

# **AlphaPlus FoHF Limited**

*A Recognised Professional Mutual Fund under the BVI Mutual Funds Act, 1996, as amended.*

A Business Company incorporated under the laws of the British Virgin Islands with registered number 587986

**Offer for subscription of up to 1,999,000 Shares**

**at an initial offer price of US\$1,000 in respect of the Class D Shares and €1,000 per Share in respect of the Class C Shares, in each case payable in full**

## **PROSPECTUS**

**Dated 08 December 2008**

The Directors of the Company, whose names appear on page 3 accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

No application has been made for the Shares to be listed on any stock exchange. The Directors do not expect that an active secondary market will develop in the Shares.

The Shares have not been, nor will they be, registered under the US Securities Act of 1933, as amended (the "1933 Act"), or registered or qualified under the securities laws of any state or other political subdivision of the US. The Shares may not be offered, sold, transferred, or delivered, directly or indirectly, in the US or to, or for the account or benefit of, any U.S. Person. The Shares are being offered outside of the US in reliance upon an exemption from the registration requirements of the 1933 Act provided by Regulation S thereunder. Shares may not be purchased by investors whose beneficial owners fall within the proscriptions of IM-2110-1 of the Conduct Rules of the National Association of Security Dealers Inc. The articles of association contain provisions designed to prevent the holding of Shares by U.S. Persons under circumstances that would cause the Company to violate US law, and permit the Directors to compulsorily redeem such Shares as the Directors believe to be necessary or appropriate to comply with US law.

## **IMPORTANT INFORMATION**

This Company is a "Professional Fund" as defined in the British Virgin Islands Mutual Funds Act (No. 6 of 1996), as amended, and accordingly any invitation to subscribe for any shares must be made only to professional investors as defined by the Mutual Funds Act.

Prospective investors should be aware that investment in the Company carries a significant degree of risk. The Company is only suitable for investment by investors who are aware of and understand the risks involved, and is limited to Professional Investors as defined by the Mutual Funds Act. Prospective investors are referred to the section headed "Risk Factors" beginning on page 14 for a summary of certain of the risks involved.

Potential investors should consult, and must rely on, their own professional tax, legal and investment advisors as to matters concerning the Company and their investments in the Company.

Prospective investors should not treat the contents of this document as advice relating to legal, taxation, investment or any other matters. Prospective investors should inform themselves as to: (a) the legal requirements within their own jurisdictions for the purchase, holding or disposal of Shares; (b) any applicable foreign exchange restrictions; and (c) any income and other taxes which may apply to their purchase, holding or disposal of Shares or payments in respect of Shares.

The distribution of this Prospectus and the offering of the Shares in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Company to inform themselves about and to observe any such restrictions. This Prospectus does not constitute, and may not be used for or in connection with, an offer or solicitation by 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.

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## THE COMPANY

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### DIRECTORS AND ADMINISTRATION

**Board of Directors**

J. Jacques Chénier de Borneuil  
John Walley  
Jean-Christophe Tressel  
Nicolas Brau

**Registered Office**

Harneys Corporate Services Ltd  
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British Virgin Islands

**Custodian**

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**Advisors on British Virgin Islands  
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Craigmuir Chambers  
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Tortola  
British Virgin Islands

**Administrator, Secretary, Registrar  
and Transfer Agent**

Fastnet Ireland Limited  
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Ireland

**Manager**

AA Management Limited  
c/o HWR Services Limited  
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Tortola  
British Virgin Islands

**Auditors**

Grant Thornton  
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Dublin 2  
Ireland

**Investment Advisor**

Alterama Inc.  
444 Madison Avenue, Ste 2801  
New York, NY10022  
U.S.A.

## DEFINITIONS

The following definitions apply throughout this document unless the context requires otherwise:

“Administration Agreement” the administration agreement between the Company and the Administrator dated 19 May 2004 and revised 31 August 2007;

“Administrator” Fastnet Ireland Limited, or such other person as may be appointed administrator of the Company from time to time;

“Articles” the articles of Association of the Company for the time being in force and as may be amended from time to time;

“Auditor” Grant Thornton or such other person as may be appointed auditor of the Company from time to time;

“Business Day” any day, except a Saturday, Sunday or public holidays, on which banks are normally open for business in Dublin, New York, London and the British Virgin Islands or such other date as may be classified as a business day according to such criteria as the Directors may adopt from time to time;

“CEA” the US Commodity Exchange Act, as amended;

“Class” a class of Shares in the Company

“Class D US\$ Shares” shares in the capital of the Company, designated in US Dollars, which are available for general subscription;

“Class C Euro Shares” shares in the capital of the Company, designated in Euro, which are available for general subscription;

“Closing Date” September 30th, 2007 or such earlier or later date as the Directors, in their discretion, may decide;

“Code” the US Internal Revenue Code of 1986, as amended;

“Company” AlphaPlus FoHF Limited

“Custodian” Goldman Sachs International or such other person as may be appointed custodian of the Company from time to time;

“Dealing Date” the 15th of any calendar month (or the first Business Day following such date in the event such day is not a Business Day) and the last Business Day of any month. or such other date as the Directors in their discretion may determine;

“Directors” the board of directors of the Company;

“€” or “Euro” means the currency introduced on 1 January 1999 at the start of the third stage of Economic and Monetary Union pursuant to the Maastricht Treaty establishing the European Union;

“Force Majeure Event” any event beyond the reasonable control of a party including, without limitation, acts of God, war, riot, civil, commotion, malicious damage, compliance with any relevant law or governmental order, rule, regulation or direction, accident, fire, flood, storm, strike or other industrial dispute;

“the Initial Offer” the first offer of Shares in the Company made during the Initial Offer Period;

“the Initial Offer Period” the period of the Initial Offer beginning on 1 September 2007 or such later date as the directors may from time to time determine and ending on the Closing Date;

“the Initial Offer Price” the subscription price of US\$1,000 or €1,000 per Share to which may be added an administrative charge of 1 percent and a subscription charge of up to 4 percent;

“Investment Advisor” Alterama Inc. or such other person as may be appointed investment advisor to the Company from time to time;

“Management Agreement” the management agreement between the Company and the Manager amended 31 August 2007;

“Management Shares” shares of par value US\$1.00 each in the capital of the Company, designated as Management Shares;

“Manager” AA Management Limited or such other person as may be appointed manager of the Company from time to time;

“Minimum Subscription” in the case of an initial subscription into the Company, a minimum subscription of US\$1,000,000 or €1,000,000 and, in the case of a subsequent subscription, a minimum subscription of the

equivalent of US\$100,000 each excluding any discretionary subscription charges;

“Minimum Holding” US\$200,000 or €200,000 or a lesser amount such as is attributed to a diminution of the Net Asset Value per Share of the Company since the relevant subscription;

“Mutual Fund” shall have the meaning set forth in the Mutual Funds Act;

“Mutual Funds Act” the Mutual Funds Act, (1996, as amended) of the British Virgin Islands;

“NAFTA” the North America Free Trade Association;

“NASD Restricted Person(s)” investors whose beneficial owners fall within the proscriptions of NASD Rule 2790 of the Conduct Rules of the National Association of Securities Dealers, Inc;

“Net Asset Value per Share” the net asset value per Share as more fully described in the section headed “VALUATION”;

“Professional Fund” as defined in the Mutual Funds Act;

“Professional Investor” a person who subscribes for, or acquires, Shares with an aggregate value of at least US\$100,000 or the Euro equivalent thereof (excluding subscription charges) and warrants, at the time of making the investment, that:

(a) either:

(i) it is an institution whose ordinary business or professional activity includes the buying and selling of investments, whether as principal or agent; or

(ii) in the case of a natural person, his/her individual net worth, or joint net worth with his/her spouse, exceeds US\$1 million; or

(iii) it is an institution with a minimum amount of assets under discretionary management of US\$5 million; and warrants expressly to the Company that it has the knowledge, expertise and experience in financial matters to evaluate the risks of investing in the Company;

(b) and:

- (i) have the knowledge, expertise and experience in financial matters to evaluate the risks of investing in the Company
- (ii) is aware of the risks inherent in investing in the assets proposed to be acquired by the Company and the method by which the assets of the Company are held and/or traded; and
- (iii) can bear the risk of loss of its/his/her entire investment.

AND:

- (i) a person whose ordinary business involves, whether for its own account or the account of others, the acquisition or disposal of property of the same property, or substantial part of the property, of the Company, or;
- (ii) has signed a declaration that he has a net worth in excess of US\$1,000,000 or its equivalent in any other currency (individuals may include the worth of his or her spouse in determining his or her own worth) and consents to being treated as a professional investor.

“Prospectus” means this Prospectus dated 31 March 2008 as the same may from time to time be amended and/or replaced together with any supplement hereto;

“Recognised Exchange” a recognised exchange is any regulated market or exchange in the European Union, OECD country, Hong Kong, Singapore or South Africa, NASDAQ, EASDAQ, the market in US government securities which is conducted by primary dealers which are regulated by the Federal Reserve Bank of New York, the market in transferable securities conducted by primary dealers and secondary dealers which are regulated by the US Securities and Exchange Commission (SEC) and the National Association of Securities Dealers Inc.

(NASD) and the over-the-counter market in Tokyo regulated by the Securities Dealers Association of Japan and any other regulated exchange or market agreed by the Irish Stock Exchange

“Shares” Class D US\$ Shares and Class C Euro Shares in the capital of the Company entitling the holders to participate in the profits of the Company which are subject to a subscription charge or to performance fees, which are chargeable at the level of the Company;

“Shareholder” holders of Share(s) whose names appear on the Company’s register of members;

“the Act” the BVI Business Companies Act, 2004 of the British Virgin Islands;

“US” the United States, as defined in Regulation S under the 1933 Act;

“US\$” or “US Dollars” the lawful currency of the US;

“U.S. Person” as defined in Regulation S under the 1933 Act;

“Valuation Date” the last Business Day of each month and/or such other date as the Directors may in their discretion determine;

“1933 Act” The US Securities Act of 1933, as amended; and

“1940 Act” The US Investment Company Act of 1940, as amended.

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## THE COMPANY

### Introduction

The Company was incorporated as an international business company with limited liability with registration number 587986 in the British Virgin Islands on 24 March 2004 under the provisions of the International Business Companies Act (Cap. 291) of the British Virgin Islands and was, on January 1st, 2007, automatically reregistered as a Business Company in accordance with the provisions of the BVI Business Companies Act, 2004. The Company has an authorised share capital of 1,999,000 shares.

The Company is an open-ended Mutual Fund in that, it will, following the closing of the Initial Offer Period, on request, redeem Shares on any Valuation Date at the price based on the value of the underlying assets of the relevant Class, on the next following Valuation Date, subject to certain limitations. (See the section headed "OFFER, SUBSCRIPTIONS, TRANSFERS AND REDEMPTIONS").

This Initial Offer (and any subsequent subscription) relates only to the Class D US\$ Shares and the Class C Euro Shares, referred to in this Prospectus as "Shares". Subsequent subscriptions can be made on any Dealing Date after the Closing Date.

Application has been made for the Shares, issued and to be issued by the Company, to be admitted to the Official List of the Irish Stock Exchange.

### Investment Objective and Policy

The investment objective of the Company is to obtain consistent above average returns with calculated risk utilizing instruments in the futures and options markets through a disciplined investment approach and may purchase units in other commodity pools and/or hedge funds. The Partnership normally allocates its assets to between six (6) to twenty (20) Trading Advisors.

The Company offers the advantage of professional management, limited liability and the diversification of risk. The multi-advisor approach to be followed by the Company may provide advantages over the use of a single trading advisor. No single trading advisor can produce outstanding results every month or quarter. However, by allocating the assets of the Company among multiple established trading advisors, the Company seeks to obtain investment returns which should be more consistent and less volatile than the returns of a single trading advisor.

The assets attributable to the Company will be exclusively invested in markets, which are liquid.

The accumulated proceeds of the offering will be used as reserves for margin payments and as margin for the trading of futures contracts and options thereon. The Company expects to trade on both U.S. and non-U.S. exchanges. Other instruments may be purchased or sold through dealer markets. The instruments to be traded may include futures, and options on futures, on (i) the debt obligations of various countries, (ii) the currencies of various countries, (iii) various international stock indices, and, as well as

currency trades in the interbank markets.

It is expected that the Company, directly or indirectly, will trade futures and options on futures traded on non-U.S. exchanges. Such foreign futures and options are subject to regulation by the country where the foreign exchange is located. The Company will also engage in the trading of currencies through the interbank market. (See "Risk Factors Investments" with regard to certain risks of foreign futures, foreign options and interbank trading). The Company's assets that are used for such trading will be deposited with the clearing broker in accounts that are not subject to the Commodities Futures Trading Commission segregation requirements.

When deemed appropriate by the Manager, the Company may for defensive purposes, temporarily invest up to 100% of the Shares' assets in cash, cash equivalents (including money market instruments, such as bankers acceptances, certificates of deposits, commercial paper, short term corporate or government obligations denominated in various currencies).

Transactions for the Company will normally be effected on recognized United States and non-United States futures exchanges. The foreign currency trading will be conducted in the interbank markets or on the appropriate United States futures exchanges. When appropriate, positions may be exchanged for futures positions via the exchange-for-physicals (EFP) mechanics of the various exchanges.

The Company will generally invest in markets, which have sufficient liquidity to enable the Company to open and close positions without causing excessive price movements.

The Company will not permit churning of its positions. Excessive trading, which results in an unnecessary high level of brokerage commissions will not be a technique utilized by the Company.

The description contained herein of specific activities that may be engaged in by the Company should not be construed as in any way limiting the Company's investment activities. The Company may engage in investment activities not described herein, which the Directors consider appropriate in the then current market conditions.

Each prospective Shareholder of the Company should consider whether the underlying investment program is suitable. In view of their specialized investment program, Shares are suitable investments for Professional Investors and financial institutions for whom an investment in Shares does not constitute a complete investment program and who fully understand, are willing to assume, and have the financial resources necessary to withstand the risks that may be involved in this investment program.

The Directors will not change the investment objective and policy of the Company for at least three years from the date of listing of the Shares on the Irish Stock Exchange, other than in exceptional circumstances and then only with the consent of holders of a majority of the Shares of the Company.

## **THE FUTURES/FORWARD MARKETS**

Futures and forward contract trading are different from investing in securities and involve different risks. The following description is intended to summarize various basic aspects of futures and forward trading. The following is a summary only and prospective investors must consult their own advisors regarding the nature and risks of futures and forward trading. Such trading is speculative and involves a high degree of risk. Prospective investors who are not prepared to assume the risks involved in such markets should not consider investing in the Shares.

### **Futures Contracts**

Futures contracts are contracts for the future delivery of various futures, metals, oils, energies, soft commodities, bonds, currencies, interest rate instruments and stock market indices in standardized lots at a specified time and place for a specific price, traded on organized futures exchanges. A contractual obligation, depending on whether one is a buyer or a seller, can be satisfied either by taking (or making) physical delivery of an approved grade of the particular commodity or by making an offsetting sale or purchase of the same futures contract on the same exchange. Certain futures contracts such as those based on stock market indices, are settled in cash rather than delivery of any physical commodity.

A trader who purchases a futures contract is "long" and a trader who sells a futures contract is "short." Outstanding futures contracts (those that have not been closed out by an offsetting purchase or sale or by delivery) are known as "open trades or open positions."

### **Forward Contracts**

Currencies and various other commodities may be purchased or sold for future delivery through banks or dealers pursuant to what are commonly referred to as "forward contracts." A forward contract, like a futures contract, is a contractual right to purchase or sell a commodity at or before a specified date in the future at a specified price. Unlike futures contracts, however, forward contracts are the subject of individual negotiation between the parties involved and are not traded on organized exchanges. Moreover, there is no direct means of "offsetting" a forward contract by the purchase of an opposite position as is possible with a futures contract on a United States Exchange.

### **Commodity Options**

Options on futures contracts are rights either to buy or sell a particular futures contract during a specified period of time. A call "option" gives the purchaser the right to take a long position and a "put" option gives the purchaser the right to take a short position in the underlying contract. While the purchaser of an option has limited risk (the purchaser's maximum loss being limited to the premium paid for the option), the writer of an uncovered call option has the same potential unlimited risk as a person trading directly

in futures.

### **Daily Limits**

Most United States exchanges (but not foreign markets, or, in the case of forward contracts, banks or dealers), limit the maximum fluctuation in commodity futures contract prices during a single trading day by "daily limits." Once the daily limit has been reached in a particular futures contract, it may be impossible to liquidate positions in that contract. Options trading may also effectively be restricted by market condition where daily limits affect the price of the underlying futures contract. "Daily limits" restrict price movements only for a given trading day and, therefore, do not limit ultimate losses. Commodity futures prices have occasionally moved the daily limit for a number of consecutive trading days without any trading taking place, thereby preventing liquidation of open futures positions and subjecting those futures traders holding positions on the declining side of the market to bear substantial losses and margin calls.

### **Margin**

Margin, in the case of futures and options trading, generally refers to the security deposit required to be made with a commodity broker in order to initiate trading or to maintain open positions. A margin deposit for futures trading does not represent a partial payment of the purchase price. Rather, it is a good faith deposit that provides assurance that the person posting the deposit has sufficient funds to cover adverse price changes in the futures contract.

An initial margin deposit is required prior to the commencement of trading. After trading begins, the value of open positions are marked to the market daily. If a position reflects an unrealized loss that reduces the equity on deposit below the level required to be maintained (the maintenance margin), an additional deposit will be required. If the position reflects an unrealized gain that results in excess equity, a portion of the deposit may be released. If additional deposit is required, a margin call is made. If the margin call is not met within a reasonable time, the brokerage firm can close out the position, which may result in a loss.

Commodity exchanges require that brokers set customer margin requirements at or above certain minimum levels. All brokers retain the right to set margin requirements that are greater than those of the exchanges. The minimum margin requirements established by the exchanges generally range from four to ten percent of the contract price, although in some cases they may also be as little as one percent or as much as twenty percent. The exchanges may sometimes require substantially increased margins in response to certain market conditions.

### **Investment Restrictions**

The Company will abide by the following investment restrictions:

- (i) No more than 20 percent of the value of the gross assets of the Company will be lent

- to or invested in the securities of any one issuer.
- (ii) No more than 20 per cent of the value of the gross assets may be exposed to the creditworthiness or solvency of any one counterparty.
  - (iii) No more than 10 percent, in aggregate, of the value of the gross assets of the Company may be invested directly in physical commodities.
  - (iv) No more than 10 percent, in aggregate, of the value of the gross assets of the Company may be invested in real property.
  - (v) The Company may not take, or seek to take, legal or management control of the issuer of any of its underlying investments.

The Company will adhere to the general principle of risk spreading in respect of its investment in derivatives.

With the exception of (v) above, the investment restrictions apply to any investment at the time that investment is made. Where any restriction is breached, the Manager must ensure that immediate corrective action is taken except where the breach is due to appreciations or depreciations, changes in exchange rates, or by reason of the receipt of rights, bonuses, benefits in the nature of capital or by reason of any other action affecting every holder of that investment. The Manager must have regard to the investment restrictions when considering changes to the investment portfolio of the Company.

## **RISK FACTORS - INVESTMENTS**

There is a substantial risk of sustaining losses in the aforementioned investments. Investment in the Shares of the Company is only open to Professional Investors. Any capital invested in the Company should be recognized as risk capital by the investor who must recognize the possibility of significant or even total losses.

### **Futures Trading**

There are various risks associated with futures trading and interbank trading of currencies, any of which could subject the Company to large and sudden losses. Among those risks are the following: the high degree of leverage with which futures contracts may be traded (and will be traded by the Company) the volatility of futures prices; futures prices are affected by numerous factors, many of which cannot be anticipated; futures markets are constantly changing and there is no trading system that is suited to each type of market; futures markets can become illiquid for substantial periods, thus preventing traders such as the Company from liquidating unprofitable positions; futures markets are regulated by various entities and such regulations or regulatory orders (such as the suspension of trading in a declared market emergency) can disrupt and distort markets, to the detriment of traders; the insolvency of other participants in the markets that fund trades; execution or reporting errors by brokers; sudden changes in margin requirements; and the breakdown of order placement or price reporting communication systems or other market technologies.

## **Trading on Non-U.S. Exchanges**

There are additional risks in trading on non-U.S. exchanges and in the interbank market. Contracts on the interbank market are not traded on exchanges but are executed with various U.S. and foreign banks or brokers with which trading lines are established. Such contracts are not guaranteed by any exchange or clearing house. The Company will not enter into over-the-counter options agreements.

## **Leverage**

The Company may not borrow other than on a temporary basis. Gearing may be utilized of up to three times the Net Asset Value. However, the Company will be trading commodity futures contracts, which are highly leveraged. The low margin deposits normally required in commodities trading allow for an extremely high degree of leverage compared to investments in other assets. Thus a relatively small price movement in a commodity futures contract may result in above average losses.

## **Options**

Participation in options transactions involves the execution and clearing of trades on or subject to the rules of a board of trade which may not be subject to protective measures in the laws of the United States. Generally, United States transactions will be governed by applicable local law. This is true even if the exchange is formally linked to a domestic market so that a position taken in the market may be liquidated by a transaction on another market. Moreover, such laws or regulations will vary depending on the country in which options transactions occur. In particular, funds received from customers for such options transactions may not be provided the same protection as funds received in respect of transactions on other exchanges. The price of any futures or options contract and, therefore, the potential profit and loss thereon, may be affected by any variance in the exchange rate between the time the Company orders are placed and the time it is liquidated, offset or exercised.

## **Commodities Options**

Purchase of a commodity option can result in a total loss of the premium and all transaction costs. Purchase or sale of a commodity option can result in a total loss of the initial margin funds and additional funds. Under certain market conditions, it may be difficult or impossible to liquidate a position. This can occur, for example, when the market makes a "limit move." The placement of contingent orders, such as "stop loss" or "stop limit" orders, will not necessarily limit losses to the intended amounts, since market conditions may make it impossible to execute such orders. A "spread" position may not be less risky than a simple "long" or "short" position. The high degree of leverage that is often obtainable in commodity trading can work against, as well as for, the Company. The use of leverage can lead to large losses as well as gains.

## **Options and Forward Contracts**

The use of options and forward contracts exposes the Company to additional investment risks and transaction costs. Risks inherent in the use of options and forward contracts include (1) the risk that interest rates, securities prices and currency markets will not move in the directions anticipated; (2) imperfect correlation between the price of options and forward contracts and movements in the prices of the securities or currencies being hedged; (3) the fact that skills needed to use these strategies are different from those needed to select portfolio securities; and (4) the possible absence of a liquid secondary market for any particular instrument at any particular time.

## **Valued in Euro**

The Shares' Net Asset Value will be calculated in Euro. Consequently investors will be subject to the risk of exchange rate fluctuations between the value of the Euro and their base currencies, i.e., those currencies in which their net worth is maintained.

## **Cross class liability**

While the Company will initially have two Classes of Shares, the Company will be treated as one legal entity. Thus all of the assets of the Company will be available to meet all of the liabilities of the Company. In practice, cross class liability will usually only arise where a Class becomes insolvent or exhausts its assets and is unable to meet all of its liabilities. In this case, all of the assets of the Company attributable to other Classes may be applied to cover the liabilities of the insolvent Class.

## **RISK FACTORS – SHAREHOLDERS**

### **Indemnity of the Company's Directors, Manager, Investment Advisor, Custodian and Administrator**

The Company's Directors, Manager, Investment Advisor, Custodian and Administrator are entitled to be indemnified in certain circumstances. As a result, there is a risk that the Company's assets will be used to indemnify such persons or their employees or to satisfy their liabilities as a result of their activities in relation to the Company.

### **Dividend Policy**

The Company currently does not intend to pay dividends. It is presently intended that all earnings will be reinvested. Accordingly, investors having a need for current income should not invest in this Company.

### **Illiquidity of Shares**

There will be no secondary market for the Shares, and consequently, Shareholders can

dispose of the Shares only by means of redemption. Shares may be redeemed on a monthly basis as described herein (see "Redemptions of Shares"). Since there is no assurance that the Company will be able to liquidate the portfolio securities attributable to the Shares without losses, a holder of Shares may incur a loss upon redemption of Shares. In the event of unsettled market conditions, the Company may be unable to redeem Shares.

### **General Risks of Investing**

An investment in the Company is subject to all risks incidental to the ownership of securities and other assets which the Company may own. These factors include, without limitation, changes in government rules and fiscal and monetary policies, changes in laws and political and economic conditions throughout the world, and changes in general market conditions. There can be no guarantee that any profits will be realized by an investor in the Company. Under certain circumstances, the Company may be unable to liquidate portfolio securities due to the absence of a liquid market, and consequently, may not be able to redeem Shares.

### **Redemption of Shares**

Substantial redemption of Shares could require the Company to liquidate positions more rapidly than would otherwise be desirable, which could adversely affect the value of the Shares. In these and other exceptional circumstances the Company may defer redemptions. Substantial redemptions might also cause the liquidation of the Company.

### **Performance Fee**

The Performance Fee may create an incentive for the Manager or Investment Advisor to make investments that are riskier or more speculative than it might otherwise make or advise to be made. The Manager is not required to rebate the Company's Performance Fees that it has previously paid if the Company subsequently incurs losses.

**The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in the Shares. Prospective investors should read the entire Prospectus and consult their own counsel and advisors before deciding to invest in the Shares.**

### **Investor Restrictions**

Potential investors should note that restrictions apply regarding the types of persons to whom Shares may be issued and transferred. The Directors may compulsorily redeem any Shares held by a U.S. Person as the Directors believe necessary or appropriate to comply with US law. Shares may not be purchased or held by NASD Restricted Persons. Further details are given in the section headed "OFFER, SUBSCRIPTIONS, TRANSFER AND REDEMPTIONS".

## **Definition of U.S. Person**

In this document U.S. Person has the meaning assigned to it in Regulation S under the 1933 Act, and includes:

- (a) any natural person resident in the US;
- (b) any partnership or corporation organised or incorporated under the laws of the US;
- (c) any estate of which any executor or administrator is a U.S. Person;
- (d) any trust of which any trustee is a U.S. Person;
- (e) any agency or branch of a non-US entity located in the US;
- (f) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. Person;
- (g) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated, or, if an individual, resident in the US; or
- (h) any partnership or corporation if (i) organised or incorporated under the laws of any non-US jurisdiction and (ii) formed by a U.S. Person principally for the purpose of investing in securities not registered under the 1933 Act, unless it is organised or incorporated, and owned, by accredited investors (as defined in Rule 501(a) under the 1933 Act).

Notwithstanding the foregoing “U.S. Person” does not include: (a) any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-U.S. Person by a dealer or other professional fiduciary organised, incorporated, or, if an individual, resident in the US; (b) any estate of which any professional fiduciary acting as executor or administrator is a U.S. Person if (i) an executor or administrator of the estate who is not a U.S. Person has sole or shared investment discretion with respect to the assets of the estate and (ii) the estate is governed by non-US law; (c) any trust of which any professional fiduciary acting as trustee is a U.S. Person if a trustee who is not a U.S. Person has sole or shared investment discretion with respect to the trust assets, and no beneficiary of the trust (and no settler if the trust is revocable) is a U.S. Person; (d) an employee benefit plan established and administered in accordance with the law of a country other than the US and customary practices and documentation of such country; (e) any agency or branch of a U.S. Person located outside the US if (i) the agency or branch operates for valid business reasons and (ii) the agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located; and (f) the International Monetary Company, the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the United Nations, and their agencies, affiliates and pension plans, and any other similar international organisations, their agencies, affiliates and pension

plans.

## MANAGEMENT AND ADMINISTRATION

### The Directors of the Company

The Directors of the Company are responsible, *inter alia*, for establishing the investment objective and policy of the Company, for monitoring the Company's performance and for appointing, supervising, directing the Manager of the Company (subject to the terms of the Management Agreement).

The following are the Directors of the Company:

**Jean Jacques Chénier de Borneuil** (age 57) holds a Masters in Economics and a Masters in Law from the Sorbonne (Paris, France) and has over thirty years experience in the futures and commodities markets. He started his career in 1972 by trading soft commodities on "La Bourse de Commerce de Paris." In 1973 he became associated with Georges Maurer S.A., a well-known Futures Commodity Merchant in Paris (France), and managed clients' portfolios. In December 1975, he was elected vice president of "La Chambre Syndicale des Remisiers en Bourse de Commerce." From 1976 until 1981, Mr. Chenier traded precious metals as a hedge for client portfolios and did the same from 1981 to 1987 in currencies. Mr. Chenier traded off-floor for his personal account from 1989 through October 1995. Records of such trading are not open to client inspection due to their proprietary nature. Since the end of 1995 Mr. Chenier has conducted extensive research on trading systems and has developed a proprietary technical system: Trendoscil. He is also a contributor to Barron's magazine, to Consensus and to "Valeurs Actuelles" and to "le Figaro". From October 1996 to the 1<sup>st</sup> of March 2000 Mr. Chenier was a principal at Global Management of NY. He is currently president of AA Management Ltd since January 2004.

**John Walley**, (age 50) is Managing Director of Olympia Capital Ireland Limited which was formed in 1997/1998. Olympia Capital Ireland Limited provided Company accounting and transfer agency services till its acquisition by CACEIS in November 2007. The activities of Olympia Capital (Ireland) have been integrated into those of CACEIS' Irish entity, Fastnet Ireland Limited. Between April 1996 and April 1997 he was Group Managing Director of Investors Trust Holdings (Ireland) Limited and its subsidiary Investors Company Services (Ireland) Limited. Previously, Mr. Walley was Chief Executive of the Chemical Ireland companies (subsidiaries of Chemical Banking Corporation), which he founded in 1990 and subsequently sold to Chemical Bank in 1993. Prior to 1990, Mr. Walley worked with Chase Manhattan Bank in Ireland for eighteen years in various senior management capacities and was head of global custody and service products for Chase Manhattan Bank in Ireland. He is a member of the Institute of Bankers in Ireland and the Institute of Auditors in Ireland. Mr. Walley is an Irish resident.

**Jean-Christophe Tressel**, (age 44) has been, since February 2001, an advisor and founder with ADOMOS, an advisor in structured products and loan broker in structured financing advising several European Institutions. He is also investment manager with

various mutual funds since 1995. Previously he was a finder with Abbey National from September 1996 to January 2001, and with Deutsche Bank from March 2001 to March 2003. Mr. Tressel holds a BA in Law from "Pantheon-Sorbonne" University (Paris, France), a BA in Finances from "Ecole des Sciences Politiques" (Paris, France) and a Master in Urbanism from the Aix Marseille University (France)".

**Nicolas Brau**, (age 49) is a founder of Exclusive Trust Services S.A., a Swiss Independent Asset Manager, member of the Asset Managers Association. Exclusive Trust Services is the Investment Advisor for Caiman Islands fund of Hedge Funds "Swiss Peak". From 1998 to 2002 Mr. Brau was head of the Eastern European Desk at Credit Suisse Private Banking (Geneva). He holds a Masters in Economics and a Masters in International Relation from "Institut d'Etudes Politiques de Paris". He also holds a Masters in Russian Language and a Masters in Russian Civilization from "Institut des Langues et Civilisations Orientales-Paris Sorbonne".

The address of all of the Directors for the purposes of the Company is the registered office of the Company. All of the Directors act in a non-executive capacity and none has any service contract with the Company.

A memorandum detailing the names of all companies and partnerships of which the above named persons have been a director or partner at any time in the past five years, together with an indication of whether or not the individual is still a director or partner, is available for inspection at the offices of Grant Thornton, 24-26 City Quay, Dublin 2.

### **The Manager**

The Company has entered into a revised Management Agreement 31 August 2007 with AA Management Limited (the "Manager"). The Manager is incorporated as an International Business Company under the International Business Companies Act of the British Virgin Islands, and has been granted a restricted manager's licence under the Mutual Funds Act. The Management Agreement provides that the Manager will act as manager of the Company's investments. The Manager has the sole decision making discretion with regard to the Company's assets. The Manager has the power under the Management Agreement to delegate its functions with the Directors approval. The Manager has appointed Alterama Inc. to act as Investment Advisor to the Company. Jean Jacques Chenier de Borneuil who's details are above, will act as principal of the Manager.

### **The Investment Advisor**

The Manager has retained the services of Alterama Inc. (the "Advisor"), a US company formed in the state of Delaware on February 23, 2004 to provide investment advice in relation to the Shares of the Company. The investment advisor is registered as commodity trading advisor ("CTA") and Commodity Pool Operator (CPO) with the Commodity Futures Trading Commission ("the "CFTC") and a member in good standing of the National Futures Association (the "NFA").

Mr. Selim Fendi will act as principal of the Advisor.

### **The Administrator**

Fastnet Ireland Limited, an Irish registered company, has been appointed by the Company to act as administrator to the Company pursuant to the Administration Agreement. The Administrator was incorporated in Ireland as a private limited company on 26 May 2000 with registered number 327980, to provide administration services to collective investment schemes. The Administrator is a wholly owned subsidiary of CACEIS Bank Luxembourg, which in turn is wholly owned by CACEIS société par action simplifiée, which is equally owned par Crédit Agricole S.A. and Natixis. As of 31 December 2007, the Fastnet group had EUR980 billion in assets under administration. Fastnet Ireland Limited is governed by the Investment Intermediaries Act 1995 (as amended) and is under the supervision of the Financial Regulator.

In the absence of willful or reckless misconduct, bad faith or gross negligence, the Administrator will not be liable to the Company, the Shareholders, the Manager, the Investment Advisor or the Custodian for any error of judgment or mistake of law or for any loss suffered by any of them in connection with its obligations and duties.

In the Administration Agreement, the Company undertakes to hold harmless and indemnify the Administrator and any directors provided by the Administrator from and against all expenses, losses, claims, damages or liabilities to any third party which may be brought against, suffered or incurred by the Administrator by reason of its performance or non-performance of its obligations and duties (other than due to the Administrator's willful or reckless misconduct, bad faith or gross negligence).

The Administration Agreement shall continue in full force and effect until terminated by either party by ninety days' notice in writing.

### **The Custodian**

Goldman Sachs International (the "Custodian") has been appointed as custodian and clearing broker to the Company pursuant to an agreement comprising General Terms and Conditions, Exchange Traded Derivatives Supplement and Custody Terms (together "the Agreement"). The Agreement is terminable on 30 days written notice by either the Company or the Custodian. In acting as custodian or nominee the Custodian shall not be liable to the Company in the absence of the Custodian's own negligence or bad faith or that of any of its affiliates.

The Custodian is regulated in the conduct of its investment business by the Financial Services Authority ("FSA") of the United Kingdom, it has financial resources in excess of US\$200 million and its ultimate parent, The Goldman Sachs Group, Inc., has a Specified Credit Rating. The Custodian has in excess of \$1 billion under custody.

As custodian, the Custodian will be responsible for the safekeeping of all the investments and other assets of the Company delivered to it other than those transferred to the Custodian as collateral or margin (the "Custody Assets"). The Custodian will identify,

record and hold the Custody Assets in such a manner that the identity and location thereof can be identified at any time and so that the Custody Assets shall be readily identifiable as property belonging to, and held for the benefit of, the Company and as separate from any of the Custodian's own property. Any obligations of the Company to the Custodian pursuant to the Agreement will be secured by way of a first fixed charge over the Custody Assets.

The Custodian may hold the Custody Assets with a sub-custodian, depository or clearing agent, including a person connected with the Custodian (each a "sub-custodian") in a single account that is identified as belonging to customers of the Custodian. The Custodian will identify in its own books and records that part of the Custody Assets held by a sub-custodian as being held for the Company. The Custody Assets should thus be unavailable to the creditors of the Custodian in the event of its insolvency. However, in the event of an irreconcilable shortfall following the default of any sub-custodian, the Company may share in that shortfall proportionately with the Custodian's other customers. Assets of the Company held as collateral or margin are not required to be segregated and in the event of the Custodian's insolvency may not be recoverable in full.

In accordance with the FSA's Custody Rules, the Custodian will exercise reasonable skill, care and diligence in the selection of any sub-custodian and will be responsible to the Company for the duration of any sub-custody agreement for satisfying itself as to the ongoing suitability of such sub-custodian, for the maintenance of an appropriate level of supervision over such sub-custodian and for confirming by means of appropriate periodic enquiries that the obligations of such sub-custodian continue to be competently discharged.

The Custodian will only be responsible for losses suffered by the Company as a direct result of its negligence or bad faith in the appointment and monitoring of any non-affiliated sub-custodian or nominee. Otherwise the Custodian shall not be liable for any act or omission, or for the solvency, of any non-affiliated sub-custodian or nominee. Notwithstanding the foregoing, the Custodian accepts the same level of responsibility as it does for itself for companies controlled by the Custodian whose business consists solely of acting as a nominee holder of investments or other property in respect of any requirements of the FSA's Custody Rules. In the case of any act or omission on the part of a sub-custodian or its agent which the Company considers to involve the negligence, fraud or wilful default on the part of such sub-custodian or agent, the Custodian shall assign to the Company any rights it may have in respect of such act or omission. In the event that the Company obtains legal advice that such assignment would be ineffective to enable the Company to pursue its claim, then the Custodian shall (at the Company's expense) claim and pursue the appropriate damages or compensation from the sub-custodian or agent on the Company's behalf.

Cash not held as collateral which is held or received for the Company by or on behalf of the Custodian will be treated as client money and will be subject to the client money protections conferred by the Client Money Rules of the FSA

In acting as clearing broker the Custodian shall be liable for damage or loss only to Company's account(s) and only to the extent arising directly from any act or omission by the Custodian that constitutes negligence, fraud or wilful default. The Custodian shall

not be responsible for loss of profits, loss of data, indirect, consequential or incidental damages, liabilities, claims, losses, expenses, awards, proceedings and costs regardless of whether the possibility of such damages, liabilities, claims, losses, expenses, awards, proceedings and costs was disclosed to, or could reasonably have been foreseen by the Custodian.

The Company will indemnify the Custodian for any and all expenses, losses, damages, liabilities, demands, charges, actions and claims arising out of any act or omission on the part of the Company, except to the extent that the same is due to the negligence, fraud or wilful default or, or breach of the Agreement by the Custodian.

The Custodian will have no decision-making discretion relating to the Company's investments. The Custodian is a service provider to the Company and is not responsible for the preparation of this document or the activities of the Company and therefore accepts no responsibility for any information contained in this document.

Fees payable to the Custodian shall be at a rate of 0.10 per cent of the Company's cash held by the Custodian. Fees payable to any sub-custodian shall be at normal commercial rates.

## **CONFLICTS OF INTEREST**

Due to the operations which are or may be undertaken by the Directors, the Manager, the Investment Advisor, the Administrator and the Custodian and their respective holding companies, subsidiaries and affiliates (each an "interested party") conflicts of interest may arise.

The Directors, the Manager, the Investment Advisor, the Administrator and the Custodian may provide similar services to others provided that the services they provide to the Company are not impaired thereby. An interested party may acquire or dispose of any investment notwithstanding that the same or similar investments may be owned by or for the account of or otherwise connected with the Company. Furthermore, an interested party may acquire, hold or dispose of investments notwithstanding that such investments had been acquired or disposed of by or on behalf of the Company by virtue of a transaction effected by the Company in which the interested party was concerned provided that the acquisition or disposal by an interested party of such investments is effected on normal commercial terms as if negotiated on an arm's length basis and the investments held by the Company are acquired on the best terms reasonably obtainable having regard to the interests of the Company.

The Company will pay substantial fees and expense reimbursements to the Manager. As the amount of the Performance Fee (as described in "Fees and Expenses") depends upon the Company's performance, the Manager may have an incentive to cause the Company to make investments that are riskier or more speculative than would otherwise be the case. The Manager will have considerable discretion as to the terms and timing of Company transactions. The Manager may have an interest in managing the terms and timing of Company transactions so as to maximise fees. The Manager may be a

shareholder in the management company of a company in which the Company is invested or the recipient of fees from a company's parent company as a result of the provision of other services. Participation in specific investment opportunities may be appropriate, at times, to the Company and one or more affiliated entities or accounts with similar investment objectives. In such cases, participation in such opportunities will be allocated fairly and equitably by the Manager.

Should a conflict of interest arise in relation to the Company, the Directors will endeavour to ensure that it is resolved fairly.

## **OFFER, SUBSCRIPTIONS, TRANSFERS AND REDEMPTIONS**

### **Initial Offer**

The Company has an authorised share capital of [number] of shares. The authorised shares may be issued in five classes: Class A US\$ Shares, Class B Euro Shares, Class C Euro Shares, Class D US\$ Shares and Management Shares. The Shares will be offered at an Initial Offer Price of US\$1,000 per Class D US\$ Share and €1,000 per Class C Euro Share. Fractions of Shares may be issued rounded down to two decimal places. The Manager may levy a subscription charge of up to 4 percent per Share, which it may waive or reimburse in whole or in part to any particular investor or intermediary. The Initial Offer Price and any subscription charge are payable in full at least two business days before the Closing Date of the Initial Offer. The Class A US\$ Shares and Class B Euro Shares are to be fully redeemed as of 30th September 2007 and no Class A US \$ Shares nor Class B Euro Shares are expected to be issued ever again.

The Initial Offer commenced on 1 January 2008 and will close on the Closing Date, being 30 April 2008 or such earlier or later date as the Directors may in their absolute discretion resolve. The Initial Offer is not underwritten or guaranteed by any person or entity. The Administrator will be the receiving agent for the purpose of the Initial Offer and on a continuous basis.

The minimum initial subscription amount per investor during the Initial Offer and on each Dealing Day after the Closing Date is US\$1,000,000 or €1,000,000 (exclusive of a discretionary subscription charge of 4 percent). The Directors may accept investments of a lesser amount in their sole and absolute discretion provided that the minimum initial investment shall not be less than US\$100,000 (or its equivalent in any other currency).

The Directors are given authority pursuant to the Articles to effect the issue of Shares on such terms as they may from time to time determine.

Applications for Shares during the Initial Offer Period may be made by post, fax or delivery to the Administrator on the subscription agreement accompanying this Prospectus on any Business Day during the Initial Offer Period. Applications must be received accompanied by cleared funds and accepted by no later than 5pm (Irish time) two business days before the Closing Date. Subscription monies for the Class D US\$ Shares should be paid in US Dollars while subscription monies for the Class C Euro

Shares should be paid in Euro in accordance with the instructions set out in Appendix 1.

Cleared funds must be received for valuation two business days before the Closing Date. The Directors have discretion to accept settlement after the Closing Date in order to deal with any contingencies which may arise in the transfer of subscription monies.

The Directors reserve the right to reject any application for Shares in the Initial Offer in full or in part in their absolute discretion. Potential investors should consult the restrictions on applications and other information contained in “Provisions Relevant to all Applications for Shares” below.

Applicants are required to certify that Shares applied for are not being acquired directly or indirectly in violation of any applicable law, nor by or on behalf of a U.S. Person. Shares may not be purchased or held by NASD Restricted Persons.

### **Subsequent Subscriptions**

Except during any time when there is a suspension of the determination of the Net Asset Value of a Class of Shares (being Class D US\$ Shares or Class C Euro Shares) or during any time when there are insufficient authorised but unissued Shares available for issue, Shares shall be available for subscription following the Initial Offer, on each Dealing Date at an issue price per Share equal to the Net Asset Value per Share as at the next relevant Valuation Date.

To this price, the Company may add an administrative charge of up to 1 percent of the Net Asset Value per Share (excluding the amount of such charge) to cover the charges, duties and other costs involved in purchasing investments in the underlying property of the Class. Any such charge will become part of the assets of that Class. The charge is intended to protect existing and continuing Shareholders against the dilution of the value of their investment on account of these costs. The Directors may reduce the amount of the charge at their discretion, within the 1 percent maximum. Fractions of Shares may be issued rounded down to two decimal places.

A subscription charge of up to a maximum of 4 percent of the issue price per Share (exclusive of any charge made by the Company) may be added to the issue price of a Share and shall, in such event, be payable to the Manager, who may rebate it to intermediaries.

The minimum amount of any subsequent subscription will be the equivalent of US\$100,000 (exclusive of subscription charges, if any) subject to the sole and absolute discretion of the Directors to accept investments of a lesser amount.

Applications for any subsequent subscription must be received by the Administrator at the address detailed on the subscription agreement accompanying this Prospectus by 5pm (Irish time) at least 5 Business Days before the Dealing Date on which the Shares are to be issued. Applications not received by this time will be held over until the next Dealing

Date. Subscription monies for the Class D US\$ Shares should be paid in US Dollars while subscription monies for the Class C Euro Shares should be paid in Euro in accordance with the instructions set out in Appendix 1, (or such other account specified by the Administrator) so as to be received in cleared funds by 5pm (Irish time) at least two business days before the Dealing Date. If payment in full has not been received by 5pm (Irish time) two business days before the Dealing Date, the application may be refused and any conditional allotment of Shares made on the basis thereof cancelled.

The Directors reserve the right to reject any subsequent subscriptions for Shares in full or in part in their absolute discretion. Potential investors should consult the restrictions on applications and other information contained in “Provisions Relevant to all Applications for Shares” below.

### **Provisions Relevant to all Applications for Shares**

#### **Investor Restrictions**

Shares will be issued, and are transferable, to Professional Investors only (see definitions page), and not US Persons and NASD Restricted Persons.

#### **Anti-Money Laundering Procedures**

To comply with the Anti-Money Laundering Code of Practice 1999 (the “Code of Practice”) and legal and regulatory requirements in the British Virgin Islands, the Company is required to verify the identity of all shareholders.

The Administrator will notify applicants if proof of identity is required. By way of example, an individual may be required to produce a copy of a passport or an identification card duly certified by a public authority such as a notary public, the police or the ambassador in their country of residence, together with evidence of their address such as a utility bill or a bank statement. In the case of corporate applicants this may require production of a certified copy of the Certificate of Incorporation (and any change of name), Memorandum and Articles of Association (or equivalent), and the names and addresses of all directors and beneficial owners.

The details given are by way of example only and the Administrator reserve the right to request such documentation as is necessary to verify the identity of the applicant.

Where documents are to be certified, the certifier must be a practicing solicitor or attorney at law, chartered or certified public accountant, Notary Public, Member of the Judiciary or serving police officer and they must state the capacity in which they are certifying the document.

Depending on the circumstances of each subscription, it may not be necessary to obtain full documentary evidence of identity where:

(a) the investor is a “Regulated Person”, as defined in the Code of Practice, carrying on

business in the British Virgin Islands;

- (b) the investor is an “authorised financial institution” as that term is used in the Code of Practice in a country or territory which is a member of the Financial Action Task Force (the “FATF”) or Caribbean Financial Action Task Force (the “CFATF”) and which has anti-money laundering laws and procedures that are at least equivalent to the British Virgin Islands;
- (c) the investor is acting in the course of a business in relation to which a “regulatory authority”, as that term is used in the Code of Practice, outside the British Virgin Islands exercises regulatory functions and is based or incorporated in or formed under the law of a country or territory outside the British Virgin Islands which is a member of the FATF or CFATF and in which there are in force anti-money laundering laws and procedures that are at least equivalent to those of the British Virgin Islands;
- (d) the subscription is made by an intermediary acting on behalf of the prospective investor and such intermediary is regulated by a recognised regulatory authority and is based or incorporated in, or formed under the law of, a recognised jurisdiction and the intermediary has entered into Terms of Business confirming compliance with the Code of Practice requirement to retain and provide due diligence records; or
- (e) the investor is an attorney at law entitled to practice in the Territory of the British Virgin Islands or an accountant bound by anti-money laundering rules of its professional body equivalent to the Code of Practice.

For the purposes of these exceptions, classification as a financial institution, regulatory authority, or jurisdiction in which there are anti-money laundering laws and procedures that are equivalent to those of the Territory will be determined in accordance with the Code of Practice by the relevant body in the British Virgin Islands.

In addition to the information required under the Subscription Agreement the Company reserves the right to request such further information as is necessary to verify the identity of a prospective investor. The Company also reserves the right to request such identification evidence in respect of a transferee of Shares. In the event of delay or failure by the prospective investor or transferee to produce any information required for verification purposes, the Company may refuse to accept the application or (as the case may be) to register the relevant transfer and (in the case of a subscription of Shares) any funds received will be returned without interest to the account from which the monies were originally debited.

The Company also reserves the right to refuse to make any redemption, payment, or distribution to a Shareholder otherwise than to the account from which the corresponding subscription funds were paid where applications have not been supported by the required anti-money laundering information.

## USA PATRIOT ACT Compliance

The USA Patriot Act (the “Patriot Act”), adopted in the wake of the events of September 11, 2001, requires that all financial institutions, including investment funds such as the Company, implement policies and procedures (“AML Programs”) designed to guard against and identify money laundering activities. Under the Patriot Act and the Company’s own AML Program adopted pursuant to the Patriot Act, the Company is required to confirm the identity of each investor to the extent reasonable and practicable, including the principal beneficial owners of an investor, if applicable. New investors, and additional capital from existing investors, can be accepted only after the Administrator has confirmed the identity of the investor and the principal beneficial owners of the investor, if applicable, unless the Manager concludes that it can rely on the diligence of a third party with respect to such investor.

The Company is required to undertake enhanced due diligence procedures prior to accepting investors the Manager believes present high risk factors with respect to money laundering activities. Examples, although not comprehensive, of persons posing high risk factors are persons resident in or organized under the laws of a “non-cooperative jurisdiction” or other jurisdictions designated by the Department of the Treasury as warranting special measures due to money laundering concerns, and any person whose capital contributions originate from or are routed through certain banking entities organized or chartered in a non-cooperative jurisdiction.

In addition, the Company is prohibited from accepting subscriptions from or on behalf of:

- persons on the List of Specially Designated Nationals and Blocked Persons maintained by the U.S. Office of Foreign Asset Control;
- the Annex to Executive Order 13224;
- such other lists as may be promulgated by law or regulation; and
- foreign banks unregulated in the jurisdiction they are domiciled in or which have no physical presence.

The Company may be required to undertake additional actions to guard against and identify money-laundering activities, when final regulations under the Patriot Act are adopted by the Department of the Treasury. The requirements for the Manager and the Administrator to guard against and identify money laundering activities in deciding whether to accept subscriptions are in addition to the discretion that the Manager has in deciding whether to accept subscriptions.

### Confirmation of Ownership and Unsuccessful Applications

Shares will be issued upon: (i) the fulfillment of the conditions for acceptable

subscriptions to the satisfaction of the Administrator; and (ii) receipt of cleared funds by the Administrator. The Directors have discretion to accept settlement after the Closing Date in order to deal with any contingencies which may arise in the transfer of subscription monies.

In the case of Shares issued pursuant to the Initial Offer, a contract note, which will constitute a confirmation of ownership of the Shares to which it relates, will be sent to each successful applicant within 5 days of the Closing Date. The contract note will detail the number of Shares to which it relates, the price at which the Shares have been issued and the amount (if any) of the subscription charge raised by the Manager on the Shares. Share certificates will not be issued.

Amounts paid to the Administrator in respect of subscription applications which are rejected (or in the case of applications which are not accepted in full, the balance of the amount paid) will be returned to the applicant at its own risk and expense without interest in the case of applications made in respect of the Initial Offer, within 14 days of the Closing Date, and, in any other case, within 14 days of the Valuation Date to which the application relates.

#### Commissions

At the date of these listing particulars the Company has not paid, nor is it under any obligation to pay, any commissions or brokerages to third parties. However, the Company may for the purpose of the placing of the Shares in one or a number of jurisdictions enter into such arrangements, in compliance with relevant laws, as the Directors in their sole discretion deem appropriate, which may oblige the Company to pay commission or brokerage charges to third parties such as selling or placing agents. The Company may agree to indemnify such selling or placing agents against certain liabilities, including liabilities under US securities laws.

#### **Net Proceeds of the Initial Offer**

The net proceeds of the Initial Offer will be those remaining after the deduction of organisational and initial offering expenses, which are expected not to exceed US\$60,000. The net proceeds will be invested in accordance with the investment objective and policy of the Company described on page 11.

#### **Dividend Policy**

The Company is not expected to pay any dividends. All income and profits will accrue to the benefit of the Company and will be reflected in the Net Asset Value per Share. To the extent that dividends may be paid, they will be paid in accordance with applicable rules and regulations and in line with the requirements of the Irish Stock Exchange.

#### **Transfer of Shares**

The Shares may be held and transferred freely other than in the circumstances described herein, but the Shares may not in any case be held by or transferred to persons under the age of 18.

A Shareholder may transfer all or any of his Shares by an instrument in writing in the usual or common form or in any other form as the Directors may approve. The transferor shall be deemed to remain the holder of any Shares that it proposes to transfer until the name of the transferee is entered in the Company's register of members in respect of those Shares. Each transferee must be a Professional Investor and will be required to provide the same information, representations and warranties to the Company as are required from any subscriber for Shares. The Directors will not approve for registration any transfer which would cause the Company, or its Shareholders as a whole, to suffer any tax, fiscal, legal, regulatory, pecuniary or material administrative disadvantages, which it would not otherwise have suffered. The Directors will not approve for registration any transfer which would result in the transferor or the transferee holding Shares the aggregate value of which (determined by multiplying the Net Asset Value per Share on the Valuation Date on or immediately preceding the date of the proposed transfer by the relevant number of Shares) would be less than US\$100,000 or the equivalent in Euros as the case may be.

The Directors may refuse to approve for registration any transfer of Shares to a person who, in the opinion of the Directors, is a "Restricted Person". A "Restricted Person" is a person in respect of whom the Directors have imposed restrictions for the purpose of ensuring that no Shares are held by any person or persons: (a) in breach of the law or requirements of any country or governmental authority; or (b) in circumstances (whether directly or indirectly affecting such person or persons and whether taken alone or in conjunction with any other person or persons, connected or not, or any other circumstance appearing to the Directors to be relevant) which in the opinion of the Directors might result in the Company incurring any liability to taxation or suffering any other pecuniary, fiscal or regulatory disadvantage which the Company might not otherwise incur or suffer. The Directors will not approve a transfer to an NASD Restricted Person.

Any beneficiaries of a transfer of Shares will be subject to a 4 percent redemption charge, payable to the Company if the Shares are redeemed within four months of the original subscription. The Directors may reduce this early redemption charge at their discretion.

### **Redemption of Shares**

Shares will be redeemable on each Valuation Date (subject to the following restrictions) at a redemption price per Share equal to the Net Asset Value per Share as at the Valuation Date. Shareholders shall be subject to a 4 percent redemption charge, payable to the Company if the Shares are redeemed within four months of original subscription. There are no redemption charges for subscribers who hold Shares for more than four months.

In the case of the redemption by a Shareholder of part only of a holding of Shares, the

minimum redemption amount is US\$100,000 or €100,000 and the value of the remaining Shares held by the Shareholder may not be less than US\$100,000 or €100,000. Where a redemption request by a Shareholder would cause the Shareholder's holding of Shares to fall below that value, the Company will request the Shareholder to redeem a lesser amount to maintain that minimum holding amount. If the Shareholder does not agree to do so, the Company may compulsorily redeem all of the Shareholder's outstanding Shares.

Further, the maximum value of Shares that can be redeemed on any one Valuation Date (unless the Manager decides otherwise) is 50 percent of that Class. In this event, the limitation will apply pro rata so that all Shareholders wishing to have their Shares redeemed on that Valuation Date redeem the same proportion of such Shares, and Shares not redeemed will be carried forward for redemption on the next Valuation Date and all following Valuation Dates (in relation to which the Company will carry out the same procedure as described) until the original request has been satisfied in full. If requests for redemptions are so carried forward, the Administrator will inform the Shareholders affected. Redemption requests carried forward will have priority over redemption requests received in respect of subsequent Valuation Dates. The Directors will endeavor to ensure that all Shareholders who request redemptions are treated equitably in these circumstances.

Requests for redemptions must be received by the Administrator, in writing on a completed redemption request form (which are available on request from the Administrator) accompanied by the contract note for the Shares to be redeemed by fax, post or personal delivery, by 5.00pm (Irish time) 10 calendar days prior to the Valuation Date on which redemption is to take place. Redemption requests, which are received after this time, will be held over and treated as applying to the next following Valuation Date. Redeeming Shareholders, in the case of a faxed redemption request sent to the Administrator, should confirm the same by delivering a completed redemption request form so as to arrive by post or personal delivery as soon as practicable following the date on which the redemption request takes place. Payment will be made to the redeeming Shareholder in Euro or US Dollars within 30 calendar days following the Valuation Date on which the redemption takes place. Payment of redemption monies shall be made by bank telegraphic transfer to the account of the redeeming Shareholder as detailed on the redemption request form, at the risk and expense of the Shareholder. Redemption proceeds will not be paid to redeeming Shareholders unless the Administrator has received the completed money laundering documentation and the original redemption request form. No payments to third parties will be effected.

The Company is not obligated to redeem on any Redemption Day in aggregate more than 50 percent of the shares of each class is in issue on the immediately preceding Valuation Day. In such circumstances, the Company or its authorised agent may scale down pro rata the number of shares to be redeemed in response to each request for redemption to the extent necessary to ensure that the foregoing limit is not exceeded and shall carry forward the balance for redemption to each succeeding Redemption Day until each request has been complied with in full. Requests for redemption carried forward from an

earlier Redemption Day shall have priority over subsequent requests.

The Company may by five days written notice compulsorily redeem (on any Valuation Date) at the Net Asset Value per Share as at the next Valuation Date any Shares held by, or for the benefit of (directly or indirectly), a person:

- (a) in circumstances where, in the opinion of the Directors, if that person remained as a Shareholder, it would cause the Company, or its Shareholders as a whole, to suffer any tax, fiscal, legal, regulatory, pecuniary or material administrative disadvantages, which it would not otherwise have suffered; or
- (b) who, in the opinion of the Directors, is a Restricted Person (as defined in “Transfers of Shares” above); or
- (c) where, a request for the redemption of Shares by such person would result in that person’s shareholding being less than US\$100,000 or the equivalent in Euros, as the case may be; or
- (d) who is a U.S. Person or an NASD Restricted Person, as the Directors believe necessary or appropriate to ensure compliance with US law as further set out on page 7.

The Company’s articles of association provide that any such redemption may be made by the Directors giving the Shareholder not less than 5 days’ written notice that all or any part of his Shares will be compulsorily redeemed.

Redemptions of a Class will be suspended in any period when there is a suspension of the calculation of the Net Asset Value of that Class. The Company will not be responsible for any failure to deal directly or indirectly because of any Force Majeure Event.

## **VALUATION**

### **Valuation Date**

The Net Asset Value of each Class (being Class D US\$ Shares or Class C Euro Shares), and the Net Asset Value per Share, rounded down to two decimal places will be calculated in Euro by the Administrator for each Valuation Date by reference to the values of the assets and liabilities of that Class as at the close of business (Irish time) on the Valuation Date. The assets of the Company will be held in a single portfolio, the value of which will be allocated to Class D US\$ Shares and Class C Euro Shares based on their relative share in the Net Asset Value of the Company at the U.S. Dollar to Euro exchange rate prevailing at each Valuation Day.

## **Net Asset Value**

The Net Asset Value of each Class will increase or decrease in accordance with profits or losses incurred by that Class.

The Net Asset Value of each Class is, as at any Valuation Date, the aggregate value of the assets (including, without limitation, any unamortised expenses) of that Class less the aggregate liabilities of that Class (including, without limitation, its accrued expenses and such amount in respect of contingent or projected expenses as the Directors consider fair and reasonable).

## **Price per Share**

The purchase or redemption price per Share is the Net Asset Value plus in the case of a purchase, a charge as the Company may determine of up to 1 percent. of the Net Asset Value per Share (excluding the amount of such charge) to cover the charges, duties and other costs involved in purchasing investments in the underlying property of the Company. Any such charge will become part of the assets of that Class. The charge is intended to protect existing and continuing Shareholders against the dilution of the value of their investment on account of these costs. The Directors may reduce the amount of the charge at their discretion, within the maximum of 1 percent.

During the Initial Offer Period, the purchase price per Share is US\$1,000 per Class D US\$ Share and €1,000 per Class C Euro Share plus a discretionary subscription charge of up to 4 percent. Following the Initial Offer, the purchase price per Share is the Net Asset Value per Share plus a discretionary subscription charge of up to a maximum of 4 percent of the Net Asset Value per Share. The subscription charge shall be at the Directors discretion, and shall be payable to the Manager who may rebate it to intermediaries.

## **Valuation Principles**

The Net Asset Value per Share is determined at the close of business on each Valuation Date by dividing the total net assets by the number of Shares outstanding.

The following will be deducted from the total value of the assets attributable to the Shares:

- (i) the fees of the Manager, Directors, Administrator and Custodian earned but not yet paid;
- (ii) an allowance for the estimated annual audit and legal fees; and
- (iii) any contingencies for which reserves are determined to be required by the Directors.

The Net Asset Value of the portfolio as of a Valuation Date shall equal the amount of all cash plus the fair value of all securities and other assets attributable to the Shares (including any interest accrued and unpaid and dividends for which the underlying shares

have passed the ex-dividend date). The fair value of any assets generally will be based on the last trade on the date of determination. Securities listed or admitted to trading on a national securities exchange or securities traded in the over-the-counter market shall be valued at the last sale price as of the date of determination or, if no sale is reported for the date of determination, at the last sale price preceding the date of determination or at the best "bid" price that can be determined as of the date of determination unless such price is not a reasonable indicator of fair market value of such security, in which case such value shall be calculated in the manner provided in the next sentence of this paragraph. Unquoted investments, such as private placements, and quoted investments for which no quoted price is readily available will be included at such value, adjusted to reflect the costs of disposal, as the Directors shall decide and the Administrator shall approve, and in so deciding, the Directors shall be entitled to accept a certified valuation from a market maker qualified, in the opinion of the Directors, to provide such a certificate.

The Directors, in their discretion, may permit other methods of valuation to be used if the resulting valuation better reflects the fair value of any asset.

Prospective investors should be aware that situations involving uncertainties as to the valuation of portfolio positions could have an adverse effect on the Company's net assets. In the absence of bad faith or manifest error, the Net Asset Value determinations are conclusive and binding on all Shareholders.

### **Suspension of Valuation**

The Company may suspend the calculation of the Net Asset Value per Share and the Net Asset Value per Class, whereupon the issue and redemption of Shares shall be suspended, under any one or more of the following circumstances:

- (i) when any securities exchange, organized interdealer market, board of trade or contract market on which a significant portion of the Company's assets are regularly traded or quoted is closed (other than for holidays) or trading thereon has been restricted or suspended; or in the event of an emergency suspension of banking business affecting banks with which the Company has open contracts;
- (ii) when, in the discretion of the Directors, disposal of the assets of the Company or the determination of Net Asset Value per Share on an accurate and timely basis is not reasonably practicable; or
- (iii) if the Shareholders have validly adopted a resolution placing the Company in liquidation or for winding up of the Company.

No issue or redemption of Shares will take place during any period when the calculation of the Net Asset Value of that Class and the Net Asset Value per Share of that Class is suspended. Notice of any suspension of the calculation of the Net Asset Value and of redemptions for a Class will be given immediately to the Irish Stock Exchange. All reasonable steps will be taken to bring any such period of suspension to an end as soon as

possible.

Shareholders who have requested the issue or redemption of such Shares will be notified of any suspension and, unless withdrawn prior to the suspension being lifted, issue and redemption requests will be considered at the next Valuation Date following the end of such suspension.

## **FEES AND EXPENSES**

### **Manager's Fees**

In consideration of and compensation for all services to be rendered by the Manager, the Company will pay the Manager (i) a management fee, payable quarterly in arrears and accrued monthly, based on the Net Asset Value of the Shares as of the close of business on each Valuation Date, at an annual rate of 1% of the Shares' Net Asset Value (the "Management Fee") paid quarterly and (ii) a quarterly Performance Fee, calculated and accrued monthly and paid quarterly, equal to 15% of the net realized and unrealized gains (the "Performance Fee") of the aggregate Net Asset Value of the Shares calculated at the end of the relevant period.

The Performance Fee is calculated and paid at the end of each quarter or period (each a Performance "Period"). The Performance Fee is calculated in a manner which ensures that appropriate adjustments are made in order to accommodate the inflows and outflows of capital during the course of each quarter resulting from subscriptions and redemptions. On the hypothesis that there are no subscriptions or redemptions in any period, no Performance Fee will be payable unless at the end of such period the Net Asset Value before the determination of any Performance Fee exceeds the Net Asset Value at which the previous Performance Fee has been paid ("High Water Mark"). As such, if a Share of the Company has a loss chargeable to it during any Performance Period and during a subsequent Performance Period there is a profit allocable to the share of the Company, there will be no Performance Fee payable with respect to that Share until the amount of the previous loss has been recouped.

**THE MANAGEMENT FEE IS REQUIRED TO BE PAID BY THE COMPANY EVEN IF THERE ARE LOSSES DURING THE MONTH.**

**PERFORMANCE FEES PAID ARE NOT REFUNDABLE TO THE COMPANY IF SUBSEQUENT QUARTERLY POSITIVE PERFORMANCE IS NOT ACHIEVED.**

### **Investment Advisor**

The Manager may pay part of its retained Management Fee and Performance Fee to the Investment Advisor pursuant to the Investment Advisory Agreement. This fee is the only

fee that the Investment Advisor will receive for acting in its capacity as an adviser to the Company.

### **Custodian**

Fees payable to the Custodian shall be at a rate of 0.10 per cent of the Company's cash held by the Custodian. Fees payable to any sub-custodian shall be at normal commercial rates. All out-of-pocket expenses reasonably and properly incurred by the Custodian in the performance of its duties shall be paid or reimbursed to the Custodian.

### **Administrator**

For services rendered by the Administrator, the Company shall pay to the Administrator an annual fee of 0.15 per cent per annum calculated on the Net Asset Value of the Company for the provision of fund accounting and corporate secretarial services. The aforementioned fees are subject to a monthly minimum fee of €3,000 plus any out of pocket expenses. In addition, the Company shall pay to the Administrator a fee of €2,500 per annum for the provision of registrar and transfer agency services. All fees will be paid monthly in arrears.

### **Organisational & Initial Offering Expenses**

Fees and expenses incurred in connection with the establishment of the Company, the Initial Offer, the costs incurred in connection with obtaining a listing for the Class D US\$ Shares and the Class C Euro Shares on the Irish Stock Exchange, the preparation and publication of this document and all legal costs and out-of-pocket expenses are expected not to exceed US\$60,000. These expenses will be borne by the Fund and will be amortised on a straight-line basis over a period of three years.

## **TAXATION**

### **Introduction**

This summary of the principal tax consequences applicable to the Company and its Shareholders is based upon factual representations made by the Manager and the Administrator concerning the proposed conduct of the activities to be carried out on behalf of the Company by them in the British Virgin Islands, in the United Kingdom and other parts of the world. The conclusions summarised herein could be adversely affected if any of the material actual representations on which they are based should prove to be inaccurate. Moreover, while this summary is considered to be a correct interpretation of existing laws in force on the date of this Prospectus, 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.

### **The Company**

*British Virgin Islands*

The Company will be exempt from all income taxes in the British Virgin Islands and a shareholder will also be exempt from all income taxes on dividends and other payments received from the Company provided the shareholder is not resident in the British Virgin Islands. There are no capital gains taxes, capital transfer taxes, estate duties or inheritance duties in the British Virgin Islands.

### *United Kingdom*

The Directors intend to conduct the affairs of the Company so that it doesn't become resident in the UK for tax purposes nor carry on a trade in the UK through a branch or agency. Therefore the Company will not be subject to UK tax other than on UK source income.

### **Shareholders of the Company**

Prospective investors should ascertain from their professional advisors the consequences to them of acquiring, holding, redeeming, or selling Shares under the relevant laws of the jurisdictions to which they are subject including the tax consequences and any exchange control requirements.

Shareholders resident or ordinarily resident in the UK may be liable to income tax or corporation tax on dividends or other distributions of income by the Company whether or not these are reinvested in the Company.

In addition, Shareholders are advised of the following United Kingdom taxation legislation that may be relevant to their investment in the Company:

#### a) Distributor fund legislation

Shares in the Company will constitute a material interest in an offshore fund for the purposes of the offshore fund legislation contained in Chapter V of Part XVII of the Income and Corporation Taxes Act 1988 ("ICTA").

Under this legislation, any gain arising on the sale, disposal or redemption of shares in an offshore fund held by persons who are resident or ordinarily resident in the United Kingdom for tax purposes will be taxed at the time of such sale, disposal, redemption or conversion as income and not as a capital gain.

#### b) Controlled foreign company legislation

Investors should be aware that if more than 50 percent of the share capital or voting power of the Company is held by persons who are resident in the UK, then the Company may be a "controlled foreign company" for the purposes of chapter IV Part XVII ICTA. If the Company becomes a controlled foreign company any UK resident company which, either alone or together with connected or associated persons, holds 25 percent or more of

the participating share capital may be assessed to corporation tax in respect of the profits which are attributable to such investor's interest in the Company. Such an assessment may not be raised, however, if the Company pursues an “acceptable distribution policy” which broadly requires distribution annually of 90 percent of net chargeable profits as calculated for UK tax purposes. UK resident companies holding 25 percent or more of the Shares of the Company (directly or indirectly) should take their own specific professional taxation advice.

#### c) Capital gains tax legislation

The attention of Shareholders resident or ordinarily resident in the United Kingdom for taxation purposes (and who, if individuals, are also domiciled in the United Kingdom for those purposes) is drawn to the provisions of section 13 of the Taxation of Chargeable Gains Act 1992 (“section 13”). Section 13 applies to a “participator” in the Company for UK taxation purposes (which term includes a Shareholder) if at any time when a gain accrues to the Company (such as on a disposal of any of its investments), which constitutes a chargeable gain for those purposes, the Company is itself controlled by a sufficiently small number of persons so as to render the Company a body corporate that would, were it to have been resident in the United Kingdom for taxation purposes, be a “close” company for those purposes. The provisions of section 13 could, if applied, result in such a Shareholder in the Company being treated for the purposes of United Kingdom taxation of chargeable gains as if a part of any chargeable gain accruing to the Company had accrued to that Shareholder directly, that part being equal to the proportion of the gain that corresponds to that Shareholder's proportionate interest in the Company as a “participator”. No liability under section 13 could be incurred by such a Shareholder however, where such proportion does not exceed one-tenth of the gain.

#### d) Transfer of assets

The attention of non-corporate Shareholders resident or ordinarily resident in the United Kingdom for taxation purposes is also drawn to the provision of sections 739 and 740 ICTA. These provisions are aimed at preventing the avoidance of income tax by individuals through transactions resulting in the transfer of assets or income to persons (including companies) resident or domiciled abroad and may render them liable to taxation in respect of undistributed income and profits of the Company on an annual basis.

#### *Miscellaneous Taxation*

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

Shareholders who are or may be subject to U.S. Federal income tax on their worldwide

income should be aware of certain tax consequences of investing directly or indirectly in Shares and should be certain to consult with their own tax advisors in this regard.

Dividend and redemption payments made by the Company to Shareholders who are not U.S. Persons should not be subject to U.S. Federal income tax, provided that Shares are not held in connection with a U.S. trade or business of the Shareholder in the year of receipt. Individual holders of Shares who are neither present or former U.S. citizens nor U.S. residents (as determined for U.S. estate and gift tax purposes) should not be subject to U.S. estate and gift taxes with respect to their ownership of such Shares. A Shareholder's change in status to a U.S. Person could result in adverse U.S. tax consequences and will constitute a violation of the terms of this Prospectus, resulting in a compulsory redemption of Shares.

#### *Non-US Shareholders*

Because the Company intends to conduct its affairs so as not to be engaged in a US trade or business for federal income tax purposes, and does not intend to earn income from sources within the US, Shareholders of the Company that are not otherwise subject to US taxation on a net income basis should not incur any federal income tax liabilities as a result of an investment in the Company.

#### *Other Jurisdictions.*

The Company should not be generally subject to any tax on its entire income or revenues in any other jurisdiction, although the Company may be subject to income taxes or withholding taxes at source on dividend, interest and capital gain income derived from certain jurisdictions. The Company will be responsible for payment of such taxes should they become liable.

Persons interested in purchasing the Company'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 Company's Shares.

### **MATERIAL CONTRACTS**

The following contracts are contracts not entered into in the ordinary course of business of the Company and may be material:

#### **Management Agreement**

The Company has appointed the Manager under the terms of an agreement revised 31 August 2007 (the "Management Agreement"), to act as manager of the Company's investments and business affairs.

The Management Agreement provides, *inter alia*, that:

- (i) The appointment of the Manager may be terminated without penalty at any time by either party giving two months' written notice to the other to become effective not earlier than the second anniversary of the date of the Management Agreement. If not terminated on such date, the Agreement shall continue unless and until terminated by either party upon not less than two months written notice expiring on the last day of such period. In certain events of default by, or the insolvency of, either party, the agreement may be terminated by the other party with immediate effect. Termination of the Management Agreement is subject to the approval of the Directors;
- (ii) the Company agrees to indemnify the Manager and the directors, officers and employees of the Manager against any and all costs, expenses, demands, claims, liabilities, losses, (including any liability to taxation), and damages, which may be incurred by or asserted against the Manager in its capacity as Manager of the Company other than those resulting from the negligence, wilful misfeasance, bad faith, reckless disregard or fraud on its part or that of its directors, officers or employees and;
- (iii) the Manager will not be liable to the Company for costs, expenses, demands, claims, liabilities, losses, (including any liability to taxation), and damages, which may be incurred by or asserted against the Manager in its capacity as Manager of the Company other than those resulting from the negligence, wilful misfeasance, bad faith, reckless disregard or fraud on its part or that of its directors, officers or employees and;
- (iv) the Manager is entitled to payment of fees for its services as described on page 36.

### **Custodian Agreement**

The custodian agreement dated on or about 25 May 2004 and made between the Company and Goldman Sachs International ("GSI") specifies the terms of which GSI has been appointed as clearing agent and custodian to the Company.

The Company or GSI may terminate the agreement at any time upon giving not less than 30 days prior written notice to the other party provided always that the agreement will be deemed still to be in effect as regards any transaction outstanding at the time of such termination. The Company has indemnified GSI for any loss (including taxation) incurred in the proper performance of GSI's duties under the agreement save where such loss is caused by GSI's negligence, fraud, willful default or breach of agreement.

### **Administration Agreement**

The Company has appointed the Administrator under the terms of the Administration Agreement dated 19 May 2004 and revised 31 August 2007; to carry on the general administration and accounting of the Company, act as registrar to the Company and to act as company secretary of the Company.

The Administration Agreement provides, *inter alia*, that:

- (i) the appointment of the Administrator will continue unless and until terminated by

either party giving to the other not less than ninety days' written notice. Upon the insolvency of either party or the occurrence of certain other events, the agreement may be terminated by either party with immediate effect;

- (ii) the Company agrees to indemnify the Administrator from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever other than those resulting from fraud, negligence, bad faith or wilful default on the part of the Administrator or on the part of its directors, officers, servants, employees or agents. The Administrator agrees to use its best efforts and judgement and due skill and care in exercising its duties and authority. The Administrator is entitled to payment of fees for its services and reimbursement of expenses, as described in FEES AND EXPENSES.

## **GENERAL INFORMATION**

### **Constitution of the Company**

The constitution of the Company is set out in its Memorandum and Articles of Association.

Clause 4(1) of the Company's Memorandum of Association states that the object of the Company is to engage in any act or activity that is not prohibited under any law for the time being in force in the British Virgin Islands).

### **Share Capital**

The Company has an authorised capital of 1,999,000 of shares, which may be issued in 5 classes, as follows: Class A US\$ Shares, Class B Euro Shares, Class C Euro Shares, Class D US\$ Shares and Management Shares. Only Class C Euro Shares and Class D US\$ Shares (collectively, the "Shares") form the subject of this offering.

The Shares entitle the holders to participate in the profits of the Company allocable to the relevant class of Shares, and may be subject to an administrative charge of up to 1 percent and a subscription charge of up to 4 percent. Holders of Shares have no voting rights except on a resolution to wind up the Company.

Holders of Management Shares are not entitled to dividends. They are entitled to receive notice of meetings and to attend and vote thereat. They also have voting rights in the case of a winding-up; the Company may repurchase such shares; and on a winding-up their nominal value is payable.

The Company may by resolution of the Directors amend the Memorandum of Association to increase or reduce its authorised capital and in connection therewith the

Company may in respect of any unissued shares increase or reduce the number of such shares, increase or reduce the par value of any such shares or effect any combination of the foregoing. Any increase or reduction in the Company's share capital will not affect the rights of the existing shares.

Shares will be issued in registered form and will be freely transferable (subject to the restrictions set out in "Transfer of Shares" under "OFFER, SUBSCRIPTIONS, TRANSFERS AND REDEMPTIONS"). Fractions of Shares may be issued rounded down to two decimal places.

Save as disclosed in the section headed "OFFER, SUBSCRIPTIONS, TRANSFERS AND REDEMPTIONS":

- (a) no Shares have been issued or agreed to be issued for cash or other consideration and no such Shares are now proposed to be issued other than under the terms of the offer as described herein;
- (b) no commissions, discounts or brokerages or special terms have been granted in connection with the issue or sale of the Shares; and
- (c) no Shares or any other capital of the Company are under option or agreed conditionally or unconditionally to be put under option.

No pre-emption rights exist in respect of the Shares, either under British Virgin Islands law, or under the Articles of Association or otherwise.

### **Voting Rights**

The holders of Management Shares are entitled to receive notice of meetings and to attend and vote thereat. On a vote taken by a show of hands every Management Shareholder who is present has one vote. At any meeting of the Management Shareholders the chairman shall be responsible for deciding in such manner as he shall consider appropriate whether any resolution has been carried or not and the result of his decision shall be announced to the meeting and recorded in the minutes thereof. If the chairman shall have any doubt as to the outcome of any resolution put to the vote, he shall cause a poll to be taken of all votes cast upon such resolution, but if the chairman shall fail to take a poll then any Management Shareholder present in person or by proxy who disputes the announcement by the chairman of the result of any vote may immediately following such announcement demand that a poll be taken and the chairman shall thereupon cause a poll to be taken. If a poll is taken at any meeting, the result thereof shall be duly recorded in the minutes of that meeting by the chairman. Holders of Shares have no voting rights except on a resolution to wind up the Company and as regards a variation in their Class rights.

### **Restrictions on Holdings**

The Directors are empowered under the Articles to impose such restrictions as they

consider necessary or desirable for the purpose of ensuring that no Shares of the Company are held by a Restricted Person (as defined in “Transfer of Shares” above). The Directors are empowered under the Articles to refuse an application for a subscription of Shares, or to register any transfer of Shares, to a Restricted Person as defined in “Transfer of Shares” above, to a person who is not a Professional Investor or for the benefit of a US Person.

## **Directors**

The articles of association contain provisions relating to Directors as follows:

- (a) A Director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of Director on such terms as to tenure of office and otherwise as the Directors may determine;
- (b) No agreement or transaction between the Company and one or more of its Directors or any person or company in which any Director has a financial interest or to whom any Director is related, is void or voidable for this reason only or by reason only that the Director is present at the meeting of Directors or at the meeting of the committee of Directors that approves the agreement or transaction or that the vote or consent of the Director is counted for that purpose if the material facts of the interest of each Director in the agreement or transaction and his interest in or relationship to any other party to the agreement or transaction are disclosed in good faith or are known by the other Directors;
- (c) The Directors may be reimbursed for travel, hotel and other expenses incurred by them in attending meetings of the Directors or in connection with the business of the Company;
- (d) There is no provision for the retirement of Directors on their attaining a certain age and the articles do not provide for retirement of Directors by rotation;
- (e) The Directors are authorised under the Articles to exercise all powers of the Company to borrow money;
- (f) The remuneration of each director shall be determined by the board of Directors from time to time. It is currently the intention that the Directors fees’ will be US\$1,000 per annum, with the exception of Mr. John Walley, whose fees will be US\$3,500 per annum. Total Directors remuneration in any one year is not expected to exceed US\$6,500.
- (g) The termination of the Management Agreement shall require the consent of the Directors as evidenced by a resolution of the Directors.

As at the date hereof, no Director has:

- (a) any unspent convictions in relation to indictable offences; or

- (b) been bankrupt or the subject of a voluntary arrangement or has had a receiver appointed to any asset of such Director; or
- (c) been a director of any company which, while he was a director with an executive function or within 12 months after he ceased to be a director with an executive function, had a receiver appointed or went into compulsory liquidation, creditors voluntary liquidation, administration or company voluntary arrangements, or made any composition or arrangements with its creditors generally or with any class of its creditors; or
- (d) been a partner of any partnership which, while he was a partner or within 12 months after he ceased to be a partner, went into compulsory liquidation, administration or partnership voluntary arrangement or had a receiver appointed to any partnership asset; or
- (e) had any public criticism by statutory or regulatory authorities (including recognised professional bodies); or
- (f) been disqualified by a court from acting as a director or from acting in the management or conduct of affairs of any company.

Apart from as disclosed above, no Director has any direct or indirect interest in any contract or arrangement which was either unusual in its nature or significant to the business of the Company in the current financial year, or immediately preceding financial year and remains outstanding.

At the date of this Prospectus no Director nor any connected person has any interest, beneficial or non-beneficial, in the Shares of the Company nor any options in respect of such Shares nor in any agreement or arrangement with the Company.

### **Winding up**

The Company will be wound up on either the passing of a resolution by a majority of two-thirds of the votes cast at a meeting, or on the passing of a resolution consented to in writing by a majority of two-thirds of the votes, of the holders of the Shares and the holders of the Management Shares.

The Company will be wound up in accordance with the International Business Companies Act and with the Articles.

As soon as practicable after the Company is wound up the liquidator of the Company will realise all assets of the Company and, after paying all liabilities and costs, distribute the proceeds of the realisation, first, in paying to the holders of the Management Shares the nominal value paid up on the Management Shares and, second, in paying the remainder to holders of Shares in proportion to the Net Asset Value per Share of the Shares held by them.

### **Regulation of the Company**

The Company is recognised as a “Professional Fund” within the meaning of the British Virgin Islands Mutual Funds Act 1996 (as amended) (the “Act”) and accordingly its

shares may only be made available to persons who are “Professional Investors” within the meaning of the Act and on the basis that the initial investment in the Company by each of a majority of its shareholders is not less than US\$100,000. As a Professional Fund, the Company is required to be and the Company is recognised under the Act and is required to pay an annual recognition fee of US\$350. Such recognition does not involve an examination of the merits of an investment in the Company and does not entail supervision of the investment performance or portfolio constitution of the Company by the British Virgin Islands Government or the Financial Services Commission in the British Virgin Islands. There is no financial obligation or compensation scheme imposed on or by the Government of the British Virgin Islands in favour of or available to the investors in the Company.

A Professional Investor is any person: (a) whose ordinary business involves, whether for his own account or the accounts 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) who has signed a declaration that he, whether individually or jointly with his spouse, has net worth in excess of one million dollars in the United States currency or its equivalent in any other currency and that he consents to being treated as a Professional Investor.

As an entity regulated under the Act, the Company will be subject to the supervision of the Financial Services Commission in the British Virgin Islands, which is authorised by the Act to direct the Company to furnish information or provide access to any records, books or other documents which it deems necessary to ascertain compliance with the Act or any regulations made under the Act.

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 of its certificate, has been convicted of an offence, 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.

### **Inspection of Documents**

Copies of the following documents are or, as the case may be, will be available for inspection, without charge, during normal business hours at the office of the Administrator and for a period of 14 days from the date of these listing particulars at the offices of Grant Thornton, 24-26 City Quay, Dublin 2, Ireland:

- (i) the memorandum of association and articles of association of the Company;
- (ii) this Prospectus;
- (iii) any interim or periodic accounts and/or reports sent to the holders of Shares;
- (iv) the material contracts of the Company;
- (v) the Mutual Fund Act (1996, as amended); and
- (vi) a memorandum detailing the names of all companies and partnerships of which the Directors have been a director or partner at any time in the last five years, together with an indication of whether or not the Directors are still directors or partners.

These listing particulars may be translated into other languages, but in the event of any inconsistency or any ambiguity as to the meaning of any word or phrase in any such translation the English text shall prevail.

## **Reports**

The financial year-end of the Company is 31 December in each year, with the exception that the first financial period will be for the period from the date of listing of the Shares on the Irish Stock Exchange until 31 December [2007]. The Company will provide interim reports to be dated 30 June each year. Audited annual reports for the Company in English will be sent to Shareholders and to the Irish Stock Exchange within six months of the financial year end to which they relate. Unaudited interim reports for the Company in English will also be sent to Shareholders and to the Irish Stock Exchange within four months of the period to which they relate. The annual accounts will be prepared in accordance with International Financial Reporting Standards (IFRS).

## **Miscellaneous**

As at the date of this document:

- (a) there are no outstanding debt securities or warrants created or issued by the Company;
- (b) since incorporation, the Company has not been engaged in any litigation or arbitration and no litigation or claim is known to the Directors to be pending or threatened against it which may have a significant effect on the Company or its financial position;
- (c) there are no existing or proposed Directors' service contracts;
- (d) the Company does not have any loan capital (including term loans) outstanding or created but unissued, nor any outstanding mortgages, charges nor other borrowings or indebtedness in the nature of borrowing, including bank overdrafts and liabilities under acceptances or acceptance credits, hire purchase commitments, guarantees or other contingent liabilities;
- (e) the Company has not established and does not intend to establish a place of business in the United Kingdom or in Ireland;
- (f) the Company is not, and does not intend to be, registered or licensed in any jurisdiction or with any supervisory or regulatory authority outside the British Virgin Islands (other than as regards listing on the Irish Stock Exchange);
- (g) the Company assumes responsibility for any withholding of tax at source. (Investors are referred to page 38 to for more details of the tax treatment of the Company and the Shareholders); and
- (h) although the Articles may be amended to create additional Classes of Shares and

provides for the allocation of assets and liabilities to the relevant classes, if the liabilities of a Class exceed its assets, creditors of the Company referable to that Class may have recourse to the assets of any other Class. At the date of this Prospectus, the Directors are not aware of any such existing or contingent liabilities.

## **APPENDIX 1**

### **AlphaPlus FoHF Limited**

#### **SUBSCRIPTION INSTRUCTIONS**

##### **Subscription Applications**

Applications to subscribe for the Shares of the AlphaPlus FoHF Limited (the "Company"), a British Virgin Islands international business company, may be made only by written application using the enclosed Subscription Agreement and Subscriber Suitability Questionnaire. All

completed Subscription Agreements and Subscriber Suitability Questionnaires should be directed to the Administrator at the address shown thereon at least 5 Business Days prior to the Dealing Date (as defined in the Company's Prospectus (the "Prospectus")). The Company reserves the right to reject subscriptions in whole or in part, in which event subscription payments will be refunded at the applicant's risk, without interest. The Company may, in its sole discretion, discontinue the offering of Shares at any time. A properly completed and signed copy of the Subscription Agreement and Subscriber Suitability Questionnaire may be submitted to the Administrator by facsimile at least 5 Business Days in advance of submitting the original in order to expedite processing of the application. The signed original, however, must be sent to the Administrator at Fastnet Ireland Limited, One Custom House Plaza, IFSC, Dublin 1, Ireland, immediately thereafter.

In order to facilitate prompt and accurate crediting of subscription payments, subscribers should notify the Administrator, prior to remitting payment, of the details of the subscription payment, indicating (i) the name of the subscriber, (ii) the amount of Shares and Class subscribed for, (iii) the subscriber's address (including a facsimile number if available), (iv) the name and address of the financial institution remitting the subscription payment and (v) the approximate date as of which the payment is being wired to the Company's account.

### **Subscription Payments**

Payments in full for the amount subscribed (initially not less than U.S.\$1,000,000, and subsequently not less than US\$ 100,000, or the equivalent in Euro) are to be received in cleared funds by 5.00pm (Irish time) at least 2 Business Days prior to Dealing Date as follows:

#### **Class D US\$ Shares**

Correspondent /	
Clearing Bank:	Bank of New York, New York
Account No.:	8033174765
ABA No.:	021 000 018
SWIFT:	IRVTUS3N
Main Bank:	Bank of Ireland Global Markets
Bank Address:	Custom House Plaza, Harbourmaster Place, IFSC, Dublin
SWIFT:	BOFIE2D
Account Name:	Fastnet Ireland Limited AlphaPlus FoHF Limited Section 52 Client Account
Account No.:	44924086

#### **Class C Euro Shares**

Clearing Bank:	EBA/Target
Bank:	Bank of Ireland, Lower Baggot Street, Dublin 2, Ireland
SWIFT:	BOFIE2D
Sort Code:	90 14 90
Account Name:	Fastnet Ireland Limited AlphaPlus FoHF Limited Section S52 Client A/C

Account No.: 14272728

### **Confirmations**

Confirmations will be sent to subscribers showing the details of each transaction. The Shares will ordinarily be issued in respect of accepted applications at the Net Asset Value (as defined on page 33) per Share as of the last Business Day of the month following the Closing Date on which the Company has verified the receipt of the cleared funds.

### **Local Rules; Subscription Fees**

Persons interested in subscribing for the Shares should inform themselves as to the (1) the legal requirements within their own countries for the purchase of the Shares, (2) any foreign exchange restrictions which they might encounter and (3) the income tax or other tax consequences, if any, which might be relevant to the purchase, holding or sale of the Shares. Subscriptions for Shares are net of any applicable subscription fees.

### **Data Protection Disclosure**

Your personal information will be handled by the Administrator (as Data Processor on behalf of the Company) in accordance with the Data Protection Acts 1988 to 2003. Your information will be processed for the purposes of carrying out the services of Administrator, registrar and transfer agent of the Company and to comply with legal obligations including legal obligations under company law and anti-money laundering legislation. The Administrator or Company will disclose your information to third parties where necessary or for legitimate business interests. This may include disclosure to third parties such as auditors and the Irish Financial Services Regulatory Authority or agents of the Administrator who process the data for anti-money laundering purposes or for compliance with foreign regulatory requirements. The Applicant hereby consents to the processing of his/her information and the disclosure of his/her information as outlined above and to the Investment Manager and where necessary or in the Company's or the Administrator's legitimate interests to agents of the Administrator including companies situated in countries outside of the European Economic Area which may not have the same data protection laws as in Ireland.

### **Anti-Money Laundering Regulations**

In order to comply with the anti-money laundering regulations applicable to the Company and the Administrator, the letter set out below **MUST** be completed by the financial institution who will be remitting the subscription monies on behalf of the subscriber.

PLEASE GIVE THIS LETTER TO YOUR FINANCIAL INSTITUTION AND HAVE THEM RETURN IT TO THE ADMINISTRATOR AT THE SAME TIME THAT THE SUBSCRIPTION MONIES ARE WIRED.

**SAMPLE LETTER**

[to be placed on letterhead of the financial institution remitting payment]

Date

**Via mail and facsimile**

AlphaPlus FoHF Ltd.  
c/o Fastnet Ireland Limited  
One Custom House Plaza  
IFSC Dublin 1  
Ireland

Telephone: +353 1 790 0461  
Fax: +353 1 475 5073  
E-mail: ireland2@eu.fastnetgroup.com

Dear Sirs

**RE: AlphaPlus FoHF Limited (the "Company")**

1. Name of Remitting Financial Institution:
2. Address of Remitting Financial Institution:
3. Name of Customer:
4. Address of Customer:
5. Name of Customer Account Being Debited:
6. Account Number Being Debited:
7. We have credited the account of AlphaPlus FoHF Limited at [ ] Account Number [ ] for [amount] by order of [subscriber] on [date] for subscription to Class D US\$ Shares / Class C Euro Shares (please circle as appropriate).

The above information is given in strictest confidence for your own use only and without any guarantee, responsibility or liability on the part of this institution or its officials.

Yours faithfully,

Signed: \_\_\_\_\_

Full Name: \_\_\_\_\_

Position: \_\_\_\_\_

**AlphaPlus FoHF Limited**  
**SUBSCRIPTION AGREEMENT**

**AlphaPlus FoHF Limited**  
c/o Fastnet Ireland Limited  
One Custom House Plaza  
IFSC Dublin 2  
Ireland  
Telephone: +353 1 790 0461  
Fax: +353 1 475 5073  
E-mail: ireland2@eu.fastnetgroup.com

Dear Sirs:

The undersigned subscriber (the "Subscriber") acknowledges having received, reviewed and understood the Prospectus dated 30 March, 2008 (the "Prospectus") for the offering of Shares of AlphaPlus FoHF Limited (the "Company") and hereby subscribes for as many Class D US\$ Shares / Class C Euro Shares as may be purchased for the amount indicated below on the terms of the Prospectus and subject to the provisions of the Memorandum and Articles of Association of the Company.

Subscription Information (Please tick as appropriate)

Class D US\$ Shares      Class C Euro Shares

Name and Address \_\_\_\_\_  
of Subscriber for  
Share Registration \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

E-Mail Address \_\_\_\_\_

Telephone Number \_\_\_\_\_

Facsimile Number \_\_\_\_\_

Name and Address for \_\_\_\_\_  
Correspondence  
(if different) \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

Amount of Subscription:  
U.S.\$ / Euro \_\_\_\_\_  
(Minimum initial U.S.\$1,000,000/€1,000,000)

Name and Address of  
Financial Institution \_\_\_\_\_  
Remitting Payment for  
Subscriber's Account \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

Name and Number of  
Account at Financial  
Institution being debited \_\_\_\_\_

Payment Date: \_\_\_\_\_

Number of beneficial owners represented by Subscriber (if Subscriber is acting in any  
sort of nominee or fiduciary capacity).

\_\_\_\_\_

Is the Subscriber, or an affiliate of the Subscriber, a pension profit-sharing, annuity, or  
employee benefit plan (whether private, governmental, or charitable)?

Yes  No (Initial one)

Is the Subscriber a Professional Investor as defined in the Prospectus?  Yes   
No (Initial one)

### **Special Instructions**

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**Subscriber Representations and Warranties**

The Subscriber represents and agrees that they are a Professional Investor in accordance with the Irish Stock Exchange rules and as defined by the Mutual Funds Act of the British Virgin Islands. The Subscriber further represents and agrees that none of the Shares (nor any interest therein) are being acquired or will at any time be held, directly or indirectly, for the account or benefit of any one who is deemed to be a "Restricted Person" (as defined in the Prospectus), and further agrees that none of the Shares will be transferred to any person who has failed to supply a similar representation. The Subscriber represents and warrants that:

As regards the British Virgin Islands Mutual Funds Act:

I/we hereby declare that in subscribing for Shares in the Company I/each of us am/is a Professional Investor within the meaning of the Mutual Funds Act, Act No. 6 of 1996 of the British Virgin Islands (as amended), in that:

[check one or both]

My/our ordinary business involves, whether for my/our own account or the account(s) of (an)other(s), the acquisition or disposal of property of the same kind as the property, or a substantial part of the property which is (or will be) owned by the Company, as detailed in the Explanatory Memorandum;

or

My/our net worth (in the case of a natural person, either individually or jointly with my spouse) exceeds one million dollars in United States currency (US\$1,000,000.00) or its equivalent in any other lawfully recognised currency, and I/we consent to being treated as such a Professional Investor the purposes of investment in the Company.

(a) **Reliance on the Prospectus.** The Subscriber acknowledges that the Company has delivered to the Subscriber the Prospectus. The Subscriber has not relied on any representations or other information purported to be given on behalf of the Company except as set forth in the Prospectus or the published, financial accounts of the Company.

(b) **No Resale.** The Shares are not being purchased with a view to resale.

(c) **Legality and Validity of Consents.** All consents required to be obtained and all legal requirements necessary to be complied with or observed in order for this Agreement or the issuance of the Shares to be lawful and valid under the laws of any jurisdiction to which the Subscriber is subject have been obtained, complied with or observed.

(d) **Subscriber Knowledge.** The Subscriber possesses requisite knowledge and experience in financial matters such that it is capable of evaluating the merits and risks of an investment in the Company (including without limitation, the ability to suffer a complete loss of the investment and need to hold the Shares for an indefinite period of time).

(e) **No Performance Guarantees.** No guarantees have been made to the Subscriber about future performance or financial results of the Company.

(f) **Subscriber Net Worth.** The Subscriber's net worth exceeds U.S.\$1,000,000.

(g) **Suitability.** The Subscriber has read carefully and understands the Prospectus and has consulted its own attorney, accountant or investment advisor with respect to the investment contemplated hereby and its suitability for the Subscriber.

(h) **Opportunity to Verify Information.** The Subscriber acknowledges that the representatives of the Company, the Manager, and Administrator have made available to the Subscriber, during the course of this transaction and prior to the purchase of any Shares, the opportunity to ask questions of and receive answers from them concerning the terms and conditions of the offering described in the Prospectus, and to obtain any additional information necessary to verify the information contained in the Prospectus or otherwise relevant to the suitability of the proposed investment and to the proposed activities of the Company.

(i) **No Need for Liquidity.** The Subscriber has no need for liquidity in connection with its purchase of the Shares.

(j) **Investment Objectives.** The purchase of the Shares by the Subscriber is consistent with the general investment objectives of the Subscriber.

(k) **No Borrowings.** The Subscriber has not borrowed any portion of its contribution to the Company, either directly or indirectly, from the Company, the Manager, the Investment Advisor, the Administrator, the Custodian, or any affiliate of the foregoing.

(l) **Company Counsel Does Not Represent Subscribers.** The Subscriber understands and acknowledges that Harney Westwood Riegels represent only the Company on matters of BVI law, and not the Subscriber, in connection with the offer and sale of the Shares.

(m) **Amendments.** Neither this Subscription Agreement, Subscriber Suitability

Questionnaire nor any term hereof may be changed, waived, discharged or terminated except with the written consent of the Subscriber and the Company's Board of Directors.

(n) **Rejection of Subscription.** The Subscriber acknowledges that the subscription for the Shares contained herein may be reduced or rejected by the Administrator in consultation with the Manager.

(o) **U.S. Person.** The Subscriber hereby certifies that the Shares are not being acquired directly or indirectly by a U.S. Person (as defined in the Prospectus), nor in violation of any applicable law. Such Subscriber further certifies and represents that it (i) is not a U.S. Person, and the Shares will not be purchased or held for the account or benefit of, or purchased with funds obtained from, a U.S. Person; (ii) Subscriber will not acquire the Shares in the U.S.; (iii) will notify the Company immediately if Subscriber should at any time become, or hold the Shares for the benefit of, a U.S. Person or be prohibited from holding the Shares under any applicable law; (iv) has not been solicited in the U.S. for the purchase of the Shares and has not placed its order for the Shares while in the U.S.; (v) if it is a bank, broker or dealer, is acquiring the Shares on behalf of clients for investment purposes, no such clients are U.S. Persons, and will notify the Company immediately if it shall come to its attention that any such client becomes a U.S. Person.

(p) **Investment Company Act.** The Subscriber represents and warrants that it will be treated as not more than one beneficial owner of the Shares for purposes of Section 3(c)(1) of the Investment Company Act of 1940, as amended (the "1940 Act"); that it is not a registered investment company under the 1940 Act or a company controlled thereby; and that it, if other than a natural person, is not managed as a device for facilitating individual investment decisions of its security holders or participants, and it does not and will not permit the holders of its securities or participants to individually elect whether or not to participate in its investment in the Shares.

(q) **Tax Consequences.** The Subscriber represents and warrants that it has carefully reviewed the U.S. federal income tax disclosure set forth in the Prospectus; and it acknowledges that an investment in the Shares will have material federal income tax consequences and accordingly, it has sought U.S. tax advice.

(r) **Transfer of Shares.** The Subscriber shall not offer, sell, transfer, or deliver the Shares directly or indirectly, in the U.S. or to or for the benefit of, U.S. Persons, unless:

(i) such offer, sale, transfer or delivery is duly registered under the 1933 Act of 1933, as amended (the "1933 Act") and any applicable state securities laws or the transferor provides the Company with an opinion of counsel, satisfactory in form and substance to the Company to the effect that such offer, sale, transfer or delivery is exempt from the registration requirements of the 1933 Act and any applicable state securities laws;

(ii) the transferee provides the Company with an opinion of counsel, satisfactory in form and substance to the Company, to the effect that the transferee will, for purposes of determining whether the Company may rely on the exemption from 1940 Act registration

under Section 3(c)(1) of the 1940 Act, be counted as not more than one beneficial owner of the Shares; and

(iii) the transferee undertakes to comply with the restrictions set forth in this Section in connection with any further offer, sale, transfer, or delivery of the Shares, directly or indirectly, in the U.S. or to, or for the benefit of, a U.S. Person.

(s) **Dividends.** The Subscriber hereby agrees that dividends (if any) will automatically be invested in additional Shares unless the Subscriber advises the Administrator in writing.

(t) **General.** This Agreement shall be binding upon the Subscriber and the legal representatives, successors and assigns of the Subscriber, and shall, if the Subscriber consists of more than one person, be the joint and several obligations of all such persons. Two or more duplicate counterparts of this Agreement may be executed by the undersigned and accepted by the Company, each of which shall be an original, but all of which together shall constitute one and the same instrument.

### **Subscriber Indemnification**

The Subscriber hereby indemnifies the Company, the Manager, the Investment Advisor, the Administrator and the Custodian and their respective directors, officers, employees, agents and representatives against any and all liability, costs, claims, and expenses (including without limitation, reasonable attorneys fees for the investigation of and preparation of a defence to any such liability, costs, claims, (and expenses) resulting from a breach of any of the foregoing representations.

### **Standing Proxy**

The Subscriber hereby designates and appoints the Administrator with the powers of substitution, as the Subscriber's true and lawful Proxy for the purpose of voting any Shares issued pursuant to this Agreement (or such portion thereof from time to time owned by the Subscriber) as said Proxy may determine on any and all matters arising at any annual or extraordinary general meeting of the Company upon which such Shares could be voted by the Subscriber (or the person in whose name the Shares hereby subscribed are registered at the Subscriber's direction) if present in person at the meeting. This proxy may be revoked by the Subscriber (or his registered nominee) either personally or by presentation of a subsequently executed form of proxy at any general meeting of the Company or by written notice to the Administrator received by the Administrator prior to any such meeting.

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Name of Subscriber (Signature)

Dated: \_\_\_\_\_

Name and Title  
(if signing in representative capacity)

\_\_\_\_\_  
Name of Subscriber                      (Signature)

\_\_\_\_\_  
Dated: \_\_\_\_\_

Name and Title  
(if signing in representative capacity)

\_\_\_\_\_  
Name of Subscriber                      (Signature)

\_\_\_\_\_  
Dated: \_\_\_\_\_

Name and Title  
(if signing in representative capacity)

### NOTES TO SUBSCRIBER

- 1 Due to Money Laundering requirements operating within its jurisdiction, the Administrator, except where such applications are made via a recognized financial intermediary or banking institution of the EU (or country with equivalent money laundering rules), may require further identification of the Subscriber before the Shares can be registered in the Subscriber's name.
  - a) Where the Subscriber is a charity, please confirm the charity's registration number, the country in which it is registered and any regulatory authority with responsibility for its conduct.
  - b) Where the Subscriber is a trust, please confirm the country in which the trust is based, the regulations under which the trust is formed and details of the trustees' and beneficiaries' identities (proof of name and address i.e. certified copy of passport or national identity card *and* 2 recent original utility bills or bank/building society statements).
  - c) Where the Subscriber is a pension fund / scheme, please confirm details of the approval obtained for the pension scheme i.e. in what jurisdiction and under which regulations and details of any regulatory authority with responsibility for its' conduct.
  - d) Where the Subscriber is a partnership, in order to verify the identity of the partnership, please arrange to supply the Administrator with the following:
    - A true copy of the mandate from the partnership authorising the establishment of the business relationship with the Administrator; and
    - Proof of name and address of at least two partners and of *all* authorised signatories

on the account (certified copy of passport or national identity card *and* 2 recent original utility bills or bank/building society statements).

- e) Where the Subscriber is a company, in order to verify the identity of the company, please arrange to supply the Administrator with the following:
- Original or certified copy of the Certificate of Incorporation or Certificate to Trade;
  - Extract from the Register of Directors – showing names, occupations, residential and business addresses and dates of birth;
  - A list of names and addresses of shareholders holding 10% or more of the issued share capital of the company (where these are individuals, occupations and dates of birth are also required);
  - Properly authorised mandate of the Directors to open/ operate and account or establish a business relationship with the Administrator; and
  - Proof of name and address of at least two directors and of all authorised signatories on the account (certified copy of passport or national identity card and 2 recent original utility bills or bank/ building society statements).

- f) Where the Subscriber is an individual, please supply the Administrator with the following:

**1. Proof of Name**

A certified copy, verified by a Notary Public, of your current passport, or  
A certified copy, verified by a Notary Public, of your National Identity Card

**2. Proof of Address**

2 recent original utility bills in your name, or  
2 recent original Bank/Building Society statements in your name.

- g) Where the Subscriber is an intermediary from a prescribed country, please supply the following, **to be completed on Agent's/Intermediary's Headed Notepaper and returned to Fastnet Ireland Limited;**

Attn: Money Laundering Officer  
Fastnet Ireland Limited  
One Custom House Plaza  
IFSC, Dublin 1  
Ireland

[Date]

Dear Sirs

We confirm that we are based or incorporated in, or formed under the law of [insert name of EU/FATF country], and are regulated by [insert name of regulatory authority in EU/FATF country] in respect of the conduct of all our financial business activities.

We confirm that in all transactions where we conduct such business activities with you whilst acting as agent/intermediary of a principal, evidence of the identity of the principal will have been obtained and recorded by us as part of our procedures. Upon request, we will provide you with access to our records of the identity of the principal to the extent that this is permissible by law.

Signature  
For and on behalf of  
[Name of Agent/Intermediary]

2. Full names for all holders should be given. A maximum of four persons may be joint holders of the Shares.
3. In the case of a firm (not a limited company) applications should be in the name(s) of and signed by the proprietor(s).
4. If this form is not fully completed to the satisfaction of the Administrator, it may not be accepted.
5. The Administrator acting on behalf of the Directors of the Company reserves the right to reject a purchase order for the Shares in whole or in part.
6. The minimum initial investment is U.S.\$1,000,000 / €1,000,000 and the minimum subsequent investment is U.S.\$100,000.
7. No share certificates will be issued.
8. Distributions (if any) will automatically be reinvested into additional Shares, unless the Shareholder advises the Administrator in writing.
9. To be valid, this form must be signed by each Subscriber.
10. A corporation should complete this form under seal or under the hand of a duly authorised official who should state his capacity and furnish a certified copy of the authority pursuant to which the official is authorised.
11. If this form is signed under a power of attorney, such power of attorney or a duly certified copy thereof must accompany this form.

**AlphaPlus FoHF LIMITED**

**REDEMPTION REQUEST**

**AlphaPlus FoHF Limited**  
c/o Fastnet Ireland Limited  
One Custom House Plaza  
IFSC, Dublin 1  
Ireland

Telephone: +353 1 790 0461  
Fax: +353 1 475 5073  
E-mail: ireland2@eu.fastnetgroup.com

Dear Sirs:

The undersigned hereby requests Redemption, as defined in and subject to all the terms and conditions of the Memorandum and Articles of Association of AlphaPlus FoHF Limited (the "Company"), and the Prospectus of the Company (the "Prospectus"), as may be amended and supplemented from time to time, of the number of Class D US\$ / Class C Euro Shares of the Company detailed below in an amount equal to their Net Asset Value, as defined in the Prospectus.

Redemption of a Shareholder's Shares shall be effective as of the next Valuation Date of each calendar month, or such other date as the Company determines, provided that this Request for Redemption is received by the Company at least forty five calendar days' prior to such effective date.

The undersigned (either in an individual capacity or as an authorized representative of an entity, if applicable) hereby represents and warrants to be the true, lawful and beneficial owner of the Shares to which this Redemption Request relates, with full power and authority to request redemption of such Shares. Such Shares are not subject to any pledge or otherwise encumbered in any fashion.

Redemption Information (Please tick as appropriate)

Class D US\$ Shares                      Class C Euro Shares

Amount in US\$ / Euro or Number of Shares to  
be Redeemed \_\_\_\_\_

Name and Mailing \_\_\_\_\_  
Address of Subscriber

Wishing to Redeem \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Name and Address of \_\_\_\_\_  
Registration (if different)

\_\_\_\_\_

Name and Address of \_\_\_\_\_  
Financial Institution to  
which Redemption \_\_\_\_\_  
Proceeds are to be  
transferred (including \_\_\_\_\_  
a bank account number and  
wiring instructions \_\_\_\_\_  
if appropriate)

\_\_\_\_\_  
Name of Subscriber (Signature)

\_\_\_\_\_ Dated: \_\_\_\_\_  
Name and Title  
(if signing in representative capacity)

\_\_\_\_\_  
Name of Subscriber (Signature)

\_\_\_\_\_ Dated: \_\_\_\_\_  
Name and Title  
(if signing in representative capacity)

\_\_\_\_\_  
Name of Subscriber                      (Signature)

\_\_\_\_\_ Dated: \_\_\_\_\_

Name and Title  
(if signing in representative capacity)

THIS REDEMPTION REQUEST MUST BE RECEIVED BY THE COMPANY AT  
LEAST 10 CALENDAR DAYS PRIOR TO THE DATE ON WHICH THE  
REDEMPTION IS TO BE EFFECTIVE.