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ASTARRA
ASSET MANAGEMENT

PROFILE

1 August 2009

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IMPORTANT

This document provides background information about Astarra Asset Management Pty Limited and is not for general distribution to the public. It is solely for reference of the person(s) or entity to whom it is intended. Astarra Asset Management Pty Limited ("Astarra") has made every effort to ensure that the information in this document is current and accurate at the time of its preparation, but it cannot guarantee the accuracy of the information, nor can it guarantee that the information is up to date, the information being subject to change from time to time.

1 BACKGROUND

Astarra Asset Management Pty Limited ("Astarra", "Company") was formerly known as Absolute Alpha Pty Ltd.

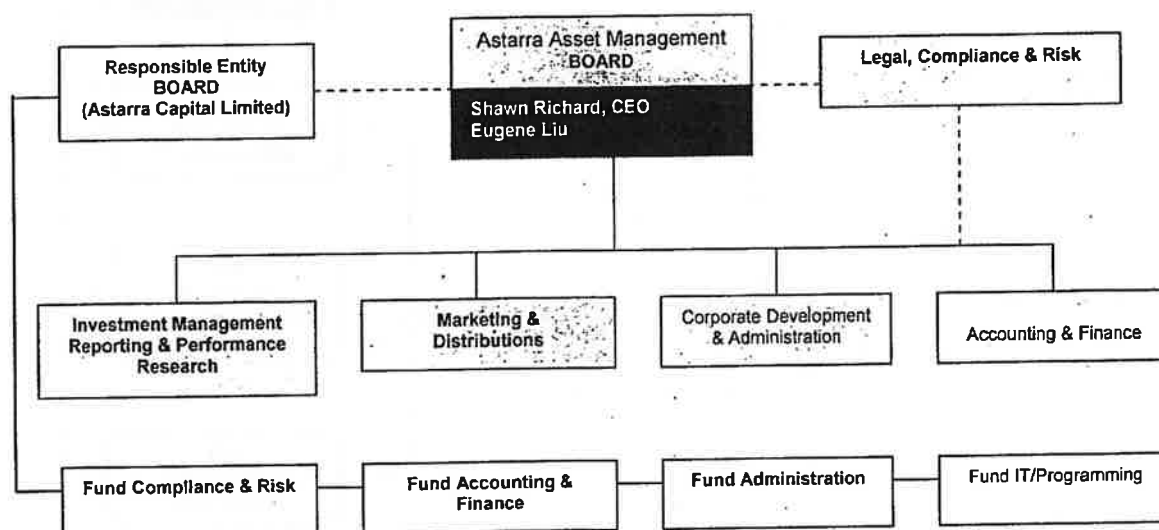
Astarra is an Australian registered company limited by shares. It was registered with the Australian Securities and Investments Commission ("ASIC") on 22 April 2005.

Astarra is a specialist investment manager of absolute return strategies in the fund of funds business and is backed up by a team of investment specialists with a combined experience of more than twenty years in this field. In particular, Astarra's directors have worked with some of the largest and most exclusive hedge funds in the world. Their experience allowed them to develop a proprietary model of investment portfolios based on a combination of absolute return strategies, which have so far proven to serve investors well in both rising and falling market conditions.

As investment manager of ASIC registered management investment schemes, Astarra is dedicated to applying its expertise and experience in managing absolute return funds and traditional funds on behalf of retail, institutional and professional investors in the highly regulated financial services industry of Australia.

2. ORGANISATION CHART

The business functions in the gold boxes are undertaken by Astarra Capital Limited ('ACL') as the **Responsible Entity** ("RE") for the funds managed by Astarra i.e. *ASIC registered managed investment schemes*.



The RE has a Board with external members comprising the majority.

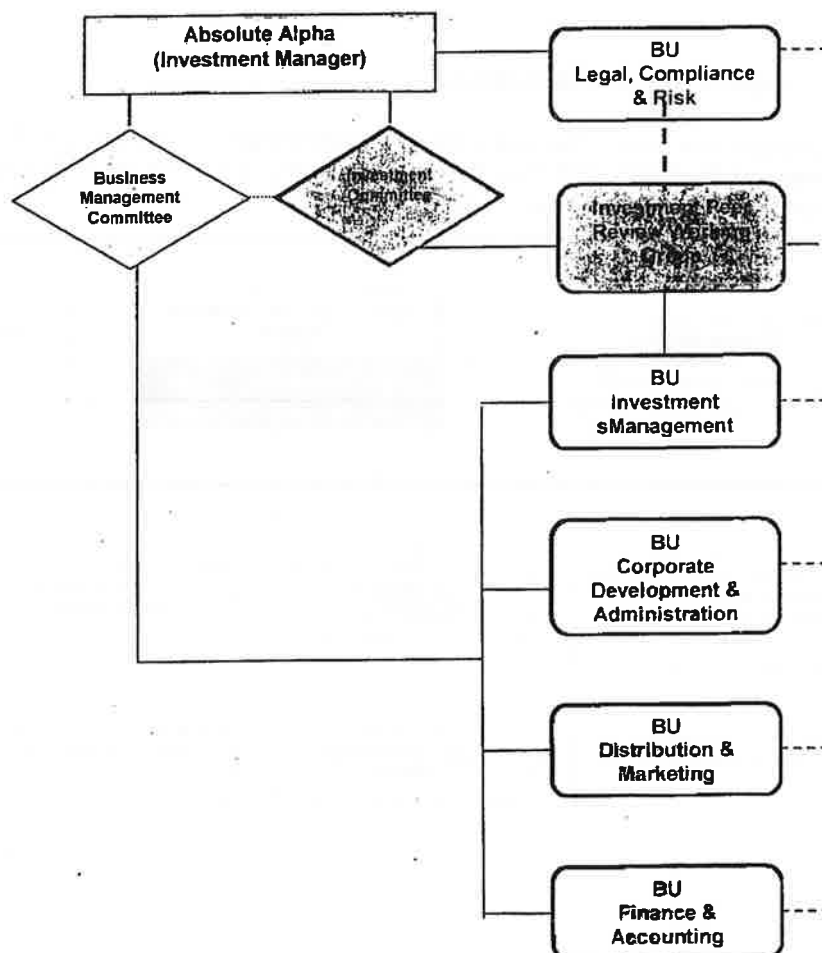
The RE has overall responsibility for the funds. As RE, it may delegate certain responsibilities to other parties to assist them in discharging its responsibilities for the funds. The RE has delegated some of its functions, including among others:

- investment management, to Astarra (under an Investment Management Agreement);
- assets custody, to National Australia Trustees Limited; and
- funds administration, to ASI Administration Pty Ltd

3 GOVERNANCE, COMPLIANCE AND RISK MANAGEMENT FRAMEWORKS

As investment manager, Astarra's Board is supported by two Committees, namely the Business Management Committee and the Investment Committee. The Committees generally serve as delegates of the Board.

The diagram below illustrates Astarra's governance structure.



3.1 Board

The Board has overall responsibility for Astarra. It is responsible for among others, provision of guidance on and approval of corporate strategy and performance, oversight and approval of the risk, control and accountability systems. The Board is supported by two committees, namely, the Business Management Committee and the Investment Committee ("Committees"), as well as a number of Business Units. The Board Directors are also members of the Committees. The Board may delegate certain or all of its functions and responsibilities to either, or both, of the Committees.

The Board's Directors are:

Shawn Richard
Director/ Company Secretary and Chief Executive Officer

Shawn is the founder of Astarra and a key member of the investment team. Shawn has been involved in financial markets since 1996 and had been specializing in alternative investments for more than 8 years, both offshore and in Australia. Over this time, Shawn has established relationships with some of the most exclusive hedge fund managers around the globe.

Shawn's offshore experience in alternative investments includes among others, structuring and analysis of derivative instruments with some of the largest private hedge funds in the US. Shawn was also part of a small team of professionals providing risk manager services to Asian institutions and regional banks in relations to their exposure in equities.

Shawn is one of the first investment advisers to advocate the covered call trading system to smooth market returns and reduce volatility. The ASC has recognized and endorsed Shawn's trading tools relating to the covered call strategy.

Prior to founding Astarra, Shawn has held and continues to hold, various senior positions, including directorships of companies, both in Australia and overseas.

Shawn holds a degree in Bachelor of Finance from the University of Moncton, Canada.

Eugene Liu
Director and Chief Investment Strategist

Eugene is the Chief Investment Strategist of Astarra. As Chief Investment Strategist, Eugene is involved in the development and evaluation of asset strategic plans, development and modeling of analytic tools, reviewing and analysing investment data to formulate investment strategies, and oversight of the investment risk management process.

Prior to joining Astarra, Eugene worked with the Asset Management team of Pacific Continental Securities and the World financial Capital Markets in the US and Asia. In these roles, Eugene performed extensive financial modeling and valuation analyses of various hedge fund strategies. Eugene also led a team of arbitrage specialists who provided structured product deal flows to many of the largest hedge funds in the industry.

Eugene holds a degree in Bachelor of Science in Economics from the Trenton State College in New Jersey, USA. He also holds various professional licenses with the US National Association of Securities Dealers, namely, General Securities Registered Representative, NASD Series 7; General Securities Principal NASD Series 24; and State Securities, NASD Series 63.

3.1.1 Business Management Committee

The Business Management Committee (BMC) is a board delegated committee responsible for ensuring that Astarra has proper systems of management and financial controls. The BMC operates under a Charter.

3.1.2 Investment Committee

This Committee is responsible for ensuring that Astarra is able to make informed and transparent investment decisions to the best interest of investors. It is involved in reviewing the investment management infrastructure of the Company. The Investment Committee operates under a Charter.

3.1.2.1 Investment Peer Review Working Group

This is a sub-committee supporting the Investment Committee. It is responsible for ensuring that the Investment Committee is able to make informed decisions about investment management matters thereby enabling it to discharge its responsibilities appropriately and efficiently.

3.1.3 Compliance & Risk

Compliance is responsible for developing, implementing and maintaining a suitable and effective Compliance Program to ensure that legal obligations are complied with and the highest ethical standards are maintained. Similarly, Compliance ensures that it has the framework to support the business functions consistent with the requirements of the law. The Compliance function is undertaken by the Head of Legal & Compliance who is directly accountable to the CEO and regularly reports to the Business Management Committee on legal, compliance and risk matters.

3.1.4 Business Units

The business units are responsible for developing and maintaining key processes for among others, efficient office administration, finance and accounting operations, investments management, marketing and distributions. The business units regularly report to the Business Management Committee.

3.2 Compliance and Risk Management

Astarra's compliance and risk management approach encourages staff to take a proactive rather than a reactive attitude to operational risk and compliance issues in order to protect its customers and preserve its integrity in the industry.

3.2.1 Compliance

Underpinning Astarra's compliance and risk management framework is its Compliance Program.

The document sets out Astarra's approach to identifying, assessing, monitoring and managing operational and compliance risks and outlines how issues or incidents are communicated, escalated and reported to the Committees, Board and the Responsible Entity.

The Compliance Program is supported by a number of operational Policies and investment guidelines, including among others:

- Disaster Recovery & Business Continuity
- Code of Conduct
- Complaints Handling Policy
- Conflicts of Interest Policy
- Disaster Recovery and Business Continuity Plans
- Incident Management Policy
- Insider Trading Policy
- Gifts, Benefits & Entertainment Policy
- Risk Management Policy
- Security & Internet Usage Policy

Central to the management of the Compliance Program is the **Incident Management Policy**. Incident, which is defined in the Policy, includes significant complaints, breaches of the law, investment guidelines, investment management agreements, compliance plans, breakdown in processes and procedures and fraud, are reported and managed under this Policy. The Policy takes into account the Responsible Entity's notification requirements to the Regulator,

specifically ASIC, to enable the Responsible Entity to comply with the significant and material breach notification requirements under Chapters 5C and 7 of the *Corporations Act 2001*.

3.2.2 Anti-Money Laundering and Counter Terrorism Financing

Astarra has been exempted by AUSTRAC from the requirements of the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006*.

3.2.3 Australian Financial Services License ('AFSL') Authorisation

Astarra is a corporate Authorised Representative of the following Australian Financial Services Licensees:

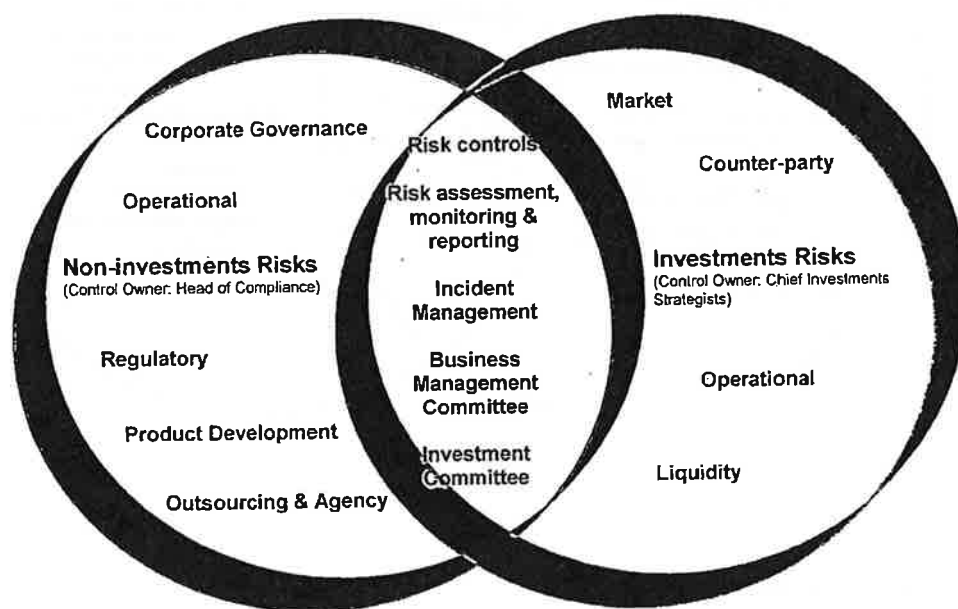
- Wright Global Investments Pty Limited
- Astarra Capital Limited

Certain employees of Astarra are also authorised representatives of the above AFS Licensees.

3.2.4 Risk Management Strategy

Astarra has adopted a risk management strategy that provides for a systematic method to identify, analyse, evaluate, treat, monitor and communicate material risks associated with its business operations.

The diagram below illustrates Astarra's risk management strategy.



4 INVESTMENT MANAGEMENT

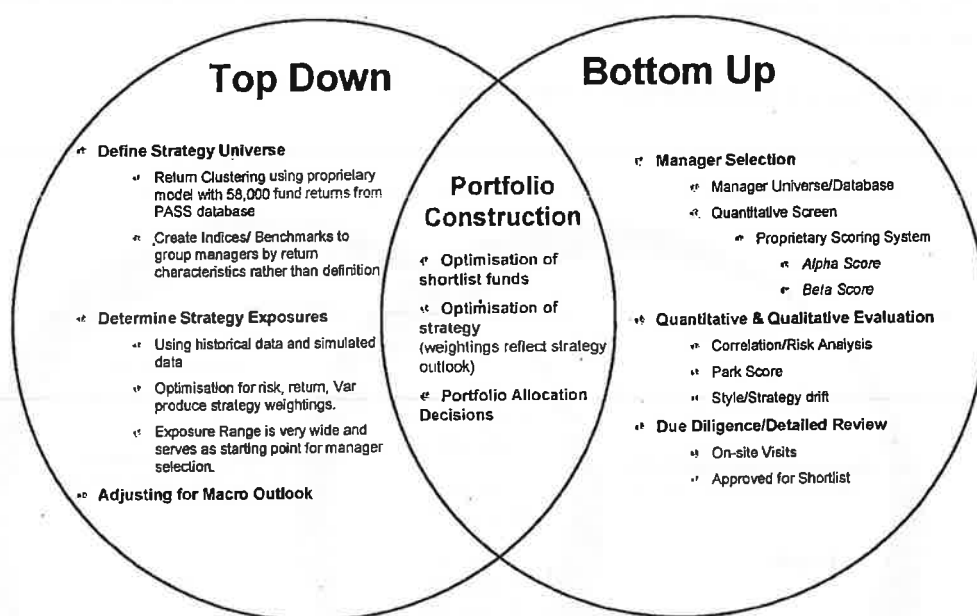
4.1 Investment Philosophy

Astarra believes that over the long term, markets are generally efficient and that predicting asset prices is extremely difficult. However in the short term, factors such as product complexity, government regulations, delivery of timely information and many others provide a number of profitable investment opportunities. We believe that an investment portfolio should be built with an understanding of each of the drivers that affect or influence the portfolio's returns.

4.2 Portfolio Construction

Astarra utilises a top-down bottom-up approach which allows the Fund to maximise the efficiencies of its portfolio construction.

The diagram below illustrates Astarra portfolio construction process.



4.3 Manager Selection

Astarra's criteria for manager selection gives preference to managers with longer track record, an established reputation, solid pedigree, clean background checks and those who have sufficient transparency required to meet its internal risk management process.

Astarra Strategic Fund

Monthly Return Report July 2009

*Delivering
results
when it
matters most!*



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Is the turnaround in markets sustainable?

With many industry professionals now making the argument for a rebounding economy, nearly just as many are delivering a strong argument against such a reality. Unfortunately we will only confirm whose predictions are correct when history delivers the answer years from now.

Although many economic indicators seemed to have improved in recent months, one can't help but wonder whether our biggest economies can sustain this recovery after stimulus measures and easy-credit policies have run their course. Can governments and economies recover from the debt they have created?

To provide insight as to why this question will remain unanswered for a while, we thought we would display some of the perceived facts backing both arguments:

Sustainable recovery argument

- Recent improvements in many of the world's developed country's GDP figures
- Unemployment rate is falling
- Commodity prices have stabilised
- Recent better than expected rise in U.S. home sales
- Emerging economies showing signs of improvement
- Central banks maintaining stimulus and low interest rates

Un-sustainable recovery argument

- Employment numbers and their future impact to the economy could be far worse than what is being reported
- Unprecedented level of US debt at 11 trillion and 13-14% of GDP
- Rising inflation and the risks of a double dip recession
- Small to medium size businesses cannot access credit
- No evidence of the lift in consumer spending as stimulus effect slows down
- China's false economy and looming asset bubbles

It is quite remarkable how both arguments present compelling evidence that would cause investors confusion as to the direction of future markets.

What is even more important to understand is the reality that no fundamentals can accurately predict how humans react to different sources of information and that the only prediction that we are willing to make is that investors will continue to be emotionally involved and therefore over-react on both sides. It is this over-reaction that causes market and pricing inefficiencies, and these inefficiencies are what Astarra Asset Management look to profit from.

If you would like further information please visit our website www.astarra.com, contact us on (02) 9233 9800 or email one of your Senior Managers for Astarra:

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IMPORTANT INFORMATION

This document has been prepared by Astarra Asset Management Pty Limited ("AAM") ABN 24 113 940 953. Whilst every care has been taken in the preparation of this document, AAM makes no representation or warranty as to the accuracy or completeness of the information contained herein, including, without limitation, any forecasts. Past performance is not an indication of future performance. Where opinions are expressed in this document, they are simply our opinions based on our observation of the market, which may not necessarily be shared by the reader. This information is supplied for the purposes of providing general advice only, and is not personal advice. It does not take into account your individual objectives, financial situation or needs. The offer to invest in the Astarra Strategic Fund is made in the Product Disclosure Statement ("PDS"). Anyone who wishes to invest in the Fund should read the PDS carefully. A copy of the PDS may be obtained from your adviser. Astarra Asset Management Pty Ltd is an Authorised Representative of Astarra Capital Limited ABN 33 001 277 256, AFSL 238000 and Wright Global Investments Pty Ltd, AFSL 225058.

Astarra Strategic Fund

Monthly Return Report July 2009

*Delivering
results
when it
matters most!*



Performance Overview

The Astarra Strategic Fund ('ASF') July returns remained consistent with our objectives with Class A retail units returning 0.84% and Class B wholesale units up at 0.94%. Return streams continued smoothly with annualised risk / volatility from inception at 3.29% and 3.20% for A and B Class units respectively.

The story of the month was definitely the equities market with the S&P/ASX 200 up at 7.31% and the MSCI World ex Aust (Net Div) (AUD) up at 5.47%. In Australia all sectors had a good month with Materials, Industrials and Banks leading the way. Improving consumer and business confidence and some good news from the Fed kept the US markets on a positive.

Hedge Funds benefitted from equity strategies and continuing strength in the fixed income space delivering their best 7 months in 10 years. Lagging strategies included CTA/Managed Futures, Merger Arbitrage and Market Neutral Equity.

At Astarra Asset Management our conservative approach may see us miss out on some of the upside from equity bounces but our commitment to a defensive approach to fixed income and equity strategies continues to meet our investor profiles for consistent positive returns at low to medium risk.

The Astarra Strategic Fund will not chase returns and shoot the lights out but will continue to manage and control portfolio risk and volatility. Our commentary focuses on market instability and unpredictability in these uncertain times.

Percentage Returns

	Class A	Class B
	TOL0056AU	TOL0055AU
APIR		
Unit Price	1.3732	1.3833
Cumulative Return since Inception	47.24%	50.68%
Rolling average since inception p.a.	10.87%	11.55%
1 month	0.84%	0.90%
3 months	2.98%	3.14%
6 months	6.14%	6.54%
1 year	6.00%	6.77%
2 year average p.a.	7.10%	7.83%
<u>3 year average p.a.</u>	9.49%	10.20%
Compounded monthly return	0.86%	0.92%
Highest monthly return	3.66%	3.39%
Negative months [Out of 45 months]*	3	3
Annualised volatility (Oct 2005)	3.29%	3.20%

Performance History: % Net Returns

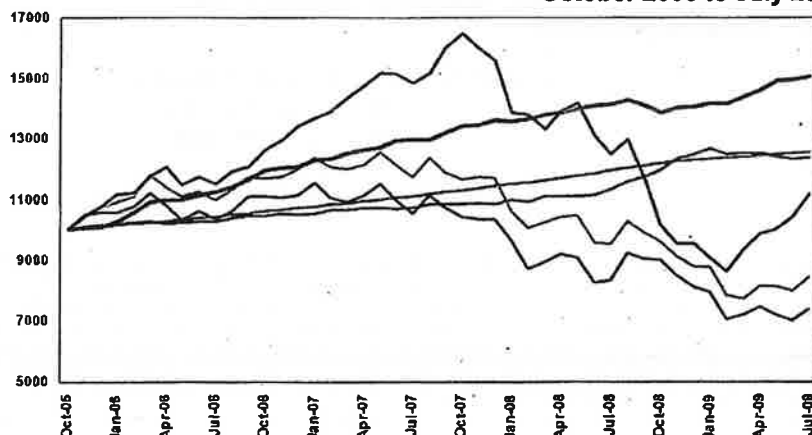
Class A: Retail

	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Rolling average 12 months
08/09	1.05%	-1.24%	-1.76%	1.00%	0.18%	0.67%	0.07%	1.64%	1.34%	2.09%	0.03%	0.84%	6.00%
07/08	0.02%	1.54%	1.73%	0.28%	1.01%	-0.35%	0.46%	0.96%	0.48%	0.93%	0.63%	0.25%	8.21%
06/07	1.26%	2.26%	2.30%	0.67%	0.36%	1.58%	0.43%	1.29%	0.79%	0.66%	1.81%	0.19%	14.44%

Class B: Wholesale

	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Rolling average 12 months
08/09	1.10%	-1.19%	-1.68%	1.06%	0.24%	0.72%	0.12%	1.67%	1.48%	2.15%	0.08%	0.90%	6.77%
07/08	0.07%	1.59%	1.73%	0.38%	0.99%	-0.21%	0.51%	1.02%	0.53%	0.98%	0.68%	0.30%	8.90%
06/07	1.31%	2.30%	2.33%	0.74%	0.45%	1.62%	0.49%	1.33%	0.84%	0.71%	1.82%	0.25%	15.11%

ASF Growth of \$10K v Key Australian & Global Equity Indices October 2005 to July 2009



- Alpha Strategic Fund Wholesale (Class B Unit)
- UBS Bank Bank Bill Index
- UBS Comp All Mkt
- MSCI World Ex Australia Net Div Reinv \$A
- Standard & Poors 500 Price Index (A\$)
- S&P/ASX 300 Accumulation Index

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ASTARRA
Capital
Limited

Astarra reaches its first billion dollar milestone

Quietly and virtually un-noticed, Astarra recently surpassed its first milestone of being responsible for over \$1 Billion dollars of investors' assets.

Astarra, the Sydney based asset manager believes its recent growth momentum has accelerated due to its ability to weather the recent Global Financial Crisis.

Astarra Asset Management CEO Shawn Richard says "Our biggest point of difference is not the managers we select but our investment philosophy, backed by an investment mandate with more flexibility, which gives us the best chance to execute on our risk/return objectives." "We pride ourselves in having a structure that allows us to form a view and to invest according to those views. We believe it is fundamental to be given the ability to avoid and move quickly out of certain deteriorating asset classes and we don't understand how many of our peers do not allow for this flexibility, especially during extreme or unusual market conditions."

Much of Astarra's recent growth has been in their flagship multi-sector diversified funds (Conservative, Balanced Growth) which are all ranked top quartile by Morningstar* for 1yr, 3yr, 5yr and 7yrs.

Combined with its impressive performance through various business cycles, financial advisers have recently gravitated towards outsourcing the asset management part of their business to dedicated multi asset managers such as Astarra. As a result, Astarra have now formed several partnerships with Dealer Groups wishing to outsource the investment management for their clients.

Head of Distribution for Astarra Asset Management Peter Wood says "The Financial Planning industry has recently come under pressure requiring it to show evidence of having the necessary skills and experience to build, manage and monitor their clients' investment portfolios".

"We believe ourselves to be one of the best performing fund managers and are becoming well known in the market place as such. People are starting to take notice of our business and our point of difference to other fund managers".

The Astarra Group as a whole has experienced significant growth. Each business of the Group is run with its own area of expertise and given the freedom to develop its own corporate identity. The Group consists of:



Astarra Asset Management Pty Ltd – key functions managing the assets & products including the Astarra Diversified Funds, Covered Call Funds and Strategic Fund.

www.astarra.com.au

Key contacts:

Shawn Richard CEO 0410 602 868 srichard@astarra.com.au

Peter Wood Head of Distribution 0410 575 793 pwood@astarra.com.au

ASTARRA
Capital
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Astarra Capital Limited provides Corporate Trustee Services, Responsible Entity and Superannuation Trustee Services

www.astarra.com.au/acf

Key contact: Rex Phillpott Managing Director 02 60419300 rphillpott@astarra.com.au

ASI
Administration

ASI Administration Pty Ltd provides third party Administration Services for both Superannuation Funds and Managed Investment Schemes.

www.asiadministration.com.au

Key contact Rex Phillpott: CEO 02 60419300 rphillpott@astarra.com.au

Important Information:

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The information provided above does not constitute financial product advice. Astarra has not considered your personal financial objectives, situation or needs in preparing this information. Astarra recommends that you should read the relevant Product Disclosure Statements and consider obtaining professional financial advice from a licensed financial adviser before making a decision.

OFFER BY**ATLANTIS CAPITAL MARKETS CAYMAN LDC**

(An exempted limited duration company established under the laws of the Cayman Islands)

relating to an offering of Participating Shares each at an
offering price of US\$1,000 per Share
payable in full upon application

No copy of this Offering Memorandum has been registered in any jurisdiction in connection with
the offering of the Shares.

Amended and Restated November 30, 2005

This Offering Memorandum is distributed on a confidential basis in connection with a private offering of Shares of Atlantis Capital Markets Cayman LDC, none of which will be issued to any person other than a person to whom a copy of this Offering Memorandum is sent. No person receiving a copy of this Offering Memorandum in any territory may treat the same as constituting an offer to him, unless in the relevant territory such an offer could lawfully be made to him without compliance with any registration or other legal requirements.

The contents of this Offering Memorandum are not to be construed as a recommendation or advice to any prospective investor in relation to the subscription, purchase, holding or disposition of Shares. Prospective investors should consult their professional advisers accordingly.



This document contains certain particulars of the Fund for the purpose of giving information to the recipients hereof. The Participating Shares are offered on the basis of the information and representations contained in this Offering Memorandum. Any other information given or representations made by any person must be regarded as unauthorized. Any distribution or reproduction of all or any part of this Offering Memorandum, or the divulgence of its contents other than as specifically set forth herein, is unauthorized.

The Directors of the Fund, collectively and individually, accept full responsibility for the accuracy of the information contained in this Offering Memorandum and confirm having made reasonable enquiry, that to the best of their knowledge and belief there are no facts the omission of which would make any statement within this Offering Memorandum misleading.

SIGNIFICANT INFORMATION

Capitalized terms not otherwise defined herein have the meanings ascribed to them in the Memorandum and Articles of Association, copies of which will be made available to each prospective investor upon request. This Offering Memorandum does not purport to be, and should not be construed as, a complete description of the Memorandum and Articles of Association. The Memorandum and Articles of Association should be reviewed for complete information concerning the rights, privileges and obligations of the Shareholders.

The Shares being offered hereby have not been approved by the United States Securities and Exchange Commission ("SEC"), the Cayman Islands Monetary Authority ("CIMA") or any other governmental authority and neither the SEC, CIMA or any such other authority has passed upon the accuracy or adequacy of this Offering Memorandum. Any representation to the contrary is a criminal offense. It is anticipated that the offering and sale of the Shares will be exempt from registration under the United States Securities Act of 1933, as amended and the various state securities laws and that the Fund will not be registered as an investment company under the United States Investment Company act of 1940, as amended.

Investment in the Shares is speculative and involves significant risk. Investors should understand such risks and have the financial ability and willingness to accept them for an extended period of time. An investment should form only a part of a complete investment program and an investor must be able to bear the loss of its entire investment. See "Investment Considerations and Risks Factors."

Certain information contained in this Offering Memorandum may constitute "forward-looking statements", which can be identified by the use of forward-looking terminology such as "may", "will", "should", "expect", "anticipate", "estimate", "intend", or "believe" or the negatives thereof or other variations thereon or comparable terminology. Due to various risks and uncertainties, including those described in "Investment Considerations and Risks Factors", actual events or results or the actual performance of the Fund may differ materially from those reflected or contemplated in such forward-looking statements.

Potential subscribers of Shares should inform themselves as to (a) the possible tax consequences, (b) the legal requirements and (c) any foreign exchange restrictions or exchange control requirements which they might encounter under the laws of the countries of their citizenship,

residence, incorporation or domicile and which might be relevant to the subscription, holding or disposal of Shares. In making a decision whether to invest in Shares of the Fund, investors must rely on their own examination of the person or entity creating the securities and the terms of the offering, including the merits and risks involved. No information or advice herein contained shall constitute advice to a prospective shareholder in respect of his personal position.

No action has been taken to permit the distribution of this Offering Memorandum or the offering of Shares in any jurisdiction where action would be required for such purpose. The distribution of this Offering Memorandum and the offering of Participating Shares may be wholly or partly restricted in certain jurisdictions. It is the responsibility of any persons in possession of this Offering Memorandum and any persons wishing to make application for Participating Shares on the basis of or pursuant to this Offering Memorandum to inform themselves of and to observe fully the applicable laws and regulations of any relevant jurisdiction.

This Offering Memorandum does not constitute an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation or is unlawful without compliance with additional registration or filing requirements. In particular, the Participating Shares have not been registered under the United States Securities Act of 1933 and, other than in certain circumstances, may not be directly or indirectly offered or sold in the United States or to or for the benefit of U.S. persons, or to others purchasing the Participating Shares for re-offering, resale or delivery directly or indirectly in the United States, or to or for the benefit of any such persons. Ownership of Shares by any such person may cause the Fund to redeem compulsorily any Shares held.

The Directors accept no responsibility for, and are not obliged to ascertain whether or not such any person owning any Participating Shares would result in breach of any such law or requirement or bring about any such disadvantage.

Statements made in this Offering Memorandum are based on the law and practice in force at the date hereof and are subject to changes therein. During the course of this offering and prior to sale, each offeree of Shares and its offeree representative(s), if any, are invited to question the Fund concerning the terms and conditions of the offering and to obtain additional information, to the extent the Fund has such information or can acquire it without unreasonable expense or effort, concerning this offering or to verify the accuracy of information contained in this Offering Memorandum. Any information given or representation made by any dealer, salesman or other person and not contained herein should be regarded as unauthorized and, accordingly, should not be relied upon. Neither the delivery of this Offering Memorandum nor the offer, issue or sale of Shares shall, under any circumstances, constitute a representation that the information contained in this Offering Memorandum is correct as of any time subsequent to the date hereof.

There will not be any public market for the Shares, and there is no obligation on the part of any person to register the Shares under any securities laws. The Memorandum and Articles of Association provide for restrictions on dealing with Shares.

NOTICE TO RESIDENTS OF ARGENTINA

THIS MEMORANDUM IS HIGHLY CONFIDENTIAL AND HAS BEEN PREPARED SOLELY FOR USE IN CONNECTION WITH THE PRIVATE PLACEMENT OF THE INTERESTS. THIS MEMORANDUM IS PERSONAL TO THE RECIPIENT AND DOES NOT CONSTITUTE AN OFFER TO ANY OTHER PERSON OR TO THE PUBLIC GENERALLY TO PURCHASE THE INTERESTS UNDER APPLICABLE ARGENTINEAN LAWS. DISTRIBUTION OF THIS MEMORANDUM TO ANY PERSONS OTHER THAN TO THOSE, IF ANY, RETAINED TO ADVISE THE RECIPIENT IN RESPECT THERETO, IS UNAUTHORIZED AND ANY DISCLOSURE OF ANY OF ITS CONTENTS, WITHOUT PRIOR WRITTEN CONSENT IS PROHIBITED. BY ACCEPTING DELIVERY OF THIS MEMORANDUM THE RECIPIENT AGREES TO THE FOREGOING AND TO MAKE NO FURTHER COPIES OF THIS MEMORANDUM OR ANY DOCUMENTS REFERRED TO HEREIN, AND, IF THE RECIPIENT DOES NOT PURCHASE THE INTERESTS OR THE OFFERING IS TERMINATED, TO RETURN THIS MEMORANDUM AND ALL DOCUMENTS REFERRED TO HEREIN.

NOTICE TO RESIDENTS OF AUSTRALIA

THIS MEMORANDUM HAS NOT BEEN, AND WILL NOT BE, LODGED WITH THE AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION ("ASIC"). ANY INVITATION IN AUSTRALIA TO ACQUIRE AN INTEREST WILL BE AN OFFER THAT DOES NOT NEED DISCLOSURE FOR THE PURPOSES OF SECTION 708 OR PART 7.9 OF THE CORPORATIONS ACT 2001. IF THE RECIPIENT RECEIVES THIS MEMORANDUM IN AUSTRALIA, BY RETAINING THE MEMORANDUM, THE RECIPIENT REPRESENTS THAT IT IS (A) A SOPHISTICATED INVESTOR UNDER SECTION 708(8) OF THE CORPORATIONS ACT 2001, A PROFESSIONAL INVESTOR UNDER SECTION 708(11) OF THE CORPORATIONS ACT 2001 OR BOTH, AND (B) A WHOLESALE CLIENT UNDER SECTION 761G(4) OF THE CORPORATIONS ACT 2001.

EACH RECIPIENT (REGARDLESS OF WHERE THE MEMORANDUM IS RECEIVED) CONFIRMS THAT IT DOES NOT HAVE A PRESENT RESALE INTENTION BUT SHOULD IT WISH TO ON-SELL ITS INTEREST WITHIN 12 MONTHS OF ISSUE IN AUSTRALIA TO A PERSON OTHER THAN A PERSON WHO IS (A) A "SOPHISTICATED INVESTOR" OR "PROFESSIONAL INVESTOR"; AND (B) A "WHOLESALE CLIENT" IT MAY BE REQUIRED TO LODGE A DISCLOSURE DOCUMENT WITH THE ASIC

NOTICE TO RESIDENTS OF AUSTRIA

THIS MEMORANDUM HAS BEEN PRODUCED FOR THE SOLE PURPOSE OF PROVIDING INFORMATION ABOUT THE INTERESTS DESCRIBED HEREIN TO A LIMITED NUMBER OF SOPHISTICATED INVESTORS IN AUSTRIA. THIS MEMORANDUM IS MADE AVAILABLE ON THE CONDITION THAT IT IS FOR USE ONLY BY THE RECIPIENT AS A SOPHISTICATED AND POTENTIAL INVESTOR AND MAY NOT BE PASSED ON TO ANY OTHER PERSON OR REPRODUCED IN WHOLE OR PART. THIS MEMORANDUM DOES NOT CONSTITUTE A PUBLIC OFFERING IN AUSTRIA AND, THEREFORE, THE PROVISIONS OF THE INVESTMENT FUND ACT OF 1993 (INVESTMENTFONDSGESETZ 1993) AND OF THE CAPITAL MARKETS ACT OF 1991 (KAPITALMARKETGESETZ 1991) DO NOT APPLY.

NOTICE TO RESIDENTS OF THE BAHAMAS

NO INVITATION WILL BE MADE TO THE PUBLIC OF THE BAHAMAS TO SUBSCRIBE FOR THE INTERESTS OFFERED BY THIS MEMORANDUM.

NOTICE TO RESIDENTS OF BAHRAIN

ALL APPLICATIONS FOR INVESTMENT SHOULD BE RECEIVED AND ANY ALLOTMENTS MADE FROM OUTSIDE BAHRAIN. NO OFFER WILL BE MADE IN BAHRAIN TO THE PUBLIC TO PURCHASE THE INTERESTS.

NOTICE TO RESIDENTS OF BELGIUM

THE INTERESTS IN THE FUND MAY NOT BE OFFERED, SOLD, TRANSFERRED OR DELIVERED IN OR FROM BELGIUM AS PART OF THEIR INITIAL DISTRIBUTION OR AT ANY TIME THEREAFTER, DIRECTLY OR INDIRECTLY, OTHER THAN TO PERSONS OR ENTITIES MENTIONED IN ARTICLE 3.2 OF THE ROYAL DECREE OF JULY 7, 1999 RELATING TO THE PUBLIC CHARACTERISTICS OF FINANCIAL OPERATIONS (BELGIAN OFFICIAL JOURNAL OF AUGUST 17, 1999). THEREFORE THE INTERESTS ARE EXCLUSIVELY DESIGNED FOR CREDIT INSTITUTIONS, INVESTMENT FIRMS, COLLECTIVE INVESTMENT UNDERTAKINGS, INSURANCE COMPANIES, REINSURANCE COMPANIES, PENSION FUNDS, LISTED COMPANIES WITH CONSOLIDATED ASSETS OF AT LEAST EUR 25 MILLION, CO-ORDINATION CENTRES, THE STATE, REGION AND COMMUNITIES, THE EUROPEAN CENTRAL BANK, THE NATIONAL BANK OF BELGIUM, THE FONDS DES RENTES, THE FONDS DE PROTECTION DES DÉPÔTS ET INSTRUMENTS FINANCIERS, AND THE CAISSE DES DÉPÔTS ET CONSIGNATIONS, THE SO-CALLED SOCIÉTÉS DE CAPITALISATION/KAPITALISATIEONDERNEMINGEN REGULATED UNDER THE ROYAL DECREE N° 43 OF 15 DECEMBER 1934, HOLDING COMPANIES AND FOREIGN INVESTMENT COMPANIES INVESTING IN DEBT SECURITIES OR IN COLLECTIVE INVESTMENT UNDERTAKINGS, AND WHOSE SECURITIES, TO THE EXTENT THAT THEY ARE ISSUED IN BELGIUM, ARE PLACED ONLY WITH INSTITUTIONALS MENTIONED BEFORE.

NOTICE TO RESIDENTS OF BRAZIL

THE INTERESTS DESCRIBED IN THIS MEMORANDUM HAVE NOT BEEN, AND WILL NOT BE, REGISTERED WITH THE COMISSAO DE VALORES MOBILIARIOS, THE BRAZILIAN SECURITIES COMMISSION. NO OFFER OR SALE OF THE INTERESTS MAY BE MADE IN BRAZIL, EXCEPT UNDER CIRCUMSTANCES THAT DO NOT CONSTITUTE A PUBLIC OFFERING OR DISTRIBUTION UNDER BRAZILIAN LAWS AND REGULATIONS.

NOTICE TO RESIDENTS OF THE CAYMAN ISLANDS

NO INVITATION WILL BE MADE TO THE PUBLIC OF THE CAYMAN ISLANDS TO SUBSCRIBE FOR THE INTERESTS OFFERED BY THIS MEMORANDUM.

NOTICE TO THE RESIDENTS OF CHILE

THIS IS NOT A PUBLIC OFFERING IN CHILE AND HAS NOT BEEN REGISTERED WITH THE SUPERINTENDENCY OF SECURITIES. THE OFFERING IS MADE ON A STRICTLY PRIVATE BASIS TO MORE THAN THE NUMBER OF PERSONS PERMITTED BY

APPLICABLE LAW.

NOTICE TO RESIDENTS OF FINLAND

THIS MEMORANDUM HAS BEEN PREPARED FOR PRIVATE INFORMATION PURPOSES OF INTERESTED INVESTORS ONLY. IT MAY NOT BE USED FOR AND SHALL NOT BE DEEMED A PUBLIC OFFERING OF SECURITIES. THE RAHOITUSTARKASTUS HAS NOT AUTHORISED ANY OFFERING OR THE SUBSCRIPTION OF INTERESTS IN THE FUND; ACCORDINGLY, INTERESTS MAY NOT BE OFFERED OR SOLD IN FINLAND OR TO RESIDENTS THEREOF EXCEPT AS PERMITTED BY FINNISH LAW. THIS MEMORANDUM IS STRICTLY FOR PRIVATE USE BY ITS HOLDER AND MAY NOT BE PASSED ON TO THIRD PARTIES.

NOTICE TO RESIDENTS OF FRANCE

THE INTERESTS DESCRIBED IN THIS MEMORANDUM MAY NOT BE DIRECTLY OR INDIRECTLY OFFERED OR SOLD TO THE PUBLIC IN FRANCE AND OFFERS AND SALES OF THE INTERESTS WILL ONLY BE MADE IN FRANCE TO QUALIFIED INVESTORS OR TO A CLOSE CIRCLE OF INVESTORS, IN ACCORDANCE WITH ARTICLE L.411-2 OF THE FRENCH FINANCIAL AND MONETARY CODE (CODE MONETAIRE ET FINANCIER) AS AMENDED, AND DECREE NO. 98-880 DATED 1 OCTOBER 1998. ACCORDINGLY, THIS MEMORANDUM HAS NOT BEEN SUBMITTED TO THE CLEARANCE PROCEDURE OF THE COMMISSION DES OPERATIONS DE BOURSE. NEITHER THIS MEMORANDUM NOR ANY OFFERING MATERIALS MAY BE DISTRIBUTED TO THE PUBLIC IN FRANCE. INVESTORS IN FRANCE MAY ONLY PARTICIPATE IN THE ISSUE OF THE INTERESTS FOR THEIR OWN ACCOUNT IN ACCORDANCE WITH THE CONDITIONS SET OUT IN DECREE NO. 98-880. THE INTERESTS MAY ONLY BE ISSUED, DIRECTLY OR INDIRECTLY, TO THE PUBLIC IN FRANCE IN ACCORDANCE WITH ARTICLES L.411-2 AND L.621-8 OF THE FRENCH FINANCIAL AND MONETARY CODE (CODE MONETAIRE ET FINANCIER). WHERE AN ISSUE OF SECURITIES IS EFFECTED AS AN EXCEPTION TO THE RULES RELATING TO THE "APEL PUBLIC A L'EPARGNE" IN FRANCE (PUBLIC OFFER RULES) BY WAY OF AN OFFER TO RESTRICTED CIRCLE OF MORE THAN 100 INVESTORS, SUCH INVESTORS MUST PROVIDE CERTIFICATION AS TO THEIR PERSONAL, PROFESSIONAL OR FAMILY RELATIONSHIP WITH A MEMBER OF THE MANAGEMENT OF THE ISSUER.

NOTICE TO RESIDENTS OF GERMANY

THE INTERESTS MAY ONLY BE ACQUIRED IN ACCORDANCE WITH GERMAN LAW. THE INTERESTS ARE NOT REGISTERED OR AUTHORISED FOR PUBLIC DISTRIBUTION AND ACCORDINGLY MAY NOT BE, AND ARE NOT BEING, OFFERED OR ADVERTISED PUBLICLY OR OFFERED SIMILARLY. THEREFORE THIS OFFER IS ONLY BEING MADE TO RECIPIENTS TO WHOM THIS MEMORANDUM IS PERSONALLY ADDRESSED AND DOES NOT CONSTITUTE AN OFFER OR ADVERTISEMENT TO THE PUBLIC.

NOTICE TO RESIDENTS OF GREECE

THIS MEMORANDUM AND THE INTERESTS TO WHICH IT RELATES AND ANY OTHER MATERIAL RELATED THERETO MAY NOT BE ADVERTISED, DISTRIBUTED

OR OTHERWISE MADE AVAILABLE TO THE PUBLIC IN GREECE. THIS MEMORANDUM HAS NOT BEEN APPROVED BY THE GREEK CAPITAL MARKET COMMITTEE FOR DISTRIBUTION IN GREECE. FUNDS DO NOT HAVE A GUARANTEED PERFORMANCE AND PAST RETURNS DO NOT GUARANTEE FUTURE RETURNS.

NOTICE TO RESIDENTS OF HONG KONG

THIS MEMORANDUM HAS NOT BEEN DELIVERED FOR REGISTRATION TO THE REGISTRAR OF COMPANIES IN HONG KONG AND, ACCORDINGLY, MUST NOT BE ISSUED, CIRCULATED OR DISTRIBUTED IN HONG KONG OTHER THAN TO PERSONS WHOSE ORDINARY BUSINESS IT IS TO BUY OR SELL SHARES OR DEBENTURES, WHETHER AS PRINCIPAL OR AGENT, WITHIN THE MEANING OF THE HONG KONG COMPANIES ORDINANCE ("THE ORDINANCE") OR IN CIRCUMSTANCES WHICH DO NOT CONSTITUTE AN OFFER TO THE PUBLIC FOR THE PURPOSES OF THE ORDINANCE. UNLESS PERMITTED BY THE SECURITIES LAWS OF HONG KONG, NO PERSON MAY ISSUE OR CAUSE TO BE ISSUED IN HONG KONG THIS MEMORANDUM OR ANY AMENDMENT OR SUPPLEMENT HERETO OR OTHER INVITATION, ADVERTISEMENT OR DOCUMENT RELATING TO THE INTERESTS TO ANYONE OTHER THAN A PERSON WHOSE BUSINESS INVOLVES THE ACQUISITION, DISPOSAL OR HOLDING OF SECURITIES, WHETHER AS PRINCIPAL OR AGENT.

NOTICE TO RESIDENTS OF INDIA

THE INTERESTS IN THE FUND ARE NOT BEING OFFERED TO THE INDIAN PUBLIC FOR SALE OR SUBSCRIPTION BUT ARE BEING PRIVATELY PLACED WITH A LIMITED NUMBER OF SOPHISTICATED PRIVATE AND INSTITUTIONAL INVESTORS (NOT EXCEEDING FORTY NINE) AND IS NOT CALCULATED TO RESULT DIRECTLY OR INDIRECTLY IN THE INTERESTS BECOMING AVAILABLE FOR SUBSCRIPTION BY PERSONS OTHER THAN THOSE RECEIVING THE OFFER OR INVITATION. THE FUND IS NOT REGISTERED AND/OR APPROVED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA OR ANY OTHER GOVERNMENTAL AUTHORITY. THIS MEMORANDUM HAS NOT BEEN FILED WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA OR ANY OTHER GOVERNMENTAL AUTHORITY PURSUANT TO THE FOREIGN EXCHANGE MANAGEMENT ACT, 1999 AND THE REGULATIONS FRAMED THEREUNDER. ANY INVESTOR WHO IS A PERSON RESIDENT IN INDIA MUST OBTAIN THE PERMISSION OF THE RESERVE BANK OF INDIA BEFORE MAKING INVESTMENTS OUTSIDE OF INDIA, INCLUDING ANY INVESTMENT IN THE FUND.

NOTICE TO RESIDENTS OF INDONESIA

THE INTERESTS ARE NOT TO BE OFFERED, SOLD OR TRANSFERRED NOR WILL ANY DOCUMENT OR MATERIAL RELATING TO THE FUND BE DISTRIBUTED TO PERSONS IN INDONESIA OTHER THAN UNDER CIRCUMSTANCES IN WHICH SUCH OFFER OR SALE DOES NOT CONSTITUTE A "PUBLIC OFFER" IN INDONESIA UNDER PREVAILING REGULATIONS.

NOTICE TO RESIDENTS OF ITALY

THE FUND HAS NOT BEEN AND WILL NOT BE REGISTERED AS A FOREIGN FUND

WITH THE ITALIAN AUTHORITIES IN ACCORDANCE WITH THE PROCEDURES PROVIDED FOR BY ARTICLE 42 OF LEGISLATIVE DECREE NO. 58 OF FEBRUARY 1998. ACCORDINGLY, NO INTERESTS IN THE FUND MAY BE OFFERED SOLD OR DELIVERED, NOR MAY COPIES OF THIS MEMORANDUM OR OF ANY OTHER DOCUMENT RELATING TO INTERESTS IN THE FUND BE DISTRIBUTED, IN THE REPUBLIC OF ITALY.

NOTICE TO RESIDENTS OF JAPAN

THE INTERESTS DO NOT CONSTITUTE SECURITIES TO BE REGISTERED UNDER THE SECURITIES AND EXCHANGE LAW OF JAPAN AND THEREFORE HAVE NOT BEEN REGISTERED AND WILL NOT BE REGISTERED UNDER THE SECURITIES AND EXCHANGE LAW OF JAPAN.

THIS MEMORANDUM IS CONFIDENTIAL AND IS INTENDED SOLELY FOR THE USE OF ITS RECIPIENT. ANY DUPLICATION OR REDISTRIBUTION OF THIS MEMORANDUM IS PROHIBITED. THE RECIPIENT OF THIS MEMORANDUM, BY ACCEPTING DELIVERY THEREOF, AGREES TO RETURN IT AND ANY RELATED DOCUMENTS TO THE FUND IF THE RECIPIENT ELECTS NOT TO PURCHASE ANY OF THE INTERESTS OR IF EARLIER REQUIRED BY THE FUND.

NOTICE TO RESIDENTS OF KOREA

NONE OF THE INTERESTS MAY BE OFFERED, SOLD OR DELIVERED, DIRECTLY OR INDIRECTLY, OR OFFERED OR SOLD TO ANY PERSON FOR RE-OFFERING OR RESALE, DIRECTLY OR INDIRECTLY, IN KOREA OR TO ANY RESIDENT OF KOREA EXCEPT PURSUANT TO APPLICABLE KOREAN LAWS AND REGULATIONS.

NOTICE TO RESIDENTS OF LUXEMBOURG

THIS MEMORANDUM IS STRICTLY PRIVATE AND CONFIDENTIAL, AND IS BEING ISSUED TO A LIMITED NUMBER OF SOPHISTICATED INVESTORS. IT SHOULD NOT BE CONSIDERED A PUBLIC OFFERING IN THE GRAND DUCHY OF LUXEMBOURG, AND THE FUND IS NOT REGISTERED AS A FOREIGN FUND WITH THE LUXEMBOURG REGULATORY AUTHORITIES. THIS MEMORANDUM MAY NOT BE REPRODUCED OR USED FOR ANY PURPOSE OTHER THAN THIS PRIVATE PLACEMENT, NOR PROVIDED TO ANY PERSON OTHER THAN THE RECIPIENT THEREOF.

NOTICE TO RESIDENTS OF MALAYSIA

NO OFFER OR INVITATION FOR SUBSCRIPTION OR PURCHASE OF THE INTERESTS SHALL BE MADE IN MALAYSIA AS THE PRIOR APPROVAL OF THE SECURITIES COMMISSION IN MALAYSIA HAS NOT BEEN SOUGHT. NEITHER THIS MEMORANDUM NOR ANY DOCUMENTS RELATING TO THE INTERESTS HAS BEEN DELIVERED TO THE SECURITIES COMMISSION OR ANY OTHER REGULATORY AUTHORITIES AND ACCORDINGLY THIS MEMORANDUM MUST NOT BE ISSUED, CIRCULATED OR DISTRIBUTED IN MALAYSIA.

NOTICE TO THE RESIDENTS OF MEXICO

THE INTERESTS HAVE NOT BEEN REGISTERED WITH THE NATIONAL REGISTRY OF

SECURITIES AND INTERMEDIARIES MAINTAINED BY THE MEXICO NATIONAL BANKING AND SECURITIES COMMISSION AND MAY NOT BE OFFERED OR SOLD PUBLICLY IN MEXICO. THIS MEMORANDUM AND OTHER OFFERING MATERIALS MAY NOT BE PUBLICLY DISTRIBUTED IN MEXICO.

NOTICE TO RESIDENTS OF THE NETHERLANDS

THE INTERESTS DESCRIBED HEREIN MAY NOT BE ACQUIRED OR OFFERED, DIRECTLY OR INDIRECTLY, AND THIS MEMORANDUM MAY NOT BE CIRCULATED IN THE NETHERLANDS OTHER THAN BY OR TO INDIVIDUALS OR ENTITIES WHOSE ORDINARY BUSINESS OR PROFESSION IS TO TRADE OR INVEST IN SECURITIES WITHIN THE MEANING OF ARTICLE 1 OF THE EXEMPTION REGULATION OF 9 OCTOBER 1990 (AS AMENDED) ISSUED PURSUANT TO ARTICLE 14 OF THE INVESTMENT INSTITUTIONS SUPERVISION ACT (*WETTOEZICHT BELEGGINGSINSTELLINGEN*) OF 27 JUNE 1990 (WHICH INCLUDES INVESTMENT BANKS, PENSION FUNDS, INVESTMENT INSTITUTIONS, INSURANCE COMPANIES, CENTRAL GOVERNMENTS, LARGE INTERNATIONAL AND SUPRANATIONAL ORGANISATIONS AND CERTAIN OTHER ENTITIES, SUCH AS TREASURIES AND FINANCE COMPANIES OR LARGE ENTERPRISES, WHICH ARE REGULARLY ACTIVE IN THE FINANCIAL MARKETS IN A PROFESSIONAL MANNER).

NOTICE TO RESIDENTS OF PERU

THE SECURITIES CANNOT BE TRANSFERRED TO THIRD PARTIES AT NOMINAL VALUES OR PLACEMENT VALUES THAT ARE LOWER THAN S./250,000.

NOTICE TO RESIDENTS OF THE PHILIPPINES

THE SECURITIES BEING OFFERED OR SOLD HAVE NOT BEEN REGISTERED WITH THE PHILIPPINE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES REGULATION CODE. ANY FUTURE OFFER OR SALE THEREOF IS SUBJECT TO REGISTRATION REQUIREMENTS UNDER THE CODE UNLESS SUCH OFFER OR SALE QUALIFIES AN EXEMPT TRANSACTION.

NO ACTION HAS BEEN OR WILL BE TAKEN TO PERMIT AN OFFERING OF THE INTERESTS OF THE FUND OR THE DISTRIBUTION OF THIS MEMORANDUM IN THE PHILIPPINES, EXCEPT UNDER CIRCUMSTANCES THAT WILL RESULT IN COMPLIANCE WITH THE PROVISIONS ON EXEMPT TRANSACTIONS UNDER THE SECURITIES REGULATION CODE AND APPLICABLE RULES (INCLUDING BUT NOT LIMITED TO THE DELIVERY TO THE OFFEREE OF A WRITTEN DISCLOSURE STATING THE PROVISION OF SECTION 10 OF THE CODE UNDER WHICH EXEMPTION FROM REGISTRATION IS CLAIMED AND STATING WHETHER A CONFIRMATION OF EXEMPTION HAS BEEN OBTAINED FROM THE PHILIPPINE SECURITIES AND EXCHANGE COMMISSION). ACCORDINGLY, THIS MEMORANDUM MAY NOT BE USED FOR THE PURPOSE OF SALE OR SOLICITATION IN THE PHILIPPINES, EXCEPT UNDER THOSE CIRCUMSTANCES.

NOTICE TO RESIDENTS OF PORTUGAL

THE INTERESTS REFERRED TO IN THIS MEMORANDUM ARE NOT OFFERED TO THE PUBLIC IN PORTUGAL. NO OFFER OR SALE OF SUCH INTERESTS MAY BE MADE IN

PORTUGAL EXCEPT UNDER CIRCUMSTANCES THAT WILL RESULT IN COMPLIANCE WITH THE RULES CONCERNING PRIVATE PLACEMENTS OF SUCH INTERESTS AND WITH THE LAWS OF PORTUGAL GENERALLY.

NOTICE TO RESIDENTS OF SAUDI ARABIA

THIS MEMORANDUM DOES NOT CONSTITUTE A PUBLIC OFFER FOR SALE WITHIN SAUDI ARABIA.

NOTICE TO RESIDENTS OF SINGAPORE

THE INTERESTS DESCRIBED IN THIS MEMORANDUM MAY NOT BE OFFERED OR SOLD, NOR MAY ANY DOCUMENT OR OTHER MATERIAL IN CONNECTION WITH SUCH INTERESTS BE DISTRIBUTED, EITHER DIRECTLY OR INDIRECTLY, (I) TO PERSONS IN SINGAPORE OTHER THAN UNDER CIRCUMSTANCES IN WHICH SUCH OFFER OR SALE DOES NOT CONSTITUTE AN OFFER OR SALE OF SUCH INTERESTS TO THE PUBLIC IN SINGAPORE OR (II) TO THE PUBLIC OR ANY MEMBER OF THE PUBLIC IN SINGAPORE OTHER THAN PURSUANT TO, AND IN ACCORDANCE WITH THE CONDITIONS OF, AN EXEMPTION INVOKED UNDER DIVISION 5A OR PART IV OF THE COMPANIES ACT, CHAPTER 50 OF SINGAPORE AND TO PERSONS TO WHOM THE INTERESTS MAY BE OFFERED OR SOLD UNDER SUCH EXEMPTION.

NOTICE TO RESIDENTS OF SPAIN

THE INTERESTS MAY NOT BE OFFERED, SOLD OR DISTRIBUTED IN SPAIN EXCEPT IN ACCORDANCE WITH THE REQUIREMENTS OF SPANISH SECURITIES LAWS. THIS MEMORANDUM HAS NOT BEEN AND WILL NOT BE REGISTERED WITH THE COMISION NACIONAL DEL MERCADO DE VALORES OF SPAIN AND MAY NOT BE DISTRIBUTED IN SPAIN IN CONNECTION WITH THE OFFERING AND SALE OF INTERESTS WITHOUT COMPLYING WITH ALL LEGAL AND REGULATORY REQUIREMENTS IN RELATION THERETO.

THE INTERESTS MAY NOT BE OFFERED OR SOLD IN SPAIN EXCEPT IN ACCORDANCE WITH THE REQUIREMENTS OF THE SPANISH SECURITIES MARKET LAW (LEY 24/1988, DE 28 DE JULIO, DEL MERCADO DE VALORES), AS AMENDED AND RESTATED, AND ROYAL DECREE 291/1992, ON ISSUES AND PUBLIC OFFERINGS FOR THE SALE OF SECURITIES (REAL DECRETO 291/1992, DE 27 DE MARZO, SOBRE EMISIONES Y OFERTAS PÚBLICAS DE VENTA DE VALORES), AS AMENDED AND RESTATED, AND THE DECREES AND REGULATIONS MADE THEREUNDER. THE INTERESTS HAVE NOT BEEN REGISTERED WITH THE SPANISH SECURITIES MARKET COMMISSION (COMISIÓN NACIONAL DEL MERCADO DE VALORES) AND THEREFORE IT MAY NOT BE DISTRIBUTED IN SPAIN.

NOTICE TO RESIDENTS OF SWEDEN

THE INTERESTS ARE BEING OFFERED TO A CLOSED CIRCLE OF INSTITUTIONAL INVESTORS AND THEREFORE THIS MEMORANDUM HAS NOT BEEN, AND WILL NOT BE, REGISTERED WITH THE SWEDISH FINANCIAL SUPERVISORY AUTHORITY UNDER THE SWEDISH FINANCIAL INSTRUMENTS TRADING ACT (1991:980). FURTHER, NO SINGLE INVESTOR WILL INVEST AN AMOUNT LESS THAN SEK 300,000. ACCORDINGLY, THIS MEMORANDUM MAY NOT BE MADE AVAILABLE,

NOR MAY INTERESTS OTHERWISE BE MARKETED AND OFFERED FOR SALE IN SWEDEN, OTHER THAN IN CIRCUMSTANCES WHICH ARE DEEMED NOT TO BE AN OFFER TO THE PUBLIC IN SWEDEN UNDER THE FINANCIAL INSTRUMENTS TRADING ACT.

NOTICE TO RESIDENTS OF SWITZERLAND

THE INTERESTS IN THE FUND ARE BEING OFFERED BY WAY OF PRIVATE PLACEMENT TO A SMALL NUMBER OF INVESTORS WITHOUT ANY PUBLIC OFFERING. THIS OFFERING MEMORANDUM AS WELL AS ANY OTHER OFFERING MATERIAL RELATING TO THE FUND ARE CONFIDENTIAL AND MAY THEREFORE NOT BE DISTRIBUTED TO THE PUBLIC.

NOTICE TO RESIDENTS OF TAIWAN

INTERESTS HAVE NOT BEEN OFFERED, SOLD OR DELIVERED, AND WILL NOT BE OFFERED, SOLD OR DELIVERED AT ANY TIME, DIRECTLY OR INDIRECTLY, IN THE REPUBLIC OF CHINA IN A MANNER THAT WOULD CONSTITUTE A PUBLIC OFFERING.

NOTICE TO RESIDENTS OF THAILAND

THE INTERESTS MAY NOT BE OFFERED FOR SALE TO PERSONS IN THAILAND OTHER THAN UNDER CIRCUMSTANCES WHICH DO NOT CONSTITUTE AN OFFER FOR SALE OF THE INTERESTS TO THE PUBLIC FOR THE PURPOSES OF THE SECURITIES AND EXCHANGE ACT OF 1992 OF THAILAND.

NOTICE TO RESIDENTS OF THE UNITED ARAB EMIRATES

THE INTERESTS IN THE FUND ARE NOT BEING OFFERED TO THE PUBLIC OR A PART THEREOF IN THE UNITED ARAB EMIRATES. INVESTORS SHOULD CONSULT THEIR FINANCIAL ADVISORS FOR ADVICE THEREON.

NOTICE TO RESIDENTS OF THE UNITED KINGDOM

THE FUND IS AN UNRECOGNISED COLLECTIVE INVESTMENT SCHEME FOR THE PURPOSES OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 ("FSMA"). THE PROMOTION OF THE FUND AND THE COMMUNICATION OF THE OFFERING MEMORANDUM IN THE UNITED KINGDOM IS ACCORDINGLY RESTRICTED BY LAW. WHILST THE OFFERING MEMORANDUM IS BEING COMMUNICATED OUTSIDE THE UNITED KINGDOM DIRECTLY BY THE FUND AND THE FUND IS RESPONSIBLE FOR ITS CONTENTS.

ACCORDINGLY THE OFFERING MEMORANDUM IS BEING COMMUNICATED IN THE UNITED KINGDOM ONLY TO PERSONS WHO ARE AUTHORISED UNDER FSMA ("AUTHORISED PERSONS") OR WHO ARE OTHERWISE OF A KIND TO WHOM THE FUND MAY BE PROMOTED BY AN AUTHORISED PERSON BY VIRTUE OF AN EXEMPTION TO SECTION 238 OF FSMA ("PERMITTED RECIPIENTS"). ANY RECIPIENT OF THIS OFFERING MEMORANDUM WHO IS AN AUTHORISED PERSON MAY (IF AND TO THE EXTENT IT IS PERMITTED TO DO SO UNDER APPLICABLE RULES OR REGULATIONS) COMMUNICATE IT OR OTHERWISE PROMOTE THE FUND IN THE UNITED KINGDOM TO OTHER AUTHORISED PERSONS OR TO PERMITTED

RECIPIENTS BUT NOT OTHERWISE. ANY RECIPIENT OF THIS OFFERING MEMORANDUM IN THE UNITED KINGDOM WHO IS NOT AN AUTHORISED PERSON MAY NOT COMMUNICATE IT TO ANY OTHER PERSON IN THE UNITED KINGDOM. THE FUND IS NOT AUTHORISED UNDER FSMA AND INVESTORS WILL NOT THEREFORE HAVE THE BENEFIT OF ALL OR MOST OF THE RIGHTS DESIGNED TO PROTECT INVESTORS (IN PARTICULAR PRIVATE CUSTOMERS) UNDER FSMA, INCLUDING THE FINANCIAL SERVICES COMPENSATION SCHEME.

NOTICE TO RESIDENTS OF THE UNITED STATES

THE INTEREST HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933 OF THE UNITED STATES, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY OF THE STATES OF THE UNITED STATES. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. THE INTERESTS MAY NOT BE OFFERED, SOLD OR DELIVERED DIRECTLY OR INDIRECTLY IN THE UNITED STATES OR TO OR FOR THE ACCOUNT OR BENEFIT OF ANY "U.S. PERSON" (AS HEREINAFTER DEFINED UNDER THE "DEFINITIONS" SECTION) EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND ANY APPLICABLE STATE LAWS. THE FUND WILL NOT BE REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "INVESTMENT COMPANY ACT").

NOTICE TO RESIDENTS OF VENEZUELA

THIS IS NOT A PUBLIC OFFER AND HAS NOT BEEN REGISTERED WITH THE COMISIÓN NACIONAL DE VALORES (NATIONAL SECURITIES COMMISSION). ANY PUBLIC OFFER OF THE SECURITIES IN VENEZUELA REQUIRES THE PRIOR APPROVAL OF THE COMISIÓN NACIONAL DE VALORES.

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CORPORATE DIRECTORY

Registered Office:

C/- Campbells Corporate Services Limited
Scotiabank Building
PO Box 268 GT
Grand Cayman
Cayman Islands

The Directors of the Fund:

Roman Lyniuk
Mark Bastian

Investment Manager:

Atlantis Capital Markets NA, L.L.C.
2 Rector Street, 9th Floor
New York, NY 10006
United States
Tel: 646 533 0730
atlantiscapital@comcast.net

Auditors:

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The Grand Pavillion
902 West Bay Road
Grand Cayman
Tel: 345 943 8800
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Legal Advisors as to Cayman Islands Law:

Campbells, Attorneys-at-Law
Scotiabank Building
PO Box 884 GT
Grand Cayman
Cayman Islands

Administrator:

Swiss Financial Services (Bahamas) Ltd.
One Montague Place
4th Floor, East Bay Street
P.O. Box EE-17758
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Legal Advisors as to United States Law:

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Lederer Nojima Tagliaferro LoPresti &
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DEFINITIONS

For the purposes of this Offering Memorandum, the following expressions have the following meanings:

"Accredited Investor"

in reference to a Permitted U.S. Person means:

(A) An employee benefit plan within the meaning of Title 1 of United States Employee Retirement Income Security Act of 1974, as amended ("ERISA");

(i) Whose investment decisions are made by a plan fiduciary, as defined in Section 3 (21) of ERISA, which is either a bank, insurance company or registered investment advisor;

(ii) Having total assets in excess of US\$5 million; or

(iii) If self-directed, the investment decisions are made solely by natural persons, each of whom either:

(1) Currently has a net worth in excess of US\$1 million, and/or

(2) Has individual income in excess of US\$200,000 in each of the two most recent years or joint income with that person's spouse in excess of US\$300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year; OR

(B) A trust, which is a tax-exempt entity with assets in excess of US\$5 million, not formed for the specific purpose of acquiring Shares, whose investment decisions are made by a person or persons who have such knowledge and experience in financial and business matters that such person or persons is or are capable of evaluating the merits and risks of the prospective investment; OR

(C) A tax-exempt entity in which all of the equity owners are natural persons each of whom either (i) currently has a net worth in excess of US\$1 million, and/or (ii) had individual income in excess of US\$200,000 in each of the two most recent years or joint income with that person's spouse in excess of US\$300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year; OR

(D) A plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees if such plan has total assets in excess of US\$5 million; OR

	(E) A tax-exempt organization under Section 501(c)(3) of the U.S. Internal Revenue Code of 1986, as amended having total assets in excess of US\$5 million, which was not formed for the specific purpose of acquiring Shares.
"Administration Agreement"	means the administration agreement by which the Fund has appointed the Administrator to provide administrative services to the Fund.
"Administrator"	means Swiss Financial Services (Bahamas) Ltd., in its capacity as administrator of the Fund.
"Business Day"	means a day on which banks and securities houses are open for business in the United States and the Cayman Islands and such other places as the Directors may from time to time determine.
"Class"	means classes of Shares.
"Directors"	means the persons named as the directors of the Fund in this Offering Memorandum and any successors.
"Fiscal Year"	means a calendar year ending December 31.
"Fund"	means Atlantis Capital Markets Cayman LDC, a Cayman Islands exempted limited duration company.
"Fund assets"	means the assets of the Fund.
"High Watermark Amount"	means with respect to each Series of Shares, the larger of: (i) the highest Net Asset Value of such Series at the end of any previous calculation period when a Performance Fee was payable (after the deduction of any such Performance Fees); or (ii) the initial Net Asset Value of such Series. For the purposes of the first date on which the Performance Fee is calculated with respect to the Shares, the High Watermark Amount shall be the initial Net Asset Value of such Shares.
"Investment Management Agreement"	means the agreement by which the Fund has appointed the Investment Manager to manage the Fund's investments and affairs.
"Investment Manager"	means Atlantis Capital Markets NA, L.L.C., in its capacity as investment manager of the Fund's assets and investments.
"Management Fee"	means the Management Fee payable to the Investment Manager as described in this Offering Memorandum.

"Memorandum and Articles of Association"	means the memorandum of association and articles of association of the Fund.
"Net Asset Value"	means the net asset value of the Fund or the particular Class or Series of Shares (as the case may be) calculated as described in this Offering Memorandum.
"Permitted U.S. Persons"	means (i) U.S. pension and profit sharing trusts, charities and any other entity organized under the laws of the United States that is generally exempt from Federal income taxation, or (ii) any other U.S. entity which is approved by the Board of Directors and which does not require any U.S. income tax information reporting or compliance with the United States Employee Retirement Income Security Act of 1974, as amended. Currently, the Directors intend to limit investment by Permitted U.S. Persons to 25% of the Net Asset Value of the Fund.
"Performance Fee"	means the Performance Fee payable to the Investment Manager as described in this Offering Memorandum.
"Redemption Date"	means the last Business Day in each calendar month or such other day or days as the Directors may from time to time prescribe.
"Series"	means a series of Shares within a Class.
"Shareholder"	means a person who is registered on the Register of Shareholders of the Fund as the holder of a Share or other Class or Series of Shares as the context requires.
"Shares" or "Participating Shares"	mean the non-voting participating shares in the Fund offered pursuant to this Offering Memorandum.
"Subscription Agreement"	means, with respect to each Shareholder, the executed Subscription Agreement entered into between such Shareholder and the Fund with respect to the purchase of Shares.
"Subscription Date"	means the first Business Day in each calendar month or such other day or days as the Directors may from time to time prescribe.
"Subscription Price"	means the price at which the Shares will be issued.
"United States"	means the United States of America, each state thereof, its territories and possessions and all areas

subject to its jurisdiction.

"US Dollar(s)" and "US\$"

means the lawful currency of the United States of America.

"U.S. person"

means, with respect to individuals, any US citizen (and certain former US citizens) or "resident alien" within the meaning of US income tax laws as in effect from time to time. Currently, the term "resident alien" is defined under US income tax laws to generally include any individual who (i) holds an Alien Registration Card (a "green card") issued by the US Immigration and Naturalization Service, or (ii) meets a "substantial presence" test. The "substantial presence" test is generally met with respect to any current calendar year if (i) the individual was present in the US on at least 31 days during such year, and (ii) the sum of the number of days on which such individual was present in the US during the current year, 1/3 of the number of such days during the first preceding year, and 1/6 of the number of such days during the second preceding year, equals or exceeds 183 days. With respect to persons other than individuals, the term "US Person" means (i) a corporation or partnership created or organized in the United States or under the laws of the United States or any state or (ii) a trust or estate which is subject to US tax on its worldwide income from all sources. "US Person" shall also include a "US Person" as defined by Rule 902 of Regulation S under the Securities Act and shall not include any "Non-United States person" as used in Rule 4.7 promulgated under the US Commodity Exchange Act (as amended).

"Valuation Date"

means the last Business Day of each month or such other day or days as the Directors may from time to time determine.

SUMMARY OF OFFERING MEMORANDUM

The following is a summary only and is qualified in its entirety by the more detailed information appearing elsewhere in this Offering Memorandum and in the Fund's Memorandum and Articles of Association, a copy of which is available upon request.

The Fund

The Fund was incorporated as a Cayman Islands exempted limited duration company in January 2005, and has established a class of shares called Participating Shares for investors to subscribe for. The Shares shall participate on a pro rata basis in the Fund's portfolio. The structure of the Fund and the Shares being offered is described further herein.

The Fund has issued one class of voting non-participating shares (the "Management Shares"), to be held by the Investment Manager. Pursuant to this Offering Memorandum, the Fund is offering Shares of the Fund in a private placement to certain "qualified" investors. The Fund may establish multiple classes of Shares, which may have terms that differ from those governing the Shares. It is envisaged that one class of Share may offer a principal protection program for investors holdings Shares of such class. Although the Shares of the Fund will not be separate and distinct with respect to their assets and liabilities, the Fund may, in the future, create new Classes of Shares which may be a separate series with separate and distinct liabilities from the Shares described in this Offering Memorandum. Each Class may establish multiple series.

Minimum Investment

Shares will be issued at a price of US\$1,000 per Share. The minimum initial subscription amount per investor must be US\$1,000,000 (subject to the discretion of the Directors to accept a lesser amount). Subsequent purchases by existing Shareholders will be subject to a minimum purchase requirement as may be approved by the Directors in their sole and absolute discretion. Shares are issued in Series as described below under "Issue and Redemption of Shares". The per Share price and minimum investment and holding amounts set forth in this Offering Memorandum may be adjusted by the Directors from time to time, in their sole discretion, to account for currency alterations or similar changes.

Summary of Investment Objectives

The primary purpose of the Fund is to generate significant capital appreciation by investing amounts contributed to the Fund in a securities portfolio managed by the Investment Manager. The Investment Manager will manage the Fund's investment portfolio in accordance with the investment objectives, strategies and restrictions set forth in this memorandum. See "Investment Objectives". There can be no assurance that the Fund will achieve its investment objectives. See "Investment Consideration and Risk Factors" below.

The Investment Manager believes in risk-averse, non-directional investment management. The objective is to eliminate, as much as possible, the probability and magnitude of losses. The power of compounding positive returns can then work to the investor's benefit.

The Investment Manager believes that directional trading does not optimally preserve capital or create wealth. The Investment Manager espouses investment strategies that are market neutral in nature and that take advantage of market volatility and resulting price dislocations. Such strategies are intended

to produce consistent positive returns in *any* market environment and to maximize risk-adjusted returns over a typical 5-7 year market cycle of bullish, bearish, and flat periods.

Subscriptions

This Offering Memorandum relates to a continuous offering of Shares at the relevant Subscription Price.

Shares will be available for issue on any Subscription Date (normally the first Business Day of each month) at the Subscription Price. Applications received before the Subscription Date will be dealt with on that Subscription Date. Applications received after such time will be dealt with on the next following Subscription Date. The Fund will issue Shares in Series, with a new Series of each such Class being offered each Subscription Date. The Subscription Price per Share of each Series of each Class will be US\$1,000 per Share.

Except in certain circumstances, at the time the Performance Fee is determined each quarter, Shares of each Series of that Class will be converted into a single Series of Shares of the respective Class. Notwithstanding the foregoing, no Series that has a Net Asset Value per Share at the end of a quarter below its High Watermark Amount will be so converted, but rather the Shares of such Series shall remain outstanding until the end of a quarter at which the Net Asset Value per Share of such Series exceeds the High Watermark Amount, at which time the Shares of such Series shall be converted into Shares of the new Series in the manner described above. The purpose of offering the Shares in Series is to ensure that investors who purchase Shares at different times during the quarter pay a Performance Fee only if the Net Asset Value of the relevant Series of Shares has exceeded the High Watermark Amount.

Applications should be made on the Subscription Agreement. Subscription Agreements, duly completed, should be sent to the Fund at the address set out in the Subscription Agreement.

At the discretion of the Fund's Directors, the Fund may accept liquid securities in lieu of cash for a part or the whole of an application to subscribe for Shares. Any liquid securities which are accepted in lieu of cash will be valued in accordance with the principles in determining Net Asset Value.

Notification in writing will be dispatched to applicants of the acceptance or rejection of such application. If the application is successful, Shareholders will be notified of the number of the Shares issued to them. No Share Certificate will be issued.

U.S. PERSONS (EXCEPT FOR PERMITTED U.S. PERSONS WHO ARE ACCREDITED INVESTORS) MAY NOT SUBSCRIBE EITHER DIRECTLY OR INDIRECTLY FOR SHARES, EXCEPT UNLESS EXPRESSLY PERMITTED BY THE DIRECTORS.

Redemptions

Shareholders will have the right to require all or a portion of their Shares to be redeemed on a Redemption Date (normally the last Business Day in each calendar month) at the Redemption

Price then prevailing, after 3 months has elapsed since the relevant Subscription Date. A redemption fee of 2% of the Redemption Price and 1% of the Redemption Price is applicable for redemptions effected within 6 months, and between 6 months and 12 months, respectively, after the Subscription Date for such Shares, subject to waiver in the discretion of the Directors. The period will be calculated separately for each purchase of Shares and may be waived by the Investment Manager, in its sole and absolute discretion.

The Redemption Price will be based on the Net Asset Value per Share of the relevant Series of Shares, calculated as at the close of business in the relevant market or markets on the relevant Redemption Date. In order for a redemption request to take effect on a particular Redemption Date, a written redemption request must be received by the Administrator not later than 60 days preceding the relevant Redemption Date or such later day as the Directors in its discretion may decide. Redemption requests received after such time will be processed on the next following Redemption Date.

If compliance with a Shareholder's request for redemption would result in the Shareholder holding Shares with an aggregate Net Asset Value of less than US\$1,000,000 or such other minimum as the Directors may determine, at the option of the Directors, the Shareholder's request may be rejected or the whole of his holding redeemed. The minimum redemption is US\$5,000 value of Shares.

Requests for redemption once made may not be withdrawn (except with the written consent of the Directors) or unless there has been a suspension of determination of the Net Asset Value of the Fund.

If the Shareholder is redeeming 90% or more of his Shares, a minimum of 90% of the estimate of such amount will be paid within 30 days after the date of such redemption, and the remainder will be paid promptly after the Fund's independent public accountants have completed their examination of the Fund's year-end financial statements. If the examination indicates that the payment of 90% or greater exceeded the value of the Shares, the Shareholder will be obligated to repay to the Fund the amount of the excess.

In addition, the Fund reserves the right to mandatorily redeem any or all of a Shareholder's Shares at any time, for reasons including if the Shareholder (or any beneficiary thereof) is a U.S. Person (except for Permitted U.S. Persons who are Accredited Investors). The Fund intends generally to require the redemption of Shares if the Directors have reason to believe that the Shares are held in violation of any applicable law, rule, regulation, interpretation, guideline, or policy or that redemption is in the best interests of the Fund. Also, the Investment Manager may require redemption of funds managed by them in order to reduce assets under their management. The redemption price in the event of any such mandatory redemption will be the Net Asset Value per Share as of the applicable Redemption Date.

Any amount payable to a Shareholder in connection with requests for redemption will be paid by wire transfer (in accordance with written details to be supplied by the Shareholder) at the Shareholder's expense and risk. The Fund will normally ensure that it has sufficient liquid assets available to enable redemption proceeds to be forwarded forthwith to a Shareholder who has requested a redemption of all or part of his holding of Shares. The details of where such monies are to be forwarded must be set out in the Subscription Agreement. This may be changed from time to time by written instructions of the Shareholder. Failure to complete that section of such Subscription Agreement may result in delays in the receipt of redemption proceeds since the Fund will reserve the right to insist on instructions with regard to payment being received by the Fund in writing under the verified signature of the Shareholder.

Notwithstanding the previous paragraph, the Fund may defer payment of the Redemption Price if it is unable to do so because of circumstances beyond its control, in which case it will pay such Redemption Price as soon as possible. The Fund may pro-rate all redemption requests for Shares being redeemed which are greater than 25% of all Shares then held by the Shareholder on any Redemption Date so as to limit total redemptions to 50% of the Shares in issue on the relevant Redemption Date. Any outstanding redemption requests will not be carried forward to the next following Valuation Date.

SINCE THE REDEMPTION PRICE OF SHARES IS TIED TO THE VALUE OF THE UNDERLYING ASSETS OF THE FUND, IT SHOULD BE NOTED THAT THE PRICE AT WHICH AN INVESTOR MIGHT REDEEM HIS SHARES MAY BE MORE OR LESS THAN THE PRICE AT WHICH HE SUBSCRIBED FOR THEM DEPENDING ON WHETHER THE VALUE OF THE UNDERLYING ASSETS HAS APPRECIATED OR DEPRECIATED BETWEEN THE SUBSCRIPTION DATE AND THE REDEMPTION DATE.

Fees and Expenses

The Investment Manager shall receive a management fee (the "Management Fee") equal to 1.5% per annum of the Net Asset Value, payable monthly at the end of the month.

The Fund will also pay the Investment Manager, a performance fee payable quarterly ("Performance Fee") equal to 20% of the amount, if any, by which the Net Asset Value (before deduction of the Performance Fee, if any, paid or payable for the applicable quarter) exceeds the High Watermark Amount applicable.

The Fund will be responsible to pay the costs associated with its investment activities, including brokerage commissions, custody fees, interest on debit balances and borrowings, taxes, exchange, and governmental fees, in connection with the execution and clearance of transactions on behalf of the Fund.

The Fund will also bear the costs associated with its ongoing administrative, financial services and operational expenses, including annual audit and tax reports, as well as any legal and extraordinary expenses. These expenses are anticipated to be incurred by the Fund at prevailing market rates.

The Fund will pay the Administrator and custodian fees in accordance with their prevailing rates.

Suitability

An investor must not be considered a "U.S. Person", except for Permitted U.S. Persons who are Accredited Investors.

The circulation and distribution of this Offering Memorandum and offering of Shares in certain countries is restricted by law. Persons into whose possession this Offering Memorandum may come are required to inform themselves of and to observe any restrictions and/or any additional requirements as to suitability or investor qualification.

Dividend Policy

The Fund does not expect to pay dividends or other distributions with respect to the Shares.

Transfer of Shares

Shares are freely transferable upon submission to the Fund of an instrument of transfer in any usual or common form together with the relevant share certificate(s) (if in issue) or such other evidence as the Directors may reasonably require to show the right of the transferee to transfer the Shares, except in particular circumstances as described in the Memorandum and Articles of Association. There is not a public market (primary or secondary) for the sale or transfer of Shares and it is not anticipated that any such market will develop in the future

Reports to Shareholders

Shareholders will receive annual audited financial statements of the Fund. The Fund will issue its first audited financial statements for the period October 1, 2005 (inception) through December 31, 2006. Shareholders will also receive monthly unaudited reports concerning their investment in the Fund.

The Administrator

Swiss Financial Services (Bahamas) Ltd. is acting as administrator of the Fund.

The Auditor

BDO International, Grand Cayman

Reasons to Consider an Investment

Investors in the Fund will obtain certain advantages which may otherwise be unavailable to them if they were to invest in a mutual fund or to engage directly in the investment and trading activities which the Fund employs. Among these are the following:

Management Participation in the Investment The Investment Manager and Mr. Lyniuk are US Persons and therefore restricted from investing in the Fund.

Investment Diversification By pooling investors' funds, the Fund may allow an investor to participate in a portfolio of common stocks, options and other investment vehicles and techniques that are more diversified than those that the investor could maintain in an individual account. But see "Investment Consideration and Risk Factors".

Profit Potential in Declining Markets In contrast to most registered mutual funds, the Fund has the potential to be profitable during periods that stock prices are generally declining due to its ability to sell securities "short" and to trade in options and futures.

Access to Asset Manager Unlike most investors in large registered mutual funds, investors in the Fund will have direct access to the Fund asset managers.

Limited Liability An investor cannot be required to make additional contributions to capital, will not be personally liable for Fund debts and will not be subject to margin calls.

Administrative Convenience The Fund provides the investors with services designed to reduce the administrative details involved in engaging in the types of investment transactions made by the Fund.

Competitive Advantage Arbitrage strategies involving spreads, volatility, and convergence assumptions rely heavily on successful timing and identification of the underlying relationship. The Fund integrates the necessary prerequisites of qualitative human judgment and trading experience (Art & Soul) with quantitative mathematical algorithms and models (Science).

The Fund may enter into a joint back office (JBO) affiliation with a broker-dealer with its clearing firm. This will greatly reduce execution expenses and provide greater flexibility for risk management.

In addition, the Fund's network of contacts and floor based JBO personnel shall generate superior information for its traders. The Fund can pay for order flow when advantageous.

Risk Factors

Investment in the Fund involves significant risks. Each Shareholder should understand that all investments have a risk factor. Therefore, there can be no guarantee against loss resulting from an investment in the Fund and there can be no assurance that the Fund's investment policy will be successful or that its investment objective will be attained. These risks are outlined in the section headed "*Investment Considerations and Risk Factors*" and Shareholders are urged to read this section carefully prior to investing

INVESTMENT OBJECTIVES

Atlantis Capital's investment portfolio emphasizes equity arbitrage strategies involving spreads (Class A vs. Class B intra-company), preferred shares equity arbitrage, and other market-neutral equity strategies such as industry or stock specific pairs trading (dollar and beta weighted). Such strategies typically involve spread positions that are expected to converge to a pre-determined relationship. In addition, the portfolio may incorporate various equity/equity index derivative (i.e. options) arbitrage strategies such as convergence, long/short gamma, and intra-sector spreads.

The Investment Manager utilizes a rigorous and disciplined risk-control system. On a micro level, each position has a defined entry and exit target, usually triggered by a quantitative algorithm or historical mathematical relationship. Each position has a defined risk/reward, defined success probability, worst case scenario, and underlying volatility (turnover) assumption. Each Atlantis trader is allocated a finite amount of capital and will opportunistically prioritize such allocation on an intra-day basis among roughly 30 positions by weighting, on both an absolute and relative basis, the following variables:

- . Probability of Success
- . Risk/Reward Ratio
- . Worst Case Scenario
- . Probability & Frequency Assumptions Regarding Spread
- . Volatility (Turnover)
- . Correlation Matrix of Positions
- . Liquidity
- . Underlying Leverage

Each trader will be given various constraints and parameters regarding positional size, diversification by strategy and industry sector, etc.

On a "macro" level, the entire portfolio is constructed in much the same way. Atlantis' chief investment officer (CIO) dynamically interacts with the dedicated risk manager and the individual traders to optimize systematically the capital allocation in the entire portfolio. The entire portfolio is subject to the same risk controls, constraints, and parameters as are individual traders and positions. Only now, the CIO must consider the portfolio as an aggregation of traders, and the correlation matrix of positions is much more complex.

Typically, equity arbitrage strategies will encompass roughly 70% of the portfolio, equally divided between intra-company spread trades and preferred stock trades. The remaining 30% of the portfolio will focus on options arbitrage. Leverage and cash balances will be determined by the CIO.

The Investment Manager recognizes that the greatest risk to the portfolio is the cost of capital: i.e. allocating capital to equity or options arbitrage trades that do not move. The CIO must direct capital to the optimal strategy, sector, and traders given the current opportunities available in the market.

Competitive Advantage

Arbitrage strategies involving spreads, volatility, and convergence assumptions rely heavily on successful timing and identification of the underlying relationship. The Investment Manager integrates the necessary prerequisites of qualitative human judgment and trading experience (Art & Soul) with quantitative mathematical algorithms and models (Science).

The Investment Manager may enter into a joint back office (JBO) affiliation with a broker-dealer with its clearing firm. This will greatly reduce execution expenses and provide greater flexibility for risk management.

In addition, the Investment Manager's network of contacts and floor based JBO personnel shall generate superior information for its traders. The Investment Manager can pay for order flow when advantageous.

Strategies. In pursuit of the Fund's investment objectives, the Investment Manager currently anticipates using a number of investment vehicles and strategies including the purchase and sale of common and preferred stock, stock options, index options, futures contracts and futures options. It is anticipated that the Fund will at times take short as well as long positions, including simultaneous short and long positions, in stock, option and futures trades.

The Fund's main focus is on Equity Arbitrage and arbitrage convergence trades primarily in the Equity-Fixed income hybrids (convertibles and preferred stocks) and equities markets depending on market conditions and relative risk/reward characteristics. These are not market directional investments or trades, but market neutral. The primary strategy to be utilized will be a relative value and convergence trades with a market timing and value overlay macro model. The Investment Manager intends to invest primarily in fixed income securities and equities of large and medium (mid-cap) capitalization of U.S. companies which the Investment Manager deems to possess the optimal combination of earnings, valuation and growth potential. Such companies will generally include those which the Investment Manager considers undervalued and which have exhibited a recent history of consistent earnings growth, as well as attractive price-to-earnings ratios. Particular emphasis will be placed on those companies whose share price-to-earnings ratios are outpaced by the companies' historical growth rates. Such companies may also include turn-around situations and out-of-favor companies which the Investment Manager believes are oversold and consequently have the highest potential for growth.

Conversely, the Investment Manager intends to sell short the shares of companies which the Investment Manager deems to be overbought and accordingly, substantially overvalued. Such companies will generally be those whose recent and potential growth rates are considerably below current share price-to-earnings ratios.

A percentage of the Fund's assets allocated for these strategies may be invested from time to time in securities of issuers in foreign countries, although the Investment Manager does not anticipate that the Fund's investments in foreign securities will exceed 10% of the Fund's net asset value except in unusual market circumstances. Securities of foreign issuers are generally listed on national exchanges, regional exchanges or in over-the-counter markets. See "Investment Consideration and Risk Factors". The Investment Manager may also from time to time invest in the securities of small-cap companies, including restricted securities of relatively new ventures, if the Investment Manager believes such companies fit its overall growth and earnings profile.

To enhance investment returns as well as hedge its primary portfolio positions, the Fund will from time to time employ the use of various strategies involving hybrid securities and derivatives, stock options, index options, futures contracts and futures options. Such strategies may include the purchase and sale of covered and uncovered stock, index and futures options, as well as combinations and spread positions. The Fund will not invest in any instrument, future, option, commitment or other contract, investment or commodity interest on a stand alone basis that would cause the Investment Manager to be considered a commodity pool operator required to register as such. These instruments are to be used as hedges or as part of a spread.

The Investment Manager reserves the right to alter the Fund investment policy or strategy as deemed appropriate from time to time in its discretion without requiring limited partner approval. However, written notification of such alteration of investment policy or strategy will be provided to Shareholders by the Investment Manager so as to allow Shareholders the opportunity to effect redemptions in advance of such alteration.

Selection. The Investment Manager may from time to time utilize the recommendations of a number of established market consultants and advisers to assist it in its primary investment decisions. Such consultants and advisers use fundamental and/or technical analyses as bases for their recommendations. Fundamental analysis generally includes comparisons of price-to-earnings ratios versus anticipated growth rates, current capitalizations versus book values, and insider buying and selling trends. Technical analysis generally involves the monitoring of moving averages, trendlines, support and resistance areas, and break-out points. The Investment Manager intends to combine market timer recommendations together with its own computer-assisted analysis of the overall market, industry sectors and individual securities to determine short-term and long-term growth potentials and trends.

Cash Positions. The Fund's monies (other than those required for immediate operating expenses) may be invested fully in securities and other investment instruments, may be held fully in cash or cash equivalents, may be partially invested and partially held in cash, or may be fully or partly committed to short positions in securities and similar positions in other investment instruments, as the Investment Manager believes the circumstances warrant.

Diversification and Concentration. The Investment Manager expects diversification of the Fund's securities positions, although the Investment Manager may determine not to seek broad diversification from time to time. The Investment Manager may also determine at times to concentrate Fund investments in securities relating to companies engaged in the same industry or group of industries, however the Investment Manager does not anticipate that the Fund's investment in any one individual issue will exceed 10 % of the Fund's net asset value at the time of the investment.

Authority. The Fund has broad authority to invest, hold, sell, trade, on margin or otherwise, and otherwise deal in foreign and domestic securities, currencies and other intangible investment instruments including, but not necessarily limited to, stocks, bonds, notes, options, futures, futures options, warrants, mutual funds, rights and other government, agency and privately issued securities and instruments. The Fund has the power to sell securities "short" (selling them without owning them) by borrowing securities from a securities brokerage firm for delivery on sale and subsequently covering the short positions (that is, returning the borrowed securities) when and as the Investment Manager considers appropriate, by purchasing a like number of such securities in the market.

The Investment Manager has the authority to lend money or securities, or to borrow money or securities, and to give security therefore upon such terms as the Investment Manager deems proper, for the benefit of the Fund. The Investment Manager may also hold, mortgage, pledge, sell, exchange or otherwise dispose of the Fund's securities or cash.

The Fund may engage in leverage by way of a joint back office ("JBO") arrangement with a qualified clearing broker, such broker-dealer would be exempt from the margin requirements of Regulation T of the Federal Reserve Board. This will enable such broker-dealer to employ sophisticated trading strategies at margin levels which are not available to public investors.

The Fund will not invest in real estate or in cash commodities. The Fund may, from time to time, invest in securities of a company that would constitute more than 5% of a class of the outstanding stock of that company. The Fund also limits the amount of illiquid "restricted" securities and other investments that are not readily marketable that may be made by the Fund to 20% of the Fund's net asset value at the time of the investment.

The Fund may invest and/or establish subsidiaries which shall become registered as broker-dealers with the Securities and Exchange Commission. Such broker-dealers, like most broker-dealers, shall be subject to stringent regulation in the conduct of their businesses by government agencies and industry self-regulatory bodies. Although the Fund shall not register as a broker-dealer, it may be required to register with certain U.S. Securities Exchanges or associations as an "Approved Person Organization" and shall be affected by the Constitution and Rules of such self-regulatory organizations (SROs) and any other SRO in which such broker-dealer is a member.

The securities industry is more highly regulated than most other industries. Pursuant to this authority under the Securities Exchange Act of 1934 (the "Exchange Act"), the Securities and Exchange Commission will have jurisdiction over all broker-dealers with which the Fund is affiliated by full or part ownership with respect to net capital, personnel, reporting, and record-keeping requirements as well as such broker-dealer's business practices. The Fund's subsidiaries will also be subject to the various anti-fraud provisions of the Exchange Act and the rules adopted there under by the Securities and Exchange Commission as well as the anti-fraud provisions of the Securities Act and the rules under the securities laws of certain states. These regulations are intended primarily to benefit those with whom the broker-dealer affiliate does business, rather than its members. The broker-dealers, with which the Fund is affiliated by full or part ownership, will be subject to both scheduled and unscheduled examinations by the Securities and Exchange Commission and the SRO's.

Violation of any of these and other rules, regulations, or statutory provisions by such broker-dealers or their employees could lead to the imposition of penalties such as censure, fine, suspension, or revocation of the broker-dealers rights to engage in the securities business or the rights of its employees to engage in such business. Moreover, the Fund's subsidiaries could incur significant expense in defending against any investigation or proceeding which might be instituted against the Fund or one of its employees.

Such broker-dealers with which the Fund is affiliated by full or part ownership shall be subject to SEC Rule 15c3-1 under the 1934 Act (the "Net Capital Rule"). The Net Capital Rule imposes uniform capital requirements on brokers and dealers or firms engaged in the securities business. The Net Capital Rule is unique to the securities industry and imposes financial restrictions on broker-dealers which are more severe than those imposed by applicable law on other types of businesses. Compliance with the Net Capital Rule will limit the extent of a broker-dealers' operations requiring the use of its capital. Furthermore, compliance with the rule may restrict or even preclude the Fund's broker-dealer affiliates from allowing investors of the Fund redeeming

Shares from the Fund pursuant to SEC Rule 15c3-1.

Although the Fund does not intend to be a registered broker-dealer or member of U.S. securities exchanges or self-regulatory organizations, any broker-dealer affiliates established by the Fund shall be members of a U.S. securities exchange or association and shall be subject to capital withdrawal restrictions. Without the prior written approval of such exchange or association, the capital contribution of any owner of a broker-dealer affiliate, including the Fund, may not be redeemed on less than six months written notice of redemption given no sooner than six months after such contribution was first made, and in no event shall the capital contribution of any Partner be redeemed if prohibited under the provisions of SEC Rule 15c3-1. Any subsidiary of the Fund which is a member of a U.S. securities exchange association shall be required to promptly notify the exchange of the receipt of any notice of redemption of any part of an owner's capital contribution or if any redemption is not made because prohibited under the provisions of SEC Rule 15c3-1(e), the *net capital* requirement being one year. Restrictions on redemption by a broker-dealer affiliate may affect the ability to redeem Shares. It should be noted, however, that the U.S. securities exchanges and associations may permit redemptions on less than six months notice, provided that the broker-dealer firm is solvent and such redemption would not cause injury to the public, the Exchange, or its members.

Margin Regulations. Regulation T, promulgated by the Federal Reserve Board and enforced by the SEC, governs the extension of credit by a broker-dealer to a customer. For purposes of Regulation T, a dealer which clears its transactions through another broker-dealer is a customer of that broker-dealer. Since broker-dealer affiliates of the Fund may enter in a joint back office relationship with a registered clearing broker, it will be exempt from the margin requirements of Regulation T. Changes in the law affecting joint back office arrangements could dramatically and adversely affect the proposed business of a broker-dealer affiliate.

NO ASSURANCE CAN BE GIVEN THAT THE FUND WILL ACHIEVE ITS INVESTMENT OBJECTIVE.

NO ASSURANCE CAN BE GIVEN THAT ANY OF THESE DISCIPLINES WILL BE PROFITABLE OR THAT ANY FUND INVESTMENT SELECTED BY THE INVESTMENT MANAGER WILL ACHIEVE ITS INVESTMENT OBJECTIVES.

INVESTMENT MANAGER

Atlantis Capital Markets NA, LLC (the "Investment Manager"), serves as the Fund's investment manager and is responsible for investment management decisions.

The Investment Manager will be responsible for all investment activities with respect to the Fund. This process shall include identifying, evaluating, and monitoring existing investments and potential investments. See "Potential Conflicts of Interest" regarding certain potential conflicts of interest involved in management of the Fund.

Recognizing the importance of the different elements of the investment process, the Investment Manager relies on the experience and background of its key investment professionals whose backgrounds are provided below.

Roman Lyniuk: Managing Partner Mr. Lyniuk graduated from American University, Washington, D.C., in 1978 with a Bachelor of Science Degree in Economics and Government. He subsequently received his Master of Arts Degree in Economics and International Relations from Johns Hopkins University in 1982. Mr. Lyniuk ran the money market desk at Citibank Vienna Austria from 1982 until 1985. Credit Suisse New York employed Mr. Lyniuk as Senior Chief Dealer in their Foreign Exchange and Money Markets derivatives department from 1987 until 1989. In July of 1989 he accepted the position of Vice President Chief Dealer Money Markets for Hong Kong Bank and Midland Bank. In February 1994 Roman Lyniuk accepted the position of Vice President with Greenwich Capital Markets as a proprietary trader in the Foreign Exchange and Fixed Income arbitrage area. Mr. Lyniuk left Greenwich Capital in 1995 to establish Atlantis Capital Markets NA, L.L.C., the Investment Manager. While still at Atlantis, Mr. Lyniuk worked at Cantor Fitzgerald from March 1999 until March 2000 as Vice President, Manager Futures & Derivatives Department and in addition worked with the Asset Management Group, developing hedge funds, fund of funds program, fixed-income arbitrage fund, and note program.

Other Activities. The Investment Manager and Mr. Lyniuk intend to devote as large a portion of their business time to Fund activities as they deem necessary. Without limiting the generality of the foregoing, the Investment Manager and such other persons may act as an investment adviser or investment manager for others, may act as a "finder" in the raising of capital for others, may manage funds or capital for others, may have, make and maintain investments in their own names or through other entities, and may serve as an officer, director, consultant, partner or stockholder of one or more investment funds, partnerships~ securities firms or advisory firms. It may not always be possible or consistent with the investment objectives of the various persons described above and of the Fund for the same investment positions to be taken or liquidated at the same time or at the same price.

INVESTMENT CONSIDERATIONS AND RISK FACTORS

All investments risk the loss of capital. No guarantee or representation is made that the Fund will achieve its investment objective. The Fund may utilize high risk securities including low credit quality and distressed securities, which may be illiquid, and may utilize highly speculative investment techniques including short-selling, investing in non-US securities, high leverage, futures, swaps and notional principal contracts, currency speculation, short-sales and uncovered option transactions. Accordingly, an investment in the Fund is speculative and involves considerations and risk factors which prospective investors should consider before subscribing. An investment in the Fund should form only a part of a complete investment program and an investor must be able to bear the loss of its entire investment. In addition, prospective investors should consult their own tax advisors regarding the potential tax consequences of the Fund's activities and investments.

Investment Practices and Portfolio Risks

INVESTMENT RISKS IN GENERAL

The Fund may use transactions involving swaps and notional principal contracts, commodity futures and commodity option contracts and may utilize such investment techniques such as short-sales, leverage, uncovered option transactions, workouts, illiquid securities, non-US securities and attendant currency exchange transactions and highly concentrated portfolios, among others, which present substantial investment risks and could in certain circumstances magnify the impact of any market or investment developments. In general, neither the Fund nor the Investment Manager will have the ability to direct or influence the management of these assets or the investment of their assets. If the Fund receives distributions in kind from any of the assets, it will incur additional costs and risks to dispose of such assets.

BUSINESS RISKS

The Fund will invest substantially all of its available capital (other than capital the Investment Manager determines to retain in cash or cash equivalents) in securities and other intangible investment instruments. While most of these instruments are traded in public markets, markets for such instruments in general are subject to fluctuations and the market value of any particular investment may be subject to substantial variation. In addition, such securities may be issued by unseasoned companies and may be highly speculative. No assurance can be given that the Fund's investment portfolio will generate any income or will appreciate in value.

ECONOMIC CONDITIONS

Changes in economic conditions, including, for example, interest rates, inflation rates, industry conditions, competition, technological developments, political and diplomatic events and trends, tax laws and innumerable other factors, can affect substantially and adversely the business and prospects of the Fund. None of these conditions are within the control of the Investment Manager, and no assurances can be given that the Investment Manager will anticipate these

developments.

NO CONTROL OVER PORTFOLIO ISSUERS

The Fund may from time to time acquire substantial positions in the securities of particular companies. Nevertheless, the Fund is not likely to obtain representation on the board of directors and will not take any control over the management of any company in which the Fund may invest and the success of each investment will depend on the ability and success of the management of the issuers in addition to economic and market factors.

LIMITED DIVERSIFICATION

No minimum level of capital is required to be maintained by the Fund. As a result of subsequent losses or redemptions, the Fund may not have sufficient funds to diversify its investments to the extent desired or currently contemplated by the Investment Manager. More generally, the Investment Manager does not intend or expect to diversify the Fund's portfolio over various asset classes. No standards have been established to limit the concentration of the Fund's portfolio. The degree of the market risk to which the Fund is exposed will be inversely proportional to the degree to which the Fund's portfolio is diversified.

PORTFOLIO VALUATION

Interests in Fund assets will generally be valued in accordance with accepted methods for securities and instruments included in the Fund asset. These valuations may be provided based on interim unaudited financial statements. Accordingly, these figures may be subject to an upward or downward adjustment following the auditing of such financial records. If a Shareholder redeems Shares from the Fund, subsequent valuation adjustments to Fund assets may occur and there is a risk that such Shareholder may receive an amount upon redemption which is greater or less than the amount such Shareholder would have been entitled to have received on the basis of the adjusted valuation.

LOW CREDIT QUALITY SECURITIES

The Fund may invest in particularly risky investments that also may offer the potential for correspondingly high returns. As a result, the Fund may lose all or substantially all of its investment in any particular instance, which would have an adverse effect on the Fund. In addition, there is no minimum credit standard which is a prerequisite to the Fund's acquisition of any security, and the debt securities in which the Fund is permitted to invest will be less than investment grade and may be considered to be "junk bonds." Securities in which the Fund may invest may rank junior to other outstanding securities and obligations of the issuer, all or a significant portion of whose debt securities may be secured by substantially all of the issuer's assets. Moreover, the Fund may invest in securities which are not protected by financial covenants or limitations on additional indebtedness.

DERIVATIVES

The Fund may utilize derivative instruments. These investments are all subject to additional risks

that can result in a loss of all or part of an investment. Such risks include interest rate risk, credit risk, volatility risk, world and local market price and demand, and general economic factors and activity.

CONCENTRATION

Because the Fund has the ability to concentrate its investments by investing an unlimited amount of its assets in a single issuer or industry, the overall adverse impact on the Fund of adverse movements in the value of the securities of a single issuer or industry will be considerably greater than if the Fund were not permitted to concentrate its investments to such an extent.

ILLIQUID INVESTMENTS

The Fund may make investments which are subject to legal or other restrictions on transfer or for which no liquid market exists. The market prices, if any, of such investments tend to be more volatile and the Fund may not be able to sell them when they desire to do so or to realize what they perceive to be their fair value in the event of a sale. Moreover, securities in which the Fund may invest include those that are not listed on a stock exchange or traded in an over-the-counter market. As a result of the absence of a public trading market for these securities, they may be less liquid than publicly traded securities. The Fund may encounter substantial delays in attempting to sell non-publicly traded securities. Although these securities may be resold in privately negotiated transactions, the prices realized from these sales could be less than those originally paid by the Fund. Further, companies whose securities are not publicly traded are not subject to the disclosure and other investor protection requirements which would be applicable if their securities were publicly traded.

LEVERAGING BY FUND

The Fund may engage in various forms of leverage, and the Fund does not limit the use of leverage by individual Fund assets or Fund assets in the aggregate. Leverage may include both investments in derivatives as well as direct borrowings. To the extent that the Fund uses leverage, the value of its net assets will tend to increase or decrease at a greater rate than if no leverage were employed. If income and appreciation on investments made with borrowed funds are less than the required interest payments on the borrowings, the value of the Fund's net assets will decrease. Accordingly, any event which adversely affects the value of an investment by the Fund would be magnified to the extent that such investment is leveraged. Leverage has a similar effect on investments themselves to the extent the issuer is leveraged, and can also affect their cash flow and operating results.

The cumulative effect of the use of leverage by the Fund in a market that moves adversely to the Fund could result in a substantial loss to the Fund which would be greater than if the Fund were not leveraged. As a result, if the Fund's losses were to exceed the amount of capital invested, the Fund could lose its entire investment. In addition, the Fund itself may use leverage to manage its liquidity needs. These leverage transactions by the Fund would be in addition to any leverage

transactions of Fund assets and are not limited by the amount, if any, by which Fund assets are leveraged or by leverage incurred by the Fund in connection with its hedging transactions.

SHORT-SELLING

The Fund may engage in short-selling. Short-selling involves selling securities which may or may not be owned and borrowing the same securities for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short-selling allows the investor to profit from declines in market prices to the extent such decline exceeds the transaction costs and the costs of borrowing the securities. However, since the borrowed securities must be replaced by purchases at market prices in order to close out the short position, any appreciation in the price of the borrowed securities would result in a loss. Purchasing securities to close out the short position can itself cause the price of the securities to rise further, thereby exacerbating the loss.

OPTION TRANSACTIONS

The Fund may engage in option transactions. The purchase or sale of an option involves the payment or receipt of a premium payment by the investor and the corresponding right or obligation, as the case may be, to either purchase or sell the underlying security or other instrument for a specific price at a certain time or during a certain period. Purchasing options involves the risk that the underlying instrument does not change price in the manner expected, so that the option expires worthless and the investor loses its premium. Selling options, on the other hand, involves potentially greater risk because the investor is exposed to the extent of the actual price movement in the underlying security in excess of the premium payment received. Over-the-counter options also involve counterparty solvency risk.

RISKS OF ARBITRAGE TRANSACTIONS

The results of the Fund's operations may be expected to fluctuate from month to month and from period to period because of the inherently speculative nature of risk arbitrage transactions.

In this activity, if and when the Investment Manager determines that it is probable that a proposed transaction will be consummated, the Fund will purchase securities at prices often only slightly below the anticipated value to be paid or exchanged for the securities in the proposed merger, exchange offer, cash tender offer or other similar transaction. The purchase price to the Fund may be substantially above the prices at which such securities traded immediately prior to the announcement of such merger, exchange offer, cash tender offer or other similar transaction. If the proposed merger, exchange offer, cash tender offer or other similar transaction appears likely not to be consummated or in fact is not consummated or is delayed, the market price of the security to be tendered or exchanged may, and likely will, decline sharply by an amount greater than the difference between the Fund's purchase price and the anticipated consideration to be paid. In addition, where a security to be issued in a merger or exchange offer has been sold short in the expectation that the short position will be covered by delivery of such security when issued, failure of the merger or exchange offer to be consummated may force the Fund to cover its short sale, with a resulting, and perhaps significant, loss.

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OFFER BY

ATLANTIS CAPITAL MARKETS CAYMAN LDC

(An exempted limited duration company established under the laws of the Cayman Islands)

relating to an offering of Participating Shares each at an
offering price of US\$1,000 per Share
payable in full upon application

No copy of this Offering Memorandum has been registered in any jurisdiction in connection with
the offering of the Shares.

December
November, 2005

This Offering Memorandum is distributed on a confidential basis in connection with a private offering of Shares of Atlantis Capital Markets Cayman LDC, none of which will be issued to any person other than a person to whom a copy of this Offering Memorandum is sent. No person receiving a copy of this Offering Memorandum in any territory may treat the same as constituting an offer to him, unless in the relevant territory such an offer could lawfully be made to him without compliance with any registration or other legal requirements.

The contents of this Offering Memorandum are not to be construed as a recommendation or advice to any prospective investor in relation to the subscription, purchase, holding or disposition of Shares. Prospective investors should consult their professional advisers accordingly.



This document contains certain particulars of the Fund for the purpose of giving information to the recipients hereof. The Participating Shares are offered on the basis of the information and representations contained in this Offering Memorandum. Any other information given or representations made by any person must be regarded as unauthorized. Any distribution or reproduction of all or any part of this Offering Memorandum, or the divulgence of its contents other than as specifically set forth herein, is unauthorized.

The Directors of the Fund, collectively and individually, accept full responsibility for the accuracy of the information contained in this Offering Memorandum and confirm having made reasonable enquiry, that to the best of their knowledge and belief there are no facts the omission of which would make any statement within this Offering Memorandum misleading.

SIGNIFICANT INFORMATION

Capitalized terms not otherwise defined herein have the meanings ascribed to them in the Memorandum and Articles of Association, copies of which will be made available to each prospective investor upon request. This Offering Memorandum does not purport to be, and should not be construed as, a complete description of the Memorandum and Articles of Association. The Memorandum and Articles of Association should be reviewed for complete information concerning the rights, privileges and obligations of the Shareholders.

The Shares being offered hereby have not been approved by the United States Securities and Exchange Commission ("SEC"), the Cayman Islands Monetary Authority ("CIMA") or any other governmental authority and neither the SEC, CIMA or any such other authority has passed upon the accuracy or adequacy of this Offering Memorandum. Any representation to the contrary is a criminal offense. It is anticipated that the offering and sale of the Shares will be exempt from registration under the United States Securities Act of 1933, as amended and the various state securities laws and that the Fund will not be registered as an investment company under the United States Investment Company act of 1940, as amended.

Investment in the Shares is speculative and involves significant risk. Investors should understand such risks and have the financial ability and willingness to accept them for an extended period of time. An investment should form only a part of a complete investment program and an investor must be able to bear the loss of its entire investment. See "Investment Considerations and Risks Factors."

Certain information contained in this Offering Memorandum may constitute "forward-looking statements", which can be identified by the use of forward-looking terminology such as "may", "will", "should", "expect", "anticipate", "estimate", "intend", or "believe" or the negatives thereof or other variations thereon or comparable terminology. Due to various risks and uncertainties, including those described in "Investment Considerations and Risks Factors", actual events or results or the actual performance of the Fund may differ materially from those reflected or contemplated in such forward-looking statements.

Potential subscribers of Shares should inform themselves as to (a) the possible tax consequences,

(b) the legal requirements and (c) any foreign exchange restrictions or exchange control requirements which they might encounter under the laws of the countries of their citizenship, residence, incorporation or domicile and which might be relevant to the subscription, holding or disposal of Shares. In making a decision whether to invest in Shares of the Fund, investors must rely on their own examination of the person or entity creating the securities and the terms of the offering, including the merits and risks involved. No information or advice herein contained shall constitute advice to a prospective shareholder in respect of his personal position.

No action has been taken to permit the distribution of this Offering Memorandum or the offering of Shares in any jurisdiction where action would be required for such purpose. The distribution of this Offering Memorandum and the offering of Participating Shares may be wholly or partly restricted in certain jurisdictions. It is the responsibility of any persons in possession of this Offering Memorandum and any persons wishing to make application for Participating Shares on the basis of or pursuant to this Offering Memorandum to inform themselves of and to observe fully the applicable laws and regulations of any relevant jurisdiction.

This Offering Memorandum does not constitute an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation or is unlawful without compliance with additional registration or filing requirements. In particular, the Participating Shares have not been registered under the United States Securities Act of 1933 and, other than in certain circumstances, may not be directly or indirectly offered or sold in the United States or to or for the benefit of U.S. persons, or to others purchasing the Participating Shares for re-offering, resale or delivery directly or indirectly in the United States, or to or for the benefit of any such persons. Ownership of Shares by any such person may cause the Fund to redeem compulsorily any Shares held.

The Directors accept no responsibility for, and are not obliged to ascertain whether or not such any person owning any Participating Shares would result in breach of any such law or requirement or bring about any such disadvantage.

Statements made in this Offering Memorandum are based on the law and practice in force at the date hereof and are subject to changes therein. During the course of this offering and prior to sale, each offeree of Shares and its offeree representative(s), if any, are invited to question the Fund concerning the terms and conditions of the offering and to obtain additional information, to the extent the Fund has such information or can acquire it without unreasonable expense or effort, concerning this offering or to verify the accuracy of information contained in this Offering Memorandum. Any information given or representation made by any dealer, salesman or other person and not contained herein should be regarded as unauthorized and, accordingly, should not be relied upon. Neither the delivery of this Offering Memorandum nor the offer, issue or sale of Shares shall, under any circumstances, constitute a representation that the information contained in this Offering Memorandum is correct as of any time subsequent to the date hereof.

There will not be any public market for the Shares, and there is no obligation on the part of any person to register the Shares under any securities laws. The Memorandum and Articles of Association provide for restrictions on dealing with Shares.

NOTICE TO RESIDENTS OF ARGENTINA

THIS MEMORANDUM IS HIGHLY CONFIDENTIAL AND HAS BEEN PREPARED SOLELY FOR USE IN CONNECTION WITH THE PRIVATE PLACEMENT OF THE INTERESTS. THIS MEMORANDUM IS PERSONAL TO THE RECIPIENT AND DOES NOT CONSTITUTE AN OFFER TO ANY OTHER PERSON OR TO THE PUBLIC GENERALLY TO PURCHASE THE INTERESTS UNDER APPLICABLE ARGENTINEAN LAWS. DISTRIBUTION OF THIS MEMORANDUM TO ANY PERSONS OTHER THAN TO THOSE, IF ANY, RETAINED TO ADVISE THE RECIPIENT IN RESPECT THERETO, IS UNAUTHORIZED AND ANY DISCLOSURE OF ANY OF ITS CONTENTS, WITHOUT PRIOR WRITTEN CONSENT IS PROHIBITED. BY ACCEPTING DELIVERY OF THIS MEMORANDUM THE RECIPIENT AGREES TO THE FOREGOING AND TO MAKE NO FURTHER COPIES OF THIS MEMORANDUM OR ANY DOCUMENTS REFERRED TO HEREIN, AND, IF THE RECIPIENT DOES NOT PURCHASE THE INTERESTS OR THE OFFERING IS TERMINATED, TO RETURN THIS MEMORANDUM AND ALL DOCUMENTS REFERRED TO HEREIN.

NOTICE TO RESIDENTS OF AUSTRALIA

THIS MEMORANDUM HAS NOT BEEN, AND WILL NOT BE, LODGED WITH THE AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION ("ASIC"). ANY INVITATION IN AUSTRALIA TO ACQUIRE AN INTEREST WILL BE AN OFFER THAT DOES NOT NEED DISCLOSURE FOR THE PURPOSES OF SECTION 708 OR PART 7.9 OF THE CORPORATIONS ACT 2001. IF THE RECIPIENT RECEIVES THIS MEMORANDUM IN AUSTRALIA, BY RETAINING THE MEMORANDUM, THE RECIPIENT REPRESENTS THAT IT IS (A) A SOPHISTICATED INVESTOR UNDER SECTION 708(8) OF THE CORPORATIONS ACT 2001, A PROFESSIONAL INVESTOR UNDER SECTION 708(11) OF THE CORPORATIONS ACT 2001 OR BOTH, AND (B) A WHOLESALE CLIENT UNDER SECTION 761G(4) OF THE CORPORATIONS ACT 2001.

EACH RECIPIENT (REGARDLESS OF WHERE THE MEMORANDUM IS RECEIVED) CONFIRMS THAT IT DOES NOT HAVE A PRESENT RESALE INTENTION BUT SHOULD IT WISH TO ON-SELL ITS INTEREST WITHIN 12 MONTHS OF ISSUE IN AUSTRALIA TO A PERSON OTHER THAN A PERSON WHO IS (A) A "SOPHISTICATED INVESTOR" OR "PROFESSIONAL INVESTOR"; AND (B) A "WHOLESALE CLIENT" IT MAY BE REQUIRED TO LODGE A DISCLOSURE DOCUMENT WITH THE ASIC

NOTICE TO RESIDENTS OF AUSTRIA

THIS MEMORANDUM HAS BEEN PRODUCED FOR THE SOLE PURPOSE OF PROVIDING INFORMATION ABOUT THE INTERESTS DESCRIBED HEREIN TO A LIMITED NUMBER OF SOPHISTICATED INVESTORS IN AUSTRIA. THIS MEMORANDUM IS MADE AVAILABLE ON THE CONDITION THAT IT IS FOR USE ONLY BY THE RECIPIENT AS A SOPHISTICATED AND POTENTIAL INVESTOR AND MAY NOT BE PASSED ON TO ANY OTHER PERSON OR REPRODUCED IN WHOLE OR PART. THIS MEMORANDUM DOES NOT CONSTITUTE A PUBLIC OFFERING IN AUSTRIA AND, THEREFORE, THE PROVISIONS OF THE INVESTMENT FUND ACT OF 1993 (INVESTMENTFONDSGESETZ 1993) AND OF THE CAPITAL MARKETS ACT OF

1991 (KAPITALMARKETGESETZ 1991) DO NOT APPLY.

NOTICE TO RESIDENTS OF THE BAHAMAS

NO INVITATION WILL BE MADE TO THE PUBLIC OF THE BAHAMAS TO SUBSCRIBE FOR THE INTERESTS OFFERED BY THIS MEMORANDUM.

NOTICE TO RESIDENTS OF BAHRAIN

ALL APPLICATIONS FOR INVESTMENT SHOULD BE RECEIVED AND ANY ALLOTMENTS MADE FROM OUTSIDE BAHRAIN. NO OFFER WILL BE MADE IN BAHRAIN TO THE PUBLIC TO PURCHASE THE INTERESTS.

NOTICE TO RESIDENTS OF BELGIUM

THE INTERESTS IN THE FUND MAY NOT BE OFFERED, SOLD, TRANSFERRED OR DELIVERED IN OR FROM BELGIUM AS PART OF THEIR INITIAL DISTRIBUTION OR AT ANY TIME THEREAFTER, DIRECTLY OR INDIRECTLY, OTHER THAN TO PERSONS OR ENTITIES MENTIONED IN ARTICLE 3.2 OF THE ROYAL DECREE OF JULY 7, 1999 RELATING TO THE PUBLIC CHARACTERISTICS OF FINANCIAL OPERATIONS (BELGIAN OFFICIAL JOURNAL OF AUGUST 17, 1999). THEREFORE THE INTERESTS ARE EXCLUSIVELY DESIGNED FOR CREDIT INSTITUTIONS, INVESTMENT FIRMS, COLLECTIVE INVESTMENT UNDERTAKINGS, INSURANCE COMPANIES, REINSURANCE COMPANIES, PENSION FUNDS, LISTED COMPANIES WITH CONSOLIDATED ASSETS OF AT LEAST EUR 25 MILLION, CO-ORDINATION CENTRES, THE STATE, REGION AND COMMUNITIES, THE EUROPEAN CENTRAL BANK, THE NATIONAL BANK OF BELGIUM, THE FONDS DES RENTES, THE FONDS DE PROTECTION DES DÉPÔTS ET INSTRUMENTS FINANCIERS, AND THE CAISSE DES DÉPÔTS ET CONSIGNATIONS, THE SO-CALLED SOCIÉTÉS DE CAPITALISATION/KAPITALISATIEONDERNEMINGEN REGULATED UNDER THE ROYAL DECREE N° 43 OF 15 DECEMBER 1934, HOLDING COMPANIES AND FOREIGN INVESTMENT COMPANIES INVESTING IN DEBT SECURITIES OR IN COLLECTIVE INVESTMENT UNDERTAKINGS, AND WHOSE SECURITIES, TO THE EXTENT THAT THEY ARE ISSUED IN BELGIUM, ARE PLACED ONLY WITH INSTITUTIONALS MENTIONED BEFORE.

NOTICE TO RESIDENTS OF BRAZIL

THE INTERESTS DESCRIBED IN THIS MEMORANDUM HAVE NOT BEEN, AND WILL NOT BE, REGISTERED WITH THE COMISSAO DE VALORES MOBILIARIOS, THE BRAZILIAN SECURITIES COMMISSION. NO OFFER OR SALE OF THE INTERESTS MAY BE MADE IN BRAZIL, EXCEPT UNDER CIRCUMSTANCES THAT DO NOT CONSTITUTE A PUBLIC OFFERING OR DISTRIBUTION UNDER BRAZILIAN LAWS AND REGULATIONS.

NOTICE TO RESIDENTS OF THE CAYMAN ISLANDS

NO INVITATION WILL BE MADE TO THE PUBLIC OF THE CAYMAN ISLANDS TO SUBSCRIBE FOR THE INTERESTS OFFERED BY THIS MEMORANDUM.

NOTICE TO THE RESIDENTS OF CHILE

THIS IS NOT A PUBLIC OFFERING IN CHILE AND HAS NOT BEEN REGISTERED WITH THE SUPERINTENDENCY OF SECURITIES. THE OFFERING IS MADE ON A STRICTLY PRIVATE BASIS TO MORE THAN THE NUMBER OF PERSONS PERMITTED BY APPLICABLE LAW.

NOTICE TO RESIDENTS OF FINLAND

THIS MEMORANDUM HAS BEEN PREPARED FOR PRIVATE INFORMATION PURPOSES OF INTERESTED INVESTORS ONLY. IT MAY NOT BE USED FOR AND SHALL NOT BE DEEMED A PUBLIC OFFERING OF SECURITIES. THE RAHOITUSTARKASTUS HAS NOT AUTHORISED ANY OFFERING OR THE SUBSCRIPTION OF INTERESTS IN THE FUND; ACCORDINGLY, INTERESTS MAY NOT BE OFFERED OR SOLD IN FINLAND OR TO RESIDENTS THEREOF EXCEPT AS PERMITTED BY FINNISH LAW. THIS MEMORANDUM IS STRICTLY FOR PRIVATE USE BY ITS HOLDER AND MAY NOT BE PASSED ON TO THIRD PARTIES.

NOTICE TO RESIDENTS OF FRANCE

THE INTERESTS DESCRIBED IN THIS MEMORANDUM MAY NOT BE DIRECTLY OR INDIRECTLY OFFERED OR SOLD TO THE PUBLIC IN FRANCE AND OFFERS AND SALES OF THE INTERESTS WILL ONLY BE MADE IN FRANCE TO QUALIFIED INVESTORS OR TO A CLOSE CIRCLE OF INVESTORS, IN ACCORDANCE WITH ARTICLE L.411-2 OF THE FRENCH FINANCIAL AND MONETARY CODE (CODE MONETAIRE ET FINANCIER) AS AMENDED, AND DECREE NO. 98-880 DATED 1 OCTOBER 1998. ACCORDINGLY, THIS MEMORANDUM HAS NOT BEEN SUBMITTED TO THE CLEARANCE PROCEDURE OF THE COMMISSION DES OPERATIONS DE BOURSE. NEITHER THIS MEMORANDUM NOR ANY OFFERING MATERIALS MAY BE DISTRIBUTED TO THE PUBLIC IN FRANCE. INVESTORS IN FRANCE MAY ONLY PARTICIPATE IN THE ISSUE OF THE INTERESTS FOR THEIR OWN ACCOUNT IN ACCORDANCE WITH THE CONDITIONS SET OUT IN DECREE NO. 98-880. THE INTERESTS MAY ONLY BE ISSUED, DIRECTLY OR INDIRECTLY, TO THE PUBLIC IN FRANCE IN ACCORDANCE WITH ARTICLES L.411-2 AND L.621-8 OF THE FRENCH FINANCIAL AND MONETARY CODE (CODE MONETAIRE ET FINANCIER). WHERE AN ISSUE OF SECURITIES IS EFFECTED AS AN EXCEPTION TO THE RULES RELATING TO THE "APEL PUBLIC A L'EPARGNE" IN FRANCE (PUBLIC OFFER RULES) BY WAY OF AN OFFER TO RESTRICTED CIRCLE OF MORE THAN 100 INVESTORS, SUCH INVESTORS MUST PROVIDE CERTIFICATION AS TO THEIR PERSONAL, PROFESSIONAL OR FAMILY RELATIONSHIP WITH A MEMBER OF THE MANAGEMENT OF THE ISSUER.

NOTICE TO RESIDENTS OF GERMANY

THE INTERESTS MAY ONLY BE ACQUIRED IN ACCORDANCE WITH GERMAN LAW. THE INTERESTS ARE NOT REGISTERED OR AUTHORISED FOR PUBLIC DISTRIBUTION AND ACCORDINGLY MAY NOT BE, AND ARE NOT BEING, OFFERED OR ADVERTISED PUBLICLY OR OFFERED SIMILARLY. THEREFORE THIS OFFER IS ONLY BEING MADE TO RECIPIENTS TO WHOM THIS MEMORANDUM IS

PERSONALLY ADDRESSED AND DOES NOT CONSTITUTE AN OFFER OR ADVERTISEMENT TO THE PUBLIC.

NOTICE TO RESIDENTS OF GREECE

THIS MEMORANDUM AND THE INTERESTS TO WHICH IT RELATES AND ANY OTHER MATERIAL RELATED THERETO MAY NOT BE ADVERTISED, DISTRIBUTED OR OTHERWISE MADE AVAILABLE TO THE PUBLIC IN GREECE. THIS MEMORANDUM HAS NOT BEEN APPROVED BY THE GREEK CAPITAL MARKET COMMITTEE FOR DISTRIBUTION IN GREECE. FUNDS DO NOT HAVE A GUARANTEED PERFORMANCE AND PAST RETURNS DO NOT GUARANTEE FUTURE RETURNS.

NOTICE TO RESIDENTS OF HONG KONG

THIS MEMORANDUM HAS NOT BEEN DELIVERED FOR REGISTRATION TO THE REGISTRAR OF COMPANIES IN HONG KONG AND, ACCORDINGLY, MUST NOT BE ISSUED, CIRCULATED OR DISTRIBUTED IN HONG KONG OTHER THAN TO PERSONS WHOSE ORDINARY BUSINESS IT IS TO BUY OR SELL SHARES OR DEBENTURES, WHETHER AS PRINCIPAL OR AGENT, WITHIN THE MEANING OF THE HONG KONG COMPANIES ORDINANCE ("THE ORDINANCE") OR IN CIRCUMSTANCES WHICH DO NOT CONSTITUTE AN OFFER TO THE PUBLIC FOR THE PURPOSES OF THE ORDINANCE. UNLESS PERMITTED BY THE SECURITIES LAWS OF HONG KONG, NO PERSON MAY ISSUE OR CAUSE TO BE ISSUED IN HONG KONG THIS MEMORANDUM OR ANY AMENDMENT OR SUPPLEMENT HERETO OR OTHER INVITATION, ADVERTISEMENT OR DOCUMENT RELATING TO THE INTERESTS TO ANYONE OTHER THAN A PERSON WHOSE BUSINESS INVOLVES THE ACQUISITION, DISPOSAL OR HOLDING OF SECURITIES, WHETHER AS PRINCIPAL OR AGENT.

NOTICE TO RESIDENTS OF INDIA

THE INTERESTS IN THE FUND ARE NOT BEING OFFERED TO THE INDIAN PUBLIC FOR SALE OR SUBSCRIPTION BUT ARE BEING PRIVATELY PLACED WITH A LIMITED NUMBER OF SOPHISTICATED PRIVATE AND INSTITUTIONAL INVESTORS (NOT EXCEEDING FORTY NINE) AND IS NOT CALCULATED TO RESULT DIRECTLY OR INDIRECTLY IN THE INTERESTS BECOMING AVAILABLE FOR SUBSCRIPTION BY PERSONS OTHER THAN THOSE RECEIVING THE OFFER OR INVITATION. THE FUND IS NOT REGISTERED AND/OR APPROVED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA OR ANY OTHER GOVERNMENTAL AUTHORITY. THIS MEMORANDUM HAS NOT BEEN FILED WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA OR ANY OTHER GOVERNMENTAL AUTHORITY PURSUANT TO THE FOREIGN EXCHANGE MANAGEMENT ACT, 1999 AND THE REGULATIONS FRAMED THEREUNDER. ANY INVESTOR WHO IS A PERSON RESIDENT IN INDIA MUST OBTAIN THE PERMISSION OF THE RESERVE BANK OF INDIA BEFORE MAKING INVESTMENTS OUTSIDE OF INDIA, INCLUDING ANY INVESTMENT IN THE FUND.

NOTICE TO RESIDENTS OF INDONESIA

THE INTERESTS ARE NOT TO BE OFFERED, SOLD OR TRANSFERRED NOR WILL ANY DOCUMENT OR MATERIAL RELATING TO THE FUND BE DISTRIBUTED TO PERSONS IN INDONESIA OTHER THAN UNDER CIRCUMSTANCES IN WHICH SUCH OFFER OR SALE DOES NOT CONSTITUTE A "PUBLIC OFFER" IN INDONESIA UNDER PREVAILING REGULATIONS.

NOTICE TO RESIDENTS OF ITALY

THE FUND HAS NOT BEEN AND WILL NOT BE REGISTERED AS A FOREIGN FUND WITH THE ITALIAN AUTHORITIES IN ACCORDANCE WITH THE PROCEDURES PROVIDED FOR BY ARTICLE 42 OF LEGISLATIVE DECREE NO. 58 OF FEBRUARY 1998. ACCORDINGLY, NO INTERESTS IN THE FUND MAY BE OFFERED SOLD OR DELIVERED, NOR MAY COPIES OF THIS MEMORANDUM OR OF ANY OTHER DOCUMENT RELATING TO INTERESTS IN THE FUND BE DISTRIBUTED, IN THE REPUBLIC OF ITALY.

NOTICE TO RESIDENTS OF JAPAN

THE INTERESTS DO NOT CONSTITUTE SECURITIES TO BE REGISTERED UNDER THE SECURITIES AND EXCHANGE LAW OF JAPAN AND THEREFORE HAVE NOT BEEN REGISTERED AND WILL NOT BE REGISTERED UNDER THE SECURITIES AND EXCHANGE LAW OF JAPAN.

THIS MEMORANDUM IS CONFIDENTIAL AND IS INTENDED SOLELY FOR THE USE OF ITS RECIPIENT. ANY DUPLICATION OR REDISTRIBUTION OF THIS MEMORANDUM IS PROHIBITED. THE RECIPIENT OF THIS MEMORANDUM, BY ACCEPTING DELIVERY THEREOF, AGREES TO RETURN IT AND ANY RELATED DOCUMENTS TO THE FUND IF THE RECIPIENT ELECTS NOT TO PURCHASE ANY OF THE INTERESTS OR IF EARLIER REQUIRED BY THE FUND.

NOTICE TO RESIDENTS OF KOREA

NONE OF THE INTERESTS MAY BE OFFERED, SOLD OR DELIVERED, DIRECTLY OR INDIRECTLY, OR OFFERED OR SOLD TO ANY PERSON FOR RE-OFFERING OR RESALE, DIRECTLY OR INDIRECTLY, IN KOREA OR TO ANY RESIDENT OF KOREA EXCEPT PURSUANT TO APPLICABLE KOREAN LAWS AND REGULATIONS.

NOTICE TO RESIDENTS OF LUXEMBOURG

THIS MEMORANDUM IS STRICTLY PRIVATE AND CONFIDENTIAL, AND IS BEING ISSUED TO A LIMITED NUMBER OF SOPHISTICATED INVESTORS. IT SHOULD NOT BE CONSIDERED A PUBLIC OFFERING IN THE GRAND DUCHY OF LUXEMBOURG, AND THE FUND IS NOT REGISTERED AS A FOREIGN FUND WITH THE LUXEMBOURG REGULATORY AUTHORITIES. THIS MEMORANDUM MAY NOT BE REPRODUCED OR USED FOR ANY PURPOSE OTHER THAN THIS PRIVATE PLACEMENT, NOR PROVIDED TO ANY PERSON OTHER THAN THE RECIPIENT THEREOF.

NOTICE TO RESIDENTS OF MALAYSIA

NO OFFER OR INVITATION FOR SUBSCRIPTION OR PURCHASE OF THE INTERESTS SHALL BE MADE IN MALAYSIA AS THE PRIOR APPROVAL OF THE SECURITIES COMMISSION IN MALAYSIA HAS NOT BEEN SOUGHT. NEITHER THIS MEMORANDUM NOR ANY DOCUMENTS RELATING TO THE INTERESTS HAS BEEN DELIVERED TO THE SECURITIES COMMISSION OR ANY OTHER REGULATORY AUTHORITIES AND ACCORDINGLY THIS MEMORANDUM MUST NOT BE ISSUED, CIRCULATED OR DISTRIBUTED IN MALAYSIA.

NOTICE TO THE RESIDENTS OF MEXICO

THE INTERESTS HAVE NOT BEEN REGISTERED WITH THE NATIONAL REGISTRY OF SECURITIES AND INTERMEDIARIES MAINTAINED BY THE MEXICO NATIONAL BANKING AND SECURITIES COMMISSION AND MAY NOT BE OFFERED OR SOLD PUBLICLY IN MEXICO. THIS MEMORANDUM AND OTHER OFFERING MATERIALS MAY NOT BE PUBLICLY DISTRIBUTED IN MEXICO.

NOTICE TO RESIDENTS OF THE NETHERLANDS

THE INTERESTS DESCRIBED HEREIN MAY NOT BE ACQUIRED OR OFFERED, DIRECTLY OR INDIRECTLY, AND THIS MEMORANDUM MAY NOT BE CIRCULATED IN THE NETHERLANDS OTHER THAN BY OR TO INDIVIDUALS OR ENTITIES WHOSE ORDINARY BUSINESS OR PROFESSION IS TO TRADE OR INVEST IN SECURITIES WITHIN THE MEANING OF ARTICLE 1 OF THE EXEMPTION REGULATION OF 9 OCTOBER 1990 (AS AMENDED) ISSUED PURSUANT TO ARTICLE 14 OF THE INVESTMENT INSTITUTIONS SUPERVISION ACT (*WETTOEZICHT BELEGGINGSINSTELLINGEN*) OF 27 JUNE 1990 (WHICH INCLUDES INVESTMENT BANKS, PENSION FUNDS, INVESTMENT INSTITUTIONS, INSURANCE COMPANIES, CENTRAL GOVERNMENTS, LARGE INTERNATIONAL AND SUPRANATIONAL ORGANISATIONS AND CERTAIN OTHER ENTITIES, SUCH AS TREASURIES AND FINANCE COMPANIES OR LARGE ENTERPRISES, WHICH ARE REGULARLY ACTIVE IN THE FINANCIAL MARKETS IN A PROFESSIONAL MANNER).

NOTICE TO RESIDENTS OF PERU

THE SECURITIES CANNOT BE TRANSFERRED TO THIRD PARTIES AT NOMINAL VALUES OR PLACEMENT VALUES THAT ARE LOWER THAN S./250,000.

NOTICE TO RESIDENTS OF THE PHILIPPINES

THE SECURITIES BEING OFFERED OR SOLD HAVE NOT BEEN REGISTERED WITH THE PHILIPPINE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES REGULATION CODE. ANY FUTURE OFFER OR SALE THEREOF IS SUBJECT TO REGISTRATION REQUIREMENTS UNDER THE CODE UNLESS SUCH OFFER OR SALE QUALIFIES AN EXEMPT TRANSACTION.

NO ACTION HAS BEEN OR WILL BE TAKEN TO PERMIT AN OFFERING OF THE INTERESTS OF THE FUND OR THE DISTRIBUTION OF THIS MEMORANDUM IN THE PHILIPPINES, EXCEPT UNDER CIRCUMSTANCES THAT WILL RESULT IN COMPLIANCE WITH THE PROVISIONS ON EXEMPT TRANSACTIONS UNDER THE

SECURITIES REGULATION CODE AND APPLICABLE RULES (INCLUDING BUT NOT LIMITED TO THE DELIVERY TO THE OFFEREE OF A WRITTEN DISCLOSURE STATING THE PROVISION OF SECTION 10 OF THE CODE UNDER WHICH EXEMPTION FROM REGISTRATION IS CLAIMED AND STATING WHETHER A CONFIRMATION OF EXEMPTION HAS BEEN OBTAINED FROM THE PHILIPPINE SECURITIES AND EXCHANGE COMMISSION). ACCORDINGLY, THIS MEMORANDUM MAY NOT BE USED FOR THE PURPOSE OF SALE OR SOLICITATION IN THE PHILIPPINES, EXCEPT UNDER THOSE CIRCUMSTANCES.

NOTICE TO RESIDENTS OF PORTUGAL

THE INTERESTS REFERRED TO IN THIS MEMORANDUM ARE NOT OFFERED TO THE PUBLIC IN PORTUGAL. NO OFFER OR SALE OF SUCH INTERESTS MAY BE MADE IN PORTUGAL EXCEPT UNDER CIRCUMSTANCES THAT WILL RESULT IN COMPLIANCE WITH THE RULES CONCERNING PRIVATE PLACEMENTS OF SUCH INTERESTS AND WITH THE LAWS OF PORTUGAL GENERALLY.

NOTICE TO RESIDENTS OF SAUDI ARABIA

THIS MEMORANDUM DOES NOT CONSTITUTE A PUBLIC OFFER FOR SALE WITHIN SAUDI ARABIA.

NOTICE TO RESIDENTS OF SINGAPORE

THE INTERESTS DESCRIBED IN THIS MEMORANDUM MAY NOT BE OFFERED OR SOLD, NOR MAY ANY DOCUMENT OR OTHER MATERIAL IN CONNECTION WITH SUCH INTERESTS BE DISTRIBUTED, EITHER DIRECTLY OR INDIRECTLY, (I) TO PERSONS IN SINGAPORE OTHER THAN UNDER CIRCUMSTANCES IN WHICH SUCH OFFER OR SALE DOES NOT CONSTITUTE AN OFFER OR SALE OF SUCH INTERESTS TO THE PUBLIC IN SINGAPORE OR (II) TO THE PUBLIC OR ANY MEMBER OF THE PUBLIC IN SINGAPORE OTHER THAN PURSUANT TO, AND IN ACCORDANCE WITH THE CONDITIONS OF, AN EXEMPTION INVOKED UNDER DIVISION 5A OR PART IV OF THE COMPANIES ACT, CHAPTER 50 OF SINGAPORE AND TO PERSONS TO WHOM THE INTERESTS MAY BE OFFERED OR SOLD UNDER SUCH EXEMPTION.

NOTICE TO RESIDENTS OF SPAIN

THE INTERESTS MAY NOT BE OFFERED, SOLD OR DISTRIBUTED IN SPAIN EXCEPT IN ACCORDANCE WITH THE REQUIREMENTS OF SPANISH SECURITIES LAWS. THIS MEMORANDUM HAS NOT BEEN AND WILL NOT BE REGISTERED WITH THE COMISION NACIONAL DEL MERCADO DE VALORES OF SPAIN AND MAY NOT BE DISTRIBUTED IN SPAIN IN CONNECTION WITH THE OFFERING AND SALE OF INTERESTS WITHOUT COMPLYING WITH ALL LEGAL AND REGULATORY REQUIREMENTS IN RELATION THERETO.

THE INTERESTS MAY NOT BE OFFERED OR SOLD IN SPAIN EXCEPT IN ACCORDANCE WITH THE REQUIREMENTS OF THE SPANISH SECURITIES MARKET LAW (LEY 24/1988, DE 28 DE JULIO, DEL MERCADO DE VALORES), AS AMENDED AND RESTATED, AND ROYAL DECREE 291/1992, ON ISSUES AND PUBLIC

OFFERINGS FOR THE SALE OF SECURITIES (REAL DECRETO 291/1992, DE 27 DE MARZO, SOBRE EMISIONES Y OFERTAS PÚBLICAS DE VENTA DE VALORES), AS AMENDED AND RESTATED, AND THE DECREES AND REGULATIONS MADE THEREUNDER. THE INTERESTS HAVE NOT BEEN REGISTERED WITH THE SPANISH SECURITIES MARKET COMMISSION (COMISIÓN NACIONAL DEL MERCADO DE VALORES) AND THEREFORE IT MAY NOT BE DISTRIBUTED IN SPAIN.

NOTICE TO RESIDENTS OF SWEDEN

THE INTERESTS ARE BEING OFFERED TO A CLOSED CIRCLE OF INSTITUTIONAL INVESTORS AND THEREFORE THIS MEMORANDUM HAS NOT BEEN, AND WILL NOT BE, REGISTERED WITH THE SWEDISH FINANCIAL SUPERVISORY AUTHORITY UNDER THE SWEDISH FINANCIAL INSTRUMENTS TRADING ACT (1991:980). FURTHER, NO SINGLE INVESTOR WILL INVEST AN AMOUNT LESS THAN SEK 300,000. ACCORDINGLY, THIS MEMORANDUM MAY NOT BE MADE AVAILABLE, NOR MAY INTERESTS OTHERWISE BE MARKETING AND OFFERED FOR SALE IN SWEDEN, OTHER THAN IN CIRCUMSTANCES WHICH ARE DEEMED NOT TO BE AN OFFER TO THE PUBLIC IN SWEDEN UNDER THE FINANCIAL INSTRUMENTS TRADING ACT.

NOTICE TO RESIDENTS OF SWITZERLAND

THE INTERESTS IN THE FUND ARE BEING OFFERED BY WAY OF PRIVATE PLACEMENT TO A SMALL NUMBER OF INVESTORS WITHOUT ANY PUBLIC OFFERING. THIS OFFERING MEMORANDUM AS WELL AS ANY OTHER OFFERING MATERIAL RELATING TO THE FUND ARE CONFIDENTIAL AND MAY THEREFORE NOT BE DISTRIBUTED TO THE PUBLIC.

NOTICE TO RESIDENTS OF TAIWAN

INTERESTS HAVE NOT BEEN OFFERED, SOLD OR DELIVERED, AND WILL NOT BE OFFERED, SOLD OR DELIVERED AT ANY TIME, DIRECTLY OR INDIRECTLY, IN THE REPUBLIC OF CHINA IN A MANNER THAT WOULD CONSTITUTE A PUBLIC OFFERING.

NOTICE TO RESIDENTS OF THAILAND

THE INTERESTS MAY NOT BE OFFERED FOR SALE TO PERSONS IN THAILAND OTHER THAN UNDER CIRCUMSTANCES WHICH DO NOT CONSTITUTE AN OFFER FOR SALE OF THE INTERESTS TO THE PUBLIC FOR THE PURPOSES OF THE SECURITIES AND EXCHANGE ACT OF 1992 OF THAILAND.

NOTICE TO RESIDENTS OF THE UNITED ARAB EMIRATES

THE INTERESTS IN THE FUND ARE NOT BEING OFFERED TO THE PUBLIC OR A PART THEREOF IN THE UNITED ARAB EMIRATES. INVESTORS SHOULD CONSULT THEIR FINANCIAL ADVISORS FOR ADVICE THEREON.

NOTICE TO RESIDENTS OF THE UNITED KINGDOM

THE FUND IS AN UNRECOGNISED COLLECTIVE INVESTMENT SCHEME FOR THE

PURPOSES OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 ("FSMA"). THE PROMOTION OF THE FUND AND THE COMMUNICATION OF THE OFFERING MEMORANDUM IN THE UNITED KINGDOM IS ACCORDINGLY RESTRICTED BY LAW. WHILST THE OFFERING MEMORANDUM IS BEING COMMUNICATED OUTSIDE THE UNITED KINGDOM DIRECTLY BY THE FUND AND THE FUND IS RESPONSIBLE FOR ITS CONTENTS.

ACCORDINGLY THE OFFERING MEMORANDUM IS BEING COMMUNICATED IN THE UNITED KINGDOM ONLY TO PERSONS WHO ARE AUTHORISED UNDER FSMA ("AUTHORISED PERSONS") OR WHO ARE OTHERWISE OF A KIND TO WHOM THE FUND MAY BE PROMOTED BY AN AUTHORISED PERSON BY VIRTUE OF AN EXEMPTION TO SECTION 238 OF FSMA ("PERMITTED RECIPIENTS"). ANY RECIPIENT OF THIS OFFERING MEMORANDUM WHO IS AN AUTHORISED PERSON MAY (IF AND TO THE EXTENT IT IS PERMITTED TO DO SO UNDER APPLICABLE RULES OR REGULATIONS) COMMUNICATE IT OR OTHERWISE PROMOTE THE FUND IN THE UNITED KINGDOM TO OTHER AUTHORISED PERSONS OR TO PERMITTED RECIPIENTS BUT NOT OTHERWISE. ANY RECIPIENT OF THIS OFFERING MEMORANDUM IN THE UNITED KINGDOM WHO IS NOT AN AUTHORISED PERSON MAY NOT COMMUNICATE IT TO ANY OTHER PERSON IN THE UNITED KINGDOM. THE FUND IS NOT AUTHORISED UNDER FSMA AND INVESTORS WILL NOT THEREFORE HAVE THE BENEFIT OF ALL OR MOST OF THE RIGHTS DESIGNED TO PROTECT INVESTORS (IN PARTICULAR PRIVATE CUSTOMERS) UNDER FSMA, INCLUDING THE FINANCIAL SERVICES COMPENSATION SCHEME.

NOTICE TO RESIDENTS OF THE UNITED STATES

THE INTEREST HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933 OF THE UNITED STATES, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY OF THE STATES OF THE UNITED STATES. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. THE INTERESTS MAY NOT BE OFFERED, SOLD OR DELIVERED DIRECTLY OR INDIRECTLY IN THE UNITED STATES OR TO OR FOR THE ACCOUNT OR BENEFIT OF ANY "U.S. PERSON" (AS HEREINAFTER DEFINED UNDER THE "DEFINITIONS" SECTION) EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND ANY APPLICABLE STATE LAWS. THE FUND WILL NOT BE REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "INVESTMENT COMPANY ACT").

NOTICE TO RESIDENTS OF VENEZUELA

THIS IS NOT A PUBLIC OFFER AND HAS NOT BEEN REGISTERED WITH THE COMISIÓN NACIONAL DE VALORES (NATIONAL SECURITIES COMMISSION). ANY PUBLIC OFFER OF THE SECURITIES IN VENEZUELA REQUIRES THE PRIOR APPROVAL OF THE COMISIÓN NACIONAL DE VALORES.

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CORPORATE DIRECTORY

Registered Office:

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Cayman Islands

The Directors of the Fund:

Roman Lyniuk

Investment Manager:

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DEFINITIONS

For the purposes of this Offering Memorandum, the following expressions have the following meanings:

"Accredited Investor"

in reference to a Permitted U.S. Person means:

(A) An employee benefit plan within the meaning of Title 1 of United States Employee Retirement Income Security Act of 1974, as amended ("ERISA"):

(i) Whose investment decisions are made by a plan fiduciary, as defined in Section 3(21) of ERISA, which is either a bank, insurance company or registered investment advisor;

(ii) Having total assets in excess of US\$5 million; or

(iii) If self-directed, the investment decisions are made solely by natural persons, each of whom either:

(1) Currently has a net worth in excess of US\$1 million, and/or

(2) Has individual income in excess of US\$200,000 in each of the two most recent years or joint income with that person's spouse in excess of US\$300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year; OR

(B) A trust, which is a tax-exempt entity with assets in excess of US\$5 million, not formed for the specific purpose of acquiring Shares, whose investment decisions are made by a person or persons who have such knowledge and experience in financial and business matters that such person or persons is or are capable of evaluating the merits and risks of the prospective investment; OR

(C) A tax-exempt entity in which all of the equity owners are natural persons each of whom either (i) currently has a net worth in excess of US\$1 million, and/or (ii) had individual income in excess of US\$200,000 in each of the two most recent years or joint income with that person's spouse in excess of US\$300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year; OR

(D) A plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees if such

	plan has total assets in excess of US\$5 million; <u>OR</u> (E) A tax-exempt organization under Section 501(c)(3) of the U.S. Internal Revenue Code of 1986, as amended having total assets in excess of US\$5 million, which was not formed for the specific purpose of acquiring Shares.
"Administration Agreement"	means the administration agreement by which the Fund has appointed the Administrator to provide administrative services to the Fund.
"Administrator"	means Swiss Financial Group & FundAdministration, Inc., in its capacity as administrator of the Fund.
"Business Day"	means a day on which banks and securities houses are open for business in the United States and the Cayman Islands and such other places as the Directors may from time to time determine.
"Class"	means classes of Shares.
"Directors"	means the persons named as the directors of the Fund in this Offering Memorandum and any successors.
"Fiscal Year"	means a calendar year ending December 31.
"Fund"	means Atlantis Capital Markets Cayman LDC, a Cayman Islands exempted limited duration company.
"Fund assets"	means the assets of the Fund.
"High Watermark Amount"	means with respect to each Series of Shares, the larger of: (i) the highest Net Asset Value of such Series at the end of any previous calculation period when a Performance Fee was payable (after the deduction of any such Performance Fees); or (ii) the initial Net Asset Value of such Series. For the purposes of the first date on which the Performance Fee is calculated with respect to the Shares, the High Watermark Amount shall be the initial Net Asset Value of such Shares.
"Investment Management Agreement"	means the agreement by which the Fund has appointed the Investment Manager to manage the Fund's investments and affairs.
"Investment Manager"	means Atlantis Capital Markets NA, L.L.C., in its capacity as investment manager of the Fund's assets and investments.

"Management Fee"	means the Management Fee payable to the Investment Manager as described in this Offering Memorandum.
"Memorandum and Articles of Association"	means the memorandum of association and articles of association of the Fund.
"Net Asset Value"	means the net asset value of the Fund or the particular Class of Shares (as the case may be) calculated as described in this Offering Memorandum.
"Permitted U.S. Persons"	means (i) U.S. pension and profit sharing trusts, charities and any other entity organized under the laws of the United States that is generally exempt from Federal income taxation, or (ii) any other U.S. entity which is approved by the Board of Directors and which does not require any U.S. income tax information reporting or compliance with the United States Employee Retirement Income Security Act of 1974, as amended. Currently, the Directors intend to limit investment by Permitted U.S. Persons to 25% of the Net Asset Value of the Fund.
"Performance Fee"	means the Performance Fee payable to the Investment Manager as described in this Offering Memorandum.
"Redemption Date"	means the last Business Day in each calendar month or such other day or days as the Investment Manager may from time to time prescribe.
"Series"	means a series of Shares within a Class.
"Shareholder"	means a person who is registered on the Register of Shareholders of the Fund as the holder of a Share or other Class of Shares as the context requires.
"Shares" or "Participating Shares"	mean the non-voting participating shares in the Fund offered pursuant to this Offering Memorandum.
"Subscription Agreement"	means, with respect to each Shareholder, the executed Subscription Agreement entered into between such Shareholder and the Fund with respect to the purchase of Shares.
"Subscription Date"	means the first Business Day in each calendar month or such other day or days as the Investment Manager may from time to time prescribe.

"Subscription Price"	means the price at which the Shares will be issued.
"United States"	means the United States of America, each state thereof, its territories and possessions and all areas subject to its jurisdiction.
"US Dollar(s)" and "US\$"	means the lawful currency of the United States of America.
"U.S. person"	means, with respect to individuals, any US citizen (and certain former US citizens) or "resident alien" within the meaning of US income tax laws as in effect from time to time. Currently, the term "resident alien" is defined under US income tax laws to generally include any individual who (i) holds an Alien Registration Card (a "green card") issued by the US Immigration and Naturalization Service, or (ii) meets a "substantial presence" test. The "substantial presence" test is generally met with respect to any current calendar year if (i) the individual was present in the US on at least 31 days during such year, and (ii) the sum of the number of days on which such individual was present in the US during the current year, 1/3 of the number of such days during the first preceding year, and 1/6 of the number of such days during the second preceding year, equals or exceeds 183 days. With respect to persons other than individuals, the term "US Person" means (i) a corporation or partnership created or organized in the United States or under the laws of the United States or any state or (ii) a trust or estate which is subject to US tax on its worldwide income from all sources. "US Person" shall also include a "US Person" as defined by Rule 902 of Regulation S under the Securities Act and shall not include any "Non-United States person" as used in Rule 4.7 promulgated under the US Commodity Exchange Act (as amended).
"Valuation Date"	means the last Business Day of each month or such other day or days as the Investment Manager may from time to time determine.

SUMMARY OF OFFERING MEMORANDUM

The following is a summary only and is qualified in its entirety by the more detailed information appearing elsewhere in this Offering Memorandum and in the Fund's Memorandum and Articles of Association, a copy of which is available upon request.

The Fund

The Fund was incorporated as a Cayman Islands exempted limited duration company in January 2005, and has established a class of shares called Participating Shares for investors to subscribe for. The Shares shall participate on a pro rata basis in the Fund's portfolio. The structure of the Fund and the Shares being offered is described further herein.

The Fund has issued one class of voting non-participating shares (the "Management Shares"), to be held by the Investment Manager. Pursuant to this Offering Memorandum, the Fund is offering Shares of the Fund in a private placement to certain "qualified" investors. The Fund may establish multiple classes of Shares, which may have terms that differ from those governing the Shares. It is envisaged that one class of Share may offer a principal protection program for investors holdings Shares of such class. Although the Shares of the Fund will not be separate and distinct with respect to their assets and liabilities, the Fund may, in the future, create new Classes of Shares which may be a separate series with separate and distinct liabilities from the Shares described in this Offering Memorandum. Each Class may establish multiple series.

Minimum Investment

Shares will be issued at a price of US\$1,000 per Share. The minimum initial subscription amount per investor must be US\$1,000,000 (subject to the discretion of the Directors to accept a lesser amount in any such case, but in no event less than US \$250,000). Subsequent purchases by existing Shareholders will be subject to a minimum purchase requirement as may be approved by the Directors in their sole and absolute discretion. Shares are issued in Series as described below under "Issue and Redemption of Shares". The per Share price and minimum investment and holding amounts set forth in this Offering Memorandum may be adjusted by the Directors from time to time, in their sole discretion, to account for currency alterations or similar changes.

Summary of Investment Objectives

The primary purpose of the Fund is to generate significant capital appreciation by investing amounts contributed to the Fund in a securities portfolio managed by the Investment Manager. The Investment Manager will manage the Fund's investment portfolio in accordance with the investment objectives, strategies and restrictions set forth in this memorandum. See "Investment Objectives". There can be no assurance that the Fund will achieve its investment objectives. See "Investment Consideration and Risk Factors" below.

The Investment Manager believe in risk-averse, non-directional investment management. The objective is to eliminate, as much as possible, the probability and magnitude of losses. The power of compounding positive returns can then work to the investor's benefit.

The Investment Manager believe that directional trading does not optimally preserve capital or create wealth. The Investment Manager espouses investment strategies that are market neutral in nature and that take advantage of market volatility and resulting price dislocations. Such strategies are intended to produce consistent positive returns in *any* market environment and to maximize risk-adjusted returns over a typical 5-7 year market cycle of bullish, bearish, and flat periods.

Subscriptions

This Offering Memorandum relates to a continuous offering of Shares at the relevant Subscription Price.

Shares will be available for issue on any Subscription Date (normally the first Business Day of each month) at the Subscription Price. Applications received before the Subscription Date will be dealt with on that Subscription Date. Applications received after such time will be dealt with on the next following Subscription Date. The Fund will issue Shares in Series, with a new Series of each such Class being offered each Subscription Date. The Subscription Price per Share of each Series of each Class will be US\$1,000 per Share.

Except in certain circumstances, at the time the Performance Fee is determined each quarter, Shares of each Series of that Class will be converted into a single Series of Shares of the respective Class. Notwithstanding the foregoing, no Series that has a Net Asset Value per Share at the end of a quarter below its High Watermark Amount will be so converted, but rather the Shares of such Series shall remain outstanding until the end of a quarter at which the Net Asset Value per Share of such Series exceeds the High Watermark Amount, at which time the Shares of such Series shall be converted into Shares of the new Series in the manner described above. The purpose of offering the Shares in Series is to ensure that investors who purchase Shares at different times during the quarter pay a Performance Fee only if the Net Asset Value of the relevant Series of Shares has exceeded the High Watermark Amount.

Applications should be made on the Subscription Agreement. Subscription Agreements, duly completed, should be sent to the Fund at the address set out in the Subscription Agreement.

At the discretion of the Fund's Directors, the Fund may accept securities in lieu of cash for a part or the whole of an application to subscribe for Shares. Any securities which are accepted in lieu of cash will be valued in accordance with the principles in determining Net Asset Value.

Notification in writing will be dispatched to applicants of the acceptance or rejection of such application. If the application is successful, Shareholders will be notified of the number of the Shares issued to them. No Share Certificate will be issued.

U.S. PERSONS (EXCEPT FOR PERMITTED U.S. PERSONS WHO ARE ACCREDITED INVESTORS) MAY NOT SUBSCRIBE EITHER DIRECTLY OR INDIRECTLY FOR SHARES, EXCEPT UNLESS EXPRESSLY PERMITTED BY THE DIRECTORS.

Administration Protocol

Any changes in the OM giving the Investment Manager greater control of the Company assets will be communicated by the administrator through sending the revised wording to investors. Investors will have the option of redeeming immediately from the fund, subject to the redemption terms of the underlying managers.

In the event the Administrator is changed, the Administrator will notify the investors of this change and the investors should be given the option of redemption, subject to the terms of the fund agreement.

If fees are to be increased the fund administrator will send a notification to investors before the fee increase that will give investors the option to redeem out of the fund.

Specifically: The following can't be changed without giving the investor the option to redeem

1. Fees can only be paid according to the fund document
2. Fees can not be changed in the fund documents without the corresponding investors' approval to the administrator and confirmation by the administrator that such confirmations were received

The administrator cannot wire to the investment manager more money than the stated fees in the OM. This does not exclude the administrator from wiring to directors of the Company and Investment Manager money relating to their own personal investments in the Company.

The administrator has sole authority for transferring funds from the Company's bank account. Above a specified threshold money cannot be wired from the Company's bank account unless the administrator or an alternative designated signatory sign together.

Only the administrator may

1. Pay out fees
2. Wire money fees to the General Partner
3. The manager may only receive money in the fund that is equal to the fees listed in the fund

Redemptions

Shareholders will have the right to require all or a portion of their Shares to be redeemed on a Redemption Date (normally the last Business Day in each calendar month) at the Redemption Price then prevailing, after 3 months has elapsed since the relevant Subscription Date. A redemption fee of 2% of the Redemption Price and 1% of the Redemption Price is applicable for redemptions effected within 6 months, and between 6 months and 12 months, respectively, after the Subscription Date for such Shares, subject to waiver in the discretion of the Directors. The period will be calculated separately for each purchase of Shares and may be waived by the Investment Manager, in its sole and absolute discretion.

The Redemption Price will be based on the Net Asset Value per Share of the relevant Series of Shares, calculated as at the close of business in the relevant market or markets on the relevant Redemption Date. In order for a redemption request to take effect on a particular Redemption Date, a written redemption request must be received by the Administrator not later than 60 days preceding the relevant Redemption Date or such later day as the Directors in its discretion may decide. Redemption requests received after such time will be processed on the next following Redemption Date.

If compliance with a Shareholder's request for redemption would result in the Shareholder holding Shares with an aggregate Net Asset Value of less than US\$1,000,000 or such other minimum as the Directors may determine, at the option of the Directors, the Shareholder's request may be rejected or the whole of his holding redeemed. The minimum redemption is US\$5,000 value of Shares.

Requests for redemption once made may not be withdrawn (except with the written consent of the Directors) or unless there has been a suspension of determination of the Net Asset Value of the Fund.

If the Shareholder is redeeming 90% or more of his Shares, a minimum of 90% of the estimate of such amount will be paid within 30 days after the date of such redemption, and the remainder will be paid promptly after the Fund's independent public accountants have completed their examination of the Fund's year-end financial statements. If the examination indicates that the payment of 90% or greater exceeded the value of the Shares, the Shareholder will be obligated to repay to the Fund the amount of the excess. The retained amount owed to a Shareholder redeeming over 90% of his Shares will bear interest at a rate equal to that then payable on 90-day United States Treasury bills. Any overpayment upon a redemption will bear interest at a rate equal to the prime rate announced by Citibank, N.A., New York, New York or its successor, as of the date of proper notice of the overpayment, plus two percent (2%), if the overpayment has not been repaid within 30 days after notice of the Shareholder.

In addition, the Fund reserves the right to mandatorily redeem any or all of a Shareholder's Shares at any time, for reasons including if the Shareholder (or any beneficiary thereof) is a U.S. Person (except for Permitted U.S. Persons who are Accredited Investors). The redemption price in the event of any such mandatory redemption will be the Net Asset Value per Share as of the applicable Redemption Date.

Any amount payable to a Shareholder in connection with requests for redemption will be paid by wire transfer (in accordance with written details to be supplied by the Shareholder) at the Shareholder's expense and risk. The Fund will normally ensure that it has sufficient liquid assets available to enable redemption proceeds to be forwarded forthwith to a Shareholder who has requested a redemption of all or part of his holding of Shares. The details of where such monies are to be forwarded must be set out in the Subscription Agreement. This may be changed from time to time by written instructions of the Shareholder. Failure to complete that section of such Subscription Agreement may result in delays in the receipt of redemption proceeds since the Fund will reserve the right to insist on instructions with regard to payment being received by the Fund in writing under the verified signature of the Shareholder.

Notwithstanding the previous paragraph, the Fund may defer payment of the Redemption Price if it is unable to do so because of circumstances beyond its control, in which case it will pay such Redemption Price as soon as possible. The Fund may pro-rate all redemption requests for Shares being redeemed which are greater than 25% of all Shares then held by the Shareholder on any Redemption Date so as to limit total redemptions to 50% of the Shares in issue on the relevant Redemption Date. Any outstanding redemption requests will not be carried forward to the next following Valuation Date.

SINCE THE REDEMPTION PRICE OF SHARES IS TIED TO THE VALUE OF THE UNDERLYING ASSETS OF THE FUND, IT SHOULD BE NOTED THAT THE PRICE AT WHICH AN INVESTOR MIGHT REDEEM HIS SHARES MAY BE MORE OR LESS THAN THE PRICE AT WHICH HE SUBSCRIBED FOR THEM DEPENDING ON WHETHER THE

VALUE OF THE UNDERLYING ASSETS HAS APPRECIATED OR DEPRECIATED BETWEEN THE SUBSCRIPTION DATE AND THE REDEMPTION DATE.

Fees and Expenses

The Investment Manager shall receive a management fee (the "Management Fee") equal to 1.5% per annum of the Net Asset Value, payable quarterly at the beginning of the quarter.

The Fund will also pay the Investment Manager, a performance fee payable quarterly ("Performance Fee") equal to 20% of the amount, if any, by which the Net Asset Value (before deduction of the Performance Fee, if any, paid or payable for the applicable quarter) exceeds the High Watermark Amount applicable.

The Fund will be responsible to pay the costs associated with its investment activities, including brokerage commissions, custody fees, interest on debit balances and borrowings, taxes, exchange, and governmental fees, in connection with the execution and clearance of transactions on behalf of the Fund.

The Fund will also bear the costs associated with its ongoing administrative, financial services and operational expenses, including annual audit and tax reports, as well as any legal and extraordinary expenses. These expenses are anticipated to be incurred by the Fund at prevailing market rates.

The Fund will pay the Administrator and custodian fees in accordance with their prevailing rates.

Suitability

An investor must not be considered a "U.S. Person", except for Permitted U.S. Persons who are Accredited Investors.

The circulation and distribution of this Offering Memorandum and offering of Shares in certain countries is restricted by law. Persons into whose possession this Offering Memorandum may come are required to inform themselves of and to observe any restrictions and/or any additional requirements as to suitability or investor qualification.

Dividend Policy

The Fund does not expect to pay dividends or other distributions with respect to the Shares.

Transfer of Shares

Shares are freely transferable upon submission to the Fund of an instrument of transfer in any usual or common form together with the relevant share certificate(s) (if in issue) or such other evidence as the Directors may reasonably require to show the right of the transferee to transfer the Shares, except in particular circumstances as described in the Memorandum and Articles of Association. There is not a public market (primary or secondary) for the sale or transfer of Shares and it is not anticipated that any such market will develop in the future

Reports to Shareholders

Shareholders will receive annual audited financial statements of the Fund. Shareholders will also receive monthly unaudited reports concerning their investment in the Fund.

The Administrator

Swiss Financial Group & FundAdministration, Inc. is acting as administrator of the Fund.

The Auditor

BDO International, Grand Cayman

Reasons to Consider an Investment

Investors in the Fund will obtain certain advantages which may otherwise be unavailable to them if they were to invest in a mutual fund or to engage directly in the investment and trading activities which the Fund employs. Among these are the following:

Management Participation in the Investment The Investment Manager and Mr. Lyniuk must maintain a significant portion of their liquid net worth in the Fund. These investments are subject to the same risks of loss as an investment by an investor.

Investment Diversification By pooling investors' funds, the Fund may allow an investor to participate in a portfolio of common stocks, options and other investment vehicles and techniques that are more diversified than those that the investor could maintain in an individual account. But see "Investment Consideration and Risk Factors".

Profit Potential in Declining Markets In contrast to most registered mutual funds, the Fund has the potential to be profitable during periods that stock prices are generally declining due to its ability to sell securities "short" and to trade in options and futures.

Access to Asset Manager Unlike most investors in large registered mutual funds, investors in the Fund will have direct access to the Fund asset managers.

Limited Liability An investor cannot be required to make additional contributions to capital, will not be personally liable for Fund debts and will not be subject to margin calls.

Administrative Convenience The Fund provides the investors with services designed to reduce the administrative details involved in engaging in the types of investment transactions made by the Fund.

Competitive Advantage Arbitrage strategies involving spreads, volatility, and convergence assumptions rely heavily on successful timing and identification of the underlying relationship. The Fund integrates the necessary prerequisites of qualitative human judgment and trading experience (Art & Soul) with quantitative mathematical algorithms and models (Science).

The Fund may enter into a joint back office (JBO) affiliation with a broker-dealer with its clearing firm. This will greatly reduce execution expenses and provide greater flexibility for risk management.

In addition, the Fund's network of contacts and floor based JBO personnel shall generate superior information for its traders. The Fund can pay for order flow when advantageous.

Risk Factors

Investment in the Fund involves significant risks. Each Shareholder should understand that all investments have a risk factor. Therefore, there can be no guarantee against loss resulting from an investment in the Fund and there can be no assurance that the Fund's investment policy will be successful or that its investment objective will be attained. These risks are outlined in the section headed "*Investment Considerations and Risk Factors*" and Shareholders are urged to read this section carefully prior to investing

INVESTMENT OBJECTIVES

Atlantis Capital's investment portfolio emphasizes equity arbitrage strategies involving spreads (Class A vs. Class B intra-company), preferred shares equity arbitrage, and other market-neutral equity strategies such as industry or stock specific pairs trading (dollar and beta weighted). Such strategies typically involve spread positions that are expected to converge to a pre-determined relationship. In addition, the portfolio may incorporate various equity/equity index derivative (i.e. options) arbitrage strategies such as convergence, long/short gamma, and intra-sector spreads.

The Investment Manager utilizes a rigorous and disciplined risk-control system. On a micro level, each position has a defined entry and exit target, usually triggered by a quantitative algorithm or historical mathematical relationship. Each position has a defined risk/reward, defined success probability, worst case scenario, and underlying volatility (turnover) assumption. Each Atlantis trader is allocated a finite amount of capital and will opportunistically prioritize such allocation on an intra-day basis among roughly 30 positions by weighting, on both an absolute and relative basis, the following variables:

- . Probability of Success
- . Risk/Reward Ratio
- . Worst Case Scenario
- . Probability & Frequency Assumptions Regarding Spread
- . Volatility (Turnover)
- . Correlation Matrix of Positions
- . Liquidity
- . Underlying Leverage

Each trader will be given various constraints and parameters regarding positional size, diversification by strategy and industry sector, etc.

On a "macro" level, the entire portfolio is constructed in much the same way. Atlantis' chief investment officer (CIO) dynamically interacts with the dedicated risk manager and the individual traders to optimize systematically the capital allocation in the entire portfolio. The entire portfolio is subject to the same risk controls, constraints, and parameters as are individual traders and positions. Only now, the CIO must consider the portfolio as an aggregation of traders, and the correlation matrix of positions is much more complex.

Typically, equity arbitrage strategies will encompass roughly 70% of the portfolio, equally divided between intra-company spread trades and preferred stock trades. The remaining 30% of the portfolio will focus on options arbitrage. Leverage and cash balances will be determined by the CIO.

The Investment Manager recognizes that the greatest risk to the portfolio is the cost of capital: i.e. allocating capital to equity or options arbitrage trades that do not move. The CIO must direct capital to the optimal strategy, sector, and traders given the current opportunities available in the market.

Competitive Advantage

Arbitrage strategies involving spreads, volatility, and convergence assumptions rely heavily on successful timing and identification of the underlying relationship. The Investment Manager integrates the necessary prerequisites of qualitative human judgment and trading experience (Art & Soul) with quantitative mathematical algorithms and models (Science).

The Investment Manager may enter into a joint back office (JBO) affiliation with a broker-dealer with its clearing firm. This will greatly reduce execution expenses and provide greater flexibility for risk management.

In addition, the Investment Manager's network of contacts and floor based JBO personnel shall generate superior information for its traders. The Investment Manager can pay for order flow when advantageous.

Strategies. In pursuit of the Fund's investment objectives, the Investment Manager currently anticipates using a number of investment vehicles and strategies including the purchase and sale of common and preferred stock, stock options, index options, futures contracts and futures options. It is anticipated that the Fund will at times take short as well as long positions, including simultaneous short and long positions, in stock, option and futures trades.

The Fund's main focus is on Equity Arbitrage and arbitrage convergence trades primarily in the Equity-Fixed income hybrids (convertibles and preferred stocks) and equities markets depending on market conditions and relative risk/reward characteristics. These are not market directional investments or trades, but market neutral. The primary strategy to be utilized will be a relative value and convergence trades with a market timing and value overlay macro model. The Investment Manager intends to invest primarily in fixed income securities and equities of large and medium (mid-cap) capitalization of U.S. companies which the Investment Manager deems to possess the optimal combination of earnings, valuation and growth potential. Such companies will generally include those which the Investment Manager considers undervalued and which have exhibited a recent history of consistent earnings growth, as well as attractive price-to-earnings ratios. Particular emphasis will be placed on those companies whose share price-to-earnings ratios are outpaced by the companies' historical growth rates. Such companies may also include turn-around situations and out-of-favor companies which the Investment Manager believes are oversold and consequently have the highest potential for growth.

Conversely, the Investment Manager intends to sell short the shares of companies which the Investment Manager deems to be overbought and accordingly, substantially overvalued. Such companies will generally be those whose recent and potential growth rates are considerably below current share price-to-earnings ratios.

A percentage of the Fund's assets allocated for these strategies may be invested from time to time in securities of issuers in foreign countries, although the Investment Manager does not anticipate that the Fund's investments in foreign securities will exceed 10% of the Fund's net asset value except in unusual market circumstances. Securities of foreign issuers are generally listed on national exchanges, regional exchanges or in over-the-counter markets. See "Investment Consideration and Risk Factors". The Investment Manager may also from time to time invest in the securities of small-cap companies, including restricted securities of relatively new ventures, if the Investment Manager believes such companies fit its overall growth and earnings profile.

To enhance investment returns as well as hedge its primary portfolio positions, the Fund will from time to time employ the use of various strategies involving hybrid securities and derivatives, stock options, index options, futures contracts and futures options. Such strategies

may include the purchase and sale of covered and uncovered stock, index and futures options, as well as combinations and spread positions. The Fund will not invest in any instrument, future, option, commitment or other contract, investment or commodity interest on a stand alone basis that would cause the Investment Manager to be considered a commodity pool operator required to register as such. These instruments are to be used as hedges or as part of a spread.

The Investment Manager reserves the right to alter the Fund investment policy or strategy as deemed appropriate from time to time in its discretion without requiring limited partner approval. However, written notification of such alteration of investment policy or strategy will be provided to Shareholders by the Investment Manager so as to allow Shareholders the opportunity to effect redemptions in advance of such alteration.

Selection. The Investment Manager may from time to time utilize the recommendations of a number of established market consultants and advisers to assist it in its primary investment decisions. Such consultants and advisers use fundamental and/or technical analyses as bases for their recommendations. Fundamental analysis generally includes comparisons of price-to-earnings ratios versus anticipated growth rates, current capitalizations versus book values, and insider buying and selling trends. Technical analysis generally involves the monitoring of moving averages, trendlines, support and resistance areas, and break-out points. The Investment Manager intends to combine market timer recommendations together with its own computer-assisted analysis of the overall market, industry sectors and individual securities to determine short-term and long-term growth potentials and trends.

Cash Positions. The Fund's monies (other than those required for immediate operating expenses) may be invested fully in securities and other investment instruments, may be held fully in cash or cash equivalents, may be partially invested and partially held in cash, or may be fully or partly committed to short positions in securities and similar positions in other investment instruments, as the Investment Manager believes the circumstances warrant.

Diversification and Concentration. The Investment Manager expects diversification of the Fund's securities positions, although the Investment Manager may determine not to seek broad diversification from time to time. The Investment Manager may also determine at times to concentrate Fund investments in securities relating to companies engaged in the same industry or group of industries, however the Investment Manager does not anticipate that the Fund's investment in any one individual issue will exceed 10 % of the Fund's net asset value at the time of the investment.

Authority. The Fund has broad authority to invest, hold, sell, trade, on margin or otherwise, and otherwise deal in foreign and domestic securities, currencies and other intangible investment instruments including, but not necessarily limited to, stocks, bonds, notes, options, futures, futures options, warrants, mutual funds, rights and other government, agency and privately issued securities and instruments. The Fund has the power to sell securities "short" (selling them without owning them) by borrowing securities from a securities brokerage firm for delivery on sale and subsequently covering the short positions (that is, returning the borrowed securities) when and as the Investment Manager considers appropriate, by purchasing a like number of such securities in the market.

The Investment Manager has the authority to lend money or securities, or to borrow money or securities, and to give security therefore upon such terms as the Investment Manager deems proper, for the benefit of the Fund. The Investment Manager may also hold, mortgage, pledge, sell, exchange or otherwise dispose of the Fund's securities or cash.

The Fund may engage in leverage by way of a joint back office ("JBO") arrangement with a qualified clearing broker, such broker-dealer would be exempt from the margin requirements of Regulation T of the Federal Reserve Board. This will enable such broker-dealer to employ sophisticated trading strategies at margin levels which are not available to public investors.

The Fund will not invest in real estate or in cash commodities. The Fund may, from time to time, invest in securities of a company that would constitute more than 5% of a class of the outstanding stock of that company. The Fund also limits the amount of illiquid "restricted" securities and other investments that are not readily marketable that may be made by the Fund to 20% of the Fund's net asset value at the time of the investment.

The Fund may invest and/or establish subsidiaries which shall become registered as broker-dealers with the Securities and Exchange Commission. Such broker-dealers, like most broker-dealers, shall be subject to stringent regulation in the conduct of their businesses by government agencies and industry self-regulatory bodies. Although the Fund shall not register as a broker-dealer, it may be required to register with certain U.S. Securities Exchanges or associations as an "Approved Person Organization" and shall be affected by the Constitution and Rules of such self-regulatory organizations (SROs) and any other SRO in which such broker-dealer is a member.

The securities industry is more highly regulated than most other industries. Pursuant to this authority under the Securities Exchange Act of 1934 (the "Exchange Act"), the Securities and Exchange Commission will have jurisdiction over all broker-dealers with which the Fund is affiliated by full or part ownership with respect to net capital, personnel, reporting, and record-keeping requirements as well as such broker-dealer's business practices. The Fund's subsidiaries will also be subject to the various anti-fraud provisions of the Exchange Act and the rules adopted there under by the Securities and Exchange Commission as well as the anti-fraud provisions of the Securities Act and the rules under the securities laws of certain states. These regulations are intended primarily to benefit those with whom the broker-dealer affiliate does business, rather than its members. The broker-dealers, with which the Fund is affiliated by full or part ownership, will be subject to both scheduled and unscheduled examinations by the Securities and Exchange Commission and the SRO's.

Violation of any of these and other rules, regulations, or statutory provisions by such broker-dealers or their employees could lead to the imposition of penalties such as censure, fine, suspension, or revocation of the broker-dealers rights to engage in the securities business or the rights of its employees to engage in such business. Moreover, the Fund's subsidiaries could incur significant expense in defending against any investigation or proceeding which might be instituted against the Fund or one of its employees.

Such broker-dealers with which the Fund is affiliated by full or part ownership shall be subject to SEC Rule 15c3-1 under the 1934 Act (the "Net Capital Rule"). The Net Capital Rule imposes uniform capital requirements on brokers and dealers or firms engaged in the securities business. The Net Capital Rule is unique to the securities industry and imposes financial restrictions on broker-dealers which are more severe than those imposed by applicable law on other types of businesses. Compliance with the Net Capital Rule will limit the extent of a broker-dealers' operations requiring the use of its capital. Furthermore, compliance with the rule may restrict or even preclude the Fund's broker-dealer affiliates from allowing investors of the Fund redeeming Shares from the Fund pursuant to SEC Rule 15c3-1.

Although the Fund does not intend to be a registered broker-dealer or member of U.S. securities exchanges or self-regulatory organizations, any broker-dealer affiliates established by the Fund shall be members of a U.S. securities exchange or association and shall be subject to capital withdrawal restrictions. Without the prior written approval of such exchange or association, the capital contribution of any owner of a broker-dealer affiliate, including the Fund, may not be redeemed on less than six months written notice of redemption given no sooner than six months after such contribution was first made, and in no event shall the capital contribution of any Partner be redeemed if prohibited under the provisions of SEC Rule 15c3-1. Any subsidiary of the Fund which is a member of a U.S. securities exchange association shall be required to promptly notify the exchange of the receipt of any notice of redemption of any part of an owner's capital contribution or if any redemption is not made because prohibited under the provisions of SEC Rule 15c3-1(e), the *net capital* requirement being one year. Restrictions on redemption by a broker-dealer affiliate may affect the ability to redeem Shares. It should be noted, however, that the U.S. securities exchanges and associations may permit redemptions on less than six months notice, provided that the broker-dealer firm is solvent and such redemption would not cause injury to the public, the Exchange, or its members.

Margin Regulations. Regulation T, promulgated by the Federal Reserve Board and enforced by the SEC, governs the extension of credit by a broker-dealer to a customer. For purposes of Regulation T, a dealer which clears its transactions through another broker-dealer is a customer of that broker-dealer. Since broker-dealer affiliates of the Fund may enter in a joint back office relationship with a registered clearing broker, it will be exempt from the margin requirements of Regulation T. Changes in the law affecting joint back office arrangements could dramatically and adversely affect the proposed business of a broker-dealer affiliate.

NO ASSURANCE CAN BE GIVEN THAT THE FUND WILL ACHIEVE ITS INVESTMENT OBJECTIVE.

NO ASSURANCE CAN BE GIVEN THAT ANY OF THESE DISCIPLINES WILL BE PROFITABLE OR THAT ANY FUND INVESTMENT SELECTED BY THE INVESTMENT MANAGER WILL ACHIEVE ITS INVESTMENT OBJECTIVES.

INVESTMENT MANAGER

Atlantis Capital Markets NA, LLC (the "Investment Manager"), serves as the Fund's investment manager and is responsible for investment management decisions.

The Investment Manager will be responsible for all investment activities with respect to the Fund. This process shall include identifying, evaluating, and monitoring existing investments and potential investments. See "Potential Conflicts of Interest" regarding certain potential conflicts of interest involved in management of the Fund.

Recognizing the importance of the different elements of the investment process, the Investment Manager relies on the experience and background of its key investment professionals whose backgrounds are provided below.

Roman Lysiuk: Managing Partner Mr. Lysiuk graduated from American University, Washington, D.C., in 1978 with a Bachelor of Science Degree in Economics and Government. He subsequently received his Master of Arts Degree in Economics and International Relations from Johns Hopkins University in 1982. Mr. Lysiuk ran the money market desk at Citibank Vienna Austria from 1982 until 1985. Credit Suisse New York employed Mr. Lysiuk as Senior Chief Dealer in their Foreign Exchange and Money Markets derivatives department from 1987 until 1989. In July of 1989 he accepted the position of Vice President Chief Dealer Money Markets for Hong Kong Bank and Midland Bank. In February 1994 Roman Lysiuk accepted the position of Vice President with Greenwich Capital Markets as a proprietary trader in the Foreign Exchange and Fixed Income arbitrage area. Mr. Lysiuk left Greenwich Capital in 1995 to establish Atlantis Capital Markets NA, L.L.C., the Investment Manager. While still at Atlantis, Mr. Lysiuk worked at Cantor Fitzgerald from March 1999 until March 2000 as Vice President, Manager Futures & Derivatives Department and in addition worked with the Asset Management Group, developing hedge funds, fund of funds program, fixed-income arbitrage fund, and note program.

Other Activities. The Investment Manager and Mr. Lysiuk intend to devote as large a portion of their business time to Fund activities as they deem necessary. Without limiting the generality of the foregoing, the Investment Manager and such other persons may act as an investment adviser or investment manager for others, may act as a "finder" in the raising of capital for others, may manage funds or capital for others, may have, make and maintain investments in their own names or through other entities, and may serve as an officer, director, consultant, partner or stockholder of one or more investment funds, partnerships~ securities firms or advisory firms. It may not always be possible or consistent with the investment objectives of the various persons described above and of the Fund for the same investment positions to be taken or liquidated at the same time or at the same price.

INVESTMENT CONSIDERATIONS AND RISK FACTORS

All investments risk the loss of capital. No guarantee or representation is made that the Fund will achieve its investment objective. The Fund may utilize high risk securities including low credit quality and distressed securities, which may be illiquid, and may utilize highly speculative investment techniques including short-selling, investing in non-US securities, high leverage, futures, swaps and notional principal contracts, currency speculation, short-sales and uncovered option transactions. Accordingly, an investment in the Fund is speculative and involves considerations and risk factors which prospective investors should consider before subscribing. An investment in the Fund should form only a part of a complete investment program and an investor must be able to bear the loss of its entire investment. In addition, prospective investors should consult their own tax advisors regarding the potential tax consequences of the Fund's activities and investments.

Investment Practices and Portfolio Risks

INVESTMENT RISKS IN GENERAL

The Fund may use transactions involving swaps and notional principal contracts, commodity futures and commodity option contracts and may utilize such investment techniques such as short-sales, leverage, uncovered option transactions, workouts, illiquid securities, non-US securities and attendant currency exchange transactions and highly concentrated portfolios, among others, which present substantial investment risks and could in certain circumstances magnify the impact of any market or investment developments. In general, neither the Fund nor the Investment Manager will have the ability to direct or influence the management of these assets or the investment of their assets. If the Fund receives distributions in kind from any of the assets, it will incur additional costs and risks to dispose of such assets.

BUSINESS RISKS

The Fund will invest substantially all of its available capital (other than capital the Investment Manager determines to retain in cash or cash equivalents) in securities and other intangible investment instruments. While most of these instruments are traded in public markets, markets for such instruments in general are subject to fluctuations and the market value of any particular investment may be subject to substantial variation. In addition, such securities may be issued by unseasoned companies and may be highly speculative. No assurance can be given that the Fund's investment portfolio will generate any income or will appreciate in value.

ECONOMIC CONDITIONS

Changes in economic conditions, including, for example, interest rates, inflation rates, industry conditions, competition, technological developments, political and diplomatic events and trends, tax laws and innumerable other factors, can affect substantially and adversely the business and prospects of the Fund. None of these conditions are within the control of the Investment

Manager, and no assurances can be given that the Investment Manager will anticipate these developments.

NO CONTROL OVER PORTFOLIO ISSUERS

The Fund may from time to time acquire substantial positions in the securities of particular companies. Nevertheless, the Fund is not likely to obtain representation on the board of directors and will not take any control over the management of any company in which the Fund may invest and the success of each investment will depend on the ability and success of the management of the issuers in addition to economic and market factors.

LIMITED DIVERSIFICATION

No minimum level of capital is required to be maintained by the Fund. As a result of subsequent losses or redemptions, the Fund may not have sufficient funds to diversify its investments to the extent desired or currently contemplated by the Investment Manager. More generally, the Investment Manager does not intend or expect to diversify the Fund's portfolio over various asset classes. No standards have been established to limit the concentration of the Fund's portfolio. The degree of the market risk to which the Fund is exposed will be inversely proportional to the degree to which the Fund's portfolio is diversified.

PORTFOLIO VALUATION

Interests in Fund assets will generally be valued in accordance with accepted methods for securities and instruments included in the Fund asset. These valuations may be provided based on interim unaudited financial statements. Accordingly, these figures may be subject to an upward or downward adjustment following the auditing of such financial records. If a Shareholder redeems Shares from the Fund, subsequent valuation adjustments to Fund assets may occur and there is a risk that such Shareholder may receive an amount upon redemption which is greater or less than the amount such Shareholder would have been entitled to have received on the basis of the adjusted valuation.

LOW CREDIT QUALITY SECURITIES

The Fund may invest in particularly risky investments that also may offer the potential for correspondingly high returns. As a result, the Fund may lose all or substantially all of its investment in any particular instance, which would have an adverse effect on the Fund. In addition, there is no minimum credit standard which is a prerequisite to the Fund's acquisition of any security, and the debt securities in which the Fund is permitted to invest will be less than investment grade and may be considered to be "junk bonds." Securities in which the Fund may invest may rank junior to other outstanding securities and obligations of the issuer, all or a significant portion of whose debt securities may be secured by substantially all of the issuer's assets. Moreover, the Fund may invest in securities which are not protected by financial covenants or limitations on additional indebtedness.

DERIVATIVES

The Fund may utilize derivative instruments. These investments are all subject to additional risks that can result in a loss of all or part of an investment. Such risks include interest rate risk, credit risk, volatility risk, world and local market price and demand, and general economic factors and activity.

CONCENTRATION

Because the Fund has the ability to concentrate its investments by investing an unlimited amount of its assets in a single issuer or industry, the overall adverse impact on the Fund of adverse movements in the value of the securities of a single issuer or industry will be considerably greater than if the Fund were not permitted to concentrate its investments to such an extent.

ILLIQUID INVESTMENTS

The Fund may make investments which are subject to legal or other restrictions on transfer or for which no liquid market exists. The market prices, if any, of such investments tend to be more volatile and the Fund may not be able to sell them when they desire to do so or to realize what they perceive to be their fair value in the event of a sale. Moreover, securities in which the Fund may invest include those that are not listed on a stock exchange or traded in an over-the-counter market. As a result of the absence of a public trading market for these securities, they may be less liquid than publicly traded securities. The Fund may encounter substantial delays in attempting to sell non-publicly traded securities. Although these securities may be resold in privately negotiated transactions, the prices realized from these sales could be less than those originally paid by the Fund. Further, companies whose securities are not publicly traded are not subject to the disclosure and other investor protection requirements which would be applicable if their securities were publicly traded.

LEVERAGING BY FUND

The Fund may engage in various forms of leverage, and the Fund does not limit the use of leverage by individual Fund assets or Fund assets in the aggregate. Leverage may include both investments in derivatives as well as direct borrowings. To the extent that the Fund uses leverage, the value of its net assets will tend to increase or decrease at a greater rate than if no leverage were employed. If income and appreciation on investments made with borrowed funds are less than the required interest payments on the borrowings, the value of the Fund's net assets will decrease. Accordingly, any event which adversely affects the value of an investment by the Fund would be magnified to the extent that such investment is leveraged. Leverage has a similar effect on investments themselves to the extent the issuer is leveraged, and can also affect their cash flow and operating results.

The cumulative effect of the use of leverage by the Fund in a market that moves adversely to the Fund could result in a substantial loss to the Fund which would be greater than if the Fund were not leveraged. As a result, if the Fund's losses were to exceed the amount of capital invested, the Fund could lose its entire investment. In addition, the Fund itself may use leverage to manage its liquidity needs. These leverage transactions by the Fund would be in addition to any leverage transactions of Fund assets and are not limited by the amount, if any, by which Fund assets are leveraged or by leverage incurred by the Fund in connection with its hedging transactions.

SHORT-SELLING

The Fund may engage in short-selling. Short-selling involves selling securities which may or may not be owned and borrowing the same securities for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short-selling allows the investor to profit from declines in market prices to the extent such decline exceeds the transaction costs and the costs of borrowing the securities. However, since the borrowed securities must be replaced by purchases at market prices in order to close out the short position, any appreciation in the price of the borrowed securities would result in a loss. Purchasing securities to close out the short position can itself cause the price of the securities to rise further, thereby exacerbating the loss.

OPTION TRANSACTIONS

The Fund may engage in option transactions. The purchase or sale of an option involves the payment or receipt of a premium payment by the investor and the corresponding right or obligation, as the case may be, to either purchase or sell the underlying security or other instrument for a specific price at a certain time or during a certain period. Purchasing options involves the risk that the underlying instrument does not change price in the manner expected, so that the option expires worthless and the investor loses its premium. Selling options, on the other hand, involves potentially greater risk because the investor is exposed to the extent of the actual price movement in the underlying security in excess of the premium payment received. Over-the-counter options also involve counterpart solvency risk.

RISKS OF ARBITRAGE TRANSACTIONS

The results of the Fund's operations may be expected to fluctuate from month to month and from period to period because of the inherently speculative nature of risk arbitrage transactions.

In this activity, if and when the Investment Manager determines that it is probable that a proposed transaction will be consummated, the Fund will purchase securities at prices often only slightly below the anticipated value to be paid or exchanged for the securities in the proposed merger, exchange offer, cash tender offer or other similar transaction. The purchase price to the Fund may be substantially above the prices at which such securities traded immediately prior to the announcement of such merger, exchange offer, cash tender offer or other similar transaction. If the proposed merger, exchange offer, cash tender offer or other similar transaction appears likely not to be consummated or in fact is not consummated or is delayed, the market price of the security to be tendered or exchanged may, and likely will, decline sharply by an amount greater

than the difference between the Fund's purchase price and the anticipated consideration to be paid. In addition, where a security to be issued in a merger or exchange offer has been sold short in the expectation that the short position will be covered by delivery of such security when issued, failure of the merger or exchange offer to be consummated may force the Fund to cover its short sale, with a resulting, and perhaps significant, loss.

In addition, if the Investment Manager determines that the offer price for a security which is the subject of a tender offer is likely to be increased, either by the original bidder or by another party, the Fund may purchase securities above the offer price, thereby exposing the Fund to an even greater degree of risk of loss.

Where the Investment Manager determines that it is probable that a transaction will not be consummated, the Fund may sell the securities of the target company short, at times significantly below the announced tender or offering prices for the securities in the transaction. If the transaction (or another transaction, such as a "defensive" merger or a "friendly" tender offer) is consummated at the announced price or a higher price, the Fund may be forced to cover the short position in the market at a higher price than the short sale price, with a resulting, and perhaps significant, loss.

The consummation of mergers, exchange offers, cash tender offers or other similar transactions can be prevented or delayed by a variety of factors. An exchange offer or a cash tender offer by one company for the securities of another will often be opposed by the management or shareholders of the target company on the grounds that the consideration offered is inadequate or for a variety of other reasons, and this opposition may result in litigation which may significantly delay or prevent consummation of the transaction by alleging, among other things, that the offering material supplied by the offeror contains inadequate, false or misleading disclosures, that the offeror has, by its activities in connection with the offer, violated federal and/or state securities or takeover laws, or that the proposed acquisition would violate federal antitrust laws, margin regulations or other statutes or regulations. Even if the business terms and other relevant matters necessary to consummate the transaction have been agreed upon by the management of the companies involved, the consummation of such transaction may be prevented by the intervention of a government regulatory agency which might have regulatory power over the companies or the transaction (such as, in the case a U.S. issuer, the U.S. Securities and Exchange Commission, the Antitrust Division of the U.S. Department of Justice or the U.S. Federal Trade Commission), litigation brought by a shareholder or, in the case of a merger, the failure to receive the necessary shareholder approvals, market conditions resulting in material changes in securities prices, and other circumstances, including, but not limited to, the failure to meet certain conditions customarily specified in acquisition agreements. Even if the defensive activities of a target company or the actions of regulatory authorities fail to defeat a transaction, such activities may cause significant delays, during which the Fund's capital will be committed to the transaction and interest charges on any funds borrowed to finance the Fund's activities in connection with the transaction may be incurred.

Offerors in tender or exchange offers customarily reserve the right to cancel such offers in the above and a variety of other circumstances, including an insufficient response from shareholders

of the target company.

The consummation of a transaction may be delayed for various other reasons, including compliance with the Hart-Scott-Rodino Antitrust Improvements Act of 1976 which requires certain waiting periods before the transaction may be completed, waiting periods required under state takeover laws, and, with respect to mergers, exchange offers and recapitalization plans in which securities are to be offered, the need to register the offered securities under the Securities Act of 1933.

An exchange offer or a cash tender offer may be made for less than all of the outstanding securities of an issuer, with the provision that, if a greater number is tendered, securities will be accepted on a pro rata basis. Thus, after the completion of the offer, and at a time when the market price of the securities has declined below its cost, the Fund may have returned to it, and be forced to sell at a loss, a portion of the securities it tendered.

In liquidations, bankruptcies, recapitalizations and other forms of corporate reorganization, there exists the risk that the reorganization either will be unsuccessful (for example, for failure to obtain requisite approvals), will be delayed (for example, until various liabilities, actual or contingent, have been satisfied) or will result in a distribution of cash or a new security the value of which will be less than the purchase price to the Fund of the security in respect of which such distribution was made.

The Investment Manager will attempt to assess all of the foregoing risk factors, and others, in determining the extent of the position it will take in the relevant securities and the price it is willing to pay for such securities. However, many risks, such as the outcome of pending or threatened litigation, cannot be quantified.

CURRENCY EXCHANGE RISK EXPOSURE

The capital subscriptions to Shares and the Fund assets may be denominated in different currencies. Accordingly, movements in the currency exchange rate may adversely affect the Fund's Net Asset Value.

CURRENCY EXCHANGE SPECULATION

Certain of the Fund assets may engage in currency exchange rate speculation. Exchange rates among countries have been highly volatile in recent years. The combination of volatility and leverage gives rise to the possibility of large profit and large loss. In addition, there is counterpart risk since currency trading is done on a principal to principal basis.

FAILURE OF FUTURES COMMISSION MERCHANTS

Under the United States Commodity Exchange Act (the "Commodity Exchange Act"), futures commission merchants are required to maintain customers' assets in a segregated account. To the extent that the Fund engages in futures and options contract trading and the futures commission merchants with whom the Fund maintains accounts fail to so segregate the assets of

the Fund, the Fund will be subject to a risk of loss in the event of the bankruptcy of any of its futures commission merchants. In certain circumstances, the Fund might be able to recover, even in respect of property specifically traceable to the Fund, only a pro rata share of all property available for distribution to a bankrupt futures commission merchant's customers.

STOCK INDEX OPTIONS

The Fund may purchase and sell call and put options on stock indices listed on exchanges or traded in the over-the-counter market for the purpose of realizing their investment objectives or for the purpose of hedging their portfolios. Successful use by the Fund of options on stock indices is subject to a manager's ability to predict correctly movements in the direction of a relevant stock market generally or of a particular industry or market segment. This requires different skills and techniques than predicting changes in the price of individual stocks.

LENDING PORTFOLIO SECURITIES

The Fund may lend their portfolio securities to brokers, dealers and financial institutions. In general, these loans will be secured by collateral (consisting of cash, government securities or irrevocable letters of credit) maintained in an amount equal to at least 100% of the market value, determined daily, of the loaned securities. The Fund would be entitled to payments equal to the interest and dividends on the loaned security and could receive a premium for lending the securities. Lending portfolio securities would result in income to the Fund, but could also involve certain risks in the event of the delay of return of the securities loaned or the default or insolvency of the borrower.

COMMODITIES

The Fund may invest in commodity futures contracts and in options thereon. Commodity markets are highly volatile. The profitability of such an investment depends on the ability of the portfolio manager to analyze correctly the commodity markets, which are influenced by, among other things, changing supply and demand relationships, weather, governmental, agricultural, commercial and trade programs and policies designed to influence commodity prices, world political and economic events, and changes in interest rates. Moreover, investments in commodities futures and options contracts involve additional risks including, without limitation, leverage (margin is usually only 5-15% of the face value of the contract and exposure can be nearly unlimited). The CFTC and futures exchanges have established limits referred to as "speculative position limits" on the maximum net long or net short position which any person may hold or control in particular commodities. All of the positions held by all accounts owned or controlled by the Fund will be aggregated for the purpose of determining compliance with position limits. It is possible that positions held by the Fund may have to be liquidated in order to avoid exceeding such limits. Such modification or liquidation, if required, could adversely affect the operations and profitability of the Fund.

SYNTHETIC PARTICIPATION IN ABSOLUTE RETURN STRATEGIES

The Investment Manager may utilize customized derivative instruments, including swaps, options, forwards, notional principal contracts or other financial instruments, to replicate, modify or replace the economic attributes associated with an investment in a security (including interests in collective investment vehicles and other Fund assets). The Fund may be exposed to certain additional risks should the Investment Manager use derivatives as a means to synthetically implement the Fund's investment strategies. If the Fund enters into a derivative instrument whereby it agrees to receive the return of a security or financial instrument or a basket of securities or financial instruments it will typically contract to receive such returns for a predetermined period of time. During such period, the Fund may not have the ability to increase or decrease its exposure. In addition, such customized derivative instruments will likely be highly illiquid and it is possible that the Fund will not be able to terminate such derivative instruments prior to their expiration date or that the penalties associated with such a termination might impact the Fund's performance in a material adverse manner. Furthermore, derivative instruments typically contain provisions giving the counterparty the right to terminate the contract upon the occurrence of certain events. Such events may include a decline in the value of the reference securities and material violations of the terms of the contract or the portfolio guidelines as well as other events determined by the counterparty. If a termination were to occur, the Fund's return could be adversely affected as it would lose the benefit of the indirect exposure to the reference securities and it may incur significant termination expenses.

In the event the Fund seeks to participate in a collective investment vehicle or other similar Fund asset through the use of such synthetic derivative instruments, the Fund will not acquire any voting interests or other shareholder rights that would be acquired with a direct investment in the underlying Fund asset. Accordingly, the Fund will not participate in matters submitted to a vote of the shareholders. In addition, the Fund may not receive all of the information and reports to shareholders that the Fund would receive with a direct investment in such collective investment vehicle. Further, the Fund will pay the counterparty to any such customized derivative instrument structuring fees and ongoing transaction fees, which will reduce the investment performance of the Fund.

Derivative instruments generally have counterparty risk, i.e., the risk that the counterparty fails to fulfill its contractual obligations under the terms of the instrument, and such instrument may not perform in the manner expected by the counterparties, thereby resulting in greater loss or gain to the investor. The Investment Manager will seek to minimize the Fund's exposure to counterparty risk by entering into such transactions with counterparties the Investment Manager believes to be creditworthy at the time it enters into the transaction. Certain transactions in such derivative instruments may require the Fund to provide collateral to secure its performance obligations under a contract.

DISTRESSED SECURITIES

The Fund may invest in companies that are in poor financial condition, lack sufficient capital or that are involved in bankruptcy or reorganization proceedings. Investments in securities of these types of companies face the unique risks of lack of information with respect to the issuer, the effects of applicable federal and state bankruptcy laws and regulations and greater market volatility than is typically found in other securities markets. As a result, investments in securities of distressed companies involve significant risks which could result in the Fund incurring losses with respect to such investments.

ABSENCE OF REGULATION CONCERNING FUND ASSETS

The Fund assets are expected to be subject to varying levels of regulation. Fund assets may not be registered as investment companies under the United States Investment Company Act of 1940, as amended (the "Investment Company Act") with the consequence that many of the protections afforded to investors by those laws will not be applicable. Similarly, certain investments in funds and accounts formed and operated outside the United States may not be subject to comprehensive government regulation.

BROKERAGE COMMISSIONS AND TRANSACTION COSTS

In selecting brokers or counterparties to effect portfolio transactions, the Fund will likely consider such factors as price, the ability to effect the transaction, the reliability and financial responsibility and any research products or services provided. Accordingly, if the Investment Manager determines in good faith that the amount of commissions or transaction fees charged by the entity is reasonable in relation to the value provided, the Fund may pay an amount greater than that charged by another entity.

EFFECT OF REDEMPTIONS ON DIVERSIFICATION

Although the Fund plans to seek diversification in the investment of its assets, to the extent a significant number of Shareholders elect to redeem their Shares at any one time, the Fund may not be able to satisfy such redemption requests from a variety of its Fund assets and be required to make disproportionate redemptions from select Fund assets, resulting in a temporary imbalance to its diversification strategy.

"NEW ISSUE" INVESTMENTS

The rules of the US National Association of Securities Dealers, Inc. ("NASD") prohibits restricted persons from participating in any new issue of equity securities, provided that an exemption is available for restricted persons who own a beneficial interest in a pooled investment vehicle such as the Fund. Under this exemption, restricted persons may participate in up to 10% of the gains or losses of a pooled investment fund's investments in new issues. The definition of "*restricted person*" includes any member firms of NASD and any other broker-dealers, any officer, director, general partner, associated person or employee of an NASD member or other broker-dealer, any agent of broker-dealers to the extent the agents are engaged in investment banking business, owners of broker-dealers, certain family members of persons who work in the financial services industry, finders and fiduciaries of managing underwriters for offerings in

which they are acting in such capacities, and certain portfolio managers including persons who have authority to buy or sell securities for a bank, savings and loan institution, insurance company, investment company, investment adviser or collective investment account. To the extent that a Shareholder is "restricted," an investment in the Fund may produce lower performance than that experienced by Shareholders who are not restricted. Any Shareholder who does not provide the Fund with information sufficient to show that the Shareholder is not restricted will be presumed to be restricted and will not be allocated new issue profits (if any are received) in excess of those permitted under the then applicable NASD rules of conduct.

Management Risks

NO OPERATING HISTORY AND DEPENDENCE ON MANAGEMENT

The Fund has no operating history. However, the Investment Manager has managed Atlantis Capital Management, L.P., a Delaware limited partnership on similar investment objectives for a period of time, which may be referred to as a benchmark for performance and methodology, and details of the performance of such are available upon request of the Investment Manager. There can be no assurance that the Fund will achieve its investment objective. The past performance of the Investment Manager may not be indicative of the future performance of the Fund. Although the overall supervision of the Fund is vested in the Board of Directors of the Fund, the Fund's investment performance could be materially affected if certain key people were to die, become ill or disabled or otherwise cease to be involved in the active management of the Fund.

RELIANCE ON KEY INDIVIDUALS

The success of the Fund is dependent on the expertise of the Investment Manager. The loss of one or more individuals could have a material adverse effect on the performance of the Fund. In addition, one or more of the Fund assets may be managed by only one or several key individuals. The loss of one or more key individuals could have a material adverse effect on such Fund assets.

PERFORMANCE-BASED PROFIT ALLOCATIONS

The fees paid to the Investment Manager include performance-based fees, if any, subject to a high water mark. These fees may create an incentive for the Investment Manager to make Fund investments that are riskier or more speculative than would be the case in the absence of such performance-based arrangements.

RELIANCE ON THE INVESTMENT MANAGER

If the Investment Manager is removed, resigns or otherwise no longer serves as the Investment Manager of the Fund, or if the Investment Manager is no longer serving in such capacity, certain Fund assets may be terminated or otherwise no longer available to the Fund, which may have an adverse impact on the Fund's investment performance.

INVESTMENTS IN JOINT BACK OFFICE AFFILIATIONS

Low margin required for the trading activity of U.S. broker-dealers, in which the Fund may create a JBO affiliation, provides a large amount of leverage, i.e. equities, having a value substantially greater than the margin, may be traded for a comparatively small amount of money. Thus, a relatively small change in the market price of the securities traded can produce a disproportionately large profit or loss, and it is therefore possible for the traders to gain or lose substantially more than the initial margin on a trade. The Fund intends to use leverage in connection with its proprietary trading. Leverage will help amplify the returns the Fund is able to achieve, but will also increase the risk associated with the Fund's activities. Moreover, the cost of servicing Fund borrowing could have an adverse effect on the Fund's profits.

Fund Risks

DIVIDENDS AND DISTRIBUTIONS

The Fund does not intend to pay dividends or other distributions, but intends instead to reinvest substantially all of the Fund's income and gain. Accordingly, an investment in the Fund may not be suitable for investors seeking current returns for financial or tax planning purposes.

LACK OF TRANSFERABILITY OF FUND SHARES

The Shares offered hereby have not been registered under United States Federal or state securities laws and are subject to restrictions on transfer contained in such laws and in the Memorandum and Articles of Association. There will not be any market for the Shares.

REDEMPTION RISKS OF FUND ASSETS

The Fund's redemption policies may allow redemption notices and redemption of assets in a substantially shorter period than the redemption notice and any payment terms of underlying Fund assets. Accordingly, a redeeming Shareholder may be subject to risk until such time that the Fund has actually received its assets from the Fund asset. Furthermore, the terms and conditions applicable to Fund assets may permit the underlying Fund asset to distribute assets in kind rather than pay redemptions in cash. In addition, as a result of the difference between redemption policies of the Fund and of Fund assets, the Investment Manager may be required to select Fund assets for liquidation on the basis of the redemption policies of Fund assets rather than other investment considerations, which may result in the remaining portfolio of Fund assets being less diverse in terms of investment strategies, number of investment managers or Fund assets, liquidity or other investment considerations than would otherwise be the case. In addition, the redemption of the Fund from a Fund asset could also involve expense to the Fund under the terms of the Fund's investment.

The Fund may pay redemption proceeds in kind. To the extent the Fund meets a Shareholder redemption request with a distribution in kind of one or more Fund assets such Shareholder will continue to be subject to the investment risks associated with such Fund assets and will be subject to any limitations or notice requirements imposed by the terms of such Fund assets on redemption or liquidation. In addition, the terms of such Fund assets may prohibit or impose significant limitations on the holders of Fund assets to sell or otherwise transfer interests in such

Fund assets. Thus, although the Fund's obligations to meet a Shareholder's redemption request are fulfilled on the date the Fund distributes Fund assets with a value equal to the redemption value owed to such Shareholder, the Fund assets distributed in kind to such Shareholder will continue to fluctuate in value after redemption, will be subject to any management or performance fees and expenses of such Fund asset and the Shareholder's ability to realize the cash value of such Fund assets may be significantly delayed or limited. Distributions in kind of Fund assets are subject to the valuation risks associated with such Fund assets.

LEVERAGING BY THE FUND

The Fund may leverage directly by borrowing money or indirectly by entering into various forms of derivative transactions. Leverage may be used for the purpose of managing the Fund's liquidity needs (e.g., making investments in Fund assets or meeting redemption requests). The use of leverage entails risks. While such leverage may facilitate redemptions by the Fund, if the Fund is not able to repay the borrowings or meet interest or other expenses relating to the leverage transactions, it may be forced to redeem investments at disadvantageous times in order to meet these obligations. Also, as with any use of leverage, the Fund's use of leverage will tend to increase or decrease the value of the Fund's net assets at a greater rate than if no leverage were employed. Furthermore, any use of leverage by the Fund, is in addition to, and is not restricted by, use of leverage by Fund assets.

FUND NOT REGISTERED

The Fund is not registered under the United States Investment Company Act. The United States Investment Company Act provides certain protection to investors and imposes certain restrictions on registered investment companies (including limitations on the ability of registered investment companies to incur debt), none of which will be applicable to the Fund.

REDEMPTION RESTRICTIONS

Redemption restrictions imposed by Fund assets or the provisions of the governing documents of Fund assets that permit suspension of redemptions may delay or preclude portfolio adjustments the Investment Manager would otherwise implement. Fund assets could depreciate in value during the time a redemption is delayed and the Fund would be precluded from redeploying its capital to more advantageous investment opportunities.

TURNOVER

The Fund's activities involve investment in the Fund assets which may invest on the basis of certain short-term market considerations. The turnover rate within these Fund assets is expected to be significant, potentially involving substantial brokerage commissions and fees.

RISK OF INVESTING IN FUND ASSETS

Fund assets could be the subject of lawsuits or legal proceedings, and the expenses or liabilities which arise from any such suits or proceedings, will be borne by the Fund asset, and indirectly by the Fund as an investor in the Fund asset.

MULTIPLE LEVELS OF EXPENSE

Both the Fund and Fund assets may impose investment management fees. The existence of a performance fee may create an incentive for the Investment Manager to make riskier and more speculative investments than would otherwise be the case in the absence of such performance-based compensation.

HEDGING

There can be no assurance that any hedging transactions, if any, will achieve their objective. In addition, the Fund may concentrate its hedging activities with one counterparty and the Fund is subject to the risk that a counterparty may fail to fulfill its obligations under a contract. To the extent that a counterparty fails to fulfill its obligations, the Fund's performance could be negatively impacted.

CROSS LIABILITY

Although the assets and liabilities of each Series of the Shares and other Classes will be tracked, for bookkeeping purposes, separately from the assets and liabilities of any other Series of each such Class, for legal purposes there is cross liability between the Series within and between the Shares. Thus, the assets of one Series of Shares can be used to satisfy the liabilities of any other Series of such Class, or to satisfy the liabilities of any other Series of any other Class. There is no guarantee that the assets of any particular Series of a Class will not be used to satisfy the liabilities of any other Series of that Class or another Class.

SOPHISTICATED INVESTORS

The Participating Shares are a suitable investment only for sophisticated investors for whom an investment in the Fund does not constitute a complete investment program and who fully understand and who are willing to assume and have the financial resources necessary to withstand the risks involved in the Fund's specialized investment program.

ISSUE AND REDEMPTION OF SHARES

Offering

Shares are being offered to investors at the price of US\$1,000 per Share. Applications to purchase Shares should be made by completing the Subscription Agreement and sending such Subscription Agreement to the Administrator in accordance with the instructions set forth therein.

Issue

Shares may be issued by the Fund on any Subscription Date in respect of applications which are received together with application monies in cleared funds before the Subscription Date. Subscription Dates are the first Business Day in each calendar month and/or such other day or days as the Investment Manager may from time to time determine. Applications to purchase Shares should be made by completing the Subscription Agreement and sending such Subscription Agreement to the Administrator in accordance with the instructions set forth therein. Applications received after a Subscription Date will be dealt with on the next following Subscription Date.

The price at which Shares will be issued on any particular Subscription Date will be US\$1,000 per Share. The initial subscription amount per investor must be US\$1,000,000 (subject to the discretion of the Directors to accept a lesser amount in any such case, but in no event less than US \$250,000). Application monies representing smaller fractions of a Share will be retained by the Fund. The per Share price and minimum investment and holding amounts and set forth in this Offering Memorandum may be adjusted by the Directors from time to time in its discretion, to account for currency alterations or similar changes.

The Fund offers a new Series of Shares of each Class as of the first Business Day of each month. Except in certain circumstances, at the end of each quarter, Shares of each Series will be converted into a single Series of Shares. Notwithstanding the foregoing, no Series that has a Net Asset Value per Share at the end of a quarter below its High Watermark Amount will be so converted, but rather the Shares of such Series shall remain outstanding until the end of a quarter at which the Net Asset Value per Share of such Series exceeds the High Watermark Amount, at which time the Shares of such Series shall be converted into Shares of the new Series in the manner described above. The purpose of offering the Shares in Series is to ensure that investors who purchase Shares at different times during the quarter pay a Performance Fee only if the net asset value of the relevant Series of Shares has exceeded the High Watermark Amount.

Other than having different Performance Fees and Net Asset Values per Share and except in connection with new issues, the Shares of each Series of a Class are identical with respect to the allocation of income and expenses. Furthermore, the Shares shall participate on a pro rata basis in the portfolio of a single series and shall be identical except with respect to their respective dividend policies. The Shares represent an undivided proportionate interest in the Net Assets of the Fund.

Each Series of Shares may be further divided into sub-Series to reflect whether a Shareholder is or is not restricted or prohibited from participating in "hot issues" pursuant to the rules of NASD. Such restricted Shareholders will not participate in gains or losses attributable to "hot issues," but such Shares will otherwise be identical to the corresponding unrestricted sub-Series of Shares.

No Shares will be issued unless and until the relevant application monies have been received in cleared funds by or on behalf of the Fund. Application monies must be paid by telegraphic or wire transfer to the Fund's account maintained by the Administrator. Unless the Investment Manager otherwise determines in its discretion, the Fund will not issue any Shares unless, as of the applicable Subscription Date, the Fund has received the application for Shares and the subscription amount.

Shares may not be issued during the period of any suspension of the determination of the Net Asset Value (for details see the section headed "Valuation and Prices").

Shares will be in registered form and certificates representing Shares will not be issued. A confirmation notice will be sent as soon as practicable to successful applicants on acceptance of their application (including provision of all information needed to verify the applicant's identity) and receipt in cleared funds of their application monies.

The Fund reserves the right to reject any application for Shares in whole or in part. If any application is not accepted in whole or in part, the application monies or (where an application is accepted in part only) the balance thereof will be returned (without interest) by wire to the applicant (or, in the case of joint applicants, the first named), at the expense of the applicant.

In addition, the Fund may at any time at its discretion temporarily discontinue, cease definitively or limit the issue of Shares to persons or corporate bodies resident or established in certain countries or territories. The Fund may also prohibit certain persons or corporate bodies from acquiring Shares if such a measure is necessary or desirable for the protection of the Shareholders.

Redemption

Shares may be redeemed at their Redemption Price on any Redemption Date at the request of the holder of such Shares, after 3 months has elapsed since the relevant Subscription Date. A redemption fee of 3% of the redemption price and 2% of the redemption price is applicable for redemptions effected within 6 months, and between 6 months and 12 months, respectively, after the Subscription Date for such Shares, subject to waiver by the Directors. The period will be calculated separately for each purchase of Shares and may be waived by the Investment Manager, in its sole and absolute discretion.

Redemption Dates are the last Business Day in each calendar month and/or such other day or days as the Investment Manager may from time to time determine.

Each request should be made on a Redemption Form and sent to the Administrator in accordance with the instructions contained in the Subscription Agreement. The Redemption Form is

included within the Subscription Agreement. In order for a redemption request to take effect on a particular Redemption Date, the original redemption request bearing authorized signature(s) must be received by not later than 60 days preceding the relevant Redemption Date or such later day as the Investment Manager in its discretion may decide. Redemption requests received after such time will be processed on the next following Redemption Date.

If compliance with a Shareholder's request for redemption would result in the Shareholder holding Shares with an aggregate Net Asset Value of less than US\$1,000,000 or such other minimum as the Directors may determine, at the option of the Directors, the Shareholder's request may be rejected or the whole of his holding redeemed. The minimum redemption is US\$5,000 value of Shares.

Requests for redemption once made may not be withdrawn (except with the written consent of the Directors) or unless there has been a suspension of determination of the Net Asset Value of the Fund.

If the Shareholder is redeeming 90% or more of his Shares, a minimum of 90% of the estimate of such amount will be paid within 30 days after the date of such redemption, and the remainder will be paid promptly after the Fund's independent public accountants have completed their examination of the Fund's year-end financial statements. If the examination indicates that the payment of 90% or greater exceeded the value of the Shares, the Shareholder will be obligated to repay to the Fund the amount of the excess. The retained amount owed to a Shareholder redeeming over 90% of his Shares will bear interest at a rate equal to that then payable on 90-day United States Treasury bills. Any overpayment upon a redemption will bear interest at a rate equal to the prime rate announced by Citibank, N.A., New York, New York or its successor, as of the date of proper notice of the overpayment, plus two percent (2%), if the overpayment has not been repaid within 30 days after notice of the Shareholder.

In addition, the Fund reserves the right, to mandatorily redeem any or all of a Shareholder's Shares at any time, for reasons including if the Shareholder (or any beneficiary thereof) is a U.S. Person, except for Permitted U.S. persons who are Accredited Investors. The redemption price in the event of any such mandatory redemption will be the Net Asset Value per Share as of the applicable Redemption Date.

Any amount payable to a Shareholder in connection with requests for redemption will be paid by wire transfer (in accordance with written details to be supplied by the Shareholder) at the Shareholder's expense and risk. The Fund will normally ensure that it has sufficient liquid assets available to enable redemption proceeds to be forwarded forthwith to a Shareholder who has requested a redemption of all or part of his holding of Shares. The details of where such monies are to be forwarded must be set out in the Subscription Agreement. This may be changed from time to time by written instructions of the Shareholder. Failure to complete that section of such Subscription Agreement may result in delays in the receipt of redemption proceeds since the Fund will reserve the right to insist on instructions with regard to payment being received by the Fund in writing under the verified signature of the Shareholder. Amounts redemption and payable to an investor that have not been paid by wire transfer or the mailing of a check within 10 days of

the redemption will accrue interest from such tenth day through the date of actual wire transfer or mailing at a rate equal to that payable on 30-day United States Treasury bills as of the respective tenth day, without compounding.

Notwithstanding the previous paragraph, the Fund may defer payment of the Redemption Price if it is unable to do so because of circumstances beyond its control, in which case it will pay such Redemption Price as soon as possible. The Fund may pro-rate all redemption requests for Shares being redeemed which are greater than 25% of all Shares then held by the investor on any Redemption Date to limit total redemptions to 50% of the Shares in issue on the relevant Redemption Date. Any outstanding redemption requests will not be carried forward to the next following Valuation Date.

A Shareholder redeeming Shares will, except as referred to below, be paid an amount equal to the Redemption Price per Share, calculated in the manner described below under the section headed "Valuation and Prices".

Redemptions will be made in cash or, as determined by the Fund, in securities selected by the Fund, or partly in cash and partly in securities selected by the Fund. The Fund would then normally sell the assets so distributed for the account of the Shareholder and distribute the cash proceeds to that Shareholder in the same manner as though the Shareholder has sold the assets and distributed cash, but could distribute the assets themselves if the Shareholder so prefers. The Fund is not obligated to use one method or the other in effecting redemptions, but it is anticipated that distributions in kind will be made only under circumstances that would not produce unfavorable tax results for the Shareholder.

No redemption of part of a holding of Shares may be made which would result in the Shareholder retaining Shares which have a value of less than the applicable minimum subscription amount unless the Directors, in their discretion, determines to permit the redemption. The minimum redemption is US\$5,000 value of Shares.

No redemption of Shares may be effected during the period of any suspension of the determination of the Net Asset Value (for details see the section headed "Valuation and Prices").

Cayman Islands Mutual Funds Law

The Fund falls within the definition of a "mutual fund" in terms of the Mutual Funds Law (2003 Revision) of the Cayman Islands (the "Law"). However, the Fund is not required to be registered, licensed or to employ a licensed mutual fund administrator to provide a principal office in the Cayman Islands since there are less than 15 Shareholders, the majority of which have the right to remove and appoint the Directors. Once more than 15 Shareholders exist, the Fund shall cause the minimum interest purchasable by a prospective investor in the Fund to be equal to or exceeds C\$40,000 (approximately US\$50,000) or its equivalent in any other currency. Accordingly the obligations of the Fund once more than 15 Shareholders exist, are: (a) to register the Fund with the Managing Director of the Cayman Islands Monetary Authority (the "Monetary Authority") in accordance with terms of the Law; (b) to file with the Monetary Authority prescribed details of this Offering Memorandum and any material change to it; (c) to

file annually with the Monetary Authority accounts audited by an approved auditor; and (d) to pay a prescribed registration fee and annual fee.

After registration of the Fund, the Monetary Authority may at any time instruct the Fund to have its accounts audited and to submit them to the Monetary Authority within such time as the Monetary Authority specifies. In addition the Monetary Authority may ask the Directors to give the Monetary Authority such information or such explanation in respect of the Fund as the Monetary Authority may reasonably require to enable it to carry out its duty under the Law. The Directors must give the Monetary Authority access to or provide at any reasonable time all records relating to the Fund and the Monetary Authority may copy or take an extract of a record to which it is given access. Failure to comply with these requests by the Monetary Authority may result in substantial fines being imposed on the Directors and may result in the Monetary Authority applying to the court to have the Fund wound up.

After registration of the Fund, the Monetary Authority may take certain actions if it is satisfied that a regulated mutual fund is likely to become unable to meet its obligations as they fall due or is carrying on or is attempting to carry on business or is winding up its business voluntarily in a manner that is prejudicial to its investors or creditors. The powers of the Monetary Authority include, inter alia, the power to require the substitution of the Directors, to appoint a person to advise the Fund on the proper conduct of its affairs or to appoint a person to assume control of the affairs of the Fund. There are other remedies available to the Monetary Authority, including the ability to apply to the court for approval of other actions.

Cayman Islands Anti-Money Laundering Regulations

In order to comply with regulations aimed at the prevention of money laundering, the Fund will require verification of identity from all prospective investors (unless in any case the Fund is satisfied that an exemption under the Money Laundering Regulations 2003 of the Cayman Islands (the "Regulations") applies). Depending on the circumstances of each subscription, a detailed verification might not be required where:

- (a) a prospective Shareholder makes the payment for his investment from an account held in the prospective Shareholder's name at a recognized financial institution;
- (b) the prospective Shareholder is regulated by a recognized regulatory authority and is based or incorporated in, or formed under the law of, a recognized jurisdiction; or
- (c) the subscription is made through an intermediary which is regulated by a recognized regulatory authority and is based or incorporated in, or formed under the law of, a recognized jurisdiction.

For the purposes of these exceptions, recognition of a financial institution, regulatory authority or jurisdiction will be determined in accordance with the Regulations by reference to those jurisdictions recognized by the Cayman Islands as having sufficient anti-money laundering regulations.

The Fund reserves the right to request such information as is necessary to verify the identity of a prospective Shareholder. In the event of delay or failure by the prospective Shareholder to produce any information required for verification purposes, the Fund may refuse to accept the subscription for Shares and, if so, any funds received will be returned without interest to the account from which the monies were originally debited.

If any person who is resident in the Cayman Islands (including the Administrator) has a suspicion obtained in the course of business that any other person is engaged in money laundering, that person is required to report such suspicion pursuant to the Proceeds of Criminal Conduct Law (2001 Revision) of the Cayman Islands and such reports shall not be treated as a breach of any restriction upon the disclosure of information imposed by any enactment or otherwise.

Anti-Money Laundering Regulations of Other Jurisdictions

The Fund and its affiliates may need to comply with the USA Patriot Act and other applicable US and non-US anti-money laundering laws. In addition, many jurisdictions are in the process of changing or creating anti-money laundering, embargo and trade sanctions, or similar laws, regulations, requirements (whether or not with force of law) or regulatory policies and many financial intermediaries are in the process of changing or creating responsive disclosure and compliance policies (collectively, the "Requirements") and the Fund could be requested or required to obtain certain assurances from investors subscribing for Shares, disclose information pertaining to them to governmental, regulatory or other authorities or to financial intermediaries or engage in due diligence or take other related actions in the future. It is the Fund's policy to comply with the Requirements to which they are or may become subject and to interpret them broadly in favor of disclosure.

To achieve this objective, each investor will be expected to represent its compliance with the applicable anti-money laundering laws. Each investor will be required to agree in the Subscription Agreement, and will be deemed to have agreed by reason of owning any Shares in the Fund, that it will provide additional information or take such other actions as may be necessary or advisable for the Fund (in the discretion of the Directors) to comply with any Requirements, related legal process or appropriate requests (whether formal or informal) or otherwise. Each investor by executing the Subscription Agreement consents, and by owning Shares is deemed to have consented, to disclosure by the Fund and its agent to relevant third parties of information pertaining to it in respect of the Requirements or information requests related thereto. Failure to honor any such request may result, in the discretion of the Investment Manager, in redemption by the Fund or a forced sale to another investor of such investor's Shares.

Transfer of Shares

The Memorandum and Articles of Association provides that the Shares are not transferable in certain circumstances.

MANAGEMENT AND ADMINISTRATION

The Directors

The sole Director is Roman Lyniuk. See "The Investment Manager" for details.

The Directors are responsible for the overall management of the Fund and the Shares, but have delegated certain functions as described herein. The Directors are entitled to receive fees out of the assets of the Fund, as described below under the section headed "Charges and Expenses." All actions referred to herein as being taken by the Fund are performed by the Directors or their delegates, including the Investment Manager, the Administrator and the custodians, as or on behalf of the Fund only.

Under the terms of the Memorandum and Articles of Association, the Directors shall be entitled, for the purpose of indemnity against actions, costs, claims, damages, expenses or demands to which they may be put as Directors in connection with the Fund (in the proper performance of its powers and duties under the Memorandum and Articles of Association), to have recourse to the assets of the Fund save in respect of any action, cost, claim, damage, expense or demand which results from any act or omission occasioned by the fraud, wilful default or dishonesty of the Directors.

Except in respect of loss or damage caused by the Directors' fraud, wilful default or dishonesty, recourse against the Directors for loss or damage caused by their acts or omissions shall be limited to the assets of the Fund.

Investment Manager

The Investment Manager is Atlantis Capital Markets NA, L.L.C.

By the Investment Management Agreement, the Fund has appointed Atlantis Capital Markets NA, L.L.C. as its Investment Manager, with responsibility for the selection of Fund assets. The Investment Manager will also supervise the day-to-day management of the Fund. The Investment Manager will make all investment decisions on behalf of the Fund in accordance with the investment objectives and policies stated in this Offering Memorandum, and will be generally responsible for the selection, purchase, monitoring and disposal of Fund assets on behalf of the Fund. The Investment Manager will select the brokers or the dealers, if any, that will execute portfolio transactions for the Fund.

The Investment Manager has no obligation to deal with any broker or brokers in the execution of transactions in portfolio securities.

Some Fund assets considered for investment by the Fund may also be appropriate for other clients advised by the Investment Manager. If the purchase or sale of securities are consistent

with the Fund's investment policies and one or more of these other funds or clients advised by the Investment Manager or by an affiliate are considered at or about the same time, transactions in such securities will be allocated among the several clients in a manner deemed fair and equitable by the Investment Manager. These allocations may be advantageous or disadvantageous to the Fund.

The Investment Manager may, in its discretion, delegate the performance of any of its duties under the Investment Management Agreement to third parties from time to time.

The Investment Management Agreement is terminable either by the Investment Manager or by the Fund on not less than 90 days' notice.

The Investment Manager is entitled to receive fees out of assets of the Fund, as described below under the section headed "Charges and Expenses."

The Investment Management Agreement provides that in the absence of fraud, wilful default or gross negligence by the Investment Manager, its servants, agents or delegates, neither the Investment Manager nor its affiliates shall be liable for any loss or damage which the Fund may sustain or suffer as a result or in the course of discharge by the Investment Manager of its duties hereunder, and shall be indemnified by the Fund for all losses, liabilities, expenses, obligations, damages, penalties, actions, judgments, suits, costs or disbursements incurred by it in performing its obligations. For the avoidance of doubt, where there is fraud, wilful default or gross negligence committed by the Investment Manager, its servants, agents or delegates, the Investment Manager shall be liable for any act or omission of the Investment Manager and those of its servants, agents or delegates.

Administrator

The Administrator is FundAdministration & Swiss Financial, Inc.

The Administration Agreement is on the normal terms offered by the Administrator for investment funds of this type.

The Administrator is entitled to receive fees out of assets of the Fund, as described below under the section headed "Charges and Expenses."

The Administration Agreement provides that the Administrator shall not be liable to the Fund for any act or omission in the course of or in connection with the services rendered by it for any loss or damage which the Fund may sustain or suffer as a result or in the course of the discharge by the Administrator or its officers and employees of its duties and shall be indemnified by the Fund for all losses, liabilities or expenses incurred by it in performing its obligations, save for certain circumstances.

Brokerage and Custody

The Fund pays brokerage commissions and fees to registered securities brokers for executing and clearing transactions on behalf of the Fund. The Investment Manager has complete discretion regarding the selection of brokers and the amount of brokerage commissions and fees paid to such brokers, none of whom are currently affiliated with the Investment Manager but many or all of whom may refer prospective Shareholders for investment in the Fund or other funds or accounts managed by the Investment Manager, Mr. Lyniuk or their affiliates and associates. The Investment Manager or such other persons may also establish or acquire an interest in a securities brokerage firm in the future and execute Fund securities transactions through that firm.

Brokerage fees paid by the Fund vary and may be greater than those typical for investment funds similar to the Fund if the Investment Manager has determined that the research, execution and other services, including limited partner referrals and services rendered or items paid for pursuant to "soft dollar" arrangements (see below), of a particular broker merit greater than typical fees. Fund brokerage transactions may also be made from time to time on an aggregate basis in conjunction with transactions on behalf of the Investment Manager individually and other accounts managed by it, or their affiliates or associates. In those cases, the Fund may bear a pro rata share of brokerage commission expenses that sometimes exceeds the commission expense that the Fund would have incurred if it had traded independently.

The Fund also enters into so-called "soft dollar" arrangements with brokerage firms from time to time. Under these arrangements, the brokerage firms provide or pay the costs of certain services, equipment or other items for the benefit of the Fund, the Investment Manager, or one or more of their affiliates in consideration of the allocation to the firm of brokerage transactions (with resulting commission income) made on behalf of the Fund. The services, equipment and other items provided or for which payment is otherwise made using such soft dollar arrangements may include, among others, research services, computer and other office equipment, office supplies, consulting fees, salaries, employee benefits, telephone, news wire, data processing and other charges, attorneys' and accountants' fees, office rent, travel and entertainment expenses, quotation services, periodical subscription fees, and custody, record keeping and similar charges. Any of these soft dollar arrangements may benefit the Investment Manager, or one or more of their affiliates without any direct benefit to the Fund. The Investment Manager believes, however, that its allocations of brokerage business and soft dollar arrangements generally enhance the Fund's ability to obtain research and optimal execution, as well as other benefits to the Fund.

Custody of the Fund's investments will be maintained at one or more financial institutions or brokerage firms selected by the Investment Manager.

The Fund will select prime brokers and custodian's for the Fund's investments such as Royal Bank of Canada, O'Connor & Company, and Bank of New York - Pershing.

CHARGES AND EXPENSES

Investment Manager's Management Fee

Under the terms of the Investment Management Agreement, the Investment Manager will be entitled to receive a management fee ("Management Fee") payable quarterly in advance, out of the assets attributable to each Series of Shares, equal to 1.5% of the Net Asset Value of such Series. The Management Fee shall be calculated after any adjustments related to the profits, losses and expenses of hedging transactions, if any.

Investment Manager's Performance Fee

The Fund will also pay the Investment Manager, out of the assets attributable to each Series of Shares, a performance fee payable quarterly ("Performance Fee") equal to 20% of the amount, if any, by which the Net Asset Value of such Series (before deduction of the Performance Fee, if any, paid or payable for the applicable period) exceeds the High Watermark Amount applicable to such Series. The Performance Fee shall be calculated after any adjustments related to the profits, losses and expenses of hedging transactions, if any. The Performance Fee shall be calculated and payable annually in arrears after the end of each quarter.

If a payment is made in respect of a redemption of any portion of the Shares, the amount of Performance Fee earned and accrued with respect to such redeemed Shares shall be paid to the Investment Manager at the time of such redemption and the High Watermark Amount for the next succeeding calculation date of the Performance Fee shall be adjusted by subtracting an amount equal to the High Watermark Amount applicable to the Shares being redeemed. If any payment or recognition (other than the payment of fees or other costs or expenses chargeable to the Fund) is made in respect of a dividend or otherwise from the assets of the Fund without payment of the Performance Fee, the High Watermark Amount for the next succeeding date for calculation of the Performance Fee with respect to such Shares shall be modified by being multiplied by a fraction the numerator of which is the Net Asset Value immediately after such event and the denominator of which is the Net Asset Value of the such Shares immediately before such event.

The Management and Performance Fees shall be calculated separately for each Series of Shares of the Fund.

Directors Fees

As compensation for its services to the Fund, the Directors will not initially receive any annual fees. This may be subject to increase as determined by the Directors from time-to-time.

Administrator Fees

The fees of the Administrator are payable proportionately out of the assets attributable to each Series of Shares of each Class and shall be on the normal terms offered by the Administrator, subject to a minimum monthly fee together with any out-of-pocket expenses and disbursements.

Custodian Fees

The fees of custodians are payable based on the amount of assets held, subject to a minimum fee together with an out-of-pocket expenses and disbursements, based on the normal rate charged by the custodians engaged.

Initial Expenses

The Fund shall pay for all of the initial and organizational expenses relating to the Shares. In addition, the Fund shall pay the Investment Manager to cover certain initial internal operational and legal costs incurred by the Investment Manager in connection with the offering of Shares. The organizational and initial offering expenses of the Fund may, at the Directors' option, be amortized over a period of 60 months, notwithstanding their treatment under generally accepted accounting principles, and as a result, the Fund may not receive an unqualified opinion from its independent auditors. The Fund's accounting shall be performed in accordance with US GAAP, except as otherwise determined by the Directors.

General Expenses

Other than the organizational expenses set forth above, only expenses incurred, paid or accrued by the Fund in its ordinary and usual course of business and other direct expenses of the Fund's operation will be charged to the Fund. Such expenses may include, but are not limited to, administrative costs (including but not limited to the cost of printing and distributing periodic reports and statements), interest on borrowed funds, auditing expenses, legal expenses, insurance, licensing, accounting, brokerage and other commissions, margin, premium and interest expenses, fees and disbursements of transfer agents, registrars, custodians, sub-custodians and escrow agents, any expense or professional fees incurred in connection with structuring the acquisition or disposition of Fund assets, fees payable in the Cayman Islands on increases in the share capital of the Fund, the annual registration fee payable in the Cayman Islands, and all other investment related expenses. The Fund also shall pay all extraordinary expenses relating to the operation of the Fund including, without limitation, litigation or extraordinary regulatory expenses. No reimbursement shall be made to the Investment Manager for any expenses incurred with providing investment management services such as communication, travel, office rent and research.

POTENTIAL CONFLICTS OF INTEREST

Potential conflicts of interest exist in the structure and operation of the Fund's business. In particular, the director of the Fund is also a director/partner of the Investment Manager.]

Other Business Activities

The Investment Manager, its affiliates and their respective members, partners, officers and employees and their respective affiliates spend substantial time and attention on other business activities including investment management and advisory services for other clients and management of other investment vehicles. Further, they intend to engage in such business activities from time to time and may sponsor, manage or advise other pooled investment funds or separate accounts (collectively, "Other Clients") with overlapping investment objectives with those of the Fund. The Directors may be subject to similar conflicts of interest in its provision of services to the Fund.

Allocation of Investment Opportunities

The Investment Manager and its affiliates will seek to allocate investment opportunities and dispositions fairly over time among the Fund and Other Clients, taking into consideration diversification, investment objectives, existing investments, liquidity, contractual commitments or regulatory obligations and other considerations. Fund assets are generally offered in private offerings and it is not uncommon for Fund assets to become closed to new investments due to size constraints or other considerations. Also, the Fund or Other Clients may not be eligible investors in all potential Fund assets. Therefore, it is likely that the Fund's portfolio and those of Other Clients will have differences in the specific Fund assets held in their portfolios even when their investment objectives are the same or similar. These distinctions will result in differences in portfolio performance.

Sideletter Agreements Regarding Investment Opportunities

When purchasing Fund assets, the Investment Manager may have an opportunity to negotiate agreements that provide more advantageous investment terms for the Fund and Other Clients than may be available to other investors. Although the Investment Manager endeavors to negotiate the same terms on behalf of all clients, there may be situations where regulatory, investment objectives or other considerations result in differences among clients in the terms or the availability of the benefits of any such agreements. Furthermore, there may be circumstances where the benefit provided cannot be exercised by all clients simultaneously or at all. Also, while the Investment Manager may negotiate terms that it considers more advantageous overall, concessions may be required to obtain such terms.

Fees Paid to the Investment Manager

Fees paid to the Investment Manager have not been established on the basis of an arm's-length negotiation between the Fund and the Investment Manager. Performance-based fees may create an incentive for the Investment Manager to approve and cause the Fund to make more speculative investments than it would otherwise make in the absence of such performance-based compensation. By executing the Subscription Agreement, and by owning Shares, each Shareholder is deemed to have independently agreed to such fees.

Allocation of Expenses

The Investment Manager and its affiliates may from time to time incur expenses on behalf of the Fund and one or more existing or subsequent entities for which the Investment Manager or its affiliates act as investment manager, general partner, managing member or in a similar capacity. Although the Investment Manager and its affiliates will attempt to allocate such expenses on a basis that they consider equitable, there can be no assurance that such expenses will in all cases be allocated appropriately.

Transactions Between the Fund and Other Clients

The Investment Manager may cause the Fund to purchase securities from or sell securities to Other Clients when the Investment Manager believes such transactions are appropriate based on each party's investment objectives.

Other Business Relationships

The Investment Manager or its affiliates may have, and in the future may develop, business relationships that are independent of the investment management services provided to the Fund by the Investment Manager. These may include, but are not limited to, lending, depository, brokerage, risk management, investment advisory, security distribution or banking relationships with counterparties to transactions with the Fund or third parties that also provide investment management or other services to the Fund. Any such relationships may involve potentially material conflicts of interest. In addition, managers of funds included in the Fund's portfolios, their employees or affiliates may be clients of the Investment Manager or its affiliates or investors in funds they manage.

Prospective Consent of Shareholders

Pursuant to the terms of the Subscription Agreement of each Shareholder, each Shareholder will be deemed to have consented prospectively to any and all of the activities of the type or nature described in this Offering Memorandum, including, but not limited to, the activities described in "Potential Conflicts of Interest," whether or not such activities have or could have an effect on the Fund's affairs and no such activity will in and of itself constitute a breach of any duty owed by any person to the Fund or any Shareholder.

DIVIDENDS, REPORTS AND STATEMENTS

Dividend Policy

The Fund does not expect to pay dividends or other distributions with respect to the Shares. The dividend policy of the Fund with respect to the Shares will be determined by the Directors from time to time upon the advice and recommendation of the Investment Manager.

Reports and Statements

The Fund's Fiscal Year ends on December 31 in each year. It is intended that annual audited financial statements of the Fund will be sent to the Shareholders after the end of the Fiscal Year, or as soon thereafter as practicable. These statements will be prepared in accordance with US GAAP or such other official standards as may be agreed between the Directors and the Auditors.

An unaudited commentary prepared by the Investment Manager will also be sent to Shareholders within 30 days of the end of each month or as soon as practicable thereafter.

All financial statements, notices and other documents will be sent, in the case of joint holders of Shares, to the holder who is named first in the Register of Shareholders of the Fund at his registered address.

TAXATION

This summary of the principal tax consequences applicable to the Fund and its Shareholders is based upon advice received from the Fund's Cayman Islands legal and tax advisors. Moreover, while this summary is considered to be a correct interpretation of existing laws in force on the date of this Memorandum, no assurance can be given that courts or fiscal authorities responsible for the administration of such laws will agree with such interpretation or that changes in such laws will not occur. Accordingly, each prospective investor in the Fund should consult with its own tax advisor in order to understand the potential tax issues affecting the Fund and each investor. Further all laws, including laws relating to taxation in the Cayman Islands and other jurisdictions are subject to change without notice.

The Fund and Cayman Islands Taxation

On the basis of present legislation, the Fund is not subject to taxation in the Cayman Islands. There are currently no Cayman Islands corporation, income, capital gains, profits or other taxes.

The Fund has applied for and expects to receive from the Governor-in-Council of the Cayman Islands an undertaking under section 6 of the Tax Concessions Law (1999 Revision) that for a period of twenty (20) years from the date of the undertaking: (a) no law that is thereafter enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciation will apply to the Fund or its operations and (b) no such tax in the nature of an estate duty or inheritance tax will be payable on the Shares, debentures or other obligations of the Fund or by way of withholding in whole or in part of any relevant payment as defined in Section 6(3) of the Tax Concessions Law (1999 Revision).

Shareholders of the Fund

Shareholders who are not otherwise subject to Cayman Islands taxes by reason of their residence, domicile or other particular circumstances should not become subject to any such taxes by reason solely of the ownership, transfer or redemption of the Shares.

Persons interested in purchasing the Fund's Shares should inform themselves as to any tax consequences particular to their circumstances arising in the jurisdiction in which they are resident or domiciled for tax purposes in connection with the acquisition, ownership, redemption or disposition of the Fund's Shares.

The foregoing summary does not address tax considerations, which may be applicable to certain Shareholders under the laws of jurisdictions other than the Cayman Islands. The Fund has no present plans to apply for any certifications or registrations, or to take any other actions under the laws of any jurisdictions, which would afford relief to local investors therein from the normal tax regime otherwise applicable to an investment in the Shares.. The value of the Fund's investments may also be affected by repatriation and exchange control regulations. Tax may be withheld at source in certain countries in respect of dividends paid by the Fund's investments.

VALUATION AND PRICES

Calculation of Net Asset Value

The final Net Asset Value of each Series of Shares of each Class will be calculated as being the total assets attributable to such Series less the total liabilities attributable to such Series as at the close of business in the relevant market or markets on each Valuation Date in accordance with the following provisions:

(1) Securities for which market quotations are available are valued at their closing sale price on the Valuation Date (or, if on such date securities markets were closed, then the last preceding business day on which they were open).

(2) Securities traded in the over-the-counter market for which no sales quotations are generally available are valued at the closing bid price if held long or closing ask price if sold short on the Valuation date (or last preceding business day if securities markets were closed).

(3) Securities generally traded in an established securities market but for which there is no recorded sales information or quotations of bid and asked prices on the Valuation Date (or, if applicable, last preceding- business day) are valued by the Fund in good faith with reference to (i) the most recently reported sales or bid and asked prices, (ii) bid and asked price information as of the Valuation Date not generally reported but secured from a reputable broker or investment banker, and (iii) such other information as the Fund believes in good faith is relevant.

(4) Puts, calls and other contracts and derivative securities are valued in a manner comparable to the method for valuing other securities.

(5) Securities not listed or traded on any exchange or in the over-the-counter market are considered as having no ascertainable market value and are valued at cost or at fair value based on information available to the Fund regarding the value or worthlessness of such securities.

An investment purchased, and awaiting payment against delivery, is included for valuation purposes as an asset held, and cash accounts are adjusted by the deduction of the purchase price, including brokers' commissions or other expenses of the purchase. An investment sold but not delivered pending receipt of proceeds shall be valued at the net sales price. For the purpose of valuation of an investment, except an investment sold but not delivered, no deduction is made from the value determined above for brokers' commissions or other expenses that would be incurred upon a sale thereof.

The net asset value of the Fund is to be determined as of each Valuation Date by:

(a) Adding to the aggregate value of the investments of the Fund the uninvested cash balances of the Fund (as adjusted), such assets as would generally be considered pre-payments of expenses to be amortized over future periods and such other assets of the Fund as should be considered assets in accordance with the account methods determined by the Directors; and

(b) Deducting from that total any liabilities due (other than administration fees payable) in accordance with the accounting methods employed and, in the discretion of the Fund, such proportionate part as it deems proper of all charges, expenses or other liabilities accrued or anticipated to be applicable to any period prior to the Valuation Date, which amounts, so far as such liability is unliquidated, are to be fixed by the Fund in its discretion.

The net amount remaining is deemed to be the net asset value of the Fund on that Valuation Date. The net profit or net loss of any period shall be the difference between the net asset value of the Fund at the beginning of the period and the net asset value of the Fund at the close of the same period, such net asset value in each case determined before calculation and payment of the administration fee for the period and before giving effect to capital contributions and redemptions. Any increase in net asset value over the period (other than as a result of capital contributions) is then treated as a net profit and any decrease in net asset value (other than as a result of distributions or redemptions) is treated as a net loss. Capital contributions, distributions and redemptions are then made and any administration fees then due paid, with the net resulting amount constituting the opening net asset value of the Fund for the subsequent fiscal period.

With respect to the calculation of the Net Asset Values for each Series of Shares, the Administrator will rely upon valuations provided to it by third parties. The Administrator shall not be liable for any errors in NAV calculations where such errors are the result of incorrect information provided by such third parties, unless the Administrator's reliance upon such third party information constitutes fraud, wilful misconduct or gross negligence.

The Directors may, at any time and from time to time, suspend the determination of the Net Asset Value and/or extend the period for the payment of redemption monies to persons who have redeemed Shares for the whole or any part of a period:

- (a) during which any stock exchange, commodities exchange, futures exchange or over-the-counter market on which any significant portion of the investments of the Fund is listed, quoted, traded or dealt in is closed (other than customary weekend and holiday closing) or trading on any stock exchange or market is restricted or suspended; or
- (b) when circumstances exist as a result of which in the opinion of the Directors on its behalf, it is not reasonably practicable for the Fund to dispose of investments or as a result of which any such disposal would be materially prejudicial to Shareholders; or
- (c) when a breakdown occurs in any of the means normally employed in ascertaining the value of investments or when for any other reason the value of any of the investments or other assets of the Fund cannot in the opinion of the Directors on its behalf, reasonably or fairly be ascertained; or

- (d) during which the redemption or realization of the Fund's investments or the transfer of funds involved in such redemption or realization cannot in the opinion of the Directors on its behalf, be effected at normal prices or normal rates of exchange.

No Shares may be issued or redeemed during such a period of suspension. All reasonable steps will be taken to bring any period of suspension to an end as soon as possible.

SHARE CAPITAL AND RIGHTS

The authorised share capital of the Fund is US\$50,000 divided into 100 management voting shares of a nominal or par value US\$1.00 each ("Management Shares") and 4,990,000 participating non-voting shares of a nominal or par value US\$0.01 each ("Participating Shares"). All one hundred Management Shares have been issued for cash at par and are held by the Investment Manager or its affiliates.

The holder of each Management Share shall have the right to one vote for each such share registered in his name. The Participating Shares do not confer on the holders thereof the right to receive notice of, attend or vote at general meetings of the shareholders except if, and only in respect of, a resolution affecting the class rights of such holders, or a resolution to appoint or remove the Directors, whilst the Fund is not registered with the Cayman Islands Monetary Authority.

The authorised share capital of the Fund may be altered from time to time by resolution of the holders of Management Shares.

Rights on Winding Up

The Company shall be wound up as required by law or 30 years after incorporation of the Company.

Each Participating Share carries the right to a return of the nominal value paid up in respect of such share in priority to the repayment of the nominal value paid up on Management Shares.

Each Participating Share shall also entitle the holder thereof to share in surplus assets of the Fund available for distribution after the return of the nominal value paid up on all shares pro rata their respective holdings. Holders of Management Shares have no right to share in any surplus.

Alteration of the Memorandum of Association and the Articles of Association

The Memorandum of Association and the Articles of Association of the Fund shall not be rescinded, altered or amended unless the same is passed by a special resolution of the holders of the Management Shares being entitled so to vote in person or by proxy at a meeting of the Fund of which notice specifying the intention to propose such resolution has been duly given or by the written consent of the holders of the Management Shares. The rights attached to any Class may, whether or not the Fund is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that Class.

Indemnification

The Articles of Association of the Fund contain provisions indemnifying and exempting the Directors and other officers and servants of the Fund from liability in the discharge of their duties

except in certain circumstances. The Articles of Association also provide that the amount for which such indemnity is given shall immediately attach as a lien and charge on the property of the Fund and shall have priority over all other claims.

Variation of Rights

The Fund's Articles of Association provide that the rights attached to any class of shares may, subject to the laws of the Cayman Islands and unless otherwise provided by the terms under which the shares of that class were issued, be varied or abrogated with the consent in writing of the holders of three-quarters of the issued shares of that class or with the sanction of a resolution passed at a separate meeting of the holders of the shares of such class by a majority of three-quarters of the votes cast at that meeting. The rights attached to the Participating Shares shall not, unless otherwise expressly provided by the terms of the issue of the Participating Shares, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

FURTHER INFORMATION

Documents available for inspection

Copies of the following documents are available for inspection during normal business hours on any Business Day at the office of the Investment Manager without charge:-

- (a) the Memorandum and Articles of Association of the Fund;
- (b) the Investment Management Agreement;
- (c) the most recent audited financial statements of the Fund (if any);
- (d) this Offering Memorandum and any updates thereof; and
- (e) circulars to holders of the Shares issued by the Fund.

Litigation

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

Disclosure of Interests

Save as may be disclosed in this Offering Memorandum, no amount or benefit has been paid or given or is intended to be paid or given to any promoter of the Fund.

INVESTMENT BY U.S. TAX EXEMPT ENTITIES - ERISA CONSIDERATIONS

Shareholders which are U.S. tax-exempt entities, including, but not limited to, charities, foundations, pension trusts, Keogh Plans and Individual Retirement Accounts ("IRAs"), are subject to U.S. federal income tax on unrelated business taxable income ("UBTI"). Under current U.S. tax law, in general, and absent other circumstances such as the investment in the Fund itself being considered a leveraged investment, dividends to tax-exempt Shareholders of the Fund and capital gains on disposition of the Shares of the Fund should not be considered UBTI; however, prospective U.S. tax-exempt Shareholders should consult with and rely solely upon their own tax advisors on this issue.

An investment of employee benefit plan assets in the Fund may raise additional issues under the U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and the Internal Revenue Code of 1986, as amended ("Code"). Certain of these issues are described below.

General Fiduciary Matters

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

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

Plan Assets

ERISA and the Code do not define “plan assets.” However, regulations promulgated under ERISA by the U.S. Department of Labor (“Plan Asset Regulations”) generally provide that when a Plan subject to Title I of ERISA or Section 4975 of the Code acquires an equity interest in an entity that is neither a “publicly-offered security” nor a security issued by an investment company registered under the Investment Company Act, the Plan’s assets include both the equity interest and an undivided interest in each of the underlying assets of the entity unless it is established either that equity participation in the entity by “benefit plan investors” is not “significant” or that the entity is an “operating company,” in each case as defined in the Plan Asset Regulations. For purposes of the Plan Asset Regulations, equity participation in an entity by benefit plan investors will not be “significant” if they hold, in the aggregate less than 25% of the value of any class of such entity’s equity, excluding equity interests held by persons (other than a benefit plan investor) with discretionary authority or control over the assets of the entity or who provide investment advice for a fee (direct or indirect) with respect to such assets, and any affiliates thereof. For purposes of this 25% test (“Benefit Plan Investor Test”), “benefit plan investors” generally include all employee benefit plans, whether or not subject to ERISA or the Code, including “Keogh” plans, individual retirement accounts and pension plans maintained by foreign corporations, as well as any entity whose underlying assets are deemed to include Plan assets under the Plan Asset Regulations (e.g., an entity of which 25% or more of the value of any class of equity interests is held by employee benefit plans or other benefit plan investors and which does not satisfy another exception under the Plan Asset Regulations), unless all of the benefit plan investors are individual retirement accounts. Thus, absent satisfaction of another exception under the Plan Asset Regulations, if 25% or more of the value of any class of Shares of the Fund were held by benefit plan investors, an undivided interest in each of the underlying assets of the Fund would be deemed to be “plan assets of any Plan subject to Title I of ERISA or Section 4975 of the code that invested in the Fund.”

The Shares will not constitute “publicly offered” securities or securities issued by an investment company registered under the Investment Company Act and it is not expected that the Fund will qualify as an “operating company” under the Plan Asset Regulations. Consequently, the Investment Manager intends to use reasonable effort either to prohibit plans subject to Title I of ERISA or Section 4975 of the Code from investing in the Fund or to provide that investment by benefit plan investors in the Fund will not be “significant” for purposes of the Plan Asset Regulations by limiting equity participation by benefit plan investors in the Fund to less than 25% of the value of any Class of Shares in the Fund as described above. However, each Plan fiduciary should be aware that even if the Benefit Plan Investor Test were met at the time a Plan acquires Shares in the Fund, the exemption could become unavailable at a later date as a result, for example, of subsequent transfers or redemptions of Shares in the Fund, and that Shares held by benefit plan investors may be subject to mandatory redemption or withdrawal in such event in order to continue to meet the Benefit Plan Investor Test.

Furthermore, there can be no assurance that notwithstanding the reasonable efforts of the Fund, the Fund will satisfy the Benefit Plan Investor Test, that the structure of particular investments of

the Fund will otherwise satisfy the Plan Asset Regulations or that the underlying assets of the Fund will not otherwise be deemed to include ERISA plan assets.

Plan Asset Consequences

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

The Directors of the Fund will have the power to take certain actions to avoid having the assets of the Fund characterized as plan assets including, without limitation, the right to refuse a subscription and the right to compulsorily redeem a Shareholder's Shares in the Fund. While the Board of Directors does not expect that it will need to exercise such power, it cannot give any assurance that such power will not be exercised.

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