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PRIVATE AND CONFIDENTIAL

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PRIVATE PLACEMENT MEMORANDUM

FRUITION FUND LTD.

(An International Business Company incorporated under
the laws of the British Virgin Islands)

CLASS B SHARES

January 18, 2002

This document is strictly confidential and is supplied only for the personal use of the recipient. It should not under any circumstances be copied or distributed to any other person.

This Private Placement Memorandum (the “Memorandum”) should be read in its entirety.

This Memorandum contains information about Fruition Fund Ltd. (the “Fund”) for the purpose of providing information to prospective investors regarding the Fund’s Class B participating, non-voting shares, par value U.S.\$0.01 per share (the “Shares”). The Shares are available for purchase by prospective investors on the basis of the information and representations contained in this Memorandum, and any further information given or representations made by any person should not be considered as being authorized by the Fund and should not be relied on.

The circulation and distribution of this Memorandum in certain countries is restricted by law. For purposes of this Memorandum, the term “U.S.” or “United States” means the United States of America, its territories and possessions, any State of the United States, and the District of Columbia. Persons into whose possession this Memorandum may come are required to inform themselves of and to observe any such restrictions.

The Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”), and the Fund has not been and will not be registered under the U.S. Investment Company Act of 1940, as amended.

SHARES MAY BE OFFERED IN THE UNITED STATES PURSUANT TO EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS UNDER THE U.S. SECURITIES ACT OF 1933. THE FUND SHALL RESTRICT THE DIRECT AND INDIRECT BENEFICIAL OWNERSHIP OF SHARES TO PERSONS WHICH ARE NOT U.S. PERSONS (AS HEREINAFTER DEFINED) AND TO CERTAIN U.S. PERSONS WHICH THE FUND DETERMINES WILL NOT CAUSE ADVERSE TAX OR REGULATORY CONSEQUENCES TO THE FUND OR ITS OTHER SHAREHOLDERS, E.G., EXEMPT ORGANIZATIONS (AS HEREINAFTER DEFINED).

THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED, AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE FUND AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY U.S. FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

No application presently has been made for the Shares to be listed on any stock exchange and it is not anticipated that any such application will be made.

This Memorandum does not constitute an offer to or a solicitation of any person in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation.

In this Memorandum, unless stated otherwise, all references to “dollars,” “\$” and “cents” are to the lawful currency of the United States.

Additional copies of this Memorandum and of either Subscription Agreement attached hereto (Exhibits A and B) may be obtained by contacting Citco Fund Services (Curaçao) N.V., Kaya Flamboyan 9, P.O. Box 812, Curaçao, Netherlands Antilles, telephone (5999) 7322222, facsimile (5999) 7322225.

Representatives of the Fund are available to answer questions concerning the terms and conditions of the offering of Shares and to furnish any additional information necessary to enable an offeree to evaluate the merits and risks of a purchase of Shares to the extent that they possess or can acquire the information without unreasonable effort or expense.

Each prospective investor should consult its stockbroker, accountant, bank manager, legal or other professional advisor with respect to an investment in the Fund.

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FRUITION FUND LTD.

PRIVATE PLACEMENT MEMORANDUM

INTRODUCTION

Fruition Fund Ltd. is a British Virgin Islands International Business Company incorporated in January 1996. Its principal office is located in Curaçao, Netherlands Antilles. The Fund's investment objective is to achieve capital appreciation by investing its assets directly and indirectly in stocks of U.S. issuers traded in the U.S. equity markets (including on stock exchanges and in the over-the-counter markets) pursuant to such trading strategies as Trinity Management L.L.C., a Delaware (USA) limited liability company formed in March 1996 (the "Investment Manager"), shall determine. See "INVESTMENT PROGRAM." Investment in the Fund involves certain risks, including the fact that there can be no assurance that the Fund will achieve its investment objective or that it will not experience losses from its trading activities. See "RISK FACTORS."

Currently, the Fund trades in stocks indirectly by investing its assets in DAX Partners L.P., a Cayman Islands limited partnership formed in February 1996 (the "Trading Company"). The Trading Company is registered under the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"), as a broker-dealer, and is a member of Philadelphia Stock Exchange, Inc. ("PHLX"). The Fund is a limited partner of the Trading Company. The sole general partner of the Trading Company is Higrove Management Limited, a Cayman Islands exempted company (the "General Partner") which also holds all of the outstanding voting shares of the Fund. The Investment Manager has been retained by each of the Fund and the Trading Company as its investment manager. The Investment Manager may, in turn, retain such additional investment advisers (each an "Adviser") as it shall determine to manage all or a portion of those assets of the Fund and the Trading Company allocated to the Investment Manager. Any management or incentive fees payable to such Advisers will be paid by the Investment Manager and not by the Fund or the Trading Company.

The Directors of the Fund are Rajesh Agarwal and Kieran J. Conroy (collectively, the "Directors"). Messrs. Agarwal and Conroy also are the Directors of the General Partner. Mr. Agarwal also is the Managing Director of the Investment Manager, and Messrs. Conroy and Stocks are employees of Citco Fund Services (Curaçao) N.V., the Fund's administrator (the "Administrator"). See "CONFLICTS OF INTEREST."

THE CLASS B OFFERING

The Fund is offering up to 100,000 Shares by this Memorandum. The Directors reserve the right to increase the number of Shares offered. Shares are being offered in successive series (each a "Series") as of each monthly Subscription Day (as hereinafter defined) at \$1,000 per Share. The minimum subscription is U.S.\$250,000 in Shares (exclusive of placement fees, if any). The Directors may permit smaller subscriptions in their sole discretion, provided that the minimum initial subscription shall never be less than U.S.\$100,000. The Directors may reject any subscription in whole or in part for any reason. Upon the acceptance of a subscription by the Fund, the subscriber becomes a shareholder of the Fund. Shares are being offered by the Fund directly and possibly by certain placement agents selected by the Fund ("Placement Agents"). Shares purchased through Placement Agents, if any, may be subject to the payment of an up-front placement fee of up to 5.0% of the purchase price of the Shares.

Shares may be purchased only by investors which qualify as Professional Investors. See "GENERAL INFORMATION - British Virgin Islands Mutual Fund Act Compliance." Further, the Directors generally intend to restrict or prevent the direct and indirect ownership of Shares to persons which are not U.S. Persons; however, ownership of Shares by a U.S. Person may be allowed if the Directors in their sole discretion determine that there are no adverse tax or regulatory consequences to the Fund or any of the Shareholders as a result of such ownership (*e.g.*, ownership by an Exempt Organization (as hereinafter defined)).

Except as set forth in the previous paragraph, the Shares may not be directly or indirectly offered, sold or transferred in the United States or to or for the benefit of any U.S. Person. For purposes of this Memorandum, the term "U.S." or "United States" means the United States of America, its territories and possessions, any State of the United States, and the District of Columbia. "U.S. Person" means: (a) any natural

person resident in the United States, including any U.S. resident who is temporarily outside the United States; (b) any partnership or corporation organized or incorporated under the laws of the United States; (c) any estate of which any executor or administrator is a U.S. Person; (d) any trust of which any trustee is a U.S. Person; (e) any agency or branch of a foreign entity located in the United States; (f) any nondiscretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. Person; (g) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organized, incorporated, or (if an individual) resident, in the United States; and (h) any partnership or corporation if (1) organized or incorporated under the laws of any non-U.S. jurisdiction and (2) formed by a U.S. Person principally for the purpose of investing in securities not registered under the Securities Act, unless it is organized or incorporated, and owned, by accredited investors (as defined in Rule 501(a) promulgated under the Securities Act) which are not natural persons, estates or trusts.

Notwithstanding the foregoing, the following persons do not constitute “U.S. Persons”: (a) any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-U.S. Person by a dealer or other professional fiduciary organized, incorporated, or (if an individual) resident, in the United States; (b) any estate of which any professional fiduciary acting as executor or administrator is a U.S. Person if (1) an executor or administrator of the estate which is not a U.S. Person has sole or shared investment discretion with respect to the assets of the estate and (2) the estate is governed by non-U.S. law; (c) any trust of which any professional fiduciary acting as trustee is a U.S. Person shall not be deemed a U.S. Person if a trustee who is not a U.S. Person has sole or shared investment discretion with respect to the trust assets, and no beneficiary of the trust (and no settlor if the trust is revocable) is a U.S. Person; (d) an employee benefit plan established and administered in accordance with the laws of a country other than the United States and customary practices and documentation of such country; (e) any agency or branch of a U.S. Person located outside the United States if (1) the agency or branch operates for valid business reasons and (2) the agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located; and (f) the International Monetary Fund, the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the United Nations, and their agencies, affiliates and pension plans, and any other similar international organizations, their agencies, affiliates and pension plans.

THE FUND

The Fund was incorporated under the International Business Companies Act in the British Virgin Islands on January 19, 1996. The Fund operates subject to its Memorandum of Association and Articles of Association (collectively, the “Articles of Association”) and British Virgin Islands law. The Fund’s registered office is at Citco Building, Wickhams Cay, P.O. Box 662, Road Town, Tortola, British Virgin Islands. The Fund’s principal office is at Kaya Flamboyen 9, P.O. Box 812, Curaçao, Netherlands Antilles, telephone (5999) 7322222, facsimile (5999) 7322225. See “MANAGEMENT, ADMINISTRATION AND INVESTMENT ADVISORY SERVICES” for information on the Fund’s Directors, the Administrator, the Investment Manager and the Adviser(s).

The Fund may issue participating, non-voting shares in separate classes (each a “Class”) with each such Class bearing such rights, obligations, liabilities, privileges, designations, preferences and other terms (including, without limitation, different investment strategies, leverage principles, management fees and incentive fees) as the Directors, in their sole discretion, shall determine upon the issuance of such Class. The Shares offered pursuant to this Memorandum are Class B participating non-voting shares.

INVESTMENT PROGRAM

The Fund’s investment objective is to achieve capital appreciation by investing its assets directly and indirectly in stocks of U.S. issuers traded in the U.S. equity markets (including on stock exchanges and in the over-the-counter markets). There can be no assurance that the Fund will achieve its investment objective. The Fund trades in stocks indirectly by investing its assets in Class A Limited Partnership Interests, Series 1, in the Trading Company. The Fund and the Trading Company each have retained Trinity Management L.L.C., a Delaware (USA) limited liability company, as its investment manager. See “CONFLICTS OF INTEREST.” The Investment Manager is authorized to make all investment decisions for the Fund and the Trading Company. Additionally, the

Investment Manager may, in turn, retain such Advisers as it shall determine to manage all or a portion of those assets of the Fund and the Trading Company allocated to the Investment Manager. Any management or incentive fees payable to such Advisers will be paid by the Investment Manager and not by the Fund or the Trading Company.

Market Neutral Component

The Investment Manager's hedged analytical stock trading strategy seeks to maintain a near market neutral exposure between long and short positions in the portfolio, thereby potentially minimizing the impact of changes in the overall direction of the stock market upon the portfolio.

Stocks within a particular industry sector may tend to move together. For example, the prices of pharmaceutical stocks may tend to move in tandem with each other. During any given time period, however, one pharmaceutical stock may lag in performance compared to other pharmaceutical stocks. In such situations, the Investment Manager's strategy generally will be to buy the particular stock which is lagging and sell short the stock which is leading the industry group. The Investment Manager's strategy is based upon signals generated by state-of-the-art, high-powered computers running a program which employs a complex statistical algorithm (the "model"). The model is applied only to stocks which the Investment Manager identifies as being strongly correlated. The long and short positions are maintained in approximately equal dollar amounts, thereby potentially minimizing the volatility of the portfolio and the effect of the overall direction of the stock market on the portfolio.

Sector Rotation Component

A small percentage of the Fund's assets may be traded by the Investment Manager using a sector rotation strategy. The Investment Manager believes that the basic rule of "Supply & Demand" drives the stock market and that today's stock market is driven in part by the flow of money coming into mutual funds. Mutual fund managers use such money to buy stocks in large quantities. As a result, a few industry sectors tend to outperform the rest of the stock market. There are computer systems designed to detect such sector rotation in its infancy. Once such a pattern is detected, certain fund managers tend to buy the stocks in the industry sector into which money is flowing and sell short the stocks in the industry sector from which money is flowing out. The Investment Manager will attempt to take advantage of such sector rotation to further enhance the Fund's performance. Because a sector rotation strategy is not perfectly hedged, however, the Investment Manager currently intends to trade only 5% or less of the Fund's assets pursuant to a sector rotation strategy.

Concentration in Stocks of the 1500 Largest U.S. Issuers

The Investment Manager will apply its strategy on behalf of the Fund primarily to stocks of the 1500 largest U.S. issuers, as measured by market capitalization, in an effort to further reduce volatility by trading only in markets it considers to be highly liquid. In addition, the Investment Manager generally intends to diversify the Fund's portfolio positions so that the value of each portfolio position typically will comprise less than two percent (2%) of the aggregate value of all portfolio positions and so that positions are held in a broad range of industry sectors.

Miscellaneous

The Investment Manager also may employ such other investment strategies and retain such Advisers as the Investment Manager, acting in its sole and absolute discretion, may determine.

The exact details of Investment Manager's and any Adviser's investment strategies are proprietary and confidential. In addition, the Investment Manager or an Adviser may frequently modify and revise its trading strategy. Therefore, the description of the strategy in this Memorandum is general in nature and is not intended to be exhaustive.

Highly Leveraged Trading

Because the profit margins on hedged transactions in stocks generally are not large, the Investment Manager intends to utilize, and to permit any Adviser to utilize, borrowings and margin indebtedness in connection

with the Trading Company's trading activities in order to leverage the portfolio and in an effort to enhance overall portfolio yield. As noted earlier, the Trading Company is registered under the Exchange Act as a broker-dealer and is a member of PHLX. As a U.S. registered broker-dealer and PHLX member, the Trading Company will not be subject to provisions of Regulation T promulgated by the U.S. Federal Reserve Board which generally require a minimum margin deposit of cash or securities with an aggregate value equal to 50% of the purchase price of stocks bought on margin and 50% of the proceeds of short sales. The trading currently is leveraged at approximately a 2.5-to-1 ratio. Such leverage ratio could be higher or lower from time to time, depending upon both the Investment Manager's and any Adviser's strategies and the requirements imposed by the Trading Company's executing broker, but it is not expected that such ratio will ever be higher than 8-to-1.

Trading Suspension Level

If the Net Asset Value of the Fund (as adjusted for any redemptions, distributions and additions made after trading commenced) decreases as of the close of trading on any Business Day (as hereinafter defined) to or below the Trading Suspension Level (as hereinafter defined), the Fund will attempt to liquidate all open positions as expeditiously as possible and suspend trading. No assurance is given that the Fund will be able to close out all open positions without incurring substantial additional losses. See "RISK FACTORS - Markets May Be Illiquid." The Fund's "Trading Suspension Level" for any given Business Day will be a cumulative twenty percent (20.0%) or more decline in the Net Asset Value of the Fund (as adjusted) from the date on which the Fund commenced trading. Within ten Business Days after the date of the suspension of trading, the Fund shall declare a special redemption date. Such special redemption date, if declared, shall be a Business Day within 30 Business Days from the date of suspension of trading by the Fund, and the Fund shall mail notice of such date to each shareholder by first class mail, postage prepaid, not later than ten Business Days prior to such special redemption date, together with instructions as to the procedure the shareholder must follow to have its Shares redeemed on such date. After such special redemption date, the Directors may elect either to resume trading or to liquidate and wind up the Fund.

Dividend Policy

The Fund is not precluded from paying dividends on the Shares, but it is not anticipated that it will do so.

RISK FACTORS

An investment in Shares involves risks and prospective investors should consider, among others, the following risk factors before subscribing:

General

The transactions in which the Investment Manager and the Adviser(s) generally will engage involve trading risks. Growing competition in the markets as well as the development of sophisticated technology that is able to discover investment opportunities more rapidly may limit an Adviser's ability to take advantage of opportunities in rapidly changing markets.

No assurance can be given that the respective trading strategies of the Investment Manager and the Adviser(s) will be successful or that shareholders will realize net profits on their respective investments. Each shareholder may lose some or all of its investment. The Fund will attempt to liquidate all open positions as expeditiously as possible and suspend trading, however, if the Net Asset Value of the Fund (as adjusted for any redemptions, distributions and additions made after trading commenced) decreases as of the close of trading on any Business Day to or below the Trading Suspension Level. No assurance is given that the Fund will be able to close out all open positions without incurring substantial additional losses.

Because of the nature of the Fund's investment activities, the results of the Fund's operations may fluctuate from month to month and from period to period. Accordingly, investors should understand that the results of a particular period will not necessarily be indicative of results in future periods.

Reliance on the Investment Manager and the Advisers

The Investment Manager and the Adviser(s) retained by the Investment Manager will make all investment decisions on behalf of the Fund and the Trading Company. Investors must rely on the judgment of the Investment Manager and the Adviser(s), and in particular on the judgment of their respective principals, in making such decisions. The Investment Manager and its principals are not required to devote substantially all their business time to the Fund's business.

Contingent Liabilities

The Fund may find it necessary upon the redemption by a shareholder to set up a reserve for unamortized, undetermined or contingent liabilities and withhold a certain portion of the shareholder's redemption proceeds.

Charges to the Fund

The Fund is obligated to pay administrative fees to the Administrator and management fees and incentive fees to the Investment Manager. The Fund also is obligated to pay its legal, accounting, audit, organizational, offering, interest and other operating expenses. In addition, the Fund is obligated to pay its *pro rata* share of the Trading Company's custodial fees, legal fees, accounting and audit fees, brokerage commissions and other trading and operating expenses (including, without limitation, computer expenses). The Fund must pay such fees and expenses regardless of whether the Fund realizes profits. The incentive fees to be paid to the Investment Manager are based upon, among other things, unrealized appreciation on open positions, and any such amounts paid to the Investment Manager will be retained by it even if the Fund subsequently experiences losses and such appreciation is never realized.

Limited Ability to Liquidate Investment in the Fund

A shareholder will not be able to liquidate its investment in the Fund immediately. Shares may be redeemed only as of any monthly Redemption Date (as hereinafter defined) upon giving the Administrator at least 30 days' prior written notice. No secondary market for the sale of Shares exists, and none is likely to develop. In addition, there are restrictions on the transfer and assignment of Shares. For example, Shares may not be transferred without the prior approval of the Directors. Further, the ability of the shareholders to redeem Shares will be subject to the Fund's ability to make withdrawals from its Trading Company capital account, which may be subject to restrictions imposed by PHLX and any other exchanges of which the Trading Company is a member from time to time. In addition, the Fund may not withdraw capital from the Trading Company if such withdrawal would result in a violation of the net capital rules of the U.S. Securities and Exchange Commission or PHLX and any other exchanges of which the Trading Company is a member from time to time. The cost to the Trading Company of obtaining approvals from the exchanges for premature capital withdrawals and any other regulatory authorities shall be borne by the Fund, which shall charge such cost to the shareholder seeking to redeem Shares.

Effects of Substantial Redemptions

Substantial redemptions of Shares within a limited period of time could require the liquidation of positions more rapidly than would otherwise be desirable, which could adversely affect the value of both the Shares being redeemed and the remaining outstanding Shares. In addition, regardless of the period of time during which redemptions occur, the resulting reduction in the Fund's assets could make it more difficult for the Fund to generate profits or recover losses. Redemptions of Shares during the first five fiscal years of the Fund will result in a greater percentage of the Fund's offering and organizational expenses being borne by the holders of the remaining Shares or result in acceleration of amortization. In addition, the Fund may defer redemptions under certain circumstances.

Shareholders Will Not Participate in Management

The Shares are non-voting and as such will not entitle any of the holders thereof to participate in the management of the Fund.

Multiple Classes and Series of Shares

In the event the Fund incurs losses attributable to a particular class or series of shares which exceed the Net Asset Value of such class or series, then the assets of other classes and series of shares would be used to offset such losses.

Similarly, the Trading Company issues limited partnership interests in various classes and series, with each such class or series bearing such rights, obligations, liabilities, privileges, designations and preferences as the General Partner may determine, and if the Trading Company incurs losses attributable to a class or series which exceeds the Net Asset Value of such class or series then the assets of other classes and series of limited partnership interests will be used to offset such losses.

Involuntary Liquidation of Shareholder's Shares

Shares may be liquidated by the Fund for any reason at any time upon notice to the Shareholder. In addition, Shares may be liquidated by the Fund through forced redemption where the Directors determine, in their sole judgment, that such compulsory redemption would best serve the interests of the Fund or the Directors determine that the Shares have been acquired in violation of the laws of any country, the rules or regulations of any governmental agency, regulatory or self-regulatory organization or the provisions of the Fund's organizational documents or if the Directors determine that the continued ownership of Shares by a Shareholder could have an adverse tax or regulatory effect on the Fund or its other shareholders.

Restrictions on Investments by ERISA Accounts

"ERISA Account" means an individual retirement account, a pension, profit-sharing, stock bonus or other employee benefit plan qualified under Section 401(a) of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), or otherwise subject to Title I of the U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and entities such as group trusts which are treated as holding the assets of such an account or plan. When considering an investment of the assets of an ERISA Account in the Fund, a fiduciary with respect to such plan should consider among other things (a) the definition of "plan assets" under ERISA and the final regulations issued by the Department of Labor regarding the definition of plan assets, (b) whether the investment satisfies the diversification requirements of Section 404(a)(1)(C) of ERISA, (c) whether the investment satisfies the prudence requirements of Section 404(a)(1)(B) of ERISA, (d) whether income derived from the Fund could constitute "unrelated business taxable income" subject to federal income taxation to the ERISA Account, (e) the need to value the assets of the plan at least annually, (f) whether the investment is in accordance with the documents and instruments governing the plan and (g) that there will likely be no secondary public market in which to sell or otherwise dispose of the Shares. Purchases and ownership of the Fund's Shares by or on behalf of ERISA Accounts will be monitored and restricted so that less than 25.0% of the Shares (disregarding any Shares held by the Investment Manager or any of its affiliates or other persons who have discretion over the plan assets or provide investment advice for a fee with respect to the plan (and their affiliates)) will be purchased or owned by ERISA Accounts and certain other pension or employee benefit plans, such as certain foreign, governmental or church plans (collectively, "benefit plan investors"). The Fund recommends that any purchase of Shares by an ERISA Account be considered accordingly by the plan's fiduciary and its financial and legal advisors. The Fund intends to limit benefit plan investor participation in the Fund and has the right to require at any time such benefit plan investors to withdraw in full or in part from the Fund at any time. See "PURCHASES BY EMPLOYEE BENEFIT PLANS."

Conflicts of Interest

Inherent and potential conflicts of interest exist in the nature and operation of the Fund's businesses. See "CONFLICTS OF INTEREST."

Lack of Regulation

The Fund is not registered as an investment company under the U.S. Investment Company Act of 1940, as amended, and the Investment Manager is not registered as an investment adviser under the U.S. Investment

Advisers Act of 1940, as amended, or under any state securities laws. Therefore, investors in the Fund will not be afforded the protective measures provided by such acts and the rules promulgated thereunder.

Litigation

The Fund or the Trading Company might be named as a defendant in a lawsuit or regulatory action stemming from the conduct of the Fund's business and the activities of the Investment Manager or any Adviser. In the event such litigation were to occur, the Fund or the Trading Company, as applicable, would bear the costs of defending against it and be at further risk if the case were to be lost.

Changes in Investment Strategies

The investment strategies of the Investment Manager and the Adviser(s) may be altered without prior approval by, or notice to, the Fund, its shareholders or the Trading Company if the Investment Manager determines that such change is in the best interests of the Fund and the Trading Company. Any such change of strategy could result in the exposure of the Fund's capital to additional risks which might be substantial. Each Adviser will be required to notify and receive the approval of the Investment Manager before implementing any changes to such Adviser's investment strategy.

Markets May Be Illiquid

It may not always be possible to execute a buy or sell order at the desired price or to liquidate an open position, either due to market conditions on exchanges or due to the operation of daily price fluctuation limits or "circuit breakers." It also is possible that an exchange or governmental authority may suspend or restrict trading on an exchange or in particular securities or other instruments traded on the exchange. As a result of potential market illiquidity, no assurance can be given that in the event the Fund reaches a Trading Suspension Level, the Trading Company will be able to liquidate all open positions without incurring additional losses.

Leverage

The Investment Manager and the Adviser(s) will use leverage in investing the Fund's assets. As a U.S. registered broker-dealer and PHLX member, the Trading Company will not be subject to provisions of Regulation T promulgated by the Federal Reserve Board which generally require a minimum margin deposit of cash or securities with an aggregate value equal to 50% of the purchase price of stocks bought on margin and 50% of the proceeds of short sales. The trading currently is leveraged at approximately a 2.5-to-1 ratio. Such leverage ratio could be higher or lower from time to time, depending upon the strategies then utilized by Investment Manager and the Adviser(s) and the requirements then imposed by the Trading Company's executing broker, but it is not expected that such ratio will ever be higher than 8-to-1.

Borrowing money to purchase a stock may provide the Fund with the opportunity for greater capital appreciation but at the same time will increase the risk of loss with respect to the stock. Although leverage increases returns if returns on the incremental investments purchased with the borrowed funds exceed the borrowing costs for such funds, the use of leverage decreases returns if returns earned on such incremental investments are less than the costs of such borrowings.

Unanticipated Price Movements

The success of a significant portion of the strategies will depend, to a great extent, upon correctly assessing the future course of the price movements of stocks and the future degree of correlation of price movements among the stocks of issuers within the industries traded. There can be no assurance that the Investment Manager and the Adviser(s) will be able to predict accurately such price movements or degrees of correlation. For example, the price of a stock may move unexpectedly if the stock's issuer becomes, or is rumored to have become, involved in a merger or acquisition. Consequently, such trading strategies inherently involve market risk. The Investment Manager intends to mitigate such market risk by diversifying, or requiring Advisers to diversify, the Fund's portfolio positions so that the value of each portfolio position typically will comprise less than two percent (2%) of the aggregate value of all portfolio positions and so that positions are held in a broad range of industry sectors.

Short Selling

The Investment Manager and the Adviser(s) will engage in selling stocks short. A short sale of a stock is the sale of a stock not owned by the seller. The seller borrows stock for delivery at the time of the short sale. The seller thus must buy the stock at a later date in order to replace the shares borrowed. If the price of the stock at such later date is lower than that at the date of the short sale, the seller realizes a profit; if the price of the stock has risen, however, the seller realizes a loss. Selling a stock short exposes the seller to unlimited risk with respect to the stock due to the lack of an upper limit on the price to which an instrument can rise.

General Economic Conditions

The success of any investment activity may be affected by general economic conditions, which may affect the level and volatility of interest rates and the extent and timing of investors' participation in the markets for interest-sensitive stocks. Market periods characterized by illiquidity or flattened volatility could impair the Investment Manager's or an Adviser's ability to trade successfully or cause it to incur losses.

Turnover

The trading activities of the Investment Manager and the Adviser(s) may be made on the basis of short-term market considerations. The portfolio turnover rate could be significant, potentially involving substantial floor brokerage commissions and fees.

Adverse Effects of Increased Regulation of Financial Markets

Regulatory changes may be imposed on the financial markets and any such regulations could significantly restrict or affect the ability of the Investment Manager and the Adviser(s) to access financial markets. Any such regulations also might impair the liquidity of the investments made by the Investment Manager or the Adviser(s) on behalf of the Fund. The U.S. stock market is subject to ongoing and substantial regulatory changes, and it is impossible to predict what governmental, regulatory, self-regulatory or exchange-imposed restrictions may become applicable in the future.

General Uncertainty Concerning Other Future Regulatory Changes

In addition to possible changes in the regulation of the financial markets, other regulatory changes may have a material and adverse effect on the Fund's prospects for profitability.

Possible Indemnification Obligations

Under certain circumstances, the Fund and/or the Trading Company, as applicable, may be obligated to indemnify, among others, one or more of the Directors, the Administrator, the Investment Manager and their respective directors, officers, partners, shareholders and affiliates.

Institutional Risks

Institutions, such as brokerage firms and banks, will have custody of the assets of the Fund. Such firms may encounter financial difficulties which impair the operating capabilities or the capital position of the Fund, the Trading Company, the Investment Manager or the Adviser(s). The Investment Manager intends to limit transactions to well-capitalized and established banks and brokerage firms in an effort to mitigate such risks.

Currency Exchange Risk

Subscriptions and redemptions will be effected in U.S. dollars, unless a shareholder requests redemption in some other currency freely convertible from U.S. dollars. Any such currencies will be converted from U.S. dollars at the shareholder's risk and expense. Such conversion will be effected at the then-current applicable exchange rate, as determined by the Fund.

The foregoing list of risk factors does not purport to be a complete explanation of all risks involved in this offering. Prospective investors should read the entire Memorandum and consult with independent, qualified sources of investment and tax advice before determining whether to invest in Shares.

MANAGEMENT, ADMINISTRATION AND INVESTMENT ADVISORY SERVICES

Management

Kieran J. Conroy and Rajesh Agarwal have been appointed as the directors of the Fund. Mr. Conroy is affiliated with the Administrator. Rajesh Agarwal is the Managing Director of the Investment Manager. Messrs. Conroy and Agarwal also are directors of the General Partner. The Directors are responsible for managing the affairs of the Fund and supervising the activities of the Administrator. See “CONFLICTS OF INTEREST.”

InterCaribbean Services Ltd. (“InterCaribbean”) has been appointed as Secretary of the Fund (the “Secretary”). InterCaribbean is an affiliate of the Administrator and Mr. Conroy. The Secretary is the custodian of the Fund’s corporate records and the register of shareholders.

Administrator

Citco Fund Services (Curaçao) N.V., Curaçao, Netherlands Antilles has been delegated the responsibility as administrator (the “Administrator”) under the terms of the Administrative Services Agreement entered into by the Fund and the Administrator. The Administrator serves as the registrar and transfer agent for Shares of the Fund, and is responsible for the maintenance of the Fund’s corporate records and books of accounts, Net Asset Value calculation, and communication with shareholders and the general public.

The Administrative Services Agreement is for an indefinite term. It may be terminated by any party thereto upon not less than sixty (60) days’ notice.

The Fund has agreed to indemnify the Administrator and its directors, officers, employees and shareholders against, and hold them harmless from, any expense, loss, liability or damage arising out of any asserted or threatened claim by any third party in connection with the Administrator’s serving or having served as the Fund’s administrator pursuant to the Administrative Services Agreement, except for any expense or liability arising out of, related to or based upon its negligence, willful misconduct or bad faith, or by its reckless disregard of its duties.

Investment Manager

The Investment Manager is Trinity Management L.L.C., a Delaware (USA) limited liability company formed in March 1996. The Investment Manager is an investment management firm organized principally to provide investment management services to the Trading Company, the Fund and other investment funds which invest in the Trading Company. The following persons are, either directly or indirectly, principals or trading principals of the Investment Manager:

Rajesh (“Raj”) Agarwal. Mr. Agarwal also has been a Managing Director of U.S. Securities & Futures Corp. (“U.S. Securities”) since June 1995. As a Managing Director of U.S. Securities, he manages an office of approximately forty brokers and regularly advises with respect to customer securities accounts totaling approximately U.S.\$50 million. From August 1991 to June 1995, Mr. Agarwal was a Vice President and managed securities accounts at Anglo American Investment Services, a broker-dealer with offices in New York, New York. Previously, Mr. Agarwal was a marketing manager at Quotron, a division of Citibank, in New York, New York from November 1990 to August 1991, and worked at Citibank in Chicago, Illinois and Raleigh, North Carolina from June 1988 to November 1990.

Murari (“Mike”) Garodia. Mr. Garodia also has been the President of Promet, Inc., an international trading company with an office in Houston, Texas, since May 1991. He has had extensive experience in setting up companies both in the United States and overseas. As a successful entrepreneur, Mr. Garodia has promoted and managed several businesses in the United States, Singapore and India for approximately 20 years.

Kyriakos Kalketenidis. His prior professional commitments include serving as an Assistant Treasurer in charge of Leveraged Buy Outs for the Swiss Bank Corporation in New York from January 1988 to June 1989. In December 1987, he was awarded an M.B.A. from INSEAD, the International Business School in Fontainebleau, France. Prior degrees include a M.S. degree in Structural Engineering from Columbia University in New York (1983) and a B.S. degree in Civil Engineering from University College of London (1982).

Nicholas Kondakis. His prior professional commitments include research positions at Princeton University and Columbia University until January 1991. Dr. Kondakis received a Ph.D. degree in High Energy Physics from Columbia University in May 1989, preceded by M.Phil. and M.A. degrees in Physics, also from Columbia University. Dr. Kondakis also received a B.S. degree in Physics from the University of Athens, Greece, graduating first in his class (1982).

FEES AND EXPENSES

Investment Manager

Pursuant to the terms of the Investment Management Agreement (as hereinafter defined), the Fund will pay the Investment Manager a calendar monthly management fee, payable in arrears, in an amount equal to $\frac{1}{12}$ th of 2% of the Net Asset Value of the Fund (as hereinafter defined) as of each calendar month-end (approximately 2% annually). For purposes of calculating the management fees, the Net Asset Value of the Fund is determined before reduction for the Investment Manager's management fees and incentive fees or extraordinary expenses accrued or payable as of such month-end and before giving effect to any subscriptions made and any distributions and redemptions paid or payable as of such month-end. If for any reason the Fund is dissolved or the Investment Management Agreement is terminated as of any date other than the last day of a calendar month, the management fee will be pro-rated based on the ratio of the number of days in the calendar month through such date bears to the total number of days in the calendar month.

In addition, as of the end of each Calculation Period (as hereinafter defined), the Fund will pay the Investment Manager an annual incentive fee equal to a percentage of the Net New Appreciation (as hereinafter defined), if any, achieved during the Calculation Period, as follows:

- (a) if the amount of Net New Appreciation as of the end of the Calculation Period represents an increase in the Net Asset Value of the Fund in an amount less than or equal to 50% of the Net Asset Value of the Fund as of the commencement of the Calculation Period (after appropriate adjustments to reflect subscriptions for Shares and redemptions of Shares and distributions made during the Calculation Period), then 24% of the Net New Appreciation; and
- (b) if the amount of Net New Appreciation as of the end of the Calculation Period represents an increase in the Net Asset Value of the Fund in an amount greater than 50% of the Net Asset Value of the Fund as of the commencement of the Calculation Period (after appropriate adjustments to reflect subscriptions for Shares and redemptions of Shares and distributions made during the Calculation Period), then 24% of the amount of Net New Appreciation representing a 50% increase in the Net Asset Value of the Fund during the Calculation Period and 45% of any Net New Appreciation in excess thereof

For purposes of calculating the incentive fee, "Net New Appreciation" during a Calculation Period shall be computed with respect to each Series of Shares separately and shall mean the excess, if any, of the Net Asset Value of the applicable Series as of the end of the Calculation Period (after deducting the allocable portion of any management fees payable to the Investment Manager during the period and as of such period-end and any operating expenses of the Fund paid or accrued during the period but without reduction for any incentive fee payable with respect to the Net New Appreciation achieved by such Series during the period) over the Net Asset Value of the such Series as of the end of the most recent prior Calculation Period for which an incentive fee was payable (or, if no incentive fee was previously paid or payable, the initial subscription date for such Series), increased by the amount of any distributions or redemptions of Shares of such Series made by shareholders during the Calculation

Period, reduced by the amount of any subscriptions for Shares of Such Series made during the Calculation Period. For purposes of calculating Net New Appreciation, extraordinary expenses and taxes shall be excluded

If a Series of Shares experiences net losses after an incentive fee is charged, the Investment Manager will retain all incentive fees previously paid to it with respect to such Series, but will not receive a new incentive fee with respect to such Series until additional Net New Appreciation is achieved by such Series.

The first "Calculation Period" shall be the period of time commencing on the commencement of the Fund's trading activities and ending on the close of business of the last Business Day of the first full calendar year following such date. Thereafter, each "Calculation Period" shall commence on the opening of business of the first Business Day of a calendar year and shall end on the close of business of the last Business Day of the calendar year.

The incentive fee arrangement between the Fund and the Investment Manager may create an incentive for the Investment Manager to make investments that are more speculative or subject to a greater risk of loss than would be the case if no such incentive fee arrangement existed. Prospective investors also should note that the calculation of the Investment Manager's incentive fee is based in part upon unrealized profits (as well as unrealized losses) and such unrealized profits may never be realized by the Fund, and that the incentive fee, if paid, could result in fees greater than normally paid to other advisers for similar services.

Prospective investors should note that even though incentive fees are computed and payable as of the end of each Calculation Period, such incentive fees will accrue monthly. Investors who redeem all or a portion of their Shares as of any date other than the end of a Calculation Period will be charged an incentive fee, if earned, on the amount of the redemption as though the date of such redemption were the end of the then current Calculation Period, even though the Investment Manager may not be entitled to an incentive fee had the Shares been held through the end of the Calculation Period on account of losses incurred subsequent to the redemption. If for any reason the Fund is dissolved or the Investment Management Agreement is terminated as of a date other than the last day of a Calculation Period, the incentive fee will be charged and paid to the Investment Manager as if such date were the last day of the then current Calculation Period.

At the election of the Investment Manager, payments of all or a portion of an incentive fee may be automatically deferred until the occurrence of certain specified events (including the termination of the Investment Management Agreement or the dissolution of the Fund). During the deferral period, the deferred amounts of the incentive fee will be recorded by the Fund as a liability in an unfunded book entry account that is indexed to the subsequent performance (whether positive or negative) of the Fund, so that the amount ultimately payable will reflect the return that would have been realized if the fee had been paid to the Investment Manager and simultaneously invested in Shares of the Fund immediately following the close of the Calculation Period in which the fee would have been earned.

Adviser(s)

The Investment Manager, and not the Fund, will be responsible for the payment of management and/or incentive fees to the Adviser(s), if any. Any incentive fee arrangement between the Investment Manager and an Adviser may create an incentive for the Adviser to make investments that are more speculative or subject to a greater risk of loss than would be the case if no such incentive fee arrangement existed.

Administrator

The Trading Company will pay the Administrator customary fees for its services as the Administrator of the Trading Company, the Fund and the Trading Company's other limited partner.

Placement Agents

Shares purchased through Placement Agents, if any, may be subject to the payment of an up-front placement fee of up to 5% of the purchase price of the Shares. Placement Agents, if any, also may receive a portion of the management fees and incentive fees paid by the Fund.

Allocation of Expenses

All fees and expenses which are specific to a particular Class or Series will be allocated to the then outstanding shares of such Class or Series. All other general expenses of the Fund will be allocated *pro rata* among all Classes and Series.

Other Expenses and Fees Chargeable to the Fund

The Fund is responsible for all expenses incurred by the Fund in the ordinary course of its business, including, without limitation, legal fees, accounting fees, audit fees, interest expenses, brokerage commissions, offering expenses, other operating expenses and extraordinary expenses, if any. The Fund also will be responsible for its *pro rata* share of the Trading Company's operating expenses, including without limitation, legal fees, accounting fees, audit fees, interest expenses, brokerage commissions, exchange membership fees and costs (including without limitation, any costs associated with the leasing or ownership of a PHLX seat), computer expenses and other similar expenses and extraordinary expenses, if any, except to the extent that any such expenses are specifically allocated to classes and series of limited partnership interests other than those owned by the Fund. A shareholder electing to have its Shares held by a custodian may be charged additional fees by the custodian for such services.

Further details regarding the fees to be paid to the Investment Manager and the Administrator are set forth in the Investment Management Agreement and the Administrative Services Agreement, respectively, copies of which will be furnished to shareholders or prospective investors upon request.

Redemption Fees Charged to Redeeming Shareholders

Any redemption of Shares made during the first year of the redeeming shareholder's investment in the Fund is subject to a redemption fee in an amount equal to 10% of the Net Asset Value of the Shares being redeemed. Any redemption fees charged will be paid to the Investment Manager. In the event that at the time of such redemption the Net Asset Value of any Share being redeemed has declined by 15% or more since the date of the purchase thereof, the redemption fee will be waived with respect to such Share.

CONFLICTS OF INTEREST

The Fund is subject to actual and potential conflicts of interest.

Rajesh Agarwal, an affiliate of the Investment Manager and of the General Partner, serves as a Director of the Fund. Therefore, Mr. Agarwal has a conflict of interest with respect to his duty to manage the Fund in the best interests of its shareholders and to review the investment performance of the Fund and his pecuniary interest in appointing and retaining his affiliate, the Investment Manager, to act as investment manager of the Fund and the Trading Company. There is an absence of arm's-length negotiation with respect to the terms of compensation payable to the Investment Manager under the terms of the Investment Management Agreement. In addition, the Investment Manager owns all of the Fund's Voting Shares and therefore controls both the election and removal of Directors of the Fund and the votes on amendments to the Articles of Association, provided that no amendment may vary the rights attached to the Shares without the consent of seventy five percent (75%) of the holders thereof.

The Investment Manager, the Adviser(s) and their respective principals and affiliates may trade and make investments for their own accounts. It currently is anticipated that the Investment Manager will not accept any accounts other than the Trading Company, the Fund and other investment funds which invest their assets in the Trading Company. Each of the Investment Manager's and each Adviser's principals and affiliates, however, may trade and manage accounts other than the accounts of the Fund and the Trading Company, including their own accounts, utilizing trading and investment strategies which are the same as or different than the strategies such persons will utilize in making investment decisions for the Fund. In addition, in proprietary trading and investing, the Investment Manager and the Adviser(s) may take positions which are the same as, different than or opposite to those of the Fund. All of such trading and investment activities also may increase the level of competition experienced by the Fund including with respect to priorities of order entry and allocations of executed trades.

The Administrator, its principals, and the Directors will not devote their time exclusively to the management of the Fund. In addition, the Investment Manager's and each Adviser's principals and affiliates may perform similar or different services for others and may sponsor or establish other investment funds (public or private) during the same period that the Investment Manager acts as the investment manager of the Fund. Therefore, each of such persons will have conflicts of interest in allocating management time, services and functions among the various entities for which such person provides services

In view of the Fund's objective to seek capital appreciation, the Directors do not intend to make any distributions to the shareholders. To the extent that increases in the Net Asset Value of the Fund are retained by the Fund rather than distributed, the Net Asset Value of the Fund will be greater, thereby increasing the amounts of the management fees payable to the Investment Manager and the administrative fees payable to the Administrator.

Officers, directors and employees of each of the Investment Manager and the Adviser(s) and their respective affiliates from time to time may serve on various committees and boards of U.S. securities exchanges and assist in making rules and policies of those exchanges. In such capacity such person would have a fiduciary duty to the exchanges on which he or she serves and is required to act in the best interests of such organizations, even if such action may be adverse to the interests of the Fund.

Kieran J. Conroy, a Director of the Fund and of the General Partner, is affiliated with the Administrator. Therefore, Mr. Conroy has a conflict of interest between managing the Fund in the best interests of the shareholders and their pecuniary interest in selecting the Administrator as the Fund's and the Trading Company's administrator thereby increasing the compensation payable to their affiliate.

As partial compensation for their services, Placement Agents, if any, may be paid a portion of the management fees and incentive fees paid by the Fund. Therefore, Placement Agents have a conflict of interest in advising investors whether to purchase or redeem Shares.

The Fund, the Trading Company, the General Partner and the Investment Manager have been represented by single legal counsel in connection with this offering. Such counsel has not represented and will not represent investors in the Fund. No independent counsel has been retained to represent investors in the Fund.

BROKERAGE AND PORTFOLIO TRANSACTIONS

The Fund's anticipated portfolio turnover rate may be significantly higher than that of many other investment funds but is consistent with the Fund's overall investment objective. Typically, high portfolio turnover may result in correspondingly high transaction costs. The exact amount of brokerage and related transaction costs which will be incurred is impossible to estimate and will depend upon a number of factors including the nature and frequency of the market opportunities presented, the size of the transactions and the transaction rates in effect from time to time. The Investment Manager has discretion to select brokers and dealers to execute portfolio transactions and to select the markets in which such transactions are to be executed.

The policy of the Investment Manager regarding purchases and sales for the portfolio is that primary consideration will be given to obtaining the most favorable execution of the transactions in seeking to implement its investment strategy. The Investment Manager and the Adviser(s) will effect transactions with those brokers and dealers which the Investment Manager believes provide the most favorable prices and which are capable of providing efficient executions. The factors that the Investment Manager believes contribute to efficient execution include size of the order, difficulty of execution, operational capabilities and facilities of the broker or dealer involved, whether that broker or dealer has risked its own capital in positioning a block of securities or other assets and the prior experience of the broker or dealer in effecting transactions of the type in which the Investment Manager will engage.

In selecting brokers or dealers to execute particular transactions, the Investment Manager may consider "brokerage and research services" (as such terms are defined in Section 28(e) of the Exchange Act) and other information provided. For example, the Fund's broker has from time to time paid, and may in the future pay, a portion of the charges incurred by the Investment Manager for financial data services utilized in trading the assets of the Fund. Consistent with obtaining the most favorable execution, the Investment Manager also may consider the

fact that certain brokers and dealers may refer or have referred prospective investors to the Fund. The Investment Manager may cause a broker or dealer who provides such brokerage and research services to be paid a commission or, in the case of a dealer, a dealer spread for executing a portfolio transaction which is in excess of the amount of commission another broker or dealer would have charged for effecting that transaction. Prior to making such an allocation, however, the Investment Manager will make a good faith determination that such commission or spread was reasonable in relation to the value of the brokerage and research services provided, viewed in terms of that particular transaction or in terms of all the accounts over which the Investment Manager or its affiliates exercise investment discretion. The Investment Manager does not rely upon brokers for investment research and it is the Investment Manager's policy not to accept "soft dollars."

TAXATION

Introduction

The following summary of the principal tax and exchange control considerations applicable to the Fund and its shareholders does not constitute legal or tax advice. Prospective investors should consult their own professional advisors on the income and other tax consequences of acquiring, holding or disposing of Shares arising in the jurisdiction in which they are resident or domiciled for tax purposes. While this summary is considered to be a correct interpretation of existing laws in force as of the date of this Memorandum, no assurance can be given that courts or fiscal authorities responsible for the administration of such laws will agree with such interpretations or that changes in such laws will not occur.

British Virgin Islands

The Fund is not subject to taxation in the British Virgin Islands other than an annual license fee of U.S.\$300.

Shareholders who are not residents of the British Virgin Islands will not be subject to income, capital gains, withholding or other taxes in the British Virgin Islands as a result of the acquisition, ownership and redemption or other disposition of Shares. Companies incorporated under the International Business Companies Act in the British Virgin Islands also will not be subject to income, capital gains, withholding or other taxes in the British Virgin Islands as a result of the acquisition, ownership and redemption or other disposition of Shares.

U.S. Federal Taxation

The Fund intends to conduct its affairs in a manner such that income and gain realized by it generally should not be subject to U.S. federal income taxes. The Fund would be subject to U.S. federal income taxes on income and gain realized by it if it were viewed for U.S. federal income tax purposes as being "engaged in a trade or business within the United States." Whether the Fund will be viewed to be engaged in a trade or business within the United States is a question of fact which will depend principally upon the activities which the Fund conducts within the United States, and the Fund intends to limit its activities within the United States and otherwise to conduct its affairs so as not to be treated as engaged in a trade or business within the United States. Toward that end, the Fund intends to take steps to ensure that it (a) will not engage in any activity in the United States other than the trading of securities and other financial instruments, (b) will not act as a dealer in securities and other financial instruments, (c) will not have an office or fixed place of business in the United States, and (d) will conduct certain activities exclusively from its office outside of the United States. As a result of so limiting its activities within the United States, the Fund believes that it will be viewed for U.S. federal income tax purposes not to be engaged in a trade or business within the United States. If the Fund were viewed for U.S. federal income tax purposes to be engaged in a trade or business within the United States, the Fund would be subject to U.S. federal income tax at graduated rates, plus a flat 30% branch profits tax with respect to any income of the Fund treated as "effectively connected" with such trade or business.

For purposes of the discussion below, the term "U.S. Shareholder" means a shareholder which, for U.S. federal income tax purposes, (a) is a citizen or resident of the United States, (b) is a corporation, partnership or other entity created or organized in or under the laws of the United States or any political subdivision thereof, (c) is an estate or trust the income of which is subject to U.S. federal income taxation regardless of its source or (d) is a

trust of which one or more U.S. persons have the authority to control all substantial decisions and over the administration of which a court within the United States is able to exercise primary supervision and the term “Non-U.S. Shareholder” means a shareholder who is not a U.S. Shareholder.

The Fund will be considered a “passive foreign investment company” (“PFIC”) for U.S. federal income tax purposes. Generally, a U.S. Shareholder which owns shares of a PFIC (a “PFIC shareholder”) may elect to treat the PFIC as a qualified electing fund (“QEF”). In such a case, the PFIC shareholder includes in income on an annual basis its share of the QEF’s ordinary earnings and net capital gains. An electing PFIC shareholder’s share of the annual losses of a PFIC are not available to the electing PFIC shareholder, however, and may not be carried forward by the electing PFIC shareholder to reduce subsequent years’ income inclusions. Any income or withholding taxes paid by the PFIC are deductible by the PFIC but are not generally available as tax credits to an electing PFIC shareholder.

If a PFIC shareholder does not make the election to treat the PFIC as a QEF, the shareholder is not taxed under the PFIC rules on the PFIC’s earnings until such earnings are distributed or gain is realized on the sale or redemption of shares. Such distributions also retain their character as dividends or gains from the redemption of shares. If a non-electing PFIC shareholder disposes of its shares or receives an “excess distribution” from the PFIC, the PFIC shareholder is subject to an interest charge on the amount of tax the shareholder incurs with respect to the portion of the gain or excess distribution, as the case may be, attributable to PFIC earnings in prior years. An excess distribution is generally the excess of the distributions received by a PFIC shareholder during a taxable year over 125% of the average amount received by the PFIC shareholder in respect of the stock during the three preceding taxable years.

The ownership of Shares is restricted to non-U.S. Persons (as defined hereinafter) and certain U.S. Persons which the Directors in their sole discretion have determined may be admitted as a Shareholder without adverse tax or regulatory consequences to the Fund or the other Shareholders. Such U.S. Persons may include organizations generally exempt from U.S. federal taxation under the Code (“Exempt Organizations”) (including an individual retirement account qualified under Section 408 of the Code, a trust forming part of a Keogh, profit-sharing or pension plan qualified under Section 401 of the Code or an organization described in Section 501(c) or Section 501(d) of the Code). An Exempt Organization is not subject to U.S. federal income tax except to the extent that it has “unrelated business taxable income” (“UBTI”). Dividends paid on Shares and gains from the redemption or other disposition of Shares held by an Exempt Organization normally will not be subject to tax. Accordingly, an Exempt Organization that does not elect to treat a PFIC as a QEF normally will not be subject to a tax on which excess distribution interest charges may apply. In the case of an Exempt Organization that elected to treat a PFIC as a QEF, the U.S. Internal Revenue Service (the “Service”) ruled in a private letter ruling that the organization’s share of the QEF’s ordinary earnings and net capital gains was not UBTI. An Exempt Organization may not rely on a private letter ruling issued to another taxpayer, however, and the Service may change its position with respect to this issue. Accordingly, an Exempt Organization that is considering an investment in the Fund should review the application of the UBTI rules with its advisors.

Should an investor which is an Exempt Organization elect to treat the Fund as a QEF, the Fund will provide the Exempt Organization with the information necessary to enable the Exempt Organization to comply with the QEF election requirements.

There may be certain reporting requirements of U.S. Shareholders to the Service concomitant with a U.S. Shareholder’s acquisition, ownership or disposition of Shares.

An Exempt Organization considering an investment in the Fund should consult its own tax advisors concerning the tax consequences to it of an investment in the Fund and should consider carefully whether an investment in the Fund is an appropriate investment in light of its particular circumstances.

Non-U.S. Shareholders

Subject to the discussion of “backup” withholding below, a Non-U.S. Shareholder who is not considered to be “engaged in a trade or business within the United States” or otherwise subject to U.S. taxation should not be subject to U.S. Federal income, branch profits or withholding taxes on any gain realized on a

disposition of its Shares outside the United States or on Fund distributions or dividends. If, however, the Fund were considered to be “engaged in a trade or business within the United States,” some or all of the gross amount of the dividends of the Fund paid to Non-U.S. Shareholders might be subject to a 30% U.S. Federal withholding tax, unless reduced by applicable treaty.

Special rules may apply in the case of shareholders that are former citizens of the United States or that are considered, for U.S. tax purposes, to be personal holding companies, foreign personal holding companies, controlled foreign corporations, passive foreign investment companies or corporations that accumulate earnings and avoid U.S. Federal income tax, and in some situations special rules may also apply to shareholders of the foregoing. Moreover, this summary does not address the U.S. Federal income tax consequences of an investment in the Fund to a beneficial owner of a Share which is or becomes, for U.S. Federal income tax purposes, a citizen or resident of the United States, a U.S. corporation, or a holder otherwise subject to U.S. Federal income tax on a net income basis in respect of a Share, or to an individual who spends more than 182 days in the United States. Such shareholders are urged to consult their U.S. tax advisors concerning the U.S. tax treatment of an investment in the Fund in light of their particular circumstances.

A 31% U.S. “backup” withholding tax and information reporting may apply to any dividends on, and gross proceeds from the sale or redemption of, Shares held in the United States by a custodian or nominee unless the shareholder properly certifies that it is a Non-U.S. Shareholder for U.S. Federal income tax purposes or otherwise establishes an exemption from backup withholding.

U.S. Federal Estate Tax

Any Shares held by a decedent who, at his death, is neither a citizen nor a resident of the United States will not be includible in his gross estate for U.S. Federal estate tax purposes.

No assurance can be given that forthcoming legislation, administrative changes or court decisions will not significantly modify the tax consequences discussed in this summary. A change in the tax law may or may not be applied retroactively to transactions entered into or completed prior to the adoption of any such change. This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular purchaser of Shares. The Fund has not obtained any opinion of counsel concerning the tax consequences set forth herein. Accordingly, prospective purchasers of Shares should consult their own tax advisors with respect to the tax treatment of the acquisition, ownership and disposition of Shares in light of their particular circumstances.

Other Tax Considerations

The Fund has no present plans to apply for any certifications or registrations, or to take any other actions under the laws of any jurisdictions which would afford relief to local investors therein from the normal tax regime otherwise applicable to an investment in Shares. The foregoing summary does not address all tax considerations which may be relevant to certain shareholders under the laws of any jurisdiction, including the British Virgin Islands and the United States. It is the responsibility of all persons interested in subscribing for Shares to inform themselves of any income or other tax consequences arising in the jurisdiction in which they are resident or domiciled for tax purposes or in any other jurisdiction, and of any foreign exchange or other fiscal or legal restrictions, which are relevant to their particular circumstances in connection with the acquisition, holding or disposition of Shares.

PURCHASES BY EMPLOYEE BENEFIT PLANS

General

The following section sets forth certain consequences under ERISA and the Code which a fiduciary of an ERISA Account who has investment discretion (a “Plan Fiduciary”) should consider before deciding to invest the ERISA Account’s assets in the Fund. The following summary is not intended to be complete, but only to suggest certain questions under ERISA and the Code which are likely to be raised by the Plan Fiduciary’s own counsel.

In general, the term “plan” refers to any plan or account of various types (including its related trust) which constitutes an ERISA Account, as defined above. Such plans and accounts include, but are not limited to, corporate pension and profit-sharing plans, “simplified employee pension plans,” Keogh plans for self-employed individuals (including partners), individual retirement accounts described in Section 408 of the Code and entities such as group trusts which are treated as holding the assets of such plans.

Each Plan Fiduciary must give appropriate consideration to the facts and circumstances that are relevant to an investment in the Fund, including the role that an investment in the Fund plays in the plan’s investment portfolio. Each Plan Fiduciary, before deciding to purchase Shares, must be satisfied that the Shares represent a prudent investment for the plan, that the investments of the plan, including the investment in the Fund, are diversified so as to minimize the risks of large losses and that an investment in the Fund complies with the plan and trust documents, ERISA and the Code. A Plan Fiduciary also should consider the Fund’s redemption policies, the restrictions on the transferability of Shares, the likelihood that no secondary public market for Shares exists and the need to value the assets of the plan at least annually.

Plan Assets

Section 406 of ERISA and Section 4975 of the Code (which also applies to individual retirement accounts that are not considered part of a plan subject to the fiduciary rules of ERISA) prohibit a plan from engaging in certain transactions involving “plan assets” with parties that are “parties in interest” under ERISA or “disqualified persons” under the Code with respect to the plan. In addition to considering whether the purchase and ownership of Shares would be a non-exempt prohibited transaction, a Plan Fiduciary must consider whether the assets of an investing plan include only the participation interest purchased or whether a plan investing in the Fund also is deemed to own an undivided interest in the assets of the Fund. If the assets of the Fund were deemed to be plan assets, a plan’s investment in the Fund might be deemed to constitute an improper delegation under ERISA of the duty to manage plan assets by the Plan Fiduciaries and certain transactions involved in the operation of the Fund might be deemed to constitute direct or indirect prohibited transactions under Section 406 of ERISA and Section 4975 of the Code. ERISA and the Code do not define “plan assets.” Department of Labor regulations (“DOL Regulations”) contain rules for determining whether or not a plan’s assets would be deemed to include an interest in the underlying assets of an entity such as the Fund, for purposes of the reporting, disclosure and fiduciary provisions of ERISA. In general, under DOL Regulations, if “benefit plan investors” (including ERISA Accounts and governmental, foreign plans and certain church plans) hold 25% or more of any class of equity interests in an entity (disregarding any interests held by the Investment Manager or any of its affiliates or other persons with discretion over the plan assets or who provide investment advice for a fee with respect to the plan (and their affiliates)), the underlying assets of the entity will be deemed to be plan assets. The 25% ownership test is applied whenever an investor acquires, redeems or transfers all or a portion of its investment in the Fund.

Purchases and ownership of participating shares by benefit plan investors will be monitored and restricted so that less than 25% of any Class of participating shares will be purchased or owned by benefit plan investors. In the event it appears to the Directors in their sole opinion, that the interests of benefit plan investors (disregarding any participating shares held by the Investment Manager or any of its affiliates or other persons with discretion over the plan assets or who provide investment advice for a fee with respect to the plan (and their affiliates)) might constitute 25% or more of any class of participating shares, certain ownership and transfer restrictions (including mandatory transfer and calls for redemption of participating shares held by benefit plan investors) may be implemented. Although the Directors will, based upon information provided by investors, make every reasonable effort to avoid material violations of Title I of ERISA and prohibited transactions, there can be no assurance that such violations will not occur.

ACCEPTANCE OF SUBSCRIPTIONS ON BEHALF OF PLANS IS IN NO RESPECT A REPRESENTATION BY THE FUND, THE INVESTMENT MANAGER, THE ADMINISTRATOR OR ANY OTHER PARTY THAT THIS INVESTMENT MEETS ALL RELEVANT LEGAL REQUIREMENTS WITH RESPECT TO INVESTMENTS BY ANY PARTICULAR PLAN OR THAT THIS INVESTMENT IS APPROPRIATE FOR ANY PARTICULAR PLAN. THE PERSON WITH INVESTMENT DISCRETION SHOULD CONSULT WITH HIS OR HER ATTORNEY AND OTHER PROFESSIONAL ADVISORS AS TO THE PROPRIETY OF SUCH AN INVESTMENT IN LIGHT OF THE CIRCUMSTANCES OF THAT PARTICULAR PLAN AND CURRENT TAX AND OTHER APPLICABLE LAW.

REDEMPTIONS

Shareholders may redeem all or some of their Shares on any monthly Redemption Date at the then-current Net Asset Value per Share by sending a written request for redemption to the Administrator by fax with two original copies to follow by overnight courier, except as noted under the caption "GENERAL INFORMATION - Temporary Suspension of Determination of Net Asset Value and of Redemptions." A form of request for redemption is attached hereto as Exhibit C. Shares also may be redeemed at such other times on such terms and conditions as the Directors, acting in their sole discretion, may decide. Requests for redemption are irrevocable upon receipt thereof by the Administrator. Requests for redemption must be made with respect to Shares having a total value on the Redemption Date of at least U.S.\$50,000 unless the redemption request relates to all of the Shares owned by the shareholder. The Directors, in their sole discretion, may permit redemptions of lesser amounts. No redemption which applies to less than all of a shareholder's Shares can result in the shareholder owning Shares with an aggregate Net Asset Value of less than U.S.\$250,000, unless such condition is waived by the Directors. If the number of Shares to be redeemed is not specified, a redemption notice will be assumed to apply to all of the Shares held by the shareholder. Ninety percent of the then estimated redemption proceeds will be paid to the redeeming shareholder on the relevant Redemption Date, and the remaining balance of the redemption proceeds will be paid within 45 days of such Redemption Date unless redemptions are suspended. Prospective investors should be aware that the relevant redemption price ordinarily will be based on unaudited accounts.

Redemption requests must be received by the Administrator at least 30 days prior to a Redemption Date in order to be acted on as of that Redemption Date. Redemption requests received by the Administrator less than 30 days prior to a Redemption Date will be deemed deferred until the next Redemption Date. The Fund is not liable for any loss arising from late payment of redemption proceeds.

Any redemption of Shares made during the first year of the redeeming shareholder's investment in the Fund is subject to a redemption fee in an amount equal to 10% of the Net Asset Value of the Shares being redeemed. The redemption fee will be paid to the Investment Manager. In the event the Net Asset Value of the Shares being redeemed has declined by 15% or more since the date of the purchase thereof, such redemption fee will be waived.

In accordance with the Articles of Association, the Directors may suspend or defer redemptions under certain circumstances. In addition, the Directors may redeem Shares compulsorily in certain circumstances. See "GENERAL INFORMATION."

SUITABILITY REQUIREMENTS

Shares may be purchased only by investors which qualify as Professional Investors. See "GENERAL INFORMATION - British Virgin Islands Mutual Fund Act Compliance." Further, the Shares are suitable only for sophisticated investors for whom an investment in the Fund does not constitute a complete investment program and who fully understand, are willing to assume and have the financial resources necessary to withstand the risks involved in the Fund's specialized investment program and who are able to bear the potential loss of their entire investment. Prospective investors should not consider the Fund a complete investment program, but also should maintain investment holdings with different risk characteristics.

Each prospective investor is urged to consult with its own advisors to determine the suitability of an investment in the Fund and the relationship of such an investment to the prospective investor's overall investment program and financial and tax position.

SUBSCRIPTIONS

Non-U.S. Persons wishing to subscribe for Shares must complete the Subscription Agreement attached hereto as Exhibit A, which includes, among other things, a representation and warranty that the subscriber is not a U.S. Person. Exempt Organizations wishing to subscribe for Shares must complete the Subscription Agreement attached hereto as Exhibit B. Completed Subscription Agreements should be sent by fax with two original copies to follow by overnight courier or delivered to the Administrator.

Shares are being offered as of each monthly Subscription Day at \$1,000 per Share. The minimum subscription is U.S.\$250,000 in Shares (exclusive of placement fees, if any). The Directors may permit smaller subscriptions in their discretion, provided that the minimum initial subscription shall never be less than U.S.\$100,000. Subscription monies should be remitted pursuant to the wire transfer instructions set forth in the Subscription Agreement. Subscriptions received prior to the end of a calendar month will be held in a non-interest-bearing account at Citco Banking Corporation N.V. until the end of the month in which they are received. Failure to remit the full amount due will be treated as a withdrawal of a prospective investor's subscription.

Currencies other than U.S. dollars will be converted into U.S. dollars at the prospective investor's risk and expense. A subscription for Shares will not be processed and the Shares will not be allotted until receipt of notification that a prospective investor's funds have been cleared in the full amount of the subscription.

The Fund reserves the right to reject any subscription or to accept only part of a subscription for any reason or for no reason whatsoever. If a subscription is not accepted or is accepted only in part, the amount paid on the subscription or the balance thereof will be returned at the risk of the prospective investor. Fractions of Shares may be issued.

Share certificates will not be issued except at the written request of a shareholder. Generally, Share ownership will be reflected in book entries recorded by the Secretary. Share certificates, if requested, will be issued at the expense and risk of the requesting shareholder and normally will be sent by mail in accordance with the shareholder's instructions.

GENERAL INFORMATION

Definitions

"Subscription Day" means the first Business Day of each calendar month.

"Redemption Date" means the last Business Day of each calendar month.

"Business Day" means any day on which the New York Stock Exchange, banks in New York City and banks in the Netherlands Antilles are open for business.

Transfer of Shares

Subject to certain restrictions and requirements set forth herein, in the Subscription Agreement and in the Articles of Association, Shares are transferable. The instrument of transfer must be in writing and in such form as the Directors approve. In addition, the transferee must complete a subscription document in a form that is acceptable to the Fund before such transfer will be accepted.

The Directors may decline to register any transfer which in their opinion may result in Shares being held by a U.S. Person or by any person in violation of the laws of any country or governmental authority or which in its opinion may subject the Fund or its shareholders to adverse tax consequences under the laws of any country or for any other reason.

Calculation of Redemption Prices

The redemption price for each Share shall be the Net Asset Value per Share of the relevant Series as of the close of business in Curaçao, Netherlands Antilles, on the Business Day immediately preceding the relevant Redemption Date rounded down to the nearest whole cent.

Net Asset Value

The Net Asset Value of the Fund, the Net Asset Value of each Series and the Net Asset Value per Share will be determined by or at the direction of the Administrator at the close of business in Curaçao, Netherlands Antilles, on the Business Day preceding each Subscription Day and Redemption Date. The "Net Asset Value of the

Fund” shall mean the total assets of the Fund, including all cash, cash equivalents and other securities (each valued at fair market value), less the total liabilities of the Fund determined in accordance with U.S. generally accepted accounting principles, consistently applied under the accrual method of accounting, except as set forth below:

- (a) any security which is listed on a recognized exchange shall be valued at its last sale price on the date of determination as recorded by the composite tape system or, if such security is not included in such system, at the last sale price on such day on the principal securities exchange on which such security is traded or, if no sale occurred on such day, at the mean between the closing “bid” and “asked” prices on such day as recorded by such system or such exchange, as the case may be. It is within the sole discretion of the Administrator to determine whether an exchange is recognized for purposes of valuation under this paragraph;
- (b) any security which is not listed on a recognized exchange shall be valued based on quotations obtained by the Administrator from one or more dealers regularly making markets in and issuing quotations for such security;
- (c) all other securities and assets of the Fund as well as those securities for which no value can be determined shall be assigned such fair value as the Administrator may determine;
- (d) management fees and incentive fees and other fees and expenses shall be accrued at least monthly;
- (e) the amount of any distribution made shall be a liability of the Fund from the day when the distribution is declared until paid; and
- (f) interest income shall be accrued at least monthly.

The “Net Asset Value of a Series” means the portion of the Net Asset Value of the Fund allocable to such Series of Shares of Class B.

The “Net Asset Value per Share” means the portion of the Net Asset Value of the Fund allocable to Class B divided by the number of outstanding Shares.

Temporary Suspension of Determination of Net Asset Value and of Redemptions

The Directors may suspend the determination of the Net Asset Value per Share and the redemption of Shares for the whole or any part of a period:

- (a) during which any stock exchange or over-the-counter market on which any of the portfolio positions are quoted is closed other than for ordinary holidays, or in which dealings are restricted or suspended;
- (b) during the existence of any state of affairs which, in the opinion of the Directors, constitutes an emergency as a result of which disposition of portfolio positions is not reasonable or practicable, or would be seriously prejudicial to the Fund or its shareholders;
- (c) during any breakdown in the means of communication normally employed in determining the price or value of any portfolio positions, or of current prices or on any stock exchange as aforesaid, or when for any other reason the prices or values of portfolio positions or any other investment owned by the Fund cannot reasonably be promptly and accurately ascertained;

- (d) during any period when the transfer of funds involved in the realization or acquisition of any investments cannot, in the opinion of the Directors, be effected at normal rates of exchange;
- (e) during which the Fund has insufficient assets, in the view of the Directors, to discharge its liabilities;
- (f) during which the Fund's ability to withdraw its capital from any investment vehicle in which it has invested some or all of its assets is restricted due to the conditions of its investment in such vehicle or as necessary to comply with any applicable statute or rule of any governmental or self-regulatory body (including, without limitation, stock exchanges); or
- (g) as the Directors, in their sole discretion, may determine.

Whenever the Directors declare a suspension of the determination of the Net Asset Value per Share, then as soon as may be practicable after any such declaration, the Administrator shall give notice to all shareholders stating that such declaration has been made. During any period when the determination of the Net Asset Value per Share is suspended, none of the Shares may be issued and none of the Shares may be redeemed.

Compulsory Redemption

The Fund reserves the right to require the redemption of Shares acquired or held by any shareholder at any time for any reason or for no reason whatsoever, upon notice to the shareholder.

Reports

The Fund's fiscal year will end on December 31 of each year. An annual report and annual audited accounts of the Fund will be sent to shareholders within 90 days of the end of each fiscal year or as soon thereafter as possible. A quarterly unaudited report will be sent to shareholders for each of the first three quarters of each fiscal year as soon possible after the end of each calendar quarter.

British Virgin Islands Mutual Funds Act Compliance

The Fund is recognized by the British Virgin Islands Registrar of Mutual Funds as a Professional Fund (as hereinafter defined) under the Mutual Funds Act, Act No. 6 of 1996 of the British Virgin Islands, as amended (the "BVI Mutual Funds Act"). Such recognition under the BVI Mutual Funds Act does not imply that any regulatory authority in the British Virgin Islands has passed upon or approved this Memorandum or the offering of the Shares hereunder. No invitation to subscribe for or purchase shares in the Fund will be generally circulated, and subscriptions will not be solicited from members of the public. A "Professional Fund" is a mutual fund the shares of which are made available only to Professional Investors (as hereinafter defined) and the initial investment in which, in respect of the majority of such investors, is not less than U.S.\$100,000. An annual fee of \$350 will be payable by the Fund in connection with its recognition as a Professional Fund under the BVI Mutual Funds Act.

Pursuant to the Subscription Agreement attached hereto as **Exhibit A**, each investor must declare that in subscribing for Shares, the investor is a "Professional Investor" within the meaning of the BVI Mutual Funds Act, in that:

- (a) the investor's ordinary business involves, whether for the investor's own account or the account(s) of other(s), the acquisition or disposal of property of the same kind as the property, or a substantial part of the property, which is owned by the Fund, as detailed in this Memorandum; or
- (b) the investor's net worth (in the case of a natural person, either individually or jointly with the investor's spouse) exceeds U.S.\$1,000,000 or its equivalent in any other currency,

and the investor consents to being treated as such a Professional Investor for the purposes of investment in the Fund.

Corporate Structure

The Fund has an authorized share capital consisting of U.S.\$50,000 divided into 100,000 Class A voting, non-participating shares, par value U.S.\$0.01 per share (the “Voting Shares”), all of which are owned by the General Partner, 2,000,000 Class B non-voting, participating shares, par value U.S.\$0.01 per share (referred to in this Memorandum as the “shares”), 100,000 of which are available for issue pursuant to this Memorandum, 1,000,000 Class C non-voting, participating shares, par value U.S.\$0.01 per share, 1,000,000 Class D non-voting, participating shares, par value U.S.\$0.01 per share, and 900,000 Class E non-voting, participating shares, par value U.S.\$0.01 per share. The Directors reserve the option to increase the number of Shares offered.

The principal rights attaching to the Voting Shares and the Shares are as follows:

Voting Shares

The Voting Shares are voting, are not redeemable except upon liquidation of the Fund, and do not participate in any appreciation or depreciation of the Net Asset Value of the Fund. Upon a winding up of the Fund, the Voting Shares rank before the Shares and the other participating shares for the return of the capital paid in thereon.

Special Rights Attaching to Voting Shares

The holder of the Voting Shares has the exclusive right to vote (to the exclusion of the holders of the Shares and the other participating shares) and is entitled to one vote per Voting Share with respect to any of the following matters:

- (a) the appointment or removal of a Director;
- (b) the winding up of the Fund; and
- (c) any amendment to the Articles of Association affecting, among others, the foregoing matters.

Shares

No profits will be payable on the Shares (or any other participating shares) as dividends unless the holders of the Voting Shares so declare in a general meeting of shareholders. Upon a winding up of the Fund, the Shares and the other participating shares are subordinate to the Voting Shares on the return of paid-in capital. The Shares and the other participating shares are then entitled to the return of paid-in capital and to the surplus assets of the Fund. The Shares are non-voting. However, under British Virgin Islands law, even though the Shares are non-voting, in the event that, at a general meeting of shareholders, the rights of the holders of the Shares are prejudiced, according to the Articles of Association and British Virgin Islands law, pursuant to a proposed amendment to the Articles of Association, such an amendment can be made effective only if seventy five percent (75%) of the Shares issued and outstanding are in favor of such amendment.

Winding Up or Liquidation of the Fund

Except as set forth under “Compulsory Redemption” above, the Fund may be liquidated or wound up at any time at the discretion of the holders of a majority of the Voting Shares at a general meeting of shareholders. Upon liquidation, first the Fund’s creditors will be paid out of the assets of the Fund, next the holders of the Voting Shares will be paid their paid-in capital, and the balance of paid-in capital for the Shares and the other participating shares and the surplus assets of the Fund then will be paid to holders of Shares and the other participating shares. Payment to shareholders, under British Virgin Islands law, may not be made sooner than two

months after publication of dissolution of the Fund. The Fund will endeavor to pay the shareholders as soon thereafter as practicable.

Borrowings

As of the date of this Memorandum, other than stock sold short pursuant to the Investment Manager's trading strategy, the Fund does not have any debentures, loan capital, mortgages, charges, liens, borrowings or indebtedness in the nature of borrowings, including bank overdrafts and liabilities under acceptances or acceptance credits, hire purchase commitments or guarantees or other material contingent liabilities. Under the Articles of Association, the Directors may exercise the Fund's power to borrow and lend money.

Indemnities

The Articles of Association contain provisions exempting the Directors and other officers of the Fund, *inter alia*, from liability in certain circumstances unless due to their own willful misconduct or reckless disregard of their duties or as otherwise prohibited by law.

The Administrative Services Agreement contains provisions exempting the Administrator from liability in certain circumstances unless due to its own negligence, willful misconduct or reckless disregard of its duties.

The Investment Management Agreement contains provisions exempting the Investment Manager from liability in certain circumstances unless due to its own negligence, willful default, fraud or dishonesty.

The Limited Partnership Agreement (as hereinafter defined) contains provisions exempting the General Partner from liability in certain circumstances unless due to its own misconduct or negligence. In addition, the Limited Partnership Agreement provides that the limited partners are obligated to indemnify the Trading Company and the General Partner under certain circumstances.

Meetings

An annual meeting of shareholders of the Fund will be held each year on a day and at a time and place to be fixed by the Directors, and notice of such meeting will be given by mailing to each shareholder at its address as registered in the register of shareholders of the Fund at least seven days before the meeting takes place, stating the time, date and place and, as far as practicable, the general nature of the business of the meeting.

Upon the written request of the holders of 25% of the Voting Shares, the Directors shall convene a meeting of the Fund upon at least seven days' notice in writing to each of the shareholders, mailed to each shareholder at its address as registered in the register of shareholders. Such notice is required to state the time, date and place of such meeting, and the general nature of the business it is proposed to transact and no business of which notice has not been given may be transacted at a special general meeting.

Currency Exchange Transactions

Where payments, including the issue and redemption of Shares, are made or to be made, or dividends (if any) are requested to be paid, in a currency other than U.S. dollars, the necessary currency exchange transactions will be arranged on behalf of the prospective investor or shareholders concerned by the Administrator, at the prospective investor's or shareholders' risk and expense.

Material Contracts

The following contracts are or may be material:

- (a) An Amended and Restated Investment Management Agreement, dated as of January 1, 2002, by and between the Fund and the Investment Manager (the "Investment Management Agreement").

- (b) An Amended and Restated Limited Partnership Agreement of DAX Partners L.P., dated as of June 1, 1998, and further amended as of September 30, 1999 (the “Limited Partnership Agreement”).
- (c) An Administrative Services Agreement, dated as of May 1, 1996, among the Trading Company, the Fund, the Trading Company’s other limited partner and the Administrator (the “Administrative Services Agreement”).

Copies of the foregoing documents may be inspected free of charge during normal business hours on any weekday (public holidays excepted) at the offices of the Fund.

Miscellaneous

The Trading Company has purchased a seat on PHLX, which it leases to an unaffiliated third party.

Legal Advisors

Dorsey & Whitney LLP, 250 Park Avenue, New York, New York 10177, United States of America, has been appointed the Fund’s counsel as to matters of U.S. law. See “CONFLICTS OF INTEREST.” In acting as counsel to the Fund, the Trading Company, the General Partner and the Investment Manager, Dorsey & Whitney LLP has not represented and will not represent investors in the Fund. No independent counsel has been retained to represent investors in the Fund. In assisting with the preparation of this Memorandum, Dorsey & Whitney LLP has relied on information provided by the Fund and the Investment Manager.

No British Virgins Islands counsel has been appointed to the Fund nor has any British Virgin Islands counsel reviewed the terms of this Memorandum.

Anti-Money Laundering

To ensure compliance with statutory and other generally accepted principles relating to anti-money laundering, the Administrator may require verification of identity from any person lodging a completed subscription agreement. Depending on the circumstances of each application, a detailed verification may not be required if:

- (a) the investor is a recognized financial institution; or
- (b) the investor makes the payment from an account held in the investor’s name at a recognized financial institution.

These exceptions will only apply if the financial institution or intermediary referred to above is within a country recognized as having sufficient anti-money laundering regulations such as a member state of the European Union which is subject to the EC Money Laundering Directive or one of the countries which make up the Financial Action Task Force (“FATF”) and which is subject to the FATF Recommendations.

An individual may be required to produce a copy of a passport or identification card certified by a notary public. In the case of corporate applicants, they may be required to produce a certified copy of their certificate of incorporation (and any change of name), memorandum and articles of association (or equivalent), and the names, occupations, dates of birth and residential and business addresses of all directors.

The Administrator reserves the right to request such information as is necessary to verify the identity of an applicant. To ensure compliance with statutory and other requirements relating to money laundering, the Administrator may require verification of identity from any person lodging a completed subscription agreement. Pending the provision of evidence satisfactory to the Administrator as to identity, the evidence of title in respect of Shares may be retained at the absolute discretion of the Administrator. If the Administrator has not received such satisfactory evidence within a reasonable period of time following a request for verification of identity, it may, in its

absolute discretion, refuse to allot the Shares applied for in which event application moneys will be returned without interest to the account from which such moneys were originally debited.

Privacy Policy

The importance of protecting the privacy of investors is recognized by the Fund and the Investment Manager. The Fund and the Investment Manager protect personal information they collect about investors by maintaining physical, electronic and procedural safeguards to maintain the confidentiality and security of such information.

Categories of Information Collected. In the normal course of business, the Fund and the Investment Manager may collect the following types of information concerning investors in the Fund who are natural persons:

- (a) Information provided in the subscription agreements and other forms (including name, address, income, social security number and other financial-related information).
- (b) Data about investor transactions with the Fund, the Investment Manager and their affiliates (such as the types of investments the investors have made and their account status).

How the Collected Information is Used. Any and all nonpublic personal information received by the Fund or the Investment Manager with respect to the investors who are natural persons, including the information provided to the Fund by such investors in the subscription agreements, will not be shared with nonaffiliated third parties which are not service providers to the Fund or the Investment Manager without prior notice to the relevant investors, and, if required by the U.S. Gramm-Leach-Bliley Act, an opportunity to “opt out” (i.e., if an investor instructs the Fund and the Investment Manager not to provide information in such a circumstance, they will abide by those instructions). Such service providers include but are not limited to the auditors and legal advisors of the Fund and the Investment Manager, and the Administrator. In addition, the Fund and/or the Investment Manager may disclose such nonpublic personal information as required by applicable laws, statutes, rules and regulations of any government, governmental agency or self-regulatory organization or a court order. The same privacy policy will also apply to former investors who are natural persons.

For questions about this privacy policy, please contact the Investment Manager.

EXHIBIT A

FRUITION FUND LTD.

(An International Business Company organized under the laws of British Virgin Islands)

SUBSCRIPTION AGREEMENT

(Non-U.S. Persons)

Fruition Fund Ltd.
c/o Citco Fund Services (Curaçao) N.V.
Kaya Flamboyan 9
P.O. Box 812
Curaçao, Netherlands Antilles

Ladies and Gentlemen:

This Subscription Agreement relates to the **Class B** non-voting, participating shares, par value U.S.\$0.01 per share (the "Shares"), of Fruition Fund Ltd., an International Business Company organized under the laws of British Virgin Islands (the "Fund"), being offered by the Fund pursuant to a private placement memorandum dated January 18, 2002 (the "Memorandum"). The undersigned or, if executed by a nominee, the beneficial owner of the Shares (in either case, the beneficial owner of the Shares being referred to herein as the "Subscriber") hereby subscribes for the amount set forth in line (d) of Section 6 below.

The Subscriber hereby acknowledges receipt of the Memorandum. Capitalized terms used herein, and not otherwise defined herein, shall have the meanings assigned to such terms in the Memorandum.

1. *Understandings.* The Subscriber understands that:
 - (a) This subscription may be accepted or rejected, in whole or in part, by the Fund. The Fund reserves the right to close the subscription books at any time without notice. If the Subscriber's subscription for Shares is rejected, any funds paid by the Subscriber and received by the Fund will be returned, with interest at a money market rate less certain costs, to the Subscriber as soon as practicable. In the case of rejection in part, the funds paid with respect to the rejected part will be so returned.
 - (b) This subscription, and each agreement made by the Subscriber hereunder, is and shall be irrevocable; provided that the Subscriber shall have no obligations hereunder if the offering described in the Memorandum is for any reason canceled or withdrawn or if this subscription is for any reason rejected (but, if this subscription is rejected in part, only with respect to the portion so rejected). This Subscription Agreement shall be binding upon the Subscriber's administrators, successors and assigns and, if the Subscriber is an individual, this Subscription Agreement also shall survive the death or disability of the Subscriber and shall be binding upon the Subscriber's heirs, executors, administrators, successors and assigns.
 - (c) The Shares offered have not been registered under the Securities Act and the Fund has not been registered under the U.S. Investment Company Act of 1940, as amended.
 - (d) Except as otherwise provided in the Memorandum with respect to Exempt Organizations, the Shares are not being offered and may not be sold directly or indirectly in the United States or to U.S. Persons.
 - (e) There is no market for the Shares and no assurance has been given that such market will develop. It may be difficult or even impossible for the Subscriber to sell its Shares. Shares may be

hypothecated, pledged, sold or transferred by the Subscriber only in accordance with the Fund's Memorandum and Articles of Association and with the prior written consent of the Fund.

- (f) The Fund intends to retain its earnings and does not anticipate declaring or paying cash distributions (including dividends) on the Shares.
- (g) The Subscriber's right to redeem Shares may be restricted for the reasons and in the manner set forth in the Memorandum.
- (h) The Fund has the right to have the Subscriber's Shares involuntarily redeemed at any time for any reason or for no reason whatsoever, upon notice to the Subscriber.
- (i) The discussion of tax consequences arising from investment in Shares set forth in the Memorandum is general in nature and the tax consequences to the Subscriber of its investment in Shares depend upon the Subscriber's circumstances.
- (j) An investment in Shares is speculative and involves significant risks including, but not limited to, those specified in the Memorandum. The Investment Manager, the Adviser(s), the Administrator and their respective principals and affiliates may effect transactions for their own accounts or other customers' accounts which may be in conflict with the best interests of the Fund.
- (k) The Investor understands and acknowledges that the Investment Manager and the Adviser(s) act only as the investment manager and trading advisor(s), respectively, to the Fund and do not act as an investment manager or trading advisor to the Investor.

2. *Representations and Warranties.* The Subscriber hereby represents and warrants to the Fund as follows:

- (a) The Subscriber is acquiring the Shares for investment purposes, solely for its own account and not for the account of others or with a view to distribution. If the Subscriber is a corporation, trust, partnership or other nonnatural person, it was not formed for the purpose of investing in the Shares.
- (b) The Subscriber: (i) is not a U.S. Person (as such term is defined in the Memorandum) and is not acquiring Shares for the account or on behalf of any U.S. Person; (ii) certifies that none of the funds used by the Subscriber to effect the purchase of the Shares have been obtained from U.S. Persons; (iii) will not transfer any of its Shares or any interest therein in violation of the restrictions on transfer set forth in the Memorandum; (iv) did not acquire, and will not transfer, any of its Shares within the United States; (v) will notify the Fund immediately if he or it should at any time become a U.S. Person; (vi) was not solicited to purchase, and did not place any order to purchase, Shares while present in the United States; and (vii) has lawfully subscribed for Shares with lawfully obtained monies. Without in any way limiting the restrictions on the transferability of the Shares, the Subscriber agrees to resell the Shares only in accordance with the provisions of Regulations S under the Securities Act or an exemption from registration under the Securities Act.
- (c) The Subscriber has carefully read and understands the Memorandum and acknowledges that the Fund has made available to the Subscriber all other documents that the Subscriber has requested relating to its investment in the Shares. In evaluating the suitability of an investment in the Shares, the Subscriber has not relied on any representations, warranties or other information (whether oral or written) other than as set forth in the Memorandum.
- (d) The Subscriber has informed itself as to the securities laws and other legal requirements within the countries and other jurisdictions that are relevant to the Subscriber.

- (e) The Subscriber has been duly authorized, if required, to execute and deliver and comply with the terms of this Subscription Agreement and such execution, delivery and compliance does not conflict with or constitute a default under any instrument governing the Subscriber, any law, regulation or order, or any agreement to which the Subscriber is a party or by which the Subscriber is bound.
 - (f) The Subscriber understands the compensation to be paid to the Investment Manager which is described under “FEES AND EXPENSES” in the Memorandum, has had all inquiries regarding the same answered to its satisfaction and understands that the incentive fee provisions in the Investment Management Agreement (as defined in the Memorandum) may create an incentive for the Investment Manager to make investments that are more speculative or subject to a greater risk of loss than would be the case if no such incentive fee arrangement existed. The Subscriber further understands that the compensation paid by the Investment Manager to any Adviser may similarly create an incentive for an Adviser to make investments that are more speculative or subject to a greater risk of loss than would be the case if no such incentive fee arrangement existed.
 - (g) In making its decision to purchase the Shares, the Subscriber has relied solely upon the information contained in the Memorandum and independent investigations made by the Subscriber, its advisers and designated representatives. The Fund has made available to the Subscriber all documents that the Subscriber has requested relating to the its investment in the Shares. The Subscriber has not relied on the Fund, the Investment Manager, the Administrator or any Adviser with respect to any tax or economic considerations relating to the Subscriber’s investment. The Subscriber understands that the discussion of tax consequences arising from an Exempt Organization’s investment in Shares set forth in the Memorandum is general in nature and the tax consequences to the Subscriber of the Subscriber’s investment in Shares depend upon the Subscriber’s circumstances. The Subscriber received no advice from the Fund, the Investment Manager or the Administrator with respect to the tax consequences of an investment in the Shares.
3. *Indemnification.* The Subscriber agrees to indemnify and hold harmless the Fund, the Investment Manager, the Placement Agent(s), if any, the Administrator, their respective officers, directors and affiliates and anyone acting on their behalf from and against all damages, liabilities, losses, costs and expenses (including, without limitation, attorneys’ fees) which they may incur by reason of the Subscriber’s failure to fulfill any of the terms or conditions of this Subscription Agreement or arising out of or relating to any breach of any representation or warranty made by the Subscriber herein.
4. *Professional Investor Declaration.* The Subscriber hereby declares that in subscribing for Shares, the Subscriber is a “Professional Investor” within the meaning of the Mutual Funds Act, Act No. 6 of 1996 of the British Virgin Islands (as amended), in that:
- (a) the Subscriber’s ordinary business involves, whether for the Subscriber’s own account or the account(s) of other(s), the acquisition or disposal of property of the same kind as the property, or a substantial part of the property, which is owned by the Fund, as detailed in the Memorandum; or
 - (b) the Subscriber’s net worth (in the case of a natural person, either individually or jointly with the Subscriber’s spouse) exceeds U.S.\$1,000,000 or its equivalent in any other currency, and the Subscriber consents to being treated as such a Professional Investor for the purposes of investment in the Fund.
5. *Miscellaneous.*
- (a) All representations, warranties and agreements made by the Subscriber herein shall survive the date on which the Subscriber receives Shares and remain operative and in full force and effect, and shall continue after any redemption of Shares.

- (b) If any provision of this Subscription Agreement is held to be void or unenforceable under the laws of any place governing its construction or enforcement, this Subscription Agreement shall not be invalidated thereby, but shall be construed to be in force with the same effect as though such provisions were omitted.
- (c) Upon request by the Fund or the Administrator, the Subscriber agrees to furnish additional information with regard to the Subscriber's suitability as a prospective investor, as may be reasonably necessary to enable the Fund to ascertain whether the Subscriber is a U.S. Person or otherwise to comply with any and all applicable or relevant laws and regulations.
- (d) This Subscription Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof and may be amended only by a writing executed by the Subscriber and the Fund.
- (e) Within five Business Days after receipt of a written request from the Fund and/or the Administrator, the Subscriber agrees to provide such information and to execute and deliver such documents as may be reasonably necessary to comply with any and all laws and ordinances to which the Fund is subject.
- (f) This Subscription Agreement shall be governed by and construed in accordance with the laws of the British Virgin Islands.

6. *Subscriber Information.* The following information as to the Subscriber is correct:

- (a) Print Name of Subscriber: _____
- (b) Address of Subscriber: _____

- Telephone Number: _____
- Facsimile Number: _____
- E-mail Address: _____
- (c) Date of Execution: _____
- (d) Amount of Subscription* (not including any Placement Fee): _____
 *minimum U.S.\$250,000
- (e) Amount of Placement Fee (as quoted by Placement Agent), if any: _____

7. *Payment Instructions.* Payment must be made by wire transfer. Subscription monies should be remitted net of bank charges into U.S. dollars or any other currency freely convertible into U.S. dollars to:

Chase Manhattan Bank, 1 New York Plaza, New York, New York 10018, United States of America (ABA No. 021 0000 21) for credit to Citco Banking Corporation N.V., account no. 001-1-627502, for further credit to Fruition Fund Ltd., account no.: 12.370540.4100.005, stating the full name(s) of the prospective investor(s).

Failure to remit the full amount due will be treated as a withdrawal of a prospective investor's subscription.

The number of Shares held by a Subscriber will be calculated by subtracting the placement fee, if any, from the amount of the Subscriber's subscription, and dividing the result by the Net Asset Value per Share.

IN WITNESS WHEREOF, the Subscriber has executed this Subscription Agreement as of the date set forth above.

Entity Shareholder

Name of Entity

By: _____
Authorized officer, partner, trustee or custodian

Name & Title of Authorized Signatory

Form of Organization of Entity

Jurisdiction of Organization of Entity

Individual Shareholder

Name of Individual Shareholder

Signature of Individual Shareholder

Accepted and Agreed to:
FRUITION FUND LTD.

By: _____

Name: _____

Title: _____

Please fax the executed Subscription Agreement to Fruition Fund Ltd., c/o Citco Fund Services (Curaçao) N.V., (fax number 599-9 732-2225), make a copy, and send two executed original copies by overnight courier to Fruition Fund Ltd. c/o Citco Fund Services (Curaçao) N.V., Kaya Flamboyen 9, Curaçao, Netherlands Antilles.

In order to comply with Anti-Money Laundering Legislation (including verification of the source of funds) and to facilitate the matching of funds received with your subscription, please fill out the below information

Name, address and account number of bank account from which the subscription funds will be wired.¹

Bank Name

City and Country

Account Name

Account Number

Subscriber's Name

¹ **IMPORTANT NOTICE:** Due to international banking laws, your bank **MUST** send a SWIFT MT100 message and complete the field 50 (“Ordering Customer”) and field 52D (“Beneficiary”) on subscription wires. **Your transaction may be delayed or rejected if this information is not provided.**

¹ **IMPORTANT NOTICE:** Due to international banking laws, your bank **MUST** send a SWIFT MT100 message and complete the field 50 (“Ordering Customer”) and field 52D (“Beneficiary”) on subscription wires. **Your transaction may be delayed or rejected if this information is not provided.**

EXHIBIT B

FRUITION FUND LTD.

(An International Business Company organized under the laws of British Virgin Islands)

SUBSCRIPTION AGREEMENT

(U.S. Exempt Organizations)

Fruition Fund Ltd.
c/o Citco Fund Services (Curaçao) N.V.
Kaya Flamboyan 9
P.O. Box 812
Curaçao, Netherlands Antilles

Ladies and Gentlemen:

This Subscription Agreement relates to the **Class B** non-voting, participating shares, par value U.S.\$0.01 per share (the "Shares") of Fruition Fund Ltd., an International Business Company organized under the laws of British Virgin Islands (the "Fund"), being offered by the Fund pursuant to a private placement memorandum dated January 18, 2002 (the "Memorandum"). The undersigned or, if executed by a nominee, the beneficial owner of the Shares (in either case, the beneficial owner of the Shares being referred to herein as the "Subscriber") hereby subscribes for the amount set forth in line (d) of Section 6 below.

The Subscriber hereby acknowledges receipt of the Memorandum. Capitalized terms used herein, and not otherwise defined herein, shall have the meanings assigned to such terms in the Memorandum.

1. *Understandings.* The Subscriber understands that:
 - (a) This subscription may be accepted or rejected, in whole or in part, by the Fund. The Fund reserves the right to close the subscription books at any time without notice. If the Subscriber's subscription for Shares is rejected, any funds paid by the Subscriber and received by the Fund will be returned, with interest at a money market rate less certain costs, to the Subscriber as soon as practicable. In the case of rejection in part, the funds paid with respect to the rejected part will be so returned.
 - (b) This subscription, and each agreement made by the Subscriber hereunder, is and shall be irrevocable; provided that the Subscriber shall have no obligations hereunder if the offering described in the Memorandum is for any reason canceled or withdrawn or if this subscription is for any reason rejected (but, if this subscription is rejected in part, only with respect to the portion so rejected). This Subscription Agreement shall be binding upon the Subscriber's administrators, successors and assigns and, if the Subscriber is an individual, this Subscription Agreement also shall survive the death or disability of the Subscriber and shall be binding upon the Subscriber's heirs, executors, administrators, successors and assigns.
 - (c) The Shares offered have not been registered under the Securities Act and the Fund has not been registered under the U.S. Investment Company Act of 1940, as amended.
 - (d) There is no market for the Shares and no assurance has been given that such market will develop. It may be difficult or even impossible for the Subscriber to sell its Shares. Shares may be hypothecated, pledged, sold or transferred by the Subscriber only in accordance with the Fund's Memorandum and Articles of Association and with the prior written consent of the Fund.

- (e) The Fund intends to retain its earnings and does not anticipate declaring or paying cash distributions (including dividends) on the Shares.
- (f) The Subscriber's right to redeem Shares may be restricted for the reasons and in the manner set forth in the Memorandum.
- (g) The Fund has the right to have the Subscriber's Shares involuntarily redeemed at any time for any reason or for no reason whatsoever, upon notice to the Subscriber.
- (h) The discussion of tax consequences arising from investment in Shares set forth in the Memorandum is general in nature and the tax consequences to the Subscriber of its investment in Shares depend upon the Subscriber's circumstances. The Subscriber did not receive any advice from the Fund or the Investment Manager with respect to the tax consequences of an investment in the Shares.
- (i) An investment in Shares is speculative and involves significant risks including, but not limited to, those specified in the Memorandum. The Investment Manager, the Adviser(s), the Administrator and their respective principals and affiliates may effect transactions for their own accounts or other customers' accounts which may be in conflict with the best interests of the Fund.
- (j) The Investor understands and acknowledges that the Investment Manager and the Adviser(s) act only as the investment manager and trading advisor(s), respectively, to the Fund and do not act as an investment manager or trading advisor to the Investor.

2. *Representations and Warranties.* The Subscriber hereby represents and warrants to the Fund as follows:

- (a) The Subscriber is acquiring the Shares for investment purposes, solely for its own account and not for the account of others or with a view to distribution. If the Subscriber is a corporation, trust, partnership or other nonnatural person, it was not formed for the purpose of investing in the Shares.
- (b) The Shares have not been registered for sale under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and are being offered for sale to the Subscriber in reliance upon the private offering exemption contained in Section 4(2) of the Securities Act. The Subscriber understands that the Fund's reliance upon such exemption is predicated in part upon the representations and warranties made herein and such exemption may not be available if any of the Subscriber's representations and warranties are not true and accurate. The Fund does not intend to register the Shares under the Securities Act at any time in the future. The Fund is under no obligation to register the Shares on the Subscriber's behalf or to assist the Subscriber in complying with any exemption from registration.
- (c) The Subscriber understands that the Fund will not register as an "investment company" under the U.S. Investment Company Act of 1940, as amended (the "Investment Company Act"), by reason of the provisions of Section 3(c)(1) thereof, which excludes from the definition of an investment company any issuer which has not made and does not presently propose to make a public offering of its securities and whose outstanding securities (other than short-term paper) are beneficially owned by not more than 100 persons. The Subscriber further represents and warrants to the Fund as follows:
 - (1) it is "one person" for purposes of Section 3(c)(1) of the Investment Company Act;
 - (2) it was not formed for the purpose of investing in the Fund nor did or will the shareholders, partners or grantor, as the case may be, or the undersigned entity contribute additional capital to such entity for the purpose of purchasing Shares; and

- (3) if the Subscriber is acquiring 10 percent or more of the aggregate Shares in the Fund, the Subscriber represents and warrants that the Subscriber is neither an “investment company” within the meaning of Investment Company Act nor a company which relies upon the exclusions from such definition set forth under Section 3(c)(1) or Section 3(c)(7) of the Investment Company Act.
- (d) No governmental agency has passed upon the Shares or made any finding or determination as to the wisdom or merits of any investment therein.
- (e) The Subscriber has adequate means of providing for current and anticipated financial needs and contingencies, is able to bear economic risk of the investment in the Shares for an indefinite period of time, has no need for liquidity of the investment in the Shares and could afford the complete loss of such investment.
- (f) The Subscriber is not subscribing for Shares as a result of or subsequent to any advertisement, article, notice or other communication published in any newspaper, magazine or similar media or broadcast over television or radio, or presented at any seminar or general meeting, or any solicitation by a person not previously known to the Subscriber in connection with investments generally.
- (g) The Subscriber is an Exempt Organization as defined in the Memorandum. Neither the Investment Manager, any Adviser (as defined in the Memorandum) nor any of their respective employees or affiliates (1) manage any part of the Subscriber’s investment portfolio on a discretionary basis or (2) regularly give investment advice to the Subscriber or the individual who has investment discretion over the Subscriber’s assets pursuant to a written agreement or otherwise.
- (h) The Subscriber also is an “accredited investor” (as defined in Rule 501(a) of Regulation D under the U.S. Securities Act of 1933, as amended).
- (i) In making its decision to purchase the Shares, the Subscriber has relied solely upon the information contained in the Memorandum and independent investigations made by the Subscriber, its advisers and designated representatives. The Fund has made available to the Subscriber all documents that the Subscriber has requested relating to the its investment in the Shares. The Subscriber has not relied on the Fund, the Investment Manager, the Administrator or any Adviser with respect to any tax or economic considerations relating to the Subscriber’s investment. The Subscriber understands that the discussion of tax consequences arising from an Exempt Organization’s investment in Shares set forth in the Memorandum is general in nature and the tax consequences to the Subscriber of the Subscriber’s investment in Shares depend upon the Subscriber’s circumstances. The Subscriber received no advice from the Fund, the Investment Manager or the Administrator with respect to the tax consequences of an investment in the Shares.
- (j) The Subscriber either (1) is a company other than an investment company whose net worth exceeds U.S.\$1,000,000 or whose investment herein is at least U.S.\$1,000,000 or (2) is an individual retirement account or Keogh account of a natural person whose net worth, individually or jointly with the Subscriber’s spouse, exceeds U.S.\$1,000,000.
- (k) The Subscriber understands the compensation to be paid to the Investment Manager which is described under “FEES AND EXPENSES” in the Memorandum, has had all inquiries regarding the same answered to its satisfaction and understands that the incentive fee provisions in the Investment Management Agreement (as defined in the Memorandum) may create an incentive for the Investment Manager to make investments that are more speculative or subject to a greater risk of loss than would be the case if no such incentive fee arrangement existed. The Subscriber further understands that the compensation paid by the Investment Manager to any Adviser may

similarly create an incentive for an Adviser to make investments that are more speculative or subject to a greater risk of loss than would be the case if no such incentive fee arrangement existed.

- (l) The Subscriber will not pledge, hypothecate, sell or transfer any Shares without the prior consent of the Fund, which consent may be withheld in the sole discretion of the Fund.
 - (m) The Subscriber has been duly authorized, if required, to execute and deliver and comply with the terms of this Subscription Agreement and such execution, delivery and compliance does not conflict with or constitute a default under any instrument governing the Subscriber, any law, regulation or order, or any agreement to which the Subscriber is a party or by which the Subscriber is bound.
3. *Indemnification.* The Subscriber agrees to indemnify and hold harmless the Fund, the Investment Manager, the Placement Agent(s), if any, the Administrator, their respective officers, directors and affiliates and anyone acting on their behalf from and against all damages, liabilities, losses, costs and expenses (including, without limitation, attorneys' fees) which they may incur by reason of the Subscriber's failure to fulfill any of the terms or conditions of this Subscription Agreement or arising out of or relating to any breach of any representation or warranty made by the Subscriber herein.
4. *Professional Investor Declaration.* The Subscriber hereby declares that in subscribing for Shares, the Subscriber is a "Professional Investor" within the meaning of the Mutual Funds Act, Act No. 6 of 1996 of the British Virgin Islands (as amended), in that:
- (a) the Subscriber's ordinary business involves, whether for the Subscriber's own account or the account(s) of other(s), the acquisition or disposal of property of the same kind as the property, or a substantial part of the property, which is owned by the Fund, as detailed in the Memorandum; or
 - (b) the Subscriber's net worth (in the case of a natural person, either individually or jointly with the Subscriber's spouse) exceeds U.S.\$1,000,000 or its equivalent in any other currency, and the Subscriber consents to being treated as such a Professional Investor for the purposes of investment in the Fund.
5. *Miscellaneous.*
- (a) All representations, warranties and agreements made by the Subscriber herein shall survive the date on which the Subscriber receives Shares and remain operative and in full force and effect, and shall continue after any redemption of Shares.
 - (b) If any provision of this Subscription Agreement is held to be void or unenforceable under the laws of any place governing its construction or enforcement, this Subscription Agreement shall not be invalidated thereby, but shall be construed to be in force with the same effect as though such provisions were omitted.
 - (c) Upon request by the Fund or the Administrator, the Subscriber agrees to furnish additional information with regard to the Subscriber's suitability as a prospective investor, as may be reasonably necessary to enable the Fund to ascertain whether the Subscriber is a U.S. Person or otherwise to comply with any and all applicable or relevant laws and regulations.
 - (d) This Subscription Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof and may be amended only by a writing executed by the Subscriber and the Fund.

- (e) Within five Business Days after receipt of a written request from the Fund and/or the Administrator, the Subscriber agrees to provide such information and to execute and deliver such documents as may be reasonably necessary to comply with any and all laws and ordinances to which the Fund is subject.
- (f) This Subscription Agreement shall be governed by and construed in accordance with the laws of the British Virgin Islands.

6. *Subscriber Information.* The following information as to the Subscriber is correct:

(a) Print Name of Subscriber: _____

(b) Address of Subscriber: _____

Telephone Number: _____

Facsimile Number: _____

E-mail Address: _____

(c) Date of Execution: _____

(d) Amount of Subscription* (not including any Placement Fee): _____

*minimum U.S.\$250,000

(e) Amount of Placement Fee (as quoted by Placement Agent), if any: _____

7. *Payment Instructions.* Payment must be made by wire transfer. Subscription monies should be remitted net of bank charges into U.S. dollars or any other currency freely convertible into U.S. dollars to:

Chase Manhattan Bank, 1 New York Plaza, New York, New York 10018, United States of America (ABA No. 021 0000 21) for credit to Citco Banking Corporation N.V., account no. 001-1-627502, for further credit to Fruition Fund Ltd., account no.: 12.370540.4100.005, stating the full name(s) of the prospective investor(s).

Failure to remit the full amount due will be treated as a withdrawal of a prospective investor's subscription.

The number of Shares held by a Subscriber will be calculated by subtracting the placement fee, if any, from the amount of the Subscriber's subscription, and dividing the result by the Net Asset Value per Share.

IN WITNESS WHEREOF, the Subscriber has executed this Subscription Agreement as of the date set forth above.

SIGNATURES

Under the penalties of perjury, the undersigned hereby certifies that it is an Exempt Organization.

(Please print all information exactly as you wish it to appear on the Fund's records.)

(Name of Subscriber)

(Address)

(Telephone)

(Facsimile)

Type of Exempt Organization (e.g., pension plan, Keogh account, IRA account)

Jurisdiction of Organization (not applicable to Keogh and IRA accounts)

Tax Identification Number

The undersigned certifies that he or she has full power and authority on behalf of the Subscriber named above to execute this Subscription Agreement and that investment in the Fund is not prohibited by law or by any governing documents of the Subscriber.

(Signature of Authorized Signatory)

(Name and Title of Authorized Signatory)

Accepted and Agreed to:

FRUITION FUND LTD.

By: _____

Name: _____

Title: _____

Please fax the executed Subscription Agreement to Fruition Fund Ltd., c/o Citco Fund Services (Curaçao) N.V., (fax number 599-9 732-2225), make a copy, and send two executed original copies by overnight courier to Fruition Fund Ltd. c/o Citco Fund Services (Curaçao) N.V., Kaya Flamboyan 9, Curaçao, Netherlands Antilles.

In order to comply with Anti-Money Laundering Legislation (including verification of the source of funds) and to facilitate the matching of funds received with your subscription, please fill out the below information

Name, address and account number of bank account from which the subscription funds will be wired.²

Bank Name

City and Country

Account Name

Account Number

Subscriber's Name

¹ **IMPORTANT NOTICE:** Due to international banking laws, your bank **MUST** send a SWIFT MT100 message and complete the field 50 (“Ordering Customer”) and field 52D (“Beneficiary”) on subscription wires. **Your transaction may be delayed or rejected if this information is not provided.**

² **IMPORTANT NOTICE:** Due to international banking laws, your bank **MUST** send a SWIFT MT100 message and complete the field 50 (“Ordering Customer”) and field 52D (“Beneficiary”) on subscription wires. **Your transaction may be delayed or rejected if this information is not provided.**

SUPPLEMENT TO THE SUBSCRIPTION AGREEMENT
for Purchase by a Pension, Profit Sharing or
Similar Plan (including qualified IRA and Keogh Accounts)

A completed copy of this Supplement must accompany each Subscription for a sale to an ERISA account in order to permit the General Partner to determine whether or not to accept the subscription.

Name of Plan or Name of Account (the "Plan") _____
(e.g., "XYZ Co. Pension Plan," "Dr. A. Keogh Account," "Mr. B. IRA Account"):

The undersigned individual, employer or trustee who has investment discretion over the assets of the Plan ("Investment Director") hereby makes the following representations and authorizations. (Please circle yes or no for Items 1 through 4):

1. Does the Investment Manager or any of its employees, affiliates or financial consultants manage any part of the Plan's investment portfolio on a discretionary basis?

YES NO

2. Does the Investment Manager or any of its employees, affiliates or financial consultants regularly give investment advice to the Plan?

YES NO

3. Does the Investment Manager or any of its employees, affiliates or financial consultants have an agreement or understanding, written or unwritten, with the Investment Director of the Plan under which the latter receives information, recommendations and advice concerning investments which are used as a primary basis for the Plan's investment decisions?

YES NO

4. Does the Investment Manager or any of its employees, affiliates or financial consultants have an agreement or understanding, written or unwritten, with the Investment Director of the Plan under which the latter receives individualized investment advice concerning the Plan's assets?

YES NO

5. Although an affiliate, employee or financial consultant of the Investment Manager may have suggested that the Investment Director of the Plan consider the investment in the Partnership, the Investment Director has studied the Memorandum for the investment and has made the investment decision solely on the basis of the Memorandum and without reliance on such suggestion.

6. If the Plan is an IRA or Keogh account of which the Investment Manager or someone other than the Investment Director is the custodian (collectively, the "Custodian"), the Investment Director hereby directs the Custodian to subscribe for a \$_____ Interest by executing the Subscription Agreement/Power of Attorney. In addition, the Investment Director represents and confirms that all of the information relating to such individual or entity in the Subscription Agreement/Power of Attorney is complete and accurate.

Dated: _____, 200__

Name of Investment Director
(Individual, Employer or Trustee)

(Note: If IRA is self-directed, then the individual who is the beneficial owner of the IRA must sign below)

By: _____
Officer, Partner or other authorized person

EXHIBIT C

FRUITION FUND LTD.

(An International Business Company incorporated under the laws of the British Virgin Islands)

REQUEST FOR REDEMPTION

Fruition Fund Ltd.
c/o Citco Fund Services (Curaçao) N.V.
Kaya Flamboyen 9
P.O. Box 812
Curaçao, Netherlands Antilles

Ladies and Gentlemen:

The undersigned hereby requests redemption as described in, and subject to all of the terms and conditions of, the Memorandum of Association and the Articles of Association of Fruition Fund Ltd. (the "Fund") and the Private Placement Memorandum of the Fund dated January __, 2002, including all the exhibits thereto, as the same may be amended or supplemented from time to time (the "Memorandum"), of _____ (insert number of Shares to be redeemed) Shares at the Net Asset Value per Share (as such terms are defined in the Memorandum). Except as otherwise provided in the Memorandum, redemptions shall be effective as of the close of business on the last business day of any calendar month provided that the shareholder has given thirty (30) days' prior written notice to the Fund's administrator.

The undersigned hereby represents and warrants that the undersigned is the true, lawful and beneficial owner of the Shares (or fractions thereof) to which this Request for Redemption relates, with full power and authority to request redemption of such Shares. Such Shares are not subject to any pledge or otherwise encumbered in any fashion.

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

Type or Print Name(s) of
Shareholder(s): _____

Entity Shareholder

Individual Shareholder

Name of Entity

Name of Individual Shareholder

By: _____
Authorized officer, partner, Shareholder,
trustee or custodian

By: _____
Signature of Individual

Name and Title of Authorized Signatory

Date: _____

Date: _____

Please fax the executed Request for Redemption to Fruition Fund Ltd., c/o Citco Fund Services (Curaçao) N.V., (fax number 599-9 732-2225), make a copy, and send two executed original copies by overnight courier to Fruition Fund Ltd. c/o Citco Fund Services (Curaçao) N.V., Kaya Flamboyen 9, Curaçao, Netherlands Antilles