

INSTRUCTIONS FOR ATTORNEYS COMPLETING CIVIL COVER SHEET FORM JS 44

Authority For Civil Cover Sheet

The JS 44 civil cover sheet and the information contained herein neither replaces nor supplements the filings and service of pleading or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. Consequently, a civil cover sheet is submitted to the Clerk of Court for each civil complaint filed. The attorney filing a case should complete the form as follows:

I. (a) Plaintiffs-Defendants. Enter names (last, first, middle initial) of plaintiff and defendant. If the plaintiff or defendant is a government agency, use only the full name or standard abbreviations. If the plaintiff or defendant is an official within a government agency, identify first the agency and then the official, giving both name and title.

(b) **County of Residence.** For each civil case filed, except U.S. plaintiff cases, enter the name of the county where the first listed plaintiff resides at the time of filing. In U.S. plaintiff cases, enter the name of the county in which the first listed defendant resides at the time of filing. (NOTE: In land condemnation cases, the county of residence of the "defendant" is the location of the tract of land involved.)

(c) **Attorneys.** Enter the firm name, address, telephone number, and attorney of record. If there are several attorneys, list them on an attachment, noting in this section "(see attachment)".

(d) Choose one County where Action Arose.

II. Jurisdiction. The basis of jurisdiction is set forth under Rule 8(a), F.R.C.P., which requires that jurisdictions be shown in pleadings. Place an "X" in one of the boxes. If there is more than one basis of jurisdiction, precedence is given in the order shown below.

United States plaintiff. (1) Jurisdiction based on 28 U.S.C. 1345 and 1348. Suits by agencies and officers of the United States are included here.

United States defendant. (2) When the plaintiff is suing the United States, its officers or agencies, place an "X" in this box.

Federal question. (3) This refers to suits under 28 U.S.C. 1331, where jurisdiction arises under the Constitution of the United States, an amendment to the Constitution, an act of Congress or a treaty of the United States. In cases where the U.S. is a party, the U.S. plaintiff or defendant code takes precedence, and box 1 or 2 should be marked.

Diversity of citizenship. (4) This refers to suits under 28 U.S.C. 1332, where parties are citizens of different states. When Box 4 is checked, the citizenship of the different parties must be checked. (See Section III below; federal question actions take precedence over diversity cases.)

III. Residence (citizenship) of Principal Parties. This section of the JS 44 is to be completed if diversity of citizenship was indicated above. Mark this section for each principal party.

IV. Nature of Suit. Place an "X" in the appropriate box. If the nature of suit cannot be determined, be sure the cause of action, in Section VI below, is sufficient to enable the deputy clerk or the statistical clerks in the Administrative Office to determine the nature of suit. If the cause fits more than one nature of suit, select the most definitive.

V. Origin. Place an "X" in one of the seven boxes.

Original Proceedings. (1) Cases which originate in the United States District Courts.

Removed from State Court. (2) Proceedings initiated in state courts may be removed to the district courts under Title 28 U.S.C., Section 1441. When the petition for removal is granted, check this box.

Refiled (3) Attach copy of Order for Dismissal of Previous case. Also complete VI.

Reinstated or Reopened. (4) Check this box for cases reinstated or reopened in the district court. Use the reopening date as the filing date.

Transferred from Another District. (5) For cases transferred under Title 28 U.S.C. Section 1404(a). Do not use this for within district transfers or multidistrict litigation transfers.

Multidistrict Litigation. (6) Check this box when a multidistrict case is transferred into the district under authority of Title 28 U.S.C. Section 1407. When this box is checked, do not check (5) above.

Appeal to District Judge from Magistrate Judgment. (7) Check this box for an appeal from a magistrate judge's decision.

VI. Related/Refiled Cases. This section of the JS 44 is used to reference related pending cases or re-filed cases. Insert the docket numbers and the corresponding judges name for such cases.

VII. Cause of Action. Report the civil statute directly related to the cause of action and give a brief description of the cause. **Do not cite jurisdictional statutes unless diversity.**

Example:

U.S. Civil Statute: 47 USC 553

Brief Description: Unauthorized reception of cable service

VIII. Requested in Complaint. Class Action. Place an "X" in this box if you are filing a class action under Rule 23, F.R.Cv.P.

Demand. In this space enter the dollar amount (in thousands of dollars) being demanded or indicate other demand such as a preliminary injunction.

Jury Demand. Check the appropriate box to indicate whether or not a jury is being demanded.

Date and Attorney Signature. Date and sign the civil cover sheet.

CIVIL COVER SHEET ATTACHMENT

I. (a) PLAINTIFFS

INVERSIONES MAR OCTAVA LIMITADA and MARCELO GUILLERMO TESTA, On Behalf of
Themselves and All Others Similarly Situated.

I. (a) DEFENDANTS

BANCO SANTANDER S.A., BANCO SANTANDER INTERNATIONAL, OPTIMAL INVESTMENT
SERVICES S.A., PRICEWATERHOUSECOOPERS, HSBC SECURITIES SERVICES (IRELAND) LTD.,
HSBC INSTITUTIONAL TRUST SERVICES (IRELAND) LTD., MANUEL ECHEVERRÍA FALLA,
ANTHONY L.M. INDERRIEDEN, and BRIAN WILKINSON.

I. (c) Attorney's (Firm Name, Address, and Telephone Number)

Michael A. Hanzman
HANZMAN GILBERT LLP
2525 Ponce de Leon Boulevard, Suite 700
Coral Gables, Florida 33134
Tel: (305) 529-9100

VIII. REQUESTED IN COMPLAINT: DEMAND \$

To be Determined at Trial

UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF FLORIDA

09-20215

----- X
INVERSIONES MAR OCTAVA LIMITADA and
MARCELO GUILLERMO TESTA, On Behalf of
Themselves and All Others Similarly Situated.

: Civil Action No.

CIV - HUCK

Plaintiffs,

MAGISTRATE JUDGE
O'SULLIVAN

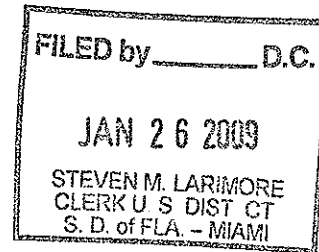
- against -

CLASS ACTION COMPLAINT

BANCO SANTANDER S.A., BANCO SANTANDER
INTERNATIONAL, OPTIMAL INVESTMENT
SERVICES S.A., PRICEWATERHOUSECOOPERS,
HSBC SECURITIES SERVICES (IRELAND) LTD.,
HSBC INSTITUTIONAL TRUST SERVICES
(IRELAND) LTD., MANUEL ECHEVERRÍA FALLA,
ANTHONY L.M. INDERRIEDEN, and BRIAN
WILKINSON.

JURY TRIAL DEMANDED

Defendants.



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Plaintiffs, individually and on behalf of all others similarly situated, by their attorneys, allege the following upon information and belief, except for those allegations as to themselves, which are alleged upon personal knowledge. The allegations are based on counsel's investigation, complaints filed by the United States Government and Securities and Exchange Commission (the "SEC"), reports and interviews published in the press, and information obtained by Plaintiffs.

NATURE OF THE ACTION

1. Plaintiffs' claims arise from the massive fraud perpetrated by Bernard L. Madoff ("Madoff") through his investment firm Bernard L. Madoff Investment Securities LLC ("BMIS"). As the world learned on December 11, 2008, Madoff and BMIS controlled billions of dollars in investments which purportedly earned stable returns based on a supposedly risk-reducing investment strategy. The reality, however, was that these returns were entirely fictitious and part of the largest Ponzi scheme in financial history. The U.S. Government has since filed criminal charges against Madoff. The SEC is investigating and assessing the financial condition of BMIS and related entities. And investors are believed to have lost approximately \$50 billion.

2. Plaintiffs invested with Madoff and BMIS indirectly through Optimal Multiadvisors, Ltd. ("Optimal Fund") and one of its two sub funds Optimal Strategic US Equity Ltd. ("Optimal SUS"). The vast majority of the capital of the Optimal SUS sub fund (if not all) was invested with Madoff and his related entities. Plaintiffs have been informed that their investment in the Optimal SUS sub fund is now worthless. The other Optimal Fund sub fund, Optimal Arbitrage Ltd., did not invest with Madoff or BMIS.

3. Optimal Investment Services S.A. ("Optimal Investment") served as the investment manager for the Optimal Fund. The Optimal Fund was principally marketed by Banco Santander S.A. ("Banco Santander") and its affiliates, including, but not limited to, Banco Santander International ("Santander International") in the United States. Banco Santander owns 99% of Optimal Investment through which it has absolute control of the Optimal family of funds.

4. Optimal Investment sold its products by representing to investors that it conducted thorough due diligence. Optimal Investment's website stated, "*intensive due*

diligence is vital to ensuring the integrity and sustainability of the investment process Each investment undergoes lengthy and *detailed scrutiny* according to clearly defined manager selection criteria” (emphasis supplied). This statement was deleted from the website on December 14, 2008. In addition, the offering document provided to investors in Optimal SUS, the “Explanatory Memorandum” dated January 7, 2008, said, “[t]he Investment Manager [Optimal Investment] bases its investment decisions on a *careful analysis* of many investment managers” (emphasis supplied).

5. Optimal Investment received a handsome compensation for this supposed “intensive due diligence,” “careful analysis,” and “detailed scrutiny” – a weighted average annual commission of 1.90% of assets under management. Based on the reported loss by Banco Santander in Optimal SUS suffered by its clients of approximately € 2.33 billion, Optimal Investment was paid almost € 44 million annually. Despite this lucrative remuneration, Optimal Investment and Banco Santander failed to conduct reasonable and adequate due diligence and lost all of the Plaintiffs’ and the Class’ monies.

6. Plaintiff Inversiones Mar Octava Limitada asserts claims pursuant to Section 10(b) and 20(a) of the Securities Exchange Act of 1934 (the “Exchange Act”), 15 U.S.C. §§78j and 78t(a), and Rule 10b-5, 17 C.F.R. § 240.10b5, promulgated thereunder by the SEC. Plaintiffs also assert claims for breach of fiduciary duty, gross negligence, negligent misrepresentation, unjust enrichment, and professional malpractice.

7. Plaintiffs bring this action as a class action pursuant to Rules 23(a) and 23(b)(3) of the Federal Rules of Civil Procedure on behalf of all persons or entities who, (i) owned shares of Optimal SUS on December 10, 2008, or (ii) purchased shares of Optimal SUS from January 27, 2004 to December 10, 2008 (the “Class Period”), and were damaged thereby (the “Class”).

Excluded from the Class are the Defendants, any entity in which Defendants have a controlling interest, and the officers, directors, affiliates legal representatives, heirs, successors, subsidiaries and/or assigns of any such individual or entity.

JURISDICTION AND VENUE

8. This Court has jurisdiction over the Exchange Act claims asserted herein pursuant to Section 27 of the Exchange Act, 15 U.S.C. § 78aa, and 28 U.S.C. § 1331.

9. This Court also has jurisdiction over the state law claims pursuant to its supplemental jurisdiction, 28 U.S.C. § 1367(a), and the Class Action Fairness Act of 2005, 28 U.S.C. § 1332(d)(2) (“CAFA”). With respect to CAFA, (i) the amount in controversy exceeds the jurisdictional amount, (ii) the Class consists of hundreds, and perhaps thousands of individuals, and (iii) at least one Plaintiff is a citizen of a foreign state and one Defendant is a citizen of Florida.

10. Venue in this judicial District is proper pursuant to Section 27 of the Exchange Act, 15 U.S.C. § 78aa, and 28U.S.C. § 1391(b), because substantial acts in furtherance of the alleged fraud and/or its effects have occurred within this District. Additionally, Defendants maintain offices and conduct substantial business in this District.

THE PARTIES

11. Plaintiff, Inversiones Mar Octava Limitada (“Mar Octava”), is, and was at all times relevant hereto, a company based in Talcahuano, Chile. During the Class Period, Mar Octava invested \$300,000 in the Optimal SUS sub fund through its bank account with Banco Santander International in Miami, Florida, as set forth in the attached certification. Due to the

activities alleged herein, Plaintiff Mar Octava has lost all, or substantially all, of its investment in Optimal SUS, and has paid substantial advisory fees for illusory services.

12. Plaintiff, Marcelo Guillermo Testa ("Plaintiff Testa"), is, and was at all times relevant hereto, a resident of Buenos Aires, Argentina who invested assets in Optimal SUS. Due to the activities alleged herein, Plaintiff Testa has lost all, or substantially all, of his investment in Optimal SUS, and has paid substantial advisory fees for illusory services.

13. Defendant Banco Santander is the parent bank of Grupo Santander, the leading financial institution in Spain, and one of the largest financial conglomerates in the world. Banco Santander was established on March 21, 1875 and incorporated under the laws of the Kingdom of Spain. As of the end of the third quarter 2008, Banco Santander had total assets of approximately € 953 billion, 132,000 employees, and the largest market capitalization of any bank in the Euro zone. Its corporate headquarters are located in Ciudad Grupo Santander, Avda. de Cantabria s/n, 28660 Boadilla del Monte (Madrid), Spain. Upon information and belief, Banco Santander transacted business in the United States related to the claims alleged herein.

14. Defendant Santander International is the wholly-owned subsidiary of Banco Santander which conducts business in the United States. It has offices in Miami, New York, Houston, Los Angeles, San Diego, and Seattle. The Miami office is located at 1401 Brickell Avenue, Miami, Florida 33131. In 2007, it earned \$233 million in net income, had total assets of \$42 billion, and had loans outstanding of approximately \$32 billion.

15. Defendant Optimal Investment is an investment management company, incorporated in Switzerland in July 2001 with almost \$10 billion in assets under management as of January 7, 2008. Its principal offices are located at 5-7 Rue Ami-Lévrier, CH-1201, Geneva, Switzerland, with additional offices located in New York and Madrid. Optimal Investment was,

and continues to be, the investment manager for the Optimal Fund and Optimal SUS. Upon information and belief, Optimal Investment transacted business in the United States related to the claims alleged herein.

16. Defendant Manuel Echeverría Falla (“Echeverría”) was the Chief Executive Officer and Chief Investment Officer of Optimal Investment from its inception in June 2001 until September 2008. Mr. Echeverría was also one of three Directors of the Optimal Fund. Prior to 2001, he was Executive Vice President of Banco Santander (Suisse) S.A. and served as manager of the Portfolio Management and Fund Management Group for the International Private Banking Division of Grupo Santander from 1989 to 2001. During these twelve years, Echeverría built Grupo Santander’s expertise in alternative investment strategies. Echeverría left Optimal Investment in September 2008. Upon information and belief, Echeverría transacted business in the United States related to the claims alleged herein.

17. Defendant Anthony L.M. InderRieden (“InderRieden”) is a Director of the Optimal Fund. InderRieden served as a director of the prior administrator of the Optimal Fund, Fortis Fund Services (Bahamas) Ltd., until 2002. InderRieden’s address is Euro-Dutch Trust Company (Bahamas) Ltd., Charlotte House, Charlotte Street, P.O. Box N-9204, Nassau, Bahamas. Upon information and belief, InderRieden transacted business in the United States related to the claims alleged herein.

18. Defendant Brian Wilkinson (“Wilkinson,” together with Echeverría and InderRieden the “Director Defendants”) is a Director of the Optimal Fund. Between October 2001 and March 2006 Wilkinson was Managing Director of the Administrator. Upon information and belief, Wilkinson transacted business in the United States related to the claims alleged herein.

19. Defendants Banco Santander, Santander International, Optimal Investments, and the Director Defendants are collectively referred to as the “Santander Defendants.”

20. Defendant PriceWaterhouseCoopers’ Dublin, Ireland office (“PwC”) served as Optimal Fund’s auditors. PwC provides auditing services worldwide, is the largest professional services firm in Ireland, and one of the “Big Four” auditing firms. Here, PwC failed to perform its annual audits of the financial statements and financial condition of the Optimal Fund and Optimal SUS in accordance with professional standards applicable to those audits. PwC’s Dublin office is located at Georges Quay, Dublin 2, Ireland. Upon information and belief, PwC transacted business in the United States related to the claims alleged herein.

21. Defendant HSBC Securities Services (Ireland) Ltd. (“HSBC Administrator” or the “Administrator”) was the administrator, registrar and transfer agent of the Optimal Fund and Optimal SUS. The Administrator had responsibility for the administration of the Optimal Fund and Optimal SUS including the calculation of Net Asset Value and preparation of the accounts. The Administrator also served as the Company Secretary to the Optimal Fund. The Administrator is an indirect wholly-owned subsidiary of HSBC Holdings plc, a public company incorporated in England. Upon information and belief, the Administrator transacted business in the United States related to the claims alleged herein.

22. Defendant HSBC Institutional Trust Services (Ireland) Ltd. (“HSBC Custodian” or the “Custodian”) was the custodian of the Optimal Fund and purportedly sought to provide safe custody for, and control of, the Optimal Fund’s assets it held. The Custodian is an indirect wholly-owned subsidiary of HSBC Holdings plc. Upon information and belief, the Custodian transacted business in the United States related to the claims alleged herein.

RELEVANT NON-PARTIES

23. The Optimal Fund, which is *not* a Defendant in this action, was incorporated in 1995 as an International Business Company under the laws of the Commonwealth of the Bahamas. The Optimal Fund is an investment fund classified as a Standard Fund pursuant to the provisions of the Investment Funds Act and Regulations of The Bahamas. The registered address of the Optimal Fund is Fort Nassau Centre, Marlborough Street, P.O. Box N-4875, Nassau, The Bahamas.

24. Optimal SUS, which is *not* a Defendant in this action, is a sub fund of the Optimal Fund and is organized as an International Business Company under the laws of the Commonwealth of the Bahamas. The Optimal Fund offered non-voting participating shares (“Participating Shares”) in Optimal SUS to Plaintiffs and other similarly situated investors.

SUBSTANTIVE ALLEGATIONS

25. On December 11, 2008, Madoff was arrested and charged with one criminal count of securities fraud after admitting that his money management operations were “all just one big lie,” “a giant Ponzi scheme.” Madoff admitted that “there [was] no innocent explanation” and estimated that investors’ losses approximated \$50 billion.

26. That same day, the SEC filed an emergency action to halt all ongoing fraudulent activities by Madoff and BMIS. The action is styled, *SEC v. Bernard L. Madoff*, 08 Civ. 10791 (S.D.N.Y. Dec. 11, 2008).

27. On December 14, 2008, Banco Santander issued a press release in response to Madoff’s arrest. The press release disclosed that Banco Santander’s clients’ exposure to Madoff through the Optimal Fund, specifically Optimal SUS, reached approximately € 2.33 billion (\$3.1

billion). Banco Santander's clients' losses from Madoff investments are by far the largest reported by a single bank. Banco Santander itself only lost € 17 million.

28. Each member of the Class invested in Optimal SUS, which in turn invested substantially all of its assets with BMIS. The investments were executed through the purchase of non-voting participating shares, which were subdivided into five different classes: (i) Class A USD Participating Shares; (ii) Class A Euro Participating Shares; (iii) Class B USD Participating Shares; (iv) Class B Euro Participating Shares; and (v) Class C USD Participating Shares. Generally, Class A shares were offered to new investors while Class B and C shares were issued "under special circumstances and at the sole discretion of the Directors."

The Explanatory Memorandum

29. All investments in Optimal SUS were made pursuant to an Explanatory Memorandum (the "Memorandum"), which stated in bold-faced type that the only valid representations consisted of those contained in the Memorandum (attached as Exhibit 1, at 2). The Subscription Form, required to be submitted by each investor, also stated that the investment was "based solely on the Memorandum together (where applicable) with the most recent annual report and accounts of the Fund" (Ex. 1 at 39).

30. According to the Memorandum, Optimal SUS had "established a discretionary account with a US broker-dealer (the 'Broker-Dealer')" who utilized a "split-strike conversion" strategy (Ex. 1 at 28). The Memorandum did not disclose that the Broker-Dealer was Madoff and BMIS.

31. The Memorandum then described the split-strike conversion strategy as "consisting of the purchasing of equity shares, the selling of related options representing a number of underlying shares equal to the number of shares purchased, and the buying of related

put options representing the same number of underlying shares” (Ex. 1 at 28). The objective of the strategy was “to limit losses when stock prices decline while affording an upside potential that is capped,” as well as the “preservation and consistent enhancement of capital” (Ex. 1 at 28).

32. While the Memorandum disclosed the existence of the Broker-Dealer, it assured investors that all investment decisions were made by Optimal Investment -- the Broker-Dealer (Madoff) was merely responsible for execution.

(a) “The Broker-Dealer is responsible for the execution of the fund’s trading strategy and *all investment decisions* in the account at the Broker Dealer are effected by [Optimal]” (Ex. 1 at 28) (emphasis supplied).

(b) “The Broker-Dealer acts as the agent and attorney-in-fact of Optimal SUS in connection with its sale of securities to Optimal SUS and the purchase of securities from Optimal SUS” (Ex. 1 at 28).

(c) “All decisions with respect to the general management of the fund are made by [Optimal Investment] who has complete authority and discretion in the management and control of the business of the fund As a result, the success of the fund for the foreseeable future will depend largely upon the ability of [Optimal Investment], and no person should invest in the fund unless willing to entrust all aspects of the management of the fund to [Optimal Investment], having evaluated their capability to perform such functions” (Ex. 1 at 30).

(d) “Although the *Broker-Dealer has limited investment discretion* as to the selection of securities or other property purchased or sold by or for the fund’s account, the Broker-Dealer has discretion with respect to the timing and size of transactions” (Ex. 1 at 31) (emphasis supplied).

33. The Memorandum further reassured investors about the care that Optimal Investment would take in selecting and monitoring the managers to whom it entrusted the funds' assets, including the so-called "Broker-Dealer," and emphasized that Optimal Investment "specialised" in such selection:

(a) "[Optimal Investment] bases its investment decisions on a careful analysis of many investment managers" (Ex. 1 at 11).

(b) "[Optimal Investment] shall select managers with varied investment styles who have established records of success or who [Optimal] believes demonstrate the potential to become outstanding investment managers" (Ex. 1 at 11).

(c) "It is the Fund's task to select and diversify among the distinctive investment techniques and strategies of each portfolio manager to achieve the Fund's investment objective;" "The Fund's investment objective is the preservation and consistent enhancement of capital" (Ex. 1 at 8).

(d) "[Optimal Investment] specialises in advising multi-manager and multi-strategy portfolios" (Ex. 1 at 10).

(e) "Custodial risk The [Optimal] Fund must satisfy itself to ensure that such third party [such as Madoff] has and maintains the necessary competence, standing and expertise appropriate to hold the assets concerned" (Ex. 1 at 22).

34. Optimal Investment made additional reassuring representations to Plaintiffs and the Class about the due diligence it conducted in selecting managers. As reported by *The Financial Times*, the Optimal Investment website touted that, "[i]ntensive due diligence is vital to ensuring the integrity and sustainability of the investment process. . . . Each investment undergoes lengthy and detailed scrutiny according to clearly defined manager selection criteria."

Notably, after informing investors of its Madoff-related losses on December 14, 2008, Optimal Investment removed this language from its website.

35. Optimal Investment also distributed informational brochures in addition to the Memorandum that emphasized the safety and lack of volatility of Optimal SUS. A September 2007 brochure written in Spanish and entitled, Optimal Strategic US Equity Fund, emphasized the following information:

(a) That 93.02% of the months Optimal SUS had provided a positive return;

(b) That Optimal SUS's worst monthly loss had been -0.35%;

(c) A bar-graph comparing the volatility of Optimal SUS with the S&P 500 between December 1997 and September 2007 showing that Optimal SUS's volatility had always been positive while the S&P 500 had substantial negative volatility;

(d) A line-graph comparing the cumulative return of Optimal SUS with the S&P 500 from January 1997 through September 2007 showing a steady increase for Optimal SUS, with virtually no downturns, while the S&P 500 oscillated between positive and negative returns; and

(e) A bar-graph of Optimal SUS's return distribution with all returns concentrated between -1.0% and 4.0%, and zero returns below -1.0% or exceeding 4.0%.

36. The Memorandum further established the fee schedule by which Defendants were compensated for their services, as follows:

(a) an annual investment management fee charged by Optimal Investment of 2.15% of the net asset value of the shares for Class A shares, 1.65% for Class B shares, and 1.15% for Class C shares (Ex. 1 at 25).

(b) “the administration fee is 2.5 basis points subject to a maximum of USD 200,000 per annum per account. The Administrator is also entitled to charge an investment service fee of USD 35 per transaction” (Ex. 1 at 12); and

(c) “the custody fee is one basis point,” in addition to “all reasonable out of pocket expenses” (Ex. 1 at 13).

37. Despite the considerable fees charged to investors and the repeated representations that Optimal Investment would carefully select the managers, all of Plaintiffs’ and the Class’ funds were stolen through the Madoff Ponzi scheme. This theft could have been avoided if Defendants had fulfilled their duties to Plaintiffs and the Class, if Defendants had lived up to their own representations, and if Defendants had adequately and reasonably investigated, monitored, and conducted due diligence of Madoff and BMIS. In failing to do so, Defendants breached their legal duties to Plaintiffs and the Class and effectively wiped out Plaintiffs’ and the Class’ investments. At the same time, Defendants paid themselves tens of millions of dollars in fees, and perhaps hundreds of millions of dollars, predicated on phony profits.

38. Defendants’ lack of scrutiny into Madoff and BMIS and their carelessness with Plaintiffs’ and the Class’ assets falls far short of the legal duties owed, and representations made, to Plaintiffs and the Class to induce their investment in Optimal SUS. Indeed, there was a plethora of red flags that would have alerted any reasonable investor that Madoff was running a Ponzi scheme.

Obvious Red Flags Would Have Alerted Any Reasonable Investor

39. In May 2001, the article "Madoff Tops Charts; Skeptics Ask How" appeared in *MAR/Hedge*, a semi-monthly newsletter reporting on the hedge fund industry. The article raised significant questions about Madoff's so-called split strike conversion strategy.

(a) "[M]ost of those who are aware of Madoff's status in the hedge fund world are baffled by the way the firm has obtained such consistent, nonvolatile returns month after month and year after year Those who question the consistency of the returns . . . include current and former traders, other money managers, consultants, quantitative analysts and fund-of-funds executives They noted that others who have used the [split-strike conversion] strategy . . . are known to have had nowhere near the same degree of success;"

(b) "The best known entity using a similar strategy, a publicly traded mutual fund dating from 1978 called Gateway, has experienced far greater volatility and lower returns during the same period;"

(c) "The capital overseen by Madoff . . . would rank as the best performing fund for the period [between July 1989 to February 2001] on a risk-adjusted basis;"

(d) "In addition, experts ask why no one has been able to duplicate similar returns using the strategy and why other firms on Wall Street haven't become aware of the fund and its strategy and traded against it, as has happened so often in other cases; why Madoff Securities is willing to earn commissions off the trades but not set up a separate asset management division to offer hedge funds directly to investors and keep all the incentive fees for itself, or conversely, why it didn't borrow money from creditors, who are generally willing to provide leverage to a fully hedged portfolio of up to seven to one against capital at an interest rate of Libor-plus, and manage the funds on a proprietary basis;"

(e) When pressed by the author of the article to truly explain the basis of the split-strike conversion strategy, Madoff replied, "I'm not interested in educating the world on our strategy, and I won't get into the nuances of how we manage risk."

40. Another similar article also appeared in Barron's, also in May 2001, entitled "Don't Ask, Don't Tell: Bernie Madoff Is So Secretive, He Even Asks His Investors To Keep Mum." In this article, Barron's reported that certain option strategists for major investment banks could not understand how BMIS and Madoff achieved the results they claimed by using the split strike conversion strategy. Madoff brushed off Barron's questions regarding how he achieved consistently high returns, stating, "It's a proprietary strategy. I can't go into great detail."

41. In addition to these articles, an extremely detailed analysis setting forth critical red flags was prepared by Harry Markopolos ("Markopolos"), a derivatives expert with experience managing split-strike conversion strategies. Markopolos provided this analysis to the SEC on November 7, 2005 and explicitly warned that Madoff was a Ponzi scheme. This was the second time Markopolos had warned the SEC; the first time, in 1999, he was also ignored.

42. Markopolos' basic conclusion was that, while a split-strike conversion strategy could attenuate market volatility, the consistency of Madoff's positive returns was mathematically impossible. His nineteen-page letter to the SEC provided ample support and concluded, unequivocally, that *it was "highly likely" that "Madoff Securities is the world's largest Ponzi Scheme"* (emphasis supplied).

43. Markopolos then identified twenty-nine red flags that were signs of highly suspicious activity, including the following:

(a) “It is mathematically impossible for a strategy using index call options and index put options [as described by Madoff] to have such a low correlation to the market where its returns are supposedly generated from BM’s [Bernard Madoff] performance numbers show only 7 extremely small [monthly] losses during 14.5 years;”

(b) “At my best guess level of BM’s assets under management of \$30 billion, or even at my low end estimate of \$20 billion in assets under management, BM would have to be over 100% of the total [S&P 100] put option contract open interest in order to hedge his stock holdings *as depicted in the third party hedge funds marketing literature* [e.g., the Optimal Memorandum]. In other words, there are not enough index option put contracts to hedge the way BM says he is hedging[.] And there is no way the OTC market is bigger than the exchange listed market for plain vanilla S&P 100 index put options” (emphasis supplied);

(c) “One hedge fund . . . has told me that BM uses over-the-counter options and trades exclusively thru [sic] UBS and Merrill Lynch The counter-party credit exposures for UBS and Merrill Lynch would be too large for these credit departments to approve. The SEC should ask BM for trade tickets showing he has traded OTC options thru [sic] these two firms. Then the SEC should visit the firms’ OTC derivatives desk, talk to the heads of trading and ask to see BM’s trade tickets;”

(d) “[S]ince Madoff owns a broker-dealer, he can generate whatever trade tickets he wants [H]ave the [feeder funds] matched [the trade tickets] to the time and sales of the exchanges? For example[,], if BM says he bot [sic] 1 million shares of GM, sold \$1 million worth of OTC OEX calls and bot [sic] \$1 million worth of OTC OEX puts . . . the GM prints would show on either the NYSE or some other exchange while the broker-dealers he

traded OTC options thru [sic] would show prints of the hedges they traded to be able to provide BM with the OTC options at the prices listed on BM's trade tickets;"

(e) "Madoff does not allow outside performance audits. One London based hedge fund . . . asked to send in a team of Big 4 accountants to conduct a performance audit during their planned due diligence. They were told 'No, only Madoff's brother-in-law who owns his own accounting firm is allowed to audit performance for reasons of secrecy in order to keep Madoff's proprietary trading strategy secret so that nobody can copy it;'"

(f) "Madoff is suspected of being a fraud by some of the world's largest and most sophisticated financial services firms. Without naming names, here's an abbreviated tally:"

(i) "A managing director at Goldman Sachs prime brokerage operation told me that his firm doubts Bernie Madoff is legitimate so they don't deal with him;"

(ii) "[Royal Bank of Canada] and [Société Générale] have removed Madoff some time ago from approved lists of individual managers;" and

(iii) "Madoff was turned down . . . for a borrowing line from a Euro bank Now why would Madoff need to borrow more funds? Looks like he is stepping down the payout."

(g) "BM tells the third party FOF's [fund of funds] that he has so much money under management that he's going to close his strategy to new investments. However, I have met several FOF's who brag about their 'special access' to BM's capacity. This would be humorous except that too many European FOF's have told me this same seductive story about their [sic] being so close to BM that he'll waive the fact that he's closed his funds to other investors but let them in because they're special. It seems like every single one of these third party FOF's has a 'special relationship' with BM."

44. Had Defendants conducted reasonable and adequate due diligence they would have detected the fraud based on the red flags and glaring inconsistencies identified by Markopolos. In fact, given that Optimal Investments had provided Madoff with billions of dollars in assets, Defendants had considerable more access than Markopolos to Madoff's operations to detect these red flags. For example, one of Markopolos' critical tests was the confirmation with the supposed counterparties of the trades Madoff claimed to have executed. But, as reported by the Associated Press on January 16, 2009, "Madoff May Have Made No Trades." According to the article, "[t]he securities and brokerage industry self-policing organization, the Financial Industry Regulatory Authority, confirmed that there was no evidence of Madoff's secretive investment fund executing trades through its brokerage operation. And Fidelity Investments, which had a money-market fund listed among the many trades included in statements Madoff's fund sent to customers, said that Madoff was not even a client." Defendants' minimal and reasonable inquiries with Fidelity, or other similar counterparties, would have alerted Defendants to the fraud.

45. Markopolos' obvious questions about the legitimacy of Madoff's enterprise were echoed by other finance professionals. In 2007, hedge fund investment adviser Aksia LLC ("Aksia") urged its clients not to invest in Madoff feeder funds after performing due diligence on Madoff. Aksia identified the following red flags:

(a) Aksia discovered the 2005 letter from Markopolos to the SEC set forth above;

(b) Madoff's auditor, Friehling & Horowitz ("F&H"), was a three-person accounting firm located in a 13-by-18 foot office in Munsey, New York. A financial institution of the size of BMIS is typically audited by a big-four accounting firm, or other larger and more

reputable auditors. In addition, while F&H purportedly audited BMIS, F&H had filed annual forms with The American Institute of Certified Public Accountants (“AICPA”) attesting that it had *not* performed audits for the past fifteen years. The AICPA has begun an ethics investigation into F&H. Federal investigators have issued a subpoena to F&H and have requested documents going back to 2000;

(c) The comptroller of BMIS was based in Bermuda. Most mainstream hedge fund investment advisers have their comptroller in-house; and

(d) BMIS had no outside clearing agent that could confirm its trading activity.

46. Société Générale (“SocGen”) also concluded that Madoff was a fraud after sending its own due diligence team to New York in 2003. As reported by *The New York Times* on December 17, 2008 in an article entitled, *European Banks Tally Losses Linked To Fraud*, SocGen’s due diligence “was conducted by three people who visited Mr. Madoff’s headquarters in the red-granite skyscraper on Third Avenue in Manhattan.” The bankers concluded that “something wasn’t right. . . . It’s a strategy that can lose sometimes, but the monthly returns were almost all positive.”

47. Acorn Partners (“Acorn”), an investment advisory firm, also concluded that the steadiness of the returns that Madoff reported did not make sense and that the size of Madoff’s auditor raised serious concerns. According to Robert Rosenkranz, a principal at Acorn, “Our due diligence, which got into both account statements of his customers, and the audited statements of Madoff Securities, which he filed with the SEC, made it seem highly likely that the account statements themselves were just pieces of paper that were generated in connection with some sort of fraudulent activity.” (*The New York Times*, December 12, 2008, *Look at Wall St. Wizard Finds Magic Had Skeptics*).

48. Jeffrey S. Thomas, chief investment officer at Atlantic Trust, which manages \$13.5 billion, said that on several occasions over the years it had “reviewed and declined to invest with Madoff.” In studying where to place its clients’ funds, the firm said it spotted a number of “red flags” in Madoff’s operation. Chief among those was a lack of an outside firm to handle trades and accounting for the funds, and the inability to document how Madoff made profits.

**Defendants Ignored These Obvious Red Flags,
But Sought To Limit Their Liability With Respect To Madoff**

49. In contrast to the most basic distrust of Madoff reflected by large swaths of the investment community, Defendants here entrusted Madoff with more than \$3 billion of the Class’ assets, not their own, without conducting the most basic and rudimentary due diligence. This, in spite of the representations included in the Memorandum that “[t]he Investment Manager [Optimal Investment] bases its investment decisions on a careful analysis of many investment managers” (Ex. 1 at 11).

50. Instead of conducting reasonable and adequate due diligence on Madoff, Defendants included a poorly drafted clause in the Memorandum suggesting an attempt – but, an unsuccessful one – to avoid liability. Specifically, the Memorandum contains a clause relating to its due diligence obligations that states as follows:

[T]here is the risk that the Broker-Dealer could abscond with those assets. There is always the risk that the assets with the Broker-Dealer could be misappropriated. In addition, information supplied by the Broker-Dealer may be inaccurate or even fraudulent. The Investment Manager and the Administrator are entitled to rely on such information (provided they do so in good faith) and are not required to undertake any due diligence to confirm the accuracy thereof.

While purporting to limit the amount of due diligence conducted by Optimal *on “information supplied by” Madoff*, such a clause in no way exonerates Optimal from (i) conducting due diligence on Madoff generally, independently of the information supplied by Madoff, (ii) obtaining information about Madoff from third-parties, or (iii) from liability for having chosen Madoff as the broker-dealer to whom the Fund entrusted its assets and execution.

51. This poorly drafted clause, if anything, constitutes strong evidence of scienter, as it strongly suggests that Defendants either knew, or were reckless in not knowing, that Madoff was a Ponzi scheme.

52. In light of the plethora of third-party independent investors who strongly suspected that Madoff was not legitimate, and perhaps because of the suspicious nature of the clause set forth above, Spanish prosecutors announced an investigation into Banco Santander’s relationship with BMIS on January 12, 2009.

CLASS ACTION ALLEGATIONS

53. This action is properly maintainable as a class action pursuant to Federal Rule of Civil Procedure 23(a) and 23(b)(3). The Class is so numerous that joinder of all members is impracticable. While the exact number of Class members is unknown to Plaintiffs at this time, and can only be ascertained through appropriate discovery, Plaintiffs believe that Class members number in the hundreds and perhaps thousands.

54. Plaintiffs will fairly and adequately protect the interests of the members of the Class. Plaintiffs are members of the Class, their claims are typical of the claims of all Class members, and they do not have interests antagonistic to, or in conflict with, those of the Class. In addition, Plaintiffs have retained competent counsel experienced in class action litigation.

55. Plaintiffs' claims are typical of the claims of the members of the Class as all members of the Class are similarly affected by Defendants' wrongful conduct in violation of federal and common law.

56. There are numerous questions of law and fact which are common to the Class and which predominate over any questions affecting individual members, including:

(a) Whether the federal securities laws were violated by Defendants' acts as alleged herein;

(b) Whether statements made by Defendants to Plaintiffs and the Class were false and misleading and misrepresented material facts about the Optimal Fund and Optimal SUS;

(c) Whether Defendants acted knowingly or recklessly in making materially false and misleading statements during the Class Period;

(d) Whether Defendants conduct alleged herein was intentional, reckless, grossly negligent, or negligent in violation of fiduciary duties owed to Plaintiffs and the Class and, therefore, in violation of the common law; and

(e) Whether and to what extent Plaintiffs and the Class were damaged.

57. A class action is superior to other available methods for the fair and efficient adjudication of this controversy since a multiplicity of actions could result in an unwarranted burden on the judicial system and could create the possibility of inconsistent judgments. Moreover, a class action will allow redress for many persons whose claims would otherwise be too small to litigate individually. There will be no difficulty in the management of this action as a class action.

COUNT I

VIOLATIONS OF SECTION 10(b) OF THE EXCHANGE ACT AND RULE 10b-5 OF THE SECURITIES AND EXCHANGE COMMISSION AGAINST ALL DEFENDANTS

58. Plaintiff Mar Octava repeats and realleges the foregoing allegations as if fully set forth herein. This Count is asserted against all Defendants and is based upon Section 10(b) of the Exchange Act, 15 U.S.C §78j(b), and Rule 10b-5 promulgated thereunder.

59. During the Class Period, Defendants directly engaged in a common plan, scheme, and unlawful course of conduct, pursuant to which they knowingly or recklessly engaged in acts, practices, and courses of business which operated as a fraud and deceit upon Plaintiff and the Class, and made various deceptive and untrue statements of material facts and omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading to Plaintiff and the Class. The purpose and effect of said scheme, plan, and unlawful course of conduct was among other things, to induce Plaintiff and the Class to purchase shares in the Optimal Fund and Optimal SUS.

60. During the Class Period, Defendants, pursuant to said scheme, plan, and unlawful course of conduct, knowingly and recklessly issued, caused to be issued, or participated in the preparation and issuance of deceptive and materially false and misleading statements to Plaintiff and the Class.

61. Plaintiff and the Class, in ignorance of the false and misleading statements set forth above and the deceptive and manipulative devices and contrivances employed by Defendants, relied, to their detriment, on such misleading statements and omissions in purchasing shares in the Optimal Fund and Optimal SUS. Plaintiff and the Class have suffered substantial damages as a result of the wrongs alleged herein in an amount to be proved at trial.

62. By reason of the foregoing, Defendants directly violated Section 10(b) of the Exchange Act and Rule 10b-5 promulgated thereunder in that they: (a) employed devices, schemes, and artifices to defraud; (b) made untrue statements of material facts or omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or (c) engaged in acts, practices, and a course of business which operated as a fraud and deceit upon Plaintiff and the Class in connection with their acquisitions of shares in the Optimal Fund and Optimal SUS.

COUNT II

FOR VIOLATION OF SECTION 20(a) OF THE EXCHANGE ACT AGAINST BANCO SANTANDER AND ECHEVERRIA

63. Plaintiff Mar Octava repeats and realleges the preceding allegations as if fully set forth herein. This Count is asserted against Banco Santander and Echeverría pursuant to Section 20(a) of the Exchange Act, 15 U.S.C. §78t(a).

64. Banco Santander and Echeverría acted as controlling persons within the meaning of Section 20(a) of the Exchange Act, as alleged herein.

65. Defendant Echeverría was Chief Executive Officer and Chief Investment Officer of Optimal Investment from its inception through September 2008, and a Director of the Optimal Fund. Echeverría had day-to-day control and exercised day-to-day control of Optimal Investment.

66. Optimal Investment and Santander International were wholly-owned subsidiaries of Banco Santander at all relevant times. Banco Santander had day-to-day control and exercised day-to-day control of Optimal Investment, Santander International, the Optimal Fund, and Optimal SUS.

67. As a direct and proximate result of the wrongful conduct, Plaintiff and the Class suffered an economic loss and damages in connection with their purchases of shares in Optimal SUS during the Class Period in an amount to be proved at trial.

COUNT III

BREACH OF FIDUCIARY DUTY AGAINST THE SANTANDER DEFENDANTS

68. Plaintiffs repeat and reallege the foregoing allegations as if fully set forth herein. This Count is asserted against the Santander Defendants.

69. Plaintiffs and the Class entrusted their assets to the Santander Defendants and the Santander Defendants owed fiduciary duties to Plaintiffs and the Class. As investment management professionals, the Santander Defendants knew or should have known how to carry out their fiduciary duties by monitoring the safety and performance of Plaintiffs' and the Class' assets in a prudent and professional manner.

70. The Santander Defendants breached their fiduciary duties to Plaintiffs and the Class members, and acted in reckless disregard of those duties:

(a) By failing to exercise generally the degree of prudence, caution and good business practices that would be expected of reasonable investment professionals overseeing client funds;

(b) By publishing and releasing materials to Plaintiffs and the Class that contained false and misleading information of the care taken by Defendants with respect to Plaintiffs' and the Class' assets, about the manner in which these assets were being invested, and of the value of these assets;

(c) By failing to act with reasonable care in ascertaining that the information set forth in the Memorandum and other written materials provided to Plaintiffs and the Class was accurate and did not contain false and misleading statements or omissions of material facts;

(d) By failing to take reasonable steps to oversee that the investment of the assets of Plaintiffs and the Class were made and maintained in a prudent and professional manner;

(e) By failing to perform reasonable and adequate due diligence in the selection of, and continuing selection of, Madoff and BMIS as the Broker Dealer;

(f) By investing in the Madoff and BMIS Ponzi scheme without adequate and reasonable due diligence or monitoring;

(g) By failing to monitor Madoff and BMIS on an ongoing basis to any reasonable degree; and

(h) By failing to take reasonable steps in seeking to preserve for Plaintiffs and the Class the value of their investments.

71. As a direct and proximate result of the Santander Defendants' breaches of their fiduciary duties, Plaintiffs and the Class have suffered damages and are entitled to such damages from the Santander Defendants, jointly and severally, as well as a return of all fees paid to the Santander Defendants.

72. Because the Santander Defendants willfully and wantonly disregarded Plaintiffs' and the Class' rights in breaching their fiduciary duties, Plaintiffs and the Class are entitled to punitive damages.

COUNT IV

GROSS NEGLIGENCE AGAINST ALL DEFENDANTS

73. Plaintiffs repeat and reallege the foregoing allegations as if fully set forth herein. This Count is asserted against all Defendants.

74. As investment managers with discretionary control over the assets entrusted to them by Plaintiffs and the Class, Defendants owed Plaintiffs and the Class a duty to manage and monitor the investments of Plaintiffs and the Class with reasonable care. Defendants breached this duty.

75. Defendants further breached their duty of care by failing to:

- (a) Take all reasonable steps to ensure that the investment of the assets of Plaintiffs and the Class were made and maintained in a prudent and professional manner;
- (b) Take all reasonable steps to preserve the value of Plaintiffs' and the Class' investment;
- (c) Perform all necessary and adequate due diligence; and
- (d) Exercise generally the degree of prudence, caution and good business practices that would be expected of any reasonable investment professional.

76. As a direct and proximate result of Defendants' gross negligence, Plaintiffs and the Class have suffered damages and are entitled to such damages from Defendants, jointly and severally, as well as a return of all fees paid to Defendants.

COUNT V

NEGLIGENT MISREPRESENTATION AGAINST ALL DEFENDANTS

77. Plaintiffs repeat and reallege the foregoing allegations as if fully set forth herein. This Count is asserted against all Defendants.

78. Defendants owed to Plaintiffs and the Class a duty to:

(a) Act with reasonable care in preparing and disseminating information, statements, and representations made to, and relied upon by, Plaintiffs and the Class in deciding to invest in the Optimal Fund and Optimal SUS; and

(b) Use reasonable diligence in determining the accuracy and truthfulness of the information, statements, and representations made to, and relied upon by, Plaintiffs and the Class in deciding to invest in the Optimal Fund and Optimal SUS.

79. Defendants breached the aforementioned duties.

80. As a direct and proximate result of Defendants' negligent misrepresentations, Plaintiffs and the Class have suffered damages and are entitled to such damages from Defendants, jointly and severally, as well as a return of all fees paid to Defendants.

COUNT VI

UNJUST ENRICHMENT AGAINST ALL DEFENDANTS

81. Plaintiffs repeat and reallege the foregoing allegations as if fully set forth herein. This Count is asserted against all Defendants.

82. Defendants financially benefited from their unlawful acts which caused Plaintiffs and the Class to suffer injury and monetary loss.

83. As a result of the foregoing, it is unjust and inequitable for Defendants to have enriched themselves in this manner and each Defendant should pay its own unjust enrichment to Plaintiffs and the Class.

84. Plaintiffs and the Class are entitled to the establishment of a constructive trust impressed on the benefits to Defendants from their unjust enrichment and inequitable conduct.

COUNT VII

PROFESSIONAL NEGLIGENCE AGAINST PwC

85. Plaintiffs restate and reallege the foregoing allegations as if fully set forth herein. This Count is asserted against PwC.

86. PwC's audit reports were specifically addressed and directed to the shareholders of the Optimal Fund and Optimal SUS.

87. PwC expected and intended the shareholder investors in the Optimal Fund and Optimal SUS to rely on the thoroughness, accuracy, integrity, independence, and overall professional caliber of its audits.

88. When performing an independent audit of a client's financial statements, a professional certified public accountant is obligated to follow these standards, among others:

(a) In all matters relating to the performance of the audit, the auditor is obligated to exercise and maintain professional skepticism and an independence in mental attitude;

(b) Due professional care must be exercised in the performance of the audit and the preparation of the audit report;

(c) A sufficient understanding of internal control must be obtained to plan the audit and to determine the nature, timing and extent of tests to be performed;

(d) Sufficient competent evidential matter must be obtained by inspection, observation, inquiries, and confirmations to afford a reasonable basis for an opinion regarding the financial statements under audit. This includes seeking and obtaining reliable information from independent sources, including third parties; and

(e) The auditor has the responsibility to plan, supervise and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether cause by error or fraud.

89. In performing its audit of the Optimal Fund and Optimal SUS financial statements, PwC breached its duty to Plaintiffs and the Class by violating one or more of the aforesaid auditing standards.

90. As a direct and proximate result of PwC's breach of its duties to them, Plaintiffs and the Class have suffered and will continue to suffer damages in an amount to be proven at trial.

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs, on behalf of themselves and other members of the Class demand judgment against Defendants as follows:

(a) Declaring this action to be a proper class action maintainable pursuant to Rule 23(a) and 23(b)(3) of the Federal Rules of Civil Procedure and declaring Plaintiffs proper Class representatives;

(b) Awarding damages suffered by Plaintiffs and the Class as a result of the wrongs complained of herein, together with appropriate interest;

(c) Awarding Plaintiffs and the Class punitive damages, where appropriate, suffered as a result of the wrongs complained of herein;

(d) Declaring that Defendants have been unjustly enriched and imposing a constructive trust to recoup Defendants' fees, unjust benefits, and other assets for the benefits of Plaintiffs and the Class;

(e) Enjoining Defendants from using Optimal Fund's or Optimal SUS's assets to defend this action or to otherwise seek indemnification from the Fund for their wrongful, deceitful, reckless, and negligent conduct as alleged herein;

(f) Awarding Plaintiffs and the Class costs and disbursements and reasonable allowances for the fees of Plaintiffs' and Class' counsel and experts, and reimbursement of expenses; and

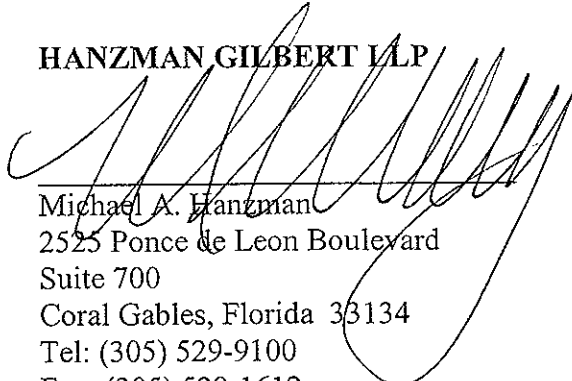
(g) Granting such other and further relief as the Court may deem just and proper.

JURY TRIAL DEMANDED

Plaintiffs demand a jury trial of all claims and issues so triable.

Dated: January 26, 2009

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CERTIFICATION

I, Manuel Antonio Gallego Carrasco, hereby certify as follows:

1. I am fully authorized to enter into and execute this Certification. I have reviewed a complaint prepared against Optimal Multiadvisors Ltd., et. al. in this action.
2. I did not invest in Optimal Multiadvisors Ltd. and its sub fund, Optimal Strategic US Equity Ltd., which are the subject of this action at the direction of counsel or in order to participate in any private action arising under the Private Securities Litigation Reform Act (the "PSLRA").
3. I am willing to serve as a representative party on behalf of a class and will testify at deposition and trial, if necessary.
4. I invested in Optimal Multiadvisors Ltd. and its subfund, Optimal Strategic US Equity Ltd., and which is the subject of this litigation as follows:

April 14, 2005	\$100,000.00 US
September 12, 2008	\$200,000.00 US
5. I have not sought to serve as a representative party on behalf of a class during the last three years.
6. I will not accept any payment for serving as a representative party, except to receive its pro rata share of any recovery or as ordered or approved by the Court or any award to it by the Court of reasonable costs and expenses (including lost wages) directly relating to its representation of the class.

I declare under penalty of perjury, under the laws of the United States, that the foregoing is true and correct this 15 day of January, 2009.



Manuel Antonio Gallego Carrasco
Socio Gerente
Inversiones Mar Octava Limitada

Exhibit “1”

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

EXPLANATORY MEMORANDUM

OPTIMAL MULTIADVISORS, LTD.

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P.O. Box N-4875
Nassau, The Bahamas

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Optimal Investment Services S.A.
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1201 Geneva
Switzerland

Administrator and Secretary:

HSBC Securities Services (Ireland) Limited
HSBC House
Harcourt Centre
Harcourt Street
Dublin 2
Ireland

Custodian:

HSBC Institutional Trust Services
(Ireland) Limited
HSBC House
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Auditor:

PricewaterhouseCoopers
Chartered Accountants
Georges Quay
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Ireland

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P.O. Box N-4875

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

7 January 2008

EXPLANATORY MEMORANDUM
7 January 2008

OPTIMAL MULTIADVISORS, LTD.

Optimal Multiadvisors, Ltd. (the "Fund") was incorporated on August 15, 1995 as an International Business Company under the laws of The Commonwealth of the Bahamas. The Fund is an investment fund classified as a Standard Fund pursuant to the provisions of the Investment Funds Act and Regulations of The Bahamas. The Fund's objective is the preservation and consistent enhancement of capital through a diversified program of investments in investment funds, managed accounts and other investment vehicles that invest or trade in a wide range of securities, futures and other financial instruments (each an "Investment Program Portfolio").

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

Optimal Investment Services S.A. (the "Investment Manager" or "OIS") will manage the Fund's investments.

The minimum initial subscription for Participating Shares is USD 50,000 or the equivalent in Euro, Swiss Francs or Japanese Yen (see "Offering of Shares").

The Fund may only be invested in by sophisticated investors ("Sophisticated Investors") who meet the suitability requirements as further discussed in this Memorandum and who do not require immediate liquidity for their investments, for whom an investment in the Fund does not constitute a complete investment program, and who fully understand and are willing to assume the risks involved in the Fund's investment program. The Board of Directors of the Fund, in its sole discretion, may decline to accept all or any part of the subscription of any prospective shareholder (See "Suitability Requirements").

There is no public market for the Participating Shares. The Participating Shares in the Fund can normally be transferred. The Directors reserve the right to reject any transfer at their sole discretion (see "Transfers"). Generally, Participating Shares may be redeemed as of the last day of each month.

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

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

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

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

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

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

INVESTMENT RESTRICTIONS

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

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

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

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

TO THE BEST OF THE KNOWLEDGE AND BELIEF OF THE DIRECTORS OF THE FUND (WHO HAVE TAKEN ALL REASONABLE CARE TO ENSURE THAT SUCH IS THE CASE) ACCEPT RESPONSIBILITY THAT THE INFORMATION CONTAINED IN THIS MEMORANDUM IS ACCURATE AS OF THE DATE OF ITS PUBLICATION AND DOES NOT OMIT ANYTHING LIKELY TO AFFECT THE IMPORT OF SUCH INFORMATION.

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

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

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OPTIMAL MULTIADVISORS, LTD.

THE FUND AND ITS TRADING COMPANIES

Optimal Multiadvisors, Ltd. ("the Fund") is a multi-portfolio investment company incorporated under the laws of The Commonwealth of the Bahamas on August 15, 1995, under the provisions of the International Business Companies Act, 2000 (as amended)) with limited liability and unlimited duration. The Fund's registered office is located at Fort Nassau Centre, Marlborough Street, P.O. Box N-4875, Nassau, Bahamas. The Trading Companies were incorporated in the Commonwealth of The Bahamas, under the same Act, in October 1999.

The Fund is an investment fund classified as a Standard Fund by the Securities Commission of The Bahamas ("the Securities Commission") to carry on business in or from within The Commonwealth of The Bahamas subject to terms and conditions specified in the Investment Funds Act and Regulations of The Bahamas (the "Act"). In filing the Fund, the Securities Commission does not take responsibility for the financial soundness of the Fund or for the correctness of any statements or opinions expressed in this regard.

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

Capitalization

The authorised share capital of the Fund consists of Fifty One Thousand dollars (USD 51,000) in the currency of the United States of America comprising of 1,000 voting ordinary shares of USD 1 each ("Ordinary Shares") and 5,000,000 non-voting participating shares of USD 0.01 each and Fifty Thousand Euro (EUR 50,000) comprising of 5,000,000 non-voting participating shares of EUR 0.01 each, five thousand Swiss Francs (CHF 5,000) comprising of 500,000 non-voting participating shares and five thousand Japanese Yen (JPY 5,000) comprising of 500,000 non-voting participating shares

The authorised capital is further divided into:

- 1). (a) One Thousand (1,000) Ordinary voting non-participating Shares of USD 1 par value ("Ordinary Shares"); (b) Five Million (5,000,000) non voting Participating Shares of USD 0.01 par value, further divided into: -
 - (i) Five Hundred and Fifty Thousand (550,000) Class A Shares (referred to as the "Optimal Arbitrage Class A USD Series"), (ii) Four Hundred and Fifty Thousand (450,000) Class B Shares (referred to as the "Optimal Arbitrage Class B USD Series"), (iii) Six Hundred Thousand (600,000) Class E Shares (referred to as the "Optimal Strategic US Equity Class A USD Series", (iv) Two Hundred and Fifty Thousand (250,000) Class F Shares (referred to as the "Optimal Strategic US Equity Class B USD Series"), (v) One Hundred and Fifty Thousand (150,000) Class G Shares (referred to as the "Optimal Strategic US Equity Class C USD Series") and (vi) Three Million (3,000,000) undesignated shares;
- 2). Five Million (5,000,000) non voting Participating Shares of EUR 0.01 par value, further divided into: -
 - (i) Five Hundred Thousand (500,000) Class A Euro Shares (referred to as "Optimal Arbitrage Class A EUR Series"), (ii) Five Hundred Thousand (500,000) Class C Euro Shares (referred to as "Optimal Strategic US Equity Class A EUR Series", (iii) Five Hundred Thousand (500,000) Class F Euro Shares (referred to as "Optimal Arbitrage Class B EUR Series") (iv) Five Hundred Thousand (500,000) Class G Euro Shares (referred to as ("Optimal Strategic US Equity Class B Eur Series"), and (v) Three Million (3,000,000) undesignated Shares ;
- 3) Five Hundred Thousand (500,000) non voting Participating Shares of CHF 0.01 par value further divided into: -
 - Five Hundred Thousand (500,000) Class A CHF Shares (referred to as "Optimal Arbitrage Class A CHF Series");and
- 4) Five Hundred Thousand (500,000) non voting Participating Shares of JPY 0.01 par value further divided into: -
 - Five Hundred Thousand (500,000) Class A JPY Shares (referred to as "Optimal Arbitrage Class A JPY Series").(All participating shares hereinafter referred to as "Participating Shares").

The Ordinary Shares entitle the holder to one vote per share and a return of capital upon liquidation of the Fund. Holders of Ordinary Shares do not participate in profits or dividends. The Investment Manager at par value has purchased all the Ordinary Shares. Upon liquidation of the Fund, the Ordinary Shareholders will be entitled to an amount equal to the par value thereof but shall not be entitled to any further or other amount, provided the Fund shall have sufficient assets after the payment of its obligations to creditors and to other shareholders. The Fund's Memorandum and Articles of Association authorise the Directors to issue the Participating Shares offered hereby in accordance with the conditions set forth in this Memorandum. The Articles of Association provide that the Directors of the Fund may increase the number of Participating Shares offered.

The Participating Shares may be issued in such series and classes of shares as the Directors shall determine.

Presently the Directors have created the following series of Participating Shares which correspond with each Trading Company:

Optimal Arbitrage Class A USD Series
Optimal Arbitrage Class B USD Series
Optimal Arbitrage Class A EUR Series
Optimal Arbitrage Class B EUR Series
Optimal Arbitrage Class A CHF Series
Optimal Arbitrage Class A JPY Series
Optimal Strategic US Equity Class A USD Series
Optimal Strategic US Equity Class B USD Series
Optimal Strategic US Equity Class C USD Series
Optimal Strategic US Equity Class A EUR Series
Optimal Strategic US Equity Class B EUR Series

The Participating Shares of each series and class, upon issue, will be entitled to participate equally with the other issued shares of such series and class in the assets attributable to such series and class. No Participating Share is entitled to vote at any meeting of the Fund or on any matter affecting its business. Details of each series and class of Participating Shares will be set out in the Series Particulars for such series and class of Participating Shares (See "Series Particulars").

The authorized capital of each Trading Company is outlined in the section "The Trading Companies and their Investment Objectives". The Trading Companies are not authorized and are not available to investors other than the Fund. The Trading Companies are not licensed or registered as investment funds in The Bahamas with the Securities Commission as they are not investment funds under the definition of the Investment Funds Act of The Bahamas, 2003. Optimal Multiadvisors Ltd. is the only investor in the Trading Companies.

Offering of Participating Shares

Participating Shares of each Series of the Fund are offered as of the first business day of each month at the prior month-end NAV plus selling commission, if any. A business day (herein referred to as "Business Day") means such day or days as the Directors may from time to time determine and in respect of the Fund, a day on which banks in the Commonwealth of the Bahamas, Ireland and New York are open for normal banking business or such other day or days as may be determined by the Directors and in consultation with the Administrator. Each Participating Share of a Series is entitled to participate equally in the profits of the Series and in its assets on liquidation. The Participating Shares of the Fund will be issued in book-entry form. Each Participating Share of a Series is offered for sale in accordance with the details specific to each Trading Company that the Series corresponds with (See "Series Particulars").

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

The minimum initial subscription for Participating Shares is USD 50,000 or the equivalent in Euro, Swiss Francs or Japanese Yen. The Directors have sole discretion to reject subscriptions in whole or in part. The Fund is open for subscriptions on the first business day of each month which will normally be filled at the next valuation date (as defined in "Determination of Net Asset Value", herein referred to as "Valuation Date") by completing the Subscription Form included with this Memorandum, and sending a faxed Subscription Form provided the original of the form attached follows immediately. For subsequent subscriptions, only a faxed form is required. Subscription documentation must be received and payment must be made to the Fund by 5pm Irish time no less than three business days prior to the month end Valuation Date. A Valuation Date means the last business day of the month with the dealing day (herein referred to as "Dealing Day") to occur on the first business day of the month (See "Subscription of Participating Shares").

INVESTMENT OBJECTIVES AND POLICIES

The Fund

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

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

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

The Trading Companies

The Trading Companies are as follows:

Optimal Arbitrage Ltd. (Optimal Arbitrage): The authorized capital for Optimal Arbitrage is USD 10,000, EUR 10,000, CHF 5,000 and JPY 5,000 further divided into 550,000 Class A USD Shares of USD 0.01 par value, 450,000 Class B USD Shares of USD 0.01 par value, 500,000 Class A EUR Shares of EUR 0.01 par value, 500,000 Class B EUR 500,000 Class A CHF Shares of CHF 0.01 par value and 500,000 Class A JPY Shares of JPY 0.01 par value. The base currency of Optimal Arbitrage is US Dollars. Details relating to the Classes of Shares and their management fees are set out under the section related to such trading company.

Optimal Strategic US Equity Ltd. (Optimal SUS): The authorized capital for Optimal SUS is USD 10,000 and EUR 10,000 further divided into 600,000 Class A USD Shares of USD 0.01 par value, 250,000 Class B USD Shares of USD 0.01 par value, 150,000 Class C USD Shares of USD 0.01 par value, 500,000 Class A EUR Shares of EUR 0.01 par value and Class B EUR Shares of EUR 0.01 par value. The base currency of Optimal SUS is US Dollars. Details relating to the Classes of Shares and their management fees are set out under the section related to such trading company.

MANAGEMENT AND ADMINISTRATION OF THE FUND

Board of Directors

The Board of Directors (the "Directors") manages the business and affairs of the Fund and supervises and monitors the activities of the Administrator and Investment Manager. The Directors may, in respect of the Fund, subject to applicable law, amend its investment policies; change the investment management, maintenance or other fees payable to the Investment Manager by amendment to the relevant agreement; or amend the sales charge, if any, or the charge payable on redemption of Shares, in each case upon one month's prior written notice to shareholders; or upon such prior notice that Directors may consider appropriate. In the event of any such change or amendment, the Memorandum will be updated accordingly.

This Memorandum and the material agreements (see "Additional Information") may be altered by the Directors without consulting the Ordinary Shareholders provided that the Directors certify in writing that in their opinion the proposed alteration a) is necessary to make possible compliance with fiscal or statutory requirements or requirements of any overseas regulatory authority or b) does not materially prejudice shareholders' interests, or c) does not to any material extent release the Custodian, Administrator, Investment Manager or any other person from any liability to Participating Shareholders and does not materially increase the costs and charges payable

from the Fund property, and in all other cases no alteration may be made except by a special or extraordinary resolution of the Ordinary Shareholders.

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

Mr. Anthony L.M. InderRieden (Dutch) – Mr. Inder Rieden has been the Managing Director of Euro-Dutch Trust Company (Bahamas) Limited, a Bahamian licensed trust company since 1975. From September 1996 to April 2002, he served as a Director of Fortis Fund Services (Bahamas) Limited, the former Fund Administrator. From 1973 to 1975, he was legal counsel to Property Resources Ltd., a Bahamian company engaged in real estate investments. From 1967 to 1973, he was Managing Director of Curacao International Trust Company (Citco). Mr. Inder Rieden holds a law degree from the University of Leyden in the Netherlands. The business address of Mr. Inder Rieden is at Euro-Dutch Trust Company (Bahamas) Limited, Charlotte House, Charlotte Street, PO BOX: N-9204 Nassau, Bahamas.

Mr Manuel Echeverría Falla (Spanish) - Mr Echeverría is the Chief Executive Officer and Chief Investment Officer of Optimal Investment Services S.A., the Investment Manager of the Company, a member of Grupo Santander. Mr Echeverría founded the Investment Manager in June 2001. Previously he was Executive Vice President of Banco Santander (Suisse) S.A. and served as manager of the Portfolio Management and Fund Management Group for the International Private Banking Division of Grupo Santander from 1989 to July, 2001. During these twelve years, he built Grupo Santander's expertise in the major alternative investment styles of: Relative Value/Arbitrage, Equity long/short, Global Trading and several other sub-strategies, building a US and European presence for Grupo Santander. From 1992 to 2002, he was a co-manager of the Columbus Holdings Limited fund and a member of the New Manager Committee of Haussmann Holdings Fund Limited. Between June 1987 and May 1989, Mr Echeverría was an investment manager and trader of the Securities and Foreign Exchange Group of JP Morgan (Suisse) S.A. Prior to this, he was an Associate at Morgan Guaranty Trust Company in New York. Mr Echeverría graduated with a Bachelor of Science and Management with a major in Finance from Babson College, Wellesley, Massachusetts in December 1982. In June 1985, Mr Echeverría graduated with a Master of Management Degree from the J.L. Kellogg Graduate School of Management, Northwestern University, Illinois.

Mr Brian Wilkinson (English) - Mr Wilkinson currently acts as an independent director on a number of investment funds. Between October 2001 and March 2006 Mr Wilkinson was Managing Director of HSBC Securities Services (Ireland) Limited. Previously Mr Wilkinson held the position of Managing Director of Fortis Fund Services (Ireland) Ltd (1995 – 2001), Executive Director of Fortis Fund Services (Isle of Man) Limited (1992 – 1995) and Executive Director of GAM Administration Ltd (1986 – 1992). Mr Wilkinson has over 20 years experience in senior management positions in the fund administration industry and has been a director on over 50 investment funds during this period.

The Directors not affiliated to Optimal entities shall be entitled to a fee and remuneration for their services at a rate to be determined from time to time by the Directors. The fees of each such Director shall not exceed USD10,000 without the approval of the Fund in general meeting. All Directors (whether affiliated with Optimal or not) may be paid, inter alia, for travelling, hotel and other expenses properly incurred by them in attending meetings of the Directors or in connection with the business of the Fund.

If additional Directors are elected, The Fund may compensate such Directors (other than the Fund's Investment Manager, Administrator or any persons affiliated with the Investment Manager or Administrator) with respect to services rendered in such capacity.

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

The Fund's Articles of Association provide that the Fund shall indemnify its officers and directors against losses, including expenses, provided that the indemnified person acted honestly and in good faith with a view to the best interests of the Fund and such losses were not caused as a result of their negligence or willful default. The Fund may advance expenses to any director or officer who may be entitled to indemnification. Directors and officers receiving advances are obligated to reimburse the Fund for them if it is later determined that such persons were not entitled to such indemnification.

Every Director, Alternate Director, Officer or Liquidator of the Fund and their respective personal representative, successors in title and estate (together "Indemnitee") shall be indemnified and held harmless by the Fund against all liability, loss, damage, claims, actions, accounts, proceedings, and demands and any costs and expenses whatsoever which may be incurred or suffered by the Indemnitee arising out of its appointment provided the

Indemnitee acted honestly, in good faith and with a view to the best interests of the Fund and did not act negligently or with willful default.

No Director, Alternate Director or Officer shall be liable for the acts, receipts, neglects, or defaults of any other Director, Alternate Director or Officer, or for joining in any receipt or other act for conformity, or for any loss or expense incurred by the Fund as a result of insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Fund, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Fund shall be advanced or invested, or for any loss or damage arising out of the bankruptcy, insolvency of any person with whom any money, securities or effects shall be deposited, or for any loss occasioned by an error of judgment, omission, default, or oversight on his part, or for any other loss, damage or misfortune whatever which shall happen in the execution of his office or in relation thereto, provided that he has acted honestly in good faith and with a view to the best interests of the Fund and did not act negligently or with willful default.

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

The Board of Directors may delegate to the Investment Manager, without being liable for any consequential loss, discretion to manage the Fund's investments or any part thereof pursuant to the terms of the appointment provided the Directors acted honestly, in good faith and with a view to the best interests of the Fund and provided they did not act negligently or in willful default in such delegation.

Investment Manager

Optimal Investment Services S.A. is an investment management company, incorporated in Switzerland in July, 2001. The Investment Manager's principal office is located at 5-7 Rue Ami-Lévrier, CH-1201 Geneva, Switzerland with further offices located in Geneva, New York and Madrid and it is a member of the Swiss Association of Asset Managers (SAAM). The Investment Manager is an indirect wholly owned subsidiary of Banco Santander S.A. and provides research, advisory and investment management services in alternative investment strategies to its clients with over USD9.9 billion in assets under management. It specialises in advising multi-manager and multi-strategy portfolios.

Mr Manuel Echeverría (see above for further details) is the Chief Executive Officer and Chief Investment Officer of the Investment Manager.

Mr Manuel Echeverría is also a Director of the Fund.

The Investment Manager has entered into an investment management agreement with the Fund whereby it will provide certain management and investment advisory services to the Fund.

The Investment Management Agreement provides that the appointment of the Investment Manager will continue in force unless and until terminated by either party giving to the other not less than 90 days' written notice (or such lesser period as the parties may agree in writing) although in certain circumstances the Agreement may be terminated forthwith by notice in writing by either party to the other. Such circumstances include where either party becomes subject to insolvency or bankruptcy proceedings, where the Investment Manager ceases to be permitted to so act under applicable laws, where one party commits a material breach of the Investment Management Agreement and such breach goes unremedied for 30 days following notice of such breach and where an insolvency practitioner is appointed to either party.

Under the Investment Management Agreement, the Investment Manager will not be liable in respect of any act or omission of any person, firm or company through whom transactions in underlying hedge fund securities are effected for the Fund's account, of the Custodian or any other party having custody or possession of the Fund's assets from time to time, or of any clearance or settlement system. The Investment Manager will not be liable for the acts or omissions of any person to whom any of its functions, powers and duties under the Investment Management Agreement may be delegated from time to time, except to the extent caused by the Investment Manager's negligence, wilful default or fraud or that of any of its employees or where they did not act honestly, in good faith and with a view to the best interests of the Fund.

The Investment Manager will not be responsible for any loss of opportunity whereby the value of the Fund's investments could have been increased or for any decline in the value of the Fund's investments howsoever arising, except to the extent that such loss or decline is due to the Investment Manager's negligence, wilful default

or fraud or that of any of its employees or where they did not act honestly, in good faith and with a view to the best interests of the Fund.

In addition, the Investment Manager will not be liable for any loss arising from errors of fact or judgement or any action taken (or omitted to be taken) by it howsoever arising except to the extent that any such error or action (or the omission thereof) is due to the Investment Manager's negligence, wilful default or fraud or that of any of its employees or where they did not act honestly, in good faith and with a view to the best interests of the Fund. No warranty is given by the Investment Manager in the Investment Management Agreement as to the performance or profitability of the Fund's investments or any of them.

The Investment Management Agreement contains indemnities by the Fund in favour of the Investment Manager whereby the Fund agrees to indemnify and keep indemnified the Investment Manager and the directors, officers and employees of the Investment Manager from and against any and all liabilities, obligations, losses, damages, suits and expenses which may be incurred by or asserted against the Investment Manager in its capacity as Investment Manager of the Fund's investments other than those resulting from the negligence, wilful default or fraud on its or their part provided it acted honestly, in good faith and with a view to the best interests of the Fund.

In consideration of its services, the Investment Manager receives an investment management fee (the "Management Fee") out of the assets of the Trading companies at the rate described in the Series Particulars (see "Series Particulars"). In addition to this the Fund has entered into an Support Services Agreement with the Investment Manager pursuant to which the Investment Manager provides operational support services of an administrative nature to the Fund in connection with the Trading Companies. The Investment Manager will have the responsibility for providing certain support services including daily inputs of certain information of each Trading Company in which the Fund invests, preparing and providing interim estimates of the Net Asset Value of Funds to Shareholders and providing Shareholders with position reporting and assistance in the trade execution process and other services and is entitled to a Support Services Fee of up to 0.02% (two basis points) of the Net Asset Value of each Series of the Fund. This fee will accrue on a monthly basis and be payable quarterly in arrears starting from January 2007.

CURRENCY OVERLAY AGREEMENT

The Fund has entered into a Currency Overlay Agreement with Overlay Asset Management, a portfolio management company approved by and registered with the "Autorité des Marchés Financiers (the "Currency Overlay Manager"). The Currency Overlay Manager will execute transactions with respect to the Fund's currency overlay programme as detailed in the Currency Overlay Agreement. The programme is designed to hedge passively the currency risk of the Underlying Portfolio. The Currency Overlay Manager will be paid a transaction fee of USD 40 per USD 1,000,000 transaction computed on the total traded volume.

FACILITY AGREEMENTS

In order to provide liquidity to the Trading Companies and to enable the Trading Companies to execute foreign exchange transactions, the Trading Companies entered into various facility agreements with HSBC Bank plc. These include a committed multi-currency overdraft facility, an uncommitted multi-currency overdraft facility and an uncommitted foreign exchange transactions facility. As security for its obligations to HSBC Bank plc, the Trading Companies has granted a security interest (by way of fixed charge, floating charge and assignment) over all of its assets to HSBC Bank plc.

INVESTMENT POLICIES AND OBJECTIVES

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

series of Participating Shares. Details relating to the investment objectives and policies of each particular series are set out under the section related to each trading company.

THE ADMINISTRATOR AND SECRETARY

The Directors have authorised HSBC Securities Services (Ireland) Limited (the "Administrator") to act as administrator, registrar and transfer agent pursuant to the Administration Agreement. The Administrator holds a restricted Investment Fund Administrator's licence pursuant to the Investment Funds Act, issued by the Securities Commission of The Bahamas. The Administrator will have the responsibility for the administration of the Fund including the calculation of the Net Asset Value, preparation of the accounts and registrar and transfer agency services, subject to the overall supervision of the Directors. The Administrator will also act as Company Secretary to the Fund.

The Administrator was incorporated in Ireland as a limited liability company on 29 November 1991 and was registered as a foreign company in The Bahamas on 1st May, 2002 and licensed by the Securities Commission as a licensed mutual fund administrator on 13th November, 2002. The Administrator is an indirect wholly-owned subsidiary of HSBC Holdings plc, a public company incorporated in England. As at 30 June 2007 HSBC Holdings plc had consolidated gross assets of approximately USD 2,150 billion.

The Administration Agreement provides that the appointment of the Administrator will continue in force unless and until terminated by either party giving to the other not less than 60 days written notice although in certain circumstances the Administration Agreement may be terminated forthwith by notice in writing by either party to the other. The Administration Agreement contains indemnities in favour of the Administrator for matters other than those matters arising by reason of its fraud, negligence or wilful default in the performance of its duties and obligations, and provisions regarding the Administrator's responsibilities where it has acted honestly, in good faith and with a view to the best interest of the Fund.

Pursuant to the Administration Agreement, the Administrator shall be entitled to the following fees:

- in respect to Series which are fund of funds, the administration fee is 2 basis points per annum subject to a minimum of USD 10,000.
- in respect to Series which are feeder funds investing in a single managed account such as Optimal SUS, the administration fee is 2.5 basis points subject to a maximum of USD 200,000 per annum per account. The Administrator is also entitled to charge an investment service fee of USD 35 per transaction.

The Administrator shall be entitled to be reimbursed all reasonable out of the pocket expenses not exceeding USD 300 per month per Series.

The Securities Commission must be informed of any decision to remove the Administrator.

ANTI MONEY LAUNDERING PROCEDURES

To ensure compliance with statutory and other generally accepted principles relating to anti-money-laundering, the Fund will require a detailed verification of a prospective investor's identity, address and source of funds. These requirements are set out in detail in the application form.

The Administrator may request further information and documents as may be required under applicable Bahamian and Irish anti money laundering laws before processing the subscriptions. This may result in shares/units being issued on a Dealing Day subsequent to the Dealing Day on which a subscriber initially wished to have shares/units issued to him.

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

*The Administrator reserves the right to request such further information as is necessary to verify the identity, address and source of funds of a subscriber. In the event of delay or failure by the subscriber to produce any information required for verification purposes, the Fund may refuse to accept the subscription and the subscription moneys relating thereto or freeze redemption payments.

Subscribers by subscribing for Participating Shares, consent to the release by the Administrator to any relevant anti money laundering authority of any information or documentation provided by the subscriber.

CUSTODIAN

The Fund has appointed HSBC Institutional Trust Services (Ireland) Limited ("the Custodian"), a limited liability company, as custodian of such of its assets as are delivered to it pursuant to the Custodian Agreement. The Custodian provides safe custody for, and control of, the Fund's assets it holds. The Custodian has no responsibility for assets of the Fund or any Trading Company, which are held by any US registered broker dealer.

The principal activity of the Custodian is to provide trustee and custodial functions for investment funds such as the Fund. The Custodian was incorporated in Ireland on 29 November 1991 an indirect wholly-owned subsidiary of HSBC Holdings plc.

The Custodian may appoint sub-custodians, agents or delegates ("Correspondents") to hold the assets of the Fund. The Custodian will act with reasonable skill, care and diligence in the selection, appointment and monitoring of Correspondents and shall be responsible to the Fund, for the duration of any agreement with a Correspondent, for satisfying itself periodically as to the ongoing suitability of any such Correspondents to provide custodial services to the Fund. The Custodian will maintain an appropriate level of supervision over any Correspondent and will make appropriate enquiries periodically to confirm that the obligation of any Correspondent continue to be competently discharged. The Custodian will retain responsibility for the acts and omissions of the majority of its Correspondents, but will not be liable for any loss directly or indirectly arising as a result of the acts or omissions of its Correspondents in certain emerging markets countries (as referred to in the Custodian Agreement) provided that the Custodian has not been negligent in the selection and monitoring of such Correspondents. In addition, the Custodian shall not be liable for any losses arising as a result of the liquidation, bankruptcy or insolvency of its Correspondents in any market provided that the Custodian has not been negligent in the selection of such Correspondents. The Custodian is not responsible for the safekeeping of assets deposited as margin with brokers

Pursuant to the Custodian Agreement, the Custodian shall be entitled to the following fees:

- in respect to Series which are fund of funds, the custody fee is one basis point subject to a minimum of USD 10,000 per annum. In addition, there is a custody transaction fee of USD 175.
- In respect to Series which are feeder funds, the custody fee is one basis point. Custody's transaction fees are waived.

The Custodian shall be entitled to be reimbursed for all reasonable out of the pocket expenses.

The Custodian Agreement provides that the appointment of the Custodian will continue in force unless and until terminated by either party giving to the other not less than 60 days written notice although in certain circumstances the Agreement may be terminated forthwith by notice in writing by either party to the other provided that the Custodian will not be permitted to retire except upon the appointment of a new custodian approved in evidence by the Securities Commission and on this assumption of the new custodian of its duties as such. . In the event that the Custodian gives notice of its intention to retire and a replacement custodian is not found within the agreed notice period, the Shareholders or Directors shall resolve immediately to voluntarily commence to wind up and dissolve the Fund. The Custodian Agreement contains indemnities in favour of the Custodian excluding matters arising by reason of its fraud, negligence or wilful default, in the performance of its duties and obligations and provisions regarding the Custodian's responsibilities where it has acted honestly, in good faith and with a view to the best interest of the Fund.

TRANSFERS

Participating Shares in the Fund can normally be transferred. However, the Directors reserve the right to reject any transfer at their sole discretion and they may also decline to register any transfer of Participating Shares on which the Fund has a lien.

FEES AND EXPENSES

The Fund and each Trading Company will bear all of its expenses; including but not limited to the following (1) organisational costs, including expenses relating to their establishment; the negotiation and preparation of the

contracts to which the Fund and the Trading Companies are parties; and, fees and expenses of its professional advisers in relation to their establishment (these costs are or will be set forth in the Fund's Annual Report). (2) Compensation and expenses of any Director. (3) Standard brokerage and bank charges incurred in respect of each Trading Company's business transaction. (4) All fees due to the auditors and the legal advisors. (5) All expenses connected with publications, in particular the cost of printing and distributing the annual reports as well as any offering memoranda and, subject to any applicable regulatory restriction, marketing material. (6) All expenses involved in registering and maintaining the Fund and Trading Companies' registration with governmental agencies; and (7) all expenses incurred by the Investment Manager in relation to the investigation and analysis of regulatory and due diligence matters inclusive of all travel and legal expenses (8) all applicable taxes, if any, which may be payable on assets, income chargeable to a Trading Company, including annual subscription taxes payable to all relevant regulatory authority.

CONFLICTS OF INTEREST

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

The Directors along with the Custodian, the Administrator and the Investment Manager of the Fund shall be prohibited from voting their beneficially owned shares at, or forming a quorum for a meeting in which they have a material interest in the business contracted.

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

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

The Fund may enter into credit facilities and foreign exchange facilities for bridging investment purposes and for hedging foreign exchange.

TAX CONSIDERATIONS

It is expected that shareholders in the Fund will be resident for tax purposes in many different countries. Consequently, no attempt is made in this Memorandum to summarise the taxation consequences for each investor of subscribing, converting, holding or redeeming or otherwise acquiring or disposing of Shares. These consequences will vary in accordance with the law and practice currently in force in a shareholder's country of citizenship, residence, domicile or incorporation and with his personal circumstances. Dividends and interest received by the Fund on its investments may be subject to non-recoverable withholding or other taxes in the countries of origin. Under current law in the Bahamas, no income, capital gains, estate, transfer, sales or other taxes are payable by the Fund, and no withholding tax is applicable to distributions made by the Fund as to payments made to repurchase shares of investors.

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

DETERMINATION OF NET ASSET VALUE

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

In valuing the Net Asset Value as of any particular date, most likely following the Valuation Date, the value in any unit, share or other interest ("Interest") in other collective investment schemes shall be the confirmed net asset value per Interest as advised by the administrator of the relevant underlying scheme, or if unavailable, the estimated net asset value per Interest as advised by the administrator of the relevant underlying scheme. If an estimate is unavailable, the Directors of the Fund may permit some other method of valuation to be used if they consider that in the circumstances such other method of valuation should be adopted to reflect more fairly the value of such Interest.

The value of "closed end" funds and the securities in the managed portfolios of the Trading Companies traded on a national securities exchange is based on the closing price on the Valuation Date or, if not so reported, at the mean between the last bid and asked prices. Securities traded in the over the counter market are valued at the last sale price if the security is reported by NASDAQ or Reuters or, if not so reported, at the mean between the last bid and asked prices. In determining the Net Asset Value of each series or class of Participating Shares, reliance may be placed on valuations provided by the underlying Investment Vehicles. The value of non-US dollar denominated securities is determined in its national currency in a manner consistent with that of the above paragraph, which value is then converted into a US dollar equivalent at the foreign exchange rate in effect on the Valuation Date.

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

In calculating the Net Asset Value, the Administrator shall not be liable for any loss suffered by the Fund or the Trading Companies by reason of any error in the calculation of the Net Asset Value resulting from any inaccuracy in the information provided by any pricing service. The Administrator shall use reasonable endeavours to verify any pricing information, including estimates of prices supplied by the underlying funds or any connected person thereof (including a connected person which is a broker, market maker or other intermediary). However, in certain circumstances it may not be possible or practicable for the Administrator to verify such information and, in such circumstances, the Administrator shall not be liable for any loss suffered by the Fund or the Trading Companies by reason of any error in the calculation of the Net Asset Value resulting from any inaccuracy in the information provided by the underlying funds, or its delegates. In circumstances where the Administrator is directed by the Investment Manager or its delegates to use particular pricing services, brokers, money managers, market makers or other intermediaries, the Administrator shall not be liable for any loss suffered by the Fund or the Trading Companies by reason of any error in the calculation of the Net Asset Value resulting from any inaccuracy in the information provided by such pricing services, brokers, money managers, market makers or other intermediaries not appointed or selected by the Administrator.

The Administrator shall only not be liable where the Administrator acted honestly, in good faith and with a view to the best interests of the Fund and did not act negligently or with willful default.

SUSPENSION OF CALCULATION OF THE NET ASSET VALUE OF SHARES

The Directors may at any time and from time to time suspend the determination of the Net Asset Value of Shares of any particular series of Participating Shares

- (a) if any Investment in which such series is invested suspends the right of the Fund to redeem such investments;
- (b) closure of any exchange on which any Investment of such series is normally dealt in or traded or exchanged, other than customary holidays;
- (c) restriction of trading on the market on which any Investment of such series is normally dealt in or traded;

- (d) the existence of an emergency as a result of which, in the opinion of the Directors, disposal of any Investment is not reasonable or practicable or it is not reasonable or practicable for the Fund fairly to determine the Net Asset Value of such series;
- (e) the inability of the Fund to obtain the necessary information from any Investment for such series regarding such series' investment in such Fund; or
- (f) the occurrence of a breakdown in any of the means normally employed by the Directors in ascertaining the price of any Investment of such series or when for any reason the price of any Investment of such series cannot reasonably be ascertained.

Where the calculation of the Net Asset Value of Shares is suspended subscriptions and redemptions of shares will be suspended also.

SUBSCRIPTION OF PARTICIPATING SHARES

POTENTIAL SHAREHOLDERS, THAT ARE SUITABLE FOR INVESTMENT AS DEFINED IN "SUITABILITY REQUIREMENTS", MUST COMPLETE THE SUBSCRIPTION FORM ATTACHED HERETO AND SUBMIT THE NECESSARY SUBSCRIPTION DOCUMENTS FOR INVESTMENT INTO A SPECIFIED SERIES. SUBSCRIPTIONS ARE EFFECTIVE AS OF THE FIRST BUSINESS DAY OF EACH MONTH (THE "DEALING DAY"). ALL SUBSCRIPTION DOCUMENTATION AND SUBSCRIPTION PAYMENTS MUST BE RECEIVED BY THE ADMINISTRATOR BY 5PM IRISH TIME AT LEAST THREE BUSINESS DAYS PRIOR TO THE END OF THE INTENDED SUBSCRIPTION MONTH. IF PAYMENT IN FULL IN CLEARED FUNDS IN RESPECT OF A SUBSCRIPTION PAYMENT HAS NOT BEEN RECEIVED BY THE TIME FOR RECEIPT OF SUCH SUBSCRIPTION, OR IN THE EVENT OF NON-CLEARANCE, ANY PROVISIONAL ALLOTMENT OF SHARES MADE IN RESPECT OF SUCH APPLICATION MAY BE CANCELLED. IN SUCH EVENT AND NOTWITHSTANDING CANCELLATION OF THE APPLICATION, THE DIRECTORS MAY CHARGE THE APPLICANT FOR ANY EXPENSE INCURRED BY IT OR THE FUND FOR ANY LOSS TO ANY TRADING COMPANY OR THE FUND ARISING OUT OF SUCH NON-RECEIPT OR NON-CLEARANCE. SUBSCRIPTION MONIES NOT RECEIVED BY THE STATED TIME IN RESPECT OF SUBSCRIPTION FORMS WHICH HAVE BEEN PROPERLY COMPLETED AND ACCEPTED WILL BE HELD OVER UNTIL THE NEXT FOLLOWING DEALING DAY. SUBSEQUENT CONTRIBUTIONS MADE BY EXISTING INVESTORS IN THE FUND DO NOT REQUIRE AN ORIGINAL SUBSCRIPTION FORM ONCE AN ORIGINAL SUBSCRIPTION FORM HAS BEEN RECEIVED BY THE ADMINISTRATOR IN THE ATTACHED FORM. NO MONEY SHOULD BE PAID TO ANY INTERMEDIARY IN THE BAHAMAS WHO IS NOT A LICENSED INVESTMENT FUND ADMINISTRATOR OR THE REPRESENTATIVE DULY APPOINTED UNDER THE INVESTMENT FUND REGULATIONS.

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

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

Suitability Requirements

The minimum subscription by each subscriber for Participating Shares in the Fund is USD50'000 (or its foreign currency equivalent) and the Fund may only be invested in by Sophisticated Investors who meet the suitability requirements provided that such persons are non-United States Persons and non-Bahamian residents.

Potential investors will be required to certify that they are Sophisticated Investors when completing the Subscription Form, that they are aware of the risks involved in investing in the Fund and that inherent in such investment is the potential to lose all sums invested.

The sale or transfer of Participating Shares directly or indirectly in the United States or to "United States Persons" is prohibited. A "United States Person" is defined as: A CITIZEN OR RESIDENT OF THE UNITED STATES OR ITS TERRITORIES OR POSSESSIONS; ANY CORPORATION OR OTHER ENTITY ORGANIZED UNDER THE LAWS OF OR EXISTING IN THE UNITED STATES OR ITS TERRITORIES OR POSSESSIONS; ANY ESTATE OR TRUST THE INCOME OF WHICH IS SUBJECT TO UNITED STATES FEDERAL INCOME TAX REGARDLESS OF ITS SOURCE; OR ANY ENTITY ORGANIZED PRINCIPALLY FOR PASSIVE INVESTMENT, SUCH AS A COMMODITY POOL, INVESTMENT COMPANY, OR OTHER SIMILAR ENTITY (OTHER THAN A

PENSION PLAN FOR THE EMPLOYEES, OFFICERS OR PRINCIPALS OF AN ENTITY ORGANIZED AND WITH ITS PRINCIPAL PLACE OF BUSINESS LOCATED OUTSIDE OF THE UNITED STATES), EITHER (1) IN WHICH UNITED STATES PERSONS HOLD UNITS OF PARTICIPATION REPRESENTING IN THE AGGREGATE 10% OR MORE OF THE BENEFICIAL INTEREST IN THE ENTITY, OR (2) WHICH HAS AS ITS PRINCIPAL PURPOSE THE FACILITATING OF INVESTMENT BY A UNITED STATES PERSON IN A COMMODITY POOL WITH RESPECT TO WHICH THE OPERATOR THEREOF IS EXEMPT FROM CERTAIN REQUIREMENTS OF PART 4 OF THE REGULATIONS OF THE UNITED STATES COMMODITY FUTURES TRADING COMMISSION BY VIRTUE OF ITS PARTICIPANTS BEING NON-UNITED STATES PERSONS.

The Participating Shares may not be offered or sold or otherwise disposed of in any manner to a person deemed by The Central Bank of The Bahamas ("The Central Bank") as a resident of The Bahamas for exchange control purposes, unless such person deemed as a resident of The Bahamas obtains the prior approval of The Central Bank.

The Fund will require each prospective investor to represent that (i) he or she is not a United States Person or a resident of The Bahamas, (ii) he or she has sufficient knowledge and experience in financial and business matters that such person is capable of evaluating the merits and risks of the proposed investment, (iii) he or she can bear the economic risk of the investment (i.e., at the time of investment he or she can afford a complete loss of the investment and can afford to hold the investment for an indefinite period of time), and (iv) his or her investment in the Fund will not adversely affect such person's overall need for diversification and liquidity. The satisfaction of such standards by a prospective investor, however, does not necessarily mean that the Participating Shares are a suitable investment for such prospective investor or that the prospective investor's subscription will be accepted. The Directors may, in circumstances it deems appropriate, modify such requirements. In addition, the Directors will have the right to reject a subscription for any reason deemed by the Directors, in its sole discretion, to be sufficient. Each prospective investor is urged to consult with his or her own advisors to determine the suitability of an investment in Participating Shares, and the relationship of such an investment to the purchaser's overall investment program and financial and tax position. Each purchaser of Participating Shares is required to represent further, that after all necessary advise and analysis, his or her investment in the Fund is suitable and appropriate, in light of the foregoing considerations.

REDEMPTION OF PARTICIPATING SHARES

Partial redemptions of Participating Shares which would reduce the value of a shareholder's remaining investment in the Fund to less than USD 50,000 or the equivalent in Euro, Swiss Francs or Japanese Yen will not be permitted, unless the Directors decide otherwise. Redemptions shall be effective as of the first business day of the calendar month (the "Dealing Day") subject to 35 calendar days prior written notice for the following share classes: Optimal Strategic US Equity Class A USD Series, Optimal Strategic US Equity Class B USD Series, Optimal Strategic US Equity Class C USD Series, Optimal Strategic US Equity Class A EUR Series and Optimal Strategic US Equity Class B EUR Series and 70 calendar days prior written notice for the following share classes: Optimal Arbitrage Class A USD Series, Optimal Arbitrage Class B USD Series, Optimal Arbitrage Class A EUR Series, Optimal Arbitrage Class B EUR Series, Optimal Arbitrage Class A CHF Series and Optimal Arbitrage Class A JPY Series. Requests for Redemption received less than the notice period required for the various share classes, being either 35 calendar days or 70 calendar days prior to a month-end will be considered effective as of the first business day of the subsequent month unless the Directors deem otherwise. The Directors will not under any circumstances accept redemption requests received after the Redemption Price has been determined. Investors may redeem Participating Shares by completing the Redemption Request Form included with the Memorandum, and sending a faxed Redemption Request Form provided the original follows immediately.

The Fund's obligation to redeem Participating Shares is subject to postponement if requests are received in respect of any one Dealing Day for redemptions aggregating more than ten per cent of a particular Series in issue. In such case, the Fund may reduce all but not some of such requests pro rata so that they cover no more than the relevant percentage of the Participating Shares issued. Any part of a redemption request to which effect is not given by reason of the exercise of this power shall be carried forward to the next Dealing Day and each succeeding Dealing Day (in relation to which the Directors shall have the same power) until the original requests have been satisfied in full provided always that requests for redemption/repurchase that remain to be satisfied by reason of the exercise of this power by the Directors shall be complied with in priority to later requests.

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

Payment of the redemption proceeds normally will be made in the currency of the redeemed Participating Shares and will not exceed 24 calendar days after the applicable Dealing Day provided that the Administrator receives the original Redemption Request Form.

No third party payments will be made.

Suspension of Redemption

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

Compulsory Redemption

The Directors shall have the right to redeem compulsorily any Participating Shares of any Class of any Series at the Redemption Price or to require the transfer of any Shares to any Sophisticated Investor if in its opinion (i) such Shares are held (whether legally or beneficially) by a person other than a Sophisticated Investor or are held by a US Person or Bahamian person; (ii) the redemption or transfer (as the case may be) would eliminate or reduce the exposure of the Fund or the Shareholders to adverse tax or regulatory consequences; (iii) a Shareholder holds less than the applicable Minimum Holding; or (iv) the Custodian has given notice that it wishes to retire and no replacement custodian has been found within 90 days of the Custodian providing such notice.

The Directors may also compulsorily redeem the Participating Shares for any reason whatsoever in the absolute discretion of the Directors of the Fund.

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

Subscriptions/Redemptions in Specie

Subscription in Specie

The Directors may (at their absolute discretion) issue Participating Shares of any series of Fund by way of exchange for Investments provided that:

- (a) in the case of a person who is not an existing Shareholder no Participating Shares shall be issued until the person concerned shall have completed and delivered to the Administrator a Subscription Form as required under this Memorandum (or otherwise) and satisfied all the requirements of the Directors and Administrator as to such person's application;
- (b) the nature of the Investments transferred into the Fund are such as would qualify as Investments of such Fund in accordance with the investment objectives, policies and restrictions of such Fund;
- (c) no Participating Shares shall be issued until the Investments shall have been vested in the Custodian or any sub-custodian to the Custodian's satisfaction, or any US registered broker dealer, and the Custodian shall be satisfied that the terms of such settlement will not be such as are likely to result in any prejudice to the existing Shareholders of the Fund; and
- (d) the Directors are satisfied that the terms of any exchange would not be such as would be likely to result in any prejudice to remaining Shareholders and provided that any such exchange shall be effected upon the terms (including provision for paying any expenses of exchange and any preliminary

charge as would have been payable for Participating Shares issued for cash) that the number of Participating Shares issued shall not exceed the number which would have been issued for cash against payment of a sum equal to the value of the Investments concerned calculated in accordance with the procedures for the valuation of the assets of the Fund. Such sum may be increased by such amount as the Directors may consider represents an appropriate provision for Duties and Charges which would have been incurred by the Fund in the acquisition of the Investments by purchase for cash or decreased by such amount as the Directors may consider represents any Duties and Charges to be paid to the Fund as a result of the direct acquisition by the Fund of the Investments.

Redemption in Specie

The Directors may (at their absolute discretion) redeem Participating Shares of any series of the Fund by way of exchange for Investments provided that:

(a) a form of redemption is completed and delivered to the Administrator as required by this Memorandum and the redemption request otherwise satisfies all the requirements of the Administrator as to such request and the Shareholder seeking redemption of Participating Shares agrees to such course of action; and

(b) the Directors are satisfied that the terms of any exchange would not be such as would be likely to result in any prejudice to the remaining Shareholders and elects that instead of the Participating Shares being redeemed in cash, the redemption shall be satisfied in specie by the transfer to the Shareholder of Investments provided that the value thereof shall not exceed the amount which otherwise would have been payable on a cash redemption and provided that the transfer of Investment is approved by the Custodian. Such value may be reduced by such amount as the Directors may consider represents any Duties and Charges to be paid to the Fund as a result of the direct transfer by the Fund of the Investments or increased by such amount as the Directors may consider represents any appropriate provision for Duties and Charges which would have been incurred by the Fund in the disposition of the Investments to be transferred. The shortfall (if any) between the value of the Investments transferred on a redemption in specie and the redemption proceeds which would have been payable on a cash redemption shall be satisfied in cash.

If the discretion conferred upon the Directors by paragraph (b) is exercised, the Directors shall notify the Custodian and shall supply to the Custodian particulars of the Investments to be transferred and any amount of cash to be paid to the Shareholder. All stamp duties, transfer and registration fees in respect of such transfers shall be payable by the Shareholder.

A Subscription fee (sales charge) and redemption fee of up to 5% of the subscription price/redemption price may be charged to shareholders who subscribe for/redeem their shareholdings in the Funds (for the benefit of the Investment Manager or any distributor appointed to the Fund).

DIVIDEND POLICY

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

REPORTS TO SHAREHOLDERS AND AUDITOR

Reports to shareholders of the Fund will be made quarterly, setting forth the Net Asset Value of each Series and the Net Asset Value per Participating Share at the beginning and end of the previous quarter. The Fund's Net Asset Value per Participating Share will be computed as of the end of each month and made available to shareholders during the following month. An annual audited report will be sent to shareholders within normally four months (120 Days) following the end of each fiscal year and where possible the Fund shall make reasonable attempts to notify shareholders of any changes to the Memorandum. The fiscal year end for the Fund and the Trading Companies is December 31 of each year. The Fund has retained PricewaterhouseCoopers, Dublin, Ireland, as its auditors.

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

Local Information

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

Additional Information

Copies of the Memorandum of Association and Articles of Association of the Fund and Trading Companies, the Administration Agreement between the Fund, the Trading Companies and HSBC Securities Services (Ireland) Limited, the Investment Management Agreement between the Fund, the Trading Companies and the Investment Manager, the Custodian Agreement between the Fund, the Trading Companies and HSBC Institutional Trust Services (Ireland) Limited, the Support Services Agreement and the Currency Overlay Agreement between the Fund and the Currency Overlay Manager; the Facility Agreements between the Fund and HSBC Bank plc., (the "Material Agreements") are available for inspection free of charge or purchased for a reasonable fee at the principal office of the Fund in Nassau, The Bahamas.

CERTAIN RISK FACTORS

Investors should consider carefully the information set out in this Memorandum and should in particular consider the following items before making an investment in the Fund. See specific risks under Series Particulars.

Investment Risks in General

An investment in the Fund is speculative and involves a high degree of risk and should only be made with the risk capital segment of an investor's portfolio. There is no guarantee that the value of Participating Shares in the Fund will increase, nor is there a guarantee that investors will receive one hundred percent of principal initially invested in any of the Trading Companies. Accordingly, only persons who are able to bear the risk of loss of the capital invested should make an investment in the Fund. The Fund's performance may be affected by legal, regulatory and tax requirements in the country in which it invests.

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

Multi-Manager Strategy

In order to diversify among trading methods and markets, the Investment Manager has selected a number of external investment funds and independent portfolio managers to manage the Fund's assets, each of which invests independently of one another. Although such diversification is intended to offset losses while maintaining the possibility of capitalising on profitable price movements, there can be no assurance that the multi-manager strategy will not result in a net loss.

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

Limited Liquidity

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

Unregulated Jurisdictions

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

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

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

Hedging

Where a Share Class of a fund is denominated in a currency other than the base currency of that fund, the relevant fund will attempt to minimise the effect of currency fluctuations between that currency and the funds' base currency through the use of hedging; however the result cannot be guaranteed. In addition, investors should note that the costs and gains/losses of transactions entered into by the Investment Manager for the purpose of hedging the currency exposure of any series which is denominated in a currency other than the base currency and/or the currency in which the assets of the fund are denominated will accrue solely to that series. The use of hedging may substantially limit Shareholders of that series from benefiting if the series currency falls against the base currency and/or the currency in which the assets of the fund are denominated.

Currency

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

Concentration of Investments

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

Short - Selling

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

Leverage

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

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

Options Trading

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

Interest Rate Risk

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

Counterparty Risk

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

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

Custodial risk

The Custodian is only responsible for assets, which are actually delivered to it. Arrangements may be made by the Fund and certain Trading Companies to hold assets of certain portfolios with third party entities, which will not be appointed as sub-custodian by the Custodian. The Fund must satisfy itself to ensure that such third party has and maintains the necessary competence, standing and expertise appropriate to hold the assets concerned. The ability of the fund managers to transact business with any one or number of counterparties, the lack of meaningful and independent evaluation of such counterparties' financial capabilities and the absence of a regulated market to facilitate settlement may increase the potential for losses to the Fund.

Diversification

Although the Investment Manager will seek to obtain diversification by investing with a number of different portfolio managers with different strategies or styles, it is possible that several money managers may take substantial

positions in the same security or group of securities at the same time. This possible lack of diversification may subject the investments of the Fund to more rapid change in value than would be the case if the assets of the Fund were more widely diversified.

Effect of Substantial Redemptions

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

Termination of Fund

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

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

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

Series Particulars Optimal Arbitrage Series

The Optimal Arbitrage Series of Participating Shares invests in the corresponding share class of Optimal Arbitrage Ltd.

Optimal Arbitrage Ltd.

INVESTMENT POLICIES AND OBJECTIVES

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

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

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

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

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

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

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

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

Subscriptions

Subscriptions are effective as of the first business day of every month (the "Dealing Day"). The Trading Company must receive all subscription documentation and subscription payments three business days prior to the end of the intended subscription month. The price per Share in Optimal Arbitrage is 1,000 Euro or 10,000 Swiss Franc or 100,000 Japanese Yen. If payment in full in cleared funds in respect of a subscription payment has not been received by the time for receipt of such subscription, or in the event of non-clearance, any provisional allotment of Shares made in respect of such application may be cancelled. In such event and notwithstanding cancellation of the application, the Directors may charge the applicant for any expense incurred by it or the Trading Company of the Fund for any loss arising out of such non-receipt or non-clearance. Subscription monies not received by the stated time in respect of Subscription Forms which have been properly completed and accepted will be held over until the next following Dealing Day.

Redemptions

Redemptions are effective as of the first business day of every month and are subject to 70 days prior written notice. Redemption requests received with less than 70 days prior written notice will be considered effective as of the first business day of the subsequent Dealing Day to which the redemption was intended to be effected, unless the Directors decide otherwise. The Directors will not under any circumstances accept redemption requests received after the Redemption Price has been determined.

Classes of Shares

Class A USD Participating Shares are denominated in US Dollars and are offered to potential new investors in the Fund.

Class B USD Participating Shares are denominated in US Dollars and may be issued under special circumstances and at the sole discretion of the Directors of the Fund.

Class A EUR Participating Shares are denominated in Euros and are offered to potential new investors in the Fund.

Class B EUR Participating Shares are denominated in Euros and may be issued under special circumstances and at the sole discretion of the Directors of the Fund

Class A CHF Participating Shares are denominated in Swiss Francs and are offered to potential new investors in the Fund.

Class A JPY Participating shares are denominated in Japanese Yen and are offered to potential new investors in the Fund.

Management Fees

Optimal Arbitrage shall pay the Investment Manager an investment management fee calculated monthly and payable quarterly in arrears on the last Business Day of each quarter with respect to each Class, equal to (in respect of each month) a maximum of one-twelfth of 2.15% of the net asset value of the shares for the month for the Class A USD Shares, the Class A EUR Shares, the Class A CHF Shares and the Class A JPY Shares and (in respect of each month) one-twelfth of 1.65% of the net asset value of the shares for the month for the Class B USD Shares and the Class B EUR Shares.

Potential Markets

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

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

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

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

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

POTENTIAL RISKS ASSOCIATED WITH INVESTMENT IN OPTIMAL ARBITRAGE

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

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

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

Credit Risk - While the majority of trades in the portfolio are in higher-quality assets, there is some credit exposure, especially in convertible bond arbitrage. External managers may invest in debt obligations of both governmental and corporate issuers. These financial instruments involve the risk that the obligor either cannot or will not fulfill its obligations under the terms of the financial instrument. Any actual default, or any circumstance that increases the possibility of such default, could have a material adverse effect on the fund.

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

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

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

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

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

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

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

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

Repurchase and Swap Agreement Risk – External managers in the fund may engage in repurchase and swap agreements as part of its trading and cash management procedures. In the event of the bankruptcy or other default of a transferor of a security in a repurchase agreement or the counterparty to a swap agreement, the manager as

transferee and as counterparty could experience both delays in liquidating the underlying security or commodity and losses, including: (a) a possible decline in the value of the collateral during the period while the manager seeks to enforce its rights thereto; (b) possible subnormal levels of income and lack of access to income during this period; and (c) expenses of enforcing its rights.

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

Series Particulars
Optimal Strategic US Equity Series of Shares

The Optimal Strategic US Equity Series of Participating Shares invests in the corresponding share class of Optimal Strategic U.S. Equity Ltd.

Optimal Strategic U.S. Equity Ltd.

INVESTMENT POLICIES AND OBJECTIVES

Optimal Strategic U.S. Equity Ltd (hereafter "Optimal SUS" or "the fund") seeks to obtain long-term capital appreciation of its assets through the utilization of non-traditional options trading strategies. In attempting to achieve its investment objective, the Fund and Optimal SUS have established a discretionary account with a US broker-dealer (the "Broker-Dealer") registered with both the U.S. Securities and Exchange Commission (the "SEC") and the National Association of Securities Dealers, Inc. ("NASD"). The Broker-Dealer is responsible for the execution of the fund's trading strategy and all investment decisions in the account at the Broker-Dealer are effected by the Investment Manager.

The strategy utilized by the Broker-Dealer is described as "split strike conversion" (generally consisting of the purchasing of equity shares, the selling of related options representing a number of underlying shares equal to the number of shares purchased, and the buying of related put options representing the same number of underlying shares, see description below). The assets of the fund are deposited with the Broker-Dealer.

The Broker-Dealer, which employs approximately 200 people, acts primarily as a market maker in stocks and convertible securities. Most of the stocks for which it acts as a market maker are also listed on the New York Stock Exchange. All investments involve investment risk and may result in losses instead of gains, as the achievement of Optimal SUS' investment objective cannot be assured. See "Potential Risks Associated with Investment in Optimal SUS".

The strategy utilized by the Broker-Dealer is called "split-strike conversion" and entails:

- (i) purchasing a basket of thirty (30) to forty (40) large-capitalization S&P 100 stocks which together account for the greatest weight of the Index and therefore, when combined, present a high degree of correlation with the general market;
- (ii) purchasing out-of-the-money or at-the-money S&P Index put options in the same dollar amount;
- (iii) selling out-of-the-money S&P 100 Index call options representing a dollar amount of the underlying Index equivalent to the dollar amount of the basket of shares purchased.

The strategy aims to limit losses when stock prices decline while still affording an upside potential that is capped to the strike price of the short call when stock prices rise. The long put/short call position constitutes a "synthetic" short of the market, which provides a hedge against the long stock positions. Proprietary systems continuously optimize the basket of stocks to replicate the performance of the overall market at low cost. Put and call option positions are actively managed as strike prices and maturities are adjusted in response to relative valuations and general market movements.

Temporary Investments

Pending investment of capital of Optimal SUS in accordance with Optimal SUS' Investment Policies and permitted by the Memorandum, the Broker-Dealer may decide to hold cash or invest in cash equivalents. Among the cash equivalents are: obligations of the United States Government, its agencies or instrumentalities, commercial paper, and certificates of deposit and bankers' acceptances issued by the United States banks that are members of the Federal Deposit Insurance Corporation. Optimal SUS may also enter into repurchase agreements and may purchase shares of money market mutual funds in accordance with applicable legal restrictions. However, in practice the Broker-Dealer usually invests in US Treasury Bills.

Transaction Executions

The Broker-Dealer acts as the agent and attorney-in-fact of Optimal SUS in connection with its sale of securities to Optimal SUS and the purchase of securities from Optimal SUS. The Broker-Dealer acts as a market maker in the

stocks purchased and sold by Optimal SUS. These market making activities enable the Broker-Dealer to trade with Optimal SUS as agent.

The options transactions executed for the benefit of Optimal SUS are effected, primarily, in the over-the-counter market, not on a registered options exchange. The Broker-Dealer is not a market maker in options. See below "Potential Conflicts of Interest".

Potential Conflicts of Interest

The Investment Manager, its principals, and the Broker-Dealer and its principals, may form and manage other investment entities (including without limitation investment partnerships, investment companies, mutual funds and offshore funds) in the future with substantially the same or different objectives as those of Optimal SUS. They may also make investments in securities for their own accounts. Such activities could detract from the time they allocate to the affairs of Optimal SUS and the Broker-Dealer, as the case may be. Similarly, Mr. Anthony Inder Rieden and Mr Brian Wilkinson, the non-affiliated Directors of the Optimal Group, have other business interests and will not devote their entire time to Optimal SUS' affairs.

Subscriptions

Subscriptions are effective as of the first business day of every month (the "Dealing Day"). The fund must receive all subscription documentation and subscription payments three business days prior to the end of the intended subscription month. The price per share in the Optimal SUS Class E shares is Euros 1,000.00. If payment in full in cleared funds in respect of a subscription payment has not been received by the time for receipt of such subscription, or in the event of non-clearance, any provisional allotment of Shares made in respect of such application may be cancelled. In such event and notwithstanding cancellation of the application, the Directors may charge the applicant for any expense incurred by it or the Trading Company of the Fund for any loss arising out of such non-receipt or non-clearance. Subscription monies not received by the stated time in respect of Subscription Forms which have been properly completed and accepted will be held over until the next following Dealing Day.

Redemptions

Redemptions are effective as of the first business day of every month and are subject to 35 days prior written notice. Redemption requests received with less than 35 days prior written notice will be considered effective as of the first business day of the subsequent Dealing Day to which the redemption was intended to be effected, unless the Directors decide otherwise. The Directors will not under any circumstances accept redemption requests received after the Redemption Price has been determined.

Classes of Shares

Class A USD Participating Shares are denominated in US Dollars and offered to potential new investors in the Fund.

Class B USD Participating Shares are denominated in US Dollars and may be issued under special circumstances and at the sole discretion of the Directors of the Fund.

Class C USD Participating Shares are denominated in US Dollars and may be issued under special circumstances and at the sole discretion of the Directors of the Fund.

Class A EUR Participating Shares are denominated in Euro and offered to potential new investors in the Fund.

Class B EUR Participating Shares are denominated in Euro and may be issued under special circumstances and at the sole discretion of the Directors of the Fund.

The base currency of the Optimal SUS is US Dollars.

Management Fees

Optimal SUS shall pay the Investment Manager an investment management fee calculated monthly and payable quarterly in arrears on the last Business Day of each quarter with respect to each Class, equal to (in respect of each month) a maximum of one-twelfth of 2.15% of the net asset value of the shares for the month for the Class A USD Shares and the Class A EUR Shares and (in respect of each month) one-twelfth of 1.65% of the net asset value of the shares for the month for the Class B USD Shares and the Class B EUR and (in respect of each month) one-twelfth of 1.15% of the net asset value of the shares for the month for the Class C USD Shares.

Potential Markets

The Broker-Dealer is a market maker and Broker-Dealer and therefore may have access to superior pricing and execution for exchange listed and NASDAQ securities.

Equity markets - The Broker-Dealer is responsible for the execution of the fund's trading strategy. As per the strategy of the fund, there is no restriction in terms of sector and therefore may include, retail, financial, industrial, Internet, and other trading companies listed on the US New York Stock Exchange, NASDAQ, and/or over-the-counter exchange. The Broker-Dealer is not restricted in terms of growth cycle for a business.

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

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

No guarantee is made as to the fund's future performance or ability for the Broker-Dealer to continue to provide superior pricing and execution to investors in the fund.

POTENTIAL RISKS ASSOCIATED WITH INVESTMENT IN OPTIMAL SUS

Prospective investors should give careful consideration to the following risk factors in evaluating the merits and suitability of an investment in the fund as they relate specifically to the fund, in general, as the context requires. The following does not purport to be an adequate summary of all the risks associated with an investment in the fund. Rather, the following are only certain particular risks to which the fund is subject that the Investment Manager wishes to encourage prospective investors to discuss in detail with their professional advisors.

Limited Operating History

The fund commenced operations on January 1997 and as such has an operating history since such date. There can be no assurance that future returns will be similar to returns achieved since inception to date.

Achievement of Investment Objective

There can be no assurance that the fund will continue to achieve its investment objective or that the Investment Manager and/or the Broker-Dealer will continue to succeed in achieving the fund's investment objective. Given the factors which are described below, and due to the fact that an investment in the fund entails a high degree of risk, there exists a possibility that an investor could suffer a substantial loss as a result of an investment in the fund.

Illiquidity of Investment

There is no market for the Shares of the fund and, accordingly, investments in the Shares of the fund may be disposed of only through the redemption procedures described elsewhere in this Memorandum. The consent of the Directors must be obtained prior to any transfer of Shares. In light of the restrictions imposed on a transfer of Shares, and in light of the limitations imposed on a shareholder's ability to withdraw all or part of his or its capital from the fund, an investment in the fund should be viewed as illiquid and subject to risk.

Dependence on the Investment Manager

All decisions with respect to the general management of the fund are made by the Investment Manager who has complete authority and discretion in the management and control of the business of the fund, including the authority to delegate all investment management activities to any selected investment adviser and/or Broker-Dealer. Shareholders will have no right or power to take part in the management of the fund, nor in any decision with regard to the allocation of management of the fund's assets to any selected investment adviser and/or Broker-Dealer. As a result, the success of the fund for the foreseeable future will depend largely upon the ability of the Investment Manager, and no person should invest in the fund unless willing to entrust all aspects of the management of the fund to the Investment Manager, having evaluated their capability to perform such functions. The shareholders will have certain limited rights to consent as set forth in this Memorandum but will not have any authority or power to act for or bind the fund.

Dependence on the Broker-Dealer

The Fund and Optimal SUS have delegated the execution of all investment management decisions with regard to Optimal SUS to the Broker-Dealer. As a result, the success of the fund for the foreseeable future will depend on the ability of the Broker-Dealer to achieve the fund's investment objective. Although the Broker-Dealer has limited investment discretion as to the selection of securities or other property purchased or sold by or for the fund's account, the Broker-Dealer has discretion with respect to the timing and size of transactions and to the extent described in the agreement entered in between the Broker-Dealer, the Fund and Optimal SUS. The shareholders will not have control over the investment and trading decisions of the Investment Manager and to a certain extent, the Broker-Dealer, and no person should invest in the fund unless willing to entrust all aspects of the investment management of the fund to any selected investment adviser and/or Broker-Dealer, having evaluated its capability to perform such functions.

General Economic Conditions

The success of any investment activity is influenced by general economic conditions, which may affect the level and volatility of interest rates and the extent and timing of investor participation in the markets for both equity and interest-rate-sensitive securities. Unexpected volatility or illiquidity in the markets in which the fund directly or indirectly holds positions could impair the fund's ability to carry out its business and could cause it to incur losses.

Market Risks

The success of a significant portion of the fund's investment program will depend, to a great extent, upon correctly assessing the future course of price movements of stocks, bonds and other securities. There can be no assurance that the Broker-Dealer will be able to predict accurately these price movements.

Trading Strategies of the Investment Manager

The Investment Manager has delegated the execution of the trading strategy of the fund to the Broker-Dealer and the overall success of the fund depends upon the ability of the Broker-Dealer to be successful in the fund's strategy. The past performance of such strategy or strategies is not necessarily indicative of its or their future profitability, and no strategy can consistently determine which security to purchase or sell at a profit. Any factor which would make it more difficult to execute more timely trades, such as, without limitation, a significant lessening of liquidity in a particular market, changes in taxation or regulation, interest rate changes, would also be detrimental to profitability. Further, the Investment Manager and to a certain extent, the Broker-Dealer, may modify the fund's strategy from time to time in an attempt to evaluate market movements more favorably. As a result of such periodic modifications, it is possible that the strategy used by such Broker-Dealer in the future may be different from those presently in use. No assurance can be given that the strategy to be used by the Broker-Dealer will be successful under all or any market conditions. In addition, it is not known what effect, if any, the size of the fund's account or the increase in total funds being managed by the Investment Manager, and to certain extent by the Broker-Dealer, will have on the performance of the fund's trading methods.

Special Techniques Used by the Broker-Dealer

The Broker-Dealer uses special investment techniques that may subject the fund's investments to certain risks. Certain, but not all, of these techniques and the risks that they entail are mentioned above. The fund, in any event, is not designed to correlate to the broad equity market, and should not be viewed as a substitute for equity investments.

Risk of Lack of Independent Data. The fund's strategy used by the Broker-Dealer, involving split strike conversions (as described under the "Investment Policies and Objectives" of the fund), is a unique investment program, and is often not well followed by the Wall Street community. Accordingly, there is very little independent data available to assist a prospective investor in his analysis of the fund.

Risks of Transactions Executions. The Broker-Dealer, in its role as a market-maker, trades with the USD portfolio as a principal. As a result, the portfolio is subject to counterparty risk.

Risks of Market Illiquidity. Despite the heavy volume of trading in securities, the markets for some securities have limited liquidity and depth. The lack of depth could be a disadvantage to the fund, both in the realization of the prices which are quoted and in the execution of orders at desired prices.

Risks of Arbitrage Transactions. The success of arbitrage strategies depends often on the ability to execute two or more simultaneous transactions at desired prices. Should such transactions not be executed simultaneously at the

desired prices, losses may be incurred on both sides of the transaction. Additionally, separate costs are incurred on both sides of an arbitrage transaction, and substantial favorable price moves may be required before a profit can be realized.

Risks of Options Trading. In seeking to enhance performance or hedge assets, the Broker-Dealer may purchase and sell call and put options on stock indexes. A stock index measures the movement of a certain group of stocks by assigning relative values to the common stocks included in the index. Examples of well-known stock indexes are the Standard & Poor's Composite Index of 500 Stocks and the Standard & Poor's 100 Index. Both the purchasing and the selling of call and put options contain risks. Although an option buyer's risk is limited to the amount of the purchase price of the option, an investment in an option may be subject to greater fluctuation than an investment in the underlying securities. In theory, the exposure to loss is potentially unlimited in the case of an uncovered call writer (i.e. a call writer who does not have and maintain during the term of the call an equivalent long position in the stock or other security underlying the call), but in practice the loss is limited by the term of existence of the call. The risk for a writer of an uncovered put option (i.e., a put option written by a writer that does not have and maintain an offsetting short position in the underlying stock or other security) is that the price of the underlying security may fall below the exercise price. The effectiveness of purchasing or selling stock index options as a hedging technique will depend upon the extent to which price movements in assets that are hedged correlate with price movements of the stock index selected. Because the value of an index option depends upon movement in the level of the index rather than the price of a particular stock, whether a gain or loss will be realized from the purchase or writing of options on an index depends upon movements in the level of stock prices in the stock market generally, rather than movements in the price of a particular stock. Successful use of options on stock indexes will depend upon the ability of the Broker-Dealer to predict correctly movements in the direction of the stock market generally. This ability requires skills and techniques different from those used in predicting changes in the price of individual stocks.

Risks of Over-the-Counter Options Trading. The Broker-Dealer may execute options transactions in the over-the-counter market. Trading equity and options in the over-the-counter market is subject to counterparty risk and is without the protection afforded with respect to options transactions on regulated exchanges through the Options Clearing Corporation.

Risks of Loss of Entire Options Investment. An option is a wasting asset. Its value is reduced as its life shortens, and it becomes worthless upon expiry. As a consequence, an option buyer that does not sell an option in the secondary market prior to expiry nor exercises an option prior to expiry loses his entire investment in the option.

Risks of Assignment of Options. In the event a short option position is assigned by its buyer, a hedged options position becomes net long or net short. Although the remaining portion of the previously hedged position may be liquidated or otherwise adjusted to limit exposure to price changes, substantial losses may result if, for instance, a trading halt occurs in the remaining options position (either in the option or the underlying security) followed by a price gap at the reopening of trading.

Risks of Prohibition of Exercise Rights. The options markets have the authority to prohibit the exercise of particular options. If a prohibition on exercise is imposed at a time when trading in the option is halted, holders and writers of that option will be locked into their position until one of the two restrictions is lifted.

Absence of Regulatory Oversight

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

No Investment Manager Liability Beyond Fund Assets

The Investment Manager shall have no personal liability to the shareholders for the return of any capital contributions, it being understood that any such return shall be made solely from the fund assets.

Litigation

The Fund, the Investment Manager and the Broker-Dealer, as independent legal entities, may be subject to lawsuits or proceedings by governmental entities or private parties. Except in the event of a lawsuit or proceeding arising from a Director's, Investment Manager's or Broker-Dealer's gross negligence or willful default in the

performance of its duties, expenses or liabilities of the fund arising from any suit shall be borne by the fund provided the Director, Investment Manager or Broker-Dealer acted honestly, in good faith and with a view to the best interest of the Fund.

Early Termination

In the event of the early termination of the fund, the fund would have to distribute to the shareholders their pro rata interest in the assets of the fund. The Investment Manager can withdraw from the fund at any time upon 6 months' prior notice, and may thereby cause the dissolution of the fund. The Fund and Optimal SUS may terminate the appointment of the Broker-Dealer to execute the fund's investment strategy and holding of its assets and henceforth withdraw assets from the Broker-Dealer in the ordinary course. The Broker-Dealer may terminate the authority granted to it to execute the fund's investment strategy and holding of the assets at any time, and may return to the fund all or part of the fund's assets henceforth executed by the Broker-Dealer. Certain assets held by the fund may be highly illiquid and might have little or no marketable value. It is possible that at the time of such sale or distribution, certain securities held by the fund would be worth less than the initial cost of such securities, resulting in a loss to the shareholders. Moreover, any organizational expenses with regard to the shares that had not yet become fully amortized would be debited against fund capital at that time.

Effect of Substantial Withdrawals

Substantial withdrawals by shareholders within a short period of time could require the Broker-Dealer to liquidate positions more rapidly than would otherwise be desirable, which could adversely affect the value of the fund's assets. The resulting reduction in the fund's assets could make it more difficult to generate a positive rate of return or to recoup losses due to a reduced equity base.

Possibility of Fraud or Misappropriation

Neither the Fund, Optimal SUS nor the Custodian has actual custody of the assets. Such actual custody rests with the Broker-Dealer and/or its affiliated broker-dealer. Therefore, there is the risk that the Broker-Dealer could abscond with those assets. There is always the risk that the assets with the Broker-Dealer could be misappropriated. In addition, information supplied by the Broker-Dealer may be inaccurate or even fraudulent. The Investment Manager and the Administrator are entitled to rely on such information (provided they do so in good faith) and are not required to undertake any due diligence to confirm the accuracy thereof.

Changes in Applicable Law

The Fund, Optimal SUS, the Investment Manager and the Broker-Dealer must comply with various legal requirements, including requirements imposed by the federal securities laws, tax laws and pension laws. Should any of those laws change over the scheduled term of the Fund and/or Optimal SUS, the legal requirements to which the Fund and Optimal SUS, the shareholders, and the Broker-Dealer may be subject could differ materially from current requirements.

Reserve for Contingent Liabilities

Under certain circumstances, the Investment Manager may find it necessary upon a redemption by a shareholder to set up a reserve for contingent liabilities and withhold a certain portion of the shareholder's redemption proceeds.

Certain Conflicts of Interest

An investment in the fund constitutes the acceptance and acknowledgement of certain conflicts of interest (See "POTENTIAL CONFLICTS OF INTEREST").

Other Clients of Broker-Dealer

The Broker-Dealer will have responsibility for executing trading decisions on behalf of the fund and the Investment Manager. In addition, the Broker-Dealer may also manage and/or execute other accounts (including other partnerships and accounts in which the Broker-Dealer may have an interest) which together with accounts already being managed or executed could increase the level of competition for the same trades the fund might otherwise make, including the priorities of order entry. This could make it difficult or impossible to take or liquidate a position in a particular security at a price indicated by a broker-dealer's strategy.

Institutional Risk

The institutions, including brokerage firms and banks, with which the fund (directly or indirectly) does business, or to which securities have been entrusted for custodial and prime brokerage purposes, may encounter financial difficulties that impair the operational capabilities or the capital position of the fund. Brokers may trade with an exchange as a principal on behalf of the fund, in a "debtor-creditor" relationship, unlike other clearing broker relationships where the broker is merely a facilitator of the transaction. Such broker could, therefore, have title to all of the assets of the fund (for example, the transactions which the broker has entered into on behalf of the fund as principal as well as the margin payments which the fund provides). In the event of such broker's insolvency, the transactions which the broker has entered into as principal could default and the fund's assets could become part of the insolvent broker's estate, to the detriment of the fund. In this regard, fund assets may be held in "street name" such that a default by the broker may cause fund's rights to be limited to that of an unsecured creditor.

Settlements

The fund is not required to distribute cash or other property to the shareholders, and the fund does not intend to make any such distributions. Notwithstanding the foregoing, the fund may, in its discretion, settle redemptions in kind in which event the shareholders may be required to obtain advice with regard to disposing of such assets (and bear the expense thereof). Moreover, during the period between submitting a notice of redemption and obtaining settlement, the redemption proceeds remains at risk of loss, without interest, and under certain circumstances, such proceeds may be required to be restored to the fund.

Pricing Information

While pricing information is generally available for securities in which the fund invests, reliable pricing information may at times not be available from any source. Prices quoted by different sources are subject to material variation. For purposes of calculating the fund's Net Asset Value and valuing investments, valuations of investments for which pricing information cannot be obtained will be made by the Administrator based upon such information as is available, including the advice of the Broker-Dealer. The Administrator may rely upon appropriate pricing services and information provided by the Broker-Dealer and shall not, in the absence of gross negligence or willful default be liable for any loss suffered by the fund or any shareholder by reason of any error in calculation resulting from any inaccuracy in the information provided by any pricing service or the Broker-Dealer.

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

OPTIMAL MULTIADVISORS LIMITED

SUBSCRIPTION FORM

This Subscription Form should be read in context of and together with the Explanatory Memorandum dated 7 January 2008 (the "Memorandum"), and save where otherwise defined in this Subscription Form, all capitalised terms shall have the same meaning as in the Memorandum.

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

1 **Subscriber's full name**
Investor Code

(If this is unknown, please contact the Administrator or the Investment Manager)

2 **Address of Subscriber**

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

--

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

5 **Telephone No.**

--

6. **Facsimile No.**

--

7. I/We hereby apply to purchase the amount set out below, which sum will be paid by telegraphic transfer, and agree to be bound by the Memorandum and Articles of the Fund and its material contracts as set out in the Prospectus, as follows:

Fund Name	ISIN Code	Minimum Initial Investment	Minimum Subsequent Subscription	Sub Cut Off	Amount to be Invested
Optimal Arbitrage Ltd – Class A USD	BS P737081021	\$50,000	N/A	D/D-3 Bus Days	
Optimal Arbitrage Ltd – Class B USD	BS P737081369	\$50,000	N/A	D/D-3 Bus Days	
Optimal Arbitrage Ltd – Class A EUR	BS P737081104	\$50,000/Euro Equivalent	N/A	D/D-3 Bus Days	
Optimal Arbitrage Ltd – Class B EUR	BSP 737081856	\$50,000/Euro Equivalent	N/A	D/D-3 Bus Days	
Optimal Arbitrage Ltd – Class A CHF	BSP 7371K1048	\$50,000/CHF Equivalent	N/A	D/D-3 Bus Days	
Optimal Arbitrage Ltd – Class A JPY	BSP 737081518	\$50,000/JPY Equivalent	N/A	D/D-3 Bus Days	
Optimal Strategic US Equity Ltd - Class A USD	BS P737061064	\$50,000	N/A	D/D-3 Bus Days	
Optimal Strategic US Equity Ltd - Class B USD	BS P737061221	\$50,000	N/A	D/D-3 Bus Days	
Optimal Strategic US Equity Ltd - Class C USD	BS P737061148	\$50,000	N/A	D/D-3 Bus Days	
Optimal Strategic US Equity Ltd - Class A EUR	BS P737061304	\$50,000/Euro Equivalent	N/A	D/D-3 Bus Days	
Optimal Strategic US Equity Ltd - Class B EUR	TBC	\$50,000/Euro Equivalent	N/A	D/D-3 Bus Days	

8. Subscription Form

The closing date for subscription forms to be received by the Administrator is 5pm, 3 business days before the relevant dealing day.

9. Signature(s) (All subscribers must sign)

Subscribers **MUST** sign below for this Subscription Form to be valid. In the case of joint subscribers, all subscribers should sign this Subscription Form. Thereafter, the Fund will only accept any instructions in respect of your Shares (including, without limitation, in respect of redemption instructions) given by all of you.

Names: _____

Signed: _____

Date _____

10. Payment

Payment by telegraphic transfer. If payment is made by cheque, the cheque must accompany the original Subscription Form. The Directors reserve the right to defer acceptance of such subscription until monies are cleared.

United States Dollars Payment Details (USD).

Intermediary Bank: HSBC Bank USA Inc.
Swift: MRMDUS33
ABA Code: 021 001088
Beneficiary Bank: HSBC Bank Plc, London
Swift: MIDLGB22
Sort Code: 40-05-15
Beneficiary Bank Account number: 000023868
Beneficiary Account Number: 58704481
Beneficiary Name: HSSI USD A/c
Reference: *Fund/Investor Name*
IBAN Number : GB43MIDL40051558704481

Euro Payment Details (EUR)

Bank HSBC BANK PLC LONDON, 8 Canada Square, London E14 5HQ
SWIFT: MIDLGB22
Beneficiary : HSBC SECURITIES SERVICES (IRELAND) LIMITED
A/C No: 58704508
Reference: *Fund /Investor Name*
IBAN Number: GB90MIDL40051558704508

Swiss Francs Payment Details (CHF)

Correspondent Bank: UBS AG, 45 BAHNHOFSTRASSE, 8021 ZURICH, SWITZERLAND
SWIFT: UBSWCHZH
Beneficiary Bank : HSBC BANK PLC LONDON
A/C NO : 4425305
Beneficiary : HSBC SECURITIES SERVICES (IRELAND) LTD
Ben a/c No : 58704540
Reference: *Fund / Investor Name*
IBAN Number: GB02MIDL40051558704540

Japanese Yen Payment Details

Correspondent Bank: HONG KONG & SHANGHAI BANKING CORPORATION, HSBC BUILDING, 11-1 NIHONBASHI 3 – CHOME, CHUO-KU TOKYO 103-0027, JAPAN
SWIFT: HSBCJPJT
Beneficiary Bank : HSBC BANK PLC LONDON
A/C NO : 009-000233-026
Beneficiary: HSBC SECURITIES SERVICES (IRELAND) LIMITED
Ben. A/c No : 58704532
Reference: *Fund / Investor Name*
IBAN Number: GB24MIDL40051558704532

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

Once fully completed and signed, this Subscription Form should be sent to the following address and/or facsimile number, and if sent by facsimile the original **must** follow by post:

c/o HSBC Securities Services (Ireland) Limited
 HSBC House
 Harcourt Centre, Harcourt Street
 Dublin 2
 Ireland
 Facsimile: 353 1 407 2293
 Telephone: 353 1 488 2892
 Attention: Manager, Shareholder Services

I/We shall transfer the amount to be invested from my/our Bank accounts as follows:

By:	(name of bank)
Address:	
Reference:	
For Value on:	

11. In respect to Dividends, please indicate your preference by ticking the appropriate box. If neither box is ticked dividends will be paid to the above details:

1.	Please pay dividends to the account details of which are given above	
2.	Please pay dividends to an alternative account	

Please supply dividend payment details, in full, if different to the above banking details given.

EU SAVINGS DIRECTIVE REQUIREMENTS

NATURAL PERSONS

- I/We hereby declare that I/we am/are making this investment on my/our own behalf and not on behalf of any other person or entity.
- I/We acknowledge that I/we will provide a certified copy of our Passport or a national identity card which must display a photograph and signature and give details of my/our date and place of birth. We will also provide details of my/our tax identification number if this does not appear on the Passport or other identity card provided. Documentary proof such as a certificate of tax residency from a relevant tax authority may also be required. These items are in addition to providing two original or certified proofs of my/our permanent resident residential address which may be in the form of an utility bill which is no more than 3 months old .
- I/We agree undertake to ensure all such information is up to date and will notify the Administrator of any change in the information provided as soon as reasonably possible.
- I/We agree to indemnify and hold harmless the Administrator in its capacity as "Paying Agent" against any loss liability costs or expenses which may be incurred by the Administrator as a result of my /our failure to provide the information required. I/We acknowledge that Shares may not be issued and repurchase proceeds may be frozen until all required information and documentation required by the Administrator pursuant to the EU Savings Directive is provided.

LEGAL PERSONS

We hereby declare that we are :-

- (i) a legal person not being an individual and not acting in a representative capacity on behalf of an individual; or
- (ii) an entity liable to corporation tax in Ireland or an equivalent tax in another country; or
- (iii) an undertaking for collective investment in transferable securities ("UCITS") or have elected for the purpose of the EU Savings Directive to be treated as a UCITS.

If the Legal Person is unable to make any of these declarations please contact the Administrator

12. Representations

- (i) I/We, the undersigned declare that I/we am/are over the age of 18, not a US Person nor a Bahamian Resident as defined in the Memorandum and that I/we am/are not acting on behalf of a US Person(s) or Bahamian Resident(s) nor do I/we intend selling or transferring any Shares which I/we may purchase to any person who is a US Person or an Bahamian Resident.
- (ii) I/We, the undersigned declare that (1) I/we have sufficient knowledge and experience in financial and business matters that I/we am/are capable of evaluating the merits and risks of the proposed investment, (2) I/we can bear the economic risk of the investment (i.e., at the time of investment I/we can afford a complete loss of the investment and can afford to hold the investment for an indefinite period of time), (3) my/our investment in the Fund will not adversely affect my/our overall need for diversification and liquidity and (4) I/we have sought financial, legal and taxation advice in relation to my/our proposed investment in the Fund;
- (iii) I/We, warrant that I/we have the right and authority to make the investment pursuant to this Subscription Form whether the investment is my/our own or is made on behalf of another person or entity and that I/we are/will not be in breach of any laws or regulations of any competent jurisdiction and I/we hereby indemnify the Fund, the Directors, the Administrator and other shareholders for any loss suffered by them as a result of this warranty/representation not being true in every respect.
- (iv) I/We, agree to provide the representations in this Subscription Form to the Fund on an annual basis at the request of the Administrator or the Fund and at such other times as the Administrator or the Fund may request and to provide on request such certificates, documents or other evidence as the Fund may reasonably require to substantiate such representations.
- (v) I/We, agree to notify the Fund immediately if I/we become aware that any of the representations is/are no longer accurate and complete in all respects and, if deemed necessary by the Fund at its absolute discretion, agree immediately to sell or to tender to the Fund for redemption a sufficient number of Shares to allow the representation to be made.
- (vi) I/We, hereby confirm that the Fund, the Directors and the Administrator are each authorised and instructed to accept and execute any instructions in respect of the Shares to which this subscription relates given by me/us by facsimile. If instructions are given by me/us by facsimile, I/we undertake to confirm them in writing. I/we hereby indemnify the Fund, the Directors and the Administrator and agree to keep each of them indemnified, against any loss of any nature whatsoever arising to each of them as a result of any of them acting on facsimile instructions. The Fund, the Directors and the Administrator may rely conclusively upon and shall incur no liability in respect of any action taken upon any notice, consent, request, instructions or other instrument believed, in good faith, to be genuine or to be signed by properly authorised persons.
- (vii) I/We, having received and considered a copy of the Memorandum, hereby confirm that this subscription is based solely on the Memorandum together (where applicable) with the most recent annual report and accounts of the Fund and (if issued after such report and accounts) its most recent unaudited semi-annual report.
- (viii) I/We, apply to be entered in the Register of the Shareholders as the holder/holders of the Shares issued in relation to this subscription.

- (ix) I/We acknowledge that measures aimed at the prevention of money laundering will require verification of my/our identity, address and source of funds. I/We acknowledge that Shares will not be issued until such time as the Administrator has received and is satisfied with all the information and documentation requested to verify my/our identity and source of funds. I/We acknowledge that the Fund and the Administrator shall be held harmless against any loss arising as a result of a failure to process my/our application for Shares if such information and documentation as has been requested by the Administrator has not been provided by me/us.
- (x) I/We acknowledge that the Fund or the Administrator also reserves the right to refuse to make any redemption payment or distribution to a Shareholder (otherwise than to the account in the name of the Shareholder's with a recognised financial institution) if any of the Directors of the Fund or the Administrator suspects or is advised that the payment of any redemption or distribution moneys to such Shareholder might result in a breach or violation of any applicable anti-money laundering or other laws or regulations by any person in any relevant jurisdiction, or such refusal is considered necessary or appropriate to ensure the compliance by the Fund, its Directors or the Administrator with any such laws or regulations in any relevant jurisdiction.
- (xi) I/We understand and agree that the Fund prohibits the investment of funds by any persons or entities that are acting, directly or indirectly, (i) in contravention of any applicable laws and regulations, including anti-money laundering regulations or conventions, (ii) on behalf of terrorists or terrorist organisations, including those persons or entities that are included on the List of Specially Designated Nationals and Blocked Persons maintained by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC"), as such list may be amended from time to time, (iii) for a senior foreign political figure, any member of a senior foreign political figure's immediate family or any close associate of a senior foreign political figure, unless the Fund, after being specifically notified by me/us in writing that I/we am/are such a person, conducts further due diligence, and determines that such investment shall be permitted, or (iv) for a foreign shell bank (such persons or entities in (i) - (iv) are collectively referred to as "Prohibited Persons").
- (xii) I/We represent, warrant and covenant that: (i) I/we am/are not, nor is any person or entity controlling, controlled by or under common control with me/us, a Prohibited Person, and (ii) to the extent I/we have any beneficial owners, (a) I/we have carried out thorough due diligence to establish the identities of such beneficial owners, (b) based on such due diligence, I/we reasonably believe that no such beneficial owners are Prohibited Persons, (c) I/we hold the evidence of such identities and status and will maintain all such evidence for at least five years from the date of my/our complete redemption from the Fund, and (d) I/we will make available such information and any additional information that the Fund may require upon request.
- (xiii) If any of the foregoing representations, warranties or covenants ceases to be true or if the Fund no longer reasonably believes that it has satisfactory evidence as to their truth, notwithstanding any other agreement to the contrary, the Fund may be obligated to freeze my/our investment, either by prohibiting additional investments, declining or suspending any redemption requests and/or segregating the assets constituting the investment in accordance with applicable regulations, or my/our investment may immediately be redeemed by the Fund, and the Fund may also be required to report such action and to disclose my/our identity to OFAC or other authority. In the event that the Fund is required to take any of the foregoing actions, I/we understand and agree that I/we shall have no claim against the Fund, the Investment Manager, the Administrator, and their respective affiliates, directors, members, partners, shareholders, officers, employees and agents for any form of damages as a result of any of the aforementioned actions.
- (xiv) I/We understand and agree that any redemption proceeds paid to me/us will only be paid to a bank account in my/our name and with a recognised financial institution.
- (xv) I/We agree to indemnify and hold harmless the Fund, the Investment Manager, the Administrator, and their respective affiliates, directors, members, partners, shareholders, officers, employees and agents from and against any and all losses, liabilities, damages, penalties, costs, fees and expenses (including legal fees and disbursements) which may result, directly or indirectly, from any inaccuracy in or breach of any representation, warranty, covenant or agreement set forth in this section.
- (xvi) **(Designated Bodies¹ only)** I/We declare that I am/we are licensed as (description) by the (regulatory body) under the laws of (country) and am/are thereby subject to regulations and/or guidelines which to the best of my/our

¹ A Designated Body is an individual or other entity which is regulated in respect of the provision of banking or investment services in a country which is a member of the European Union or the Financial Action Task Force.

knowledge and understanding are in accordance with the Financial Action Task Force Recommendations ("FATF") on the prevention of money-laundering. We attach independent verification of our licensed status. This application is made in my/our name on behalf of my/our clients whose identity has been properly verified by me/us in accordance with the guidelines. Evidence of such verification will be retained for such period as is required by the country of our domicile and will be promptly supplied, to the extent permitted by applicable law, to the Administrator or the Fund upon request. We confirm that we have adopted measures to prevent and detect the commission of an offence of financing terrorism and that all employees, directors and other officers have received the appropriate level of training to ensure these measures are applied. Furthermore, should our licence or registration as noted above, be revoked or altered at any future time, we undertake to advise you immediately. We further confirm we will provide the Administrator with a letter of assurance in connection with these matters in a form acceptable to the Administrator, if requested.

- (xvii) **(Individuals only)** I/We declare that I am a/we are private investor(s) who is/are making this application on my/our own behalf and not in any way as representative(s) of any other party.

Please supply the following:

- (a) certified* copy of your passport, national identity card or ID issued by a Government body showing the photograph and signature; and
- (b) TWO forms of address verification: for example original or certified* copies of two recent utility bills (no more than 3 months old) or a utility bill and a bank statement.
(Joint Account Holders) The same procedures should be applied to joint account holders as for individuals.

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

Please supply the following:

- (a) certified** copy of Certificate of Incorporation (or equivalent);
- (b) certified** copy of Memorandum and Articles of Association (or equivalent document showing registered corporate office);
- (c) certified** copy of the corporation or entity's list of authorised signatories;
- (d) List of all directors' names, occupations, residential and business addresses and dates of birth;
- (e) Identification as per individual investor (see 9 above) for two directors and all persons authorised to operate on the account. If the corporation is not listed on a recognised exchange or FATF domiciled, identification of all directors and authorised signatories is required; and
- (f) List of names, addresses, dates of birth and occupations of Shareholders holding 10% or more of the share capital.

The Administrator may also, without limitation, seek confirmation of shareholders and require additional information and/or documentation relating to the directors.

- (xix) **(Partnership or Trust applicants)**

Please supply the following:

- (a) List of names, date of birth, occupation and permanent addresses of all partners/trustees/beneficiaries where ascertainable/settlers;
- (b) Certified copies of the above partners'/trustee's/beneficiaries' where ascertainable/settlers identification as per (xvii) for an individual and (xviii) for a company;
- (c) Evidence of the above partners'/trustee's authority to make investments in the Fund on behalf of the partnership/trust and an appropriate certified authorised signatory list; and
- (d) Certified** copy of partnership agreement/trust deed.

- (xx) **(Institutional applicants only e.g. pension fund, local authority, or charity)**

Please supply the following:

- (a) Certified** authorised signatory list and properly authorised mandate of persons completing the form to act on behalf of the applicant; and
- (b) Documentary evidence of the regulatory status of the applicant, please contact the Administrator for further details.

Note: The Administrator may request from the applicant such additional information to enable the Administrator to determine the applicant's compliance with applicable regulatory requirements or the

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

** All certified copies should be certified by a Notary Public, Solicitor, Company Registrar, Police Officer or FATF regulated financial institution or any person so authorised under the laws of your country or domicile. Copies must be marked "true copy of original document" and stamped by the certifying party.*

*** All certified copies should be certified by a Notary Public, Solicitor, Company Registrar, Police Officer or FATF regulated financial institution or any person so authorised under the laws of your country or domicile (except the authorised signatories list may be certified by the Company Secretary). Copies must be marked "true copy of original document" and stamped by the certifying party.*

- (xxi) I/We, hereby acknowledge that by signing and submitting this Subscription Form, I/we will by applying irrevocably for Shares in the Fund all subject to the terms of the Memorandum (which I/we have read in full and understood) and the Memorandum and Articles of the Fund.
- (xxii) I/We, warrant that (1) I/we am/are not, and the Shares applied for will not be held for the benefit of a US person (as defined in Regulation S under the United States Securities Act of 1933, as amended) and (2) I/we will fall within the category of persons described in Article 11(3) of the United Kingdom Financial Services Act 1986 (Investment Advertisements) (Exemptions) Order 1996 or (3) I/We am/are a person who may otherwise lawfully subscribe for Shares in the Fund.
- (xxiii) I/We consent to details relating to my/our subscription and holdings being disclosed to companies in the Optimal Group which perform marketing and investor servicing duties. (You may be sent details of other Optimal Group investment products. If you prefer not to give the preceding consent or to receive details of other Optimal Group products, please write to the Administrator.)
- (xxiv) Your personal information will be handled by the Administrator (as Data Processor on behalf of the Fund) in accordance with the Data Protection Acts 1988 to 2003. Your information will be processed for the purposes of carrying out the services of Administrator, registrar and transfer agent of the Fund and to comply with legal obligations including legal obligations under company law and anti-money laundering legislation. The Administrator or Fund will disclose your information to third parties where necessary or for legitimate business interests. This may include disclosure to third parties such as auditors, the Irish Revenue Authorities pursuant to the EU Savings Directive and the Irish Financial Services Regulatory Authority or agents of the Administrator who process the data for anti-money laundering purposes or for compliance with foreign regulatory requirements. The Applicant hereby consents to the processing of his/her information, which may include the recording of telephone calls with the Administrator for the purpose of confirming data, and the disclosure of his/her information as outlined above and to the Investment Manager and where necessary or in the Fund's or the Administrator's legitimate interests to any company in the Administrator's and/or the Investment Manager's group of companies or agents of the Administrator including companies situated in countries outside of the European Economic Area which may not have the same data protection laws as in Ireland.
- (xxv) I/We hereby represent that I/we is/are not a prohibited country, territory, individual or entity listed and subscription monies are not directly or indirectly derived from activities that may contravene United States federal or state, or international, laws and regulations, including anti-money laundering laws and regulation.

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

OPTIMAL MULTIADVISORS LIMITED

REDEMPTION FORM

_____, 20_____

Optimal Multiadvisors Ltd.:
Optimal Arbitrage Ltd.
Fort Nassau Centre
Marlborough Street
P.O. Box N-4875
Nassau, Bahamas

c/o HSBC Securities Services (Ireland) Limited
HSBC House
Harcourt Centre, Harcourt Street
Dublin 2
Ireland

Facsimile: 353 1 407 2293
Telephone: 353 1 488 2892

Attention: Manager, Shareholder Services

Dear Sirs:

I hereby request redemption subject to all of the terms and conditions of the Memorandum of Association and Articles of Association of Optimal Multiadvisors Ltd (the "Fund"), and the Explanatory Memorandum of the Fund dated as of 7 January 2008 (the "Memorandum"), of Shares of

having a total U.S. dollar amount of USD _____, (as valued at the Net Asset Value per Share) (capitalized terms used herein without definition shall have the respective meanings accorded them in the Memorandum) and/or of Shares of _____ having a total of Euros of EUR _____. Redemption shall be effective as of the first business day of the calendar month **subject to 70 days prior written notice**. Requests for Redemption received less than 70 days prior to a month-end will be considered effective as of the first business day of the subsequent month, unless the Directors deem otherwise. The Directors will not under any circumstances accept redemption requests received after the Redemption Price has been determined.

I (either in my individual capacity or as an authorized representative of an entity, if applicable) hereby agree to be bound by the terms and conditions of this form for subsequent redemptions from/to the Fund and hereby authorize the Fund to accept subsequent redemptions in such other form as may be submitted from time to time by me, either in my individual capacity or as an authorized representative of an entity.

I (either in my individual capacity or as an authorized representative of an entity, if applicable) hereby represent and warrant that I am the true, lawful, and beneficial owner of the Share or Shares (or fractions thereof) to which this Request for Redemption relates, with full power and authority to request redemption of such Shares. Such Shares are not subject to any pledge or otherwise encumbered in any fashion.

Redemption payments will only be made to an account in the name of the registered shareholder with a recognized financial institution. Payments will not be made to third parties. Proceeds in respect of this redemption are to be sent as follows:

Intermediary Bank: _____

ABA Number: _____

Beneficiary Bank: _____

ABA Number: _____

Account Number: _____

Beneficiary: _____

Account Number: _____

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

Type or Print Name of

Shareholder _____

Investor Code _____

Entity Shareholder

Individual Shareholder

Name of Entity

By: _____

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

Signature(s) of all Shareholders

Date of execution: _____

THIS REQUEST FOR REDEMPTION MUST BE RECEIVED BY THE FUND AT LEAST 70 DAYS PRIOR TO THE
END OF THE MONTH IN WHICH THE REDEMPTION IS TO BE EFFECTIVE.

OPTIMAL MULTIADVISORS LIMITED

REDEMPTION FORM

_____, 20____

Optimal Multiadvisors Ltd.:
Optimal Strategic U.S. Equity Ltd. Series
Fort Nassau Centre
Marlborough Street
P.O. Box N-4875
Nassau, Bahamas

c/o HSBC Securities Services (Ireland) Limited
HSBC House
Harcourt Centre, Harcourt Street
Dublin 2
Ireland

Facsimile: 353 1 407 2293
Telephone: 353 1 407 2000

Attention: Manager, Shareholder Services

Dear Sirs:

I hereby request redemption subject to all of the terms and conditions of the Memorandum of Association and Articles of Association of Optimal Multiadvisors Ltd (the "Fund"), and the Explanatory Memorandum of the Fund dated as of 7 January 2008 (the "Memorandum"), of Shares of _____ having a total U.S. dollar amount of USD _____, (as valued at the Net Asset Value per Share) (capitalized terms used herein without definition shall have the respective meanings accorded them in the Memorandum) and/or of Shares of _____ having a total of Euros of EUR _____. Redemption shall be effective as of the first business day of the calendar month **subject to 35 days prior written notice**. Requests for Redemption received less than 35 days prior to a month-end will be considered effective as of the first business day of the subsequent month, unless the Directors deem otherwise. The Directors will not under any circumstances accept redemption requests received after the Redemption Price has been determined.

I (either in my individual capacity or as an authorized representative of an entity, if applicable) hereby agree to be bound by the terms and conditions of this form for subsequent redemptions from/to the Fund and hereby authorize the Fund to accept subsequent redemptions in such other form as may be submitted from time to time by me, either in my individual capacity or as an authorized representative of an entity.

I (either in my individual capacity or as an authorized representative of an entity, if applicable) hereby represent and warrant that I am the true, lawful, and beneficial owner of the Share or Shares (or fractions thereof) to which this Request for Redemption relates, with full power and authority to request redemption of such Shares. Such Shares are not subject to any pledge or otherwise encumbered in any fashion.

Redemption payments will only be made to an account in the name of the registered shareholder with a recognized financial institution. Payments will not be made to third parties. Proceeds in respect of this redemption are to be sent as follows:

Intermediary Bank: _____

ABA Number: _____

Beneficiary Bank: _____

ABA Number: _____

Account Number: _____

Beneficiary: _____

Account Number: _____

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

Type or Print Name of

Shareholder _____

Investor Code _____

Entity Shareholder

Individual Shareholder

Name of Entity

By: _____

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

Signature(s) of all Shareholders

Date of execution: _____

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