

PROSPECTUS

BLAIRMORE HOLDINGS, INC.

(an investment company incorporated with limited liability
under the laws of the Republic of Panama on 12 April 1982)

SMITH & WILLIAMSON INVESTMENT MANAGEMENT LIMITED

1 March 2006

IMPORTANT INFORMATION

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

Reliance on Prospectus

The Shares are offered solely on the basis of the information and representations contained in this Prospectus and any further information given or representations made by any person may not be relied upon as having been authorised by the Fund or the Directors. Neither the delivery of this Prospectus nor the allotment or issue of Shares shall under any circumstances create any implication that there has been no change in the affairs of the Fund since the date hereof.

Licensed Investment Fund in The Commonwealth of The Bahamas

The Fund is licensed as a Standard Fund in accordance with the Investment Funds Act, 2003 of The Commonwealth of the Bahamas. However, The Securities Commission of the Bahamas has not commented upon the contents of this Prospectus or the merits of an investment in the Shares. Moreover the investment activities of the Fund are not regulated or otherwise overseen by the government or any regulatory authority of The Commonwealth of the Bahamas.

Restrictions on Distribution

No person is authorised to provide any information or to make any representation not contained in this Prospectus in connection with the matters described herein, and, if provided or made, such information or representations must not be relied upon as having been authorised. No person receiving either a copy of this Prospectus or an Application Form may treat this Prospectus or an Application Form as constituting an invitation to him to purchase or subscribe for Shares.

Austria: The Fund has not been registered with the Austrian Federal Ministry of Finance. Accordingly, the Shares may not be offered to the public in the Republic of Austria and neither this Prospectus (which has not been prepared in compliance with Austrian law such as the Investment Fund Act and has not been published or submitted to the Oesterreichische Kontrollbank Aktiengesellschaft) nor any offering material or information relating to the Fund may be supplied to the public in Austria.

The Bahamas: The Shares may not be sold, transferred to, registered in favour of, or beneficially owned by, any person resident or domiciled in The Commonwealth of the Bahamas (other than an International Business Company or an ordinary non-resident company incorporated in The Commonwealth of the Bahamas or an individual that is deemed non-resident for exchange control purposes), without the authorisation of the Central Bank of the Bahamas (see “Ineligible Applicants” below). Each applicant for Shares will be required to certify whether it is a Bahamian Person.

Belgium: The offering of Shares has not been and will not be notified to the Belgian Banking, Finance and Insurance Commission (Commissie Voor Het Bank, Financier-en Assurantiewezen/ Commission Bancaire, Financière et des Assurances) nor has this Prospectus been, nor will it be, approved by the Belgian Banking, Finance and Insurance Commission. The Shares may be offered in Belgium only to individuals or legal entities investing a minimum of €250,000, in reliance on Article 3, 1° of the Royal Decree of July 7 1999 on the public character of transactions which aim to solicit public savings and the assimilation of certain transactions with a public offer. This Prospectus may be distributed in Belgium only to such investors for their personal use and exclusively for the purposes of this offering of Shares. Accordingly, this Prospectus may not be used for any other purpose nor passed on to any other investor in Belgium.

Cayman Islands: No invitation may be made to the public in the Cayman Islands to subscribe for the Shares.

Denmark: The Fund is not authorised under the Danish Act on Investment Associations and Special-Purpose Associations or the Danish Statutory Order on Marketing carried out by certain Foreign Undertakings for Collective Investment in Transferable Securities (UCITS) and certain Collective Investment Undertakings in Denmark. Accordingly, Shares may not be marketed in Denmark and this Prospectus or other document or offering and marketing material relating to the Shares may not be published or distributed in Denmark.

Finland: This Prospectus does not constitute an offering circular (*tarjousesite*) or listing particulars (*listalleottoesite*) under the Finnish Securities Market Act (1989/495) nor has it been filed with or approved by the Finnish Financial Supervision Authority. The Shares in the Fund must not be offered or sold directly or indirectly in the Republic of Finland or to residents of Finland other than in compliance with all applicable provisions of the laws of the Republic of Finland and especially in compliance with the Finnish Securities Market Act and any regulations made thereunder, as supplemented and amended from time to time.

France: The Shares may not be offered or sold directly or indirectly in the Republic of France and neither this Prospectus, which has not been submitted to the *Autorité des Marchés Financiers*, nor any offering material or information contained therein relating to the Fund, may be supplied in the Republic of France nor used in connection with any offer for subscription or sale of the Shares in the Republic of France.

Germany: The Shares offered pursuant to this Prospectus have not been and will not be registered under the German Investment Act or any other German securities laws. Any public distribution, advertisement or similar activities in Germany will constitute a violation of applicable law. This Prospectus may only be circulated in Germany on a private placement basis in accordance with the German Investment Act.

Hong Kong: WARNING: The contents of this Prospectus have neither been reviewed nor endorsed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to this offer. If you are in any doubt about the contents of this Prospectus you should obtain independent professional advice. The Fund is a collective investment scheme but is not authorised under Section 104 of the Securities and Futures Ordinance of Hong Kong by the Securities and Futures Commission. Accordingly the distribution of this Prospectus, and the placement of Shares in Hong Kong, is restricted. This Prospectus may only be distributed, circulated or issued to persons who are professional investors under the Securities and Futures Ordinance and the Securities and Futures (Professional Investors) Rules or as otherwise permitted by the Securities and Futures Ordinance and the Companies Ordinance.

Ireland: This Prospectus does not constitute or form part of any offer or invitation to the public to subscribe for or purchase Shares in the Fund and shall not be construed as such and no person other than the person to whom this Prospectus has been addressed or delivered shall be eligible to subscribe for or purchase Shares in the Fund. Shares in the Fund will not in any event be marketed in Ireland without the prior authorisation of the Financial Regulatory (formerly the Irish Financial Services Regulatory Authority).

Isle of Man: The Fund is not a recognised collective investment scheme for the purposes of Sections 12 or 13 of the Financial Supervision Act 1988 ("the FS Act") of the Isle of Man and is thus subject to the prohibition on the promotion of collective investment schemes contained in Section 1(1) of the FS Act. Accordingly, this Prospectus may only be issued or passed on to any person in the Isle of Man by way of the two limited exceptions to this general prohibition contained in Section 1(2) of the FS Act and the Financial Supervision (Promotion of Unregulated Schemes) (Exemption) Regulations 1992. Shareholders in the Fund are not protected by any statutory compensation scheme and the Isle of Man Financial Supervision Commission does not regulate the Fund and has not approved it.

Italy: Shares may not be offered or sold and the Prospectus, or any circular, advertisement or other document or offering material relating to the Shares, may not be published, distributed or made available in the Republic of Italy or to any Italian resident investor in circumstances which would be in breach of relevant Italian law and regulations.

Japan: The Shares have not been and will not be registered under the Securities and Exchange Law of Japan and, accordingly, no Shares may be offered or sold, directly or indirectly, in Japan or to, or for the benefit, of any Japanese person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese person except under circumstances which will result in compliance with all applicable laws, regulations and guidelines promulgated by the relevant Japanese governmental and regulatory authorities and in effect at the relevant time. For this purpose, “Japanese person” means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

Jersey: This Prospectus relates to a private placement and does not constitute an offer to the public in Jersey to subscribe for the Shares offered hereby. No regulatory approval has been sought for the offer of Shares in Jersey and it must be distinctly understood that the Jersey Financial Services Commission does not accept any responsibility for the financial soundness of or any representations made in connection with the Fund. The offer of Shares is personal to the person to whom this Prospectus is being delivered by or on behalf of the Fund, and a subscription for the Shares will only be accepted from such person. The Prospectus may not be reproduced or used for any other purpose.

Korea: The Shares have not been registered under the Securities and Exchange Act of Korea and none of the Shares may be offered, sold or delivered, directly or indirectly, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea except pursuant to applicable laws and regulations of Korea.

Netherlands: This document is not addressed to or intended for any individual or legal entity in the Netherlands except (a) individuals or legal entities who or which trade or invest in securities in the course of a profession or trade within the meaning of the Dutch securities legislation (which includes banks, brokers, insurance companies, pension funds, other institutional investors and treasuries and financing companies of groups which are active in a professional manner in the financial markets for their own account) or (b) other persons to whom, or in the circumstances where, an exemption applies pursuant to the Act on the supervision of Collective Investment Schemes, as amended.

Panama: The Fund has not been authorised by nor registered with the National Securities Commission (Comisión Nacional de Valores) of the Republic of Panama in accordance with sections 110 and 111 of Law Decree No. 1 of 8 July 1999. Accordingly, the Shares shall not be offered or sold by means of public placements within the territory of the Republic of Panama. The Fund shall not be administered within or from the Republic of Panama.

Spain: The Fund has not been authorised by nor registered with the Spanish Securities Market Commission as a foreign collective investment scheme in accordance with section 15.2 of Law 35/2003 of 4 November 2003 on Collective Investment Schemes. Accordingly, the Shares may not be offered or sold in Spain by means of any publicity activities as defined in section 3 of Royal Decree 291/1992 of 27 March 1992 on Issues and Public Offerings for the Sale of Securities, as amended.

Sweden: The Fund is not authorised under the Swedish Securities Funds Act, and any sale, redemption or repurchase of Shares will take place outside Sweden. The Prospectus may not be distributed to the public in Sweden, and a Swedish recipient of the Prospectus may not in any way forward the Prospectus to the public in Sweden.

Switzerland: The Fund has not been authorised by the Swiss Federal Banking Commission as a foreign investment fund under Article 45 of the Swiss Mutual Fund Act of 18 March 1994. Accordingly, the Shares may not be offered or distributed on a professional basis in or from

Switzerland, and neither this Prospectus nor any other offering material relating to the Shares may be distributed in connection with any such offering or distribution. Shares may only be offered and the Prospectus may only be distributed in or from Switzerland to institutional investors or to a limited number of investors without any public offering.

United Kingdom:

The Fund is an unrecognised collective investment scheme for the purposes of the Financial Services and Markets Act 2000 of the United Kingdom (the "Act"). The promotion of the Fund and the distribution of this Prospectus in the United Kingdom is accordingly restricted by law.

This Prospectus is being issued in the United Kingdom by the Fund to, and/or is directed at, persons to whom it may lawfully be issued or directed at under The Financial Services and Markets Act 2000 (Financial Promotion) Order 2001 including persons who are authorised under the Act ("authorised persons"), certain persons having professional experience in matters relating to investments, high net worth companies, high net worth unincorporated associations or partnerships, trustees of high value trusts and persons who qualify as certified sophisticated investors. The Shares are only available to such persons in the United Kingdom and this Prospectus must not be relied or acted upon by any other persons in the United Kingdom.

In order to qualify as a certified sophisticated investor a person must a) have a certificate in writing or other legible form signed by an authorised person to the effect that he is sufficiently knowledgeable to understand the risks associated with a particular type of investment and b) have signed, within the last 12 months, a statement in a prescribed form declaring, amongst other things, that he qualifies as a sophisticated investor in relation to such investments.

This Prospectus is exempt from the general restriction in Section 21 of the Act on the communication of invitations or inducements to engage in investment activity on the grounds that it is being issued to and/or directed at only the types of person referred to above.

The content of this Prospectus has not been approved by an authorised person and such approval is, save where this Prospectus is directed at or issued to the types of person referred to above, required by Section 21 of the Act.

Acquiring Shares may expose an investor to a significant risk of losing all of the amount invested. The Fund is a limited liability company and any person who acquires Shares will not thereby be exposed to any significant risk of incurring additional liability. Any person who is in any doubt about investing in the Fund should consult an authorised person specialising in advising on such investments.

United States: The Shares have not been and will not be registered under the Securities Act of 1933 of the United States, as amended ("the 1933 Act") or the securities laws of any of the states of the United States. The Shares may not be offered, sold or delivered directly or indirectly in the United States or to or for the account or benefit of any "US Person" except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the 1933 Act and any applicable state laws. The Shares are being offered outside the United States pursuant to the exemption from registration under Regulation S under the 1933 Act and inside the United States in reliance on Regulation D promulgated under the 1933 Act and Section 4(2) thereof.

The Fund will not be registered under the United States Investment Company Act of 1940 (as amended) (the "1940 Act") since Shares will only be sold to US Persons who are "qualified purchasers", as defined in the 1940 Act.

Each subscriber for Shares that is a US Person will be required to certify that it is an "accredited investor", as defined in Regulation D, and a "qualified purchaser", as defined in the 1940 Act.

The Directors do not intend to permit Shares acquired by investors subject to the United States Employee Retirement Income Security Act of 1974, as amended (“ERISA”), and by other benefit plan investors to equal or exceed 25 per cent. of the value of the Shares of the Fund.

The Shares are suitable only for sophisticated investors who are US tax-exempt 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. The Fund's investment practices, by their nature, may be considered to involve a substantial degree of risk. Subscribers for Shares must represent that they are acquiring the Shares for investment.

The Shares have not been filed with or approved or disapproved by any regulatory authority of the United States or any state thereof, nor has any such regulatory authority passed upon or endorsed the merits of this offering or the accuracy or adequacy of this Prospectus. Any representation to the contrary is unlawful.

There will be no public offering of the Shares in the United States.

This Prospectus 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.

Notice to prospective purchasers in Florida: These securities have not been registered under the Florida Securities Act in reliance upon an exemption therefrom. Any sale made pursuant to that exemption, at the investor's option, may be voided within a period of three (3) days after the investor (a) first tenders or pays to the issuer, an agent of the issuer or an escrow agent the consideration required hereunder; (b) delivers the investor's executed subscription agreement; or (c) is made aware of the availability of this privilege, whichever occurs later. To accomplish this, it is sufficient for a Florida investor to send a letter or telegram to the issuer within such three (3) day period, stating that the investor is voiding and rescinding the purchase. If an investor sends a letter, it is prudent to do so by certified mail, return receipt requested, to insure that the letter is received and to evidence the time of mailing. This right is not available to any purchaser who is a bank, trust company, savings institution, insurance company, securities dealer, investment company (as defined in the 1940 Act), pension or profit-sharing trust or qualified institutional buyer (as defined in rule 144A under the 1933 Act).

Generally: The distribution of this Prospectus and the offering of Shares may be restricted in certain jurisdictions. The above information is for general guidance only, and it is the responsibility of any person or persons in possession of this Prospectus and wishing to make application for Shares to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction. Prospective applicants for Shares should inform themselves as to legal requirements also applying and any applicable exchange control regulations and applicable taxes in the countries of their respective citizenship, residence or domicile.

This Prospectus does not constitute an offer or solicitation to any person in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it would be unlawful to make such offer or solicitation.

Risk Factors

An investment in the Shares carries substantial risk and is suitable only for persons who can assume the risk of losing their entire investment. There can be no assurance that the Fund's investment objective will be achieved and investment results may vary substantially over time. Investment in the Fund is not intended to be a complete investment programme for any investor. Prospective investors should carefully consider whether an investment in the Shares is suitable for them in light of their circumstances and financial resources (see further under “Risk Factors”).

IMPORTANT - IF ANY PROSPECTIVE INVESTOR HAS ANY QUESTIONS ABOUT THE CONTENT OF THIS PROSPECTUS, SUCH PROSPECTIVE INVESTOR SHOULD CONSULT ITS FINANCIAL ADVISER.

The Securities Commission of the Bahamas does not take responsibility for the financial soundness of the Fund or for the correctness of any statements made or opinions expressed in this regard.

DIRECTORY

BLAIRMORE HOLDINGS, INC.

Registered Office

Arango Orillac Building
54th Street
Panama City
Republic of Panama

Principal Place of Business

West Bay Street
P.O. Box N-7788
Nassau
The Commonwealth of the Bahamas

Directors

John Anderson
Jeroen Bos
Ian Cameron
Brent Haines
James Hoar
Andrew Hunziker
Daniel Martineau
Nicholas Peppiatt
Betty Roberts
Patrick Smiley
Andrew Weight

Investment Manager

Smith & Williamson Investment Management
Limited
25 Moorgate
London EC2R 6AY
England

Legal Advisers to the Fund

In England:
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One Ropemaker Street
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England

Administrator

SG Hambros Bank & Trust (Bahamas) Limited
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The Commonwealth of the Bahamas

In Panama

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Banker & Custodian

SG Hambros Bank & Trust (Bahamas) Limited
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P.O. Box N-7788
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In the Commonwealth of The Bahamas

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Auditors

Deloitte & Touche
2nd Terrace West Centreville
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The Commonwealth of the Bahamas

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DEFINITIONS

"Administrator"	SG Hambros Bank & Trust (Bahamas) Limited, the administrator, registrar and transfer agent of the Fund;
"Articles"	the Articles of Incorporation of the Fund;
"Bahamian Person"	means a person who is deemed to be a resident in The Commonwealth of the Bahamas within the meaning of the Exchange Control Regulations made under the Exchange Control Regulations Act;
"Banker & Custodian"	SG Hambros Bank & Trust (Bahamas) Limited;
"Business Day"	any day on which banks are open for business in Panama, The Commonwealth of the Bahamas and the United States;
"Dealing Day"	the last Business Day of each week and/or such other day or days as the Directors may from time to time determine;
"Directors"	the members of the board of directors of the Fund for the time being and any duly constituted committee thereof and any successors to such members as they may be appointed from time to time;
"FSA"	The Financial Services Authority of the United Kingdom;
"Fund"	Blairmore Holdings, Inc.;
"Ineligible Applicant"	an ineligible applicant as described on page 12;
"Investment Management Fee"	the investment management fee payable by the Fund to the Investment Manager calculated as set out on page 19;
"Investment Manager"	Smith & Williamson;
"Net Asset Value"	the net asset value of the Fund, determined in accordance with the methodology set out on page 17;
"Net Asset Value per Share"	the Net Asset Value of the Fund divided by the number of ordinary shares in issue or deemed to be in issue;
"Non-United States Person"	(a) a natural person who is not a resident of the United States, (b) a partnership, corporation or other entity, other than an entity organised principally for passive investment, organised under the laws of a non-US jurisdiction and which has its principal place of business in a non-US jurisdiction, (c) an estate or trust, the income of which is not subject to United States income tax regardless of source, (d) an entity organised principally for passive investment such as a pool, investment company or other similar entity, provided that units of participation in the entity held by persons who do not qualify as Non-United States Persons or otherwise as qualified eligible persons represent in the aggregate less than 10 per cent. of the beneficial interest in the entity and that such entity was not formed principally for the purpose of facilitating investment by persons which do not qualify as Non-United States Persons in a commodity pool with respect

to which the commodity pool operator is exempt from certain requirements of Part 4 of the CFTC's regulations by virtue of its participants being Non-United States Persons, and (e) a pension plan for employees, officers or principals of an entity organised and with its principal place of business outside the United States;

"Redemption Price"	the price per Share at which Shares are redeemed calculated in the manner described on page 15;
"Shares"	ordinary shares of a par value of US\$1.00 each in the Fund;
"Shareholder"	a person recorded as a holder of Shares in the Fund's register of shareholders;
"Subscription Price"	the price per Share at which Shares may be issued, calculated in the manner described on page 11;
"US Person"	a person that (a) is a "U.S. person" as defined in Regulation S under the 1933 Act or (b) is not a Non-United States Person;
"United States"	the United States of America, its states, territories or possessions or an enclave of the United States government, its agencies or instrumentalities;
"Valuation Day"	the last Business Day of each week and/or such other day or days as the Directors may from time to time determine.

In this Prospectus, all references to "US Dollars" and "US\$" are to the currency of the United States.

PRINCIPAL FEATURES

The following is a summary of the principal features of the Fund and should be read in conjunction with the full text of this Prospectus.

Structure

Blairmore Holdings, Inc ("the Fund") is a "long only" US Dollars denominated open ended investment company administered by SG Hambros Bank & Trust (Bahamas) Limited.

The Fund was incorporated with perpetual duration and limited liability under the law of the Republic of Panama on 12 April 1982. The Fund's principal place of business is in the Bahamas. It operates as an investment fund in accordance with the Investment Funds Act, 2003 of the Bahamas.

Share Capital

The Fund has an authorised share capital of US\$10,000,000 divided into 10,000,000 ordinary shares of par value of US\$1.00 each. Shares will be issued and redeemed in US Dollars.

Investment Objective

The Fund aims to provide investors with steady long term capital growth over and above the global rate of inflation. Investments are made in global equities with a bias towards situations which are considered to be either value or special opportunity.

Investment Strategy

The Fund is denominated in US\$ but it may hold positions in any other leading world currency for investment purposes only. There is no intention to deal in options, futures or other financial derivatives and the Fund does not intend to hold any short positions. It is not the current intention to hold direct property (real estate), but shares in property companies may be held.

Investment Manager

Smith & Williamson Investment Management Limited has been appointed as the Investment Manager of the Fund's portfolio. The Investment Manager (and/or its members, directors, employees and related entities) may subscribe, directly or indirectly, for Shares.

Subscriptions

Investors may subscribe for Shares weekly on Dealing Days at the relevant Subscription Price.

The Directors are authorised to close the Fund to new subscriptions either for a specified period or until they otherwise determine and either in respect of all investors or new investors only.

The Fund reserves the right, at the discretion of the Directors, to charge a subscription fee of up to 5 per cent of the amount subscribed which shall be payable by applicants when subscribing for Shares. This fee may be reduced or waived in its entirety at the discretion of the Directors. Any such subscription fee will be retained by the Fund.

Minimum Investment

The Directors are entitled (in their sole and absolute discretion) to determine the minimum initial investment amount and the minimum amount for subsequent subscriptions from time to time. As at the date of this Prospectus, the minimum initial investment per subscriber is US\$100,000 or such lesser amount as the Directors may in any particular case determine if the Directors (in their sole and absolute discretion) believe that the acceptance of a lower level of minimum initial subscriptions is in the best interests of the Fund and the Shareholders. Shareholders must

maintain the minimum level of subscription in the Fund. The minimum amount of additional subscriptions is US\$5,000 or such lesser amount as the Directors may in any particular case determine if the Directors (in their sole and absolute discretion) believe that the acceptance of a lower level of subscriptions is in the best interests of the Fund and the Shareholders.

Restrictions on Sale and Transfer

The Shares may only be offered, issued or transferred to investors who are not Ineligible Applicants as described under "Subscriptions".

Redemptions

Shares are redeemable at the option of the Shareholder on each Dealing Day, upon at least 7 calendar days' prior written notice to the Administrator (or such lesser period as the Directors may in a particular case determine). Shares will be redeemed at the relevant Redemption Price.

The Directors are entitled (in their sole and absolute discretion) to determine the minimum redemption amount and the minimum holding from time to time. The Directors may, in any particular case determine to permit redemptions or transfers below the current minima if the Directors (in their sole and absolute discretion) believe that the acceptance of a smaller redemption is in the best interests of the Fund.

A redemption fee of 5 per cent. of redemption proceeds will be payable. This fee may be reduced or waived in its entirety at the discretion of the Directors. The Directors may waive the payment of a redemption fee at their discretion. If levied, the redemption fee will be retained by the Fund.

Fees and Expenses

The Investment Manager receives from the Fund an Investment Management Fee of one-twelfth of 1.00 per cent. per month of the Net Asset Value. In addition, the Investment Manager shall receive a commission of 0.3 per cent of the value of each executed trade; where third party brokers are used to execute securities trades their commissions are payable in addition to normal commercial rates.

The Investment Manager may from time to time, in its sole discretion and out of their own resources, decide to rebate to some or all investors (or their agents including the Directors) or to intermediaries part or all of the Investment Management Fee.

The Fund pays the fees of the Administrator, the Banker & Custodian and bears all other operating costs and expenses.

Dividend Policy

It is intended that a dividend will be paid to Shareholders of record as at 30 June each year and at such time as the Directors may agree. It is anticipated that the total dividend will represent, at a minimum, 85 per cent. of the Fund's "United Kingdom Equivalent Net Income". This amount will be determined by the Fund in conjunction with its advisors for the purposes of the Fund's annual application for "Distributor Status" in the United Kingdom.

Reports and Financial Statements

Annual financial statements will be made up to 30 June in each year. An annual report and the audited financial statements of the Fund will be sent to Shareholders upon request as soon as practicable and in any event within four months of the financial year-end.

Taxation

On the basis of section 694, paragraph 2 (c) of the Tax Code of the Republic of Panama, the Fund is not liable to taxation on its income or capital gains as long as such income or capital

gains are not derived from sources allocated within the territory of the Republic of Panama. Dividends or participations distributed by the Fund shall not be liable to taxation in the Republic of Panama to the extent that such dividends or participations are derived from income not generated within the territory of the Republic of Panama.

Prospective applicants for Shares should refer to the section entitled "Taxation" on page 27 of this Prospectus and consult their own advisers as to their own particular tax consequences of their proposed investment in the Fund.

INVESTMENT OBJECTIVE, STRATEGY AND RESTRICTIONS

Investment Objective

The Fund aims to provide investors with steady long term capital growth over and above the global rate of inflation. Investments are made in global equities with a bias towards situations which are considered to be either value or special opportunity.

Investment Strategy

The Fund seeks to maintain and increase the real value of Shareholder capital over time. Whilst the FTSE World Index (ex-UK) US\$ and S&P Fund Equity Global are used as guides for performance purposes, the managers are not constrained by benchmark comparisons.

The Fund therefore intends to benefit from growth in global equity markets whilst aiming to protect investors' capital against a major setback in markets through investing a significant proportion of the Fund in shares which are considered to be undervalued or have exposure to inflation sensitive areas such as natural resources. To this end, the Fund traditionally has a significant interest in metals, mining and oil situations and also, from time to time, a direct investment in physical gold and other precious metals.

The Fund's equity holdings will normally be held for the medium to long term and are broadly equally divided between large capitalisation and mid to smaller capitalisation stocks. Collective vehicles can be used when considered appropriate.

Although the Fund is denominated in US\$, it may hold positions in any other leading world currency for investment purposes only. There is no intention to deal in options, futures or other financial derivatives and the Fund does not intend to hold any short positions. It is not the current intention to hold direct property (real estate), but shares in property companies may be held.

Borrowing

The Fund may obtain credit facilities and borrow against security of the Fund's assets to manage the liquidity of the Fund (i.e. to procure funds to satisfy redemption requests) but may not borrow for the purposes of investment.

Investment Restrictions

The Fund will not hold more than 10 per cent. of the portfolio in unlisted securities.

The Fund will not hold more than 15 per cent. of the portfolio in interest-bearing instruments or other "debt claims" for the purposes of EU Council Directive 2003/48/EC of 3 June 2003.

Changes in the investment portfolio of the Fund will not have to be effected merely because any of the limits contained in such restrictions would be breached as a result of any appreciation or depreciation in value, or by reason of the receipt of any right, bonus or benefit in the nature of capital or of any scheme or arrangement for amalgamation, reconstruction or exchange or by reason of any other action affecting every holder of the relevant investment. However, no further relevant securities will be acquired until the limits are again complied with. In the event that any of the investment restrictions are inadvertently breached, the Investment Manager will take reasonable steps to rectify the breach.

Although the Fund may invest directly in securities, the above restrictions do not prevent the Fund from investing indirectly through one or more wholly-owned subsidiaries or other vehicles where the Directors consider that this would be commercially and tax efficient or provide the only practicable means of access to the relevant security or market.

INVESTMENT MANAGER

The Fund has appointed Smith & Williamson Investment Management Limited as Investment Manager. Smith & Williamson Investment Management Limited was incorporated in 1881 and is part of the Smith & Williamson Group. Smith & Williamson manages investment portfolios for a number of institutional clients including charities and pension funds as well as high net worth private clients.

Smith & Williamson was appointed pursuant to an investment management agreement with the Fund dated 1 March 2006 (the "Smith & Williamson Investment Management Agreement"). Under this Agreement, Smith & Williamson has full discretion, subject to the control of and review by the Directors, to invest the assets of the Fund in a manner consistent with the investment objective, investment strategy, and subject to the investment restrictions, described in this Prospectus, and to act as non-exclusive distributor of the Shares in addition to their duties of discretionary investment management.

The Investment Manager (and/or members, directors, employees and related entities) may subscribe, directly or indirectly, for Shares.

DIRECTORS

Directors' Functions

The Directors are responsible for the overall management and control of the Fund. The Directors review the operations of the Fund at regular meetings and it is the current intention of the Directors to meet at least twice a year. For this purpose, the Directors receive periodic reports from the Investment Manager detailing the Fund's performance and providing an analysis of its investment portfolio. The Investment Manager provides such other information as may from time to time be reasonably required by the Directors for the purpose of such meetings.

The current Directors are:

John Anderson. Mr Anderson is a director of J O Hambro Investment Management Limited ("JOHIM") in London. He is a British citizen and was born in 1940. A qualified Chartered Accountant, he joined Panmure Gordon & Co. Ltd. in 1966, becoming both Finance and International Partner. He left in 1983 and was instrumental in establishing Schroder Securities Ltd where he was a Managing Director. He was also a director of J Henry Schroder & Wagg & Co Ltd. A specialist in natural resources and the emerging markets, he joined JOHIM in 1988 where he manages a number of portfolios for a predominantly international client base. He is a non-executive director of a private investor relations company. He is also a member of the Advisory Board to the Foreign and Colonial Latin American Yield Fund.

Jeroen Bos. Mr Bos is a director of Church House Investments (Bahamas) Limited and was previously, a director of Panmure Gordon & Co Ltd. He has a post-graduate diploma in Economics from Sussex University and is a member of the London Stock Exchange. Mr Bos has been involved in the UK securities industry since 1984 in stockbroking and investment management. He is a Dutch citizen and was born in 1959.

Ian Cameron. Mr Cameron is a consultant to Smith & Williamson Investment Management Limited. He is a British citizen and was born in 1932. He trained as an accountant at Brown, Fleming & Murray. Having worked at Robert Fleming Securities, he joined Panmure Gordon in 1955 and became a partner in 1957. He headed up the bond desk until 1973 and subsequently managed equity portfolios for both institutional and private clients. He was joint senior partner of Panmure Gordon between 1977 and 1987. He was instrumental in the formation of Blairmore Holdings Inc. in the early 1980s.

Brent Haines. Mr Haines is Senior Manager, Fiduciary and Client Services of SG Hambros Bank & Trust (Bahamas) Limited. He is a member of the Canadian Institute of Chartered Accountants and of the Association for Investment Management and Research. He is a Canadian citizen and was born in 1963.

James Hoar. Mr Hoar is Director, Marketing for SG Hambros Bank & Trust (Bahamas) Limited, and holds an MBA from Cranfield School of Management, England and Esade in Barcelona, Spain, and a LLB from the University of East Anglia, Norwich, England. He has been in the private banking industry in the Bahamas for over 10 years. He is a British citizen and was born in 1965.

Andrew Hunziker. Mr Hunziker is a partner at a private independent investment management company in Geneva and has worked in private banking in Geneva since 1993. He is dual Swiss and British citizen and was born in 1962. He qualified as a chartered accountant in the UK with Deloitte Haskins & Sells and subsequently worked as a management consultant in London and Paris prior to obtaining a MBA from INSEAD in France.

Daniel Martineau. Mr Martineau is Managing Director of Close Trustees (Switzerland) SA, a principal operating subsidiary of Close Brothers Group plc. Mr Martineau is a French and a Canadian citizen. He was born in Ontario, Canada in 1956. He holds a degree in political science from the University of Western Ontario and a MBA from the University of Miami. He also

qualified as an investment broker under the Ontario Securities Commission. Mr Martineau has considerable experience in the field of wealth management for high net worth individuals and their families having held senior management positions with international private banks in the Caribbean and in Europe.

Nicholas Peppiatt. Mr Peppiatt is a Director at Smith & Williamson Investment Management Limited in London where he has worked since 2001. He is a British citizen and was born in 1971. He graduated from Exeter University (BA Honours) in 1993 and joined Panmure Gordon Investments Limited where he worked for 8 years prior to joining Smith & Williamson. At Smith & Williamson he manages both institutional and private client funds. He is also a member of the Investment Committee of the Close Finsbury International Equity Growth Fund.

Betty Roberts. Mrs Roberts was until August 2004 Managing Director of SG Hambros Bank & Trust (Bahamas) Limited. She is a Fellow of the Chartered Institute of Bankers, London and a member of The Society of Trust and Estate Practitioners (STEP). She has considerable experience in the trust, private banking and offshore mutual funds industry. She is a Bahamian citizen and was born in 1956.

Patrick Smiley. Mr Smiley is a Director of Smith & Williamson Investment Management Limited in London. He graduated from Durham University in 1988 with BA (Honours). He is a British citizen and was born in 1965. After training at Greg Middleton in Glasgow, he spent six years with Panmure Gordon, the London stockbrokers. He has worked for Leopold Joseph & Sons Ltd (now Butterfield Bank (UK) Limited) from 1996 until 2006 and was responsible for asset allocation and international stock selection for the bank's managed portfolios.

Andrew Weight. Mr Weight is Financial Director of Close Trustees (Switzerland) SA, a principal operating subsidiary of Close Brothers Group plc. He is a British citizen and was born in England in 1962. He holds a degree in social sciences from the University of Reading and is an Associate of the Chartered Institute of Taxation in the UK. He was formerly a tax manager with BDO Stoy Hayward, chartered accountants, in London. He has considerable experience of tax, accounting and investment issues for international investors.

For the purposes of this Prospectus, the registered address of each of the Directors is the registered office of the Fund.

The Directors are entitled to appoint officers of the Fund to assist them in carrying out their functions.

ADMINISTRATOR

The Fund has retained SG Hambros Bank & Trust (Bahamas) Limited as Administrator.

SG Hambros, part of SG Private Banking, is a private bank providing a comprehensive wealth management service. The SG Hambros Group employs more than 400 people and manages over £5 billion of assets from its offices in the UK, Guernsey, Jersey, Gibraltar and The Bahamas. SG Private Banking is fully supported by the Société Générale network, which extends to over 80 countries.

SG Hambros Bank & Trust (Bahamas) Limited is licensed and regulated by the Central Bank of the Bahamas under the Banks & Trust Companies Regulation Act and by the Securities Commission of the Bahamas, and is an unrestricted investment fund administrator under the provisions of the Investment Funds Act, 2003 of the Bahamas. SGHB will serve as the Fund's administrator, registrar and share transfer agent and may act as administrator for other investment funds.

Subject to the supervision and control of the Board of Directors, the Administrator is responsible for providing general administration services to the Fund, including (but not limited to) the calculation of Net Asset Value and the Net Asset Value per Share, maintaining the register of Shareholders, maintaining the books and records of the Fund, producing annual financial statements, acting as registrar of the Fund, communicating with Shareholders and liaising with all relevant regulatory authorities in The Commonwealth of the Bahamas and in the Republic of Panama.

BANKER & CUSTODIAN

The Fund has retained SG Hambros Bank & Trust (Bahamas) Limited as Banker & Custodian.

The Banker & Custodian will receive all subscription monies, transfer all redemption proceeds, maintain the Fund's bank accounts and pay from the Fund's accounts such bills, statements, taxes, calls or liabilities in respect of the securities in the Fund, custodian fees or other obligations of the Directors in respect of the Fund.

The Banker & Custodian will also be responsible for taking custody or under its control the Fund's cash assets and securities and hold them in trust for the Fund in accordance with its Articles. The Banker & Custodian may open such other custody accounts or make such other arrangements as may be agreed subsequently in writing between the Directors and the Banker & Custodian, and may employ suitable sub-custodians and agents, which may include affiliates of the Banker & Custodian. Except as provided in the Custody Agreement or by written agreement between the Banker & Custodian and the Directors, the appointment of any such sub-custodian or agent shall be at the Banker & Custodian's expense and shall not relieve the Banker & Custodian of any of its obligations or liabilities under this Agreement.

SUBSCRIPTIONS

Subscriptions

Shares are available for subscription at the relevant Subscription Price on each Dealing Day. The Subscription Price will be equal to the aggregate of the Net Asset Value per Share as at the Dealing Day on which the application is effective and any payable subscription fee.

The Directors are authorised from time to time to resolve to close the Fund to new subscriptions, either for a specified period or until they otherwise determine and either in respect of all investors or new investors only. During any such period Shares will not be available for subscription.

Subscription Fee

The Fund reserves the right, at the discretion of the Directors to charge a subscription fee of up to 5 per cent. of the amount subscribed which shall be payable by applicants when subscribing for Shares. This fee may be reduced or waived in its entirety or paid to third party intermediaries at the discretion of the Directors. The amount applied in subscribing for Shares will be the amount of the subscription monies net of any subscription fee. Any such subscription fee will be retained by the Fund.

Subscriptions and redemptions will be matched by the Administrator or its agent on a first come first served basis.

Procedure

Applicants for Shares, and Shareholders wishing to apply for additional Shares, must send their completed Application Form by facsimile (the original to be sent by mail) so as to be received by the Administrator by no later than 5 pm (Bahamian time) on the Business Day falling at least 5 Business Days before the relevant Dealing Day. Cleared funds in the relevant currency must be received by the Administrator no later than 5 pm (Bahamian time) on the same day, failing either of which the application will, subject to the discretion of the Directors, be held over to the following Dealing Day and Shares will then be issued at the relevant Subscription Price on that Dealing Day. Where the original Application Form has not been received by the relevant Dealing Day then the application will, subject to the discretion of the Directors, be held over to the following Dealing Day and Shares will then be issued at the relevant Subscription Price on that Dealing Day.

Fractions of Shares will not be issued.

The Fund reserves the right to reject any application in whole or part at its absolute discretion, in which event the amount paid on application or the balance thereof (as the case may be) will be returned (without interest) within 21 days and at the risk and cost of the applicant. No interest will be paid on any subscription monies pending acceptance or rejection of the subscription.

All joint subscribers must sign the Application Form and such Shareholders will be deemed to be holding such Shares as joint tenants with rights of survivorship.

Once completed applications have been received by the Administrator they are irrevocable.

Applications for Shares will not be dealt with and Shares will not be issued until receipt of notification that an applicant's funds have been cleared in the full amount of the subscription. Subject thereto, Shares are deemed to be issued on the relevant Dealing Day.

Minimum Investment

The Directors are entitled (in their sole and absolute discretion) to determine the minimum initial investment amount and the minimum amount for subsequent subscriptions from time to time. As at the date of this Prospectus, the minimum initial investment per subscriber is US\$100,000. Shareholders must maintain this minimum level of subscription in the Fund. The minimum amount of additional subscriptions is US\$5,000 or such lesser amount as the Directors may in any particular case determine if the Directors (in their sole and absolute discretion) believe that the acceptance of a lower level of subscriptions is in the best interests of the Fund and the Shareholders.

Ineligible Applicants

The Application Form requires each prospective applicant for Shares to represent and warrant to the Fund that, among other things, it is able to acquire and hold Shares without violating applicable laws.

The Shares may not be offered, issued or transferred to any person in circumstances which, in the opinion of the Directors, might result in the Fund incurring any liability to taxation or suffering any other pecuniary disadvantage which the Fund might not otherwise incur or suffer, or would result in the Fund being required to register under any applicable US securities laws.

Furthermore, the Directors have resolved that Shares may generally not be offered, issued or transferred to any US Person (as determined in the sole and absolute discretion of the Directors and/or the Administrator) except that the Directors may authorise the issue or transfer of Shares to or for the account of a US Person provided that:

- (a) such issue or transfer does not result in a violation of the 1933 Act or the securities laws of any of the states of the United States;
- (b) such issue or transfer will not require the Fund to register under the 1940 Act or to file a prospectus with the CFTC under the CEA;
- (c) such issue or transfer will not cause any assets of the Fund to be "plan assets" for the purposes of ERISA; and
- (d) such issue or transfer will not result in any adverse regulatory or tax consequences to the Fund or its Shareholders as a whole.

In addition, the Directors have resolved that Shares may generally not be offered, issued or transferred to any Bahamian Person (as determined in the sole and absolute discretion of the Directors and/or the Administrator), except that the Directors may authorise the issue or transfer of Shares to or for the account of a Bahamian Person provided that prior authorisation from the Central Bank of The Commonwealth of The Bahamas has been obtained by the Bahamian Person.

Each applicant for, and transferee of, Shares who is a US Person or a Bahamian Person respectively will be required to provide such representations, warranties and documentation as may be necessary to ensure that these requirements are met prior to the issue, or the registration of any transfer, of Shares. If the transferee is not already a Shareholder, he will be required to complete the appropriate Application Form.

Form of Shares

All the Shares will be registered Shares and will only be issued in non-certificated form, meaning that a Shareholder's entitlement will be evidenced by an entry in the Fund's register of Shareholders, as maintained by the Administrator, and not by a share certificate.

Suspension

The Directors may declare a suspension of the issue of Shares in certain circumstances as described under “General and Statutory Information”. No Shares will be issued during any such period of suspension. The Fund will inform Shareholders of any period of suspension and the termination of any such period.

Each Subscriber shall agreed that the Directors and Administrator shall be held harmless and indemnified by the Subscriber against any loss arising as a result of a failure to process the application if such documentation is required by the Directors and Administrator and has not been provided by the applicant to the Directors and Administrator’s satisfaction.

Anti-Money Laundering

To ensure compliance with statutory and other generally accepted principles relating to the avoidance of money laundering and the applicable “know your customer” legislation, the Fund will require a detailed verification of a prospective investor’s identity to the Administrator. The Share Application and Investor Due Diligence Forms attached herewith must be completed pursuant to Bahamian legislation, including, The Proceeds of Crime Act 2000 and The Financial Transactions Reporting Act (“FTRA”) 2000. Depending on the circumstances of each application, a detailed verification may not be required if:

- (a) the applicant makes the payment from an account held in the applicant's name at a financial institution in a jurisdiction approved under the FTRA;
- (b) the application is made through a qualified financial institution or intermediary for purposes of the FTRA.

These exceptions will only apply if the financial institution or intermediary referred to above is qualified for purposes of the FTRA.

In addition, the Administrator may request further information and documents before processing the subscription. This may result in Shares being issued on a Dealing Day subsequent to the Dealing Day on which an applicant initially wished to have Shares issued to him.

An individual will be required to produce identification documentation and personal information along with various confirmations and certifications as provided in the Share Application Form.

Corporate applicants will be required to produce a certified copy of the Certificate of Incorporation (and any change of name), Memorandum and Articles of Association (or other documents evidencing the existence of the legal entity), the register of directors or an excerpt from the relevant register filed at the relevant company registry and a certificate verifying the authority of officers to sign on behalf of the corporate entity.

Partnerships, trusts, and other non-corporate organisational structures applying for Shares have to produce satisfactory organisational documents that verify their existence and the authority of one or more signatories to sign subscriptions on their behalf.

Each applicant for Shares will be required to agree that the Directors and Administrator shall be held harmless and indemnified by the Subscriber against any loss arising as a result of a failure to process the application if such documentation is required by the Directors and Administrator and has not been provided by the applicant to the Directors and Administrator's satisfaction.

Each applicant for Shares will be required to make such representations as may be required by the Directors and Administrator in connection with anti-money laundering programmes, including, without limitation, representations that such applicant is not a prohibited country, territory, individual or entity listed on the United States Department of Treasury’s Office of Foreign Assets Control (“OFAC”) website and that it is not directly or indirectly affiliated with any country, territory,

individual or entity named on an OFAC list or prohibited by any OFAC sanctions programmes. Each applicant will also be required to represent that subscription monies are not directly or indirectly derived from activities that may contravene United States federal or state, or international, laws and regulations, including anti-money laundering laws and regulations.

REDEMPTIONS

Shares are redeemable at the option of the Shareholder. Shareholders should send a completed redemption request in the form available from the Administrator to be received by the Administrator no later than 5 pm (Bahamian time) on the Business Day falling at least 7 days, or such lesser period as the Directors may generally or in any particular case determine, before the relevant Dealing Day, failing which the redemption request will be held over until the next following Dealing Day and Shares will be redeemed at the relevant Redemption Price applicable on that Dealing Day.

Redemption requests may be submitted by facsimile to the Administrator provided that the original signed redemption request is received by the Administrator prior to the Dealing Day.

The Directors are entitled (in their sole and absolute discretion) to determine the minimum redemption lots and the minimum holding from time to time. A request for a partial redemption or a partial transfer of Shares may be refused, or the holding may be redeemed in its entirety, if, as a result of such partial redemption or partial transfer, the holding retained by the Shareholder would be less than US\$100,000. The Directors may, in any particular case determine to permit redemptions or transfers below the current minima if the Directors (in their sole and absolute discretion) believe that the acceptance of a smaller lot of redemptions is in the best interests of the Fund.

A redemption request, once given, is irrevocable save with the consent of the Directors (which may be withheld).

Redemption Price

The Redemption Price per Share will be equal to the Net Asset Value per Share as at the relevant Dealing Day on which the redemption request is effective.

Redemption Fee

A redemption fee of up to 5 per cent. of redemption proceeds will be payable. This fee may be reduced to 1 per cent. in respect of all or such portion of the Shares to be redeemed where a matching subscription has been made. The redemption proceeds will be reduced by the amount of the redemption fee (if any) and the cost of the wire transfer of the redemption proceeds and the net amount will be paid to the redeeming Shareholder. The Directors may waive the payment of a redemption fee either generally or in any particular case at their discretion. If levied, the redemption fee will be retained by the Fund.

Subscriptions and redemptions will be matched by the Administrator or its agent on a first come first served basis.

Settlement

Payment of redemption proceeds will normally be made within 15 calendar days of the relevant Dealing Day. Payment will be made by cheque in US Dollars or in accordance with instructions given by the redeeming Shareholder to the Administrator and at the Shareholder's risk and cost.

Suspension

The Directors may declare a suspension of the redemption of Shares in certain circumstances as described under "General and Statutory Information". No Shares will be redeemed during any such period of suspension. The Fund will inform Shareholders of any period of suspension and the termination of any such period.

Compulsory Redemptions

Shareholders are required to notify the Administrator immediately if at any time they become a Bahamian Person or a US Person or hold Shares for the account or benefit of a Bahamian Person or a US Person or are otherwise Ineligible Applicants.

When the Directors become aware that a Shareholder (A) has become an Ineligible Applicant; (B) is a US Person or is holding Shares for the account or benefit of a US Person, so that the number of US Persons known to the Directors to be beneficial owners of Shares and Management Shares for the purposes of the 1940 Act exceeds 99 or such other number as the Directors may determine from time to time; (C) is holding Shares in breach of any law or regulation or otherwise in circumstances having or which may have adverse regulatory, tax, pecuniary or material administrative disadvantages for the Fund or its Shareholders including, but not limited to, a situation in which 25 per cent. or more of the Shares are owned by benefit plan investors; or (D) has failed to provide any information or declaration required by the Directors within ten days of being requested to do so, the Directors will either (i) direct such Shareholder to redeem or to transfer the relevant Shares to a person who is qualified or entitled to own or hold such Shares; or (ii) redeem the relevant Shares. Where the number of Shares held by a Shareholder is less than the current minimum holding determined by the Directors and the Directors decide to exercise their right to compulsorily redeem, the Fund will notify the Shareholder in writing and allow such Shareholder 30 days to purchase additional Shares to meet the minimum requirement.

Any person who becomes aware that he is holding Shares in contravention of any of the above provisions and who fails to transfer or redeem his Shares pursuant to the above provisions shall indemnify and hold harmless each of the Directors, the Fund, the Administrator, the Investment Manager and the Shareholders of the Fund (each an "Indemnified Party") from any claims, demands, proceedings, liabilities, damages, losses, costs and expenses directly or indirectly suffered or incurred by such Indemnified Party arising out of or in connection with the failure of such person to comply with his obligations pursuant to any of the above provisions.

The Directors may redeem Shares where during a period of six years no cheque in respect of any dividend on the Shares has been cashed and no acknowledgement has been received in respect of any confirmation of ownership of the Share sent to the Shareholder and require the redemption proceeds to be held in a separate interest-bearing account. Any unclaimed dividends may be forfeited after six years and, on forfeiture, form part of the assets of the Fund.

Deferred Redemptions

In the event that redemption requests are received for redemption of Shares representing in aggregate more than 10 per cent. of the total number of Shares of any class then in issue, the Fund is entitled to reduce the requests rateably and pro rata amongst all Shareholders seeking to redeem Shares on the relevant Dealing Day and to carry out only sufficient redemptions which, in aggregate, amount to 10 per cent. of the Shares then in issue. Shares which are not redeemed but which would otherwise have been redeemed will be redeemed on a Dealing Day within 3 calendar months of the relevant redemption request, (subject to further deferral if the deferred requests themselves exceed 10 per cent. of the Shares of the relevant class then in issue) in priority to any other Shares of the relevant class for which redemption requests have been received. Shares will be redeemed at the relevant Redemption Price prevailing on the Dealing Day on which they are redeemed.

Money Laundering

Investors should note that the Directors may refuse to accept a redemption request if it is not accompanied by such additional information as they, or the Administrator or sub-Administrator, on their behalf, may reasonably require. This power may, without limitation to the generality of the foregoing, be exercised where proper information has not been provided for money laundering verification purposes as described under "Subscriptions".

NET ASSET VALUE

The Net Asset Value and the Net Asset Value per Share will be calculated according to International Financial Reporting Standards as at the close of business on each Valuation Day or at such other times as the Directors may determine.

The Net Asset Value will be determined by the Administrator, subject to the supervision of the Directors, by deducting the value of the liabilities of the Fund from the value of the Fund's assets. The Directors have also delegated to the Administrator the calculation of the Net Asset Value per Share and their discretions in relation thereto. The Net Asset Value per Share will be rounded to four (4) decimal places.

Assets will be valued in accordance with the following principles:

- (A) any security which is listed or quoted on any securities exchange or similar electronic system and regularly traded thereon will be valued at its last traded price on the relevant Valuation Day or, if no trades occurred on such day, at the closing bid price if held long by the Fund and at the closing offer price if sold short by the Fund, as at the relevant Valuation Day, and as adjusted in such manner as the Directors, in their sole discretion, think fit. Having regard to the size of the holding and where prices are available on more than one exchange or system for a particular security, the price will be the last traded price or closing bid or offer price, as the case may be, on the exchange which constitutes the main market for such security or the one which the Directors in their sole discretion determine provides the fairest criteria in ascribing a value to such security;
- (B) any security which is not listed or quoted on any securities exchange or similar electronic system or if, being so listed or quoted, is not regularly traded thereon or in respect of which no prices as described above are available will be valued at its probable realisation value as determined in good faith by the Directors having regard to its cost price, the price at which any recent transaction in the security may have been effected, the size of the holding having regard to the total amount of such security in issue, and such other factors as the Directors in their sole discretion deem relevant in considering a positive or negative adjustment to the valuation;
- (C) investments, other than securities, which are dealt in or traded through a clearing firm or an exchange or through a financial institution, will be valued by reference to the most recent official settlement price quoted by that clearing house, exchange or financial institution. If there is no such price, then the average will be taken between the lowest offer price and the highest bid price at the close of business on any market on which such investments are or can be dealt in or traded, provided that where such investments are dealt in or traded on more than one market, the Directors may determine at their discretion which market shall prevail;
- (D) investments, other than securities, which are not dealt in or traded through a clearing firm or an exchange or through a financial institution will be valued on the basis of the latest available valuation provided by the relevant counterparty;
- (E) deposits will be valued at their cost plus accrued interest and money market instruments at their face value;
- (F) any value (whether of an investment or cash) otherwise than in US Dollars will be converted into US Dollars at the rate (whether official or otherwise) which the Directors in their absolute discretion deem applicable as at close of business on the relevant Valuation Day, having regard, among other things, to any premium or discount which they consider may be relevant and to costs of exchange.

The Directors may, at their discretion, permit any other method of valuation to be used if they consider that such method of valuation better reflects value and is in accordance with good accounting practice.

In determining any value, the Directors shall be entitled to rely on any valuations provided or attributed to any asset or liability by the Investment Manager.

FEES AND EXPENSES

Subscription Fee

The Fund reserves the right, at the discretion of the Directors, to charge a subscription fee of up to 5 per cent. of the amount subscribed payable by applicants when subscribing for Shares. This fee may be reduced or waived in its entirety at the discretion of the Directors. The amount applied in subscribing for Shares will be the amount of the subscription monies net of any subscription fee. Any such subscription fee will be paid to the Fund.

Redemption Fee

A redemption fee of 5 per cent. of redemption proceeds will be payable where Shares are redeemed within twelve months of the date on which they are acquired. A redemption fee may thereafter be payable at the discretion of the Directors up to 5 per cent of the relevant redemption proceeds. The redemption proceeds will be reduced by the amount of the redemption fee (if any) with the net amount being paid to the redeeming Shareholder and the redemption fee being retained by the Fund. For these purposes, Shares will be redeemed on a "first in first out" basis. For the avoidance of doubt, the Directors may waive the payment of a redemption fee (in whole or in part) at their discretion.

Investment Management Fees

The Investment Manager receives from the Fund an Investment Management Fee equal to one-twelfth of 1.00 per cent. per month of the Net Asset Value (before deduction of that month's investment management, banker, custodian and administrative fees) as at each Valuation Day. The Investment Management Fee, which is payable quarterly in arrears, is calculated as at the end of each month. In addition, the Investment Manager shall receive a commission of 0.3 per cent of the value of each executed trade; where third party brokers are used to execute securities trades their commissions are payable in addition at normal commercial rates.

The Investment Manager may from time to time, in its sole discretion and out of its own resources, decide to rebate to some or all investors (or their agents including the Directors) or to intermediaries part or all of the Investment Management Fee.

Marketing and Commission Fees

The Fund will bear the cost of a reserve provision of approximately one-twelfth of 0.5 per cent. per month of the Net Asset Value for marketing and commission costs. If at the end of the year, the amount accrued exceeds the expenses incurred for marketing and commission costs, the remaining balance following the payment of such costs will be returned to the Fund.

Administrator

The Administrator receives from the Fund a monthly administration fee of one-twelfth of 0.25 per cent of the Net Asset Value (before deduction of that month's investment management, banker, custodian and administrative fees), as at each Valuation Day. The Administrator will be reimbursed by the Fund for its out-of-pocket expenses incurred in the performance of its duties.

Banker and Custodian

The Banker & Custodian receives from the Fund a monthly custody fee of one-twelfth of 0.25 per cent of the Net Asset Value (before deduction of that month's investment management, banker, custodian and administrative fees), as at each Valuation Day. The Banker & Custodian will be reimbursed by the Fund for its out-of-pocket expenses incurred in the performance of its duties.

Other Fees and Expenses

The Fund also bears the costs and expenses (i) of all transactions carried out by it or on its behalf and (ii) of the administration of the Fund including (a) the charges and expenses of legal advisers and auditors, (b) any issue or transfer taxes or stamp duties chargeable in connection with its securities transactions, (c) all taxes and corporate fees payable to governments or agencies, (d) reasonable legal fees and expenses incurred by the Investment Manager in connection with their services, (e) Directors' fees (if any) and expenses, (f) interest on borrowings, including borrowings from the Banker & Custodian, (g) communication expenses with respect to investor services and all expenses of meetings of Shareholders and of preparing, printing and distributing financial and other reports, proxy forms, prospectuses and similar documents, (h) the cost of insurance (if any) for the benefit of the Directors, (i) litigation and indemnification expenses and extraordinary expenses not incurred in the ordinary course of business, (j) the cost of obtaining and maintaining the listing of the Shares on any stock exchange, or registration with competent authorities in any relevant jurisdiction (k) all other organisational and operating expenses, (l) custodial and/or depository charges, and (m) standard banking costs.

DIVIDEND POLICY

It is intended that a dividend will be paid to Shareholders of record as at 30 June each year and at such other time as the Directors may in their discretion determine. It is anticipated that the total dividend will represent, at a minimum, 85 per cent. of the Fund's United Kingdom "equivalent net profits". This amount will be determined by the Fund in conjunction with its advisers for the purposes of the Fund's annual application for "Distributor Status" in the United Kingdom.

REPORTS AND FINANCIAL STATEMENTS

The financial year of the Fund will end on 30 June in each year.

An annual report and audited financial statements for the Fund in respect of each financial year will be made available to Shareholders as soon as practicable and approximately four months after the end of the Fund's financial year.

Audited annual financial statements will be made available for inspection at the offices of the Administrator. The financial statements will be prepared in accordance with International Financial Reporting Standards ("IFRS").

CONFLICTS OF INTEREST

The Directors, the Investment Manager, the Administrator or companies with which any of them are associated may from time to time act as investment manager, manager, investment adviser, custodian, registrar, broker, administrator, or dealer in relation to, or be otherwise involved in, other funds established by parties other than the Fund which have similar objectives to those of the Fund. It is, therefore, possible that any of them may, in the course of business, have potential conflicts of interest with the Fund. Each will, at all times, have regard in such event to its obligations to the Fund and will endeavour to ensure that such conflicts are resolved fairly. In addition, subject to any applicable law, any of the foregoing may deal, as principal or agent, with the Fund, provided that such dealings are carried out as if effected on normal commercial terms negotiated on an arm's length basis. The Investment Manager or any of its affiliates or any person connected with them may invest in, directly or indirectly, or manage or advise other investment funds or accounts which invest in assets which may also be purchased or sold by the Fund. Neither the Investment Manager, nor any of their affiliates nor any person connected with them is under any obligation to offer investment opportunities of which any of them becomes aware to the Fund or to account to the Fund in respect of (or share with the Fund or inform the Fund of) any such transaction or any benefit received by any of them from any such transaction, but will allocate such opportunities on an equitable basis between the Fund and other clients.

USE OF DEALING COMMISSIONS

The Investment Manager will not effect transactions or arrange for the effecting of transactions through brokers with whom it has arrangements whereby the broker agrees to use a proportion of the commission earned on such transactions to discharge the broker's own costs or the costs of third parties in providing certain services to the Investment Manager.

RISK FACTORS

The nature of the Fund's investments involves certain risks and the Fund utilises investment techniques which may carry additional risks. An investment in Shares therefore carries substantial risk and is suitable only for persons who can assume the risk of losing their entire investment. Prospective investors should consider, among others, the following factors before subscribing for Shares:

Business Risk

There can be no assurance that the Fund will achieve its investment objective.

Concentration of Investments

Although it will be the policy of the Fund to seek to diversify its investment portfolio, the Fund may at certain times hold relatively few investments. The Fund 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, including default of the issuer. Additionally, historical correlations may undergo dramatic change, thereby reducing expected diversification protection.

Equity Risks

The Fund expects to invest in equity securities. The value of these securities generally will vary with the performance of the issuer and movements in the equity markets. As a result, the Fund may suffer losses if it invests in equity securities of issuers whose performance diverges from the Investment Manager's expectations or if equity markets generally move in a single direction and the Fund has not hedged against such a general move.

Liquidity and Market Characteristics

In some circumstances, investments may be relatively illiquid making it difficult to acquire or dispose of them at the prices quoted on the various exchanges. At times it may be difficult to obtain price quotes at all. Accordingly, the Fund's ability to respond to market movements may be impaired and the Fund may experience adverse price movements upon liquidation of its investments. Settlement of transactions may be subject to delay and administrative uncertainties.

Liquidity of equities of small and medium cap companies

As the Fund's objective permits it to invest in small and medium cap companies, it is more likely to be exposed to illiquid shares and it may prove difficult to reduce the exposure of the Fund to these shares quickly. In addition, it may be difficult to obtain price quotes at all for equities of such small and medium cap companies. Investments in small and medium cap companies typically involve a high degree of business and financial risk and can result in substantial losses due to special risk factors. For example, such companies are typically subject to a greater degree of change in earnings and business prospects than are companies with larger market capitalisations.

Borrowing

The Fund may use borrowings for the purpose of satisfying redemption requests. The use of borrowing creates special risks and may significantly increase the Fund's investment risk. Borrowing creates an opportunity for greater yield and total return but, at the same time, will increase the Fund's exposure to capital risk and interest costs.

Undervalued Securities

One of the strategies of the Fund is to invest in undervalued securities. The identification of investment opportunities in undervalued securities is a difficult task, and there can be no

assurance that such opportunities will be successfully recognised. While investments in undervalued securities offer opportunities for above-average capital appreciation, these investments involve a high degree of financial risk and can result in substantial losses. Returns generated from the Fund's investments may not adequately compensate for the business and financial risks assumed.

The Fund may make certain speculative investments in securities which the Investment Managers believe to be undervalued; however, there can be no assurance that the securities purchased will in fact be undervalued. In addition, the Fund may be required to hold such securities for a substantial period of time before realising their anticipated value. During this period, a portion of the Fund's capital would be committed to the securities purchased, thus possibly preventing the Fund from investing in other opportunities. In addition, the Fund may finance such purchases with borrowed funds and thus will have to pay interest on such funds during such waiting period.

Counterparty risk

The Fund is subject to the risk of the inability of any counterparty to perform with respect to transactions, whether due to insolvency, bankruptcy or other causes.

Legal Risk

The Fund may be subject to a number of unusual risks, including inadequate investor protection, contradictory legislation, incomplete, unclear and changing laws, ignorance or breaches of regulations on the part of other market participants, lack of established or effective avenues for legal redress, lack of standard practices and confidentiality customs characteristic of developed markets and lack of enforcement of existing regulations. There can be no assurance that this difficulty in protecting and enforcing rights will not have a material adverse effect on the Fund and its operations.

Net Asset Value Considerations

The Net Asset Value per Share is expected to fluctuate over time with the performance of the Fund's investments. A Shareholder may not fully recover its initial investment when it chooses to redeem his Shares or upon compulsory redemption if at the time of such redemption the Net Asset Value per Share at the time of such redemption is less than the Subscription Price paid by such Shareholder.

Systemic Risk

Credit risk may also arise through a default by one of several large institutions that are dependent on one another to meet their liquidity or operational needs, so that a default by one institution causes a series of defaults by the other institutions. This is sometimes referred to as a "systemic risk" and may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges, with which the Fund interacts on a daily basis.

Currency Exposure

The Fund is denominated in US Dollars and Shares are issued and redeemed in that currency. Certain of the assets of the Fund may, however, be invested in securities and other investments which are denominated in currencies other than US Dollars. Accordingly, the value of such assets may be affected favourably or unfavourably by fluctuations in respective currency rates. The Investment Managers, where practicable, seek to manage the Fund's foreign exchange position to maximise profits. However, the Fund will necessarily be subject to foreign exchange risks. In addition, prospective investors whose assets and liabilities are predominately in other currencies should take into account the potential risk of loss arising from fluctuations in value between US Dollars and such other currencies.

Increased Regulatory Oversight

The financial services industry generally, and the activities of hedge funds and their managers, in particular, have been subject to intense and increasing regulatory scrutiny. Such scrutiny may increase the Fund's, and the Investment Manager's exposure to potential liabilities and to legal, compliance and other related costs. Increased regulatory oversight can also impose administrative burdens on the Investment Manager, including, without limitation, responding to investigations and implementing new policies and procedures. Such burdens may divert the Investment Manager's time, attention and resources from portfolio management activities.

Illiquidity

The Shares are not listed on any stock exchange. It is not currently anticipated that there will be an active secondary market for the Shares and it is not expected that such a market will develop. However, the Directors may in their discretion determine to list the Shares on any stock exchange in the future.

Price Fluctuations

It should be remembered that the value of Shares and the income (if any) derived from them can go down as well as up.

Transaction Costs

The Fund's investment strategy may involve a high level of trading and turnover of the Fund's investments which may generate substantial transaction costs which will be borne by the Fund.

Emerging Markets

The Fund may invest in markets worldwide. Investment in emerging market securities involves a greater degree of risk than an investment in securities of issuers based in developed countries. Among other things, emerging market securities investments may be subject to the following risks: less publicly available information; more volatile markets; less liquidity or available credit; political or economic instability; less strict securities market regulation; less favourable tax or legal provisions; price controls and other restrictive governmental actions; a greater likelihood of severe inflation; unstable currency; and war and expropriation of personal property.

Effect of Substantial Withdrawals

Substantial redemptions by investors in the Fund and/or withdrawals from the Fund within a short period of time could require the Fund to liquidate securities positions more rapidly than would otherwise be desirable, possibly reducing the value of the Fund's assets and/or disrupting the Investment Manager's investment strategy. Reduction in the size of the Fund could make it more difficult to generate a positive return or to recoup losses due to, among other things, reductions in the Fund's ability to take advantage of particular investment opportunities or decreases in the ratio of its income to its expenses.

Reliance on Management

Except as otherwise provided herein, investors will not have an opportunity to select or evaluate any Fund investments, or to review the Fund's securities and other investment positions. The Investment Managers will select all of the Fund's investments and the quality of their decisions will dictate the Fund's, and therefore the Fund's, success or failure. The investment performance of the Fund is substantially dependent on the services of the Investment Managers who will be primarily responsible for managing the investment of the assets of the Fund. In the event of the death, incapacity, departure, insolvency or withdrawal of any of these individuals, the performance of the Fund may be adversely affected.

Credit and Settlement Risks

The Fund will be subject to the risk of the inability of any counterparty (including the Custodian) to perform with respect to transactions, whether due to insolvency, bankruptcy or other causes.

The Fund will maintain trading relationships with counterparties that may include various European and non-European broker-dealers and financial institutions. In general the Investment Manager will seek to diversify the Fund's counterparty risk and maintain relationships with highly rated counterparties. However, these relationships could result in concentration of credit risk. The Fund in particular could be exposed to credit risk if counterparties fail to fulfil their obligations or the value of any collateral provided by a counterparty becomes inadequate.

Tax Considerations

Where the Fund invests in securities that are not subject to withholding tax at the time of acquisition, there can be no assurance that tax may not be withheld in the future as a result of any change in applicable laws, treaties, rules or regulations or the interpretation thereof. The Fund will not be able to recover such withheld tax and so any such charge would have an adverse effect on the Net Asset Value per Share.

TAXATION

The following is based on the Fund's understanding of and advice received on certain aspects of the law and practice currently in force in the relevant jurisdictions. There can be no guarantee that the tax position or proposed tax position at the date of this Prospectus or at the time of an investment will endure indefinitely.

Investors should consult their professional advisers on the possible tax and other consequences of their subscribing for, purchasing, holding, selling or redeeming Shares under the laws of their country of incorporation, establishment, citizenship, residence or domicile.

Republic of Panama

On the basis of section 694, paragraph 2 (c) of the Tax Code of the Republic of Panama, the Fund is not liable to taxation on its income or capital gains as long as such income or capital gains are not derived from sources allocated within the territory of the Republic of Panama. Dividends or participations distributed by the Fund shall not be liable to taxation in the Republic of Panama to the extent that such dividends or participations are derived from income not generated within the territory of the Republic of Panama.

United Kingdom

(a) The Fund

The Directors intend that the affairs of the Fund should be managed and conducted so that it does not become resident in the United Kingdom for United Kingdom taxation purposes. Accordingly, and provided that the Fund is not trading in the United Kingdom through a fixed place of business or agent situated in the United Kingdom that constitutes a "permanent establishment" for United Kingdom taxation purposes and that all their trading transactions in the United Kingdom are carried out through a broker or investment manager acting as an agent of independent status in the ordinary course of business, the Fund will not be subject to United Kingdom corporation tax or income tax on its profits. The Directors and the Investment Manager each intend that the respective affairs of the Fund and the Investment Manager are conducted so that these requirements are met insofar as this is within their respective control. However it cannot be guaranteed that the necessary conditions will at all times be satisfied.

Certain interest and other income received by the Fund which has a United Kingdom source may be subject to withholding taxes in the United Kingdom.

(b) UK Investors

Subject to their personal circumstances, Shareholders resident in the United Kingdom for taxation purposes will be liable to United Kingdom income tax or corporation tax in respect of dividends or other distributions of an income nature made by the Fund, whether or not such distributions are reinvested. Except in the case of a Shareholder which is a company which directly or indirectly controls not less than 10 per cent. of the voting power of the Fund, no credit will be available against a Shareholder's United Kingdom taxation liability in respect of income distributions by the Fund for any taxes suffered or paid by the Fund on its own income.

Chapter V of Part XVII of the United Kingdom Income and Corporation Taxes Act 1988 (the "Taxes Act") provides that if an investor who is resident or ordinarily resident in the United Kingdom for taxation purposes holds a "material interest" in a collective investment scheme that constitutes an "offshore fund" and that collective investment scheme does not qualify as a "distributing fund" throughout the period during which the investor holds that interest, any gain accruing to the investor upon the sale, redemption or other disposal of that interest (including a deemed disposal on death) will be taxed at the time of such sale, redemption or other disposal as

income (“offshore income gains”) and not as a capital gain. The Shares will constitute “material interests” in an “offshore fund” for the purpose of those provisions of the Taxes Act.

This treatment would not apply where the Fund is certified by HM Revenue & Customs as a “distributing fund” throughout the period during which the Shares have been held. The investment and distribution policies of the Fund are designed so as to enable the Fund to qualify as a “distributing fund” and it is intended to apply to HM Revenue & Customs for certification in respect of each account period of the Fund. Such certification is granted retrospectively and there can be no guarantee that certification will be obtained for account periods of the Fund. The effect of certification as a “distributing fund” would be that any gains arising to Shareholders resident or ordinarily resident in the United Kingdom on a sale, redemption or other disposal of Shares would be taxed as capital gains and not as offshore income gains. The Fund obtained a certification as a “distributing fund” for all relevant account periods ending up to 30 June 2004.

Chapter II of Part IV of the United Kingdom Finance Act 1996 (“FA 1996”) provides that, if at any time in an accounting period a person within the charge to United Kingdom corporation tax holds a material interest in an offshore fund within the meaning of the relevant provisions of the Taxes Act, and there is a time in that period when that fund fails to satisfy the “non-qualifying investments test”, the material interest held by such a person will be treated for that accounting period as if it were rights under a creditor relationship for the purposes of the regime for the taxation of most corporate debt contained in FA 1996 (the “loan relationships regime”). An offshore fund fails to satisfy the “non-qualifying investments test” at any time when more than 60 per cent. of its assets by market value comprise government and corporate debt securities or cash on deposit or certain derivative contracts or holdings in other collective investment schemes which at any time in the relevant accounting period do not themselves satisfy the “non-qualifying investments test”. The Shares will constitute material interests in an offshore fund. On the basis of the investment policies of the Fund, the Fund could invest more than 60 per cent. of its assets in government and corporate debt securities or as cash on deposit or in certain derivative contracts or in other non-qualifying collective investment schemes. In this case, more than 60 per cent. of the Fund’s assets would comprise a holding in another collective investment scheme which did not itself satisfy the “non-qualifying investments test”. In that eventuality, the Shares will be treated for corporation tax purposes as within the loan relationships regime with the result that all returns on the Shares in respect of such a person’s accounting period (including gains, profits and losses) will be taxed or relieved as an income receipt or expense on a “mark to market” basis. Accordingly, such a person who acquires Shares in the Fund may, depending on its own circumstances, incur a charge to corporation tax on an unrealised increase in the value of its holding of Shares (and, likewise, obtain relief against corporation tax for an unrealised reduction in the value of its holding of Shares).

A Consultation Document issued on 22 April 2002 envisaged changes to the legislation concerning offshore funds which could, if enacted, significantly alter the tax treatment of UK resident or ordinarily resident Shareholders from that described above. However, the Government has not committed itself to any such changes.

The attention of companies resident in the United Kingdom for taxation purposes is drawn to the fact that the “controlled foreign companies” legislation contained in Chapter IV of Part XVII of the Taxes Act could apply to any United Kingdom resident company which is, either alone or together with persons associated with it for taxation purposes, deemed to be interested in 25 per cent. or more of any chargeable profits of the Fund arising in an accounting period, if at the same time the Fund is controlled (as control is defined in section 755D of the Taxes Act) by persons (whether companies, individuals or others) who are resident in the United Kingdom for taxation purposes or is controlled by two persons taken together, one of whom is resident in the United Kingdom for tax purposes and has at least 40 per cent. of the interests, rights and powers by which those persons control the Fund, and the other of whom has at least 40 per cent. and not more than 55 per cent. of such interests, rights and powers. The “chargeable profits” of the Fund do not include any of its capital gains. The effect of these provisions could be to render such companies liable to United Kingdom corporation tax in respect of the undistributed income of the Fund.

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

Transfers of Shares will not be liable to United Kingdom stamp duty unless the instrument of transfer is executed within the United Kingdom when the transfer will be liable to United Kingdom ad valorem stamp duty at the rate of 0.5 per cent. of the consideration paid rounded up to the nearest £5. No United Kingdom stamp duty reserve tax is payable on transfers of Shares, or agreements to transfer Shares.

The Shares are assets situated outside the United Kingdom for the purposes of United Kingdom inheritance tax. A liability to United Kingdom inheritance tax may arise in respect of gifts by, or on the death of, individuals domiciled, or deemed to be domiciled, in the United Kingdom.

Bahamas

Under the current laws of the Bahamas, no income, estate, transfer, sales or other taxes are payable by the Fund, and no withholding tax is applicable to dividends made by the Fund or to payments made to redeem Shares. The Fund is registered as a Standard Fund in accordance with the Investment Funds Act 2003 of the Bahamas. Annual registration fees will be applicable to the Fund. The Securities Commission of the Bahamas will require audited accounts and other documents of the Fund to be filed with the Securities Commission from time to time.

General

The receipt of dividends (if any) by Shareholders, the redemption or transfer of Shares and any distribution on a winding-up of the Fund may result in a tax liability for the Shareholders according to the tax regime applicable in their various countries of residence, citizenship or domicile. Shareholders resident in or citizens of certain countries which have anti-offshore fund legislation may have a current liability to tax on the undistributed income and gains of the Fund.

The Directors, the Fund and each of the Fund's agents shall have no liability in respect of the individual tax affairs of Shareholders. However, the Investment Managers and the Administrator will be pleased to answer any enquiries from potential subscribers (or their tax advisors) relating to the composition of the Fund.

EU Council Directive 2003/48/EC of 3 June 2003 (the "Directive") took effect on 1 July 2005. Under the Directive, dividends and other distributions of income made by the Fund and payment of the proceeds of sale and/or redemption of Shares in the Fund, may in the future (depending on the investment portfolio of the Fund) be subject to the withholding tax and/or information providing regime imposed by the Directive on taxation of savings in the form of interest payments, where payment is made to a Shareholder who is an individual resident in a Member State of the European Community for the purposes of the Directive (or a "residual entity" established in a Member State) by a paying agent resident in another such Member State. A withholding tax regime is being operated for a transitional period only by Belgium, Luxembourg and Austria,

although Shareholders can notify their paying agent to provide information about the payments to their national tax authority rather than withhold tax. The current rate of withholding tax in those jurisdictions is 15 per cent., rising to 20 per cent after 3 years and 35 per cent after a further 3 years. Certain dependent and associated territories and "third countries" have, or are proposing to introduce, an equivalent withholding tax and/or information providing regime ("equivalent legislation") in respect of payments made through a paying agent established in such jurisdictions. The current position of the Government of the Republic of Panama is that no withholding tax and/or exchange of information for tax purposes will be adopted in accordance with the territorial tax system of the Republic of Panama. The last Tax Reform introduced by means of Law No. 6 of 2 February 2005, did not provide for any measures regarding payments made through a paying agent established in the Republic of Panama.

GENERAL AND STATUTORY INFORMATION

The information in this section includes a summary of some of the provisions of the Articles, the material contracts and other material terms applicable to an investment in the Fund described below and is provided subject to the general provisions of each of such documents.

The Directors are authorised, without limitation and at any time, to issue further Shares at Net Asset Value. Existing Shareholder will not have a preferential subscription right over such newly issued Shares.

1. **The Fund**

The Fund is a "long only" US Dollars denominated open ended offshore fund administered by SG Hambros Bank & Trust (Bahamas) Limited.

The Fund was incorporated with limited liability in the Republic of Panama on 12 April 1982 as an investment company. The Fund's purposes and objects, as set out in Article 2 of its Articles include the purchase, sale and trade in general of shares, bonds, securities and effects of any kind or description.

The Fund has not been authorised by nor registered with the National Securities Commission (Comisión Nacional de Valores) of the Republic of Panama in accordance with sections 110 and 111 of Law Decree No. 1 of 8 July 1999. Accordingly, the Shares shall not be offered or sold by means of public placements within the territory of the Republic of Panama. The Fund shall not be administered within or from the Republic of Panama.

The Fund's principal place of business is in the Bahamas. The Fund is also licensed as a Standard Fund in accordance with the Investment Funds Act, 2003 of the Bahamas. However, The Securities Commission of the Bahamas has not commented upon the contents of this Prospectus or the merits of an investment in the Shares. Moreover the investment activities of the Fund are not regulated or otherwise overseen by the government or any regulatory authority of the Bahamas.

2. **Share Capital**

The Fund has an authorised share capital of US\$10,000,000 divided into 10,000,000 ordinary shares of a par value of US\$1.00 each.

Pursuant to a resolution of the Directors, all unissued ordinary shares of the Fund are at the disposal of the Directors who may offer, allot, grant options over or otherwise dispose of them to such persons, at such times and for such consideration and upon such terms and conditions as the Directors may determine. All the Shares will be registered Shares and will only be issued in non-certificated form.

Prospective investors should note that there are provisions under the Articles excluding pre-emption rights in relation to Shares.

No capital of the Fund is under option or agreed conditionally or unconditionally to be put under option.

3. **Rights of the Shares**

Shares carry an equal right to such dividends and other distributions as the Directors may declare. On a poll at a general meeting of the Fund every Shareholder shall be entitled to one vote in respect of each Share held by him. The Shareholders are also entitled to take action by written resolutions. On a winding-up, the Shares are entitled to the return of the capital paid up thereon and the surplus assets of the Fund will be distributed among the holders of Shares, according to the number of Shares held by each of them.

4. **Change in Share Capital**

The Fund, with the approval of the Shareholders, may increase or reduce its authorised share capital, divide all or any of its share capital into shares of smaller amount or combine all or any of its share capital into shares of larger amount by special resolution.

5. **Transfer of Shares**

Subject to the restrictions set out in this section, under “Compulsory redemption” above and under “Subscriptions” above, Shares are transferable by written instrument of transfer signed by (or in the case of a transfer by a body corporate, signed on behalf of or sealed by) the transferor and containing the name and address of the transferor and the transferee. The instrument of transfer shall be in such form as the Directors approve.

In the case of the death of any one of joint Shareholders, the survivor(s) will be the only person or persons recognised by the Fund as having any title to the interest of the deceased joint Shareholder in the Shares registered in the names of such joint Shareholders.

Shareholders wishing to transfer Shares must sign the transfer in the exact name or names in which the Shares are registered, indicate any special capacity in which they are signing and supply all other required details. The completed form of transfer, duly stamped if applicable, together with such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer, must be sent to the Administrator. The transfer shall take effect upon the registration of the transferee in the register of Shareholders. If the transferee is not already a Shareholder, he will be required to complete an application form.

The Directors may decline to register a transfer without giving any reason therefor. No transfer may be made which would result in either the transferor or the transferee remaining or being registered (as the case may be) as the holder of Shares valued at less than the Minimum Holding at the time of such intended transfer.

6. **Temporary suspension of Valuation and Dealing**

The Directors may declare a temporary suspension of the determination on any Valuation Day of the Net Asset Value (and hence the Net Asset Value per Share) during:

- (A) any period (other than ordinary holiday or customary weekend closings) when any market is closed which is the main market for a significant part of the Fund's investments, or when trading thereon is restricted or suspended;
- (B) any period when any emergency exists as a result of which disposal by the Fund of investments which constitute a substantial portion of the Fund's assets is not practically feasible;
- (C) any period when for any reason the prices of a material proportion of the investments of the Fund cannot be reasonably, promptly or accurately ascertained by the Fund;
- (D) any period when remittance of monies which will, or may be, involved in the realisation of, or in the payment for, investments of the Fund cannot, in the opinion of the Directors, be carried out at normal rates of exchange; or
- (E) any period when proceeds of the sale or redemption of the Shares cannot be transmitted to or from the Fund's account.

No Shares of the Fund will be issued or redeemed on any Dealing Day when the determination of the Net Asset Value is suspended. In such a case, a Shareholder may withdraw his Share

application or redemption request, provided that a withdrawal notice is actually received by the Administrator before the suspension is terminated. Unless withdrawn, Share applications and redemption requests will be acted upon on the first Dealing Day after the suspension is lifted at the relevant Subscription Price or relevant Redemption Price (as the case may be) prevailing on that Dealing Day.

Notice of the suspension and its termination will be given to all persons who have applied for or requested redemption of Shares. Where possible, all reasonable steps will be taken to bring any period of suspension to an end as soon as possible.

7. **Publication of Prices**

The Directors may apply to newspapers or periodicals for publication of the Net Asset Value per Share at their discretion. At the date of this Prospectus, the Net Asset Value per Share (calculated weekly as outlined above) is published daily in the "Managed Funds" section of the United Kingdom Financial Times and by S&P Micropal. A Net Asset Value per Share quotation is available from the Administrator and the Investment Manager on request.

8. **Notices**

All notices and communications to Shareholders will be mailed by the Administrator to the address indicated in the Application Form, or such other address as may be communicated to the Administration from time to time. Such address will be recorded in the Fund's register of Shareholders as the registered address.

9. **Announcements**

The Fund may issue written announcements, press releases or make other statements in appropriate newspapers, magazines or similar publications in respect of the Fund.

10 **Directors**

Pursuant to a Shareholders' resolution on 27 February, 1997 amending the Articles, the maximum number of Directors is 11.

11 **Directors' interests**

The interests of the Directors and their interests in companies associated with the management, administration, promotion and marketing of the Fund and the Shares are set out below:

- (A) Brent Haines and James Hoar are employees of the Administrator which receives remuneration from the Fund for its services.
- (B) Ian Cameron is a consultant to, and Nicholas Peppiatt and Patrick Smiley are Directors of, Smith & Williamson Investment Management Limited, which receives an Investment Management Fee in respect of its services as Investment Manager of the Fund.
- (C) Each of the Directors and/or persons connected to any of them and/or entities in which they have an interest may subscribe for Shares in the future.
- (D) There are no existing or proposed service agreements between the Fund and any of the Directors.
- (E) No shareholding qualification for Directors is required under the law of Panama. The Directors or companies of which they are officers or employees may, however, subscribe for Shares in the Fund. Their applications will rank pari passu with all other applications.
- (F) Save as disclosed herein, no Director has any interest, direct or indirect, in the promotion of or in any assets which are proposed to be acquired, disposed of by or leased to the

Fund and no Director has a material interest in any contract or arrangement entered into by the Fund which is unusual in nature or conditions or significant in relation to the business of the Fund, nor has any Director had such an interest since the Fund was incorporated.

12. **Directors' Remuneration**

The Articles provide that the remuneration of the Directors in respect of services rendered or to be rendered to the Fund shall be determined by a resolution of the Directors. Mr Cameron is currently entitled to a fee of up to US\$20,000 per annum. Messrs Anderson, Martineau and Weight are each currently entitled to a fee of up to US\$10,000 per annum. All other Directors are entitled to a fee of US\$5,000 per annum except for Messrs Haines and Hoar who have waived their entitlement to a fee. The Directors may also be paid all travelling and other reasonable out-of-pocket expenses properly incurred by them in attending and returning from meetings of the Directors or any committee of the Directors or general meetings of the Fund or in connection with the business of the Fund.

13. **Transactions with Directors**

- (A) No agreement or transaction between the Fund and one or more of its Directors or any person in which any Director has a financial interest or to whom any Director is related, including as a director of that other person, is void or voidable for that reason only or by reason only that the Director is present at the meeting of Directors or at the meeting of the committee of Directors that approves the agreement or transaction, or that the vote or consent of that Director is counted for that purpose, provided that the material facts of the interest of each relevant Director in the agreement or transaction, and his interest in or relationship to any other party to the agreement or transaction, are disclosed in good faith to or known by the other Directors.
- (B) A Director who has an interest in any particular business to be considered at a meeting of the Directors or Shareholders may be counted for the purpose of determining whether the meeting is duly constituted.

14. **Retirement of Directors**

There is no provision for the retirement of Directors on their attaining a certain age and the Articles do not provide for retirement of Directors by rotation.

15. **Borrowing**

The Directors are authorised under the Articles to exercise all powers of the Fund to borrow money. The Fund will utilise borrowings as part of, and consistent with, its investment strategy.

16. **Meetings**

The Directors may convene meetings of the Fund at such time and in such manner and place as the Directors consider necessary or desirable.

All Shares carry voting rights as specified in paragraph 3 above. The vote of the person first named in the Register of Shareholders shall be accepted as the vote of joint Shareholders, to the exclusion of the votes of the other joint holders. Votes may be cast in person or by proxy.

17. **Material Contracts**

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Fund prior to the date of this Prospectus and are, or may be, material:

(A) **Investment Management Agreement**

An Investment Management Agreement dated 1 March 2006 between (1) the Fund, and (2) the Investment Manager whereby the Fund appointed the Investment Manager, subject to the control of and review by the Directors, to manage the investments of the Fund and to act as non-exclusive distribution agent in respect of the Shares. The Investment Management Agreement will continue in force until terminated by any party on 90 days' notice in writing to the other party. It may be terminated forthwith by either party on written notice if the other party commits any material breach of its obligations and fails to remedy the breach within 30 days of receipt of written notice requiring the same, or if the other party is dissolved or otherwise enters into insolvency proceedings. The Investment Manager will not be liable for any loss suffered by the Fund in connection with the performance or non-performance by it of its obligations and duties under the Investment Management Agreement in the absence of fraud, wilful default or negligence on the part of the Investment Manager. The Fund has agreed to indemnify the Investment Manager against all liabilities incurred by it in the performance of its obligations and duties under the Investment Management Agreement other than liabilities arising out of the fraud, wilful default or negligence on the part of the Investment Manager in the performance or non-performance of its obligations and duties.

(B) **Custody Agreement**

The relationship between (1) the Fund and (2) the Banker & Custodian concerning the provision by the Banker & Custodian of custody services to the Fund is governed by a series of contractual arrangements entered into since the Fund commenced business in 1984. During the course of 2006, the Fund and the Banker & Custodian will enter into a new consolidating agreement reflecting the current arrangements, the principal features of which are summarised in this paragraph. The Custody Agreement may be terminated by the Fund or the Banker and Custodian by giving 30 days' prior notice in writing or the Custody Agreement may be terminated immediately by the Banker & Custodian upon the dissolution of the Fund. The Custody Agreement provides that in the absence of gross negligence or fraud the Banker & Custodian shall not be liable to the Fund for loss arising from any act or omission in connection with the services provided under the Custody Agreement. The Custody Agreement provides that the Banker & Custodian shall only be liable for loss resulting from the acts or omissions of a sub-custodian to the extent that it shall take appropriate action to recover such loss from any such sub-custodian. The Fund agrees to indemnify the Banker & Custodian against any action, claims, losses, damages, liabilities, assessments, taxes, costs and expenses directly or indirectly suffered or incurred in connection with the Custody Agreement, save where such loss or claims result from the gross negligence, fraud or wilful default of the Banker & Custodian.

(C) **Administration Agreement**

The relationship between (1) the Fund and (2) the Administrator concerning the provision by the Administrator of certain administration, accounting, registration, transfer agency and related services to the Fund is governed by a series of contractual arrangements entered into since the Fund commenced business in 1984. During the course of 2006, the Fund and the Administrator will enter into a new consolidating agreement reflecting the current arrangements, the principal features of which are summarised in this paragraph. The Administration Agreement will continue in force until terminated by one party on 90 days' notice in writing to the other party. The Administration Agreement may be terminated immediately by either party if the other is found to be in breach of the terms of the Administration Agreement and if such breach is capable of being remedied fails to remedy such breach within 30 days of receiving notice thereof. The Administration Agreement may also be terminated immediately by either party if the other party is liquidated or otherwise becomes insolvent. The Administration Agreement also provides for indemnification of the Administrator and its directors, officers and employees from and against any and all

losses, damages, costs, charges, payments, expenses and liabilities whatsoever (other than those resulting from bad faith or negligence on its part or on the part of its directors, officers, employees or agents) which they or any one of them may incur or be subject to as a direct or indirect result of the performance of their obligations or duties under the Administration Agreement.

18. **Winding up**

The Fund may voluntarily commence to wind up and dissolve by resolution of the Directors followed by an ordinary resolution of the Shareholders.

19. **Documents available for inspection**

Copies of the current versions of the Prospectus together with the Articles, material contracts and the latest financial reports of the Fund may be inspected, free of charge, upon request from the Administrator.

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BLAIRMORE HOLDINGS, INC.

APPLICATION FORM FOR SHARES

This application form should be read in conjunction with the current Prospectus of the Fund (the "Prospectus") and, save where otherwise defined in this application form, all capitalised terms shall have the same meaning as in the Prospectus.

Please complete all the following details and before signing read the notes overleaf:

1. **Applicant(s) full name(s)**

2. **Address of Applicant**

3. **Contact name(s)**
(if different to above)

--

4. **Contact address**
(if different to above)

5. **Telephone Number(s)**

--

6. **Facsimile Number(s)**

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7. **The total amount and Class of Shares in which you wish to invest**

US\$

The minimum initial subscription for new investors is US\$100,000. Shareholders must maintain this minimum level of subscription in the Fund. The Directors are entitled (in their sole and absolute discretion) to determine the minimum initial investment amount and the minimum amount for subsequent subscriptions from time to time. The minimum amount of additional subscriptions is US\$5,000 or such lesser amount as the Directors may in any particular case determine if the Directors (in their sole and absolute discretion) believe that the acceptance of a lower level of subscriptions is in the best interests of the Fund and the Shareholders.

8. **Form of Shareholding**

Your Shares will be issued in uncertificated registered form.

9. **Signature(s) and date**

	Date
	Date
	Date
	Date

(All applicants must sign)

Notes:

- (1) If signed under a power of attorney, such power or a duly certified copy must accompany this form.
- (2) Any corporate applicant should sign under the hand of a duly authorised official who should state his representative capacity.
- (3) Where the applicant is a financial institution, broker or other person applying to acquire Shares on behalf of its individual client(s) the applicant represents and warrants that it has full power and authority on behalf of the individual investor to subscribe for Shares and to execute any necessary subscription documentation, including this application form and in particular but without limitation to the aforesaid, to make the above representations on behalf of such individual investor.

10. **Authorised Signatories for Payments to Shareholders**

The Fund and Administrator are authorised to act on the written instructions of any person listed below until further notice.

Name	Signature
1.
2.
3.
4.

For use by the Fund	
Client Reference:	
Gross Amount Invested:	US\$
Number of Shares allotted:	US\$
Original Documentation:	
'QEP' US Investor: Y/N	

11. **Application Form**

Applicants for Shares, and Shareholders wishing to apply for additional Shares, must send their completed Application Form by facsimile (the original to be sent by mail) so as to be received by the Administrator by no later than 5 pm (Bahamian time) on the Business Day falling at least 5 Business Days before the relevant Dealing Day. Where the original Application Form has not been received by the relevant Dealing Day then the application will, subject to the discretion of the Directors, be held over to the following Dealing Day and Shares will then be issued at the relevant Subscription Price on that Dealing Day.

In either case the relevant documentation must be sent to:

Blairmore Holdings, Inc.
c/o SG Hambros Bank & Trust (Bahamas) Limited
West Bay Street
P.O. Box N-7788
Nassau
The Commonwealth of The Bahamas

Where applications are made by facsimile the original of this application form should be forwarded to the Administrator without delay.

12. **Payment**

Subscriptions in cleared funds in the relevant currency must also be received by the Administrator no later than 5 pm (Bahamian time) on the Business Day falling at least 5 Business Days before the relevant Dealing Day, failing this, the application will, subject to the discretion of the Directors, be held over to the following Dealing Day and Shares will then be issued at the relevant Subscription Price on that Dealing Day.

Payment should be made in US\$ to:-

Société Générale (New York Branch)
1221 Avenue of The Americas
43rd Floor
New York
N.Y 10020
ABA No.: 026-004-226
SWIFT Address: SOGEUS33

For credit Account:
“SG Hambros Bank & Trust (Bahamas) Limited”
Account No.: 176915

In favour of:
“Blairmore Holdings, Inc.”
Ref No: 290/614519F

Any bank charges in respect of telegraphic transfers or otherwise will be deducted from the amount or value of subscriptions and the net amount invested in Shares.

13. **IMPORTANT: Because of the risks involved, investment in Blairmore Holdings, Inc. is only suitable for sophisticated investors who are able to bear the loss of a substantial**

portion or even all of the money they invest, who understand the high degree of risk involved, believe that the investment is suitable based upon their investment objectives and financial needs and have no need for liquidity of investments. Only capital which the investor can afford to lose should be invested in a fund of this nature and investors are recommended to consult their professional advisers before investing in the Fund. Please refer to the Prospectus for further details of some of the risks involved.

DECLARATIONS

A Status of Applicant

To induce the Fund to accept your subscription for Shares, and recognising its reliance thereon, I/we hereby represent and warrant as follows:

I am/we are (check applicable box(es)):

- (i) not a US Person¹;

(Applicants checking this box should make the Additional Representations by Non-US Persons in Part E of this Application Form).

OR

- (ii) a US Person¹, which is a "**Qualified Purchaser**" as defined in Section 2(a)(51) of the United States Investment Company Act of 1940, as amended.

(Applicants checking this box should make the Additional Representations by US Persons in Part F of this Application Form).

C. General

1. By signing and submitting this form, I am/we will be applying irrevocably for Shares in Blairmore Holdings, Inc. as set out above, subject to the terms of the Prospectus (which I/we confirm I/we have carefully read in full and understood) and the Memorandum and Articles of Association of the Fund. I/we acknowledge that the Fund reserves the right to reject any Application in whole or in part. I/we also agree that no person is authorised to issue any advertisement, to give any information or to make any representation not contained in the Prospectus in connection with the offering, subscription or sale of the Shares and any advertisement so issued or information or representation not so contained must not be relied upon as having been authorised by or on behalf of the Fund. In addition, I/we represent that I/we (i) fall within a relevant category of exempt persons described in the Financial Services and Markets Act 2000 (Financial Promotion) Order 2001 or (ii) in any event, I am/we are a person who may otherwise lawfully subscribe for Shares in the Fund.

¹ A "US Person" means a person other than a "Non-United States Person". A "Non-United States Person" means (a) a natural person who is not a resident of the United States, (b) a partnership, corporation or other entity, other than an entity organised principally for passive investment, organised under the laws of a non-US jurisdiction and which has its principal place of business in a non-US jurisdiction, (c) an estate or trust, the income of which is not subject to United States income tax regardless of source, (d) an entity organised principally for passive investment such as a pool, investment company or other similar entity, provided that units of participation in the entity held by persons who do not qualify as Non-US Persons or otherwise as qualified eligible persons represent in the aggregate less than 10 per cent of the beneficial interest in the entity and that such entity was not formed principally for the purpose of facilitating investment by persons which do not qualify as Non-US Persons in a commodity pool with respect to which the commodity pool operator is exempt from certain requirements of Part 4 of the CFTC's regulations by virtue of its participants being Non-US Persons, and (e) a pension plan for employees, officers or principals of an entity organised and with its principal place of business outside the United States.

2. I/We hereby confirm that the Fund, the Directors, the Investment Managers and the Administrator are each authorised and instructed to accept and execute any instructions in respect of this application and the Shares to which it relates given by me/us by facsimile. If instructions are given by me/ us by facsimile, I/we acknowledge that the onus is on me/us to ensure that such instructions are received in legible form, and I/we undertake to confirm them in writing. I/We hereby indemnify the Fund, the Investment Managers, the Directors and the Administrator and agree to keep each of them indemnified, against any loss of any nature whatsoever arising to each of them as a result of any of them acting on facsimile instructions. The Fund, the Directors, the Investment Managers and the Administrator may rely conclusively upon and shall incur no liability in respect of any action taken upon any notice, consent, request, instructions or other instrument believed, in good faith, to be genuine or to be signed by properly authorised persons.
3. I/We hereby declare that I/we am/are not a member of the public of the Republic of Panama.
4. I/We hereby warrant that and confirm to the Fund that I/we have the knowledge, expertise and experience in financial matters to evaluate the risks of investing in the Fund, am/are aware of the risks inherent in investing in the assets in which the Fund will invest and the method by which these assets will be held and/or traded, and can bear the loss of my/our entire investment in the Fund.
5. I/We hereby declare that the Shares are not being acquired and will not be held in violation of any applicable laws.
6. I/We agree not to duplicate or to furnish particulars of the Prospectus, or to divulge any of its contents, to any person other than my/our investment, legal or tax advisors (who may use the information contained in the Prospectus solely for purposes relating to my/our investment in the Fund).
7. I/We hereby confirm that I/we shall be deemed to make, on a continuing basis, each of the statements contained herein unless I/we notify you to the contrary in relation to any Shares I/we may hold or obtain at any time.
8. I/We hereby agree to indemnify and hold harmless the Fund, the Fund the Directors, the Investment Managers, the Administrator and the Shareholders against any loss, liability, cost or expense (including without limitation legal fees, taxes and penalties) which may result directly or indirectly, from any misrepresentation or breach of any warranty, condition, covenant or agreement contained herein or in any other document delivered by the undersigned to the Fund.
9. I/We hereby designate and appoint the Administrator, with power of substitution, as my/our true and lawful proxy for the purpose of voting any Shares issued pursuant to this agreement (or such portion thereof owned from time to time by the subscriber) as said proxy may determine on any and all matters arising at any annual, extraordinary or other general meeting of the Company upon which such Shares could be voted by the subscriber (or the person in whose name the Shares hereby subscribed as registered at the subscriber's direction) if present in person at the meeting. This proxy may be revoked by me /us (or my/our registered nominee) either personally or by presentation of a subsequently executed form of proxy at any general meeting of the Company or by written notice to the Administrator received at the Administrator's office prior to any such meeting.

D. Anti-Money Laundering Declarations

1. I/We acknowledge that measures aimed at the prevention of money laundering may require verification of my/our identity. I/We acknowledge that Shares will not be issued until such time as the Administrator has received and is satisfied with all the information and documentation requested to verify my/our identity. I/We acknowledge that the Administrator shall be held harmless against any loss arising as a result of a failure to process my/our application for Shares if such information and documentation as has been requested by the Administrator has not been provided by me/us.

I/We acknowledge that the Fund or the Administrator on its behalf also reserves the right to refuse to make any redemption payment or distribution to a Shareholder otherwise than to the account from which the corresponding subscription funds were paid if any of the Directors of the Fund or the Administrator suspects or is advised that the payment of any redemption or distribution moneys to such Shareholder might result in a breach or violation of any applicable anti-money laundering or other laws or regulations by any person in any relevant jurisdiction, or such refusal is considered necessary or appropriate to ensure the compliance by the Fund, its Directors or the Administrator with any such laws or regulations in any relevant jurisdiction.

I/We understand and agree that the Fund prohibits the investment of funds by any persons or entities that are acting, directly or indirectly, (i) in contravention of any applicable laws and regulations, including anti-money laundering regulations or conventions, (ii) on behalf of terrorists or terrorist organisations, including those persons or entities that are included on the List of Specially Designated Nationals and Blocked Persons maintained by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC"), as such list may be amended from time to time, (iii) for a senior foreign political figure, any member of a senior foreign political figure's immediate family or any close associate of a senior foreign political figure, unless the Fund, after being specifically notified by me/us in writing that I/we am/are such a person, conducts further due diligence, and determines that such investment shall be permitted, or (iv) for a foreign shell bank (such persons or entities in (i) - (iv) are collectively referred to as "Prohibited Persons").

I/We represent, warrant and covenant that: (i) I/we am/are not, nor is any person or entity controlling, controlled by or under common control with me/us, a Prohibited Person, and (ii) to the extent I/we have any beneficial owners, (a) I/we have carried out thorough due diligence to establish the identities of such beneficial owners, (b) based on such due diligence, I/we reasonably believe that no such beneficial owners are Prohibited Persons, (c) I/we hold the evidence of such identities and status and will maintain all such evidence for at least five years from the date of my/our complete redemption from the Fund, and (d) I/we will make available such information and any additional information that the Fund may require upon request.

If any of the foregoing representations, warranties or covenants ceases to be true or if the Fund no longer reasonably believes that it has satisfactory evidence as to their truth, notwithstanding any other agreement to the contrary, the Fund may be obligated to freeze my/our investment, either by prohibiting additional investments, declining or suspending any redemption requests and/or segregating the assets constituting the investment in accordance with applicable regulations, or my/our investment may immediately be redeemed by the Fund, and the Fund may also be required to report such action and to disclose my/our identity to OFAC or other authority. In the event that the Fund is required to take any of the foregoing actions, I/we understand and agree that I/we shall have no claim against the Fund, the Investment Managers, the Administrator, and their respective affiliates, directors, members, partners, shareholders, officers, employees and agents for any form of damages as a result of any of the aforementioned actions.

I/We understand and agree that any redemption proceeds paid to me/us will be paid to the same account from which my/our investment in the Fund was originally remitted, unless the Fund, in its sole discretion, agrees otherwise.

I/We agree to indemnify and hold harmless the Fund, the Investment Managers, the Administrator, and their respective affiliates, directors, members, partners, shareholders, officers, employees and agents from and against any and all losses, liabilities, damages, penalties, costs, fees and expenses (including legal fees and disbursements) which may result, directly or indirectly, from any inaccuracy in or breach of any representation, warranty, covenant or agreement set forth in this Section.

Delete if not applicable and complete as appropriate

2. *(Designated Bodies² only)* I/We declare that I am/we are licensed as (description) by the (regulatory body) under the laws of (country) and am/are thereby subject to regulations and/or guidelines which to the best of my/our knowledge and understanding are in accordance with the Financial Action Task Force Recommendations on the prevention of money-laundering and that this application is made in my/our name on behalf of my/our clients whose identity has been properly verified by me/us in accordance with the guidelines.
3. *(Natural persons only)* I/We declare that I am a/we are private investor(s) who is/are making this application on my/our own behalf and not in any way as representative(s) of any other party.

(Corporate applicants only) We hereby declare that the corporation was duly registered on(date) under the laws of (country) and that it is not a financial intermediary.

The Administrator may request from the Applicant such additional information to enable the Administrator to determine the Applicant's compliance with applicable regulatory requirements or the Applicant's anti-money laundering verification status and the Applicant shall provide to the Administrator from time to time such information as may reasonably be requested. Each person acquiring Shares in the Fund must satisfy the foregoing both at the time of subscription and at all times thereafter until such person ceases to be a Shareholder. Accordingly, the Applicant agrees to notify the Administrator promptly if there is any change with respect to any of the foregoing information, declarations or the representations and to provide the Administrator with such further information as the Administrator may reasonably require.

This application will not be accepted and Shares will not be issued unless one of D2, D3 or D4 has been completed and until all information and documentation has been received by the Administrator to its satisfaction.

E. Additional Declarations of Non-US Persons

1. I/We hereby certify that I/we am/are not a US Person³ and that the Shares hereby applied for are not being acquired directly or indirectly by or on behalf of, or for the account of, a US

² A Designated Body is an individual or other entity which is regulated in respect of the provision of banking or investment services in a country which is a member of the European Union or the Financial Action Task Force.

³ A "US Person" means a person other than a "Non-United States Person". A "Non-United States Person" means (a) a natural person who is not a resident of the United States, (b) a partnership, corporation or other entity, other than an entity organised principally for passive investment, organised under the laws of a non-US jurisdiction and which has its

Person. I/We further confirm that I/we will notify the Administrator in the event that I/we become a US Person or hold the Shares on behalf of, or for the account or benefit of, a US Person.

2. I/We confirm that I/we am/are a “benefit plan investor”⁴ *.

OR

I/we confirm that I/we am/are not a “benefit plan investor”*.

**Delete if not applicable*

3. *(Natural persons only)* I confirm that I have reached the age of majority under the laws of my country of nationality or domicile, that I have the legal right, power and authority to execute and deliver this Application and that this Application constitutes a valid and binding Agreement, enforceable against me in accordance with its terms.
4. *(Corporate applicants only)* We hereby confirm that we have the full right and power to make this Application and invest in Shares, all necessary corporate action has been taken to authorise this Application and such investment and that this Application constitutes a valid and binding Agreement, enforceable against us in accordance with its terms.
5. *(Banks and Brokers)* We are a bank or broker and are making this application on behalf of clients for investment purposes. We hereby make each of the declarations in this Section E and Sections A to D on behalf of such clients and further covenant that we will notify the Fund if we become aware that any such client has become a US Person, that we will not at any time knowingly transfer or deliver Shares or any interest therein to a US Person and that we will not make any transfer of Shares in the United States.

F. Additional Declarations of US Persons

1. I/we have reviewed the disclosures in relation to, and consulted my/our own independent advisers or otherwise satisfied myself/ourselves concerning: (i) taxation of the Fund and

principal place of business in a non-US jurisdiction, (c) an estate or trust, the income of which is not subject to United States income tax regardless of source, (d) an entity organised principally for passive investment such as a pool, investment company or other similar entity, provided that units of participation in the entity held by persons who do not qualify as Non-US Persons or otherwise as qualified eligible persons represent in the aggregate less than 10 per cent of the beneficial interest in the entity and that such entity was not formed principally for the purpose of facilitating investment by persons which do not qualify as Non-US Persons in a commodity pool with respect to which the commodity pool operator is exempt from certain requirements of Part 4 of the CFTC’s regulations by virtue of its participants being Non-US Persons, and (e) a pension plan for employees, officers or principals of an entity organised and with its principal place of business outside the United States.

⁴ A “benefit plan investor” means an individual retirement account or any plan organised by an employer or employee organisation, which plan is designed to provide retirement, deferred compensation, medical, death, disability, unemployment, severance, vacation or similar benefits to employees. The employer may be private or may be a government, and the employees may be private or governmental employees. A “benefit plan investor” includes any of the foregoing regardless of the jurisdiction where the plan is formed, the employer is located or the employees work. A “benefit plan investor” also includes any entity, including a hypothetical entity, that is primarily engaged in the business of investing capital and which has 25 per cent or more of any class of its equity interests owned by such plans. For example, a hypothetical entity would exist where the value of a plan’s interest in the Fund is acquired via a nominee who purchases and holds the Shares on behalf of the plan. For the purpose of determining whether the investor is a “benefit plan investor” the Shares would be treated as the property of a separate “hypothetical” entity, because the value of the plan’s interest in the nominee relates solely to identified property being the Shares. As more than 25 per cent of the equity interest of the hypothetical entity is owned by the plan, the nominee investor would be a “benefit plan investor”.

my/our investment in the Fund; (ii) the status of the Fund under the Investment Company Act of 1940, as amended (the "1940 Act"); (iii) the nature of the proposed offering of Shares for the purposes of the Securities Act of 1933, as amended (the "1933 Act"), and (iv) issues relating to the Employee Retirement Income Security Act of 1974, as amended ("ERISA"); and (v) the status of the Fund under the rules of the US Commodity Futures Trading Commission. I/We have also reviewed the US Tax and Employee Benefit Plan Considerations attached to this document.

Delete if not applicable

2. *(Natural persons only)* I confirm that I have reached the age of majority under the laws of my country of nationality or domicile, that I have the legal right, power and authority to execute and deliver this Application and that this Application constitutes a valid and binding Agreement, enforceable against me in accordance with its terms.
3. *(Corporate applicants only)* We hereby confirm that we have the full right and power to make this Application and invest in Shares, all necessary corporate action has been taken to authorise this Application and such investment and that this Application constitutes a valid and binding Agreement, enforceable against us in accordance with its terms.
4. *(Banks and Brokers)* We are a bank or broker and are making this application on behalf of clients for investment purposes. We hereby make each of the declarations in this Section F and Sections A to D on behalf of such clients.

The following information is required in order to ensure compliance with the appropriate regulations and to determine (i) whether an investment in the Fund is suitable for you in light of your financial position; (ii) whether you meet certain minimum net worth tests to be deemed an "accredited investor" as defined in Regulation D under the 1933 Act; (iii) whether you qualify as a "qualified purchaser" under the 1940 Act and (iv) whether you are a Benefit Plan Investor.

General

Please initial either (5) or (6), and complete all appropriate blanks.

5. We are an employee benefit plan, an endowment, a foundation, a
 corporation, partnership, trust or other legal entity (Initial)
 - organised under the laws of.....
 - with a principal place in.....
 OR
6. I am an individual, or beneficial ownership is held by an individual (e.g. an
 Individual Retirement Account or Keogh Plan) of legal age and (Initial)
 - a resident of:

Accredited Investor Status

Please initial all appropriate spaces, indicating the basis upon which you qualify as an Accredited Investor under Regulation D.

For Individual Applicants Only

7. I certify that I am an accredited investor because I have an individual net worth, or my spouse and I have a combined net worth, in excess of US\$1,000,000. *For purposes of this questionnaire, "net worth" means the excess of total assets at fair market value, including home⁵, home furnishings and automobiles, over total liabilities.* (Initial)
8. I certify that I am an accredited investor because I had individual income (exclusive of any income attributable to my spouse) of more than US\$200,000 in each of the past two years, or joint income with my spouse of more than US\$300,000 in each of those years, and I reasonably expect to reach the same income level in the current year.⁶ (Initial)

For Corporations, Foundations, Endowments or Partnerships

9. We hereby certify that we are an accredited investor because we have total assets in excess of US\$5,000,000 and were not formed for the specific purpose of acquiring the securities offered and that our investment in the Fund does not constitute more than 40% of our total assets. (Initial)
10. We hereby certify that we are an accredited investor because all of our equity owners are accredited investors. *The Fund, in its sole and absolute discretion, may request information regarding the basis on which such equity owners are accredited.* (Initial)

For Employee Benefit Plans

11. We hereby certify that we are an accredited investor because we are an employee benefit plan within the meaning of ERISA, and the decision to invest in the Fund was made by a plan fiduciary (as defined in Section 3(21) of ERISA), which is either a bank, savings and loan association, insurance company or registered investment adviser. (Initial)

The name of such plan fiduciary is:

12. We hereby certify that we are an accredited investor because we are an employee benefit plan within the meaning of ERISA which has total assets in excess of US\$5,000,000. (Initial)

⁵ Notwithstanding anything to the contrary herein, for purposes of determining "net worth", the principal residence owned by an individual shall be valued either at (i) cost, including the costs of improvements, net of current encumbrances upon the property, or (ii) the appraised value of the property as determined upon a written appraisal used by an institutional lender making a loan to the individual secured by the property, including the cost of subsequent improvements, net of current encumbrances upon the property. "Institutional lender" means a bank, savings and loan company, industrial loan company, credit union or personal property brokers, or a company whose principal business is as a lender of loans secured by real property and which has such loans receivable in the amount of US\$2,000,000 or more.

⁶ For purposes of this application form, individual income means adjusted gross income, as reported for federal income tax purposes, less any income attributable to a spouse or to property owned by a spouse, increased by the following amounts (but not including any amounts attributable to a spouse or to property owned by a spouse): (i) the amount received of any tax-exempt interest income under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"); (ii) the amount of losses claimed as a limited partner in a limited partnership as reported on Schedule E of Form 1040; (iii) any deduction claimed for depletion under Section 611 et seq. of the Code; (iv) amounts contributed to an Individual Retirement Account.

13. We hereby certify that we are an accredited investor because we are a plan
 established and maintained by a state, its political subdivisions, or any (Initial)
 agency or instrumentality of a state or its political subdivisions, for the
 benefit of its employees, and we have total assets in excess of US\$5,000,000.

For Individual Retirement Accounts and Keogh Plans

14. We hereby certify that we are an accredited investor because we are a self-
 directed plan (i.e., a tax-qualified defined contribution plan in which a (Initial)
 participant may exercise control over the investment of assets credited to his
 or her account) in which all of the participants are accredited investors
 because each participant has a net worth of at least US\$1,000,000 or has had
 an individual income of at least US\$200,000 (or a joint income with spouse
 of at least US\$300,000) in each of the last two years. *The Fund, in its sole
 and absolute discretion, may request information regarding the basis on
 which such participants are accredited.*

For Charitable Tax-Exempt Entities

15. We hereby certify that we are an accredited investor because we are an
 organisation described in Section 501(c)(3) of the Code, were not formed for (Initial)
 the specific purpose of acquiring the securities offered, and have total assets
 in excess of US\$5,000,000.

For Trusts

16. We hereby certify that we are an accredited investor because we are a trust
 with total assets in excess of US\$5,000,000, we were not formed for the (Initial)
 specific purpose of acquiring the securities offered, and purchases are
 directed by a sophisticated person. *As used in the foregoing sentence, a
 "sophisticated person" is one who has such knowledge and experience in
 financial and business matters that s/he is capable of evaluating the merits
 and risks of the prospective investment.*
17. We hereby certify that we are an accredited investor because we are (i)
 a bank as defined in Section 3(a)(2) of the 1933 Act, a savings and loan (Initial)
 association, or another institution as defined in Section 3(a)(5)(A) of the
 1933 Act, (ii) acting in a fiduciary capacity and (iii) subscribing for the
 purchase of the securities being offered on behalf of a trust account or
 accounts.
18. We hereby certify that we are an accredited investor because we are
 a revocable trust which may be amended or revoked at any time by the (Initial)
 grantors thereof and all of the grantors are accredited investors. *The Fund, in
 its sole and absolute discretion, may request information regarding the basis
 on which such equity owners are accredited.*

For Banks, Savings and Loans and Similar Institutions

19. We hereby certify that we are an accredited investor because we are a bank
 as defined in Section 3(a)(2) of the 1933 Act, or savings and loan association (Initial)
 or other institution as defined in section 3(a)(5)(A) of the 1933 Act acting on
 our own behalf.

For Insurance Companies

20. We hereby certify that we are an accredited investor because we are an
insurance company as defined in Section 2(13) of the 1933 Act. (Initial)

Qualified Purchaser Status

Please initial all appropriate spaces, indicating the basis upon which you qualify as a Qualified Purchaser under the 1940 Act.

21. I/We certify that:

(i) **Individuals**

I am a qualified purchaser because I (alone, or together with my
spouse, if investing jointly) own not less than US\$5,000,000 in (Initial)
investments⁷.

(ii) **“Family” Corporations, Foundations, Section 501(c)(3)
Organisations, Partnerships, Trusts, Limited Liability
Companies or other “Family” Entities**

(a) We were not formed for the specific purpose of investing in the
Partnership; (Initial)

(b) We own not less than US\$5,000,000 in investments; and
(Initial)

(c) We are owned directly or indirectly by or for (i) two or more
natural persons who are related as siblings or spouse (including (Initial)
former spouses), or direct lineal descendants by birth or
adoption, (ii) spouses of such person, (iii) the estates of such
persons or (iv) foundations, Section 501(c)(3) organisations or
trusts established by or for the benefit of such persons.

(iii) **Trusts (Other Than Trusts that Qualify under (ii) or (iv) hereof)**

⁷ The term “investments” means any or all (1) securities (as defined in the 1933 Act), except for securities of issuers controlled by the investor (“Control Securities”) unless the (A) issuer of the Control Securities is itself a registered or private investment company or is exempted from the definition of investment company by Rule 3a-6 or Rule 3a-7 under the 1940 Act, (B) the Control Securities represent securities of an issuer that files reports pursuant to Section 13 or 15(d) of the Exchange Act (C) the issuer of the Control Securities has a class of securities listed on a designated offshore securities market under Regulation S under the 1933 Act or (D) the issuer of the Control Securities is a private company with shareholders’ equity not less than US\$50 million determined in accordance with generally accepted accounting principles, as reflected in the company’s most recent financial statements (provided such financial statements were issued within 16 months of the date of Investor’s purchase of Interests); (2) future contracts or options thereon held for investment purposes; (3) physical commodities held for investment purposes; (4) swaps and other similar financial contracts entered into for investment purposes; (5) real estate held for investment purposes; and (6) cash and cash equivalents held for investment purposes.

Note: In determining whether the US\$5 million (see (i) above and (ii) below) or US\$25 million (see (iv) below) thresholds are met, investments can be valued at cost or fair market value as of a recent date. If investments have been acquired with indebtedness, the amount of the indebtedness must be deducting in determining whether the threshold has been met.

- (a) We were not formed for the specific purpose of investing in the Fund; and
(Initial)
- (b) Each trustee (or other authorised person) that is authorised and required to make decisions with respect to this investment is a person described in (i), (ii), or (iv) at the time the decision to purchase Interests is made, and each settlor or other person who has contributed assets to the trust is a person described in (i), (ii), or (iv) at any time such person contributed assets to the trust.
(Initial)
- (iv) **Other Entities**
- (a) We were not formed for the specific purposes of investing in the Fund; and
(Initial)
- (b) We are an entity acting for its own account or the accounts of other qualified purchasers, which in the aggregate owns and invests on a discretionary basis not less than US\$25,000,000 in investments (as defined above).
(Initial)
- (v) **Entities that do not qualify under (ii)-(iv)**
- We are a qualified purchaser because each beneficial owner of our securities is a qualified purchaser as described in this section. This certification does not apply to beneficiaries of an irrevocable trust.
(Initial)
- (vi) **All Investors that are Entities**
- (a) We are not an entity that is excepted from the definition of an “investment company” under the 1940 Act pursuant to Section 3(c)(1) or 3(c)(7) thereof (a “3(c)(1) or 3(c)(7) Company”); or
(Initial)
- (b) We are a section 3(c)(1) or 3(c)(7) Company but do not have ANY direct “beneficial owners” that have held an interest in us on or before April 30, 1996 (a “Pre-April 30 Holder”); or
(Initial)
- (c) We are a Section 3(c)(1) or 3(c)(7) Company and have obtained consent to our treatment as a qualified purchaser from all of our Pre-April 30 Holders.
(Initial)
- (vii) **Investors that checked (ii) or (iii) may check (vii) instead of (vi)**
- We have obtained consent to our treatment as a qualified purchaser from all of our trustees, directors or general partners.
(Initial)
- (viii) **Investors that checked (vi)(b) or (vi)(c) must also respond YES or NO to (viii)**
- Is any direct or indirect beneficial owner of the investor itself a Section 3(c)(1) or 3(c)(7) Company that controls, is controlled by, or is under common control with the investor?

If the investor cannot answer NO to (viii) because it has a control relationship with a beneficial owner that is itself a Section 3(c)(1) or 3(c)(7) Company, the investor may be required to obtain consent from the security-holders of such owner.

Benefit Plan Investor Status:

22. I/We represent and warrant that I/we are not, and for so long as I/we hold Shares will not be, a "Benefit Plan Investor" within the meaning of U.S. Department of Labor Regulation 29 CFR 2510.3-101 (the "Plan Assets Regulation") or that if I/we are a Benefit Plan Investor I/we represent and warrant by indicating below the category under which I/we qualify as a Benefit Plan Investor. Generally, a Benefit Plan Investor is any plan or fund organized by an employer or employee organization to provide retirement, deferred compensation, medical, death, disability, unemployment, vacation or similar benefits to employees, an IRA, a Keogh Plan or an entity in which any class of its equity is 25% or more owned by such plans and that is primarily engaged in the business of investing capital.

23. I/We are as of the Purchase Date check off one of the following:

_____ (i) an employee benefit plan, whether or not subject to the U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA") (e.g., pension, profit-sharing, government and 401(K) plans);

_____ (ii) a plan described in Section 4975(e)(1) of the Code (e.g., IRAs, Keoghs or 403(b) plans); or

_____ (iii) an entity whose underlying assets include "plan assets" by reason of a plan's investment in the entity (e.g., a group trust, separate account or fund of funds with significant (i.e., 25% or more) Benefit Plan Investor ownership).

_____ (iv) not a Benefit Plan Investor

24. If I/we are a Benefit Plan Investor subject to ERISA or Section 4975 of the Code (a "Plan"), the fiduciary executing this Agreement on behalf of such Plan (the "Fiduciary") acknowledges that the Fund has the authority to require the redemption of any Shares if the continued holding of such Shares, in the opinion of the Board of Directors, could result in the Fund being subject to ERISA or Section 4975 of the Code and represents and warrants to the Fund and the Investment Managers that:

1. The Fiduciary has considered the following with respect to the Plan's investment in the Fund and has determined that, in view of such considerations, the purchase of the Shares is consistent with the Fiduciary's responsibility under ERISA or the Code: including, (i) whether the investment in the Fund is prudent for the Plan, (ii) whether the risk, structure and operation of the incentive fee arrangement has been adequately disclosed, furthers the interests of the Plan and provides reasonable compensation to the Investment Managers, (iii) whether the Plan's current and anticipated liquidity needs would be met, given the limited rights to redeem or transfer the Shares, (iv) whether the investment would permit the Plan's overall portfolio to remain adequately diversified, (v) whether the investment is permitted under documents governing the Plan, and (vi) with respect to an IRA, the possible risk of loss of the IRA's tax-exempt status if an investment in the Fund is found to violate the requirements of the Code; and

2. The Fiduciary: (i) is responsible for the decision to invest in the Fund, (ii) has determined that neither the Fund nor the Investment Managers is a “party in interest” or a “disqualified person” (as such terms are defined in ERISA and the Code) with respect to the Plan, (iii) is qualified to make such investment decision and, to the extent it deems necessary, has consulted its own investment advisors and legal counsel regarding the investment in the Fund, and (iv) in making its decision to invest in the Fund has not relied on any advice or recommendation of the Fund, the Investment Managers or any of their affiliates as a primary basis for investing in the Fund.

Additional Declarations

25. I/We have such knowledge and experience in financial and business matters that I/we am/are capable of evaluating the merits and risks of my/our investment in the Shares and am/are able to bear such risks, and have obtained, in my/our judgement, sufficient information from the Fund or its authorised representatives to evaluate the merits and risks of such investment. I/We have evaluated the risks of investing in the Shares and have determined that the Shares are a suitable investment for me/us. I/We have not utilised any other person as a purchaser representative in connection with evaluating such merits and risks. I/We can afford a complete loss of the investment in the Shares, can afford to hold the investment in the Shares for an indefinite period of time, and acknowledge that distributions, including, without limitation, the proceeds of redemptions, may be paid in cash or in kind.
26. I/We am/are not purchasing Shares (i) as a result of or subsequent to becoming aware of any advertisement, article, notice or other communication published in any newspaper, magazine or similar medium or broadcast over television or radio; (ii) as a result of or subsequent to attendance at a seminar or meeting called by any of the means set forth in (i); or (iii) as a result of or subsequent to any solicitation by a person not previously known to me/us in connection with investments in securities generally.
27. I/We understand that no certificates will be issued by the Fund in respect of any Shares.
28. I/We understand that the Shares have not been and will not be registered under the 1933 Act or under the securities laws of any State or other jurisdiction within the United States, that the Shares are being sold to me/us in a transaction that is exempt from the registration requirements of the 1933 Act and State and other securities laws. I/We will not resell, reoffer or transfer any Shares or any interest therein, except with the consent of the Fund, to any of the following persons: (a) a US Person; (b) a corporation which is not a US Person in which US Persons hold 10% or more of either voting power or value; (c) a partnership which is not a US Person in which a US Person is a partner, or (d) a trust which is not a US Person whose grantor or any of its beneficiaries is a US Person. I/We acknowledge that reoffers, resales or any transfer of the Shares may be made only in compliance with applicable securities laws and only with the prior authorisation of the Fund which may, in its discretion, decline to issue any Shares to, or register Shares in the name of, any person, and I/we will not transfer any Shares except on the books of the Fund. I/We understand that the Fund will not be registered under the 1940 Act, and that for purposes of the provisions of Section 3(c)(7) thereof, does not presently propose to make a public offering of its securities within the United States⁸.

⁸ United States means the United States of America, its states, territories or possessions, or an enclave of the United States government, its agencies or instrumentalities.

29. Our obligations under this Application Form shall be governed by and construed in accordance with English law to the extent not inconsistent with United States federal and state securities laws.
30. If I/we are a corporation, partnership, trust or other entity, (i) the person executing this Agreement has the full power and authority to do so and I/we have the full power and authority under governing instruments to become a shareholder in the Fund; and (ii) my/our equity owners share in the profits and losses of all investments in the same way as the basis of their proportional ownership, and do not have non-pro rata interests in specified investments.

SPECIAL NOTICE TO GEORGIA INVESTORS

The Shares will be sold in reliance on the exemption from securities registration contained in Paragraph 13 of Code Section 10-5-9 of the Georgia Securities Act of 1973, and may not be sold or transferred except in a transaction which is exempt from such act or pursuant to an effective registration under such act.

<p>_____</p> <p>Name of Applicant (Please Print or type)</p> <p>Tax I.D. Number _____</p> <p>_____</p> <p>Name of Person exercising investment discretion for subscriber (trustee or fiduciary, etc.)</p>	<p>Type of Applicant- Please check one:</p> <p>_____ Individual</p> <p>_____ Partnership</p> <p>_____ Corporation</p> <p>_____ Trust</p> <p>_____ Foundation</p> <p>_____ Endowment</p> <p>_____ Employee Benefit Plan</p> <p>_____ Individual Retirement Plan</p> <p>_____ Tenants in Common</p> <p>_____ Joint Tenants</p> <p>_____ Other - Specify: _____</p>
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Please indicate the basis on which you are a Tax-Exempt US Person (and attach to this Application Form written evidence of such tax-exempt status).

Appendix 1

UNITED STATES TAX AND EMPLOYEE BENEFIT PLAN CONSIDERATIONS

United States Tax Matters

THE DISCUSSION HEREIN IS FOR INFORMATIONAL PURPOSES ONLY AND IS A DISCUSSION PRIMARILY OF THE US TAX CONSEQUENCES TO PROSPECTIVE SHAREHOLDERS WHO ARE UNITED STATES PERSONS THAT ARE TAX-EXEMPT ORGANIZATIONS. EACH PROSPECTIVE SHAREHOLDER SHOULD CONSULT ITS PROFESSIONAL TAX ADVISOR WITH RESPECT TO THE TAX ASPECTS OF AN INVESTMENT IN THE FUND. TAX CONSEQUENCES MAY VARY DEPENDING UPON THE PARTICULAR STATUS OF A PROSPECTIVE SHAREHOLDER. IN ADDITION, SPECIAL CONSIDERATIONS (NOT DISCUSSED HEREIN) MAY APPLY TO PERSONS WHO ARE NOT DIRECT SHAREHOLDERS IN THE FUND BUT WHO ARE DEEMED TO OWN SHARES AS A RESULT OF THE APPLICATION OF CERTAIN ATTRIBUTION RULES.

The following is a summary of certain potential US Federal tax consequences which may be relevant to certain prospective shareholders. The discussion contained herein is not a full description of the complex tax rules involved and is based upon existing laws, judicial decisions and administrative regulations, rulings and practices, all of which are subject to change, retroactively as well as prospectively. A decision to invest in the Fund should be based upon an evaluation of the merits of the trading program, and not upon any anticipated US tax benefits.

Tax-Exempt US Persons

The term "Tax-Exempt US Person" means a US person within the meaning of the United States Internal Revenue Code of 1986, as amended (the "IRC")⁹ that is subject to the United States Employee Retirement Income Security Act of 1974, as amended ("ERISA"), or is otherwise exempt from payment of US Federal income tax. While the Fund may purchase securities on margin, borrow money and otherwise utilize leverage in connection with its investments, under current law such leverage should not be attributed to, or otherwise flow through to, Tax-Exempt US Persons in the Fund. Accordingly, assuming a Tax-Exempt US Person does not borrow money or otherwise utilize leverage to purchase its Shares in the Fund, any dividends from the Fund or gain on the sale or redemption of Shares in the Fund should not constitute "unrelated debt-financed income" as defined in IRC Section 514 or "unrelated business taxable income" as defined in IRC Section 512 to the Tax-Exempt US Person and should not be subject to US Federal income tax under the "passive foreign investment company" provisions of the IRC.

TAX-EXEMPT US PERSONS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS CONCERNING THE US TAX CONSEQUENCES OF AN INVESTMENT IN THE FUND.

⁹ Such persons are generally, with respect to individuals, any US citizen or "resident alien" within the meaning of US income tax laws as in effect from time to time. With respect to persons other than individuals, (i) a corporation or partnership created or organized in the United States or under the law of the United States or any state, (ii) a trust where (a) a US court is able to exercise primary supervision over the administration of the trust and (b) one or more US persons have the authority to control all substantial decisions of the trust and (iii) an estate which is subject to US tax on its world-wide income from all sources.

Filing Requirements

Tax-Exempt US Persons may be subject to certain US Internal Revenue Service filing requirements. For example, pursuant to IRC Section 6038B, a US person which transfers property (including cash) to a foreign corporation in exchange for stock in the corporation is in some cases required to file an information return with the US Internal Revenue Service with respect to such transfer. Accordingly, a Tax-Exempt US Person may be required to file an information return with respect to its investment in the Fund. Additional reporting requirements may be imposed on a Tax-Exempt US Person that acquires Shares with a value equal to at least 10% of the aggregate value of all the Shares. The Fund has not committed to provide the information about the Fund or its shareholders needed to comply with such filing requirements. Shareholders are urged to consult their own tax advisors concerning these and any other reporting requirements.

ERISA Matters

The Fund will not accept any contributions from "benefit plan investors" as defined by United States Department of Labor Regulation Section 2510.3-101 if after such contribution the total interests in such class of shares held by benefit plan investors equals or exceeds 25% of the total outstanding shares of that class. In addition, should the interests of benefit plan investors equal or exceed this 25% limit by reason of redemptions or otherwise, the assets of the Fund could be deemed to be "plan assets" and the Investment Managers could be viewed as a fiduciary to each benefit plan investor which is an employee benefit plan subject to ERISA or retirement plan subject to Section 4975 of the IRC. Accordingly, the Directors of the Fund have expressly retained the authority to require a shareholder to redeem at any time so much of its shares as is necessary to keep the interests of "benefit plan investors" below such 25% limit. (For the purpose of this 25% limit, benefit plan investors include the pension or retirement plans established by non-U.S. companies for the benefit of non-U.S. persons.) If the Shares of any class held by benefit plan investors were to exceed this 25% limit, then the Fund's assets would be considered "plan assets" under ERISA, which could result in adverse consequences to the Investment Managers and the fiduciaries of the benefit plan investors.

THE TAX AND ERISA MATTERS DESCRIBED IN THIS MEMORANDUM DO NOT CONSTITUTE, AND SHOULD NOT BE CONSIDERED AS, LEGAL OR TAX ADVICE TO PROSPECTIVE SHAREHOLDERS.

I/We warrant and declare that (i) my/our ordinary business of professional activity includes the buying and selling of investments, whether as principal or agent; or (ii) that I individually (or jointly with my spouse) have a net worth in excess of US\$1,000,000; or (iii) we are an institution with a minimum amount of assets under discretionary management of US\$5,000,000.

Appendix 2

**AUTHORITY FOR PAYMENT OF APPLICATION MONIES
BY ELECTRONIC FUNDS TRANSFER**

INVESTORS SHOULD COMPLETE THIS FORM AND HAND IT TO THEIR BANKERS.

This instruction must be in the hand of the investor's bankers in sufficient time to ensure that subscription monies are wired to the relevant subscription account for value no later than 5.00pm (Bahamian time) on the Business Day falling at least 5 Business days before the relevant Dealing Day (as defined in the Prospectus).

Name of Bank: Societe Générale (New York Branch)
Address: 1221 Avenue of The Americas 43 rd Floor New York N.Y. 10020
For credit Account: "SG Hambros Bank & Trust (Bahamas) Limited" Account No.: 176915
In favour of: "Blairmore Holdings, Inc." Ref No: 290/614519F

Please remit by SWIFT to the following bank the US\$ amount set out below (net of any charges).

Société Générale (New York Branch)
ABA Number: 026-004-226
SWIFT Address : SOGEUS33

PLEASE QUOTE CLIENT NAME

US\$ (Amount)
US\$ (Words)

(Please state the amount of investment in WORDS AND FIGURES which must agree with the total amount of investment on the Application Form).

Date:

(Signed in accordance with applicant's bank mandate)

BLAIRMORE HOLDINGS INC.
REQUEST FOR REDEMPTION OF SHARES

To: Blairmore Holdings Inc.
c/o SG Hambros Bank & Trust(Bahamas) Limited
West Bay Street
P.O. Box N-7788
Nassau, Bahamas

Fax: + 1 242 326-2429

I/We wish to redeem.....* Shares in the Fund.

* Please insert number of Shares being redeemed or "ALL" if total redemption required.

Names(s) in which Shares are registered:.....

Signature of Shareholder or duly authorised signatories (corporate Shareholders)

(1)..... Date:.....

(2)..... Date:.....

The cash proceeds should be paid to me in U.S. Dollars as follows:

Cheque drawn in my favour and mailed to:

By wire transfer to:

Bank/Broker Name: _____

Bank/Broker Address: _____

Sort Code/ABA #: _____

Account Name: _____

Account Number: _____

Additional Information _____

Signature Verified by:
(See Note 2)

.....

(being a Bank, Registered Broker, Notary Public or Justice of the Peace)

.....

Capacity

Notes

1. To redeem Shares, this form must be signed by the registered shareholder or authorised signatories and in the case of a body corporate, by a duly authorised officer(s). Signatories may be required to produce evidence of authority.
2. The signature(s) of the holder(s) must be verified if redemption proceeds are to be paid to any person(s) other than the registered holder(s).
3. Send the completed redemption request to SG Hambros Bank & Trust (Bahamas) Limited. (the "Administrator") at the address given above so as to be received by the Administrator no later than 5.00pm (Bahamian time) on the Business Day falling at least 7 days, or such lesser period as the Directors may in any particular case determine, before the relevant Dealing Day (each as defined in the Prospectus), failing which the redemption request will be held over the next following Dealing Day and Shares will be redeemed at the Redemption Price applicable on that Dealing Day. If the request is sent by fax, the original must be sent to be received by the Administrator as set out in the Prospectus.
4. A redemption request, once given, is irrevocable save with the consent of the Directors (which may be withheld).
5. The Directors are entitled (in their sole and absolute discretion) to determine the minimum redemption lots and the minimum holding from time to time. A request for a partial redemption or a partial transfer of Shares may be refused, or the holding may be redeemed in its entirety, if, as a result of such partial redemption or partial transfer, the holding retained by the Shareholder would be less than US\$100,000. The Directors may, in any particular case determine to permit redemptions or transfers below the current minima if the Directors (in their sole and absolute discretion) believe that the acceptance of a smaller lot of redemptions is in the best interests of the Fund.
6. A redemption fee of up to 5 per cent. of redemption proceeds will be payable. This fee may be reduced to 1 per cent. in respect of all or such portion of the Shares to be redeemed where a matching subscription has been made. The redemption proceeds will be reduced by the amount of the redemption fee (if any) and the cost of the wire transfer of the redemption proceeds and the net amount will be paid to the redeeming Shareholder. The Directors may waive the payment of a redemption fee either generally or in any particular case at their discretion. If levied, the redemption fee will be retained by the Fund.
7. Payment of redemption proceeds will normally be made within 15 calendar days of the relevant Dealing Day.
8. The Directors may declare a suspension of the redemption of Shares in the circumstances described in the Prospectus. No Shares will be redeemed during any such period of suspension.

LN: 1FBE47D

BLAIRMORE HOLDINGS, INC.
INVESTOR DUE DILIGENCE FORMS

FORM 1: INDIVIDUALS

Full and correct Name: _____

Permanent Address:

Telephone: _____ Facsimile: _____

Email: _____

Place of Birth: _____ Date of Birth: _____

Nationality: _____

Source of Funds _____

Signature: _____

Print Name: _____

- **Please provide the Fund with certified copies of the relevant pages of your passport, driver's licence, voter's card, national identity card or such other identification bearing a photographic likeness of the person as is reasonably capable of establishing the identity of the person.**
- **Please provide the Fund with certified copies of a utility bill (a cellular phone bill is not acceptable) for verification of address**

[PLEASE COMPLETE WHERE APPROPRIATE]

BLAIRMORE HOLDINGS, INC.
INVESTOR DUE DILIGENCE FORMS

FORM 2: NON-PRIVATE COMPANIES, CORPORATIONS

Name of Company:

Place of Incorporation: _____ Date of Incorporation: _____

Registered Office Address:

Telephone: _____ Facsimile: _____

E-mail: _____

Correspondence Address:

Telephone: _____ Facsimile: _____

E-mail: _____

Principal Business of Company: _____

Company's website address: _____

Name of the Company's Regulator: _____

Country of the Company's Regulator: _____

[PLEASE COMPLETE WHERE APPROPRIATE]

BLAIRMORE HOLDINGS, INC.
INVESTOR DUE DILIGENCE FORMS

FORM 3: PERSONAL HOLDING COMPANIES

Name of Company: _____

Place of Incorporation: _____ Date of Incorporation: _____

Registered Office Address: _____

Telephone: _____ Facsimile: _____

E-mail: _____

Correspondence Address: _____

Telephone: _____ Facsimile: _____

E-mail: _____

Names and Addresses of Directors of the Company

Name: _____

Name: _____

Address: _____

Address: _____

Name: _____

Name: _____

Address: _____

Address: _____

Names and Addresses of Beneficial Owners

Name: _____

Name: _____

Address: _____

Address: _____

Name: _____

Name: _____

Address: _____

Address: _____

PLEASE NOTE THAT EACH DIRECTOR AND BENEFICIAL OWNER OF THE COMPANY WILL BE REQUIRED TO COMPLETE FORM 1 REQUIRED FOR INDIVIDUALS. WHERE SHARES OF THE COMPANY ARE HELD BY ONE OR MORE NOMINEE SHAREHOLDERS, WE WILL REQUIRE THE ULTIMATE BENEFICIARY TO COMPLETE THAT SECTION.

Source of Funds: _____

The undersigned hereby agrees and confirms that:-

1. The Company has not been struck off the register of companies (or equivalent) or is not in the process of being wound up.

[Name of Company]

By:

Signature: _____

Print Name: _____

*** Please provide this Fund with certified copies of the following documents:-**

1. Certificate of Incorporation.
2. Memorandum and Articles of Association (or equivalent).
3. Register of Directors/Officers
4. Register of Shareholders/Beneficial owners

[PLEASE COMPLETE WHERE APPROPRIATE]

BLAIRMORE HOLDINGS, INC.
INVESTOR DUE DILIGENCE FORMS

FORM 4: NON-FINANCIAL INSTITUTION (AS PER FTRA)
TRUSTEE (WHERE INVESTMENT MADE IN THE
NAME OF THE TRUSTEE)

* **Please provide the Fund with the following:-**

1. Verification of all trustees and vested beneficiaries as per the requirements re Individual.
2. Certification by the Trustee that a valid trust exists and declaring the identity of the vested beneficiaries.

(FTRA is the Financial Transaction Reporting Act, 2000 of the Commonwealth of The Bahamas)

[PLEASE COMPLETE WHERE APPROPRIATE]

BLAIRMORE HOLDINGS, INC.
INVESTOR DUE DILIGENCE FORMS

FORM 5: WHERE INVESTOR IS A PARTNERSHIP OR OTHER UNINCORPORATED ASSOCIATION

* **Please provide the Fund with the following:-**

1. Verification of all beneficial owners as per the requirements re Individual or Personal Holding Company as applicable.
2. Certified copy of partnership agreement or other agreement establishing unincorporated association.

[PLEASE COMPLETE WHERE APPROPRIATE]

BLAIRMORE HOLDINGS, INC.
INVESTOR DUE DILIGENCE FORMS

FORM 6: WHERE INVESTOR IS A QUALIFIED FINANCIAL INSTITUTION AS PER FTRA

* **Please provide the Fund with the following:-**

Written confirmation on letterhead of the Financial Institution that the identity of the customer(s) on whose behalf the investment is being made has been verified in accordance with the due diligence requirements to which the Financial Institution is subject, or where the Financial Institution is investing as principal written confirmation thereof . (Complete Form A).

A Qualified Financial Institution is a financial institution located in a jurisdiction specified in the First Schedule to the FTRA which exercises functions equivalent to the corresponding financial institutions in The Bahamas.

Jurisdictions mentioned in the First Schedule to the FTRA are as follows:

Austrailia	Barbados *	Belgium	Bermuda *
Brazil	Canada	Cayman Islands *	Channel Islands
Denmark	Finland	France	Germany
Gibraltar	Greece	Hong Kong	Ireland
Isle of Man	Italy	Japan	Liechtenstein *
Luxembourg	Malta *	Netherlands	New Zealand
Norway	Panama*	Portugal	Singapore
Spain	Sweden	Switzerland	United Kingdom
United States			

(FTRA is the Financial Transaction Reporting Act, 2000 of the Commonwealth of The Bahamas)

** SG Hambros Bank and Trust (Bahamas) Limited will require the parent of a financial institution located in these jurisdictions to confirm that its subsidiary conforms to its Due Diligence policies and procedures.*

[PLEASE COMPLETE WHERE APPROPRIATE]

BLAIRMORE HOLDINGS, INC.
Form (A)

For Completion by a Financial Institution investing on behalf of clients.

Name of financial institution: _____

Full business address: _____

We declare that we are licensed as a _____ (state type of financial institution) by _____ (regulatory body) under the laws of _____ (country). 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 Signatories

Date: