

# **Exhibit 9**

THE SECURITIES DESCRIBED IN THIS EXPLANATORY MEMORANDUM HAVE NOT BEEN QUALIFIED FOR OFFER OR SALE TO THE PUBLIC UNDER THE SECURITIES LAWS OF ANY COUNTRY OR JURISDICTION

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EXPLANATORY MEMORANDUM

**OPTIMAL MULTIADVISORS, LTD.**

**Montague Sterling Centre, East Bay Street  
Nassau Bahamas**

**Investment Manager:**

OPTIMAL Investment Management, Ltd.  
Montague Sterling Centre  
East Bay Street  
Nassau, Bahamas

**Investment Adviser:**

Optimal Investment Services S.A.  
Ami-Lévrier 5-7  
1211 Geneva 1  
Switzerland.

**Administrator:**

Fortis Fund Services (Bahamas) Limited  
Montague Sterling Centre FEast Bay Street,  
Nassau, Bahamas

**Banker & Cash Custodian:**

MeesPierson (Bahamas) Limited  
Windermere House  
404 East Bay Street  
Nassau, Bahamas

**Auditor:**

PricewaterhouseCoopers  
Providence House  
East Hill Street  
Nassau, Bahamas

**NO OFFER TO SELL OR SOLICITATION OF AN OFFER TO BUY IS BEING MADE IN ANY JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION WOULD BE UNLAWFUL**

**May, 2002**

**EXPLANATORY MEMORANDUM**  
**May 2002**  
**OPTIMAL MULTIADVISORS, LTD.**

**OPTIMAL Multiadvisors, Ltd. (the "Fund") is a corporation organised in August 15, 1995 as an International Business Company under the laws of The Commonwealth of the Bahamas. The Fund's objective is the preservation and consistent enhancement of capital through a diversified program of investments in investment funds, managed accounts and other investment vehicles that invest or trade in a wide range of securities, futures and other financial instruments (each an "Investment Program Portfolio").**

**The Fund is offering non-voting participating shares ("Shares"), pursuant to this Explanatory Memorandum, in separate series. The subscription proceeds of each series are contributed to an associated, separately organised Bahamian International Business Company (each a "Trading Company") which invest in a specific Investment Program Portfolio.**

**OPTIMAL Investment Management, Ltd. will manage the Fund's investments, with the assistance of the Investment Adviser (see "Investment Adviser"). The minimum initial subscription for Shares is US \$50,000 (see "Offering of Shares").**

**Prospective shareholders must be sophisticated persons that understand the investment, do not require liquidity in the investment and can bear the economic risk of the investment. The Board of Directors of the Fund, in its sole discretion, may decline to accept all or any part of the subscription of any prospective shareholder. (See "Suitability Requirements".)**

**There is no public market for the Shares, and the Shares will not be transferable except under certain limited circumstances with the consent of the Board of Directors. Generally, Shares may be redeemed as of the last day of each month.**

**The Fund may be deemed to be a speculative investment and is not intended as a complete investment program. It is designed only for sophisticated persons who are able to bear the risk of an investment in the Fund.**

**Important - if you are in any doubt about the contents of this offering document, you should consult your stockbroker, bank manager, counsel and attorney, accountant or other financial advisor.**

**There can be no assurance that the investment objectives of the Fund will be achieved. In fact, many of the practices utilised by funds and segregated accounts in which the Fund may invest, such as short selling, leverage and limited diversification, can in certain circumstances, exacerbate the adverse impact of particular transactions or conditions on the Fund's investment program. Hence, the value of shares and any consequent income related from investment in the Fund may be adversely effected. Many of the money managers who may be retained by the Fund use financial leverage (margin) as part of their strategy and concentrate their capital in a limited number of investments. Consequently, gains and losses as well as overall volatility of return for the fund that they manage may be amplified.**

**Important – the price of units or shares in the Fund and its Trading Companies, and income from them (where income is distributed) may go down as well as up.**

**No person has been authorised in connection with this offering to give any information or make any representations other than as contained in this Explanatory Memorandum.**

**Copies of the Fund's latest Annual Report are available upon request at the offices of the Administrator.**

## INVESTMENT RESTRICTIONS

THE DISTRIBUTION OF THIS MEMORANDUM AND THE OFFERING OF SHARES OF THE SEVERAL INVESTMENT PROGRAMME PORTFOLIOS OF OPTIMAL MULTIADVISORS LTD MAY BE RESTRICTED IN CERTAIN JURISDICTIONS. THE SHARES DESCRIBED IN THIS EXPLANATORY MEMORANDUM ARE NOT REGISTERED FOR SALE, AND THERE WILL BE NO PUBLIC OFFERING OF THE SHARES. NO OFFER TO SELL (OR SOLICITATION OF AN OFFER TO BUY) WILL BE MADE IN ANY JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION WOULD BE UNLAWFUL. ANY PERSON IN POSSESSION OF THIS MEMORANDUM AND ANY PERSONS WISHING TO PURCHASE SHARES MUST INFORM THEMSELVES OF, AND OBSERVE ALL APPLICABLE LAWS AND REGULATION OF ANY RELEVANT JURISDICTIONS. PROSPECTIVE PURCHASERS OF SHARES SHOULD ALSO INFORM THEMSELVES AS TO THE LEGAL REQUIREMENTS GOVERNING THE PURCHASE ANY APPLICABLE EXCHANGE CONTROL REGULATIONS AND TAXES IN THE COUNTRIES OF THEIR RESPECTIVE CITIZENSHIP, RESIDENCE OR DOMICILE.

NEITHER THE FUND NOR THE TRADING COMPANIES HAS BEEN REGISTERED UNDER THE US INVESTMENT COMPANY ACT OF 1940, AS AMENDED. IN ADDITION, THE SHARES OF THE FUND HAVE NOT BEEN REGISTERED UNDER THE US SECURITIES ACT OF 1933, AS AMENDED. SHARES OF THE FUND MAY NOT BE OFFERED, SOLD, TRANSFERRED OR DELIVERED DIRECTLY OR INDIRECTLY, IN THE UNITED STATES OR TO US PERSONS. SHARES THAT ARE ACQUIRED BY US PERSONS MAY BE MANDATORY REDEEMED BY THE FUND.

THIS MEMORANDUM HAS BEEN PREPARED SOLELY FOR THE INFORMATION OF THE PERSON TO WHOM IT HAS BEEN DELIVERED BY OR ON BEHALF OF THE FUND, AND SHOULD NOT BE REPRODUCED OR USED FOR ANY OTHER PURPOSE.

THE SHARES ARE SUITABLE FOR SOPHISTICATED INVESTORS WHO DO NOT REQUIRE IMMEDIATE LIQUIDITY FOR THEIR INVESTMENTS, FOR WHOM AN INVESTMENT IN THE FUND DOES NOT CONSTITUTE A COMPLETE INVESTMENT PROGRAM AND WHO FULLY UNDERSTAND AND ARE WILLING TO ASSUME THE RISKS INVOLVED IN THE FUND'S INVESTMENT PROGRAM. SUBSCRIBERS FOR SHARES MUST REPRESENT THAT THEY ARE ACQUIRING THE SHARES FOR INVESTMENT. THE TRANSFER OF SHARES MAY BE SUBJECT TO LIMITATIONS IMPOSED BY THE FUND'S MEMORANDUM AND ARTICLES OF ASSOCIATION.

TO THE BEST OF THE KNOWLEDGE AND BELIEF OF THE DIRECTORS OF THE FUND (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.

INVESTING IN THE FUND INVOLVE CERTAIN RISKS AND SPECIAL CONSIDERATIONS THAT ARE MORE FULLY DESCRIBED IN THIS MEMORANDUM. SEE "RISK FACTORS".

PURSUANT TO SECTION 14(2) OF THE INTERNATIONAL BUSINESS COMPANIES ACT, 2000 OF THE BAHAMAS EVERY INVESTOR SHALL BE BOUND BY THE PROVISIONS OF THE ARTICLES OF ASSOCIATION OF THE FUND AS IF SUCH INVESTOR HAD SUBSCRIBED HIS NAME AND AFFIXED HIS SEAL THERETO AND AS IF THERE WERE CONTAINED IN THE ARTICLES ON THE PART OF THE INVESTOR A COVENANT TO OBSERVE THE PROVISIONS OF THE ARTICLES.

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Mr. Anthony L.M.Inder Rieden  
Director

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Mrs. Dawn E. Davies  
Director

<b><u>THE FUND AND ITS TRADING COMPANIES</u></b>	<b>6</b>
CAPITALISATION	6
OFFERING OF SHARES	6
<b><u>INVESTMENT OBJECTIVES AND POLICIES</u></b>	<b>7</b>
THE FUND	7
THE TRADING COMPANIES	7
<b><u>MANAGEMENT AND ADMINISTRATION OF THE FUND</u></b>	<b>8</b>
BOARD OF DIRECTORS	8
INVESTMENT MANAGER	9
INVESTMENT ADVISER	9
METHOD AND STRATEGIES	9
THE ADMINISTRATOR, REGISTRAR AND TRANSFER AGENT	10
ANTI MONEY LAUNDERING PROCEDURES	11
RESTRICTIONS ON TRANSFERABILITY AND OWNERSHIP	12
<b><u>FEES AND EXPENSES</u></b>	<b>12</b>
<b><u>CONFLICTS OF INTEREST</u></b>	<b>12</b>
<b><u>TAX CONSIDERATIONS</u></b>	<b>12</b>
<b><u>DETERMINATION OF NET ASSET VALUE</u></b>	<b>13</b>
<b><u>SUBSCRIPTION OF SHARES</u></b>	<b>13</b>
SUITABILITY REQUIREMENTS	13
<b><u>REDEMPTION OF SHARES</u></b>	<b>14</b>
SUSPENSION OF REDEMPTION	14
COMPULSORY REDEMPTION	14
<b><u>DIVIDEND POLICY</u></b>	<b>15</b>
<b><u>REPORTS TO SHAREHOLDERS AND AUDITOR</u></b>	<b>15</b>
<b><u>RISK FACTORS</u></b>	<b>15</b>
INVESTMENT RISKS IN GENERAL	15
MULTI-MANAGER STRATEGY	15
LIMITED LIQUIDITY	16
UNREGULATED JURISDICTIONS	16
CURRENCY	16
CONCENTRATION OF INVESTMENTS	17
SHORT - SELLING	17
LEVERAGE	17
OPTIONS TRADING	17
INTEREST RATE RISK	17
COUNTERPARTY RISK	17
DIVERSIFICATION	18
EFFECT OF SUBSTANTIAL REDEMPTIONS	18
TERMINATION OF FUND	18

<b><u>OPTIMAL ARBITRAGE LTD</u></b>	<b>19</b>
STRATEGY	19
SUBSCRIPTIONS	19
REDEMPTIONS	19
CLASSES OF SHARES	20
MANAGEMENT FEES	20
POTENTIAL MARKETS	20
POTENTIAL RISKS ASSOCIATED WITH INVESTMENT IN OPTIMAL ARBITRAGE SERIES	20
<b><u>OPTIMAL GLOBAL TRADING LTD</u></b>	<b>22</b>
STRATEGY	22
SUBSCRIPTIONS	22
REDEMPTION	22
CLASSES OF SHARES	23
MANAGEMENT FEES	23
POTENTIAL MARKETS	23
POTENTIAL RISKS ASSOCIATED WITH INVESTMENT IN OPTIMAL GLOBAL TRADING SERIES	23
<b><u>OPTIMAL STRATEGIC US EQUITY LTD</u></b>	<b>25</b>
STRATEGY	25
SUBSCRIPTIONS	25
REDEMPTIONS	25
CLASSES OF SHARES	25
MANAGEMENT FEES	25
POTENTIAL MARKETS	25
POTENTIAL RISKS ASSOCIATED WITH INVESTMENT IN OPTIMAL STRATEGIC US EQUITY SERIES	26
<b><u>OPTIMAL EUROPEAN OPPORTUNITY LTD.</u></b>	<b>28</b>
STRATEGY	28
SUBSCRIPTIONS	28
REDEMPTIONS	28
CLASSES OF SHARES	28
MANAGEMENT FEES	28
POTENTIAL RISKS ASSOCIATED WITH INVESTMENT IN OPTIMAL EUROPEAN OPPORTUNITY LTD	28
<b><u>SUBSCRIPTION AGREEMENT</u></b>	<b>30</b>
<b><u>SUBSCRIPTION INSTRUCTIONS</u></b>	<b>33</b>
<b><u>FORM OF REQUEST FOR REDEMPTION</u></b>	<b>35</b>

## OPTIMAL MULTIADVISORS, LTD.

### THE FUND AND ITS TRADING COMPANIES

OPTIMAL Multiadvisors, Ltd. ("the Fund") is a multi-portfolio investment company incorporated under the laws of The Commonwealth of the Bahamas in August 15, 1995, under the provisions of the International Business Companies Act, 1989 (No. 2 of 1990) with limited liability and unlimited duration. The Fund's principal office is located at Montague Sterling Centre, East Bay Street, Nassau, Bahamas. The Trading Companies were incorporated in the Commonwealth of Bahamas, under the same regulation, in October 1999.

As a multi-portfolio company, the Fund is designed to enable investors to pursue their financial goals and to diversify their investments among different investment programme portfolios; substantially all of its assets are contributed to the Trading Companies. The Fund has authorised and issued Shares in multiple Series with the assets of each Series contributing to a Trading Company. The rights and liabilities attached to the Series will correspond to the performance of its distinct portfolio investments

#### Capitalisation

The authorised share capital of the Fund consists of 1,000,000 Participating Shares, par value US\$0.01 per share (herein referred to as "Shares") and 1,000 Ordinary Shares, par value US\$1.00 per share. The Ordinary Shares entitle the holder to one vote per share and a return of capital upon liquidation of the Fund. Holders of Ordinary Shares do not participate in profits or dividends. No Share is entitled to vote at any meeting of the Fund or on any matter affecting its business. The Investment Manager at par value has purchased all the Ordinary Shares. Upon liquidation of the Fund, a liquidating distribution shall be made in respect to each Ordinary Share, provided the Fund shall have sufficient assets after the payment of its obligations to creditors and to other shareholders. The Fund's Memorandum and Articles of Association authorise the Directors to issue the Shares offered hereby in accordance with the conditions set forth in this Memorandum. The Articles of Association provide that the Directors of the Fund may increase the number of Participating Shares offered.

The Shares may be issued in such series and classes of shares as the Directors shall determine. The Shares of each series and class, upon issue, will be entitled to participate equally with the other issued shares of such series and class in the assets attributable to such series and class. The Shares have no voting rights. Details of each series and class of Shares will be set out in the Series Particulars for such series and class of Shares. (See "Series Particulars")

The authorized capital of each Trading Company is \$5,000 (five thousand US dollars) divided into 500,000 ordinary shares of par value \$0.01 each with one vote for each share.

#### Offering of shares

Shares of each Series of the Fund are offered as of the first business day of each month at the prior month NAV plus selling commission, if any. Each share of a Series is entitled to participate equally in the profits of the Series and in its assets on liquidation. The Administrator will hold shares in book-entry form. Each Share of a Series is offered for sale in accordance with the details specific to each Series (See "Series Particulars").

Shares in the Fund will be issued in separate series each series having a defined investment objective. The proceeds of each Series will be entirely invested in a Trading Company. Details pertaining to the strategy, investment conditions and, potential risks associated with investment in each Trading Company are described in "Series Particulars".

The minimum initial subscription for Shares is \$50,000 although, at the discretion of the Directors, the Fund may accept subscriptions for a lesser amount. The Directors have sole discretion to reject subscriptions in whole or in part. Purchasers may subscribe for Shares on any month end Valuation Date (as defined in "Determination of Net Asset Value") by completing (in duplicate) the Subscription Application included with this Explanatory Memorandum, and delivering both copies to the Fund. Payment in US dollars for the Shares desired to be purchased should be made to the Fund no less than three business days prior to the month end Valuation Date. (See "Subscription of Shares").

## INVESTMENT OBJECTIVES AND POLICIES

### The Fund

The Fund's investment objective is the preservation and consistent enhancement of capital through a diversified program of investment in investment funds, managed accounts, and other investment vehicles that invest or trade in a wide range of equity securities and other financial instruments. These selected investments are sometimes referred to collectively herein as "Investment Vehicles" or "Investments".

The Fund intends to utilise what has been termed the "multi-manager" or "fund of funds" approach. This approach involves the selection and management of a pool of independent portfolio managers, each of which is allocated the management of a portion of the Fund's assets. Each independent portfolio manager may employ distinct and varied investment techniques and strategies to invest the assets of the Fund allocated to its management. It is the Fund's task to select and diversify among the distinctive investment techniques and strategies of each portfolio manager to achieve the Fund's investment objectives.

The Fund has appointed the Investment Manager, who will select and allocate the Fund's assets among a pool of external investment managers in accordance with the investment objectives set forth in each series. (See "Management and Administration of the Fund").

### The Trading Companies and their Investment Objectives

The Trading Companies are as follows:

OPTIMAL Arbitrage Ltd. (OPTIMAL Arbitrage): The base currency of OPTIMAL Arbitrage is US Dollars. The OPTIMAL Arbitrage has three Share Classes, namely the US Dollar Share Class in Class A and B and the Euro Share Class in Class A. The US Dollar Share Class will be denominated in USD and the EURO Share Class will be denominated in Euros. Details relating to the Classes of Shares and their management fees are set out under the section related to such fund.

OPTIMAL Global Trading Ltd (OPTIMAL Global Trading): The base currency of OPTIMAL Global Trading is US Dollars. The OPTIMAL Global Trading has only two Share Classes, namely the USD Share Class in Class A and B. The US Dollar Share Class will be denominated in US Dollars. Details relating to the Classes of Shares and their management fees are set out under the section related to such fund.

OPTIMAL Strategic US Equity Ltd. (OPTIMAL SUS): The base currency of OPTIMAL SUS is US Dollars. The OPTIMAL SUS has four Share Classes, namely the US Dollar Share Class in Class A, B and C and the Euro Share Class in Class A. The US Dollar Share Class will be denominated in US Dollars and the Euro Share Class will be denominated in Euros. Details relating to the Classes of Shares and their management fees are set out under the section related to such fund.

OPTIMAL European Opportunity Ltd. (OPTIMAL European): The base currency of OPTIMAL European is Euro. The OPTIMAL European has three Share Classes, namely the Euro Share Class in Class A and B and the US Dollar Share Class in Class A. The Euro Share Class will be denominated in Euros and the US Dollar Share Class will be denominated in US Dollars. Details relating to the Classes of Shares and their management fees are set out under the section related to such fund.

The investment objective of OPTIMAL Arbitrage Ltd. is to achieve consistent positive return with low volatility and little correlation to the major fixed-income and equity indices. This Trading Company seeks to achieve this objective by investing in a number of independent advisers that utilise non-directional, market neutral arbitrage strategies.

The investment objective of OPTIMAL Global Trading Ltd Ltd. is to achieve total capital appreciation in the medium to long term with little correlation to various major fixed-income and equity markets. This Trading Company seeks to achieve this objective by investing in a number of independent fund managers and traders who may engage in investments in the equity and equity index, fixed income, physical commodity, currency and financial futures markets.

The investment objective of OPTIMAL Strategic US Equity Ltd is to achieve long-term capital appreciation. This Trading Company seeks to achieve this objective by investing in a single investment manager that invests primarily in equity securities of S&P 500 companies.

The investment objective of OPTIMAL European Opportunity Ltd. is to achieve above average capital appreciation. This Trading Company seeks to achieve this objective by investing with outstanding money managers who will invest primarily in the ECC equity market.

Details in relation to the Investment Objectives of each Trading Companies are set out under the section related to such fund.

## **MANAGEMENT AND ADMINISTRATION OF THE FUND**

### **Board of Directors**

The Board of Directors (the "Directors") manages the business and affairs of the Fund and supervises and monitors the activities of the Administrator and Investment Manager. The Directors may, in respect of the Fund, subject to applicable law, amend its investment policies; change the investment management, maintenance or other fees payable to the Investment Manager by amendment to the relevant agreement; or amend the sales charge, if any, or the charge payable on redemption of Shares, in each case upon one month's prior written notice to shareholders; or upon such prior notice that Directors may consider appropriate. These changes do not require shareholder approval. In the event of any such change or amendment, the Memorandum will be updated accordingly.

The Directors are elected by the holders of Ordinary Shares. Any Director may be removed with or without cause or be replaced at any time by resolution adopted by such holders at a general meeting. The Board of Directors of the Fund consists of the following persons:

Mr. Anthony L.M. InderRieden – Director Since 1975 Mr. Inder Rieden has been the Managing Director of Euro-Dutch Trust Company (Bahamas) Ltd. From 1973 to 1975 he was Legal Counsel for Property Resources Ltd., a Bahamian company engaged in real estate investments. From 1967 to 1973, he was Managing Director of Curacao International Trust Company N.V. (CITCO) and was responsible for their management and operations in the Netherlands Antilles. Prior to 1967 , he was an associate at the law firm of Dr. A. A. G. Smeets in Curacao.

Mrs. Dawn E. Davies - Director. Ms. Davies retired as deputy Managing Director of Fortis Fund Services (Bahamas) Limited in September 2000, an office she held from 1996. From 1987 to 1996, she was an Executive Vice President of Euro-Dutch Trust Company (Bahamas) Limited. From 1983 to 1987 she worked at S.F.E. Bank and Trust (Bahamas) Limited, serving as a Director and Vice President responsible for the operation of the Bank's Trust Department from 1986, and prior to that as Assistant Vice President. From 1977 to 1983, she was Assistant Manager, Secretary and Treasurer of Allied Bank and Trust Company (Bahamas) Limited. From 1967 to 1977, Mrs. Davies worked Bahamas Commonwealth Bank Limited. She is a graduate of the University of Strathclyde in Scotland and and her MBA from the University of Miami, Florida. Currently, Mrs. Davies services as a Director of Euro-Dutch Trust Company (Bahamas) Limited and a number of investment companies.

The Board of Directors will serve in their capacities as Directors without compensation; however, the Fund will reimburse the Directors for expenses incurred by them in the performance of their duties. If additional Directors are elected, The Fund may compensate such Directors (other than the Fund's Investment Manager, Administrator or any persons affiliated with the Investment Manager or Administrator) with respect to services rendered in such capacity.

Neither the Directors nor their families have any interest, direct or indirect, in the share capital of the Fund.

A Director may be a party to, or otherwise interested in, any transaction or arrangement with the Fund or in which the Fund is interested, provided that he has disclosed to the other Director the nature and extent of any material interest of his therein. Unless the Directors determine otherwise, a Director may vote in respect of any contract or arrangement or any proposal whatsoever in which he has disclosed a material interest.

The Directors shall remove the Administrator if:

- the Administrator goes into liquidation, becomes bankrupt or has a receiver appointed over its assets;
- for good and sufficient reason, the Directors are of the opinion and so state in writing that a change of Administrator is desirable in the interests of the Shareholders;

- where holders in value of at least fifty percent of the Management Shareholders deliver to the Directors a written request to dismiss the Administrator.

All decisions to remove the Administrator shall be communicated to the Securities Commission of The Bahamas. The Administrator shall retire when the Securities Commission withdraws its approval of the Administrator. The Fund's Articles of Association provide that the Fund shall indemnify its officers and directors against losses, including expenses, provided that the indemnified person acted honestly and in good faith with a view to the best interests of the Fund and, in the case of criminal proceedings, the indemnified person had no reasonable cause to believe his conduct was unlawful. The Fund may advance expenses to any director or officer who may be entitled to indemnification. Directors and officers receiving advances are obligated to reimburse the Fund for them if it is later determined that such persons were not entitled to such indemnification.

Every Director, Alternate Director, Officer or Liquidator of the Fund and their respective personal representative, successors in title and estate (together "Indemnitee") shall be indemnified and held harmless by the company against all liability, loss, damage, claims, actions, accounts, proceedings, and demands and any costs and expenses whatsoever which may be incurred or suffered by the Indemnitee arising out of its appointment EXCEPT where same shall arise through the dishonesty, wilful default, fraud or gross negligence of the Indemnitee.

No Director, Alternate Director or Officer shall be liable for the acts, receipts, neglects, or defaults of any other Director, Alternate Director or Officer, or for joining in any receipt or other act for conformity, or for any loss or expense incurred by the Fund as a result of insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Fund, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Fund shall be advanced or invested, or for any loss or damage arising out of the bankruptcy, insolvency or tortious or criminal act or omission of any person with whom any money, securities or effects shall be deposited, or for any loss occasioned by an error of judgment, omission, default, or oversight on his part, or for any other loss, damage or misfortune whatever which shall happen in the execution of his office or in relation thereto, except the same shall happen through his own dishonesty.

### **Investment Manager**

Pursuant to an investment management agreement (the "Investment Management Agreement") the Fund has engaged OPTIMAL Investment Management, Ltd. (the "Investment Manager") as the investment manager of the Fund. Mr. Inder Rieden and Mrs. Davies are the Directors of OPTIMAL Investment Management, Ltd.

Pursuant to the terms of the Investment Management Agreement, and subject to the overall control and responsibility of the Directors, the Investment Manager manages a continuing investment program for each Trading Company and makes investment decisions on behalf of each Trading Company. The Investment Manager may from time to time retain one or more consultants to assist in the selection of, the allocation of funds to, and the review of the performance of the Fund's money managers.

The Investment Management Agreement provides that the investment manager shall not be subject to any liability to the Fund or any Trading Company or, any of its shareholders, for any act or omission in the course of or connected with rendering services to the Fund or any Trading Company in the absence of willful misfeasance, bad faith, gross negligence or reckless disregard of its duties.

The Investment Manager is a wholly owned subsidiary of Santander Central Hispano Bank & Trust (Bahamas) Ltd. Santander Central Hispano Bank & Trust (Bahamas) Ltd. provides management and advisory services to the offshore institutional clients of Banco Santander Central Hispano SA. It has approximately \$ 750 million in assets under management. In consideration of its services, the Investment Manager is entitled to receive an investment management fee out of the assets of each class of Shares at the rates described in the Series Particulars (see "Series Particulars").

### **Investment Adviser**

Optimal Investment Management Ltd (the "Manager") and Optimal Multiadvisors Limited (the "Fund") have entered into an Investment Advisory Agreement with Optimal Investment Services S.A. (the "Investment Adviser"), a wholly owned subsidiary of the Santander Central Hispano Group. Pursuant to this agreement the Investment Adviser provides the Manager with continuous investment policy guidance in relation to the assets of the Fund managed by the Manager pursuant to the Management Agreement. In consideration for the services rendered by the Investment Adviser the Manager pays to the Investment Adviser by way of remuneration a fee equal to 0.15% per annum of the net asset value of the Fund, calculated monthly and payable quarterly in arrears (the "Advisory Fee"). The Fund then reimburses the Advisory Fee to the Manager, quarterly in arrears. The Investment Advisory Agreement

provides that, in the absence of gross negligence or willful intent on the part of the Investment Adviser, its directors, officers or agents, the Investment Adviser shall not be subject to any liability to the Manager or to the Fund or to any shareholder of the Fund for any act or omission in the course of or in connection with the services rendered by it or for any decline in the value of the assets of the Fund or any loss whatsoever that may result to the Fund from the Manager's acting upon any investment advice given to it by the Investment Adviser.

### **Method and Strategies**

The Investment Manager shall build for each Series of Shares in the Fund, a portfolio of investment funds and managed accounts run by a select group of investment managers. The Investment Manager shall select managers with varied investment styles who have established records of success or who the Investment Manager believes demonstrate the potential to become outstanding investment managers. The Investment Manager's allocation among these managers will be designed to take advantage of their differing styles in order to reduce the risk that might be associated with any one manager. The Investment Manager, with the assistance of the advisory committee, bases its investment decisions on a careful analysis of many investment managers. The Investment Manager allocates the assets of each series of shares among the selected investment vehicles to reflect the investment objective of the particular series of shares.

The Board may from time to time and at any time by agreement under hand or seal appoint any one or more company, firm or person or any body of persons, whether nominated directly or indirectly by the Board to be an investment manager ("Investment Manager") or investment advisor ("Investment Advisor") for the Fund upon such terms and conditions as the Board in its absolute discretion determines.

The Board may delegate to the Investment Manager/Investment Advisor, without being liable for any consequential loss, discretion to manage the company's investments or any part thereof pursuant to the terms of the appointment.

The Board shall be under no duty to keep themselves informed concerning the business or affairs of any Investment Manger/Investment Advisor or to interfere in the management administration operation or activities of any Investment Manger/Investment Advisor provided the Board shall not have any knowledge of any wrongdoing or impropriety by the Investment Manger/Investment Advisor.

### **The Administrator, Registrar and Transfer Agent**

Pursuant to the Administrator, Registrar and Transfer Agent Agreement, dated, November 1, 1999, The Fund has appointed Fortis Fund Services (Bahamas) Limited as the Fund's Administrator, Registrar and Transfer Agent (the "Administrator").

Pursuant to the such agreement, the Administrator will, among other things:

- maintain the Fund's principal corporate records and other records relating thereto,
- process subscriptions, redemptions and transfers in respect of the Shares of the Fund,
- make payments in respect of redemptions,
- pay, on behalf of the Fund, legal fees (if any), accounting fees and, fees payable to the Investment Manager and,
- prepare and distribute all shareholder reports and other communications.
- Administering the Fund in accordance with the Fund's constitutive documents and the provisions of the Mutual Fund Regulations;
- Maintenance of the Fund's books and records;
- Assist with the Fund's annual audit;
- Calculate of the Net Asset Value for each Trading Company and the Net Asset Value per Share of the Fund;
- Issue the communications with the shareholders and or governmental bodies;
- Payment of Fund's expenses;
- provide suitable facilities and procedures for the payment of dividends;
- Make the constitutive documents of the Fund available for inspection free of charge by the Shareholders or make copies of same for the Shareholders upon payment of a reasonable fee.

The Administration Agreement is enforceable for an unlimited period of time and may be terminated by either party upon 90 days' prior written notice. The Administrator receives fees, computed and payable monthly in arrears, out of the assets of each Trading Company subject to a maximal annual fee of USD\$110,000; which will be prorated to each Trading Company based upon the Net Asset Value of the Trading Company in proportion to the aggregate Net Asset Value of The Fund. Furthermore, the Administrator is reimbursed for all reasonable costs, expenses and disbursements incurred by it in the performance of its duties. The Trading Companies have agreed and acknowledged the terms of the administrative agreements set for the above.

The Board shall appoint an Administrator pursuant to the provisions of the Mutual Funds Act, 1995 ("Administrator") to administer the affairs of the Fund pursuant to the requirements of said Mutual Funds Act, 1995 and the Regulations promulgated thereunder, upon such terms and conditions as the Board in its absolute discretion determines.

The Administrator and its directors, officers, employees, agents and nominees and their respective personal representatives, successors in title and estates shall be indemnified and held harmless by the Fund against all liability, loss, damage, claims, actions, accounts, proceedings, and demands and any costs and expenses whatsoever which may be incurred or suffered by the Administrator arising out of its appointment EXCEPT where same shall arise through the dishonesty, wilful default, fraud or gross negligence of the Administrator.

The Fund has agreed to indemnify the Administrator from and against any and all liabilities, obligations, losses, actions or other expenses (other than those resulting from fraud, gross negligence or wilful default on its part or on the part of its directors, officers) which may be imposed on, incurred by or asserted against the Administrator in performing its obligations or duties hereunder.

### **Anti Money Laundering Procedures**

Measures aimed towards the prevention of money laundering and applicable "know your customer" legislation require that an applicant verify his/her identity to Fortis Fund Services (Bahamas) Ltd. ("the Administrator"). The Administrator's Investor Identification/Anti Money Laundering Questionnaire must be completed as part of the standard application form (attached hereto). This is in pursuance of Bahamian legislation, mainly, The Proceeds of Crime Act ("PCA") 2000 and The Financial Transactions Reporting Act ("FTRA") 2000. Pursuant to FTRA financial institutions are obliged to verify the identity of existing and prospective clients. This obligation is absolute unless the application is being made via a foreign financial institution, which is located in a country set out in note 2 of Investor Identification/Anti Money Laundering Questionnaire.

In addition, the Administrator may request further information and documents before processing the application. This may result in shares/units being issued on a dealing day subsequent to the dealing day on which an applicant initially wished to have shares/units issued to him.

It is further acknowledged that the Administrator shall be held harmless and indemnified by the applicant against any loss arising as a result of a failure to process the application if such documentation is required by the Administrator and has not been provided by the applicant to the Administrator's satisfaction.

### **Banker and Cash Custodian**

MeesPierson (Bahamas) Limited provides banking and cash management services on behalf of OPTIMAL Multiadvisors. Fortis Fund Services (Bahamas) Ltd provides, in addition to administrative and operational functions, custodial services related to the safekeeping of shares maintained in book entry form. To the extent deemed desirable, the Fund may appoint or redirect custodial services to other institutions, who are international, reputable and creditworthy financial institutions, which are paid fees at normal commercial rates. Assets placed with investment managers through discretionary investment accounts shall remain in the custody of the independent fund's selected custodian. Such funds shall undertake such procedures as they deem to be necessary to ensure the safekeeping of those assets.

Cash forming part of the property of the Fund may be placed as deposits with the custodian, administrator or their connected persons (being a bank) so long as that bank pays interest thereon at no lower rate than is, in accordance with normal banking practice, the commercial rate for deposits of this kind, size and for the term of the deposit in question negotiated at arm's length.

## **Restrictions on Transferability and Ownership**

The Articles of Association of the Fund provide that Shares may be transferred only upon the approval of the Board of Directors. Currently, there is no independent market for the purchase or sale of Shares. Subscribers must represent that they are purchasing Shares for investment. The Fund may compulsorily redeem any shareholder's Shares if determined by the Board of Directors to be in the best interest of the Fund. (See "Compulsory Redemption of Shares" and "Suitability Requirements".)

## **FEES AND EXPENSES**

The Fund and each Trading Company will bear all of its expenses; including but not limited to the following (1) organisational costs, including expenses relating to their establishment; the negotiation and preparation of the contracts to which the Fund and the Trading Companies are parties; and, fees and expenses of its professional advisers in relation to their establishment (these costs are or will be set forth in the Fund's Annual Report. (2) Compensation and expenses of any Director. (3) Standard brokerage and bank charges incurred in respect of each Trading Company's business transaction. (4) All fees due to the auditors and the legal advisors. (5) All expenses connected with publications, in particular the cost of printing and distributing the annual reports as well as any offering memoranda and, subject to any applicable regulatory restriction, marketing material. (6) All expenses involved in registering and maintaining the Fund and Trading Companies' registration with governmental agencies; and (7) all applicable taxes, if any, which may be payable on assets, income chargeable to a Trading Company, including annual subscription taxes payable to all relevant regulatory authority.

## **CONFLICTS OF INTEREST**

The Investment Manager, the members of the Advisory Committee, the Administrator, Transfer Agent and Registrar, may from time to time act in similar capacities for, or otherwise involved in other funds established by parties related and/or not related to the Fund or the Trading Companies. Such funds may have similar investment objectives to those of the Fund and/or the Trading Companies. It is therefore possible that any of these parties / entities may, in the course of business, have potential conflicts of interests with the Fund and the Trading Companies. In the event that a potential conflict of interest exists, each party/entity listed above will maintain a fiduciary responsibility to its obligations to the Fund and the Trading Companies; and, will ensure that such conflicts are resolved fairly and in the interests of the Fund and the Trading Companies. In addition, any of the foregoing may deal, as principal or agent, with the Fund and/or Trading Companies, provided that such dealings are carried out as if effected on normal commercial terms negotiated on passive basis.

The Directors will ensure that any conflict of interest is resolved fairly and in the best interests of the Fund.

## **TAX CONSIDERATIONS**

It is expected that shareholders in the Fund will be resident for tax purposes in many different countries. Consequently, no attempt is made in this Memorandum to summarise the taxation consequences for each investor of subscribing, converting, holding or redeeming or otherwise acquiring or disposing of Shares. These consequences will vary in accordance with the law and practice currently in force in a shareholder's country of citizenship, residence, domicile or incorporation and with his personal circumstances. Dividends and interest received by the Fund on its investments may be subject to non-recoverable withholding or other taxes in the countries of origin. Under current law in the Bahamas, the Fund and its shareholders are not subject to income, capital gains or withholding tax.

**SHAREHOLDERS AND PROSPECTIVE SHAREHOLDERS SHOULD CONSULT THEIR TAX ADVISORS WITH RESPECT TO ANY TAXES APPLICABLE TO THE ACQUISITION, HOLDING, EXCHANGE OR DISPOSITION OF SHARES AND THE EFFECT, IF ANY, OF WITHHOLDING OR OTHER TAXES IMPOSED ON GAINS REALISED BY ANY TRADING COMPANY OR INTEREST INCOME RECEIVED BY SUCH TRADING COMPANY UNDER THE LAWS OF THE COUNTRIES OF THEIR RESPECTIVE CITIZENSHIP RESIDENCE OR DOMICILE.**

## DETERMINATION OF NET ASSET VALUE

The Net Asset Value of each series or class of Shares of the Fund will be determined on the accrual basis of accounting in accordance with generally accepted accounting principles and in accordance with the rules and guidelines described below. The Net Asset Value per share of each series or class of Shares will equal the Net Assets attributable to such series or class, divided by the number of Shares of such series or class then outstanding.

In valuing the Net Asset Value as of any particular date, most likely during the first two weeks following the end of the month ("Valuation Date"), the value of the shares of other funds in the portfolio of the Trading Companies is based upon the latest available net asset value per share, of such other funds' shares which may include an estimated valuation, as quoted by the management of such funds. The value of "closed end" funds and the securities in the managed portfolios of the Trading Companies traded on a national securities exchange is based on the last reported sales price on the Valuation Date or, if no so reported, at the mean between the last bid and asked prices. Securities traded in the over the counter market are valued at the last sale price if the security is reported by NASDAQ or Reuters or, if no so reported, at the mean between the last bid and asked prices. In determining the Net Asset Value of each series or class of Shares, reliance may be placed on valuations provided by the underlying Investment Vehicles. The value of a non-US dollar denominated securities is determined in its national currency in a manner consistent with that of the above paragraph, which value is then converted into a US dollar equivalent at the foreign exchange rate in effect on the Valuation Date. Include the term "estimate"

All costs which are directly attributable to a particular series or class of Shares will be borne by such series or class of Shares. Other costs which are not directly attributable to any particular series or class of Shares will be borne by the respective series or class in the proportion that the Net Asset Value of each series or class bears to the aggregate Net Asset Value of the Company or on such other basis as the Directors may consider an equitable apportionment between the series or classes of Shares.

## SUBSCRIPTION OF SHARES

**POTENTIAL SHAREHOLDERS, THAT ARE SUITABLE FOR INVESTMENT AS DEFINED IN "SUITABILITY REQUIREMENTS", MUST SUBMIT SUBSCRIPTION DOCUMENTS, IN DUPLICATE, FOR INVESTMENT INTO A SPECIFIED SERIES. SUBSCRIPTIONS ARE EFFECTIVE AS OF THE FIRST BUSINESS DAY OF EACH MONTH. ALL SUBSCRIPTION DOCUMENTATION AND SUBSCRIPTION PAYMENTS MUST BE RECEIVED THE THREE BUSINESS DAYS PRIOR TO THE END OF THE INTENDED SUBSCRIPTION MONTH. NO MONEY SHOULD BE PAID TO ANY INTERNEDIARY IN THE BAHAMAS WHO IS NOT A LICENSED MUTUAL FUND ADMINISTRATOR OR THE REPRESENTATIVE DULY APPOINTED UNDER PART IV OF THE REGULATIONS.**

The price per share at which Shares will be subscribed ("the Subscription Price") is equal to the Net Asset Value per Share of the particular series and class upon finalisation of Net Asset Value as of the last business day of each month.

The Directors may, in circumstances it deems appropriate, modify such requirements. In addition, the Directors will have the right to reject a subscription for any reason deemed by the Directors, in its sole discretion, to be sufficient. This is repeated below under "suitability requirements".

### Suitability Requirements

Shares are only available to non-United States Persons. The sale or transfer of Shares directly or indirectly in the United States or to "United States Persons" is prohibited. A "United States Person" is defined as: A CITIZEN OR RESIDENT OF THE UNITED STATES OR ITS TERRITORIES OR POSSESSIONS; ANY CORPORATION OR OTHER ENTITY ORGANIZED UNDER THE LAWS OF OR EXISTING IN THE UNITED STATES OR ITS TERRITORIES OR POSSESSIONS; ANY ESTATE OR TRUST THE INCOME OF WHICH IS SUBJECT TO UNITED STATES FEDERAL INCOME TAX REGARDLESS OF ITS SOURCE; OR ANY ENTITY ORGANIZED PRINCIPALLY FOR PASSIVE INVESTMENT, SUCH AS A COMMODITY POOL, INVESTMENT COMPANY, OR OTHER SIMILAR ENTITY (OTHER THAN A PENSION PLAN FOR THE EMPLOYEES, OFFICERS OR PRINCIPALS OF AN ENTITY ORGANIZED AND WITH ITS PRINCIPAL PLACE OF BUSINESS LOCATED OUTSIDE OF THE UNITED STATES), EITHER (1) IN WHICH UNITED STATES PERSONS HOLD UNITS OF

PARTICIPATION REPRESENTING IN THE AGGREGATE 10% OR MORE OF THE BENEFICIAL INTEREST IN THE ENTITY, OR (11) WHICH HAS AS ITS PRINCIPAL PURPOSE THE FACILITATING OF INVESTMENT BY A UNITED STATES PERSON IN A COMMODITY POOL WITH RESPECT TO WHICH THE OPERATOR THEREOF IS EXEMPT FROM CERTAIN REQUIREMENTS OF PART 4 OF THE REGULATIONS OF THE UNITED STATES COMMODITY FUTURES TRADING COMMISSION BY VIRTUE OF ITS PARTICIPANTS BEING NON-UNITED STATES PERSONS.

The Fund will require each prospective investor to represent that (i) he or she is not a United States Person, (ii) he or she has sufficient knowledge and experience in financial and business matters that such person is capable of evaluating the merits and risks of the proposed investment, (iii) he or she can bear the economic risk of the investment (i.e., at the time of investment he or she can afford a complete loss of the investment and can afford to hold the investment for an indefinite period of time), and (iv) his or her investment in the Fund will not adversely affect such person's overall need for diversification and liquidity. The satisfaction of such standards by a prospective investor, however, does not necessarily mean that the Shares are a suitable investment for such prospective investor or that the prospective investor's subscription will be accepted. The Directors may, in circumstances it deems appropriate, modify such requirements. In addition, the Directors will have the right to reject a subscription for any reason deemed by the Directors, in its sole discretion, to be sufficient.

Each prospective investor is urged to consult with his or her own advisors to determine the suitability of an investment in Shares, and the relationship of such an investment to the purchaser's overall investment program and financial and tax position. Each purchaser of Shares is required to represent further, that after all necessary advise and analysis, his or her investment in the Fund is suitable and appropriate, in light of the foregoing considerations.

## **REDEMPTION OF SHARES**

Shareholders may redeem their Shares in accordance with the details set out in the "Series Particulars" for each series of Shares. Partial redemptions of Shares which would reduce the value of a shareholder's remaining investment in the Fund to less than \$50,000 will not be permitted, unless the Directors decide otherwise. Redemptions shall be effective as of the last business day of the calendar month subject to 35 days prior written notice. Requests for Redemption received less than 35 days prior to a month-end will be considered effective as of the last business day of the subsequent month unless the Directors deem otherwise.

The price per share at which Shares will be redeemed (the "Redemption Price") is equal to the Net Asset Value per Share of the particular series and class upon finalization of Net Asset Value as of the last business day of each month.

Payment of 90% of the aggregate estimated Redemption Price for redeemed Shares normally will be made in US dollars within 30 days after an authorised valuation date; payment of the remaining portion of the Redemption Price will normally be made in US dollars within 14 days after the Net Asset Value per Share of the relevant series being declared to be final.

The Fund since its inception, has paid redemption proceeds in full within 30 days after receiving authorised redemption requests.

### **Suspension of Redemption**

The Fund may suspend redemptions of Shares (a) during the existence of any state of affairs which, in the opinion of the Fund, constitutes an emergency as a result of which disposal of investments by the Fund would not be reasonably practical and might seriously prejudice the shareholders of the Fund; (b) when, for any other reason, an accurate valuation of any of the Fund's investments is unavailable; (c) during any period when the transfer of funds involved in the realisation or acquisition of any investments cannot, in the opinion of the Board of Directors of the Fund, be effected at normal rates or exchange; (d) none of the requests for redemption may be lawfully satisfied by the Fund in US Dollars, in which event, to the extent lawful and practicable possible the Fund may make payment in securities.

### **Compulsory Redemption**

When it appears to the Board of Directors that the continuing ownership of Shares by a particular shareholder would cause an undue risk of adverse tax or other consequences to the Fund, including, but not limited to, a determination that any of the representations given by any holder of Shares, have ceased to be true, the Fund may repurchase all or any part of such shareholder's shares at a date specified in the notice of such repurchase by the Fund to the shareholder, which date shall be not less than 10 nor more than 60 days from the date of such notice.

In the event of a compulsory redemption of Shares, the Redemption Price will be that which prevailed on the last date on which the Net Asset Value of the Shares of the relevant series was determined preceding the date that notice of compulsory redemption was sent to the shareholder. (See "Determination of Net Asset Value") A shareholder whose shares are redeemed will have no shareholder rights after the close of business on the date on which the Redemption price was fixed.

#### **DIVIDEND POLICY**

The Directors of the Fund will determine from time to time whether to pay a dividend. It does not anticipate paying dividends in the foreseeable future. Since its inception, the Fund has not paid any dividends to date.

#### **REPORTS TO SHAREHOLDERS AND AUDITOR**

A report to shareholders of the Fund will be made quarterly, setting forth the Net Asset Value of each Series and the Net Asset Value per Share at the beginning and end of the previous quarter. The Fund's Net Asset Value per Share will be computed as of the end of each month and made available to shareholders during the following month. An annual audited report will be made to shareholders within four months (120 Days) following the end of each fiscal year. The fiscal year end for the Fund and the Trading Companies is December 31 of each year. The Fund has retained PricewaterhouseCoopers, Nassau, Bahamas, as its auditors.

Copies of the Fund's latest Annual Report are available upon request at the offices of the Administrator.

#### **Local Information**

Persons interested in purchasing Shares should inform themselves as to (1) the legal requirements within their own countries for purchase of Shares; (2) any foreign exchange restrictions which they might encounter; and (3) the income tax and any other tax consequences which might be relevant to the purchase or holding of Shares.

#### **Additional Information**

Copies of the Memorandum of Association and Articles of Association of the Fund and Trading Companies, the Administrative Services Agreement between the Fund and Fortis Fund Services (Bahamas) Limited, the Investment Management Agreement between the Fund, as well as the Trading Companies, and the Investment Manager and the Investment Advisory Agreement between the Manager and the Investment Adviser are available for inspection or purchased at the principal office of the Fund in Nassau, Bahamas.

#### **RISK FACTORS**

Investors should consider carefully the information set out in this Explanatory Memorandum and should in particular consider the following items before making an investment in the Fund.

#### **Investment Risks in General**

An investment in the Fund is speculative and involves a high degree of risk and should only be made with the risk capital segment of an investor's portfolio. There is no guarantee that the value of Shares in the Fund will increase, or is there a guarantee that investors will receive one hundred percent of principal initially invested in any of the Trading Companies. Accordingly, only persons who are able to bear the risk of loss of the capital invested should make an investment in the Fund. The Fund's performance may be affected by legal, regulatory and tax requirements in the country in which it invests.

Investors are reminded that in certain circumstances their right to redeem Shares may be suspended (see "Redemption of Shares").

#### **Multi-Manager Strategy**

In order to diversify among trading methods and markets, the Investment Manager has selected a number of external investment funds and independent portfolio managers to manage the Fund's assets, each of which invests independently of one another. Although such diversification is intended to offset losses while maintaining the

possibility of capitalising on profitable price movements, there can be no assurance that the multi-manager strategy will not result in a net loss.

These investment funds and portfolio managers utilise such investment techniques as short sales, leverage, uncovered option transactions, and highly concentrated portfolios among others, which could under certain circumstances magnify the impact of any negative market or investment developments. No guarantee or representation is made that the Fund's program will succeed. There is no assurance that selection of multiple funds or managed accounts will be more successful than a selection of a single fund or managed account.

### **Limited Liquidity**

The Directors do not anticipate that an active secondary market will develop in the Shares of the Fund. Furthermore, due to the fact that the Fund may invest in funds with limited liquidity, an investment in the Fund is a relatively illiquid investment and involves a high degree of risk. A subscription for Shares in the Fund should be considered only by persons financially able to maintain their investment and who can afford a loss of a substantial part of such investment.

### **Unregulated Jurisdictions**

The Fund invests in other externally managed funds or managed accounts. Some of these investments may be constituted and domiciled in unregulated jurisdictions where there is non-existent and/or limited regulatory oversight of investment activities as well as non-existent and/or limited investor protection laws. There may be liquidity risks associated with investments in these funds. The Investment Manager will monitor these investments. The Fund would also be indirectly subject to the risk of fluctuations in the exchange rate between the local currency and the US Dollar and to the possibility of exchange controls.

Some managers may trade in unregulated markets. It is not possible to predict what the effect of trading in such markets may be in the future. Most securities in emerging market countries have different clearance and settlement procedures and in certain markets there have been times when settlement periods have been unable to keep pace with the volume of securities transactions, making it difficult to conduct such transactions. Delays in settlement could result in temporary periods when a portion of the assets invested by the Fund in an emerging market investment fund results in zero return earned thereon. The inability of such fund to make intended security purchases due to settlement problems could cause a fund, and indirectly the Fund, to miss attractive investment opportunities. Costs associated with transactions in non-United States securities are generally higher than costs associated with transactions in United States securities. Such transactions also involve additional costs for the purchase of foreign securities.

The managers investing in certain emerging market countries may have limited legal recourse in the event of default. For detailed explanations of risks involved in emerging market securities, see risk factors in the "Series Particulars" supplement to this offering memorandum.

### **Currency**

All transactions, subscriptions and redemptions in any Series, with the exception of OPTIMAL European Opportunity Series, are effected in US currency. Managers may invest a portion of the Fund's allocated assets in non-US securities; all income generated thereby is received in non-US currencies. However, the managers as well as the Fund calculate income in US Dollars. Consequently, the strengthening of the US Dollar against foreign currencies subsequent to the initial investment in each security may have an adverse impact on the net assets of the investment, unless such risks are hedged. It is also expected that the investment managers will trade currencies other than US Dollars, in which case fluctuations of these currencies against the US Dollar may involve substantial losses to the portfolio.

OPTIMAL European Opportunity Series is denominated in EURO. Transactions, subscriptions and redemptions in this Series are effected in that currency. The investment funds in the portfolio will usually be denominated in EURO. The risk of an adverse impact on the net assets of its portfolio due to currency fluctuations is substantially reduced, because most underlying investments will be in EURO-denominated securities. The fund managers in the Series may, however, invest in non- EURO denominated securities (e.g. Switzerland and the United Kingdom) in which case, fluctuations of these currencies against EURO may have an adverse impact on the portfolio unless such risks are hedged.

## **Concentration of Investments**

Although it is the policy of the Fund to diversify its investments, the Fund may at certain times participate in relatively few investment funds or segregated accounts. However, it is believed that individual fund managers will provide further diversification through the external investment portfolios. Nevertheless, the Fund could be subject to significant losses if the net investments are heavily concentrated in a particular investment that declines in value or is otherwise adversely affected.

## **Short - Selling**

The investment managers, in whom the Fund's assets are allocated, may engage in selling securities short. Short selling exposes the seller to unlimited risk should the price of such security rise.

## **Leverage**

The Fund intends to borrow money for cash management purposes only; however, the Fund may occasionally borrow funds for investment purposes to profit from unusual and/or favorable market opportunities.

The investment funds, to which the Fund will allocate its assets, may employ leverage. Borrowing money to purchase instruments may provide the portfolio with the opportunity for a greater return but will, at the same time, increase the portfolio's risk of loss with respect to that instrument. Although the use of leverage increases returns to the portfolio if it earns a greater return on the incremental investment purchased with the borrowed funds than it pays for such funds; the use of leverage decreases return to the portfolio if it fails to earn as much on such incremental investments as it pays for such funds. It should be noted that options inherently contain much greater leverage than does a purchase of the underlying instrument inasmuch as only a small portion of the value of the underlying instrument is required in order to invest in such options.

## **Options Trading**

The investment managers may purchase and sell call and put options. Both the purchase and the sale of call and put options entails risks different from those associated with the purchase and sale of the underlying securities. Although an option buyer's risk is limited to the amount of the purchase price of the option, an investment in an option may be subject to greater fluctuation than an investment in the underlying securities. In theory, an uncovered call writer's loss is potentially unlimited, but in practice the loss is limited by the term of existence of the call. The risk for a writer of a put option is that the price of the underlying security may fall below the exercise price. Successful use of options will depend upon the ability of the investment manager to predict correctly movements in the direction of the market of the underlying securities generally.

## **Interest Rate Risk**

The external funds' investment programs may include investments in debt securities of government and corporate issuers. These assets, as well as the external fund's borrowings, subject the Fund to risks associated with movements in interest rates. Specifically, the funds' must manage both curve risk, which is the risk that the slope of the yield curve will vary from the slope assumed in the individual hedging strategies, and credit spread risk, which is the risk that the spread between yields of differently rated issuers will change in a manner that adversely affects the fund's portfolio.

## **Counterparty Risk**

Many of the markets in which the individual fund managers effect transactions are "over-the-counter" or "interdealer" markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as are the members of "exchange based" markets. This indirectly exposes the Fund to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract or because of a credit or liquidity problem, thus causing the Fund to suffer a loss. Such "counterparty risk" is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where one or more managers have concentrated transactions with a single or small group of counterparties. The external funds are not restricted from dealing with any particular counterparty or from concentrating any or all of its transactions with one counterparty.

Moreover, the Fund has no internal credit function that evaluates the creditworthiness of indirect counterparties; and must rely on the internal credit evaluation and monitoring processes of individual external managers.

The ability of the fund managers to transact business with any one or number of counterparties, the lack of meaningful and independent evaluation of such counterparties' financial capabilities and the absence of a regulated market to facilitate settlement may increase the potential for losses to the Fund.

### **Diversification**

Although the Investment Manager will seek to obtain diversification by investing with a number of different portfolio managers with different strategies or styles, it is possible that several money managers may take substantial positions in the same security or group of securities at the same time. This possible lack of diversification may subject the investments of the Fund to more rapid change in value than would be the case if the assets of the Fund were more widely diversified.

### **Effect of Substantial Redemptions**

Substantial redemptions of shares could require managers in the Fund to liquidate positions more rapidly than would otherwise be desirable, which could adversely affect the value of the shares.

### **Termination of Fund**

The Fund shall be wound up on the first to occur of the following:

- (i) Any event which would make unlawful the continued existence of the Fund and the passage by the Directors of the Fund of a Resolution by a simple majority to that effect;
- (ii) The passing by the Shareholders of a Resolution by a simple majority to wind up the Fund;
- (iii) The passing of a Resolution by a simple majority of the Directors of the Fund to wind up the Fund;
- (iv) Any event which in the discretion of the Directors would make it most advantageous to the Shareholders to wind-up the Fund and the passing by the Directors of a Resolution of a simple majority to wind up the Fund.

**THIS BRIEF STATEMENT CANNOT DISCLOSE ALL THE RISKS OF INVESTING IN THE FUND. YOU SHOULD THEREFORE CAREFULLY STUDY THIS MEMORANDUM BEFORE DECIDING TO INVEST IN THE FUND**

Series Particulars  
**OPTIMAL Arbitrage Ltd**  
OPTIMAL Arbitrage Series

## **Strategy**

OPTIMAL Arbitrage Ltd (hereafter "OPTIMAL Arbitrage") invests in or allocates its assets amongst a number of independent advisers and fund managers who invest in non-directional, market-neutral arbitrage strategies. Managers and advisers may engage in such strategies as convertible arbitrage, merger arbitrage, mortgage-backed, fixed-income including high yield bonds and, equity and arbitrage. Some managers will use leverage. The objective of the OPTIMAL Arbitrage Series is to provide a consistent positive return per annum with low volatility and little correlation to the major fixed-income and equity indices. External managers in OPTIMAL Arbitrage may incorporate one or more of the following strategies (defined below):

*Fixed Income Arbitrage*- the simultaneous purchase and sale of fixed-income instruments that are inefficiently priced relative to one another.

*Currency Arbitrage* – The purchase of a local bond and sale of the currency forward against US Dollars. Arbitrage profits are made when the local currency yield benefit outweighs the loss from the currency forward hedge.

*Mortgage Arbitrage*- Investment in mortgage securities which are considered cheap relative to historical spreads over treasuries. Options or swaps may be used as a hedge. Arbitrage profits arise from the correcting of price discrepancies in the yield spreads between the mortgage security and the treasury or derivative instrument selected as its hedge.

*Convertible Bond Arbitrage*- The purchase of a convertible bond and a simultaneous sale of the equity of the same company. Profit opportunities arise when the bond becomes cheap in relation to the underlying equity.

*Merger Arbitrage* - Also known as *Risk Arbitrage*, this strategy involves the purchase of the equity of a target company and concurrent sale of the equity in the bidding company. Profits are made by the narrowing in the spread between the equity market price of the take-over candidate and the price at which its stock will be purchased.

*Statistical Equity Arbitrage*- This is a quantitative strategy used to determine the allocation of long and short baskets of assets on a dollar-neutral basis. Profits are made due to the price convergence between cheap and expensive equity securities.

*Although OPTIMAL Arbitrage Ltd attempts to provide diversification across the strategy listed above, and sets a maximum exposure of 20% to any one strategy; there can be no guarantee that managers will be profitable in implementing these strategies.*

## **Subscriptions**

Subscriptions are effective as of the first business day of every month. The Fund must receive all subscription documentation and subscription payments three business days prior to the end of the intended subscription month. The price per Share in the Optimal Arbitrage Euro is Euros 1,000.00.

## **Redemptions**

Redemptions are effective as of the last business day of every month and are subject to 35 days prior written notice. Redemption requests received with less than 35 days prior written notice will be considered effective as of the last business day of the subsequent month, unless the Directors decide otherwise. Therefore, the Administrator should receive redemption requests by the 20<sup>th</sup> of the month for payment based upon the following month NAV.

## Classes of Shares

Class A Participating Shares are offered to potential new investors in OPTIMAL Arbitrage Series. Class B Participating Shares may be issued under special circumstances and at the sole discretion of the Directors of the Fund.

The base currency of OPTIMAL Arbitrage is US Dollars. The OPTIMAL Arbitrage has three Share Classes, namely the Dollar Share Class in Class A and B and the Euro Share Class in Class A. The US Dollar Share Class will be denominated in US Dollars and the Euro Share Class will be denominated in Euros.

## Management Fees

Class A shares: 0.375% of the net asset value of the shares at the end of each quarter (1.50% per annum).  
Class B shares: 0.25 % of the net asset value of the shares at the end of each quarter (1.00 % per annum).

## Potential Markets

*Fixed-Income/Debt Markets*- External managers incorporating convertible and fixed income arbitrage strategies are generally invested in the US or other major sovereign debt markets as well as corporate entities within such debt issuing countries. The majority of fixed-income investments by managers are in investment grade (BBB – or better) rated securities. Managers may also invest in high yield fixed income securities, which carry many of the same inherent risks as other fixed income securities.

*Currency Markets* – External managers will typically invest in the major currency markets, US, Japan, Europe. External managers, however may use discretion to conduct currency arbitrage trades in second tier markets for example, Australia, South Africa, New Zealand, etc.

*Equity Markets* – External managers invested in equity related arbitrage strategies are typically invested in the US equity markets; however managers may also engage in other G-7 equity markets. Discretion is offered to individual managers as to whether investment is in large, small or medium capitalisation equities. Most US equities however are rated by a primary US rating agency, i.e. Standard and Poors (S&P) and Moody's.

*Mortgage Markets* – External managers utilising mortgage arbitrage strategies invest primarily in US mortgage and mortgage derivative instruments namely: US Agency issuers (FHLMC, FNMA, GNMA, SLMA et al), other mortgage derivative issues may include Collateralized Mortgage Obligations, Pass-through securities, Interest only and Principal-only securities.

*Cash* – External managers in the OPTIMAL Arbitrage Series may hold cash or cash equivalents as a percentage of the funds should no immediate investment opportunity exist.

## Potential Risks Associated with investment in OPTIMAL Arbitrage Series

*Manager & Business Risk* - The success of many external funds will depend upon the ability of key individuals to develop and implement investment strategies that achieve the funds' investment objectives. It is difficult to keep abreast of all abnormal developments such as personal and other non-investment related issues, which may have an adverse affect on performance.

*No Assurance of Profitability* - No assurance can be given that the external funds' results of operations will be profitable.

*Use of Leverage* – External managers may use leverage if they believe that it may enable the fund to achieve a higher rate of return. Accordingly, the fund will pledge its securities in order to borrow additional funds for investment purposes. While leverage presents opportunities for increasing the fund's total return, it has the effect of potentially increasing losses as well. Accordingly, any event that adversely affects the value of an investment by the fund would be magnified to the extent the fund is leveraged. The Fund intends to borrow money for cash management purposes only; however, the Fund may occasionally borrow funds for investment purposes to profit from unusual and/or favorable market opportunities.

*Credit Risk* - While the majority of trades in the portfolio are in higher-quality assets, there is some credit exposure, especially in convertible bond arbitrage. External managers may invest in debt obligations of both governmental and corporate issuers. These financial instruments involve the risk that the obligor either cannot or will not fulfill its

obligations under the terms of the financial instrument. Any actual default, or any circumstance that increases the possibility of such default, could have a material adverse effect on the fund.

*Default & Credit Risks* – External managers in the Series may invest in debt obligations of both governmental and corporate issuers. These financial instruments involve the risk that the obligor either cannot or will not fulfill its obligations under the terms of the financial instrument. Any actual default, or any circumstance that increases the possibility of such default, could have a material adverse effect on the investments.

*Counterparty Risk* - External fund managers may enter into many transactions with third parties in which the failure of the third party to perform its obligations under a contract with the fund could have a material adverse effect on the fund.

*Quiet Markets* - Many of the fund managers profit when the markets are most volatile. In quieter periods, less trading opportunities may exist. While few arbitrage managers should lose money in this scenario, the OPTIMAL Arbitrage Series may experience lower-than-average performance until the markets become more active again.

*Lack of Volatility* - The external managers may be unable to achieve trading objectives if there is extraordinary and prolonged volatility in price movements of securities or options contracts. Prolonged volatility lead to adverse market impact on the funds.

*Liquidity Risk* - It is not always possible to execute a buy or sell order at a desired price, or to close out an open position, due to market conditions, limits on open positions and/or daily price fluctuations limits imposed by exchanges. External managers may invest in securities, which are subject to legal or other restrictions on transfer or for which no liquid market exists. The market prices, if any, for such securities tend to be volatile and the manager may not be able to sell when desirable or realise what is perceived to be fair value in the event of a sale. The sale of restricted and illiquid securities often requires more time and results in brokerage charges or dealer discounts and other selling expenses than does the sale of securities eligible for trading on national securities exchanges or in over-the-counter markets. Restricted securities may sell at a price lower than similar securities that are not subject to restrictions on sale.

*Mark-to-Market Risk & Spread Risk* - Investments are subject to price changes due to unexpected market movements. Should the price of a security drop significantly, the value of the portfolio may be reduced. For trades that profit when spreads between two positions converge or narrow, market movements that may cause a widening of spreads may also have an adverse effect on performance.

*Merger Arbitrage & Event Risk* - The difference between the price paid by for securities of a company involved in an announced deal and the anticipated value to be received for such securities upon consummation of the proposed transaction will be very small. If the proposed transaction appears likely not to be consummated or in fact is not consummated, or is delayed, the market price of the securities will usually decline sharply, perhaps by more than the fund's anticipated profit.

Some funds may invest and trade in securities of companies that are believed to be potential candidates for an announced tender offer, merger or acquisition. In such a case, if the anticipated transaction does not occur, the fund may sell the securities at a loss.

*Repurchase and Swap Agreement Risk* – External managers in the Series may engage in repurchase and swap agreements as part of its trading and cash management procedures. In the event of the of the bankruptcy or other default of a transferor of a security in a repurchase agreement or the counterparty to a swap agreement, the manager as transferee and as counterparty could experience both delays in liquidating the underlying security or commodity and losses, including: (a) a possible decline in the value of the collateral during the period while the manager seeks to enforce its rights thereto; (b) possible subnormal levels of income and lack of access to income during this period; and (c) expenses of enforcing its rights.

**The forgoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in this Series. Prospective investors should read this entire Memorandum and consult with their own advisors before deciding to invest in OPTIMAL Arbitrage Series.**

Series Particulars  
**OPTIMAL Global Trading Ltd**  
OPTIMAL Global Trading Ltd Series

## **Strategy**

OPTIMAL Global Trading Ltd. (hereafter "OPTIMAL Global Trading Ltd") invests in a number of independent fund managers and traders who may engage in investments in the equity & equity index, fixed income, physical commodity, currency and financial futures markets. Strategies may be implemented in the cash, futures or forward market and include investment in derivative and/or special opportunity investments. External managers may be systematic or discretionary in nature and incorporate technical or fundamental analysis in making investment decisions - this may include "black-box" strategies. The objective of the OPTIMAL Global Trading Ltd Series is to achieve total capital appreciation, with some volatility in order to achieve this objective. Conservative or counter trend strategies may be incorporated to provide diversification to the fund. External managers may use one or more of the following trading techniques to implement trades in the portfolios:

*Futures Systems* - External managers in the Series may use proprietary quantitative models that generate trading signals for entry, exit and size of positions in the fund. These models, in effect, make 100% of trading and investment decisions based upon rules set forth by an individual manager.

*Discretionary Securities Trading* - External managers may use professional judgment in determining which markets provide profit opportunities, including the position allocation and timing of execution of such trades. Technical or fundamental analysis may be used in making trading decisions.

*Discretionary Special Investments* - External managers may use professional judgment to invest in market opportunities that may not fall into the category of traditional futures and/or commodity trading. This may include trading in non-regulated markets to include lesser developed and emerging markets, or physical commodities or currencies in markets with less liquidity relative to major markets.

*Global Systems* - External managers may use quantitative models for the purposes of analysing momentum and value across a number of markets. Such models are typically based upon academic research and study.

*Macro Global* – External managers in this category may use either systematic and/or discretionary means in making trading decision. This strategy typically entails a more broad-based fundamental economic evaluation of market conditions in making trading decisions. These managers may have a directional bias on the markets invested.

External managers in OPTIMAL Global Trading Ltd have discretion to hold cash, if no investment opportunities are available. OPTIMAL Global Trading Ltd uses risk disciplines to attempt to limit losses to the Series, however, no guarantees may be made regarding the future performance of managers within OPTIMAL Global Trading Ltd. The Series sets a maximum allocation of 20% of total Series assets to any individual external fund.

## **Subscriptions**

Subscriptions are effective as of the first business day of every month. The Fund must receive all subscription documentation and subscription payments three business days prior to the end of the intended subscription month.

## **Redemption**

Redemptions are effective as of the last business day of every month and are subject to 35 days prior written notice. Redemption requests received with less than 35 days prior written notice will be considered effective as of the last business day of the subsequent month, unless the Directors decide otherwise. Therefore, the Administrator should receive redemption requests by the 20<sup>th</sup> of the month for payment based upon the following month NAV.

## Classes of Shares

Class A Participating Shares are offered to potential new investors in OPTIMAL Global Trading Ltd. Class B Participating Shares may be issued under special circumstances and at the sole discretion of the Directors of the Fund.

The base currency of OPTIMAL Global Trading is US Dollars. The OPTIMAL Global Trading has only two Share Classes, namely the USD Share Class in Class A and B. The US Dollar Share Class will be denominated in US Dollars.

## Management Fees

Class A shares: 0.375% of the net asset value of the shares at the end of each quarter (1.50% per annum).  
Class B shares: 0.25 % of the net asset value of the shares at the end of each quarter (1.00 % per annum).

## Potential Markets

The Series does not direct investments into any one market, trading decisions are at the discretion of individual external managers within the Fund. External managers may invest in one or any combination of the markets listed below, (Refer to “*Potential Risks Associate with Investment in OPTIMAL Global Trading Ltd Series*” for details into investment in this market sector).

*US & Global Equity markets* – External managers are unlimited as to investments in equity markets. External managers may invest in unregulated equity markets and participate in equity index and derivative transactions. Trading in these markets may include US large and small cap stock indices, as well as similar equity investment in Asian, European and Australian markets. Trading in these markets may be implemented through the cash, futures and options markets.

*Fixed Income and Financial indices* – External managers may invest in the debt securities of US and other Global G-7 and emerging markets countries. Trading may include US long and intermediate Treasuries, Japanese and European government bonds. Trading in these markets is implemented through the cash, futures, swaps and options market. Financial indices are primarily represented by investment on financial market indices and debt securities. For example, futures contracts may be used in US treasury notes, US Treasury bonds, Eurodollars, Euroyen, etc.

*Currencies* - External managers are unrestricted in investing in foreign exchange markets across the US, G-7 major markets, and other less liquid currency markets. Currency trading is implemented through the cash, futures, forwards, and options market, and may be executed on exchanges not regulated by the US regulatory agencies.

*Physical Commodities*- External managers may invest in any commodity market. Such investments may include physical commodity or exchange traded futures contracts that do not involve the physical delivery of assets. Traded commodity markets may include: Grains ( soybeans and soy derivatives, corn, wheat etal.), Soft ( coffee, sugar etal), Tropical (orange juice and derivative, i.e., frozen, concentrated etal), Fiber ( cotton, etal), Energy (crude oil, natural gas etal), Livestock ( cattle, hogs, etal), Precious Metals (gold, silver, platinum), non-ferrous metals ( copper, zinc, nickel etal.).

## Potential Risks Associated with investment in OPTIMAL Global Trading Ltd Series

Trading in commodity interest and securities markets are highly volatile. Profitability of the Series will depend on the ability of the external managers to correctly analyze price trends in such markets, which may be influenced by, among other things; changing supply and demand relationships, weather, governmental, agricultural, commercial and trade policies, world political and economic events, interest rate changes or, other technical factors.

*Use of Leverage* – External managers in the Series may trade in instruments (futures, options, and forward contracts) which are inherently leveraged. In addition, market prices of such instruments are highly volatile and materially affected by unpredictable factors. While volatility creates profit potential, volatility also directly affects the risks associated with trading. The combination of these two factors (leverage and volatility) can subject the value of the investment portfolio to sharp fluctuations, both in the positive and negative direction. The Fund intends to

borrow money for cash management purposes only; however, the Fund may occasionally borrow funds for investment purposes to profit from unusual and/or favorable market opportunities.

*Financing Arrangements* - The investment strategies utilised in the funds may require the use of substantial leverage. As a general matter, the banks and dealers that provide financing to fund managers can apply essentially: discretionary margin, haircut financing and collateral valuation prices. Changes by banks and dealers in any of the foregoing may result in large margin calls, loss of financing and forced liquidation of positions at disadvantageous prices.

*Repurchase and Swap Agreement Risk* - Managers in the Series may engage in repurchase and swap agreements as part of its trading and cash management procedures. In the event of the bankruptcy or other default of a transferor of a security in a repurchase agreement or the counterparty to a swap agreement, the manager as transferee and as counterparty could experience both delays in liquidating the underlying security or commodity and losses, including: (a) a possible decline in the value of the collateral during the period while the manager seeks to enforce its rights thereto; (b) possible subnormal levels of income and lack of access to income during this period; and (c) expenses of enforcing its rights.

*Exchange Rate Fluctuations* - Certain investments of the managers in the Series may be in currencies other than US Dollars. Accordingly, adverse exchange rate fluctuations may cause the value of the investments in the Series to diminish.

*Regulation Risk* - Some managers may trade in unregulated markets. It is not possible to predict what the effect of trading in such markets may be in the future.

*Manager & Business Risk* - The success of many external funds will depend upon the ability of key individuals to develop and implement investment strategies that achieve the funds' investment objectives. It is difficult to keep abreast of all abnormal developments such as personal and other non-investment related issues, which may have an adverse affect on performance.

*Market Participant Risk* - External managers in the Series may have relationships with institutions, including brokerage firms and banks, which may encounter financial difficulties that may potentially impair the operational capabilities of the capital position.

*Quiet Markets* - Many of the managers in the Series profit when the markets are most volatile. In quieter periods, less trading opportunities may exist. Similarly, general market developments may yield significant events, i.e. those in August through November of 1998, which may impact the lending availability to investment funds.

*Illiquid Investments* - On rare occasions, managers in the Series may invest in markets that may become illiquid or impose trading restrictions. Such restrictions may make it difficult or impossible to liquidate or acquire positions in such markets, thereby eliminating profit potential. Execution becomes difficult in thinly traded markets.

*Lack of Disclosure/Transparency* - Some managers, with long and consistent track records may use proprietary and discretionary trading systems and are not willing to fully discuss the full operations of these systems to investors.

**The forgoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in this Series. Prospective investors should read this entire Memorandum and consult with their own advisors before deciding to invest in OPTIMAL Global Trading Ltd.**

Series Particulars  
**OPTIMAL Strategic US Equity Ltd**  
OPTIMAL SUS Series

### **Strategy**

OPTIMAL Strategic US Equity Series (hereafter "OPTIMAL SUS") invests its assets with a single fund manager. The manager invests primarily in a basket of S&P 100 stocks. The manager also employs an index option overlay as a hedge against adverse market movements and to preserve existing investor capital. The strategy is quantitative in nature and seeks to achieve consistent mid-teen annual returns over a long-term horizon.

### **Subscriptions**

Subscriptions are effective as of the first business day of every month. The Fund must receive all subscription documentation and subscription payments three business days prior to the end of the intended subscription month. The price per share in the Optimal SUS EURO is Euros 1,000.00.

### **Redemptions**

Redemptions are effective as of the last business day of every month and are subject to 35 days prior written notice. Redemption requests received with less than 35 days prior written notice will be considered effective as of the last business day of the subsequent month, unless the Directors decide otherwise. Therefore, the Administrator should receive redemption requests by the 20<sup>th</sup> of the month for payment based upon the following month NAV.

### **Classes of Shares**

Class A Participating Shares are offered to potential new investors in OPTIMAL SUS.

Class B Participating Shares may be issued under special circumstances and at the sole discretion of the Directors of the Fund.

Class C Participating Shares may be issued under special circumstances and at the sole discretion of the Directors of the Fund.

The base currency of OPTIMAL SUS is US Dollars. The OPTIMAL SUS has four Share Classes, namely the US Dollar Share Class in Class A, B and C and the Euro Share Class in Class A. The US Dollar Share Class will be denominated in US Dollars and the Euro Share Class will be denominated in Euros.

### **Management Fees**

Class A shares: 0.375% of the net asset value of the shares at the end of each quarter (1.50% per annum).

Class B shares: 0.25 % of the net asset value of the shares at the end of each quarter (1.00 % per annum).

Class C shares: 0.20% of the net asset value of the shares at the end of each quarter (0.80% per annum).

### **Potential Markets**

The external manager is a market maker and broker-dealer and therefore may have access to superior pricing and execution for exchange listed and NASDAQ securities.

*Equity markets* - The manager has sole discretion to select a basket of equity securities for the Series. There is no restriction in terms of sector and therefore may include, retail, financial, industrial, Internet, and other trading companies listed on the US New York Stock Exchange, NASDAQ, and/or over-the-counter exchange. The manager is not restricted in terms of growth cycle for a business.

*Equity Index Option Market* - The manager invests in equity index options as a relative hedge against adverse market movements. Please refer to the description below of risk associated with options trading.

*US Treasury Market* - The manager may hold cash or cash equivalents, typically in the form of US treasury bills, at his discretion while the fund is not invested in equity holdings.

No guarantee is made as to the manager's future performance or ability to continue to provide superior pricing and execution to investors in the Series.

### **Potential Risks Associated with Investment in OPTIMAL Strategic US Equity Series**

*Sole Proprietor Risk* - The independent fund manager will make all decisions with respect to the investments of the Series. The success of the Series for the foreseeable future may depend largely upon the ability of the manager to continue to oversee the implementation of the investment strategy. Should the manager terminate his relationship, die or become otherwise incapacitated for any period of time, profitability may suffer. There is no assurance that the strategies employed by the Series will achieve attractive returns or be successful.

*No Assurance of Profitability* - No assurance can be given that the Series results of operations will be profitable.

*Market Risk* - There is no guarantee or representation that the investment objective and strategy will be successful. The investment program may include such investment techniques as short sales that can, in certain circumstances, maximise adverse impact to the Series. No assurance can be given that the Series will achieve its investment objective of capital appreciation. In addition, unlike more widely diversified investments, the fund manager is subject to industry risks; the possibility that a particular group of related stocks will decline in price due to industry-specific developments. In periods of price decline, the fund manager may hold reserves in cash or cash-equivalents as a defensive measure.

*Transaction Flow* - The investment manager may elect to invest in securities on the basis of information and data filed by the issuers of such securities with the SEC, or made directly available to the external manager by the issuers of the securities and other instruments or through sources other than the issuers. The Investment Manager evaluates all such information and data and seeks independent corroboration when it considers it appropriate and when it is reasonably available.

*Equity Risks* - The Series invests in equity and equity derivative securities. The value of these securities generally will vary with the performance of the issuer and movements in the equity market. As a result, the Series may suffer losses if it invests in equity securities of issuers whose performance falls below market expectations or if equity markets in general decline and the fund manager has not hedged against such a general decline.

*Liquidity Risk* - It is not always possible to execute a buy or sell order at a desired price, or to close out an open position, due to market conditions, limits on open positions and/or daily price fluctuation limits imposed by exchanges. The Series may also invest in securities that are subject to legal or other restrictions on transfer or for which no liquid market exists. The market prices, if any, for such securities tend to be volatile and the fund manager may not be able to sell them when it desires to do so or realise what it perceives to be fair value in the event of a sale. The sale of restricted and illiquid securities often requires more time and results in brokerage charges or dealer discounts and other selling expenses than does the sale of securities eligible for trading on national securities exchanges or in over-the-counter markets. Restricted securities may sell at a price lower than similar securities that are not subject to restrictions on sale.

*Systems Risk* - The fund manager relies on extensive computer programs and systems to trade, clear and settle securities transactions, to evaluate certain securities based on real-time trading information, to monitor its portfolio and net capital, and to generate risk management and other reports that are critical to the oversight of the fund. A defect or failure in any of these systems could have a material adverse effect on the Series.

*Competition Risk* - The markets in which the fund manager invests are extremely competitive. The fund manager competes with many firms that may have substantially greater financial resources, more favourable financing arrangements, larger research staffs and more securities traders than are available to the manager.

*Hedging Risk* - The fund manager may hedge some or the entire portfolio by taking long and short positions in related securities. Hedging against a decline in the value of a portfolio position does not eliminate fluctuations in the values of portfolio positions or prevent losses if the values of such positions decline, but establishes other positions designed to gain from those same developments, thus moderating the decline in the portfolio position's value. Such hedging transactions also limit the opportunity for gain if the value of the portfolio position should increase.

The success of the fund manager's hedging transactions will be subject to the manager's ability to correctly structure the portfolio. Therefore, while the manager may enter into hedging transactions to seek to reduce market risk, improper structuring of the portfolio may result in poorer overall performance for the Series than if it had not engaged in such transactions. In addition, the degree of correlation between price movements of the securities used in a hedging strategy may vary. Such imperfect correlation may prevent the fund manager from achieving the intended hedge and expose the Series to risk of loss.

*Investing in Stock Options and Stock Index Options* - The purchaser of a put or call option runs the risk of losing his entire investment in a relatively short period of time. The uncovered writer of a call option is subject to a risk of loss should the price of the underlying security increase, and the uncovered writer of a put option who does not have an equivalent short position in the underlying security is subject to a risk of loss should the price of the underlying security decrease. The writer of a call option who owns the underlying security, and the writer of a put option who has a short position in the underlying security are subject to the full risk of their respective positions in the underlying security; in exchange for the premium, so long as such persons remain writers of options, they have given up the opportunity for gain resulting from, in the case of a call option writer, an increase in the price of the underlying security above the exercise price, or, in the case of a put option writer, a decrease in the price of the underlying security below the exercise price. Also there is no assurance that a liquid secondary market will exist for options purchased or sold, and the fund manager may be required to maintain a position until exercise or expiration, which could result in losses.

*Limited Diversification Risk* - The investments in the Series are not required to be diversified. At any given time, it is therefore possible that the fund manager may select investments that are concentrated in a limited number or types of financial instruments. This limited diversity could expose the Series to losses disproportionate to market movements in general if there are disproportionately greater adverse price movements in those financial instruments.

*Absence of Regulatory Oversight* - While the Series may be considered similar to an investment company, it is not required and does not intend to register as such under the US Investment Company Act of 1940, and, accordingly, the provisions of that Act (which, among others, require investment companies to have a majority of disinterested directors, require securities held in custody at all times to be individually segregated from the securities of any other person and marked to clearly identify such securities as the property of such investment company, and regulate the relationship between the adviser and the investment company) will not be applicable.

The forgoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in this series. Prospective investors should read this entire Memorandum and consult with their own advisors before deciding to invest in OPTIMAL SUS.

Series Particulars  
**OPTIMAL European Opportunity Ltd.**  
European Opportunity Series

### **Strategy**

OPTIMAL European Opportunity Ltd. (hereafter "OPTIMAL European") seeks to achieve above average capital appreciation whilst minimizing volatility. It will invest with outstanding money managers investing primarily in the European equity market using different investment strategies in order to provide diversification, flexibility and lower risk to the portfolio. Although the majority of the funds are expected to be invested in long-short equity managers, some may invest in other non-equity European securities. A strong emphasis will be placed on bottom-up stock selection together with the ability to short securities of companies going through or being affected by changes. These changes include corporate restructuring, mergers & acquisitions, economic changes, regulatory changes, distressed situations and turnarounds. The fund will be invested in small, mid and large capitalization stocks primarily in Western Europe namely those of the 15 members of the European Union together with Norway and Switzerland.

### **Subscriptions**

Subscriptions are effective as of the first business day of every month. The Fund must receive all subscription documentation and subscription payments three business days prior to the end of the intended subscription month. The price per Share in the Optimal European Dollar is US\$1,000.00.

### **Redemptions**

Redemptions are effective as of the last business day of every month and are subject to 35 days prior written notice. Redemption requests received with less than 35 days prior written notice will be considered effective as of the last business day of the subsequent month, unless the Directors decide otherwise. Therefore, the Administrator must receive redemption requests by the 20<sup>th</sup> of the month for payment based upon the following month NAV. The Directors of the Fund reserve the right to modify redemption terms to quarterly with 35 days notice if redemptions for any period in which redemption requests total more than 50% of the Trading Company's assets.

### **Classes of Shares**

Class A Participating Shares are offered to potential new investors in OPTIMAL European.  
Class B Participating Shares may be issued under special circumstances and at the sole discretion of the Directors of the Fund.

The base currency of OPTIMAL European is Euro. The OPTIMAL European has three Share Classes, namely the Euro Share Class in Class A and B and the US Dollar Share Class in Class A. The Euro Share Class will be denominated in Euros and the US Dollar Share Class will be denominated in US Dollars.

### **Management Fees**

Class A shares: 0.375% of the net asset value of the shares at the end of each quarter (1.50% per annum).  
Class B shares: 0.25 % of the net asset value of the shares at the end of each quarter (1.00 % per annum).

This Series is denominated in EURO

### **Potential Risks Associated with Investment in OPTIMAL European Opportunity Ltd**

**Concentration of investments** - Although it will be the policy of the Series to diversify its investment portfolio, the external funds may at certain times hold relatively few investments. The Series could be subject to significant losses if it holds a large position in a particular investment that declines in value or is otherwise adversely affected.

**Currency risk** - Shares are issued and redeemed in Euros. Certain of the assets may, however, be invested in securities and other investments that are denominated in currencies other than the EURO. Although the fund managers will seek to manage foreign exchange exposure, there is no assurance that this can be performed effectively.

*Market risk* - The investments of the external funds are subject to normal market fluctuations and the risks inherent in investment in equity securities and similar instruments and there can be no assurances that appreciation will occur. The price of shares can go down as well as up and investors may not realize their initial investment.

*Short sales* - External fund managers may sell securities short and, in certain circumstances, this strategy can substantially increase the impact of adverse price movements. A short sale involves the risk of a theoretically unlimited increase in the market price of the particular investment sold short, which could result in an inability to cover the short position and a theoretically unlimited loss. There can be no assurance that securities necessary to cover a short position will be available for purchase.

*Use of leverage and derivative instruments* - External managers may from time to time utilize both exchange-traded and over-the-counter futures and options as part of its investment policy. These instruments are highly volatile and expose investors to a high risk of loss. The low initial margin deposits normally required to establish a futures position permit a high degree of leverage. As a result, a relatively small movement in the price of a futures contract may result in a profit or loss which is high in proportion to the amount placed as initial margin and may result in unquantifiable further loss exceeding any margin deposited.

*Illiquidity* - External managers may invest in securities which are unlisted or for which there is no active market. In particular, some of the less liquid markets in which the funds may invest may be illiquid. In addition, the fund managers may acquire investments that are only traded over-the counter. Accurately valuing and realizing such investments or closing out positions in such investments at appropriate prices may not always be possible.

*Counterparty and settlement* - External managers will take a credit risk on parties with whom it trades and will also bear the risk of settlement default. The fund managers will seek so far as is practicable to ensure that all securities and other assets deposited with sub-custodians or brokers are clearly identified as being assets of the Series and hence the Series should not be exposed to a credit risk on such parties. However, it may not always be possible to achieve this and there may be practical or time problems associated with enforcing the fund's right to its assets in the case of an insolvency of any such party.

*Government intervention* - The prices of securities and instruments in which the fund managers' may trade or invest are subject to certain risks arising from government regulation or intervention in the markets, through regulation of the local market, restrictions on investments by foreign residents or limits on flows of investment funds. Such regulation or intervention could adversely affect the portfolio performance.

**The forgoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in this Series. Prospective investors should read this entire Memorandum and consult with their own advisors before deciding to invest in OPTIMAL European.**

**OPTIMAL MULTIADVISORS, LTD.**

**Subscription Agreement**

OPTIMAL Multiadvisors, Ltd.  
Montague Sterling Centre  
East Bay Street, P.O. Box SS-6238  
Nassau, Bahamas

Dear Sirs:

Reference is hereby made to the Explanatory Memorandum dated May 2002 of Optimal Multiadvisors Ltd (the "Fund"), a company incorporated under the laws of The Commonwealth of The Bahamas, and any supplements thereto (the "Explanatory Memorandum"), with respect to the offering of the shares of the Company (the "Shares").

The undersigned hereby acknowledges receipt of a copy of the Explanatory Memorandum dated May 2002 and represents and warrants that the undersigned has carefully read the same.

The undersigned hereby offers to purchase from the Fund and irrevocably subscribes for as many Shares as can be purchased for the sum of U.S.\$\_\_\_\_\_ on the first day of the next calendar month, at the net asset value of the Shares as calculated at the close of business on the last business day of the current month, on the terms provided for herein and in the Explanatory Memorandum and the Memorandum and Articles of Association of the Fund.

Please check to specify which series of shares: \_\_\_\_\_ Optimal Arbitrage (USD, EUR)  
\_\_\_\_\_ Optimal Global Trading Ltd (USD,)  
\_\_\_\_\_ Optimal Strategic US Equity (USD, EUR)  
\_\_\_\_\_ Optimal European Opportunity (EUR,

USD)

The undersigned hereby agrees that all representations, agreements, acknowledgments and understandings are continuous and will govern all further subscriptions for Shares; and further agrees to advise the Fund promptly of any changes to any such representations. (In the case of joint investors or signatories, each such investor or signatory is deemed to make each statement and representation herein contained.)

The undersigned hereby represents and warrants that (i) the undersigned (if an individual) is of legal age; (ii) the undersigned (or the beneficial owner if other than the undersigned) is not a "United States Person", as defined in Annex A to the Subscriber Information Form); and (iii) the undersigned has not and will not acquire any of the Shares within the United States, or transfer or assign any of the Shares to any United States Person.

The undersigned understands that the Shares subscribed for hereunder have not been and will not be registered under the United States Securities Act of 1933, as amended, or any other law of the United States or any state or any other jurisdiction thereof.

The undersigned hereby represents and warrants that the undersigned is acquiring the Shares subscribed for herein for investment and is not acquiring the Shares with a view to or for sale in connection with any distribution of the Shares. The information set forth in the accompanying Subscription Agreement is accurate and complete as of the date hereof and the undersigned will promptly notify the Fund of any change in such information.

The undersigned has such knowledge and experience in financial and business matters that the undersigned is capable of evaluating the merits and risks of the undersigned's investment in the Shares and is able to bear such risks, and has obtained, in the undersigned's judgment, sufficient information from the Fund or, its authorized representative, and its own independent financial/investment professionals to evaluate the merits and risks of such investment.

The undersigned has consulted with the undersigned's own advisers and is fully informed as to the legal and tax requirements within the undersigned's own country regarding a purchase of the Shares.

The undersigned understands that the transfer by the undersigned of Shares of the Fund is subject to approval by its Board of Directors, which may, in its sole discretion, decline to issue any Shares to, or register Shares in the name of, any person.

The undersigned understands that the Fund's Directors reserve the right to redeem the Shares of any shareholder whose continued ownership they believe not to be in the interest of shareholders as a whole.

The undersigned understands that the Board of Directors of the Fund reserves the right, in its sole discretion, to refuse any subscription for Shares, in whole or in part, and to return this Agreement and any payment received to the sender without interest.

The undersigned is duly authorized and empowered to legally represent and bind the principal, person, trust, partnership, corporation or other entity, if any, named as the holders of Shares.

The execution, delivery and performance by the undersigned of this Agreement are within the powers of the undersigned and have been duly authorized by all necessary action.

The undersigned acknowledges that under the laws of the Commonwealth of the Bahamas and the Fund's Articles of Association each Director and Officer of the Fund is entitled to be indemnified out of the assets of the Fund against all expenses (including legal fees and disbursements), losses, liabilities, judgments or fines which such Director or Officer may sustain or incur in or about the execution of the duties of such office or otherwise in relation thereto, if in the determination of the Board of Directors, such Director or Officer acted honestly and in good faith with a view to the best interest of the Fund and had no reasonable cause to believe that his conduct was unlawful; and that the determination of the Board of Directors is conclusive for purposes of indemnification.

The undersigned understands and approves the method of compensation of the Fund's Investment Manager, as described in the Explanatory Memorandum.

The undersigned hereby agrees to indemnify and hold harmless the Fund, the Investment Manager, the Administrator and their respective shareholders, partners, officers and directors and agents from and against any and all loss, damage or liabilities (including attorney's fees) due to or arising out of a breach of any representation, warranty or agreement of the undersigned contained in this Agreement.

The undersigned understands that either the Fund or the Administrator may require other documentation in addition to this Subscription Agreement, and the Fund reserves the right to request such documentation prior to deciding whether or not to accept this subscription. The undersigned acknowledges that the Administrator shall be held harmless and indemnified by the undersigned against any loss arising as a result of a failure to process this Subscription Agreement if such documentation is required by the Administrator and has not been provided by the undersigned to the Administrator's satisfaction.

The Shares to be purchased are to be registered in the name of:

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

Address: \_\_\_\_\_

\_\_\_\_\_

Please send confirmation of this purchase and a copy of this Agreement to: (check one)

\_\_\_\_\_ mailing address set forth in the enclosed Subscriber Information Form

\_\_\_\_\_ registered address above

\_\_\_\_\_ please do not send confirmation

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

Very truly yours,

\_\_\_\_\_  
Signature of Subscriber

\_\_\_\_\_  
Name of Subscriber

\_\_\_\_\_  
(Print name and, if applicable, title)

The foregoing offer is hereby accepted subject to the conditions set forth herein and the decision of the Board of Directors to issue the shares.

**OPTIMAL MULTIADVISORS, LTD.** \_\_\_\_\_ **(insert selected Series)**

By: \_\_\_\_\_

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

THE SUBSCRIBER ACKNOWLEDGES THAT PURSUANT TO SECTION 14(2) OF THE INTERNATIONAL BUSINESS COMPANIES ACT 2000 OF THE BAHAMAS EVERY SUBSCRIBER SHALL BE BOUND BY THE PROVISIONS OF THE ARTICLES OF ASSOCIATION OF THE FUND AS IF SUCH SUBSCRIBER HAD SUBSCRIBED HIS NAME AND AFFIXED HIS SEAL THERETO AND THE SUBSCRIBER WARRANTS TO OBSERVE THE PROVISIONS OF THE SAID ARTICLES.

**OPTIMAL MULTIADVISORS, LTD.**

**Subscription Instructions**

Please complete the following steps:

- (1) Send funds to OPTIMAL Multiadvisors, Ltd. (the "Fund") in accordance with the payment information hereunder; all payments must be made in United States dollars for OPTIMAL Global Trading Ltd. Payments for OPTIMAL Strategic US Equity Fund, OPTIMAL European Opportunity Fund and OPTIMAL Arbitrage will be made in United States dollars or EURO in accordance to the payment information hereunder section 1(b):

(a) Payment by Wire

For US dollar denominated payments, money may be wired, and it is suggested that this is the preferred method of payment directly to the Fund's account, with the following instructions:

ABN AMRO BANK N.V.  
NEW YORK, NY  
ABA # 026-009-580  
CREDIT MEESPIERSON (BAHAMAS) LIMITED  
ACCOUNT # 661-0-790133-41  
F/F/C A/C#: \_\_\_\_\_  
A/C NAME: OPTIMAL \_\_\_\_\_  
REF:

The account names and numbers are as follows:

OPTIMAL MULTIADVISORS LTD.-ARBITRAGE SERIES	3677310-CURC-USD-001
OPTIMAL MULTIADVISORS LTD-GLOBAL TRADING SERIES	3677328-CURC-USD-001
OPTIMAL MULTIADVISORS LTD.-SUS SERIES	3677336-CURC-USD-001
OPTIMAL MULTIADVISORS LTD.-EURO SERIES	3676704-CURC-USD-001

Sub-account: OPTIMAL Multiadvisors – \_\_\_\_\_ (insert selected series, OPTIMAL Arbitrage, OPTIMAL Trading Advisors (Optimal Global Trading Ltd), or OPTIMAL Strategic US Equity (OPTIMAL SUS))

B/O (Name of Remitter)

(b) Payment by wire:

For EURO denominated payments in the OPTIMAL European Opportunity Fund, Optimal Arbitrage Fund and the Optimal Strategic US Equity Fund, money may be wired, and it is suggested that this is the preferred method of payment directly to the Fund's account, with the following instructions:

Fortis Bank (Nederland) N.V.  
Rokin 55  
1021 KK Amsterdam  
Postbus 243  
1000 AE Amsterdam  
Swift address: MEES NL 2A  
Account: MeesPierson (Bahamas) Limited  
Account number: 24.22.04.996  
Ref: Optimal Multiadvisors Ltd EUR Ser

The account names and numbers are as follows:

OPTIMAL MULTIADVISORS LTD.-EUROPEAN SERIES	3676704
OPTIMAL MULTIADVISORS LTD.-ARBITRAGE SERIES	3677310-CURC-EURO
OPTIMAL MULTIADVISORS LTD.-SUS SERIES	3677336-CURC-EURO

- (2) Complete and sign the attached Subscriber Information Form and Subscription Agreement and fax all pages to Shareholder Services Department, Fortis Fund Service (Bahamas) Limited (fax number (242) 394-8348 or (242) 394-8349).
- (3) Make a copy of the Subscriber Information Form and Subscription Agreement for your records.
- (4) Send the completed original Subscriber Information Form and Subscription Agreement to:

OPTIMAL Multiadvisors, Ltd.  
Fortis Fund Services (Bahamas) Ltd  
Montague Sterling Centre  
P.O. Box SS 6238  
Nassau, Bahamas

Upon acceptance of the subscription, a photocopy of the Subscription Agreement will be returned to your mailing address.

The Subscription Agreement, as well as payment in good funds for the Shares subscribed for, must be received no later than three business days prior to the end of the intended subscription month. Prior notice of intention to invest should be faxed to the Fund at the fax number in Paragraph 2 above.

If you have any questions, please call Shareholder Services Department, Fortis Fund Services (Bahamas) Limited, at (242) 394-2700.

**FORM OF REQUEST FOR REDEMPTION**

\_\_\_\_\_, 20\_\_\_\_

OPTIMAL Multiadvisors, Ltd.  
Montague Sterling Centre  
East Bay Street  
P. O. Box SS-6238  
Nassau, Bahamas

Facsimile: (242) 394-8348 or (242) 394-8349

Dear Sirs:

I hereby request redemption subject to all of the terms and conditions of the Memorandum of Association and Articles of Association of OPTIMAL Multiadvisors, Ltd (the "Fund"), and the Explanatory Memorandum of the Fund dated as of May 2002 (the "Memorandum"), of Shares of \_\_\_\_\_ having a total U.S. dollar amount of \$\_\_\_\_\_, (as valued at the Net Asset Value per Share) (capitalized terms used herein without definition shall have the respective meanings accorded them in the Memorandum.) Redemption shall be effective as of the last business day of the calendar month subject to 35 days prior written notice. Requests for Redemption received less than 35 days prior to a month-end will be considered effective as of the last business day of the subsequent month unless the Directors deem otherwise.

I (either in my individual capacity or as an authorized representative of an entity, if applicable) hereby represent and warrant that I am the true, lawful, and beneficial owner of the Share or Shares (or fractions thereof) to which this Request for Redemption 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.

Proceeds in respect of this redemption are to be sent as follows:

Intermediary Bank: \_\_\_\_\_ ABA Number: \_\_\_\_\_

Beneficiary Bank: \_\_\_\_\_ ABA Number: \_\_\_\_\_

Account Number: \_\_\_\_\_

Beneficiary: \_\_\_\_\_ Account Number: \_\_\_\_\_

**SIGNATURE(S) MUST BE IDENTICAL TO NAME(S)  
IN WHICH SHARES OF THE FUND ARE REGISTERED**

Type or Print Name of

Shareholder \_\_\_\_\_

Entity Shareholder

Individual Shareholder

\_\_\_\_\_  
Name of Entity

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

By: \_\_\_\_\_

Authorized officer, partner, trustee or  
custodian. If a corporation, include  
certified copy of authorizing resolution

\_\_\_\_\_  
Signature(s) of all Shareholders

Date of execution: \_\_\_\_\_

**THIS REQUEST FOR REDEMPTION MUST BE RECEIVED BY THE FUND AT LEAST 35 DAYS PRIOR TO THE  
END OF THE MONTH IN WHICH THE REDEMPTION IS TO BE EFFECTIVE.**

**Investor Identification/Anti Money Laundering Questionnaire**

I/We acknowledge that due to applicable “know your customer” and anti-money laundering legislation, the Administrator must verify the identity of the applicant(s) before the application can be processed and the Administrator shall be held harmless and indemnified by me/us against any loss arising as a result of a failure to process the application if such information is required by the Administrator and has not been provided by me/us to the Administrator’s satisfaction.

I/We authorize the Administrator to seek independent verification of the information provided in this questionnaire.

To avoid delay in processing the application, please enclose all requested documents when returning this questionnaire to the Administrator. The Administrator may request further information and documents before processing the application. Please ensure all details are provided legibly on this questionnaire as additional sheets will not be accepted except under exceptional circumstances as determined by the Administrator. Further copies of this questionnaire may be obtained from the Administrator as required.

Please read the explanatory notes attached before completing the appropriate section of this questionnaire.

**Form (A)  
FINANCIAL INSTITUTIONS**

We declare that we are licensed as \_\_\_\_\_ (description, see note 1) by the \_\_\_\_\_ (regulatory body) under the laws of \_\_\_\_\_ (country, see note 2). We confirm that the subscription is made in our name on behalf of our client(s) each of whom we have properly identified as required by and in accordance with all applicable laws and regulations.

\_\_\_\_\_  
Authorized Signatory

\_\_\_\_\_  
Date

**Form (B)  
FOR INDIVIDUALS**

**I/We declare that I am a/we are private investor(s) who is/are making the subscription on my/our own behalf and not, in any way, as representative(s) of any other party (see note 4).**

**Please complete the following:**

**(1)** Full Name \_\_\_\_\_  
Permanent Home Address \_\_\_\_\_  
Telephone Number \_\_\_\_\_ Fax Number \_\_\_\_\_  
Place of Birth \_\_\_\_\_ Date of Birth \_\_\_\_\_  
Nationality \_\_\_\_\_ Name of \_\_\_\_\_  
Occupation \_\_\_\_\_ Employer \_\_\_\_\_  
If Self Employed, Name and  
Nature of Business \_\_\_\_\_  
Source of Funds \_\_\_\_\_

**Signature and Date** \_\_\_\_\_

**(2)** Full Name \_\_\_\_\_  
Permanent Home Address \_\_\_\_\_  
Telephone Number \_\_\_\_\_ Fax Number \_\_\_\_\_  
Place of Birth \_\_\_\_\_ Date of Birth \_\_\_\_\_  
Nationality \_\_\_\_\_ Name of \_\_\_\_\_  
Occupation \_\_\_\_\_ Employer \_\_\_\_\_  
If Self Employed, Name and  
Nature of Business \_\_\_\_\_  
Source of Funds \_\_\_\_\_

**Signature and Date** \_\_\_\_\_

**(3)** Full Name \_\_\_\_\_  
Permanent Home Address \_\_\_\_\_  
Telephone Number \_\_\_\_\_ Fax Number \_\_\_\_\_  
Place of Birth \_\_\_\_\_ Date of Birth \_\_\_\_\_  
Nationality \_\_\_\_\_ Name of \_\_\_\_\_  
Occupation \_\_\_\_\_ Employer \_\_\_\_\_  
If Self Employed, Name and  
Nature of Business \_\_\_\_\_  
Source of Funds \_\_\_\_\_

**Signature and Date** \_\_\_\_\_

For each individual, this form should be accompanied by the following documents:

Copy of first four pages of passport (and additional pages, if relevant) or national identity card showing:

- Number and country of issuance
- Issue date and expiry date
- Signature

Copy of recent bank statement or utility bill showing permanent home address.

**Form (C)**  
**PARTNERSHIPS AND OTHER UNINCORPORATED BUSINESSES**

**Each partner or beneficial owner of an unincorporated business (see note 3) must complete as individuals, and supply the documents requested in, Form (B). In addition to the above, the following information is required:**

Date of commencement of business \_\_\_\_\_  
Product or services provided \_\_\_\_\_  
Location of principal place of business \_\_\_\_\_

This form should be accompanied by the following documents:

- Copy of partnership agreement or other agreement establishing the unincorporated business
- Authorized signatory listing

**We declare that the subscription is made on behalf of the partnership/unincorporated business and not in any way as a representative of any other party. The partnership/unincorporated business will be the exclusive beneficial owner of the shares issued under this subscription and any distributions/dividends paid with respect to these shares.**

\_\_\_\_\_  
**Authorized Signatory**  
  
\_\_\_\_\_  
**Date**

**Form (D)**  
**CORPORATE SUBSCRIBERS**

This form should be accompanied by the following documents:

- Certified copy of certificate of incorporation (and any certificate of change of name)
- Certified copy of memorandum and articles of association
- Certificate of good standing from registrar of companies
- Authorized signatory listing
- Resolution of the board of directors authorizing subscription

Registered office address \_\_\_\_\_

For each director and officer of the company:

- (1) Name and Title \_\_\_\_\_  
Permanent Home Address \_\_\_\_\_
- (2) Name and Title \_\_\_\_\_  
Permanent Home Address \_\_\_\_\_
- (3) Name and Title \_\_\_\_\_  
Permanent Home Address \_\_\_\_\_
- (4) Name and Title \_\_\_\_\_  
Permanent Home Address \_\_\_\_\_
- (5) Name and Title \_\_\_\_\_  
Permanent Home Address \_\_\_\_\_

Except where the company is a publicly traded company, the following information is required for each legal and beneficial owner (see note 3) of the company:

(1) Name \_\_\_\_\_  
Permanent Home Address \_\_\_\_\_  
Percentage of ownership \_\_\_\_\_

(2) Name \_\_\_\_\_  
Permanent Home Address \_\_\_\_\_  
Percentage of ownership \_\_\_\_\_

(3) Name \_\_\_\_\_  
Permanent Home Address \_\_\_\_\_  
Percentage of ownership \_\_\_\_\_

(4) Name \_\_\_\_\_  
Permanent Home Address \_\_\_\_\_  
Percentage of ownership \_\_\_\_\_

(5) Name \_\_\_\_\_  
Permanent Home Address \_\_\_\_\_  
Percentage of ownership \_\_\_\_\_

Date of Commencement of Business \_\_\_\_\_  
Product or Services Provided \_\_\_\_\_  
Location of Principal Place of Business \_\_\_\_\_

**In addition to the above, the Administrator may require individual verification of each director required under Form (B).**

We agree to notify the Administrator of the fund of any change in directorships arising whilst the corporation maintains an investment in the fund.

We confirm that the company has not been struck of the register and is not in the process of being wound up.

We declare that the subscription is made on behalf of the company and not in any way as a representative of any other party. The company will be the exclusive beneficial owner of the shares issued under this subscription and any distributions/dividends paid with respect to these shares.

\_\_\_\_\_  
Authorized Signatory

\_\_\_\_\_  
Date

## NOTES TO INVESTOR IDENTIFICATION/ANTI MONEY LAUNDERING QUESTIONNAIRE

- (1) A “Financial Institution” for the purposes of this questionnaire is any of the following:
- (a) a bank or trust company, being a bank or trust company licensed under The Bahamas Banks and Trust Companies Regulation Act, 2000;
  - (b) a broker-dealer within the meaning of section 2 of The Bahamas Securities Industry Act;
  - (c) a trustee or administration manager or investment manager of a superannuation scheme;
  - (d) any person whose business or a principal part of whose business consists of any of the following -
    - (i) borrowing or lending or investing money,
    - (ii) administering or managing funds on behalf of other persons,
    - (iii) acting as trustee in respect of funds of other persons,
    - (iv) dealing in life assurance policies,
    - (v) providing financial services that involve the transfer or exchange of funds, including (without limitation) services relating to financial leasing, money transmissions, credit cards, debit cards, treasury certificates, bankers draft and other means of payment, financial guarantees, trading for account of others (in money market instruments, foreign exchange, interest and index instruments, transferable securities and futures), participation in securities issues, portfolio management, safekeeping of cash and liquid securities, investment related insurance and money changing; but not including the provision of financial services that consist solely of the provision of financial advice;
  - (e) a counsel and attorney, but only to the extent that the counsel and attorney receives funds in the course of business for the purposes of investment.
  - (f) an accountant, but only to the extent that the accountant receives funds in the course of business for the purposes of investment.
- (2) A Financial Institution must be located in one of the following countries:
- |           |              |             |                          |
|-----------|--------------|-------------|--------------------------|
| Australia | France       | Malta       | Sweden                   |
| Barbados  | Germany      | Netherlands | Switzerland              |
| Belgium   | Gibraltar    | New Zealand | United Kingdom           |
| Brazil    | HongKong SAR | Norway      | United States of America |
| Canada    | Ireland      | Portugal    |                          |
| Denmark   | Italy        | Singapore   |                          |
| Finland   | Japan        | Spain       |                          |
|           | Luxembourg   | Sweden      |                          |
- (3) Seek legal advice if you are unsure as to the meaning of the term ‘beneficial owner’.
- (4) Delete this section if you are completing Form (B) as a member of a partnership or beneficial owner of an unincorporated business.