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# **ZEUS PARTNERS LIMITED**

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## **EXECUTIVE SUMMARY**

**April 2006**

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# ZEUS PARTNERS LIMITED

(A British Virgin Islands International Business Company)

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Securities Offered: Non-Voting, Redeemable and Participating Shares (“Shares”)

Minimum Initial Purchase: US\$ Class shares: US\$1,000,000  
EUR Class shares: EUR 500,000  
CHF Class shares: CHF 500,000  
GBP Class shares: GBP 500,000

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**ZEUS PARTNERS LIMITED IS A PROFESSIONAL FUND WITHIN THE MEANING OF THE BRITISH VIRGIN ISLANDS MUTUAL FUNDS ACT OF 1996, AS AMENDED (THE “ACT”) AND, ACCORDINGLY, THE ISSUE AND/OR OFFERING OF ITS SHARES IS RESTRICTED TO PERSONS WHO ARE PROFESSIONAL INVESTORS WITHIN THE MEANING OF THE ACT. HOWEVER, NO BRITISH VIRGIN ISLANDS AUTHORITY OR OTHER AUTHORITY IN ANY COUNTRY INCLUDING THE U.S. SECURITIES AND EXCHANGE COMMISSION HAS PASSED UPON OR ENDORSED THE MERITS OF THIS OFFERING OR THE ACCURACY OR ADEQUACY OF THIS EXECUTIVE SUMMARY, NOR IS IT INTENDED THAT ANY SUCH AUTHORITY WILL DO SO. THESE SECURITIES HAVE NOT BEEN REGISTERED FOR SALE WITH ANY GOVERNMENTAL AUTHORITY. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.**

**THIS OFFERING IS NOT A PUBLIC OFFERING. THIS EXECUTIVE SUMMARY DOES NOT CONSTITUTE AN OFFER OR SOLICITATION IN ANY STATE OR OTHER JURISDICTION IN WHICH AN OFFER OR SOLICITATION IS NOT LAWFUL OR AUTHORIZED OR IN WHICH THE PERSON MAKING SUCH OFFER OR SOLICITATION IS NOT QUALIFIED TO DO SO.**

**April 2006**

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Book No.

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Name of Offeree

## DISCLOSURE AND RESTRICTIONS ON SALES

Shares (the “Shares”) of Zeus Partners Limited (the “Company”) will be issued only on the basis of the information and representations contained in this Executive Summary (the “Executive Summary”) and the Memorandum and Articles of Association of the Company, and no other information or representation has been authorized. Any purchase made by any person on the basis of statements or representations not contained in, or inconsistent with, information herein shall be solely at the risk of the purchaser. Neither delivery of this Executive Summary nor anything stated herein should be taken to imply that any information herein is correct as of any time subsequent to the date hereof. The Shares have not been registered or qualified with, or approved or disapproved by, any regulatory authority. This is not a public offering.

The Company is a professional fund as defined in the Mutual Funds Act, 1996 (as amended) of the British Virgin Islands (the "Act") and as such is required to be recognized under the provisions of the Act before it may carry on its business or manage or administer its affairs in or from within the BVI. The Act provides that a company may carry on its business or manage or administer its affairs for a period of up to 14 days without being recognized under the Act. A professional fund is a mutual fund, the shares of which are made available only to professional investors and the initial investments in which, in respect of the majority of each of the investors is not less than US\$100,000 or which is designated as a professional fund by regulations under the Act. A professional investor is a person (a) whose business involves, whether for its own account or the account of others, the acquisition or disposal of property of the same kind as the property, or a substantial part of the property of the Company or (b) one who has signed a declaration that he, whether individually or jointly with his spouse, has a net worth in excess US\$1,000,000 or its equivalent in any other currency and that he consent to being treated as a professional investor. As a professional fund, the Company is required to be recognized under the Act and is required to pay an annual recognition fee of US\$1,500.00

As an entity regulated under the Act, the Company will be subject to the supervision of the Financial Services Commission, which is authorized by the Act to direct the Company to furnish information or provide access to any records, books or other documents which he deems necessary to ascertain compliance with the Act or any regulations made under the Act. The Act provides that any information, material or documents furnished to or filed with the Financial Services Commission is privileged from disclosure, except by the order of a court of competent jurisdiction in criminal proceedings and in certain other cases.

The Act provides the Company's Certification of Recognition may be cancelled or made subject to conditions if, inter alia, this Company has breached the Act or any subsidiary legislation or conditions or its certificates, has been convicted of an offense, is carrying on business in a manner detrimental to its investors or to the public interest, or is declared bankrupt or is being wound-up or dissolved.

This Executive Summary constitutes an offer only if the name of an offeree appears in the appropriate space provided on the cover page of this Executive Summary and only if delivery of this Executive Summary is properly authorized by the Company and complies with the law of the country in which the offeree resides. This Executive Summary has been prepared by the Company solely for the benefit of investors interested in the proposed sale of Shares of the Company, and any reproduction of this Executive Summary, in whole or in part, or the divulgence of any of its contents, without the prior written consent of the Company, is prohibited. The sale or transfer of Shares to a citizen or resident of the British Virgin Islands is prohibited. All other transfers require the Company's prior approval to be effective. The Company is required to exercise its right of mandatory redemption of any such Shares which, in the judgment of the Directors of the Company, may have been sold or transferred in contravention of the foregoing prohibitions.

Each investor must warrant expressly to the Company that they (i) have the knowledge, expertise and experience in financial matters to evaluate the risks of investing in the Company, (ii) are aware of the risks inherent in investing in the securities and the method by which the assets of the Company are held and/or traded, and (iii) can bear the risk of loss of their entire investment. The Shares are being offered outside the United States in transactions that have not been registered with or otherwise authorized by any agency or other regulatory authority for sale to the public.

The distribution of this Executive Summary and the offering or purchase of the Shares may be restricted in certain jurisdictions. No persons receiving a copy of this Executive Summary or the Company's Subscription Documents (attached hereto as Exhibit A) in any such jurisdiction may treat this Executive Summary or the Subscription Documents as constituting an invitation to them to subscribe for Shares, nor should they in any event use the Subscription Documents, unless in the relevant jurisdiction such an invitation could lawfully be made to them and such Subscription Documents could lawfully be used without compliance with any registration or other legal

requirements. Accordingly, this Executive Summary does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation. It is the responsibility of any investors in possession of this Executive Summary and any investors wishing to apply for Shares pursuant to this Executive Summary to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction. Prospective purchasers of Shares should inform themselves as to the legal requirements of so applying and as to any applicable exchange control regulations and tax laws in the jurisdictions of their respective citizenship, residents or domicile.

The price of Shares and the income from them (where income is distributed) may go down as well as up. Prospective investors should not construe the contents of this Executive Summary as legal, tax or financial advice. Each prospective investor should consult its own professional advisers as to the legal, tax, financial or other matters relevant to the suitability of an investment in the Company for such investor.

The Directors of the Company have used their best efforts to obtain and provide accurate information for this Executive Summary, but no warranty is made with respect to the accuracy of such information. Unless this Executive Summary is accompanied by a Supplemental Disclosure Statement for U.S. Persons (including U.S. Tax-Exempt Investors), the offering hereby of Shares of the Company is being made only outside the United States to investors who are not United States persons, unless the Directors determine otherwise.

All subscriptions for Shares are irrevocable. The Company in its sole discretion may reject any subscription in whole or in part at any time prior to acceptance.

## DIRECTORY

### REGISTERED OFFICE OF THE COMPANY

Zeus Partners Limited  
c/o Harney Westwood & Riegels  
Craigmuir Chambers  
P.O. Box 71  
Road Town  
Tortola  
British Virgin Islands  
Telephone: (284) 494-2233  
Facsimile: (284) 494-3547

### INVESTMENT MANAGER

SIAM Capital Management Ltd.  
Reid House  
31 Church Street  
Hamilton HM12  
Bermuda  
Telephone: (441) 294 3615  
Facsimile: (441) 292 5962

### REGISTRAR AND TRANSFER

PricewaterhouseCoopers  
Accounting Services Limited  
10th Floor  
International Commercial Centre  
Casemates Square  
Gibraltar  
Tel. (350) 78267  
Fax (350) 71704

### BANKER / CUSTODIAN

Banque Jacob Safra (Gibraltar) Limited  
Suite 971  
Europort  
Gibraltar  
Telephone: (350) 49601  
Facsimile: (350) 49602

### BRITISH VIRGIN ISLANDS LEGAL COUNSEL

Harney, Westwood & Riegels  
Craigmuir Chambers  
P.O. Box 71  
Road Town  
Tortola  
British Virgin Island  
Tel. (284) 494-2233  
Fax (284) 494-3547

### ADMINISTRATOR

PricewaterhouseCoopers  
Accounting Services Limited  
10th Floor  
International Commercial Centre  
Casemates Square  
Gibraltar  
Tel. (350) 78267  
Fax. (350) 71704

## **GENERAL COUNSEL**

Lennox Patton  
Fort Nassau Centre  
Marlborough Street  
P.O. Box N-4875  
Nassau  
Bahamas  
Telephone: (242) 502-5000

## **DIRECTORS**

Gerard F. Vila, Ph.D  
c/o SIAM Capital Management Ltd.  
Reid House  
31 Church Street  
Hamilton HM12  
Bermuda

Michael Paton  
Moore Park Asset Management Ltd  
British Colonial Centre of Commerce  
One Bay Street  
PO Box CB-10974  
Nassau  
Bahamas

Charles G Galliano  
38 Prince Edwards Road  
Gibraltar

## **ZEUS PARTNERS LIMITED**

**(A British Virgin Islands International Business Company)**

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### **EXECUTIVE SUMMARY**

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#### **Zeus Partners Limited**

#### **The Company**

Zeus Partners Limited (the “**Company**”) is a corporation organized in the British Virgin Islands (“**BVI**”) under the International Business Companies Act (Cap 291) on 23 November 2004. It is not expected that Shares (as defined herein) will be traded on any exchange, or that any secondary market will develop for the Shares.

#### **Investment Objective and Strategies**

The Company’s objective is long-term capital appreciation with low volatility. The Company will seek to achieve this objective by utilizing strategies characterized by quantitative discipline and well defined risk profiles. These strategies will be implemented directly or indirectly by one or more “**Trading Advisors**” selected by the Investment Manager (as defined herein) that have a unique investment style and that have demonstrated their abilities to achieve consistent annual returns under varying economic and market conditions, and not on the basis of their abilities to outperform rising markets. The identities of the Trading Advisor(s) will generally not be disclosed to investors.

The Company’s initial Trading Advisor will generally utilize a “split strike” strategy in U.S. markets. This strategy usually employs only: U.S. Treasury Bills; a basket of “blue chip” stocks (i.e., common stock of U.S. nationally known companies that have a long record of profit growth and dividend payment and a reputation for quality management, products and services) that are closely tracked by the S&P 100 Index; put options on the S&P 100 Index; and call options on the S&P 100 Index. Generally, whenever the Trading Advisor feels there may be a short term (i.e., over a few hours to a few days) upward move in the market for the basket of stocks, there will be a simultaneous purchase of the “basket” and of S&P 100 puts (for an equivalent notional amount) at a strike nearest to the money. If the market moves upward, the Trading Advisor will sell calls on the S&P 100 (for an equivalent notional amount) at a strike price usually slightly higher than the strike price for the puts. If the market goes down the maximum

loss should be limited to the difference between the amount of premium paid for the puts minus the amount of premium collected for the calls plus the gap between the level of the market value of the “basket” at the time the position was initiated and the strike price for the puts. Because the market has gone down, it is unlikely that the call sold by the Trading Advisor will be exercised by the purchaser and should expire worthless. If the market goes up to the level of the strike price for the calls, the gain (in percentage) will be equal to the difference between the percentage by which the strike price of the calls exceeds the value of the “basket” when the position was initiated and the net premium paid for the puts after deduction of the premium received on the sale of the calls expressed as a percentage of the amount paid to purchase the stocks. The Company may trade, buy, sell, and otherwise acquire, hold, dispose of, and deal in, on margin or otherwise, (i) securities (listed or unlisted in public or private offerings), including but not limited to equities, bonds, debentures, money market obligations and exchange-traded and over-the-counter options and other derivatives to buy and sell securities (both U.S. and non-U.S.), (ii) cash and forward contracts, currencies, derivatives, and any rights and interests pertaining thereto, and (iii) securities of and interests in other entities (“**Investment Pools**”) engaged directly or indirectly in the trading, buying, selling, or acquisition, holding, disposition of, or dealing in, any of the foregoing. The Company does not intend to utilize leverage in pursuing its investment strategy; provided, however, the Trading Advisors may utilize leverage in connection with their investment activities. The term “Trading Advisors” also includes the investment managers of the Investment Pools.

While the Investment Manager intends to initially follow the investment strategy outline above, it may, without the consent of the Shareholders (as defined herein), use other strategies in the future for purposes of investing the Company’s assets. The nature of these strategies are not known at this time. If the Investment Manager determines that there is a material change in its investment strategy used for the Company, it will inform the Shareholders.

**THERE IS NO ASSURANCE THAT THE COMPANY’S TRADING OBJECTIVES AND STRATEGIES WILL BE IMPLEMENTED SUCCESSFULLY. AN INVESTMENT IN THE COMPANY INVOLVES A HIGH DEGREE OF RISK.**

**Investment Manager**

SIAM Capital Management Ltd., a corporation organized under the laws of Bermuda on 22 December 1999 is the Company’s investment manager (“**Investment Manager**”). The Investment Manager will make all trading and asset allocation decisions on behalf of the Company and will be responsible for the overall

investment management of the Company.

**Board of Directors of  
Zeus Partners Limited**

The Company is managed by its Board of Directors, consisting of Dr. Gerard Vila, Michael Paton and Charles Galliano (the "Directors")

- **Gerard F. Vila, Ph.D**, will act as adviser to the Investment Manager with primary responsibility for allocating assets managed by the Investment Manager. Dr. Vila provides advisory and discretionary derivative enhancement strategies to offshore pools having assets in excess of half a billion Euros. In addition, Dr. Vila maintains involvement in high-tech and financial information projects as an adviser and a principal. Dr. Vila, an economist and mathematical statistician, is a strategic investment adviser, money manager, and developer of quantitative decision support tools for investment decisions. In the late 1960s, after completing his studies in economics and mathematical statistics in Paris, Dr. Vila worked for two years as a specialist assistant to EEC commissioner Raymond Barre. In 1971, he received his Ph.D. in economics and business from Harvard University. While at Harvard, he worked with Professor Otto Eckstein, the founder of Data Resources, Inc. part of the McGraw Hill group. A year later, Dr. Vila went to work for Citibank in New York, where he was responsible for corporate planning projects for the office of the chairman. He also advised Citibank's multinational clients in the international money market division. In 1981, Dr. Vila moved to Geneva, where his asset management and related advisory activities were integrated into E.S.S. S.A. (a company initially created in partnership with Lombard Odier & Company). In 1986, pursuant to an investment funded by E.S.S. clients, Dr. Vila effected the acquisition of Wharton Econometric Forecasting Associates and merged it with Chase Econometrics into The WEFA Group. In 1989, he became the Chairman and Chief Executive Officer of The WEFA Group until the resale of the group at a substantial profit in late 1994. Under his direction, WEFA became the prime supplier of economic data and time series analytical software to the major US and foreign financial institutions. In this capacity, he was closely associated with the design and implementation of integrated economic-financial research facilities for those institutions.
- **Michael Paton**, acts as adviser and counsel for all legal matters. Mr. Paton is a partner in the law firm, Lennox Paton, Nassau/London. He specializes in financial services and corporate law. Mr. Paton chairs the firm's Financial Services

Group. He is called to the Bars of England and Wales and the Bahamas and is a member of the International Bar Association. Mr. Paton is a qualified Certified Public Accountant. Mr. Paton is Chairman of the Bahamas Financial Services Board.

- **Charles Galliano**, has extensive experience in company administration in Gibraltar. He was in charge of the registration of companies at the Companies Registry of Gibraltar from 1964 to 1969.

Mr Galliano then joined the accountancy firm Turquand, Youngs & Co where he was instrumental in the set up and administration of The Gibraltar Building Society, which was the first building society in Gibraltar.

In 1987, Mr. Galliano moved to Abacus Financial Services Limited, which is the fiduciary arm of the accountancy firm PricewaterhouseCoopers and its predecessor firms. During his fifteen years at Abacus, Mr. Galliano was responsible for successfully managing and developing an extensive portfolio of over one thousand companies.

In 2002 when Mr. Galliano left Abacus he joined Church Lane Trustees Limited a private trust and company manager where he was invited to serve on the Board.

**Brokerage**

In general, the Trading Advisor(s) will select one or more brokers and dealers to clear all of their trades (the “**Brokers**”).

**Custodian**

Banque Jacob Safra (Gibraltar) Limited (the “**Custodian**”) has been appointed as the Company’s custodian and will maintain an account for the Company and hold in such account cash, securities and other assets of the Company not otherwise held with the Brokers.

**Registrar and Transfer Agent**

PricewaterhouseCoopers Accounting Services Limited (the “**Registrar and Transfer Agent**”), a licensed mutual fund administrator in Gibraltar, acts as the Company’s registrar and transfer agent and is, among other things, responsible for (i) maintaining the register of Shareholders of the Company and generally performing all actions related to the issuance and transfer of Shares and the safekeeping of the certificates thereof (if any), (ii) maintaining a record of dividends declared, if any, and dividends paid, (iii) dealing with and replying to all correspondence and other communications address to the Company relating to the replacement of Shares, and (iv) performing all other incidental services necessary to its duties as

the Company's Registrar and Transfer Agent.

## **Administrator**

PricewaterhouseCoopers Accounting Services Limited (the "**Administrator**") offering integrated financial technology and operations services will act as the Company's administrator. PricewaterhouseCoopers Accounting Services Limited will inter alia provide for operational support coordinating with the Custodian and/or the Brokers and any other third party administrator to assure (i) collection and reconciliation of manager, custodian or third party valuation data; (ii) calculation of the Net Asset Value of the accounts and calculation of the Net Asset Value per Share on a monthly basis; (iii) follow-up with outside auditors to produce timely annual reports; (iv) deliver audit and valuation reports to the Investment Manager; (v) prepare any other reports as may be required by the company.

## **Capital Structure**

The Company's authorized share capital is as follows:

- 100 voting and non-participating shares ("**Voting Shares**"), having a par value of US\$0.01 per share. All of the Voting Shares are held by SIAM Capital Management Ltd.
- 4,999,900 non-voting, redeemable and participating shares having a par value of US\$0.01 per share
- 1,000,000 non-voting, redeemable and participating EUR Class shares having a par value of EUR0.01 per share
- 500,000 non-voting, redeemable and participating GBP Class shares having a par value of GBP0.01 per share
- 1,000,000 non-voting, redeemable and participating CHF shares having a par value of CHF0.01 per share

The above non-voting, redeemable and participating shares collectively ("**Shares**") do not carry voting rights and have the rights attached thereto as set forth in the Memorandum of Association and Articles of Association of the Company (the "**M&A's**").

The Company may, as determined by the Directors and upon necessary amendments to the M&A's, offer one or more additional classes or series of shares having different investment strategies, leveraging policies, rights and/or fees other than those offered hereby without notice to the existing Shareholders.

The Fund shall establish in its books a separate record with its own distinct designation for each class of Participating Shares. The

proceeds from the allotment and issue of each class of Participating Shares shall be applied in the books of the Fund to the record established for that class of Participating Shares. The assets, profits, gains, income and liabilities, losses and expenses attributable to a particular class shall be applied to the record relating to such class at the end of each fiscal period. In the case of any asset or liability (including any expense) of the Fund that the Directors do not consider is attributable to a particular record, the Directors will allocate such asset or liability among the records in proportion to the net asset value of each class and series.

### **Summary of Business and Trading Risks**

An investment in the Company is speculative and involves certain risks, including the risk of loss of an investor's entire investment. These risks also include, but are not limited to, the speculative nature of trading and investing in financial instruments, charges which the Company will incur regardless of whether any profits are earned and the actual and potential conflicts of interest in the structure and operation of the Company's business. Some of the more important risks are as follows:

#### **Market Risks**

- Securities trading in general involves significant market risk.
- No assurance can be given that a correlation will exist between price movement in the stock index and price movements in the basket of warrants or basket of securities that are the subject of the hedge.
- The Company's trading strategy will involve arbitraging between two securities, between the equity and equity options markets, between securities and/or options and/or any combination of the above. To the extent the price relationships between such positions remain constant, no gain or loss on the positions will occur. These offsetting positions entail substantial risk that the price differential could change unfavorably causing a loss to the position.
- Defensive strategies that do not correlate well with Company investments may increase losses.
- The use of leverage in general can increase the profit potential of an investment portfolio, but can concomitantly increase the risk of loss.
- The Company is not prohibited from holding large positions in one industry segment or type of security.

- The fund will be subject to exchange rate fluctuations

### **Company Risks**

- All decisions with respect to the trading activities of the Company will be made exclusively by the Trading Advisor(s), the identity of which will generally not be disclosed to the Shareholders. Shareholders will not have the opportunity to evaluate for themselves the relevant economic, financial, and other information regarding the Company's investments. Shareholders will be dependent on the Trading Advisor(s). There is no assurance that the Trading Advisor(s) will be successful. Accordingly, an investor should not purchase any Shares unless it is willing to entrust all aspects of the trading activities of the Company to the Trading Advisor(s).
- The Company has a limited operating history.
- The Company's direct fees and expenses coupled with the compensation of the Trading Advisor(s) results in at least two levels of fees and greater expense that would be associated with direct investment. The Company's expenses thus may constitute a higher percentage of net assets than expenses associated with other investment entities.
- Because of the restriction on redemptions providing that Shares may only be redeemed on a Redemption Date and the fact that Shares are not tradable, an investment in the Company is relatively illiquid. **SHARES MAY NOT BE TRANSFERRED OR ASSIGNED WITHOUT THE CONSENT OF THE DIRECTORS.**
- Neither the Directors, the Investment Manager, the Custodian, nor the Trading Advisor(s), nor any of their employees, representatives, agents or affiliates will be liable, responsible, or accountable in damages or otherwise to the Company or any of the Shareholders for any act or omission performed or omitted to be performed honestly and in good faith, including the acts or omissions of any other agents of the Company selected therein. The Directors, the Investment Manager, the Custodian, the Trading Advisor(s), and their employees, representatives, agents and affiliates will be indemnified by the Company against any liabilities which they may incur as a result of their performance or non-performance on behalf of the Company provided they acted (or failed to act) in accordance with the standards set forth above, and did not commit fraud, or engage in willful misconduct, or commit gross negligence.

- The Company will incur obligations to pay various fees, costs and expenses, including the Management Fee to the Investment Manager and any fees payable to the Trading Advisor(s), regardless of whether the Company realizes any profits.
- The Shares offered hereby are non-voting. Therefore, the Shareholders' ability to remove the Directors or influence the management of the Company is limited.

### **Conflicts of Interest**

Various conflicts of interest may arise in connection with the operation of the Company. The Directors of the Company will endeavor to resolve all conflicts fairly and equitably. Among the conflicts which may arise are the following:

- While the Investment Manager and its principals, employees and affiliates will provide investment may also trade the accounts of other clients pursuant to the same or other trading programs, and on different financial terms. Although the Investment Manager may have an incentive to favor certain accounts over others in trading, it does not intend to do so, nor does it believe that such conduct would be a sound practice.
- The Investment Manager, and its principals, employees and affiliates may and do trade futures contracts for their own accounts. Neither the Investment Manager, nor its principals, employees or affiliates intend at this time to make records of trading for their own accounts available for inspection by the Company.

### **Offering of Shares**

### **The Offering**

The Shares are being continuously offered on the last Business Day of each month, or such other day as the Directors may determine (each a "**Closing Date**"), at a purchase price equal to the Net Asset Value per Share on such day. Accepted subscribers will become shareholders of the Company ("**Shareholders**"). The initial minimum subscription per subscriber for each class is listed below. The minimum may be reduced by the Directors in their sole discretion; however no initial subscription may be less than US\$50,000(or equivalent in other currency), and providing that the minimum initial investment in respect of a majority of the Company's investors shall not be less than US\$100,000(or equivalent in other currency). Existing Shareholders may subscribe for additional Shares with a minimum additional investment of US\$50,000(or equivalent in other currency), subject to the discretion of the Directors to accept lesser amounts.

### **Initial minimum**

The initial minimum subscription per subscriber is for each class:

## subscription

US\$ Class shares:	US\$1,000,000
EUR Class shares:	EUR500,000
CHF Class shares:	CHF500,000
GBP Class shares:	GBP500,000

## Eligible Investors

It is the responsibility of each investor to ensure that the holding of Shares does not violate any applicable laws in the investor's jurisdiction of residence.

In order to purchase Shares, investors must be a "professional investor" under the British Virgin Islands Mutual Funds Act (1996), as amended. A "professional investor" is an investor (i) whose ordinary business, whether for its own account or the account of others, is the acquisition or disposal of property of the same kind as the property, or a substantial part of the property, of the Company or (ii) who has net worth (whether individually or jointly with his spouse) in excess of US\$1,000,000 (or equivalent in another currency), and who consents to being treated as a professional investor.

In addition, the Company's policies prohibit the sale or transfer of Shares to any U.S. Person (as that term is defined in the subscription agreement) or to any investor to whom the sale or transfer of Shares would be unlawful. The Company is required to exercise the right of mandatory redemption of any Shares which, in the judgment of the Directors, may have been sold or transferred in contravention of the foregoing prohibitions. In addition, because investment in the Shares is suitable only for persons who can assume the risk of a substantial diminution or total loss of the value of their investment, the Company may decline to sell Shares to any person whom the Company, in its sole discretion, deems to be unsuitable to assume such risk.

The Company will accept subscriptions from U.S. Persons (including U.S. Tax-Exempt Investors) that meet the appropriate investor suitability requirements set forth herein and in the Supplemental Disclosure Statement for U.S. Persons (including U.S. Tax-Exempt Investors) provided to prospective investors who are U.S. Persons (the "**U.S. Supplement**").

## Subscription Procedure

In order to purchase Shares, a subscriber must (i) complete, execute and deliver to the Registrar and Transfer Agent the Subscription Documents attached hereto as Exhibit A (U.S. Persons (including U.S. Tax-Exempt Investors) must complete and execute the Subscription Documents which are attached to the U.S. Supplement.) (collectively, the "**Subscription Documents**"), and (ii) arrange for a wire transfer pursuant to the instructions set forth

in the Subscription Documents. Any subscriptions for Shares may be accepted or rejected, in whole or in part, in the discretion of the Directors. All subscriptions are irrevocable.

All Subscription Documents must be received by the Company on or before the close of business on the Business Day immediately prior to the requested Closing Date. Subscription funds must be credited to the Company's subscription account no later than two Business Days following the requested Closing Date in order for a subscription to be accepted as of the requested Closing Date, unless the untimeliness is waived by the Directors. Pending acceptance of a subscription and issuance of Shares, subscription funds will be held in the Company's subscription account. No interest will be paid on subscription amounts from the date of receipt until the subscription is accepted at a Closing Date.

### **Fees and Expenses**

#### **Expenses**

The Company's organizational and initial offering costs and expenses totaled approximately \$30,000. See the definition of "Net Asset Value" below discussing the amortization of these costs.

The Company will bear all of its expenses, including, but not limited to, (i) legal, accounting, auditing, tax preparation, and related fees and expenses, (ii) expenses associated with the continued offering of Shares, (iii) operating expenses (e.g., administrative, clerical, mailing, printing, duplication and other operational expenses), (iv) interest and commitment fees in connection with investment-related borrowing, (v) investment management related expenses, including software, computer systems, quotations, research and publications, (vi) transaction related expenses, (vii) bank charges including custody fees and costs, (viii) fees, costs and expenses of the Transfer and Registrar Agent (ix) government and filing fees and expenses, (x) extraordinary expenses (e.g., litigation costs and indemnification obligations), if any, and (xi) the Management Fee.

#### **Management Fee**

The Investment Manager will receive a quarterly "**Management Fee**" in advance up to 0.5% of the Net Asset Value of the Shares (up to 2.0% per annum) on the first Business Day of each calendar quarter (after an adjustment is made for reduced fees charged to different classes of shares, if any). For purposes of calculating the Management Fee, the Net Asset Value per Shares are not reduced by Management Fees payable or incurred by the Shares or any distributions or redemption amounts paid during the relevant quarter.

**Trading Advisor's Fees**

The Shares will pay their share of any and all fees and expenses charged by the Trading Advisor(s) which may result in the layering of fees and expenses. The Investment Manager may also invest in related funds with the same investment strategy as the Company. In such a case however the combined management fee will not exceed the 2.0% mentioned above and no additional Trading Advisor Fees will be charged by the Initial Trading Advisor.

The fund may be subject to customary administration and custodian fees.

**Customary Fees****Net Asset Value**

The Net Asset Value of each Class of the Fund and the Net Asset Value per Share will be calculated by the Administrator as of the close of business on each Valuation Day in accordance with the valuation provisions set out in the Articles and summarised below. The Net Asset Value per Share of a Participating Share of any Class and/or Series will be calculated by dividing the assets of the relevant Class or Series, as the case may be, less its liabilities by the number of Participating Shares of the relevant Class or Series in issue.

The value of the assets of the Fund will be determined on the accrual basis of accounting using generally accepted accounting principles, US accounting standards or international financial reporting standards, unless otherwise deemed appropriate in the discretion of the Directors, and in accordance with the principles set out in the Articles and summarised below:

- the assets of each Class shall be deemed to include, without limitation, (i) all cash on hand or on deposit, including any interest accrued thereon, (ii) all bills and demand notes and accounts receivable (including proceeds of investments and other assets sold but not delivered), (iii) all Investments and other assets owned or contracted for by the Fund on behalf of the relevant Class, (iv) all dividends and distributions payable in stock, cash or other property receivable by the Fund on behalf of the relevant Class, provided that the Fund may make adjustments with respect to fluctuations in the market value of investments caused by trading ex-dividend or ex-rights or by similar practices, (v) all interest accrued on any interest-bearing instruments owned by the Fund on behalf of the relevant Class, except to the extent that the same is included or reflected in the valuation of such instruments, and (vi) all other assets of every kind and nature, including prepaid expenses (it being understood that goodwill shall be deemed to have no value

and excluding an amount equal to the share capital attributable to the Management Shares in issue);

- the liabilities of each Class shall be deemed to include, without limitation, (i) all loans, bills and accounts payable, (ii) all accrued or payable expenses and fees chargeable to the Fund on behalf of the relevant Class including dividends declared but unpaid and amortised organisational expenses (provided that expenses of a regular or recurring nature may be calculated on an estimated figure for yearly or other periods in advance and accrued over any such period) and accrued management fees and performance fees, (iii) gross acquisition cost of investments and other property contracted to be purchased in respect of the Class, (iv) such sum (if any) as the Directors consider appropriate to allow for brokerage, stamp duty and any other governmental tax or charges, (v) dividends declared on the Participating Shares of the relevant Class, but not yet paid, and (vi) all other liabilities, including unknown or unfixed contingencies and such reserves as the Directors may reasonably deem advisable;
- the value of positions in Investments shall be as follows: (i) Investments that are listed on an exchange and are freely transferable shall be valued at their last traded price on such stock exchange on the date of determination; (ii) Investments traded over the counter which are freely transferable shall be valued at the last traded price on the date of determination or at a price received from the counterparty to the over the counter trade. Notwithstanding the foregoing, if a price for an investment is not available or if in the reasonable judgement of the Directors in their sole discretion, the listed price for an investment held by the Fund does not accurately reflect the fair value of such Investment, the Directors may value such Investment at a fair price which may be greater or less than the quoted market price, if any, for such Investment; and
- all other assets of the Fund will be valued in the manner determined by the Directors to reflect their fair market value.
- The Company may, at the discretion of the Directors, amortize any of its organizational and initial offering costs over a 60-month period, and if it does, the financial statements may be qualified in this regard. The Directors, in their discretion, may permit other methods of valuation

to be used if they consider that such valuation better reflects the fair value of any asset.

### **Operation of the Company**

#### **Redemptions**

A Shareholder may require the Company to redeem all or some of its Shares on at least 45 days' prior written notice (a "**Redemption Request**") on the first Business Day of any calendar month (each, a "**Redemption Date**"). Unless the Directors otherwise determine, a Redemption Request will be effective upon such payment terms as may be approved by the Directors in their sole discretion at the Net Asset Value per Share as at the last Business Day of the month immediately preceding the applicable Redemption Date. Redemption Requests are irrevocable and may only be withdrawn with the written consent of the Company. The Directors have the right to (1) prohibit partial redemptions of US\$50,000 (or equivalent in other currency) or less and (2) compel redemption of all Shares held by a Shareholder if any redemption by such Shareholder causes their investment in the Company to fall below US\$50,000, (or equivalent in other currency) or such lesser amount as determined by the Directors. The Directors may waive any of the foregoing requirements, restrictions or fees and may impose additional restrictions in appropriate circumstances. The Fund will not invest in any Investment Pool which permits redemptions with more restrictive or less favourable notice provisions or frequency than the Fund.

#### **Compulsory Redemptions**

The Directors may at any time in their sole discretion redeem all or a portion of any Shareholder's Shares upon at least 48 hours' prior written notice to such Shareholder. If the redemption results from (i) the unauthorized transfer of Shares, in the discretion of the Directors, the Redemption Price will be the lower of the Net Asset Value per Share on the date of redemption and the Net Asset Value per share on the date of the transfer, or (ii) the breach of any representation or warranty made by the Shareholder, in the discretion of the Directors, the Redemption Price will be based upon the Net Asset Value per Share at which the redeemed Shares were purchased.

#### **Redemption Payments**

Unless the Directors determine otherwise as provided below, approximately 90% of the proceeds of a redemption generally will be paid within thirty (30) Days after the applicable Redemption Date, with the balance paid within a reasonable number of Days following final determination of the Net Asset Value of the Company as of the Redemption Date. Interest will not be paid on any redemption proceeds. The Company may redeem Shares in cash or, in-kind, in whole or in part in the Directors' sole

discretion.

Redemptions for each class if paid in cash will be paid in the base currency of the class.

### **Suspension of Redemptions**

In certain circumstances, the Directors may determine that the Company suspend the determination of Net Asset Value and Net Asset Value per Share, and suspend redemptions and redemption payments. Examples of such circumstances which could lead to such suspensions are:

- when markets are closed;
- if the Directors declare an emergency to exist;
- when disposition of investments is restricted, impracticable or prejudicial;
- during a communications breakdown;
- when valuations are not ascertainable;
- when funds cannot be transferred at normal rates of exchange; or
- when the Directors believe redemptions (i) would impair the Company's ability to operate, or (ii) could jeopardize its tax or legal status, or (iii) would not reasonably be practicable without being detrimental to the redeeming or remaining Shareholders.

### **Transferability**

The Company will not register the transfer of Shares to a transferee without the prior approval of the Directors, which approval may be granted or withheld in the sole discretion of the Directors. A transferee will be required to provide the Company with the same documents and information as it would on an initial subscription for Shares.

### **Distributions**

Distributions are at the discretion of the Directors. The Directors do not currently intend to make any distributions. Although distributions will generally be paid in cash, they may be made in-kind, pro rata or non-pro rata, at the discretion of the Directors.

### **British Virgin Islands Mutual Fund Law**

The Company is a professional fund as defined in the Mutual Funds Act, 1996 (as amended) of the British Virgin Islands (the "Act") and as such is required to be recognized under the provisions of the Act before it may carry on its business or manage or administer its affairs in or from within the BVI. The Act provides that a company may carry on its business or manage or administer its affairs for a period of up to 14 days without being recognized under the Act. A professional fund is a mutual fund,

the shares of which are made available only to professional investors and the initial investments in which, in respect of the majority of each of the investors is not less than US\$100,000 (or equivalent in other currency) or which is designated as a professional fund by regulations under the Act. A professional investor is a person whose business involves, whether for its own account or the account of others, the acquisition or disposal of property of the same kind as the property, or a substantial part of the property of the Company or one who has signed a declaration that he, whether individually or jointly with his spouse, has a net worth in excess of US\$1,000,000 or its equivalent in any other currency and that he consents to being treated as a professional investor. As a professional fund, the Company is required to be recognized under the Act and is required to pay an annual recognition fee of US\$1,500.00.

As an entity regulated under the Act, the Company will be subject to the supervision of the Financial Services Commission, which is authorized by the Act to direct the Company to furnish information or provide access to any records, books or other documents which he deems necessary to ascertain compliance with the Act or any regulations made under the Act. The Act provides that any information, material or documents furnished to or filed with the Financial Services Commission is privileged from disclosure, except by the order of a court of competent jurisdiction in criminal proceedings and in certain other cases.

The Act provides that the Company's Certificate of Recognition may be cancelled or made subject to conditions if, *inter alia*, the Company has breached the Act or any subsidiary legislation or conditions or its certificate, has been convicted of an offense, is carrying on business in a manner detrimental to its investors or to the public interest, or is declared bankrupt or is being wound-up or dissolved.

### **Anti-Money Laundering**

As part of a prospective subscriber's subscription and the Company's responsibility for the prevention of money laundering, the Company, the Investment Manager, the Registrar and Transfer Agent and the Administrator may require a detailed verification of such subscriber's identity and source of payment. Depending on the circumstances of each share application, a detailed verification may not be required if (i) a prospective subscriber makes payment by wire transfer from an account held in such subscriber's name at a recognized financial institution and such subscriber's details (name and account number) appear in the confirmation of the wire payment received by the Company, or (ii) the share application is made through a recognized intermediary.

These exceptions will only apply if the financial institution or intermediary referred to above is within a country recognized as having sufficient anti-money laundering regulations. In the case of (i) above, to avoid any delays, a prospective subscriber should ensure that such subscriber's remitting financial institution includes such subscriber's full name and account number in any confirmation sent.

By way of example, if a prospective subscriber is an individual, such subscriber may be required to produce a copy of a passport or identification card duly certified by a public authority such as a notary public, together with evidence of such subscriber's address, such as a utility bill or bank statement, and date of birth. If a prospective subscriber is a corporate subscriber, the Company, the Investment Manager, the Registrar and Transfer Agent and the Administrator may require production of a certified copy of such subscriber's certificate of incorporation (and any change of name), memorandum and articles of association (or equivalent), and the names, occupations, dates of birth and residential and business addresses of all directors and beneficial owners and in relation to each director and beneficial owner the same information as is required for individual applicants.

The details given above are by way of example only, and the Company reserves the right to request such information as is necessary to verify a prospective subscriber's identity. In the event of delay or failure by a prospect subscriber to produce any information required for verification purposes, the Company may refuse to accept such subscriber's share application and all subscription monies relating thereto, or may refuse to honor a redemption request until proper information has been provided by such subscriber.

**Release of Confidential Information**

Applicable anti-money laundering rules provide the Company, the Investment Manager, the Registrar and Transfer Agent, and the Administrator may voluntarily release confidential information about Shareholders and, if applicable, about the beneficial owners of Shareholders, to regulatory or law enforcement authorities if they determine to do so in their discretion.

**Reports**

The Company will provide all Shareholders with quarterly updates and annual reports.

**Taxation**

The Company will not be subject to taxation in the BVI, Anguilla and the Bahamas, and it is expected that the Company generally will not be subject to U.S. federal income taxation as a consequence of the Company's activities. U.S. Persons (including U.S. Tax-Exempt Investors) must read the U.S. Supplement regarding relevant taxation issues. Each investor should consult

with its own tax advisor for information on the income tax consequences applicable to its country of residence.

**Business Day**

A “**Business Day**” is generally a day on which commercial banks are open for business in New York, Paris, Anguilla and the Bahamas.

**Fiscal Year**

The fiscal year of the Company is the calendar year.

**Base Currency**

All references herein to “Dollars,” “U.S. Dollar,” or “\$” are to U.S. Dollars.

**Other currencies**

All references herein to “EUR” are to Euro.

All references herein to “CHF” are to Swiss Francs

All references herein to “GBP” are to British pound sterling

The Company’s reports, its Net Asset Value, and its Net Asset Value per Share for each class of share will be calculated and expressed in the currency of the respective share capital..

**Counsel**

See Directory.

**Additional Information**

Prospective subscribers are invited to meet with representatives of the Company for a further explanation of the terms and the conditions of this offering and to obtain additional information necessary to verify the information contained herein, to the extent they possess such information or can acquire it without unreasonable cost or expense.

**Use of the Executive Summary**

This Executive Summary is important, and should be read in its entirety before an investor decides whether to subscribe for Shares in the Company. Investors should consult with their financial, tax and legal advisors, as needed, before making an investment in the Company.