of Money Laundering

Under current legislation, to prevent money laundering, persons conducting investment business are obliged to comply with anti-money laundering regulations. Accordingly the Manager will request such information and documentation as it considers is necessary to verify the identity of an investor in accordance with the Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) Law, 1999 as amended, and the 2007 Handbook for Financial Services Businesses on Countering Financing Crime and Terrorist Financing and pursuant thereto as amended from time to time. The Manager will not accept applications without such verification. A certified copy of the investor's passport or identity document along with an original or certified copy of a document (such as a utility bill) verifying the investors address, should accompany any initial application.

The investor must also confirm that the investor has notified the Manager in writing if the investor is opening or operating the Investment Account on behalf of any third party or parties or in any capacity other than its own sole personal capacity and has provided the Manager with the name or names of the third party or parties concerned. The investor acknowledges that the Manager reserves the right to refuse to open or continue to operate any account that the investor wishes to operate on behalf of any third party or parties at the Manager's absolute discretion. The Manager may do this without giving the investor any reason.

Valuation

The valuation of the Fund will take place at 5 pm (Guernsey time) on the last business day of each month.

The Manager is responsible for calculating the Net Asset Value. The valuation will normally be completed within 15 business days of the month end and will be valued by reference to the Net Asset Value of the underlying funds as at the close of business on the last business day of the month, or the last quoted net asset value available in that month.

Insofar as no price is available or if the said funds are not quoted, the Manager will use the latest valuation of the asset value or the price of redemption for the shares of the hedge funds with daily subscriptions and redemption and will use a valuation based on the last published asset value taking into consideration recorded market movements, for the shares of hedge funds without daily subscriptions and

redemption. The valuation of investments is made from independent sources from those responsible for the investment management of the Fund's assets or placement of its shares. The prices used for the valuation are obtained from a source independent of the Manager and its representatives. As far as the investments are concerned which cannot be valued in a satisfactory manner by resorting to above-mentioned methods, the Manager will fall back on a valuation made by the Manager where justified in exceptional cases and where this represents a minor part of the Fund's value. In all cases, the prices obtained from an outside source are checked with regards to their reliability before proceeding to the calculation of the Net Asset Value. The valuation will be based on a mid-market basis taking into account the buying and selling costs associated with the purchase and sale of interests in the underlying funds.

The prices of the Shares of the Fund will be published in the Financial Times, and will also be available online at www.rbcwminternational.com and from the Manager and Custodian.

Fees & Expenses

Management Fee

The Manager is entitled to receive a fee of up to 2% of the Net Asset Value of the B Share Investor Class of the Fund; and of up to 1% of each of the C Share Institutional Classes of the Fund calculated on each valuation day and paid monthly in arrears. The Manager is responsible for the fees of the Custodian and the Investment Manager. The Manager may in its sole discretion, share its management fee with other advisers to the Fund or any other third party.

Performance Fee

The Manager shall also be entitled to a performance fee for each Class of the Fund of 10% calculated on the increase of total NAV of the relevant Class Fund and after deduction of the greatest of either the high water mark obtained or an annual hurdle rate of 6% p.a. The annual hurdle rate is calculated on the rebased NAV for the relevant Class at the beginning of each new financial year, which will be the final NAV calculated from the preceding year. The performance fee accrues monthly and is paid annually.

The Performance Fee is charged across all Share classes.

The Manager may in its sole discretion, share its performance fee with the Investment Manager and/or Investment Adviser.

Other Expenses

The Fund will bear all other expenses incurred in connection with its operation, which include but are not limited to the following:

1. The costs of dealing in the scheme property.
2. Interest on permitted borrowings and charges incurred in negotiating, effecting, varying or terminating the terms of such borrowings.
3. Taxation and duties payable in respect of the scheme property and the issue of shares.
4. Any costs incurred in modifying the principal documents of the Fund unless these modifications are principally for the benefit of the Manager or the Custodian.
5. Any costs incurred in respect of shareholders' meetings.
6. The fees and expenses of the Auditors.
7. The fees of the Commission and of any regulatory authority in a country or territory outside Guernsey in which shares in the Fund are or may be marketed.
8. The costs incurred in preparing, printing and publishing the Scheme Particulars and annual and interim reports.
9. The expenses of the Custodian in convening a meeting of shareholders convened by the Custodian alone.
10. The costs incurred in keeping the share register.
11. All the director costs as set out on page 14.
12. Expenses incurred in the preparation and printing of certificates, tax vouchers, warrants, proxy cards, contract notes, and statements.
13. Any tax in the nature of value added tax or otherwise payable in respect of such fees and expenses.
14. The costs of publishing share prices in financial papers.
15. The costs of ensuring that the Scheme Particulars and annual report and accounts comply with regulations in the jurisdictions in which the Fund has either been recognised, authorised, or has obtained a stock exchange listing.
16. The costs of obtaining and maintaining a stock exchange listing.

The expenses, costs, fees and charges referred to above shall be calculated at cost.

Formation Costs

The formation costs of the Fund are fully paid.

Taxation

This summary of the anticipated tax treatment in Guernsey does not constitute legal or tax advice and is based on taxation law and practice at the date of these Scheme Particulars applicable to persons holding Shares as an investment. Prospective investors should be aware that the level and bases of taxation may change from those described and should consult their own professional advisers on the implications of making an investment in, holding or disposing of Shares under the laws of the countries in which they are liable to taxation.

The Company qualifies for exemption from liability to income tax in Guernsey and has applied to the States of Guernsey Tax Authority for such exemption for the current year. Exemption must be applied for annually and will be granted, subject to the payment of an annual fee which is currently fixed at £600, provided that the Company continues to qualify under the applicable legislation for exemption. It is the intention of the Directors to conduct the affairs of the Company so as to ensure that it continues to qualify. No capital gains or similar taxes are levied in Guernsey on realised or unrealised gains resulting from the Company's investment activities.

In response to the review carried out by the European Union Code of Conduct Group, the States of Guernsey agreed to abolish exempt tax status for the majority of companies and to introduce a zero rate of tax for companies carrying on all but a few specified types of regulated business from January 2008. However, the States of Guernsey also agreed that because collective investment schemes were not one of the regimes in Guernsey that were classified by the EU Code of Conduct Group as being harmful, collective investment schemes would continue to be able to apply for exempt status for Guernsey tax purposes after 31 December 2007. The Company will therefore continue to apply for and be granted exempt status after 22 January 2008 regardless of the changes to the general corporate tax regime introduced by the zero tax regime and these changes are not expected to have any material impact on the Company. The Company, in the absence of an exemption, together with any Guernsey incorporated subsidiaries, and any other companies controlled by the Company would however become Guernsey resident companies subject to the zero rate of Guernsey tax. Under this regime, the Company and

any subsidiaries would not be required to withhold Guernsey income tax from interest or dividends paid by them other than in respect of distributions to Guernsey resident individuals.

Shareholders

Shareholders should ascertain from their professional advisers the consequences to them of acquiring, holding, redeeming, or disposing of Shares under the relevant laws of the jurisdiction to which they are subject, including the tax consequences and any exchange control requirements.

Persons resident or ordinarily resident in the UK for taxation purposes should note that the Fund constitutes an “offshore fund” for the purposes of the Finance Act 2008 and that there is no current intention for the Fund to seek to qualify for or elect “Reporting Fund” status for the purposes of the Offshore Funds (Tax) Regulations 2009. Consequently any gain accruing to UK resident investors upon the sale, transfer or redemption of that investors’ interest will be taxed as income and not as a capital gain, with the result that capital gains relief such as offset of capital losses (for all investors), indexation (for corporate investors) and the annual exempt amount (for non-corporate investors) are not available.

Shareholders not resident in Guernsey will not be subject to suffer any income tax in Guernsey on any distribution of income or payment of redemption proceeds. There are no death duties, inheritance, capital gains, gifts, sales or turnover taxes levied in Guernsey in connection with the acquisition, holding or disposal of shares. No stamp duty is chargeable in Guernsey on the issue, transfer or redemption of Shares.

Financial Information

Accounting Date

The accounting date of the Fund is 31 October in each year.

The interim accounting date of the Fund is 30 April in each year.

Report and Accounts

The Annual Report and Accounts will be distributed to all shareholders before the end of April and will be available on the website www.rbcwminternational.com. The Interim Report and Accounts will be distributed to all shareholders before the end of August.

Additional Information

Shareholders may at any time request from the Fund the necessary information concerning the basis on which the issue and redemption price of the Shares are calculated as well as further information on the individual funds in which the Fund invests.

Risk Warnings

Prospective investors should be aware that the value of Shares and the income from them can fluctuate, to the extent that in exceptional circumstances a total loss of the amount invested could result. Changes in the rates of exchange between currencies may cause the value of Shares or its investments to diminish or increase. There is no guarantee that shareholders who redeem their investment will receive the amount invested. However, by applying strict selection criteria and broadly diversifying the individual investment strategies, the Fund intends to minimize the following investment risks in particular:

The Fund may invest a certain part of its assets in investments which are not regulated by the rules of any Stock Exchange, investment exchange or other regulatory body authority.

In calculating the Net Asset Value of any share class, the Manager may, in some instances, rely on estimates of the Net Asset Value of the funds in which the Fund invests which will be supplied by the manager or administrators of these funds. The Manager will however take on any useful measure to proceed, on his part, to the valuation of these funds, notably on the basis of the last asset value presented taking into consideration the registered fluctuations on the market.

Some of the investments made by the Fund may not be readily realisable and their marketability may be restricted thus allowing redemptions only at specific times and dates. In addition, some hedge funds may provide broad discretionary powers to suspend redemption for a material period. It may therefore be difficult for the Fund to sell or realise some of its investments. In some cases, investments may have to be sold below their net asset value.

The Fund may invest in funds which may be subject to initial and redemption charges and management, administration and performance fees in addition to those payable by the Fund.

The Fund will invest in funds which invest in derivatives and take short positions in securities. Some funds buy assets, which are illiquid or difficult to value, as well as other assets with high market, exchange, credit and liquidity risks (including the risk of insolvency or bankruptcy of the borrower). The use of these funds involves certain special risks.

Although the Fund will not have the ability to borrow for gearing purposes, it will invest in funds, which may employ leverage. Whilst these funds can substantially improve the return, their use also increases the risk of loss.

Loan facilities are entered into by the Fund for the benefit and account of all Class Funds and share classes. Security has been granted therefore over all the Fund’s underlying assets including those held for the account of its subsidiary. Borrowings incurred by the Fund (and the attendant liabilities relating thereto) shall be attributed by the Fund to the account of the relevant Share Class for which they may be incurred from time to time. The Manager is obliged to monitor and manage the outstanding exposures of the Fund to such borrowings. The Fund is not in any event permitted to borrow in excess of 15% of its gross asset value as noted on page 6. The lender may nonetheless potentially have recourse to the underlying assets attributable to all share classes on default of repayment for borrowings incurred if necessary and not solely to the assets of those Share Classes for whose account borrowing may from time to time and for the time being be incurred.

The Fund has entered into a currency hedging arrangement with the FX and Settlement Provider to hedge the US dollar/pound sterling currency pairing in respect of the Sterling Class and a loan facility for settlement of hedging transactions for the Sterling Class. Security has been granted over the assets attributable to the Sterling Class in the ordinary course of business at the Fund level and at the Subsidiary level (as defined below) (though in the event of an insolvency or winding-up of the Fund such security shall extend to all assets of the Fund in respect of such indebtedness), subject to the restrictions on borrowing as a percentage of the Fund’s gross asset value as noted above. Such currency hedging shall be adjusted on each Subscription Date to reflect currency movements between the US dollar and pound sterling; however, there can be no assurance that the notional amount of the relevant currency hedge will not become less than or greater than the Sterling Class Fund assets, and accordingly the Sterling Class may be over or under hedged at points in time.

The FX and Settlement Provider shall only be obliged to make payments under the currency hedging arrangement provided the Fund complies with its obligations under its currency hedging arrangements. Further, there is the risk that the FX and Settlement Provider may default in its obligations to make payments to the Fund. In either of these cases the Sterling Class holders would be exposed to adverse currency movements in respect of the Sterling Class. Further, if the FX and Settlement Provider was to default, a hedge termination payment to the Fund may not equal the costs of entering into a replacement hedging arrangement and accordingly, the Sterling Class holders would be exposed to such excess hedging costs.

Further, there is no assurance replacement hedging or loan facilities will be available or available on similar economic terms from an alternative provider in the event either facility is terminated.

In respect of the Sterling Class, the performance fee of such Class shall be calculated on the NAV denominated in sterling after taking into account the relevant hedging gains or losses applicable to such Class. Accordingly, a performance fee may fall due in circumstances where the underlying assets do not meet the required hurdle rate over the relevant period, as a result of positive offsetting gains on the sterling hedging transactions.

The Fund may invest in funds investing in emerging markets. It should be taken into account that liquidity and settlement risk may be greater in emerging markets and accounting standards may not provide the same degree of shareholder protection as would generally apply internationally. The legal framework governing hedge funds in which the Fund invests and the supervision of such funds at their place of incorporation may not correspond to the standards applicable to the Fund itself, in particular, these hedge funds will not necessarily be the subject of a review. The Fund may invest in hedge funds constituted in the form of an umbrella fund in which one compartment may be accountable for the other compartments of the umbrella fund.

Some funds have a broker as custodian instead of a bank. In certain cases these brokers may not have the same credit rating as a bank. Furthermore, they perform solely safekeeping functions and have no statutory supervisory obligations.

Some fund managers have an equity stake in their own fund. Conflicts of interests cannot therefore be ruled out at the level of the individual funds.

The Fund may invest in hedge funds which may enter into Side-Pocket investments which have indeterminate liquidity conditions. Any Side-Pockets owned by any class of Shares in the Fund will be pooled for the collective benefit of all shareholders in that class and will be valued according to their reported Net Asset Value in the same way as any other investment in a hedge fund. When a shareholder redeems Shares, the value of their proportion of the Side-Pocket investments will be determined with reference to the most recently reported value of the Side Pocket positions. This amount will be repaid according to the normal Redemption terms and the shareholder will retain no residual exposure to the Side-Pocket positions. Remaining shareholders may in turn gain greater exposure to the remaining Side-Pockets. When a shareholder subscribes for Shares, the new shareholder will receive Shares in the Fund representing a pro-rated interests in the investment holdings of the relevant Class including Side-Pocket investments. Existing shareholders may in turn have a reduced exposure to the existing Side-Pocket but will gain exposure to the new investments resulting from the additional subscription.

Investors should bear in mind that all investment carries risk and in particular should be aware of the following: Past performance is not a guide to the future. It should be remembered that the value of Shares and the income derived from them can go down as well as up and as a result the investor may not get back the amount originally invested. This can be as a result of market movements and also of variations in the exchange rates between currencies.

The above list of risks is not exhaustive.

General Information

Incorporation

The Fund was incorporated in Guernsey under The Companies (Guernsey) Laws 1994 and 1996, as a limited company. The Fund's registration number is 36432.

Authorised Share Capital

The authorised share capital of the Fund is US\$50,100 divided into 100 Management Shares of US\$1 each and 50,000,000 unclassified shares of US\$0.001 each. Unclassified shares may be issued as Shares or as Nominal Shares issued at par and are beneficially owned by the Manager. All issued Shares are in registered form.

The entitlement of each holder to participate in the property of the Fund is pro-rata to the number of Shares held by that holder in the relevant class.

Management Shares of US\$1 each

The Management Shares have been created so that participating shares may be issued. To qualify as redeemable shares, the Shares are required under Guernsey Law, to have a preference over some other class of share capital. The Management Shares are not redeemable, carry one vote each on a poll and do not carry any right to dividends.

In a winding-up they have a right to repayment only of nominal paid up capital, after the repayment of nominal paid up capital of the holders of Shares and Nominal Shares.

Participating Shares of US\$0.001 each

Each holder of Shares is entitled, on a poll, to one vote for each Share held. The rights and benefits of each class of Share from time to time will be documented in the latest Scheme Particulars. At the date hereof there are two classes of Share with identical rights save as to management fees, minimum subscription levels and eligibility of investors as detailed in these Scheme Particulars.

The Articles of Association provide that where separate classes of Share may be in issue Shares of one class may be converted into shares of any class of another class. For the avoidance of doubt, however, conversion of B shares to C Shares will not be permitted.

In a winding-up, the assets available for distribution shall be applied in the repayment of the nominal amount paid-up firstly on Shares and secondly on Nominal Shares and thirdly on Management Shares. Any surplus of assets then remaining shall be distributed among the holders of Shares in pro-rata to the respective holding.

Nominal Shares

The Nominal Shares can only be issued at par to the Manager. The holders of Nominal Shares are entitled to one vote only irrespective of the number of Nominal Shares held. The Nominal Shares carry no right to dividends. In a winding-up they have the right to repayment only of paid-

up capital after the repayment of nominal paid-up capital to the holders of Shares but before such repayment to the holders of Management Shares.

The Manager is obliged to subscribe for Nominal Shares for cash at par when Shares are redeemed to ensure that funds are available to redeem the nominal amount paid up on each Share, unless the Directors decide that the nominal amount of such Shares is to be redeemed out of profits.

Winding up Procedure

The Fund may be wound up upon the happening of either of the following events:

1. The revocation of the authorisation declaring the Fund to be an authorised collective investment scheme, or
2. When a special resolution passed by the shareholders determines that the Fund shall be wound up.

The Fund will be wound up in accordance with the Articles of Association of the Fund and any applicable Guernsey laws and regulations.

As soon as is practicable, after the Fund resolves to be wound up, the Custodian will realise the property of the Fund and after payment of all liabilities and costs, distribute the proceeds of the realisation to the holders of shares in proportion to their respective interests.

Voting Rights (including proxies)

At any meeting of shareholders of the Fund, resolutions may be passed by a show of hands at the meeting unless a poll is required. A poll of shareholders can be demanded by the Chairman of the meeting or by one or more shareholders with not less than one-tenth in value of the Shares for the time being in issue.

Only shareholders or their proxies may vote at general meetings of the Company.

Shareholders representing not less than one-tenth in value of the Shares in issue may, in writing, request the Manager to convene a meeting.

The quorum for a meeting of shareholders shall be shareholders present in person or by proxy holding or representing one-twentieth in value of all the Shares for the time being in issue.

A meeting duly convened and held in accordance with the provisions set out in the Articles of Association of the Fund shall be competent by extraordinary resolution:

- a) to sanction any modification, alteration or addition to the provisions of the Articles of Association which shall be agreed by the Custodian and the Manager;
- b) to approve any departure by the Manager from any investment policy a statement of which has been included in the Scheme Particulars. Such departure should never breach the Investment Policy and Investment Restrictions provided for therein;
- c) to remove the Manager;
- d) to remove the Custodian;
- e) to approve an arrangement for the reconstruction or amalgamation of the Fund with another body or scheme whether or not that other scheme is a collective investment scheme;
- f) to increase the maximum of the management fee provided that any such increase shall become effective at a specified date not earlier than 90 days after the date on which the resolution is passed.

Confidentiality and Data Protection

1. The Manager shall process personal information regarding shareholders or applicants for shares in the Fund ("Personal Information") in accordance with the DP Law. Other than as expressly set out below, the Manager confirms that Personal Information regarding

shareholders or applicants for shares will not be disclosed, transferred or sold to any third party for any purpose.

2. Personal Information which is provided to the Manager or which is relevant to shareholders or applicants for shares in the Fund and obtained from other sources will be processed by the Manager for the purposes of discharging its responsibilities as the Manager and retained for the period required by the DP Law and/or any other applicable Guernsey laws or regulations.
3. The shareholder agrees that the Manager may from time to time use RBC's centralized systems and/or system resources and/or specialist information technology employees in other countries such as Canada and the United Kingdom, whether or not those countries have equivalent Data Protection legislation to Guernsey and which may be outside the European Economic Area. This may result in certain Personal Information being transmitted through or stored or processed in another jurisdiction and also being subject to the laws of that country. In this event the Manager shall use its reasonable endeavours to ensure that the Personal Information is protected to the standard that the Manager applies.
4. The Manager will provide a shareholder with a copy of any centrally held information, if requested to do so by the shareholder, in accordance with the DP Law.
5. In the event that a shareholder believes that any of the centrally held information is incorrect or inaccurate, the shareholder must notify the Manager, so that the information can be updated or corrected.
6. Shareholders agree that in the event that they communicate with the Manager using e-mail or by other electronic means, then the Manager may monitor all e-mail or other electronic traffic to gather information for the purposes of security, marketing, statistical analysis and systems development.
7. The Manager may record the contents of telephone conversations, or monitor telephone calls. Any such recordings remain the property of the Manager, and may be used by the Manager in the event of a dispute.
8. The Manager shall not disclose to any person the status of the holding of any shareholder or any transactions relating thereto or any information relating to a shareholder, save:
 - (i) where the Manager is compelled or permitted or required to do so by law or by order of a court or governmental or administrative tribunal; or
 - (ii) where disclosure is made at the shareholder's request or with the shareholder's consent, or if otherwise permitted by the terms of these Scheme Particulars.

The Manager may also disclose details and information about the shareholder or their holdings or transactions for the following purposes:

- (i) to provide a marketing database for product and market research or to provide information for the despatch of information on other products or services to shareholders from companies within RBC;
- (ii) to service the shareholder's other relationships with RBC. (Please note that in the event that a shareholder does not have another relationship with RBC, then a Relationship Manager (the "RM") who is an employee of a sister company, being Royal Bank of Canada (Channel Islands) Limited) will be automatically appointed (at no additional cost to the shareholder) and information regarding the shareholder and their holdings will be disclosed to the RM from time to time so that the RM can provide relationship management services to the shareholder and act as a contact point

for any questions that the shareholder may have regarding their holdings in the Fund or any other services or products that are available from RBC. Correspondence and/or instructions from the shareholder relating to the Fund may be sent to either the Manager or the RM, but if it is sent to the latter party, then there may be delays before the correspondence or instructions are forwarded (by the RM to the Manager) and acted upon by the Manager); (iii) to meet the Manager's regulatory obligations in Guernsey; and (iv) for the purpose of fraud prevention or anti-money laundering.

These Terms may be varied at any time by the Manager who will ensure that shareholders are informed in writing of any changes.

Miscellaneous

- a) No share or loan capital of the Fund is under option or agreed, conditionally or unconditionally, to be put under option.
- b) There are no provisions of Guernsey law, which confer pre-emption rights on existing shareholders on the allotment of equities and securities for cash.
- c) Shares are in registered form. Temporary documents of title will not be issued.
- d) None of the Directors has a service contract with the Fund, and no such contract is proposed.
- e) No loan or guarantee has been granted or provided by the Fund to or for the benefit of any Director.
- f) None of the Directors, or any member of their respective immediate families, has or has had any interest in any transaction or transactions which are or were unusual in their nature or conditions or significant to the business of the Fund and which were effected by the Fund since its incorporation.
- g) Mr. Ward is the Managing Director of the Manager, which receives a commission in its capacity as Manager of the Fund. Mr. Amer is also a Director of the Manager.
- h) Mr. Riley is a Director of the Investment Manager.
- i) Mr. Moore is a partner of Mourant Ozannes the Guernsey legal advisers to the Fund.

Litigation and Arbitration

The Fund is not engaged in any legal or arbitration proceedings and no legal or arbitration proceedings are known to the Directors to be pending or threatened by or against the Fund.

Memorandum & Articles of Association

The following is a summary of certain of the provisions of the Articles of Association of the Fund.

Variation of rights and alteration of capital

- (i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue) may, whether or not the Fund is being wound up, only be varied with the consent in writing of the holders of three-fourths of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class.
- (ii) The Fund at any time may by ordinary resolution increase its share capital by such sum to be divided into shares of such amount as the resolution shall prescribe.
- (iii) The Fund may by ordinary resolution:

1. consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares;
2. subdivide all or any of its shares into shares of a smaller amount than is fixed by the Memorandum of Association;
3. cancel any shares, which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.
- (iv) The Fund may by special resolution reduce its share capital, any capital redemption reserve fund or any share premium account in any manner and subject to any confirmation or consent required by the provisions of the Companies Law.

Issue of Participating Shares

Subject to any resolution to the contrary of the Fund in a general meeting, the unissued shares (whether forming part of the original or any increased share capital) shall be at the disposal of such persons on such terms and conditions and at such times as the Board determines provided that no Shares shall be offered to any person unable to satisfy the Board that such person is not a Non-Qualified Person.

A Non-Qualified person is any of the following or any person holding Shares on behalf of the following who:

- (i) may be in breach of any law or requirement of any country or governmental authority in any jurisdiction whether on its own or in conjunction with any other relevant circumstances; or
- (ii) may result in the Fund incurring any liability to taxation which the Fund would not otherwise have incurred or suffered; or
- (iii) may require the Fund to be registered under any statute, law or regulation whether as an investment fund, trust, scheme or otherwise or cause the Fund to be required to apply for registration or comply with any registration requirements in respect of any shares in any other jurisdiction; or
- (iv) may be in breach of the minimum number of value of Shares as determined by the directors from time to time.

Transfer of Shares

- (i) Subject to the restrictions noted below, any member may transfer in writing all or any of his Shares in any form which the Directors may accept.
- (ii) Shares may not be transferred directly or indirectly to Non-Qualified Persons or be held directly or indirectly by any Non-Qualified Person (as defined above).

The Directors may notify (via a "Redemption Notice") the person (or any one of such persons where Shares are registered in joint names) appearing in the register of members as the holder of the Shares requiring the holder within 30 days (or such extended time as in all the circumstances the Directors shall consider reasonable) to redeem (and/or procure the disposal of interests in) the relevant Shares to another person who would not cause the condition described in paragraph (ii) above to exist.

If within 30 days after the giving of a Redemption Notice (or such extended time as the Board considers reasonable) the Redemption Notice has not been complied with the holder of relevant Shares shall be deemed to have given a request in writing for their redemption.

Directors

- (i) Unless otherwise determined by the Board, the number of Directors shall be not less than three.
- (ii) No Share qualification for Directors is required.
- (iii) The remuneration of each Director shall be determined from time to time by the Board. Directors' fees may not exceed in aggregate £25,000 per annum without approval by the Company in General meeting. Those Directors who are also employees of RBC currently receive no fees.
- (iv) The Directors shall be entitled to be repaid all reasonable out-of-pocket expenses properly incurred by them in or with a view to the performance of their duties or in attending meetings of the Board or of committees of the Board or general meetings.
- (v) If any Director, having been requested by the Board, shall render or perform extra or special services or shall travel or go to or reside in any country which is not his usual place of residence for any business or purpose of the Fund, he shall be entitled to receive such sum as the Board may think fit for expenses and also (subject to paragraph (iii) above) such remuneration as the Board may think fit either as a fixed sum or as a percentage of profits or otherwise and such remuneration may as the Board shall determine be either in addition to, or in substitution for, any other remuneration which he may be entitled to receive.
- (vi) A Director may hold any other office or place of profit under the Fund (other than the office of Auditor) in conjunction with his office of Director of such terms as to tenure of office or otherwise as the Directors may determine.
- (vii) No Director or intending Director shall be disqualified by his office from contracting with the Fund as vendor, purchaser or otherwise nor shall any such contract or any contract or arrangement entered into by or on behalf of the Fund in which any Director is in any way interested be liable to account to the Fund for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established but the nature of his interest must be declared by him at the meeting of the Directors at which the question of entering into the contract or agreement is first taken into consideration or if the Director was not at the date of that meeting interested in the proposed contract or arrangement then at the next meeting of the Directors held after he becomes so interested.

A general notice in writing given to the Directors by any Director to the effect that he is a member of any specified company or firm and is to be regarded as interested in any contract or arrangement which may thereafter be made with that company or firm shall (if the Director shall give the same at a meeting of the Directors or shall take reasonable steps to procure that the same is brought up and read at the next meeting of the Directors after it is given) be deemed a sufficient declaration of interest in relation to any contract or arrangement so made.
- (viii) Provided that he shall have given notice of his interest as required by sub-paragraph (vii) above, a Director may vote in respect of any contract or arrangement or any other proposal whatsoever in which he has any material interest otherwise than by virtue of his interest in shares or debentures or other securities of or otherwise through the Fund and be counted in the quorum at the meeting at which such matter is voted.
- (ix) A Director shall (in the absence of some other material interest than is indicated below) be entitled to vote (and be counted in the quorum) in respect of any resolution concerning any proposal concerning any other company in which he is interested, directly or

indirectly and whether as an officer or shareholder or otherwise howsoever, provided that he is not the holder of or beneficially interested in one per cent or more of the issued shares of any class of such company (or of the voting rights available to members of the relevant company (any such interest being deemed for the purpose of this Article to be a material interest in all circumstances).

- (x) Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of two or more Directors to offices or employment with the Fund or any company in which the Fund is interested the Director may be counted in the quorum for the consideration of such proposals and such proposals may be divided and considered in relation to each Director separately and in such case each of the Directors concerned (if not debarred from voting under sub-paragraph (ix) above) shall be entitled to vote in respect of each resolution except that concerning his own appointment.
- (xi) The Directors are not required to retire at any specified age.
- (xii) Some of the Directors are employees of companies within RBC.
- (xiii) None of the Directors has a service contract with the Fund and no such contract is proposed.
- (xiv) No meeting of the Directors may take place in Canada.

Borrowing Powers

- (i) The Board may exercise all the powers of the Fund to borrow money, to give guarantees and to mortgage, pledge or charge all or part of its undertaking, property and uncalled capital and to issue debentures and other securities whether outright or as collateral security for any liability or obligation of the Fund or of any third party. The Articles contain a restriction on the amount (but not type) of borrowings by the Fund to the effect that, save with the sanction of an ordinary resolution of shareholders, the Fund and its subsidiaries shall not borrow, or give guarantees of security in respect of borrowings or other obligations if, at the time of any such transaction, their aggregate liability in respect thereof would exceed such percentage of the net aggregate net asset value of the Fund as may be stated in the Scheme Particulars or any continuing memorandum.
- (ii) As of the date of this document the Fund has no loan capital (including term loans) outstanding or created but unissued, and no outstanding mortgages, charges, debentures or other borrowings, including bank overdrafts and liabilities under acceptances or acceptance credits, hire purchase or finance lease commitments, guarantees or other contingent liabilities.

Material Contracts

The Fund has entered into or is a party to the following contracts, which are or may be considered to be material.

- (i) The Management Agreement between the Fund, Royal Bank of Canada (Channel Islands) Limited and RBC Offshore Fund Managers Limited dated 6 March 2000, pursuant to which the Manager has been appointed as Manager to the Fund. This Agreement provides for a fee payable by the Fund to the Manager and will be in force initially for a period of 1 year and thereafter may be terminated by either party upon 6 months' notice.

The Management Agreement contains provisions for the indemnification by the Fund of the Manager against claims by third parties made against the Manager in connection with its services under the Management Agreement except to the extent that the claim is due to the gross negligence or wilful default of the Manager.

- (ii) The Custodian Agreement (the "Custodian Agreement") between the Fund, RBC Offshore Fund Managers Limited and Royal Bank of Canada (Channel Islands) Limited, dated 6 March 2000, pursuant to which the Custodian has been appointed as Custodian of all of the Fund's assets. This Agreement provides for a fee to be payable by the Manager to the Custodian and terminable by the Fund upon three months' notice or, by the Custodian upon giving three months' notice and having found a suitable replacement custodian.
- (iii) The Subsidiary Custodian Agreement (the "Subsidiary Custodian Agreement") between ARC Multi-Strategies Limited (the "Subsidiary"), RBC Offshore Fund Managers Limited and Royal Bank of Canada (Channel Islands) Limited dated 28 November 2011 pursuant to which the Custodian has been appointed as custodian of all the assets of the Subsidiary. This Agreement is subject to termination on termination of the Custodian Agreement and to equivalent provisions for indemnification of the Custodian Agreement. No additional fee is payable to that payable under the Custodian Agreement.
- The Custodian Agreement contains provisions for the indemnification by the Fund of the Custodian against claims by third parties made against the Custodian in connection with its services under the Custodian Agreement except to the extent that the claim is due to the gross negligence or wilful default of the Custodian.
- (iv) The Investment Management Agreement dated as of 1st May 2007 between the Fund, the Manager and the Investment Manager pursuant to which the Manager has appointed the Investment Manager to provide investment management services to the Fund. The Agreement may be terminated by either the Manager or the Investment Manager giving 6 months notice to the other. The Agreement contains provision for the indemnification of the Investment Manager against third party claims in connection with the provision of its services save where due to its willful misconduct, bad faith, or negligence.
- (v) The Investment Advisory Agreement between the Fund, the Investment Manager and the Investment Adviser dated as of 1st June 2007 pursuant to which the Investment Adviser has been appointed by the Investment Manager to act as discretionary investment adviser to the Fund. The Agreement may be terminated by the Investment Manager or the Investment Adviser on 3 months notice given to the other. The Agreement contains provision for the indemnification of the Investment Adviser by the Fund against claims made by third parties in connection with the provision of its services save where due to its willful misconduct, bad faith or negligence.
- (vi) The Registrar and Transfer Agent's Agreement between the Fund, Royal Bank of Canada (Channel Islands) Limited and RBC Offshore Fund Managers Limited dated 6th March 2000, pursuant to which RBC Offshore Fund Managers Limited has been appointed to act as registrar and transfer agent of the Fund. The Agreement provides that for as long as RBC Offshore Fund Managers Limited acts as Administrator of the Fund, it will not be entitled to receive any remuneration for its services under the Registrar and Transfer Agent's Agreement. This agreement is terminable by either party upon 3 months notice.
- (vii) The loan facility agreement between the Fund and the Royal Bank of Canada (Channel Islands) Limited (the FX and Settlement Facility Provider) dated 28 November 2011 (as amended on or around the date of this document) providing a liquidity facility to the Fund for settlement purposes (the "Fund Settlement Facility"), as well a forward foreign exchange contract facility to hedge the Sterling Class assets (the "FX Facility") coupled with an overdraft settlement facility for the Fund to make settlement payments under the forward foreign exchange contracts (the FX Settlement Facility, and together with the Fund Settlement Facility and the FX Facility, the "FX and Settlement Loan Agreement");
- (viii) A guarantee from the Subsidiary in favour of the FX and Settlement Facility Provider in respect of the obligations of the Fund in respect of all classes for the Fund Settlement Facility and in the ordinary course in respect of the Sterling Class assets, as applicable, under the FX Facility and the FX Settlement Facility dated on or around the date of this document (the "Subsidiary Guarantee");
- (ix) A security interest agreement over the Custodian Agreement securing the obligations of the Fund to the FX and Settlement Provider in respect of the FX and Settlement Loan Agreement;
- (x) A security interest agreement in favour of the FX and Settlement Provider over the Subsidiary Custodian Agreement in respect of the Subsidiary's obligations under the Subsidiary Guarantee.

Documents Available for Inspection

Copies of the following documents may be inspected at the registered office of the Fund during the usual business hours on any business day;

- The Memorandum and Articles of Association;
- Each of the material contracts referred to above;
- This document;
- Latest annual and interim report and accounts; and
- The Companies (Guernsey) Law 2008.

The Registrar and Transfer Agent's Agreement provides that the Custodian shall indemnify and hold harmless the Registrar against all claims and demands which may be made against the Registrar in respect of any loss or damage sustained or suffered by any person, otherwise than by reason of wilful neglect or default of the Registrar.



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