



FAQ on WAA Funds

Q: Are the performance returns net from all the management/incentive fees, expenses, commissions, etc.?

A: Yes. The returns are net of all fees, expenses, commissions, etc.

Q: How do the 2% annual management fee and 20% incentive fee apply to individual account?

A: Both Management fee and incentive fee are calculated monthly and allocated quarterly.

$$\text{Monthly Mgt Fee} = \text{Monthly Account Balance} * 2\% / 12$$

$$\text{Monthly Incentive Fee} = (\text{Monthly Account Gain} - \text{Monthly Mgt Fee}) * 20\%$$

Please note that if the monthly performance is a loss, no incentive fee will be charged. Incentive fee will only resume when the account asset value has gone over the high watermark in subsequent months, and only the eligible gain (above high watermark) will be charged 20% incentive fee.

Q: Why is that individual returns may differ from one another and from that of the Fund?

A: This is due to the effect of the timing of individual's contribution/distribution. Each investor's rate of return is calculated individually. One should not compare his /her rate-of-return with another investor's rate-of-return or with the fund as a whole. The fund has additions and withdrawal of investors capital used in determining the fund's rate-of-return. It also has change-in-performance fee carry-forwards used when calculating the fund's rate-of-return.

Q: How often do I receive statements?

A: Statements are distributed monthly for US-based funds, usually within 2 weeks after the trading month.

Q: How often can I view the audited Financial statements?

A: Audit is done on an annual basis. Audited financial statement is released to investors once furnished by auditor.

Q: What's your withdrawal policy? What about if I decide to close my account?

A: Our funds don't have lockup period. Withdrawals can be made on a monthly basis, given that the remaining balance should meet the minimum investment requirement. A 30-day advanced written notice prior to the redemption date (end of a month) is required. In the case of a total withdrawal (account termination), 90% of account ending balance is released to investor upon receipt of accounting statement; the remaining 10% will be held solely for audit purpose without interest and does not participate in investment activities any more. The remaining balance will be distributed to investor once the annual audit result is available.

Q: When do I need to pay income tax on the investment income?

A: Our funds issue Schedule K-1 (tax form 1065), usually within 90 days following the fiscal year. WAA does not withhold tax for investors. Depending on your individual case, you may need to pay estimated tax on a quarterly basis to avoid IRS penalty. For tax-related details, please consult your CPA or tax advisor.

Q: What is investor's individual liability in the Fund?

A: Investor cannot lose more than the amount of his /her original investment and any profit earned thereon (including distributions and payments upon redemption of Interest)---It means that the general partner will not get back from investor the profit that has already been redeemed/withdrawn in the past.)

Q: What's the difference between Singleton Fund and Magic Capital Fund?

A: Singleton is more aggressive managed and seeks higher return.