

PROSPECTUS



LEO CAPITAL GROWTH SPC

Listing of Participating Shares on Eurolist by Euronext Amsterdam

June 18, 2007

The direct or indirect sale of Participating Shares in the United States or to "United States Persons" is prohibited. Prospective investors should review this Prospectus carefully and consult with their legal and financial advisers to determine possible tax or other consequences of purchasing, holding or redeeming Participating Shares.

The distribution of this Prospectus and the offering or purchase of the Participating Shares may be restricted in certain jurisdictions. No persons receiving a copy of this Prospectus or the accompanying Application Form in any such jurisdiction may treat this Prospectus or such Application Form as constituting an invitation to them to subscribe for Participating Shares, nor should they in any event use such Application Form, unless in the relevant jurisdiction such an invitation could lawfully be made to them and such Application Form could lawfully be used without compliance with any registration or other legal requirements.

Copy Number

PROSPECTUS

LEO CAPITAL GROWTH SPC

(A closed-end investment company incorporated under the laws of the Cayman Islands)

Listing of participating shares with a nominal value of €50,000 per share

This Prospectus relates to the listing of participating shares with a nominal value of €50,000 per share (the “Participating Shares”) of the PS Segregated Portfolio of Leo Capital Growth SPC (the “Company”), a company incorporated under the Companies Law (Revised) of the Cayman Islands as a closed-end exempted limited liability investment company and registered as a segregated portfolio company.

On March 31, 2007, 39,800 Participating Shares were issued to several institutional investors and other professional investors at a subscription price of €1,000 per Share (the “Initial Issuance”), which will be consolidated into 398 Participating Shares issued at a price of €100,000 each after the increase of the nominal value of the Participating Shares from €0.01 to €50,000 each to be effected on or about June 20, 2007 (the “Capital Restructuring”).

The Participating Shares offered hereby are offered in a private placement with several institutional investors and other professional investors in the Netherlands and in other jurisdictions at a subscription price equal to the Net Asset Value per Share as per June 22, 2007 (the “Issuance”), unless the Subscription Period (as defined herein) is extended in which case the Net Asset Value will be calculated on or about the third trading day prior to the expiration of the extended Subscription Period.

Applications for subscriptions for Participating Shares pursuant to the Issuance and payment for subscriptions in respect thereof must be received in cleared funds in Euros by the Administrator by 5 pm (Amsterdam time) no later than on June 25, 2007 (the “Subscription Period”). The Subscription Period may be extended with at least one full trading day which will be announced in a press release at least three hours before the expiration of the original Subscription Period. The Participating Shares will be issued on or about June 26, 2007, subject to extension of the Subscription Period.

The actual number of Participating Shares to be issued pursuant to the Issuance, the subscription price of the Participating Shares and the proceeds of the Issuance will be incorporated in a pricing statement which will be deposited with the Dutch Authority for the Financial Markets (*Autoriteit Financiële Markten*, the “AFM”) on or about June 26, 2007 and published in the Daily Official List of Euronext Amsterdam (*Officiële Prijscourant*) and in a national newspaper distributed daily in the Netherlands, subject to extension of the Subscription Period. The subscription price will also be published on the website of the Company and the Manager.

No public market currently exists for the Participating Shares. The Company intends to apply for admission of the Participating Shares to trade on the stock market of Euronext Amsterdam N.V. (“Euronext”) and to list the Participating Shares on Eurolist by Euronext Amsterdam (“Euronext Amsterdam”) under the symbol “LEO” as of June 26, 2007 (the “Listing Date”), subject to extension of the Subscription Period. Participating Shares may not be traded on Euronext Amsterdam prior to the Listing Date.

Delivery of the Participating Shares subscribed for pursuant to the Issuance is expected to take place on or about June 29, 2007 (the “Settlement Date”) through the book-entry facilities of Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V. (“Euroclear Netherlands”) only, subject to extension of the Subscription Period, in accordance with its normal settlement procedures applicable to equity securities and against payment for the Participating Shares in immediately available funds.

This Prospectus constitutes a prospectus for the purpose of Article 3 of the Directive 2003/71/EC (the “Prospectus Directive”) and has been prepared in accordance with Article 5:2 of the Supervision Act and the rules promulgated thereunder. This Prospectus has been approved by and filed with the AFM.

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SUMMARY

This summary provides an overview of selected information contained elsewhere in this Prospectus and should be read as an introduction to this Prospectus. Any decisions to invest in Participating Shares should be based on consideration of this Prospectus as a whole by you. You should carefully read the Prospectus in its entirety before investing in Participating Shares, including the information discussed under “Risk Factors” beginning on page 8.

Under laws in effect in the states within the European Economic Area, no civil liability will attach to the Company in respect of this summary or any transaction thereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus. Where a claim relating to information contained in this Prospectus is brought before a court, the plaintiff investor may under the national legislation of the Member State of the European Economic Area be required to bear the costs of translation of the Prospectus before the legal proceedings are initiated.

The Company

The following summary should be read in conjunction with the full text of this Prospectus, the Articles of Association of the Company and the Material Contracts disclosed in this Prospectus and is qualified in its entirety by reference to such documents.

Leo Capital Growth SPC is a closed-end exempted limited liability investment company registered as a segregated portfolio company in the Cayman Islands on August 25, 2006, under the Companies Law (Revised) of the Cayman Islands. The Company is a recently formed entity and has only a limited operating history.

The authorized share capital of the Company is €250,000,001 divided into 100 Management Shares with a nominal value of €0.01 each and 5,000 participating shares with a nominal value of €50,000 each. All Management Shares have been issued to the Manager at their nominal value.

The Company has been established as a segregated portfolio company which allows for the creation of segregated portfolios of protected assets with multiple share classes with different rights attached.

Initially, only one segregated portfolio has been created: the PS Segregated Portfolio. The PS Segregated Portfolio has one class of shares: the class Participating Shares which participate in the PS Segregated Portfolio. Only the class Participating Shares is subject to application for listing on Euronext Amsterdam. There are no current plans to create any further segregated portfolios nor classes of shares.

On or prior to the seventh anniversary of the first issue of Participating Shares (being March 31, 2014) the Board of Directors will convene a general meeting of shareholders at which a resolution will be put to all holders of Participating Shares to continue the existence of the Company beyond that date for a period of up to two years. The approval of the holders of 75% of Participating Shares held by such Shareholders attending and voting at such meeting will be required for the resolution to extend the Company's life to be passed. Unless the resolution is passed, the Company will be placed into liquidation.

Rights of Shareholders

The holders of Participating Shares shall be entitled to receive notice and to attend, in person or by proxy, at each general meeting of shareholders of the Company but shall only be entitled to speak or vote at any such meeting in respect of a resolution which proposes to vary the special rights attaching to the Participating Shares, to amend the Memorandum or Articles of Association of the Company, to remove and appoint Directors of the Company, to vote on the winding-up/continuation of the Company at the end of its seven year planned life and to change the Manager as of June 30, 2010 and as of June 30 of each successive year.

The holders of Management Shares shall be entitled to receive notice of, attend at and vote at each general meeting of shareholders of the Company except on a resolution for the appointment or removal of the Manager and on the winding-up/continuation of the Company at the end of its seven year planned life.

The holders of Participating Shares and Management Shares where they are entitled to vote shall have one vote for each share held.

The Management Shares do not participate in the profits of the Company and the nominal value thereof is repayable only on the winding up of the Company and out of the Company's general assets after payment of the amounts due to holders of Participating Shares. No dividend shall be paid on any Management Share.

Investment Objective and Policy

The investment objective of the Company for and on behalf of the PS Segregated Portfolio is long-term capital appreciation of its assets. The Company for and on behalf of the PS Segregated Portfolio will seek to achieve its objective by making significant equity investments either directly or indirectly in European publicly traded companies which the Company believes are under-managed and under-valued. It is anticipated that the Company for and on behalf of the PS Segregated Portfolio will invest in a limited number of investments often requiring longer term investment horizons. Investments may be in the form of shares (including shares in European publicly traded companies which subsequently cease to be traded on a public market and shares in private companies having investments in European publicly traded companies), convertible debt, contracts for differences, exchange traded and OTC options, warrants, futures and other derivative instruments. It is anticipated that at any point in time there will be significant concentration exposures to individual issuers subject to the investment restrictions detailed in the section headed "Investment Objective and Policy".

The Company for and on behalf of the PS Segregated Portfolio is seeking to apply hedge fund, shareholder activist and private equity techniques to the management of the assets of the PS Segregated Portfolio in order to produce superior returns whilst mitigating risks. Such techniques may include leveraging the portfolio, through borrowings secured against other assets of the PS Segregated Portfolio or through the use of contracts for differences, options, futures and other derivative products. Strategies may be built using derivative products and short securities positions to both create and hedge currency, interest rate, credit, equity, commodity and other relevant exposures. It is also anticipated that certain strategies will involve value creation through the application of shareholder influence of the Company for and on behalf of the PS Segregated Portfolio to encourage strategic change within a target company.

The Company for and on behalf of the PS Segregated Portfolio may borrow money against the security of existing assets up to a maximum of 300% of the Net Asset Value of the PS Segregated Portfolio in order to leverage its investments returns. The Company for and on behalf of the PS Segregated Portfolio may lend securities of the PS Segregated Portfolio. The Company for and on behalf of the PS Segregated Portfolio may invest unutilized funds awaiting suitable investment opportunities in short-term investment grade money market instruments, including bank deposits. It may also invest such funds into Leonardo

Capital Fund Limited up to a limit of 20% of the Gross Assets of the PS Segregated Portfolio. To the extent that management or performance fees shall be payable at the Leonardo Capital Fund Limited level, an equivalent amount will be deducted from the fees payable to the Manager under its investment management agreement with the Company.

Management

The Board of Directors for and on behalf of the PS Segregated Portfolio has appointed Leonardo Capital Management Limited as investment manager under an investment management agreement effective January 12, 2007. The agreement continues in force until June 30, 2010 and thereafter for successive years unless terminated by the Shareholders in a general meeting. The Board of Directors for and on behalf of the PS Segregated Portfolio may terminate the investment management agreement in case of persistent breach of the investment guidelines and restrictions applicable to the PS Segregated Portfolio.

The Manager has delegated its overall responsibility for investment management to the Sub-Manager, Leo Fund Managers Limited, a company incorporated in the United Kingdom and regulated and authorized by the FSA. The Manager retains responsibility for investor relations, marketing and general administrative matters.

The Board of Directors is responsible for appointing the Investment Committee which shall comprise the Chief Investment Officer and one other senior representative of the Sub-Manager, one Director of the Company and at least two independent members having appropriate expertise. The Investment Committee is responsible for approving investment opportunities which are proposed by the Sub-Manager.

The Company for and on behalf of the PS Segregated Portfolio will pay the Manager pursuant to the investment management agreement a management fee at an annual rate of 1.5% of the Net Asset Value of the PS Segregated Portfolio (payable in arrears every month). In addition, certain officers of the Sub-Manager will be given the opportunity in any one year to subscribe for Participating Shares up to a maximum of 1% of the Participating Shares outstanding at a discount of 20% to the Net Asset Value at the time of purchase.

On the winding-up of the Company or on the redemption of all of the Participating Shares, the Company shall pay a performance fee to the Manager pursuant to the investment management agreement equivalent to 20% of the appreciation in the Net Asset Value of the PS Segregated Portfolio over the period since a performance fee was last paid or, if no performance fee has been paid, since the date of the first issue of Participating Shares.

In the event that the Manager's appointment is terminated by the Shareholders in a general meeting prior to the winding-up of the Company or the redemption of all of the Participating Shares of the PS Segregated Portfolio, the Company for and on behalf of the PS Segregated Portfolio shall pay a performance fee to the Manager equivalent to 20% of the appreciation in the Net Asset Value of the PS Segregated Portfolio from the date a performance fee was last paid, or if no performance fee has been paid, from the date of the first issue of Participating Shares to the last Business Day of the month immediately prior to which such termination becomes effective.

Competitive Strengths

The Company is seeking to combine private equity, shareholder activist and quantitative hedging techniques in order to create long-term value for its Shareholders. The Company believes that this strategy can result in out-performance whilst at the same time maintaining a lower level of risk than would normally be associated with a small portfolio of shares with limited diversification.

The Sub-Manager has an excellent track record with a history of significant and profitable European equity investments made through the Leonardo Capital Fund Limited and through other special purpose vehicles. In particular, the Sub-Manager has identified and made several successful investments in the past which have required shareholder activist and hedge strategies to extract value.

The Sub-Manager is experienced in the monitoring and managing of risk. The Sub-Manager intends to use derivatives in order to both create and hedge individual investment strategies and to manage overall portfolio risks.

The Company has also recruited members for its Board of Directors and Investment Committee with considerable experience in making investments and creating value.

Initial Investments

Investment activity may commence prior to June 25, 2007 upon receipt of the minimum subscription amount of €50,000,000. Information on these investments will be published in a supplementary prospectus which is subject to prior approval by the AFM.

Distribution Policy

The Company does not intend to pay distributions or dividends in respect of the PS Segregated Portfolio. It is intended that all earnings of the Company for and on behalf of the PS Segregated Portfolio will be reinvested for and on behalf of the PS Segregated Portfolio.

Issuance and Subsequent Issuances

The Company for and on behalf of the PS Segregated Portfolio is seeking to raise between €200,000,000 and €500,000,000 in the aggregate, although the Company may in its absolute discretion accept subscriptions in excess of such amounts. The Company raised €39,800,000 pursuant to the Initial Issuance and expects to raise an amount between €160,000,000 and €210,000,000 pursuant to the Issuance. The Company will only accept subscriptions for Participating Shares from Eligible Investors and reserves the right to reject any subscriptions.

Preliminary costs and expenses borne in establishing the Company and obtaining the listing on Euronext Amsterdam shall be for the account of the PS Segregated Portfolio up to a maximum amount of €200,000. In accordance with IAS/IFRS as adopted by the European Union, these expenses shall be paid immediately following the Listing Date and therefore expensed in the fiscal year in which they are incurred. Any expenditure in excess of €200,000 shall be borne by the Manager.

Costs and expenses incurred in the placement and distribution of Participating Shares of the PS Segregated Portfolio in any subsequent (public) offering of Participating Shares of the PS Segregated Portfolio, including any fees and expenses of any financial institutions and other parties and their advisors which may be engaged in connection therewith, shall be borne by the Manager up to a cap of €4,000,000. The remainder of any such distribution and placement costs and expenses shall be borne by the Manager by foregoing future performance fees until such time as the performance fees earned in respect of the PS Segregated Portfolio equal the remaining costs.

Risk Profile

An investment in the Company entails substantial risks and prospective investors should carefully consider the risk factors, among others, in the next chapter in determining whether an investment in the Company is suitable for them. There is a substantial risk of sustaining losses in the aforementioned

investments. Therefore, only prospective investors who both have the requisite knowledge and are financially secure should become Shareholders of the Company.

RISK FACTORS

An investment in the Company entails substantial risks and prospective investors should carefully consider the following factors, among others, in determining whether an investment in the Company is suitable for them. There is a substantial risk of sustaining losses in the aforementioned investments. Therefore, only prospective investors who both have the requisite knowledge and are financially secure should become Shareholders of the Company.

Although the Company believes that the risks and uncertainties described below are its most material risks and uncertainties, they are not the only ones the Company may face. Additional risks and certainties not presently known to the Company or that the Company currently deems immaterial may also have a material adverse effect on the return on investment and could negatively affect the price of the Participating Shares.

Derivatives

The Company may utilize strategies which incorporate the short-selling of securities and the use of futures, options, forward contracts and other derivatives to both create and hedge currency, equity, interest rate, commodity and other relevant exposures. The use of derivative instruments may expose the Company to additional investment risk and transaction costs. If the Sub-Manager seeks to protect the Company against potential adverse movements in the securities, foreign currency, or interest rate markets and other relevant exposures using these instruments, and such markets do not move in a direction adverse to the Company, the Company could be left in a less favorable position than if such strategies had not been used. Risks inherent in the use of derivative instruments include (1) the risk that interest rates, securities prices and currency markets will not move in the directions anticipated; (2) imperfect correlation between the price of futures, options, forward contracts and other derivatives and movements in the prices of the securities or currencies being hedged; and (3) the possible absence of a liquid secondary market for any particular instrument at any particular time.

No Prior Public Market

The Company intends to apply for admission of the Participating Shares to listing and trading on Euronext Amsterdam. Prior hereto there has been no public market for the Participating Shares. The Company cannot predict the extent to which an active market for the Participating Shares will develop or be sustained after the listing, or how the development of such a market might affect the market price for the Participating Shares.

Indemnity of the Company's Directors and Officers, Manager, Sub-Manager and Administrator

The Company's Directors and officers as well as the Manager, Sub-Manager and Administrator are entitled to be indemnified by the Company in certain circumstances pursuant to the Articles of Association or the Material Contracts. As a result, there is a risk that the Company's assets will be used to indemnify such persons or their employees or satisfy their liabilities as a result of their activities in relation to the Company, rather than being invested and generate return for investors. The indemnification provisions are further described in the section headed "Management, Administration and Prime Brokerage".

Dividend Policy

Payments of dividends on the Participating Shares are not contemplated. Investors who anticipate the need for income by the way of dividends from their investments should refrain from the purchase of Participating Shares.

Regulatory Environment and Economic Conditions

An investment in the Company is subject to all risks incidental to the ownership of securities and other assets which the Company may own. These factors include, without limitation, changes in government rules and fiscal and monetary policies, changes in laws and political and economic conditions in Europe and throughout the world, and general market conditions. Adverse changes in any of these factors may adversely affect the investment returns of the Company.

Lack of Operating History

The Company is a newly formed entity that does not have any prior operating history of its own for prospective investors to evaluate prior to making an investment in the Company. However, the board members and key personnel of the Manager and the Sub-Manager have extensive prior experience in investing in European equity investments. The Company's investment program should be evaluated on the basis that there can be no assurance that the Sub-Manager's assessment of the short-term or long-term prospects of its investment strategy will prove accurate, or that the Company will achieve its investment objectives.

Dependence on Key Personnel

The Company's investment activities depend upon the experience and expertise of the key personnel of the Sub-Manager. The loss of the services of any of these individuals of the Sub-Manager could have a material adverse effect on the Company's operations. Reference is made to the section headed "Management, Administration and Prime Brokerage – Sub-Manager".

Limited Regulatory Oversight

The Company is not required to, and does not intend to, register under the laws of any jurisdiction. Accordingly, the Company and its investment activities are subject to limited regulatory oversight and certain provisions of statutes that provide for regulatory safeguards to investors may not be applicable. The Sub-Manager is, however, authorized and regulated by the FSA.

Limited Rights of Shareholders

Shareholders of the Company will have no right to participate in the day-to-day operations of the Company and will not be entitled to vote at general meetings of shareholders of the Company, other than general meetings to vote upon a variation of the rights of the Participating Shares, an amendment to the Memorandum and Articles of Association of the Company, the appointment and removal of the Directors of the Company, to vote on the winding-up/continuation of the Company at the end of its seven year planned life or to change the Manager as of June 30, 2010 and as of June 30 of each successive year. An investment in the Company should be regarded as a passive investment.

Limited Diversification

The minimum subscription amount to begin operations is €50,000,000. Although the Company is seeking subscriptions aggregating €200,000,000 to €500,000,000, it is impossible to predict the size of the Company. The Company raised €39,800,000 pursuant to the Initial Issuance and expects to raise an amount between €160,000,000 and €210,000,000 pursuant to the Issuance. The investment performance of the Company and its ability to diversify its investments could be adversely affected by the amount of funds available to the Company.

In-kind Distributions

Because the Company is expected to be wound up after its initial seven year life (subject to the vote of Shareholders to extend the life of the Company), certain investments may not be readily marketable at the end of such period. Therefore, there may be in-kind distributions by the Company of interests in such investments, which may be illiquid securities. There can be no assurance that any Shareholder of the Company would be able to dispose of such investments or that the value of such investment determined in accordance with the Articles of Association of the Company for purposes of the determination of distributions will ultimately be realized.

Business and Financial Risk of Investment Companies

The performance of companies in which the Company will invest will affect the value of those investments and the overall performance of the Company. The relative size of the Company's investments in such companies and, consequently, the level of control that the Company may have over them, may not be sufficient for the Company to be able to influence or direct the actions of the companies in which it invests. The Company may be exposed to the negative consequences of an investment in a poorly performing company without being able readily to effect a change in that performance.

Potential Conflict of Interests

The Manager, the Sub-Manager, the Custodian, the Administrator and the Directors may, from time to time, act as distributor, promoter, manager, investment manager, investment adviser, registrar, transfer agent, administrator, trustee, custodian, broker, director or placing agent to, or be otherwise involved in, other collective investment schemes which have similar investment objectives to those of the Company or may otherwise provide discretionary investment management or ancillary administration, custodian or brokerage services to investors with similar investment objectives to those of the Company. It is therefore possible that any of them may, in the course of their business, have potential conflicts of interests with the Company or compete with the Company for the same or similar positions in the markets or give advice and recommend strategies to other managed accounts or investment funds which may differ from the investment policies of the Company. Reference is made to the section headed "Potential Conflicts of Interest".

Leverage

The Company itself may borrow for any purpose, including to increase investment capacity, cover operating expenses or for clearance of transactions. The Company may extensively make use of borrowed funds in its investment activities and may at any time borrow up to 300% of its Net Asset Value. Borrowing creates an opportunity for greater total return but also increases exposure to capital risk. Money borrowed by the Company will be subject to an interest cost that may or may not exceed the income and gains from the investments made with the proceeds of such borrowing. The use of such technique will magnify declines as well as increases in the value of the investments held by the Company.

The rights of any lenders to the Company to receive payments of interest on and repayments of the principal amount of such borrowing will be senior to the rights of the Shareholders of the Company to receive distributions, and the terms of any borrowing may contain provisions which limit certain activities of the Company. Interest payments and fees incurred in connection with borrowing will reduce the amount of net income available for payment to Shareholders of the Company.

Limited Number of Investments

It is expected that the Company will invest in a limited number of investments. A consequence of a limited number of investments is that the aggregate returns realized by the Shareholders of the Company may be substantially adversely affected by the unfavorable performance of a small number of such

investments. Furthermore, the Company does not have fixed guidelines for diversification, and investments will be concentrated in only a few industries. The Company will not, however, invest more than 25% of its Gross Assets of the PS Segregated Portfolio in any particular company and will not invest in collective investment undertakings, save that it may invest unutilized funds in Leonardo Capital Fund Limited up to a limit of 20% of its Gross Assets held for and on behalf of the PS Segregated Portfolio.

Availability of and Ability to Acquire Suitable Investments

The identification of attractive investment opportunities is difficult and involves a high degree of uncertainty. While the Sub-Manager believes that many attractive investments of the type in which the Company may invest are currently available, there can be no assurance that such investments will be available when the Company commences investment operations, or that available investments will meet the Company's investment criteria, or that such investments will be able to generate superior returns.

Illiquidity

The investments of the Company may be illiquid and it may be difficult for the Company to dispose of investments rapidly, at favorable prices or at all in response to adverse market developments or other factors. Illiquidity may result from the size of the position taken in any one entity (despite the fact that it may be traded on a public exchange), the strategy adopted by the Sub-Manager or the management of the investee entity or from legal or contractual restrictions on the resale of the investment by the Company. The Company may make investments in listed entities which are subsequently delisted, in which case such investments may be subject to further illiquidity risk.

No Return for a Period of Years

There is no intention to pay any dividends nor make any other distributions during the life of the Company. At the end of its life, the Company aims to effect the payment of all redemption proceeds in cash. However, the Board of Directors under circumstances of low liquidity or adverse market conditions may elect to effect the payment of the redemptions in assets of the Company.

Investments may be transferred directly to the redeeming Shareholder or may be transferred to a liquidating account and sold by the Company for the benefit of the redeeming Shareholder, in which case payment of that proportion of the Redemption Price attributable to such investments will be delayed until such investments are sold and the amount payable in respect of such investments will depend on the performance of such investments through to the date on which they are sold. The cost of operating the liquidating account and selling the investment(s) will be deducted from the proceeds of sale paid to the redeeming Shareholder. In such cases, a Shareholder may receive less than he anticipated and/or the realization into cash may occur at a date later than anticipated.

Currency Risks

A portion of the Company's assets may be invested in securities denominated in various currencies and in other financial instruments, the price of which is determined with reference to such currencies. The account of the Company will, however, be valued in Euros. The Company intends to hedge the resulting currency risk, but the use of hedging techniques will be at the discretion of the Sub-Manager, such that significant non-Euro exposure may in fact be not be hedged. To the extent that they are unhedged, the value of the net assets of the Company will fluctuate with Euro exchange rates as well as with price changes of its investments in the various local markets and currencies. Forward currency contracts and options may be utilized by - the Sub-Manager to hedge against currency fluctuations, but there can be no assurance that such hedging transactions will be effective. The Company will also be exposed to the credit risk of the relevant counterparty with respect to relevant payments under hedging instruments. Failure by a counterparty to make payments due under hedging instruments will reduce the Company's

income and, consequently, could have an adverse impact on the Company's Net Asset Value.

Segregation of Assets in a Segregated Portfolio Structure

The Company is registered as a segregated portfolio company. As a matter of Cayman Islands law, the assets of one segregated portfolio will not be available to meet the liabilities of another segregated portfolio. However, the Company may operate or have assets held on their behalf or be subject to claims in other jurisdictions which may not necessarily recognize such segregation. There is no guarantee that the courts of any jurisdiction will respect the limitations on liability associated with a segregated portfolio company. Further, individual classes of shares issued within each segregated portfolio are not segregated. Accordingly, if the assets attributable to one class of shares in a segregated portfolio were completely depleted by losses and a deficit remained, a creditor could enforce a claim against the assets of the other classes of the same segregated portfolio.

Tax Residency

The Board of Directors intends to conduct the affairs of the Company so that it does not become resident in the Netherlands. Under the assumption that the Board of Directors succeeds in so conducting the affairs of the Company, all payments on the Participating Shares may be made free from withholding or deduction of, for or on account of any taxes of whatever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein. Whether the Company becomes resident in the Netherlands depends on a number of circumstances. Decisive in this respect is the place of effective management of the Company. If the Board of Directors does not succeed in so conducting the affairs of the Company outside the Netherlands, all payments on the Participating Shares made by the Company are generally subject to a withholding tax imposed by the Netherlands at a rate of 15%. If a withholding tax is required by law, the Company will not be under the obligation to pay any additional amount. Reference is made to the section headed "Taxation – The Netherlands".

IMPORTANT INFORMATION

This Prospectus is furnished to each potential investor solely for the purpose of evaluating the investment in Participating Shares offered hereby. The information contained herein may not be reproduced or used in whole or in part for any other purpose or made available to anyone not directly concerned with the decision regarding such investment.

The Company accepts responsibility for the information contained in this Prospectus. Having taken all reasonable care to ensure that such is the case, the Company further declares that the information contained in this Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

No representations or warranties of any kind are intended or should be inferred with respect to the economic return from, or the tax consequences of an investment in the Company. No assurance can be given that existing laws will not be changed or interpreted adversely. Prospective investors are not to construe this Prospectus as legal, investment or tax advice. This Prospectus supersedes all prior versions thereof and should be reviewed prior to making an investment decision.

Prospective investors should review this Prospectus carefully and in its entirety and consult with their legal, tax and financial advisors in relation to (i) the legal and regulatory requirements within their own countries for the purchase, holding, redeeming or disposing of Participating Shares; (ii) any foreign exchange restrictions to which they are subject in their own countries in relation to the purchase, holding, redeeming or disposing of Participating Shares; and (iii) the legal, tax, financial or other consequences of subscribing for, purchasing, holding, redeeming or disposing of Participating Shares.

Investment in the Participating Shares of the Company is only suitable for sophisticated and knowledgeable investors. Each prospective investor should consult his own professional advisors as to the legal, tax, financial or other considerations relevant to the suitability of an investment in Participating Shares of the Company for such investor.

No person has been authorized to make any representations concerning the Company or its Participating Shares which are inconsistent with, or in addition to, those contained in this Prospectus and neither the Company nor its Directors accept any responsibility for any representations so made.

Statements in this Prospectus are based on the law and practice currently in force in the Cayman Islands and in the Netherlands at the date hereof and are subject to change. Without prejudice to any obligation to publish a supplementary prospectus pursuant to Article 5:23 of the Supervision Act, neither the delivery of this Prospectus nor the issue of Participating Shares shall under any circumstances, create any implication or constitute any representation that the affairs of the Company have not changed since the date of this Prospectus.

Neither the Company nor the Participating Shares described in this Prospectus have been or will be registered or qualified for offer or sale under the laws of any jurisdiction other than the Netherlands. No persons receiving a copy of this Prospectus or the accompanying subscription documents in any such jurisdiction may treat this Prospectus or such subscription documents as constituting an invitation to them to subscribe for Participating Shares, nor should they in any event use such subscription documents, unless in the relevant jurisdiction such an invitation could lawfully be made to them and such subscription documents could lawfully be used without compliance with any registration or other legal requirements. Accordingly, this Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation. It is the responsibility of any persons in possession of this Prospectus and any persons wishing to apply for Participating Shares pursuant to this Prospectus to inform themselves of and to observe all applicable

laws and regulations of any relevant jurisdiction.

The direct or indirect ownership of Participating Shares by "United States Persons" as defined in the section headed "Transfer Restrictions" is prohibited.

Investment in the Company carries with it a degree of risk. The value of Participating Shares and the income from them may go down as well as up, and investors may not get back the amount invested. Because of the risks involved, investment in the Company is only suitable for sophisticated investors who are able to bear the loss of a substantial portion or even all of the money they invest in the Company, who understand the high degree of risk involved, believe that investment in the Company is suitable for them based on their investment objectives and financial needs and have no need of liquidity of investment. Investors are therefore advised to seek independent professional advice on the implications of investing in the Company. Certain risk factors for an investor to consider are set out under the section "Risk Factors".

Notwithstanding anything herein to the contrary, each investor (and each employee, representative, or other agent of the investor) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of an investment in the Company and all materials of any kind (including opinions or other tax analyses) that are provided to the investor relating to such tax treatment and tax structure.

General Notice to Prospective Investors in the European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State"), with effect from and including the date on which the Prospectus Directive is implemented in that "Relevant Member State" (the "Relevant Implementation Date") an offer of Participating Shares described in this Prospectus may not be made to the public in that Relevant Member State prior to the publication of a prospectus in relation to the Participating Shares which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that it may, with effect from and including the Relevant Implementation Date, make an offer of Participating Shares to the public in that Relevant Member State at any time:

- (a) to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;
- (b) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts; or
- (c) in any other circumstances which do not require the publication by the Company of a prospectus pursuant to Article 3 of the Prospectus Directive.

Each subscriber of Participating Shares described in this Prospectus located within a Relevant Member State will be deemed to have represented, acknowledged and agreed that it is a "qualified investor" within the meaning of Article 2(1)(e) of the Prospectus Directive.

For the purposes of the preceding two paragraphs, the expression an "offer of Participating Shares to the public" in relation to any shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Participating Shares to be offered so as to enable an investor to decide to purchase or subscribe the Participating Shares, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State

Notice to Prospective Investors in the Netherlands

Note that pursuant to the Supervision Act and the rules promulgated thereunder the Company is not required to have a license pursuant to Article 2:65 of the Supervision Act to offer the Participating Shares. The Company is not being supervised by the AFM.

Notice to Prospective Investors in France

The Participating Shares have not been offered or sold and will not be offered or sold, directly or indirectly, by way of a public offering in France (*appel public à l'épargne*, as defined in Articles L. 411-1, L. 411-2, D. 411-1 and D. 411-2 of the *Code Monétaire et Financier*). The Participating Shares may only be subscribed for or held by qualified investors (*investisseurs qualifiés*), as defined by Articles L. 411-1, L. 411-2 and D. 411-1 of the *Code Monétaire et Financier*, acting for their own account, or non-French residents.

This Prospectus is furnished to potential holders of Participating Shares in France solely for their information and may not be reproduced or redistributed to any other person. It is strictly confidential and is solely destined for persons or institutions to which it was initially supplied. This Prospectus does not constitute an offer or invitation to subscribe for or to purchase any securities and neither this Prospectus nor anything herein shall form the basis of any contract or commitment whatsoever.

This Prospectus or any other material relating to the Participating Shares may not be distributed to the public in France or used in connection with any offer or subscription or sale of securities in France other than in accordance with Articles L. 411-1, L. 411-2, D. 411-1 and D. 411-2 of the *Code Monétaire et Financier*. This Prospectus has not been submitted to the "Autorité des Marchés Financiers" for approval and does not constitute an offer for sale or subscription of securities.

Any contact with potential holders of Participating Shares in France does not and will not constitute financial or banking solicitation (*démarchage bancaire ou financier*) as defined in Articles L. 341-1 et seq. of the *Code Monétaire et Financier*.

Notice to Prospective Investors in Germany

The Participating Shares have not been and will not be registered or authorized for distribution in Germany under the German Investment Act (*Investmentgesetz*) and accordingly, the Participating Shares, this Prospectus and any related material may not be, and are not being, distributed in Germany by way of a public offer, public advertising or in any similar manner under the German Investment Act. Therefore, an offer to purchase any Participating Shares is only being made to recipients to whom this Prospectus is personally addressed and may only be made in accordance with the German Investment Act and all other applicable laws in Germany governing the issue, offering and sale of the Participating Shares.

Notice to Prospective Investors in Italy

This Prospectus and the offering of the Participating Shares have not been cleared neither by CONSOB (the Italian Securities Exchange Commission) nor by the Bank of Italy and, therefore, no Participating Shares may be offered, sold or delivered nor may copies of this Prospectus or any other documentation relating to the Participating Shares be distributed in the Republic of Italy either to retail or to professional investors notwithstanding any exemption applicable under the Prospectus Directive insofar as the requirements set out in the next paragraph are not complied with.

The Participating Shares may not be offered, sold or delivered and copies of this Prospectus or any other documentation relating to the Participating Shares may not be distributed, in the Republic of Italy except, in such case, in accordance with: (i) Legislative Decree No. 58 of February 24, 1998 and its implementing

rules and regulations; (ii) Legislative Decree No. 385 of 1 September 1993 and its implementing rules and regulations; and (iii) any other applicable rules and regulations.

This Prospectus and the information contained herein are intended only for the use of their recipient and are not to be distributed, for any reason, to any third party resident or located in Italy. No person resident or located in Italy may rely on this document or its content.

Notice to Prospective Investors in Switzerland

The offer of Participating Shares described in this Prospectus is only made on a non-public basis in accordance with art. 652a of the Swiss Federal Code of Obligations of March 30, 1911, as amended. The Company and the offer of Participating Shares, respectively, are not licensed or supervised by the Swiss Federal Banking Commission. The offer of Participating Shares described in this Prospectus is further only made in accordance with the private placement exemptions as defined in the Swiss Federal Act on Collective Investments of June 23, 2006, and its ordinance.

Notice to Prospective Investors in the Cayman Islands

Participating Shares may be beneficially owned by persons resident, domiciled, established, incorporated or registered pursuant to the laws of the Cayman Islands. The Company, however, will not undertake business with the public in the Cayman Islands other than so far as may be necessary for the carrying on of the business of the Company exterior to the Islands. "Public" for these purposes does not include any exempted or ordinary non-resident company registered under the Companies Law or a foreign company registered pursuant to Part IX of the Companies Law or any such company acting as general partner of a partnership registered pursuant to section 9(1) of the Exempted Limited Partnership Law or any director or officer of the same acting in such capacity or the trustee of any trust registered or capable of registration pursuant to section 70 of the Trusts Law.

Any information forwarded to the Company by any potential investors will be treated on a confidential basis except as outlined in the Data Protection policy in the Application Form and that such information may be passed on to a relevant third party by the Company where so required by law or regulation and each investor upon subscribing for Participating Shares shall be deemed to have consented to such release of such confidential information pursuant to the terms of Clause 3(2)(b)(i) (or any amendment thereto) of the Confidential Relationships (Preservation) Law (Revised) of the Cayman Islands.

The Company is not required to register under the Mutual Funds Law (Revised) of the Cayman Islands as the Participating Shares are not redeemable at the option of the Shareholders of the Company.

Notice to Prospective Investors in the United Kingdom

This communication is directed only at (i) persons having professional experience in matters relating to investments who fall within the definition of "investment professionals" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005; or (ii) high net worth bodies corporate, unincorporated associations and partnerships and trustees of high value trusts as described in Article 49(2) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005. Any investment or investment activity to which this communication relates is only available to and will only be engaged in with such persons. Persons who receive this communication and do not fall within (i) or (ii) above should not rely on or act upon this communication.

Other Documents

This Prospectus does not purport to be and should not be construed as a complete description of the Memorandum and Articles of Association, or the Material Contracts of the Company. Before investing in

the Company each prospective investor should examine this Prospectus, any relevant supplements hereto, the Application Form, the Memorandum and Articles of Association and the Material Contracts and satisfy itself that an investment in the Company is appropriate. These documents are not incorporated by reference into this Prospectus.

This Prospectus does impose certain restrictions on the discretionary powers of the Directors of the Company set forth in the Articles of Association of the Company.

DIRECTORY

| | |
|--|--|
| Company: | Leo Capital Growth SPC Ogier Fiduciary Services (Cayman) Limited Queensgate House South Church Street P.O. Box 1234 GT, Grand Cayman Cayman Islands KY1 -1108 Tel: +1 345 815 1704 |
| Manager: | Leonardo Capital Management Limited 20 Parliament Street P.O. Box HM 2826 Hamilton HM LX, Bermuda Tel: +1 441 296 9845 |
| Sub-Manager: | Leo Fund Managers Limited Liscartin Hose 127 Sloane Street London, SW1X 9AS United Kingdom Tel: +44 20 7824 5858 |
| Bankers: | JP Morgan AG Junghofstrasse 14 60311 Frankfurt Germany Tel: +44 1202 341 886 |
| Custodian & Prime Broker: | Goldman Sachs International Peterborough Court 133 Fleet Street London, EC4A 4QA United Kingdom Tel: +44 20 7774 5300 |
| Administrator, Registrar and Transfer Agent: | BISYS Hedge Fund Services (Ireland) Limited 4th Floor 1 George's Quay Plaza George's Quay, Dublin 2, Ireland |
| Proposed Auditors: | PricewaterhouseCoopers Chartered Accountants & Registered Auditors Georges Quay Dublin 2, Ireland |
| Legal Adviser on Dutch Law: | Loyens & Loeff N.V. Weena 690 3012 CN Rotterdam The Netherlands |

Legal Adviser on Cayman Law:

Ogier
Queensgate House
P.O. Box 1234
Grand Cayman
Cayman Islands KY1 -1108

Legal Adviser on English Law:

Herbert Smith LLP
Exchange House
Primrose Street
London EC2A 2HS
United Kingdom

POTENTIAL CONFLICTS OF INTEREST

The Manager, the Sub-Manager, the Custodian, the Administrator and the Directors may, from time to time, act as distributor, promoter, manager, investment manager, investment adviser, registrar, transfer agent, administrator, trustee, custodian, broker, director or placing agent to, or be otherwise involved in, other collective investment schemes which have similar investment objectives to those of the Company or may otherwise provide discretionary investment management or ancillary administration, custodian or brokerage services to investors with similar investment objectives to those of the Company. It is therefore possible that any of them may, in the course of their business, have potential conflicts of interests with the Company. Each will at all times have regard in such event to its obligations to act in the best interests of the Shareholders of the Company so far as practicable, having regard to its obligations to other clients, when undertaking any investments where conflicts of interests may arise and they will endeavor to resolve such conflicts fairly.

The Manager and the Sub-Manager have each been formed to engage in the business of discretionary management and advising client investors, including other investment vehicles, in the purchase and sale of securities and financial instruments, and may be advising other accounts during the same period that they are responsible for managing the account of the Company using the same or different information and trading strategies which it obtains, produces or utilizes in the performance of services for the Company. The Manager and/or the Sub-Manager may have conflicts of interest in rendering advice because their compensation for managing other accounts may exceed their compensation for managing the account of the Company, thus providing an incentive to prefer such other account. Moreover, if the Manager and/or the Sub-Manager makes trading decisions for such accounts and the accounts of the Company at or about the same time, the Company may be competing with such other accounts for the same or similar positions. The Manager and the Sub-Manager will each endeavor to ensure that all investment opportunities are allocated on a fair and equitable basis between the Company and such other accounts.

The Company has been established and promoted by the Manager and accordingly the selection of the Manager and the Sub-Manager and the terms of their respective appointments and fees are not the result of arms-length negotiations. However, the Directors believe that the fees, commissions and compensation payable to the Manager and the Sub-Manager are consistent with normal market rates for investment companies of a similar type to the Company.

From time to time, the Manager and/or the Sub-Manager may come into possession of non-public information concerning specific companies although internal structures are in place to prevent the receipt of such information. Under applicable securities laws, this may limit the Sub-Manager's flexibility to buy or sell portfolio securities issued by such companies. The Company's investment flexibility may be constrained as a consequence of the Sub-Manager's inability to use such information for investment purposes.

Pierre Kladny, Wolfgang Graebner, Jonathan Schwartz, Ian Cooper and Karen Tyrrell are the current members of the Board of Directors of the Company. The fiduciary duty of each Director to the Company may compete with or be different from the interests of the Manager and the Sub-Manager. The Directors will at all times have regard to their obligations to act in the best interests of the Company and its Shareholders so far as practicable. The Directors will seek to ensure that any conflict of interest is resolved fairly and in the interests of the Company and its Shareholders. In addition, clause 125 of the Articles of Association of the Company provides that the Directors must disclose the nature and extent of any material interest to the other Directors before he or she (i) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested, or (ii) may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested. After such disclosure the Director shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any such office or employment or

from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.

There is no prohibition on the Company entering into any transactions with the Prime Broker and Custodian, Administrator or any of their respective affiliates provided that such transactions are carried out as if effected on commercial terms negotiated at arm's length.

THE COMPANY

Segregated Portfolio Company

The Company is a closed-end exempted limited liability investment company incorporated and registered as a segregated portfolio company in the Cayman Islands with registered number OG 173171. It was incorporated under the provisions of the Companies Law (Revised) of the Cayman Islands (the “Companies Law”) on August 25, 2006 by the Manager. The location of the Company’s principal office and its registered office are listed in the Directory. The Company has been structured as an investment company to allow its Shareholders to collectively invest in accordance with the investment objectives and strategies set out herein. The Participating Shares issued by the Company are created under Cayman Islands law. The Company is a recently formed entity that has only a limited operational history.

The Company may create one or more segregated portfolios in order to segregate the assets and liabilities held by the Company on behalf of each segregated portfolio from the assets and liabilities held by the Company on behalf of any other segregated portfolio or the general assets and liabilities of the Company. As a segregated portfolio company, the Company can operate segregated portfolios with the benefit of statutory segregation of assets and liabilities between each segregated portfolio. The assets of each segregated portfolio will be invested separately in accordance with the investment objective, policies and guidelines for such segregated portfolio as specified in this Prospectus or any appropriate supplement to it.

The Company has established a segregated portfolio in respect of the Participating Shares (the “PS Segregated Portfolio”). The Company may in the future create additional segregated portfolios and additional classes of shares within each segregated portfolio in its sole and absolute discretion. There are no current plans to create any further segregated portfolios nor classes of shares.

Each segregated portfolio will be administered and maintained separate from each of the other segregated portfolios. Under the Companies Law, the debts, liabilities, obligations and expenses incurred by one segregated portfolio will only be enforceable against the assets of the same segregated portfolio (or, in certain circumstances, against the general assets of the Company) and not against the assets of any other segregated portfolio. Segregated portfolio assets are only available to meet liabilities to creditors of the Company who are creditors in respect of the relevant segregated portfolio and are protected from and are not available to creditors of the Company who are not creditors of that segregated portfolio. The principles relating to the payment of dividends or other distributions, and the payment of the redemption price of shares are applied to each segregated portfolio in isolation. Payments in respect of dividends, distributions and redemptions of shares may only be paid out of the assets of the segregated portfolio in respect of which the relevant shares were issued. (Reference is also made to the Risk Factors under “Segregation of Assets in a Segregated Portfolio Structure”.)

The Companies Law requires that any transaction or arrangement entered into by a segregated portfolio company on behalf of one or more of its segregated portfolios must be executed by a segregated portfolio company on behalf or for the account of such segregated portfolio(s), which must be identified in the relevant documents.

If the segregated portfolio company fails to meet this requirement, then (notwithstanding any provisions to the contrary in the segregated portfolio company’s articles of association or in any contract) its directors will incur personal liability for the liabilities of the company and the relevant segregated portfolio(s) under the relevant contract or arrangement. The Cayman Islands courts may relieve a director of all or part of his personal liability if satisfied that (a) he was not aware of the circumstances giving rise to his liability and in being unaware was not fraudulent, reckless or negligent, and did not act in bad faith, or (b) he expressly objected and exercised his rights as a director to try to prevent the circumstances giving rise to the liability.

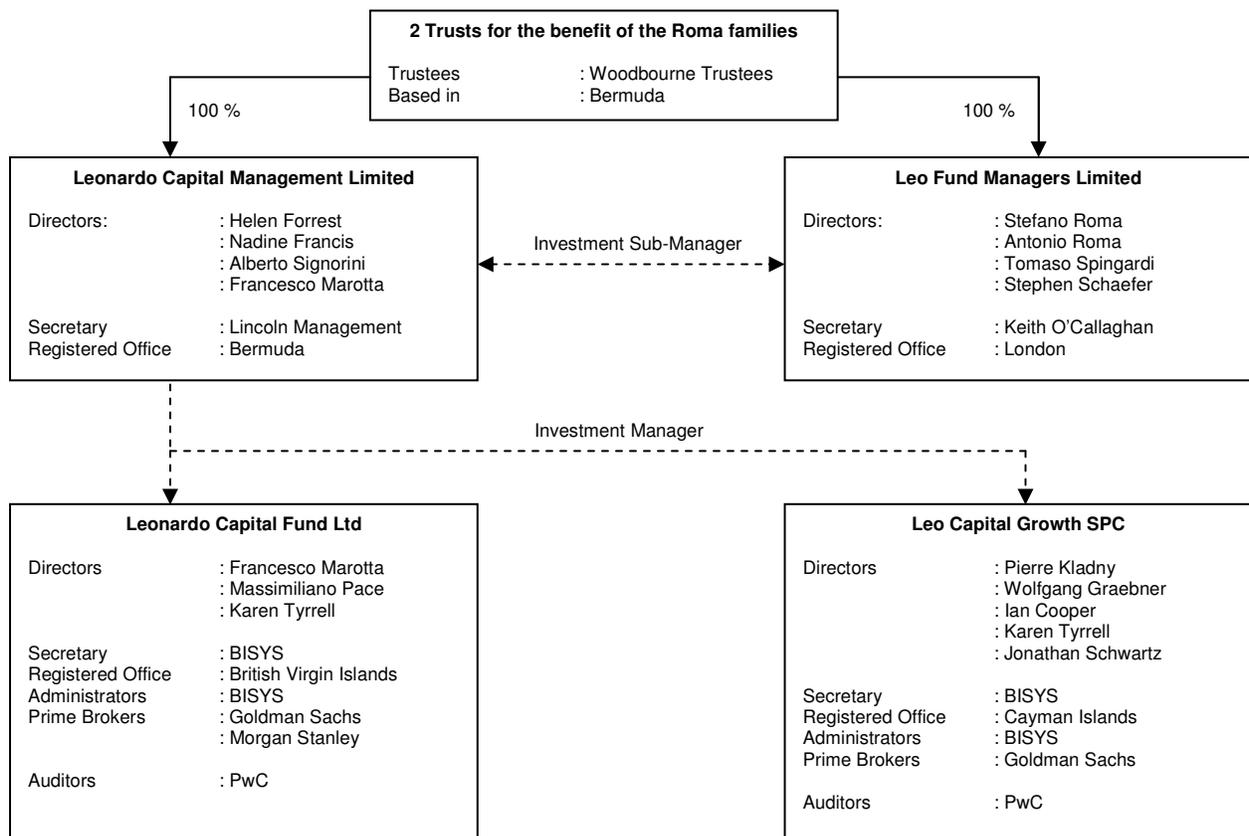
It is also the duty of the directors to establish and maintain procedures for the segregation both of the general assets from the segregated portfolio assets and of the assets of each segregated portfolio from those of each other segregated portfolio such that the assets and liabilities of each segregated portfolio and any general assets or liabilities of the company shall be separate and separately identifiable.

Group Structure

The Manager and Sub-Manager are currently owned equally by two Bermuda based family trusts whose beneficiaries are the respective families of Messrs. Stefano Roma and Antonio Roma.

It is the intention to offer senior employees of the Manager and the Sub-Manager an economic interest in the equity of the Manager or Sub-Manager as an incentive to build the future value of those businesses. The Manager owns all 100 Management Shares in the Company. The Management Shares are non-participating shares with voting rights substantially similar to those of the Participating Shares except that they do not entitle the holders thereof to vote to appoint or remove the Manager or to vote on the winding up/continuation of the Company at the end of its seven year life. The Manager also owns all management shares in Leonardo Capital Fund Limited.

Please find below a chart reflecting the group structure of the Company:



Corporate Governance

The Company complies with the corporate governance obligations that are applicable under Cayman Islands law.

INVESTMENT OBJECTIVE AND POLICY

Investment Objective and Policy

The investment objective of the Company is long-term capital appreciation of its assets. The Company is seeking to raise between €200,000,000 and €500,000,000 in the aggregate, although the Board of Directors may in its absolute discretion, accept subscriptions in excess of such amount.

The Company, for and on behalf of the PS Segregated Portfolio, will seek to achieve its objective by making significant equity investments either directly or indirectly in European publicly traded companies which the Company believes are under-managed and under-valued. The investment strategy may require medium to longer-term commitment in order to unlock value.

The Company, for and on behalf of the PS Segregated Portfolio, may seek to use its shareholdings over time to influence management where appropriate with regard to strategy, optimization of capital structure and market value appreciation. Such influence may include representation on the board of directors of the companies in which the Company invests for and on behalf of the PS Segregated Portfolio. It is anticipated that the Company for and on behalf of the PS Segregated Portfolio, will invest in a limited number of investments often requiring longer term investment horizons.

Investments may be in the form of shares (including shares in European publicly traded companies which subsequently cease to be traded on a public market and shares in private companies having investments in European publicly traded companies), convertible debt, contracts for differences, exchange traded and OTC options, warrants, futures and other derivative instruments. It is anticipated that at any point in time there will be significant concentration exposures to individual issuers.

The Company, for and on behalf of the PS Segregated Portfolio, may invest across a broad spectrum of industries and geographic markets. In selecting such investments, the Sub-Manager will consider, amongst others, factors such as overall growth prospects, quality of management, asset valuations, competitive market position, asset utilization, cash flows, capital structure, blocking minority shareholders, technology, research and development, productivity, labor costs, raw material costs and sources, profit margins, return on investment, capital resources, government regulation and management.

Each individual investment will be characterized by significant research and due diligence coupled with a strategic plan encompassing size and timing of investment, level of leverage, a value creation strategy and an 'exit' strategy.

The Company, for and on behalf of the PS Segregated Portfolio, is seeking to apply hedge fund and private equity techniques to the management of its portfolio of assets held, for and on behalf of the PS Segregated Portfolio, in order to produce superior returns whilst mitigating risks. Such techniques may include leveraging the portfolio, through borrowings secured against other assets of the Company or through the use of contracts for differences, options, futures and other derivative products. Strategies may be built using derivative products and short securities positions to both create and hedge currency, interest rate, credit, equity, commodity and other relevant exposures. It is also anticipated that certain strategies will involve value creation through the application of shareholder influence to encourage strategic change within a target company.

For temporary defensive purposes, the Sub-Manager may determine that all of the Company's investments held for and on behalf of the PS Segregated Portfolio should be made temporarily in short-term investment grade money market instruments, including bank deposits.

The Company, for and on behalf of the PS Segregated Portfolio, may invest unutilized funds awaiting suitable investment opportunities in short-term investment grade money market instruments, including

bank deposits. The Company, for and on behalf of the PS Segregated Portfolio, may also invest such funds into an affiliated investment company, Leonardo Capital Fund Limited, up to an amount no greater than 20% of the Gross Assets of the Company held for and on behalf of the PS Segregated Portfolio. To the extent that management or performance fees shall be payable at the Leonardo Capital Fund Limited level, an equivalent amount will be deducted from the fees payable to the Manager under its investment management agreement with the Company.

The Board of Directors may vary the investment objectives and investment policy of the Company. The Board of Directors shall communicate any material variation to the Shareholders within 20 Business Days following the meeting at which such decision is taken.

Competitive Strengths

The Company is seeking to combine private equity, shareholder activist and quantitative hedging techniques in order to create long-term value for its Shareholders. The Company believes that this strategy can result in out-performance whilst at the same time maintaining a lower level of risk than would normally be associated with a small portfolio of shares with limited diversification.

The Company, for and on behalf of the PS Segregated Portfolio, will be utilizing the services of the Manager in conjunction with the Sub-Manager. The Manager has delegated its overall responsibility for investment management to the Sub-Manager. The Manager retains responsibility for investor relations, marketing and general administrative matters.

The Manager and Sub-Manager currently manage approximately €750 million of assets and have a strong performance track record. In particular, their flagship fund, Leonardo Capital Fund Limited, now has a seven year track record achieving a compound annual growth rate since inception of 25.2% with low volatility monthly returns. This success is primarily due to an investment process focused on absolute returns combining long/short, relative value, arbitrage and event strategies, with the use of index futures and options to manage overall levels of market risk coupled with fundamental research, quantitative risk management and careful trade and portfolio construction. Leonardo Capital Fund Limited is classified as “European Long/Short Equity”.

The Sub-Manager has an excellent track record with a history of significant and profitable European equity investments made through the Leonardo Capital Fund Limited and through other special purpose vehicles. In particular, the Sub-Manager has identified and made several successful investments in the past which have required shareholder activist and hedge strategies to extract value.

The Sub-Manager is experienced in the monitoring and managing of risk. The Sub-Manager intends to use derivatives in order to both create and hedge individual investment strategies and to manage overall portfolio risks.

The Manager and Sub-Manager employ a team of 20 experienced professionals whose interests are to be aligned to those of investors through a performance fee structure and by their investment in Participating Shares of the PS Segregated Portfolio (see also the section headed “Capitalization” and “Management, Administration and Prime Brokerage – Management Fees”).

The Company has also recruited members for its Board of Directors and Investment Committee with considerable experience in making investments and creating value.

Decision Making Process

All investment opportunities will be thoroughly researched by the Sub-Manager who shall prepare an investment paper (the “Investment Paper”).

The Investment Paper shall detail the specific opportunity and investment rationale and shall also include the size and timing of the investment, the leverage to be utilized (if any), the value creation strategy and potential exit strategies. An Investment Paper shall also be required in cases where there is a material change proposed to the investment strategy relating to an existing investment.

The Investment Paper shall be presented for approval to a committee (the “Investment Committee”). The Investment Committee shall comprise the Chief Investment Officer and one other senior representative of the Sub-Manager, one Director of the Company and at least two independent members having appropriate expertise which are appointed by the Board of Directors.

The Investment Committee shall meet as and when necessary and at intervals of no more than three months. Investment decisions of the Investment Committee shall be approved by a simple majority vote in favour.

The Sub-Manager shall have responsibility for the execution of the approved investment strategies and for day to day management of those strategies.

Initial Investments

Investment activity may commence prior to June 25, 2007 upon receipt of the minimum subscription amount of €50,000,000. Information on these investments will be published in a supplementary prospectus which is subject to prior approval by the AFM.

Investment Restrictions

The maximum single investment by the Company for and on behalf of the PS Segregated Portfolio in any one issuer shall be limited to 25% of the Gross Assets of the Company held for and on behalf of the PS Segregated Portfolio. The Company will not invest in collective investment undertakings, save that it may invest unutilized funds in Leonardo Capital Fund Limited up to a limit of 20% of its Gross Assets held for and on behalf of the PS Segregated Portfolio.

The Sub-Manager monitors the underlying investments of the PS Segregated Portfolio in order to ensure that, at the time an investment is made, the above restrictions are adhered to. If it comes to the attention of the Sub- Manager that any of the limits have been exceeded, the Sub-Manager shall immediately inform the Board of Directors and shall take immediate corrective action to bring the PS Segregated Portfolio within the permitted level having regard to the interests of Shareholders, except where the breach is due to appreciations or depreciations, changes in exchange rates, or by reason of the rights, bonuses, benefits, in the nature of capital or by reason of any other action affecting every holder of that investment. In such cases the Sub-Manager shall endeavour to bring the portfolio within the permitted level within a reasonable time-frame, such time-frame to be determined by the Sub-Manager having regard to the best interests of the Shareholders.

The Administrator is not responsible for monitoring adherence to the investment guidelines and restrictions.

The Board of Directors may terminate the investment management agreement in case of persistent breach of the investment guidelines and restrictions applicable to the PS Segregated Portfolio.

Borrowings, Lending and Hedging

The Company for and on behalf of the PS Segregated Portfolio may borrow up to a maximum of 300% of the Net Asset Value of the PS Segregated Portfolio, calculated at the time of each drawdown, in order to

leverage its investment returns. Such borrowings may be secured against the assets of the PS Segregated Portfolio but will in each case be of a non-recourse nature to assets of other segregated portfolios and the general assets of the Company. All borrowings of the Company for and on behalf of the PS Segregated Portfolio will be subject to the margin requirements established by its lenders and are non-recourse to assets of other segregated portfolios and the general assets of the Company.

The Company, for and on behalf of the PS Segregated Portfolio, may lend securities of the PS Segregated Portfolio.

The Company, for and on behalf of the PS Segregated Portfolio, may utilize strategies which incorporate the short-selling of securities and the use of futures, options, forward contracts and other derivatives to both create and hedge currency, equity, interest rate, commodity and other relevant exposures. Any non-Euro currency exposure will generally be hedged.

Distribution Policy

The Company does not intend to pay distributions or dividends in respect of the PS Segregated Portfolio. It is intended that all earnings of the Company for and on behalf of the PS Segregated Portfolio will be reinvested for and on behalf of the PS Segregated Portfolio.

CAPITALIZATION

The tables below set forth the unaudited cash and cash equivalents, capitalization and indebtedness as of April 30, 2007 on an actual basis and as adjusted to reflect the receipt of the estimated net proceeds from the issue of the Participating Shares pursuant to the Issuance, assuming the Capital Restructuring has been effected and after deducting the estimated costs and expenses payable by the Company for and on behalf of the Participating Shares, based on estimated gross proceeds from the Issuance of €200 million at an average subscription price of €100,000 per Share. Following payment of the preliminary costs and expenses of €200,000 and the retention of a further €150,000 for working capital requirements, the amounts available to the Company for investment following the Listing Date shall be approximately €198,650,000.

| | April 30, 2007 | |
|---|--------------------------------|---------------------|
| | Actual | As adjusted |
| Cash and cash equivalents | <u>€39,800,001¹</u> | <u>€200,000,001</u> |
| Share capital – Management Shares (100 shares) | € 1 | € 1 |
| Share capital – Participating Shares of the PS Segregated Portfolio | 19,900,000 | 100,000,000 |
| Share premium | 19,900,000 | 100,000,000 |
| Retained profits/(losses) | <u>0</u> | <u>(200,000)</u> |
| Total equity | <u>39,800,001</u> | <u>199,800,001</u> |
| Non-current liabilities | € 0 | € 0 |
| Current liabilities ² | <u>200,000</u> | <u>200,000</u> |
| Total liabilities | <u>€ 200,000</u> | <u>€ 200,000</u> |
| Total capitalization | <u>40,000,001</u> | <u>200,000,001</u> |

- 1 This comprises subscription monies received from investors for 398 Participating Shares issued at a price of €100,000 per Share.
- 2 These liabilities comprise preliminary costs and expenses payable by the Company (see the section headed “Management, Administration and Prime Brokerage – Preliminary Expenses”).

At the date of this Prospectus, the authorized share capital of the Company is €250,000,001 divided into 100 Management Shares with a nominal value of €0.01 each and 5,000 participating shares with a nominal value of €50,000 each.

At the date of this Prospectus, 398 Participating Shares are issued and paid in full.

Two directors of the Sub-Manager (Messrs. Stefano and Antonio Roma) have committed to subscribe for Participating Shares in the Issuance for €4 million in total.

MANAGEMENT, ADMINISTRATION AND PRIME BROKERAGE

Board of Directors

The Board of Directors is responsible for the overall management and control of the Company in accordance with its Memorandum and Articles of Association. However, the Board of Directors has delegated the authority to make or approve any investment decisions to the Manager pursuant to the investment management agreement and the day-to-day administrative functions of the Company to the Administrator pursuant to the administration agreement, in accordance with its powers of delegation as set out in the Articles of Association. The Board of Directors will review, on a periodic basis, the performance of the Manager and the Administrator.

The Board of Directors of the Company consists of Pierre Kladny, Wolfgang Graebner, Jonathan Schwartz, Ian Cooper and Karen Tyrrell. The Directors have been appointed for an indefinite period of time. The Directors receive an aggregate remuneration of €260,000 per year for their services as Directors of the Company. They are not entitled to any retirement or similar benefits nor to a severance payment in the event of their removal.

The general meeting of shareholders of the Company may by simple majority of the votes cast remove a Director from office and appoint a person who is willing to act to be a Director either to fill a vacancy or as an additional Director. The Board of Directors may also appoint new Directors, provided that the appointment does not cause the number of Directors to exceed any number fixed by or in accordance with the Articles of Association of the Company as the maximum number of Directors. The number of Directors (other than alternate Directors) is not subject to a maximum unless otherwise resolved by the general meeting of shareholders of the Company by simple majority of the votes cast.

Biographical information of the Directors is set forth below.

Pierre Kladny

Pierre is an experienced practitioner in the area of private equity and private equity advisory with particular expertise in the IT and medical technology sectors. Pierre was educated in Switzerland where he gained an M.Sc. in Electrical Engineering at Ecole Polytechnique Federale de Lausanne. Following university he raised CHF 2 million in venture capital funding in order to establish a company developing a neural network processor. He went on to found three other companies in the IT sector before joining Lombard Odier Darier Hentsch & Cie (Geneva) as Head of Private Equity Advisory Services in 2002. In 2005 Pierre left Lombard Odier to establish his own private equity advisory company ValleyRoad Capital SA (Geneva) which he continues to run today. In addition, Pierre was a member of the board and the investment committee of Minicap Technology Fund (2003 – 2005), Renaissance Tech I Fund (2003 – 2005) and Renaissance Tech II Fund (2003 – 2005). He was also a member of the investment committee of LODH Immunology Biotech Fund Investment (2003 – 2005), a member of the board of Poland Investment Fund (2004 – 2005) and a member of the Advisory Board of LODH Infology Fund Tech (2005). At this moment Pierre also serves as a chairman of K & K Ingénieurs-Conseils SA Engineering Company, ValleyRoad Capital SA, Reuge SA, International Capital Group; as a board member of Gulhivair Holding, Adax SA, Springboost SA and Gradum Ltd; and as a manager and board member of CapD Private Equity and CapDev Ltd.

Wolfgang Graebner

Dr. Wolfgang J.L. Graebner was managing partner and member of the Vorstand of BHF-BANK, a leading German merchant bank, from 1978 to 1996, and subsequently a member of its advisory board until 2000. He was a member of the supervisory board of the German Financial Future Exchange since its inception in 1991, and also sat on the German Central Capital Market Committee. Dr. Graebner represented BHF-BANK on various supervisory boards of German Companies. In addition, he has been for many years chairman of the supervisory board of BHF-BANK's industrial holding company AGIV,

with annual sales of close to DM 10 billion and workforce of 38,000. Other directorships include Club Méditerranée S.A., Andritz AG., as well Credito Italiano S.p.A., where he has been on the executive committee for many years. He served from 1997 to 1999 as senior advisor investment banking to Bankers Trust in Germany and from 1999 to 2004 as member of the executive council of Compass Partners International, London, a leading European private equity firm. In 2002 he was appointed chairman of the board of Easetec AG, a company developing software for the securitisation industry (until 2004). He is a board member of Procter & Gamble Holding Gesellschaft mbH since 1983, as well as a member to the international advisory board of Nordic Mezzanine Ltd since 2002. Before becoming a banker, he was Assistant Professor at Cologne University where he received his Ph.D. with highest honours as well as his MBA.

Jonathan Schwartz

Jonathan has a twenty-five year career in investments, corporate development and company restructuring. He worked throughout Europe, North America and Asia. Jonathan has experience with both manufacturing and service companies in a wide variety of sectors, including financial services, health, care, leisure, manufacturing, media and property. Jonathan is an expert at building teams and creating consensus to build value. Jonathan gained a BA in Literature and Economics from the New York University and a Ph.D in Economics from the University of Minnesota. He is currently director at Charollais Investment Management (since 2006) and Charollais Capital Partners (since 2006), an investment company focused on private equity transactions in troubled companies, and a non-executive chairman of Cicero Consulting Limited (since 2000), a public affairs firm serving some of the world's largest corporations. From 2002 to 2006, Jonathan was a director of Bradley Capital Partners. Furthermore, he was a partner of Compass Partners International Private Equity from 1999 to 2000, a €1 billion private equity fund head quartered in London. Between 1995 and 1998, Jonathan was Group Development Director and a member of the senior management team at AMP Limited, a diversified insurance and asset management firm head quartered in Australia. Before joining AMP, he spent fourteen years at Deloitte Consulting in both Europe and the United States, of which he was a partner for ten years, focusing on M&A, corporate development and restructuring assignments.

Ian Cooper

Professor Ian Cooper MA, MBA, Ph.D. is Professor of Finance at London Business School, where he has been a faculty member since 1978. He has also held visiting positions at the University of Chicago and Australian Graduate School of Management. Ian has published widely in both academic and practitioner journals, and serves on the editorial boards of a number of international journals. He has 30 years of experience in consulting on corporate finance and capital markets for financial institutions, corporations, government agencies, and regulatory bodies.

Karen Tyrrell

Karen is managing director of BISYS Hedge Fund Services – Europe and is an executive director of the BISYS Hedge Fund Services group of companies. Karen qualified as a certified accountant in 1996 and is a fellow of the Chartered Association of Certified Accountants. She joined BISYS Hedge Fund Services (formerly known as Hemisphere Management Limited) in Bermuda in August 1997. Ms. Tyrrell returned to Ireland to open the Dublin office of BISYS in September 1998 as Head of Operations. Karen has worked in the financial services industry since 1990, having started her career in the investments and treasury division of Irish Life Assurance Plc. From 1994 to 1997, she worked for Chase Manhattan Bank in the fund accounting department. Karen served as managing director of Coronation Peak Fund Limited and Coronation Fund (Cayman Islands) from 2002 through 2004. She is currently a director of numerous investment funds established in the Cayman Islands, such as Aurora, SSgA, TT and Wolf Rock. She is also a managing director of Leonardo Capital Fund Limited (since 2006).

The Articles of Association of the Company provide that, so long as the nature of their interest is or has been declared at the earliest opportunity, a Director or prospective Director may enter into any contract or arrangement with the Company and such contract or arrangement shall not be liable to be avoided and the Director concerned shall not be liable to account to the Company for any profit realized by any such contract or arrangement by reason of their holding of that office or the fiduciary relationship so established and may hold any other office or place of profit with the Company (except that of auditor) in conjunction with the office of Director on such terms as to tenure of office and otherwise as the Board of Directors may determine.

No Director has any direct or indirect interest in any contract or arrangement which was either unusual in its nature or significant to the business of the Company in previous years and remains outstanding.

The Articles of Association of the Company provide certain rights of exculpation and indemnification in favor of Directors and officers of the Company against legal liability and expenses if such persons did not, in connection with the matter giving rise to a particular claim, engage in gross negligence or willful default in the performance of their duties. Such indemnity does not protect the Directors for failing to meet the requirements for limiting contracts on behalf of segregated portfolio companies to the relevant segregated portfolio(s), save as may be permitted by the courts of the Cayman Islands pursuant to the Companies Law. Further provisions regarding the Directors are included in the Articles of Association of the Company.

The Board of Directors may change any of the Company's service providers (other than the Manager, see hereafter) without the consent of the general meeting of shareholders of the Company. In addition, the remuneration being paid to service providers by the Company (and any other term of their respective service agreements) may be amended by the mutual consent of the Board of Directors and the relevant service providers. This may be necessary from time to time to keep such remuneration in line with the prevailing market rates being charged.

Manager

Leonardo Capital Management Limited, a Bermuda Limited Liability Company, (the "Manager") serves as manager of the Company for and on behalf of the PS Segregated Portfolio. The Manager was established in April, 1999 and is registered in Bermuda under number EC 26242. The Manager employs three experienced professionals.

The board of directors of the Manager consists of Helen Forrest, Nadine Francis, Francesco Marotta and Alberto Signorini.

Helen Forrest

Helen has a BA (Jurisprudence) (1980) and MA (1982) from Oxford University and her Solicitor's Professional Qualification from College of Law London (1985); she was called to the Bar in Bermuda in 1994. Helen practiced at the law firm of Richards Francis & Francis in Bermuda from 1986 to 1998 as an associate. In 1998 she and others left this firm to form the partnership, Christopher Francis Forrest, where she continues as a partner specializing in Corporate, Commercial & Trust Law. Currently, Helen is a managing director of Lincoln Management Limited and Cedar Trust Company Limited, as well as director and trustee of numerous international and Bermuda client companies and trusts. She is a former member of the Bermuda Housing Advisory Government Board and serves as a Trustee of the 21st Century Foundation for Oxford University. In addition, Helen is currently also a director of the Manager (since 2001), Leonardo Capital Fund Limited (since 2001) and was formerly a director of Leo Ventures Fund SPC (2003 - 2006).

Nadine Francis

Nadine was educated at the Berkeley Institute, Bermuda; Bishop Strachan School, Toronto Canada; Williams College, Massachusetts, USA (B.A. 1983); The London School of Economics and Political Science, London University (LL.B 1987). She is a member of the Middle Temple in London and the Bermuda Bar Association. Nadine is currently senior partner at Christopher Francis Forrest where she specializes in Property Law, Trust Law, Estate Planning, and Probate. Nadine is a director and trustee of numerous international client companies and trusts and currently Vice Chairman of the West End Development Corporation (a Bermuda Quango) and a member of the Bermuda Land Valuation Appeals Tribunal. She is also a director of a dormant company, Leonardo Arbitrage Ltd.

Francesco Marotta

Francesco has been CEO of Crédit Privé de Placement et d'Intermédiation SA (Lugano), a Swiss based fiduciary and financial company since June 2004. From 1997 through June 2004, he was chairman of Credit Du Lac SA (Lugano). Prior to this he was general manager and executive director of Milla & Co SIM S.p.A, a stockbroker in Milan having moved from Cofigest SIM S.p.A, an Italian asset management company, where he held the position of director from 1994 to 1996. Francesco held the position of finance director at Athena S.p.A from 1992 through 1993, and of Banca Creditwest Milan from 1986 to 1991. Currently, Francesco holds director positions at Vinler International Ltd, Roma Las Vegas Ltd, Master Inv. & Trade Inc., Sofintel Services Ltd, Villarasca Srl and Alitalia Immobiliare Srl. Francesco is also a director of Leonardo Capital Fund Ltd (BVI) since 2001 and of Leo Capital Partners Fund SPC since 2005. He was educated on the Bocconi University, Milan, in Financial Intermediation

Alberto Signorini

Alberto has 20 years equity sales experience in the Italian and Swiss markets. Between 1986 and 1997, he worked with CIMO – ABN Amro (Milan), Milla SIM (Milan), Roberto Tedeschi Stockbroker (Milan) and Alessandro Imperato Stockbroker (Napoli). In 1997 Alberto moved to Cornaro & Associati SA, an asset management and fiduciary company based in Lugano, where he is an associate. In addition, Alberto holds serves as investment manager and director of Alsig Emerging Fund Limited and as a director of Alsig Fund Management Limited. He was also appointed as a director of Leonardo Private Equity Ltd in 2001. This company is currently dormant.

The Manager is responsible for all marketing and promotional activities related to the Company and for managing investor relations.

The Manager performs its services pursuant to an investment management agreement with the Company for and on behalf of the PS Segregated Portfolio effective from January 12, 2007 until June 30, 2010 and for successive years, unless terminated pursuant to a vote from the general meeting of shareholders. On or before March 30, 2010 and March 30 in each calendar year thereafter, the Board of Directors will convene a meeting of the Company at which a resolution will be put to all holders of Participating Shares attending such meeting to terminate the appointment of the Manager as of June 30 of such year. The approval of the holders of 75% of Participating Shares attending and voting at such meeting will be required for the resolution for the termination of the appointment of the Manager to be passed. Unless the resolution is passed, the Manager's appointment will continue for a further year, at which point holders of Participating Shares will have another opportunity to consider its appointment. In addition, the Board of Directors may terminate the investment management agreement in case of a persistent breach of the investment guidelines and restrictions applicable to the PS Segregated Portfolio. Either party may furthermore terminate the investment management agreement in case of a material breach by or an insolvency event affecting the other party. If the appointment of the Manager is terminated, a new Shareholders' meeting will be convened to vote for the appointment of a new Manager. The Board of Directors shall nominate at least two candidates on a non-binding basis. The resolution to appoint the new Manager may be passed by a simple majority of the votes of holders of Participating Shares attending and voting at such meeting. If no such resolution is passed, the Board of Directors shall appoint the nominee who is mentioned first on the list of nominees proposed by the Board of Directors as the new Manager.

Under the investment management agreement, the Manager has overall responsibility to act as the investment manager to the Company for and on behalf of the PS Segregated Portfolio in relation to the investment management, realization of the cash and other assets of the Company held for and on behalf of the PS Segregated Portfolio and to act as agent for and on behalf of the Company for and on behalf of the PS Segregated Portfolio in identifying, selecting, purchasing, acquiring, managing, exchanging and disposing of investments on behalf of the Company for and on behalf of the PS Segregated Portfolio in accordance with, and in furtherance of the investment objective and policy of the Company for and on behalf of the PS Segregated Portfolio on the terms and subject to provisions of the investment management agreement, provided however that the Manager shall not hold any cash or other assets on behalf on the Company, or any of its segregated portfolios, and therefore shall not be liable for the safe custody of such assets.

The Manager shall be indemnified out of the assets of the PS Segregated Portfolio only from and against all actions, proceedings, claims, demands, liabilities, losses, damages, costs and expenses (including legal and professional fees and expenses arising therefrom or incidental thereto) which may be made or brought against or directly or indirectly suffered or incurred by the Manager arising out of or in connection with the performance by the Manager of its duties under the investment management agreement other than due to the negligence, wilful default, bad faith or fraud of or by the Manager in the performance of its duties thereunder. Such indemnity has been granted on a limited recourse basis such that any indemnification claim will be limited to the assets of the PS Segregated Portfolio.

Sub-Manager

Under the investment sub-management agreement effective from January 12, 2007 the Manager has delegated its overall investment responsibility in respect of the assets of the PS Segregated Portfolio to Leo Fund Managers Limited, a United Kingdom Limited Liability Company. See also the section headed “Investment Objective and Policy – Decision Making Process”.

The Sub-Manager was established in January 2000 and is registered in the United Kingdom under number 03909814. The Sub-Manager currently employs 17 experienced professionals and continues to invest heavily in information technology, investment research, risk management and administrative and accounting support for its investment managers. The Sub-Manager is authorized and regulated by the Financial Services Authority of the United Kingdom (the “FSA”).

The board of directors of the Sub-Manager consists of Stefano Roma, Antonio Roma, Tomaso Spingardi and Stephen Schaefer.

Stefano Roma – Chief Investment Officer

Stefano has a degree in Economics and Commerce from the University of Rome and a postgraduate diploma in Financial Intermediation from the Bocconi University, Milan. Stefano began his career as an auditor with Arthur Andersen, Italy. Since 1986 he has worked in the financial markets with various Italian stockbrokers, becoming Head of Equity Trading, Sales & Research at ABN-Amro Milan in 1996. In July 1999 he launched Leonardo Capital Fund Limited, using the operational and regulatory structure of Park Place Capital, an investment fund regulated under the FSA which provides operational and regulatory structure to startup investment companies.

Antonio Roma – Chief Executive Officer

Antonio has a degree in Economics and Commerce from the University of Rome and a Ph.D. in Financial Economics from the London Business School. He was an economist with the Money and Capital Markets research department of the Bank of Italy from 1988-1994. He has been a visiting Professor of Finance at the Anderson Graduate School of Management of the University of California and since 1994 Chairman Professor of Finance at the University of Siena, Italy, where he lectured on financial models until 2001

when he joined Leo Fund Managers Limited. In addition, Antonio is currently the president and general director of Leo Fund (Italia) SGR S.p.A. and director of Ares S.a.r.l.

Tomaso Spingardi – Investment Manager

Tomaso graduated in Economics from the University of Genova and has a Masters from MIT SLOAN School. He has 20 years experience in the investment banking industry with Morgan Stanley and subsequently with Lehman Brothers where he ran the European Financial Institutions Group. During these years, Tomaso led many major European M&A, restructuring, privatisation and capital markets transactions. Tomaso has worked extensively in the Financial Institutions sector and also significant international career experience across other industry sectors.

Stephen Schaefer – Non Executive Officer

Stephen Schaefer was educated at Cambridge where he gained an MA in Engineering. He then went on to London where he gained a Ph.D in Financial Economics. Stephen is currently Professor of Finance at London Business School where he specializes in the theory of the pricing of derivative instruments and risk management techniques. He has written several books and his work has been published in several journals. He is also an assistant editor of European Finance Review. Stephen is a visiting Professor at the universities of British Columbia, Cape Town, Chicago, Berkely (California) and Venice. At this moment, he is also a trustee and director of Smith-Beedon Mutual Funds.

Besides Stefano Roma, Antonio Roma and Tomaso Spingardi, the following officers are key personnel of the Sub-Manager:

Emmanuel Bardonnnet – Senior Investment Analyst

Emmanuel has 20 years corporate finance and M&A advisory experience. He started his investment banking career in 1987 with SG Warburg before moving on to Morgan Stanley where he rose to become head of the Financial Institutions M&A Group in Hong Kong gaining experience in transactions involving European, Asian and US businesses. In 2003, he left Morgan Stanley and became an independent consultant advising a select group of major European financial institutions. During this time he also took the opportunity to complete studies in the history of art and architecture. He joined the Sub-Manager in 2007. Emmanuel has a Law degree from Paris University and an MBA from Columbia Business School.

Frederico Ghella – Investment Manager

Federico has a degree in Law from the Sapienza University in Rome. He joined Leo Fund Managers Limited as a trainee investment manager at the beginning of 2001 reporting directly to Stefano Roma, Chief Investment Officer (CIO). Federico works closely with the CIO in managing the portfolio as a whole. His responsibilities include generating investment ideas, providing investment and risk management support, execution and back-up for the CIO.

The Company for and on behalf of the PS Segregated Portfolio shall indemnify and hold harmless the Sub-Manager, its agents and their respective employees and affiliates out of the assets attributable to the PS Segregated Portfolio on an after tax basis against all claims, liabilities, costs and expenses (including legal fees, duties and taxes) incurred by them directly or indirectly as a result of the provision of services under the sub-management agreement. Such indemnity has been granted on a limited recourse basis such that any indemnification claim will be limited to the assets of the PS Segregated Portfolio.

The sub-management agreement may be terminated by the Manager and the Sub-Manager without notice in case of a material breach by or an insolvency event affecting the other party.

Administrator, Registrar and Transfer Agent

BISYS Hedge Fund Services (Ireland) Limited (the “Administrator”), an Irish registered company, has been appointed as the administrator to the Company, for and on behalf of the PS Segregated Portfolio,

pursuant to an administration agreement effective from January 16, 2007. The Administrator is a licensed fund administrator under The Investment Intermediaries Act 1995 of Ireland. The Administrator and its affiliates specialize in providing services to investment companies from offices located in Dublin, Bermuda, Boston, Ohio, Waterford and New York. The Administrator is ultimately wholly-owned by the BISYS Group, Inc., a New York Stock Exchange listed company, which provides outsourcing solutions to the financial services industry.

The Administrator will be responsible for, inter alia, communicating with Shareholders, maintaining the Company's financial and accounting records, determining the Net Asset Value and the Net Asset Value per Participating Share, serving as the Company's agent for and on behalf of the PS Segregated Portfolio for the issue and redemption of Participating Shares of the PS Segregated Portfolio, acting as registrar of the Company, preparing financial statements, arranging for the provision of accounting, clerical, company secretarial and administrative services, maintaining corporate records, and disbursing payments of fees.

The Administrator is not responsible for ensuring compliance by the Company for and on behalf of the PS Segregated Portfolio with the investment policy and restrictions set out in this Prospectus. The Administrator is a third party service provider to the Company for and on behalf of the PS Segregated Portfolio and the Administrator is not responsible for the preparation of this Prospectus or the activities of the Company and therefore accepts no responsibility for any information contained in this Prospectus. The Administrator will not participate in the investment decision-making process.

The calculation of the Net Asset Value per Participating Share of the PS Segregated Portfolio by the Administrator will be based on information received from the Custodian. The accuracy of such information is the sole responsibility of Custodian. The Administrator is not liable for the accuracy of such information and is only responsible for the accuracy of its calculations based on the information received.

The Administrator shall be indemnified out of the assets of the PS Segregated Portfolio from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever (other than those resulting from the gross negligence, willful default or fraud on the part of the Administrator) which may be imposed on, incurred by, or asserted against the Administrator in performing its obligations or duties under the administration agreement. Such indemnity has been granted on limited recourse basis, such that any indemnification claim will be limited to the assets of the PS Segregated Portfolio. The Administrator shall not, in the absence of gross negligence, willful default or fraud on its part or on the part of its officers, servants, agents or delegates, be liable to the Company for and on behalf of the PS Segregated Portfolio for any act or omission, in the course of, or in connection with, the services rendered by it under the administration agreement or for any loss or damage which the Company for and on behalf of the PS Segregated Portfolio may sustain or suffer as the result of, or in the course of, the discharge by the Administrator of its duties under or pursuant to the administration agreement.

The Administrator advises the Board of Directors and the Manager on the receipt of subscription funds, disbursement of redemption amounts and any payments of expenses of the Company for and on behalf of the PS Segregated Portfolio through the Company's own bank account for and on behalf of the PS Segregated Portfolio at JP Morgan AG, Frankfurt. The Board of Directors and Manager arrange for and control the Company's bank account at JP Morgan AG.

The agreement with the Administrator can be terminated without cause on 60 days notice or immediately in case of insolvency of the Administrator.

Custodian and Prime Broker

The Custodian of the assets of the PS Segregated Portfolio and Prime Broker of the Company for and on behalf of the PS Segregated Portfolio is Goldman Sachs International, London (“GSI”) pursuant to an agreement effective from January 16, 2007 between the Company for and on behalf of the PS Segregated Portfolio and the Custodian.

GSI was established in June 1988 under the laws of England and Wales and is regulated by the FSA. It is registered under number 02263951.

GSI provides a custody service for all the Company’s investments made for and on behalf of the PS Segregated Portfolio, including documents of title or certificates evidencing title to investments.

Management Fees

For services provided for and on behalf of the PS Segregated Portfolio, the Company for and on behalf of the PS Segregated Portfolio will pay the Manager pursuant to terms of the investment management agreement a management fee at an annual rate of 1.5% of the Net Asset Value of the PS Segregated Portfolio (payable in arrears every month). The Manager shall pay the fees of the Sub-Manager from the management fees received by it.

In addition, certain officers of the Sub-Manager will be given the opportunity in any one year to subscribe for Participating Shares up to a maximum of 1% of the Participating Shares outstanding at a discount of 20% to the Net Asset Value at the time of purchase.

Performance Fees

On the winding-up of the Company or on the redemption of all of the Participating Shares of the PS Segregated Portfolio, the Company shall, for and on behalf of the PS Segregated Portfolio, pay a performance fee to the Manager pursuant to terms of the investment management agreement equivalent to 20% of the appreciation in the Net Asset Value of the PS Segregated Portfolio over the period since a performance fee was last paid or, if no performance fee has been paid, since the date of the first issue of Participating Shares. In the event that the Manager's appointment is terminated by the Company prior to the winding-up of the Company or redemption of all of the Participating Shares of the PS Segregated Portfolio for any reason, the Company shall, for and on behalf of the PS Segregated Portfolio, pay a performance fee to the Manager equivalent to 20% of the appreciation in the Net Asset Value of the PS Segregated Portfolio from the date a performance fee was last paid, or if no performance fee has been paid, from the date of the first issue of Participating Shares to the last Business Day of the month immediately prior to which such termination becomes effective.

For purposes of computing the performance fee, the appreciation in the Net Asset Value of the PS Segregated Portfolio shall be determined after the deduction of all expenses, including the management fee but not any accrued performance fee, and shall include interest earned and accrued.

Preliminary Expenses

The PS Segregated Portfolio will be responsible for paying the preliminary costs and expenses of, and incidental to, the establishment of the Company in the Cayman Islands, the negotiation and preparation of the contracts to which it is a party, the preparation of the Information Memorandum dated February 1, 2007, and of this Prospectus and any supplement thereto and the stock exchange listing of the Participating Shares on Euronext Amsterdam (including fees and expenses of the professional advisor of the Company). These preliminary costs and expenses are estimated to amount to approximately €200,000 and will be borne by the Company up to a maximum amount of €200,000. Any expenditure in excess of

this amount will be borne by the Manager. In accordance with IAS/IFRS as adopted by the European Union the costs and expenses borne by the Company will be paid immediately following the Listing Date and therefore expensed in the fiscal year in which they are incurred.

Distribution and Placement Costs

Costs and expenses incurred in the placement and distribution of Participating Shares in any subsequent (public) offering of Participating Shares, including any fees and expenses of any financial institutions and other parties and their advisors which may be engaged in connection therewith, shall be borne by the Manager up to a cap of €4,000,000. The remainder of any such distribution and placement costs and expenses shall be borne by the Manager by foregoing future performance fees until such time as the performance fees earned in respect of the PS Segregated Portfolio equal the remaining costs.

Operating Expenses

The PS Segregated Portfolio will bear all expenses related to the Participating Shares, including, but not limited to, brokerage commissions, other expenses related to buying and selling securities, costs of due diligence (including travel) regardless of whether a particular transaction is consummated, the costs of attending general meetings (collectively, the “investment-related expenses”); expenses incurred in connection with its operations including, but not limited to, fees and expenses of directors, advisers and consultants, the management fee and performance fee, fees and expenses of any custodians, escrow or transfer agents or other investment-related service providers; indemnification expenses and the cost of insurance against potential indemnification liabilities; interest and other borrowing expenses; legal, administrative, accounting, tax, audit and insurance expenses, expenses of preparing and distributing reports, financial statements and notices to Shareholders; litigation or other extraordinary expenses; and its pro rata share of the cost of periodically updating the Prospectus and any relevant supplement. The PS Segregated Portfolio will not bear any placement agent fees.

Working Capital

The Company has sufficient working capital for its requirements within the next 12 months.

Other Information

None of the Directors or members of the board of directors of the Manager or members of the board of directors and key personnel of the Sub-Manager is or has been, subject to (i) any convictions in relation to fraudulent offences in the last five years, (ii) any bankruptcies, receiverships or liquidations of any entities in which such members held any office, directorships or senior management positions in the last five years, or (iii) any official public incrimination and/or sanctions of such person by statutory or regulatory authorities (including designated professional bodies), or disqualification by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for at least the previous five years.

As at the date of this Prospectus, none of the Directors or members of the board of directors of the Manager or members of the board of directors and key personnel of the Sub-Manager has any interest, beneficial or non-beneficial, in the share capital of the Company nor any options in respect of such shares.

No family ties exist among the Directors, the members of the board of directors of the Manager and the members of the board of directors and key personnel of the Sub-Manager, save for Messrs. Stefano and Antonio Roma who are brothers.

The business address of the Directors is at the office address of the Company mentioned in the Directory. The business address of the members of the board of directors of the Manager is at the office address of

the Manager mentioned in the Directory. The business address of the members of the board of directors and key personnel of the Sub-Manager is at the office address of the Sub-Manager mentioned in the Directory.

DESCRIPTION OF THE COMPANY'S SHARES

Set out below is a summary of certain relevant information concerning the share capital, a brief summary of certain provisions of the Articles of Association of the Company and certain disclosure requirements under Dutch law in view of the expected listing of the Participating Shares on Euronext Amsterdam. This summary does not purport to give a complete overview and should be read in conjunction with the Articles of Association, together with relevant provisions of the Companies Law, and does not constitute legal advice regarding these matters and should not be considered as such.

General

The authorized share capital of the Company is €250,000,001 divided into 100 Management Shares with a nominal value of €0.01 each and 5,000 participating shares with a nominal value of €50,000 each. The participating shares may be issued in classes. Each class of participating shares participates in a segregated portfolio. Subject to the provisions of the Articles of Association of the Company, the unissued shares of the Company are under the control of the Board of Directors who may issue, allot and dispose of or grant options over them to such persons, or on such terms and in such manner as they may think fit and no member has any pre-emptive right to purchase such participating shares.

All shareholders are entitled to the benefit of, are bound by and are deemed to have taken notice of the provisions of the Memorandum and Articles of Association of the Company.

Under the terms of the Company's Memorandum and Articles of Association, the liability of the shareholders is limited to any amount unpaid on their shares. As the shares can only be issued if they are fully paid (either in cash or in kind), the shareholders of the Company will not be liable for any debt, obligation or default of the Company beyond their interest in the Company.

The Company's objects are set out in clause 3 of its Memorandum of Association and are unrestricted. The Company's Articles of Association have been drafted in broad and flexible terms to allow the Board of Directors the authority to, in its discretion, determine a number of issues generally or in any particular case. In approving the Issuance on the terms set out in this Prospectus, the Board of Directors has exercised a number of these discretions in accordance with the Articles of Association of the Company, including but not limited to the determination of the issue price of Participating Shares, the dates on which Participating Shares may be issued and the dates on which the Net Asset Value per Participating Share will be determined.

Management Shares

The holders of Management Shares shall be entitled to vote on all matters in general meetings of shareholders of the Company, except on a resolution to change the Manager or to wind up/continue the Company at the end of its seven year life, being March 31, 2014 (see the section below entitled "General Meetings of Shareholders"). The Management Shares do not entitle the holders to participate in the Company's profits and losses and they are not redeemable. Upon the winding up of the Company the holders of Management Shares are entitled to receive their paid in capital of €0.01 per Share after payment of the amounts due to holders of Participating Shares.

100 Management Shares are in issue, fully paid and held by the Manager. The Management Shares are not transferable without the prior written consent of the Board of Directors, who does not intend to give such consent except in respect of transfers to affiliates of the Manager.

Participating Shares

The holders of Participating Shares (the “Shareholders”) shall be entitled to receive notice and to attend, in person or by proxy, at each general meeting of shareholders of the Company, but shall only be entitled to speak or vote at any such meeting in respect of a resolution which proposes to vary the special rights attaching to the Participating Shares or to amend the Memorandum or Articles of Association of the Company, to remove and appoint the Directors of the Company, to vote on the winding-up/continuation of the Company at the end of its seven year planned life or on a vote for a change of the Manager – see the section below entitled “General Meetings of Shareholders”). They are entitled to receive, to the exclusion of the holders of the Management Shares, any dividends that may be declared by the Company on behalf of the PS Segregated Portfolio and, upon the winding up of the Company, the full amount of the assets of the PS Segregated Portfolio available for the distribution will be distributed to registered holders of Participating Shares.

The Participating Shares have no conversion or pre-emptive rights. All Participating Shares, when duly issued, will be fully paid and non-assessable.

The Participating Shares of the PS Segregated Portfolio have equal dividend, distribution and liquidation rights. Please note that according to its policy, the Company does not intend to pay distributions or dividend. If declared, however, claims to dividends and distributions not made within six years from the date of declaration shall be forfeited and shall revert to the Company on behalf of the PS Segregated Portfolio.

The Board of Directors may designate further classes of participating shares in the future in respect of any segregated portfolio. Each additional class of participating shares may be offered on different terms from the Participating Shares being offered hereunder (including the offering of participating shares in a different currency). Additionally, the Company may, for administrative convenience, issue sub-classes of shares to effect the foregoing, and in this Prospectus, unless the context requires otherwise, references in this Prospectus to the term “class” shall include any sub-class or sub-classes derived from that class.

General Meetings of Shareholders

All general meetings of shareholders will be held in the Cayman Islands, or such other location as the Board of Directors will determine. Every year, before the end of June, the Company shall hold an annual general meeting. The first meeting shall be held in 2008. General meetings of shareholders of the Company may be called by the Board of Directors and will be called at the request of the shareholders holding in the aggregate not less than one-half of the outstanding shares entitled to vote. The holders of Participating Shares shall only be entitled to speak or vote at such meeting in respect of a limited number of resolutions, as further described below. Any shareholder may participate in a general meeting through the medium of telephone conference, video or similar form of communications equipment if all persons participating in the meeting are able to hear and if entitled to do so speak to each other throughout the meeting. All meetings require seven days' prior notice. Notice may be sent by hand, mail, fax or email, and will be published on the Manager's website and in a nationally distributed daily newspaper in the Netherlands and in the Daily Official List of Euronext Amsterdam (*Officiële Prijscourant*).

Except where a special resolution is otherwise required by the Companies Law, all decisions of the shareholders will be made by an ordinary resolution, provided that a quorum of the holders of one-third of the shares entitled to vote is present by proxy or in person at the meeting. If such quorum is not present, the meeting shall be adjourned and if at the adjourned meeting the quorum is not present, the meeting shall proceed without quorum. Any matter may also be adopted by resolution in writing of all the shareholders entitled to vote. Each Management Share and each Participating Share shall, where they confer an entitlement to vote, carry the right to one vote. The Board of Directors may fix any date as the

record date for the purpose of establishing the voting rights, provided that such date shall be on or after three Business Days prior to the meeting or any adjournment thereof.

With respect to the voting rights to participate in meetings, the Company shall also consider as holder of Participating Shares entitled to vote the person specified in a written statement of a financial institution which directly or indirectly participates in Euroclear Netherlands, where that person holds its security account, as being entitled to a given number of registered Shares, confirming that (i) if no record date has been determined, the person shall remain thus entitled until the conclusion of the meeting, or (ii) if a record date has been determined, the person was a participant in its collective depot at the record date for the number of Participating Shares mentioned, in either situation provided that the statement concerned has been deposited at the office of the Company prior to the meeting by hand, mail, fax or email.

The holders of Participating Shares shall only be entitled to speak or vote at any such meeting in respect of a resolution which proposes to vary the special rights attaching to the Participating Shares, to amend the Memorandum or Articles of Association of the Company, to remove and appoint Directors of the Company, to vote on the winding-up/continuation of the Company at the end of its seven year planned life or to change the Manager.

Appointment and Removal of Directors

The general meeting of shareholders of the Company may appoint and remove the Directors pursuant to a resolution adopted by a simple majority of the votes cast at such meeting. (See also the section headed “Management, Administration and Prime Brokerage – Board of Directors”).

Variation of Rights

The rights attaching to the Participating Shares may only be varied with the consent in writing of the holders of two-thirds of the issued Participating Shares, or at a separate meeting of the holders of the Participating Shares by a resolution passed by a two-thirds majority of the holders of the issued Participating Shares attending and voting at such meeting.

Appointment and Removal of the Manager

On or before March 30, 2010 and March 30 in each calendar year thereafter, the Board of Directors will convene a meeting of the Company at which a resolution will be put to all holders of Participating Shares to terminate the appointment of the Manager as of 30 June of such year. The approval of the holders of 75% of Participating Shares attending and voting at such meeting will be required for the resolution for the termination of the appointment of the Manager to be passed. Unless the resolution is passed, the Manager's appointment will continue for a further year, at which point holders of Participating Shares will have another opportunity to consider its appointment. See also the section headed “Management, Administration and Prime Brokerage – Manager”.

If the appointment of the Manager is terminated, a new Shareholders’ meeting will be convened to vote for the appointment of a new Manager. The Board of Directors shall nominate at least two candidates on a non-binding basis. The resolution to appoint the new Manager may be passed by a simple majority of the votes of holders of Participating Shares attending and voting at such meeting. If no such resolution is passed, the Board of Directors shall appoint the nominee who is mentioned first on the list of nominees proposed by the Board of Directors as the new Manager.

Amendment of the Memorandum and Articles of Association

The Memorandum or Articles of Association of the Company may be amended by a resolution passed by a two-thirds majority of the votes cast at a general meeting of shareholders, or by a unanimous written resolution of all shareholders.

Final Redemption of Participating Shares

On or prior to the seventh anniversary of the first issue of the Participating Shares (being March 31, 2014), the Board of Directors will convene a general meeting of shareholders of the Company at which a resolution will be put to all holders of Participating Shares to continue the existence of the Company beyond that date for a period of up to two years. The approval of the holders of 75% of the Participating Shares attending and voting at such meeting will be required for the resolution to extend the Company's life to be passed. Unless the resolution is passed, the Company will be placed into liquidation. Reference is made to the section headed "Redemption of Shares – Redemption Proceeds".

Repurchase of Participating Shares

Under the Articles of Association of the Company, the Board of Directors is authorized in its absolute discretion and subject to applicable laws, to effect repurchases of up to 20% of its aggregated issued Participating Shares in any one financial year of the Company at a price per Participating Share not being greater than the Net Asset Value per Participating Share as at the most recent Valuation Day. The Board of Directors will not, however, be obliged to repurchase Participating Shares and holders of Participating Shares will have no right to require such a repurchase. Repurchased shares will automatically be cancelled. See also the section headed "Redemption of Shares – Compulsory Redemption".

Segregated Portfolios

The Board of Directors may determine from time to time to establish separate segregated portfolios. Each segregated portfolio shall be separately designated by reference to a name that includes the words "Segregated Portfolio" and shall have one or more classes of shares to which *inter alia* the following provisions shall apply:

- (i) the proceeds from the allotment and issue of each such class of shares shall be applied in the books of the Company to the relevant segregated portfolio and the assets, profits, gains, income and liabilities, losses and expenses attributable thereto shall be applied in the books of the Company to such segregated portfolio and assets required to satisfy any redemption of shares of any such class or paid as dividends, shall be accounted for out of the relevant segregated portfolio.
- (ii) where any asset is derived from another asset (whether cash or otherwise) such derivative asset shall be applied in the books of the Company to the same segregated portfolio as the asset from which it was derived. On each revaluation of an asset, the increase or decrease in value shall be applied to the relevant segregated portfolio.
- (iii) the assets of each segregated portfolio shall be kept separate and separately identifiable from assets attributable to other segregated portfolios and from the Company's general assets.
- (iv) where any costs or expenses or any liabilities incurred by the Company are specifically attributable to a particular segregated portfolio, they shall be borne only by such segregated portfolio, and where they are not specifically attributable to a segregated portfolio, such costs, expenses, or liabilities shall be allocated among the segregated portfolios on an equitable basis as determined by the Board of Directors in its discretion.

Records

The Company shall, on behalf of each segregated portfolio, establish in its books for that segregated portfolio a separate record with its own distinct designation for each class of shares referable to such segregated portfolio. The proceeds from the allotment and issue of each class of shares shall be applied in the books of the Company for that segregated portfolio to the record established for that class of shares.

The assets, profits, gains, income and liabilities, losses and expenses attributable to a particular class shall be applied to the record relating to such class at the end of each fiscal period. See also the section headed “Additional Information – Fiscal Periods”.

Major Shareholdings and Other Disclosures

Obligations of Shareholders to Disclose Holdings

Holders of Participating Shares may be subject to reporting obligations under Chapter 5.3 of the Supervision Act.

An ultimate beneficial owner of Participating Shares is required to notify the AFM of its capital interest or voting rights forthwith after admission of the Participating Shares to listing on Euronext Amsterdam if, at the time of such admission, such person holds a capital interest or voting rights amounting to at least 5% of the aggregate share capital or voting rights of the Company, provided that such person is aware of its capital interest or voting rights meeting this threshold (or is deemed to be aware thereof).

Furthermore, after such admission, an ultimate beneficial owner of Participating Shares is required to notify the AFM forthwith if it acquires or disposes of an interest in the Company’s capital or voting rights and, as a result thereof, the percentage of capital interest or voting rights held by such person meets, exceeds, or falls below any of the following thresholds: 5%, 10%, 15%, 20%, 25%, 30%, 40%, 50%, 60%, 75% and 95%.

A notification obligation shall also apply if a person’s capital interest or voting rights meets, exceeds or falls below one of the above thresholds as a consequence of a change in the Company’s share capital or voting rights. Such notification shall have to be made forthwith, and in any event no later than on the fourth trading day after the AFM’s publication of the Company’s notification of such event (see below under “Obligations of Others to Disclosure Transactions”).

If a person’s interest is varied due to a change in the composition of such person’s capital interest (e.g. a potential interest has for instance been converted in an actual interest) and was not obliged to notify this variation, such person must update its registration with the AFM within four weeks after the end of the calendar year as long as it holds at least 5% of the capital interest or voting rights.

Notification to the AFM must be made by means of a standard form, in writing or electronically. The AFM keeps a public register of all notifications made pursuant to the Supervision Act.

Obligations of Others to Disclose Transactions

Under the Supervision Act, the Company shall be obliged to notify the AFM forthwith if its share capital or voting rights change by 1% or more as a result of modifications to its share capital or voting rights since its previous notification. The Company may also notify the AFM of any other changes in its share capital at any time, but it must at least notify the AFM of such changes quarterly. In this respect, the Company is obliged to notify the AFM of any changes in its share capital which have occurred during the past quarter within eight days after the calendar quarter has ended.

The Directors and any other person discharging day-to-day co-managerial responsibilities or having the authority to make decisions affecting the Company’s future developments and business prospects and having regular access to inside information relating, directly or indirectly, to the Company (for the purpose of this paragraph, a “Relevant Person”), are required to notify the AFM of the existence of transactions conducted for their own account in Participating Shares or in other securities issued by the Company, the value of which is determined by the value of the Participating Shares.

Pursuant to the regulations promulgated under the Supervision Act, persons who are closely associated with Relevant Persons are also required to notify the AFM of the existence of any transactions conducted

for their own account in Participating Shares or in other securities issued by the Company, the value of which is determined by the value of the Participating Shares. The following categories of persons are considered closely associated: (i) the spouse or any partner considered by national law as equivalent to the spouse, (ii) dependent children, (iii) other relatives who have shared the same household for at least one year at the relevant transaction date, (iv) any legal person, trust or partnership, amongst other things, whose managerial responsibilities are discharged by a person referred to under (i), (ii) or (iii) above.

In these instances, notification as per the above may be postponed until the date the value of the transactions amounts to €5,000 or more per calendar year.

Regulations on Insider Trading and Disclosure

The Company is required to apply a code of conduct in respect of the applicable insider trading rules and reporting obligations in respect of transactions in securities issued by the Company and to draw up a list of persons working for the Company, as employees or otherwise, who could have access to inside information on a regular or incidental basis, to regularly update this list of persons and to inform persons on this list about the relevant prohibitions and sanctions in respect of insider information and market abuse. The Company shall adopt such a code of conduct and insider list prior to the admission to listing on Euronext Amsterdam.

Non-Compliance

Non-compliance with the notification obligations under the Supervision Act could lead to criminal fines, administrative fines, imprisonment or other sanctions. In addition, non-compliance with the Supervision Act may lead to civil actions, which may include the suspension of voting rights and the prohibition of further acquisitions of shares in the capital of the Company.

SUBSCRIPTION FOR PARTICIPATING SHARES

Issuance

The Issuance consists of a private placement of Participating Shares with several institutional investors and other professional investors in the Netherlands and in other jurisdictions who are Eligible Investors. The Company intends to apply for the admission of the Participating Shares to listing and trading on Euronext Amsterdam on or about June 26, 2007, subject to extension of the Subscription Period. The description of an Eligible Investor can be found in the section headed “Transfer Restrictions”.

Participating Shares may be subscribed for until June 25, 2007 at a subscription price equal to the Net Asset Value per Share as per June 22, 2007, subject to extension of the Subscription Period. Applications for subscriptions for Participating Shares and payment for subscriptions in respect thereof must be received in cleared funds in Euros by the Administrator by 5 pm (Amsterdam time) no later than on June 25, 2007 (the Subscription Period). The Participating Shares will be issued on or about June 26, 2007, subject to extension of the Subscription Period.

The Subscription Period may be extended with at least one full trading day which will be announced in a press release at least three hours before the expiration of the original Subscription Period.

The actual number of Participating Shares to be issued pursuant to the Issuance, the subscription price of the Participating Shares and the proceeds of the Issuance will be incorporated in a pricing statement which will be deposited with the AFM on or about June 26, 2007 and published in the Daily Official List of Euronext Amsterdam (*Officiële Prijscourant*) and in a national newspaper distributed daily in the Netherlands, subject to extension of the Subscription Period. The subscription price will also be published on the website of the Company and the Manager as of that date.

Delivery of Participating Shares subscribed for is expected to take place on or about June 29, 2007 (the Settlement Date) through the book-entry facilities of Euroclear Netherlands only, subject to extension of the Subscription Period, in accordance with its normal settlement procedures applicable to equity securities and against payment for the Participating Shares in cleared funds in Euros.

The rights of holders of Participating Shares will rank *pari passu* with each other.

Prior to the listing, there has been no public market for the Participating Shares.

Anticipated Size

The Company for and on behalf of the PS Segregated Portfolio is seeking to raise between €200,000,000 and €500,000,000 in the aggregate, although the Company may in its absolute discretion accept subscriptions in excess of such amounts. The Company raised €39,800,000 pursuant to the Initial Issuance and expects to raise an amount between €160,000,000 and €210,000,000 pursuant to the Issuance. The Board of Directors has the power to issue further Participating Shares on a non-pre-emptive basis. Any issue of Participating Shares shall be at a price not less than the prevailing estimated Net Asset Value of the Participating Shares of the PS Segregated Portfolio at the time of issue.

Payment

Payment for Participating Shares must be made in cash by electronic transfer, net of bank charges, and is due in cleared funds in Euros. Payment must be sent to the bank details noted on the Application Form.

The Board of Directors may however accept subscriptions in kind. No subscriptions in kind will be accepted unless the Board of Directors is satisfied that:

- (i) the investments to be transferred are valued in accordance with the valuation provisions set out in the Articles of Association of the Company and summarized herein; and
- (ii) the terms of any such transfer shall not materially prejudice the remaining Shareholders of the Company.

Any bank charges in respect of electronic transfers will be deducted from subscriptions and the net amount will only be invested in Participating Shares.

Procedure for the Purchase of Participating Shares

Applications are subject to the terms of this Prospectus, the Memorandum and Articles of Association of the Company and the attached Application Form.

Only Eligible Investors may subscribe for Participating Shares. Participating Shares may only be issued in the names of companies, partnerships or individuals. Further, Participating Shares purchased for those under 18 years of age must be registered in the name of the parent or legal guardian.

Application must be made in the form of the attached Application Form, which should be sent to the Administrator at the address or facsimile number set forth in the Application Form. Subscriptions cannot be withdrawn by investors. Multiple subscriptions by investors are permitted.

Where applications are made by facsimile, the original written form should be forwarded without delay to the Administrator. Participating Shares will not be issued until the original Application Form and all other relevant due diligence documents have been received by the Administrator in connection with the applicable 'know your customer' rules and anti-money laundering requirements (see hereafter).

Any application may be rejected or scaled down in the absolute discretion of the Board of Directors. Where applications are scaled down or rejected, subscription monies received by the Company will be returned to the account from where the monies were initially remitted, without interest.

Investors will be informed by the Administrator of the number of Participating Shares allotted to them on or about June 29, 2007. Confirmation notices will include a Shareholder identification number and details of the Participating Shares that have been allotted. However, confirmation notices will be sent to subscribers only after approval of their Application Form and satisfactory completion of due diligence as referred to above.

The treatment of subscriptions in the allotment shall not be determined on the basis of which firm they are made through or by.

Form of Participating Shares and Settlement System

Participating Shares will be held in registered form and are entered into the collection deposit (*verzameldepot*) and/or giro deposit (*girodepot*) on the basis of the Dutch Securities Giro Act (*Wet Giraal Effectenverkeer*). Application has been made for the Participating Shares to be accepted for clearance through the book-entry facilities of Euroclear Netherlands. Share certificates will not be issued nor will any other documentation be issued evidencing shareholdings other than confirmation notices.

The following summarizes the Company's understanding of the operation of the NECIGEF settlement system of Euroclear Netherlands.

Investors who wish to trade their Participating Shares on Euronext Amsterdam must have a security account with a financial institution, which directly or indirectly has access to Euroclear Netherlands. Euroclear Netherlands holds securities for its direct participants, which include banks, securities brokers and dealers, and facilitates the settlement of securities transactions between its participants through electronic book-entry changes in their accounts.

Euroclear Netherlands will, on behalf of participants, collect all dividends, interests, distributions and any other payments due and received and will notify participants as to the amounts to which they are entitled and the dates when such amounts are due. Dividends, interest, commission, charges and taxes will be credited or debited when due and received. It will be the responsibility of the participants to pass on all dividends, interests, distributions and other yields and payments and any information received from Euroclear Netherlands to their clients.

Transfers of the Participating Shares will be effected in accordance with procedures established for this purpose by Euroclear Netherlands.

Listing Agent and Paying Agent

ING Bank N.V. is the Listing Agent and Paying Agent with respect to the listing and trading of the Participating Shares on Euronext Amsterdam. The addresses of the Listing Agent and Paying Agent are:

Listing Agent:
ING Bank N.V.
Van Heenvlietlaan 220
1083 CN Amsterdam
The Netherlands

Paying Agent:
ING Bank N.V.
Van Heenvlietlaan 220
1083 CN Amsterdam
The Netherlands

Prevention of Money Laundering

To ensure compliance with applicable statutory requirements relating to anti-money laundering and anti-terrorism initiatives, the Administrator, on behalf of the Company, will require verification of identity and source of funds from all prospective investors. Depending on the circumstances of each subscription, it may not always be necessary to obtain full documentary evidence of identity and/or source of funds where:

- (a) the subscriber is a licensed entity or financial institution regulated in a country recognized as having an adequate anti-money laundering regime¹;
- (b) the subscriber is an entity or financial institution listed on the Cayman Islands or other approved stock exchange²; or
- (c) the subscription funds have been paid from an account held in the name of the subscriber from a financial institution based in a country recognized as having an adequate anti-money laundering regime.

In addition, the Company is prohibited to issue Participating Shares to any persons other than Eligible Investors. See section “Transfer Restrictions”.

¹ The list of acceptable countries are: Argentina, Austria, Bahamas, Bahrain, Belgium, Bermuda, Brazil, British Virgin Islands, Canada, Denmark, Dubai, Finland, France, Germany, Gibraltar, Greece, Guernsey, Hong Kong, Iceland, Ireland, Italy, Japan, Jersey, Isle of Man, Liechtenstein, Luxembourg, Malta, Mexico, Netherlands, New Zealand, Norway, Panama, Portugal, Singapore, Spain, Sweden, Switzerland, Turkey, United Arab Emirates, United Kingdom, United States of America.

² A list of approved Stock Exchanges can be found under Appendix H of the Cayman Islands Money Laundering Regulations (as amended) which may be accessed on the Cayman Islands Monetary Authority website at www.cimoney.com.ky.

As mentioned above, the Company or the Administrator on its behalf, reserves the right to request such evidence as is necessary to verify the identity and source of funds of a prospective investor. The Company or the Administrator on its behalf also reserves the right to request such verification evidence in respect of a transferee of Participating Shares. In the event of delay or failure by the prospective investor or transferee to produce any evidence required for verification purposes, the Company or the Administrator on its behalf may refuse to accept the application or (as the case may be) to register the relevant transfer, and (in the case of a subscription of Participating Shares) any funds received will be returned without interest to the account from which such funds were originally debited.

If, as a result of any information or other matter which comes to his attention during the course of his business, trade, profession or employment, any person resident in the Cayman Islands (including the Company, its Directors and the Administrator) knows or suspects that payment to the Company (by way of subscription or otherwise) is the proceeds of criminal conduct, such person is required to report such information or other matter pursuant to the Proceeds of Criminal Conduct Law (2005 Revision) of the Cayman Islands and such report shall not be treated as a breach of any restriction upon the disclosure of information imposed by law or otherwise.

REDEMPTION OF SHARES

General

On or prior to the seventh anniversary of the first issue of the Participating Shares (being March 31, 2014), the Board of Directors will convene a general meeting of shareholders at which a resolution will be put to all holders of Participating Shares to continue the existence of the Company beyond that date for a period of up to two years. The approval of the holders of 75% of Participating Shares held by such Shareholders attending and voting at such meeting will be required for the resolution to extend the Company's life to be passed. Unless the resolution is passed, the Company will be placed into liquidation and the Participating Shares will be redeemed.

Cayman Islands law imposes certain restrictions on the redemption of Participating Shares, particularly where the Company is not funding such redemption out of profits or the proceeds of fresh issues of shares made for the purposes of redemption. In particular, any redemption payment out of capital will only be possible if the Company remains able to pay its debts as they fall due in the ordinary course of business after such redemption payment is made out of capital.

The Company, or the Administrator on its behalf, also reserves the right to refuse to make any redemption payment or distribution to a Shareholder of the Company if any of the Directors of the Company 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 Company, its Directors or the Administrator with any such laws or regulations in any relevant jurisdiction.

Redemption Proceeds

At redemption, Shareholders will be paid a redemption price, which is calculated in accordance with the Articles of Association of the Company and is based on the Net Asset Value per Participating Share on the preceding Valuation Day (the "Redemption Price").

The Redemption Price will be paid in Euros by electronic transfer at the request and expense of the redeeming Shareholder of the Company and the Company will use its reasonable endeavors to make such payment within 20 calendar days of the relevant Valuation Day.

The Company aims to effect the payment of all redemption proceeds in cash. However, the Board of Directors under circumstances of low liquidity or adverse market conditions may elect to effect the payment of the redemptions in assets of the Company. No investment will be transferred to a Shareholder of the Company unless the Board of Directors is satisfied that:

- (i) the value of the investments to be transferred, calculated in accordance with the valuation provisions set out in the Articles of Association of the Company and summarized herein, is equal to and does not exceed the Net Asset Value of the Participating Shares to be redeemed less all fiscal duties and charges arising in connection with the vesting of such investments in the Shareholder; and
- (ii) the terms of any such transfer do not materially prejudice the interests of the remaining Shareholders of the Company.

Investments may be transferred directly to the redeeming Shareholder or may be transferred to a liquidating account and sold by the Company for the benefit of the redeeming Shareholder, in which case

payment of that proportion of the Redemption Price attributable to such investments will be delayed until such investments are sold and the amount payable in respect of such investments will depend on the performance of such investments through to the date on which they are sold. The cost of operating the liquidating account and selling the investment(s) will be deducted from the proceeds of sale paid to the redeeming Shareholder.

Compulsory Redemption

Shareholders are required to notify the Company and the Administrator immediately in the event that they cease to be Eligible Investors whereupon they may be required to, and the Company shall be entitled to redeem their Participating Shares at the Net Asset Value per Participating Share as at the next Valuation Day succeeding the date of such notification. The Company reserves the right to redeem any Participating Shares that are or become owned, directly or indirectly, by or for the benefit of any person who is not an Eligible Investor.

CALCULATION OF NET ASSET VALUE

Net Asset Valuation

The Net Asset Value per Participating Share is determined by the Administrator at the close of business on the last Business Day of each month (each a “Valuation Day”) by dividing the Net Assets Value of the PS Segregated Portfolio by the number of Participating Shares outstanding. All accrued debts and liabilities of the PS Segregated Portfolio will be deducted from the total value of the assets of the PS Segregated Portfolio, including, but not limited to:

- (i) the aggregate of accrued management fees and performance fees of the Manager and the accrued fees of the Administrator; and
- (ii) an allowance for the estimated annual audit, director, and legal fees; and
- (iii) any contingencies for which reserves are determined to be required by the Board of Directors.

The PS Segregated Portfolio will bear its own operating expenses, including, but not limited to, taxes, organizational and investment expenses (reasonably determined to be related to the investment of the assets of the PS Segregated Portfolio), administrative expenses, legal and licensing expenses, audit, interest and Shareholder communication expenses, and other expenses associated with the operation of the PS Segregated Portfolio. See the section headed “Management, Administration and Prime Brokerage – Operating Expenses”.

Any assets or liabilities initially expressed in terms of currencies other than Euro, are translated into Euro in accordance with international financial reporting standards.

In general, investments of the PS Segregated Portfolio will be valued by the Administrator as follows:

Securities, including futures, options and other derivatives, that are listed or quoted on a recognized securities exchange (which shall include any interdealer quotation system which provides for reporting of last sale price), are valued at their last sales prices reported on such exchange on the Valuation Day or, if no prices were quoted on such date, at the last reported "bid" price (in the case of a security held long) and the last reported "asked" price (in the case of a security sold short) on the Valuation Day or, if no such prices have been quoted on such date, at the value assigned reasonably and in good faith by the Board of Directors or the Administrator. Note that no price adjustment will be made in respect of the potential reduced liquidity of larger positions.

Securities that are not listed or quoted on a recognized securities exchange, are valued at the last reported "bid" price (in the case of a security held long) and the last reported "asked" price (in the case of a security sold short) on the Valuation Day or, if no such prices were quoted on such date, on the most immediate prior date on which such prices were quoted or, if no such prices have been quoted during a period of 15 Business Days prior to the Valuation Day, at the value assigned reasonably and in good faith by the Board of Directors or the Administrator.

With respect to securities sold short, the market value of such securities, as determined in accordance with the above paragraphs, shall be included in the liabilities of the Company.

Futures, options and other derivatives that are not listed or quoted on a recognized securities exchange are valued using appropriate theoretical pricing models. Prices are then checked wherever possible against independent prices from the Prime Broker or other reliable independent brokers and counter parties.

Commodity futures are valued based upon the closing quotations reported for the same on the principal

board of trade or other contract market in which dealings are made.

Forward currency contracts will be valued based upon quotations from the counterparty bank. Commodity options traded on a contract market will be valued at their last sales price on the Valuation Day on the principal contract market on which such options are traded (or, in the event that the Valuation Day is not a day upon which a contract market on which such options are traded was open for trading, on the last prior date on which such contract market was so open) or, if no sales occurred on either of the foregoing dates, at the mean between the "bid" and the "asked" prices on the principal contract market on which such options are traded on the Valuation Day (or, in the event that the Valuation Day is not a date upon which such contract market was open for trading, on the last prior date on which such contract market was open). Premiums received for the writing of commodity options traded on the contract market will be included in the assets of the Company and the market value of such options shall be included as a liability of the Company.

In the case of listed securities, futures, options and other derivatives for which market quotations are either unavailable or appear inaccurate, such securities, futures, options and other derivatives will be valued at fair value as determined in good faith using methods approved by the Board of Directors and the Administrator. In the event that the Board of Directors and the Administrator have estimated such fair value, the actual value may prove significantly different and such event may materially affect the Net Asset Value calculation.

Short-term debt securities with remaining maturities of 60 days or less at the time of purchase are valued at amortized cost; other short-term securities are valued on a mark-to-market basis until such time as they reach a remaining maturity of 60 days, whereupon they are valued using the amortized cost method, taking as cost their market value on the 61st day.

The Board of Directors and the Administrator may decide to adopt other methods of valuation if the resulting valuation better reflects the fair value of any asset.

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

In calculating the Net Asset Value per Participating Share, the Administrator may rely upon such automatic pricing services as it shall determine or, if so instructed by the Board of Directors, it may use information provided by particular pricing services, brokers, market makers or other intermediaries. In such circumstances, the Administrator shall not, in the absence of fraud, negligence or willful default on the part of the Administrator, be liable for any loss suffered by the PS Segregated Portfolio or any Shareholder by reason of any error in the calculation of the Net Asset Value per Participating Share resulting from any inaccuracy in the information provided by any such pricing service, broker, market maker or other intermediary. Furthermore, in calculating the Net Asset Value per Participating Share, the Administrator shall use reasonable endeavors to verify pricing information supplied by the Manager or any connected person, but investors should note that in certain circumstances it may not be possible or practicable for the Administrator to verify such information. In such circumstances, the Administrator shall not be liable for any loss suffered by the PS Segregated Portfolio or any Shareholder by reason of any error in the calculation of the Net Asset Value per Participating Share resulting from any inaccuracy in the information provided by any such person.

Suspension of Net Asset Value Calculation

The Company may suspend the calculation of the Net Asset Value per Participating Share for the whole or any part of any period:

- (a) during which any market in which a significant portion of the Company's investments are currently quoted or traded is closed, other than for customary holidays and weekends, or during which dealing therein is restricted or suspended; or
- (b) during the existence of any state of affairs which, in the opinion of the Directors, constitutes an emergency as a result of which disposition by the Company of investments owned by it is not reasonably practicable or would be seriously prejudicial to the Company; or
- (c) during any breakdown in the means of communication normally employed in determining the price or value of any of the Company's investments, or of current prices in any market as aforesaid, or when for any other reason the prices or values of a significant proportion of investments owned by the Company cannot reasonably be promptly and accurately ascertained; or
- (d) when there exists such other extraordinary circumstances as determined in good faith by the Directors, after consulting with the Manager and Sub-Manager, that cause redemptions or such payments to be impracticable under existing economic or market conditions or the inability of (or inadvisability in the opinion of) the Directors, after consulting with the Manager and Sub-Manager, to liquidate securities.

TRANSFER RESTRICTIONS

It is the responsibility of each investor to ensure that the purchase of Participating Shares does not violate any applicable laws in the investor's jurisdiction of residence. Furthermore transfers of Participating Shares may only be conducted in accordance with the anti-money laundering policies and procedures of the Administrator (see the section headed "Subscription for Participating Shares – Prevention of Money Laundering"). A transferee will be required to complete an Application Form and will be required to be an Eligible Investor. Participating Shares may not be acquired directly or indirectly for the account or benefit of a United States Person and all investors other than a United States Person or persons acquiring Participating Shares directly or indirectly for the account or on behalf of United States Persons are eligible investors (each an "Eligible Investor"). A "United States Person" shall mean:

- (a) any citizen or natural person who is a resident of the United States (which includes for purposes of this section territories and possessions of the United States and areas subject to its jurisdiction);
- (b) any partnership, corporation or other entity organized or incorporated in the United States or under the laws of the United States or of any State;
- (c) any estate of which any executor or administrator is a United States Person as defined in subparagraphs (a) and (b) or the income of which is subject to U.S. Federal income tax regardless of source;
- (d) any trust of which any trustee is a United States Person as defined in subparagraphs (a) and (b) or the income of which is subject to U.S. Federal income tax regardless of source;
- (e) any agency or branch of a non-United States entity located in the United States;
- (f) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organized, incorporated or, (if an individual), resident in the United States;
- (g) any partnership or corporation if (A) organized or incorporated under the laws of any foreign jurisdiction, and (B) formed by a US Person principally for the purpose of investing in securities not registered under the United States Securities Act of 1933, as amended (the "Securities Act"), unless it is organized or incorporated, and owned, by accredited investors (as defined in Rule 501(a) under the Securities Act) who are not natural persons, estates or trusts. In addition, for taxable years beginning after December 31, 1996; the term US Person includes a trust where: (i) a court within the United States is able to exert primary supervision over the administration of the trust, and (ii) one or more of the United States fiduciaries have authority to control all substantial decisions of the trust.
- (h) 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 outside the United States):
 - A. in which United States Persons hold units of participation representing in the aggregate 10% or more of the beneficial interest in the entity; or
 - B. which has as a principal purpose the facilitating of investment by a United States Person in a commodity pool with respect to which the operator is exempt from certain requirements of Part 4 under the U.S. Commodity Exchange Act regulations by virtue of its participants being non-United States Persons.

Except as required above, "United States Person" does not include:

- (a) any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-United States Person by a dealer or other professional fiduciary organized, incorporated or, if an individual, resident in the United States;
- (b) any estate of which any professional fiduciary acting as executor or administrator is a United States Person if (i) an executor or administrator of the estate who is not a United States Person has sole or shared investment discretion with respect to the assets of the estate and (ii) the estate is governed by foreign law;
- (c) any trust of which any professional fiduciary acting as trustee is a United States Person if a trustee who is not a United States Person has sole or shared investment discretion with respect to the trust assets, and no beneficiary of the trust (and no settler if the trust is revocable) is a United States Person;
- (d) an employee benefit plan established and administered in accordance with the law of a country other than the United States and customary practices and documentation of such country; or
- (e) any agency or branch of a United States Person located outside the United States if (i) the agency or branch operates for valid business reasons and (ii) the agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located.
- (f) Certain international organizations as specified in Rule 902(o)(7) of Regulation S under the Securities Act.

Participating Shares may not be offered for sale to members of the public of the Cayman Islands.

TAXATION

Cayman Islands

The following is a general discussion of certain of the anticipated Cayman Islands tax consequences to the Company and its Shareholders arising from the operation of the Company. This discussion is based on laws, regulations promulgated thereunder, published administrative rulings and judicial decisions currently in effect, all of which may change or be subject to different interpretations, possibly with retroactive effect.

In view of the number of different jurisdictions where local laws may apply to Shareholders of the Company, the discussion below does not address all the tax consequences to potential investors of the purchase, ownership, and disposition of Participating Shares. Prospective investors are urged to consult their own tax advisors in determining the possible tax consequences to them under the laws of the jurisdictions of which they are citizens, residents or domiciliaries, jurisdictions in which they conduct business and jurisdictions in which they hold Participating Shares. This discussion does not constitute tax advice.

Company Level

The Company is not subject to any income, withholding or capital gains taxes in the Cayman Islands. The Company is registered as an exempted limited company under Cayman Islands law and, as such, has applied for and obtained an undertaking from the Governor-in-Cabinet that, for a period of twenty years from 19 September 2006:

- (a) no law which is thereafter enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciations shall apply to the Company or its operations; and
- (b) in addition, that no tax to be levied on profits, income gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable by the Company:
 - (i) on or in respect of the shares, debentures or other obligations of the Company; or
 - (ii) by way of the withholding in whole or in part of any relevant payment as defined in section 6(3) of the Tax Concessions Law (1999 Revision).

Shareholder Level

Shareholders of the Company will not be subject to any income, withholding or capital gains taxes in the Cayman Islands, with respect to the Participating Shares owned by them and dividends received on such Participating Shares, nor will they be subject to any estate or inheritance taxes in the Cayman Islands.

European Union Savings Directive

Dividends and other distributions of income made by the Administrator or the Paying Agent on behalf of the Company, together with payment of the proceeds of sale and/or redemption of Participating Shares ("Payments"), are not subject to any reporting requirements that arise as a result of the Cayman Islands legislation (the "Cayman EUSD Legislation") implementing measures similar to the EU Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments (the "EUSD"). For the purpose of the Cayman EUSD Legislation, the Company is a non-UCITS fund and therefore Payments by the Company are "out of scope".

If an investor is based in the European Union or certain states that have equivalent measures to the EUSD (including Switzerland, Channel Islands, Monaco and the Cayman Islands) and is making an investment in the Company on behalf of other underlying investors who are individuals or certain unincorporated entities resident in the European Union or certain of the states that have equivalent measures to the

EUSD, then the provisions of the EUSD may apply. In such circumstances the investor may become the paying agent for EUSD purposes pursuant to implementing measures in the investor's country of residence and may be required pursuant to such measures to either obtain all relevant information relating to its underlying investors and their indirect investment in the Company, and make returns to the appropriate tax authorities under EUSD, or withhold tax at applicable rates from any distribution made to an underlying investor in respect of a Payment.

It is the responsibility of all persons interested in purchasing Participating Shares to inform themselves as to any income or other tax consequences arising in the jurisdictions in which they are resident or domiciled for tax purposes, as well as any foreign exchange or other fiscal or legal restrictions, which are relevant to their particular circumstances in connection with the acquisition, holding or disposition of Participating Shares.

The Netherlands

This taxation summary solely addresses Dutch withholding tax consequences of the listing of the Participating Shares on Euronext Amsterdam. It does not address any other Dutch tax consequences, i.e. of the acquisition, the ownership and disposition of Participating Shares in the Company.

Withholding Tax

The Board of Directors intends to conduct the affairs of the Company so that it does not become resident in the Netherlands. Under the assumption that the Board of Directors succeeds in so conducting the affairs of the Company, all payments on the Participating Shares may be made free from withholding or deduction of, for or on account of any taxes of whatever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein.

Whether the Company becomes resident in the Netherlands depends on the circumstances. Decisive in this respect is the place of effective management of the Company. Circumstances that are relevant to determine the place of effective management are, amongst others:

- (i) the place where the meetings of the Board of Directors of the Company are held, where the members of the Board of Directors perform their duties and where the important management decisions are made;
- (ii) the place where the Company has an office;
- (iii) the place where the bookkeeping of the Company is carried out and where the annual accounts are prepared;
- (iv) the place where the main bank account of the Company is maintained; and
- (v) the place of residence of the members of the Board of Directors of the Company.

As long as no such form of nexus with the Netherlands is present, it is highly unlikely that the Company can be classified as a resident in the Netherlands.

If the Board of Directors does not succeed in so conducting the affairs of the Company outside the Netherlands, all payments on the Participating Shares made by the Company are generally subject to a withholding tax imposed by the Netherlands at a rate of 15%. If a withholding tax is required by law, the Company will not be under the obligation to pay any additional amount.

MARKET INFORMATION

Euronext Amsterdam

The Company intends to apply for the admission of the Participating Shares to listing and trading on Euronext Amsterdam. Upon listing and trading of the Participating Shares on Euronext Amsterdam, the Company will be subject to Dutch securities regulations and supervision by the relevant Dutch authorities.

Market Regulation

The AFM is the market regulator in the Netherlands and supervises market conduct of the parties active on the securities markets. The AFM has supervisory powers with respect to the application of takeover regulations. It also supervises financial intermediaries and investment advisers. The AFM is also the competent authority for approving prospectuses published for admission of securities to trading on Euronext Amsterdam, except for prospectuses approved in Member States of the European Economic Area that are used in the Netherlands in accordance with applicable passporting rules. The surveillance units of Euronext and the AFM monitor and supervise all trading operations.

Trading Information

The Participating Shares will be traded through the book-entry facilities of Euroclear Netherlands, only. The address of Euroclear Netherlands is: Damrak 70, 1012 LM Amsterdam.

The Participating Shares will be traded on Euronext Amsterdam under the following characteristics:

ISIN Code: KYG545791009

Common Code: 029837198

Amsterdam Security Code: 81762

Euronext Amsterdam Symbol: "LEO"

ADDITIONAL INFORMATION

Fiscal Year

The fiscal year of the Company will end on December 31 of each year. The first fiscal year shall be the period from incorporation of the Company to December 31, 2007.

Fiscal Periods

Since Participating Shares may be issued and redeemed, and dividends may be declared on Participating Shares, during the course of a fiscal year, the Company's Articles of Association provide for fiscal periods, which are portions of a fiscal year, for the purpose of allocating net profits and net losses to the records maintained for each class within the PS Segregated Portfolio. A new fiscal period will commence on the date following the date of any redemption of Participating Shares, the date of any issuance of Participating Shares and the date established by the Board of Directors for determining the record ownership of Participating Shares of any class for the payment of dividends, and the prior fiscal period will terminate on the date immediately preceding the first day of a new fiscal period.

Financial Statements

The Company's audited annual accounts and annual report will be prepared as per December 31 of each year, commencing with the first financial period ending December 31, 2007. It is anticipated that copies of the annual accounts and annual report will be sent to the Shareholders by April 30 each year. Shareholders will also receive an unaudited half-yearly report each year in respect of the period ending June 30, to be delivered by August 31 immediately following. The first half-yearly report will be for the period ending June 30, 2007.

Following the implementation of Directive 2004/109/EC, the Company may also become obliged to publish interim management statements covering the first and third quarter.

The Company's financial statements will be prepared on the basis of IAS/IFRS as adopted by the European Union.

Auditors

PricewaterhouseCoopers are the auditors of the Company. The Board of Directors may replace the auditors without prior notice to the Shareholders of the Company.

Available Information

Available Documents

This Prospectus is not intended to provide a complete description of the Company's Memorandum or Articles of Association or the Material Contracts agreements entered into by the Company. Copies of all such documents together with a copy of the Companies Law and the most recent audited financial statements of the Company are available for inspection by Shareholders and prospective investors during normal business hours at the office of the Administrator at the address set forth in the Directory. Copies of these documents and of this Prospectus may also be obtained free of charge for the life of this Prospectus upon request sent to the Administrator at the address set forth in the Directory and the Paying Agent at the address set forth in the section headed "Subscription for Participating Shares – Listing Agent and Paying Agent".

Enquiries

All enquiries by Shareholders and prospective investors should be directed to the Administrator, at the address set forth in the Directory.

Information

The following information will be published on the website of the Company, www.leocapitalgrowth.ky, on the website of the Manager, www.leofund.bm, and on www.bloomberg.com:

- Net Asset Value per Participating Share as determined by the Administrator at each Valuation Day;
- Any reasons for suspension of the calculation of the Net Asset Value; and
- Any investment in any single underlying issuer in excess of 20% of the Gross Assets of the Company.

Notices

All notices to Shareholders will be published on the website of the Company, www.leocapitalgrowth.ky, on the website of the Manager www.leofund.bm, in a nationally distributed daily newspaper distributed in the Netherlands and in the Daily Official List of Euronext Amsterdam (*Officiële Prijscourant*).

Corporate Resolutions

Prior to the Listing Date, the Board of Directors shall resolve to approve the allotment of Participating Shares by the Company upon the terms contained in this Prospectus, the Application Form and the Articles of Association.

Legal Proceedings

There are no governmental, legal or arbitration proceedings current, pending or threatened of which the Company is aware, during a period covering at least the past 12 months which may have, or have had in the recent past significant effects on the Company and/or group's financial position or profitability.

GLOSSARY OF TERMS

| | |
|--------------------------------------|--|
| "Administrator" | BISYS Hedge Fund Services (Ireland) Limited |
| "AFM" | the Dutch Authority for the Financial Markets (" <i>Autoriteit Financiële Markten</i> ") |
| "Application Form" | the subscription and share application form set out at the end of this Prospectus |
| "Articles of Association" | the articles of association of the Company to be adopted by special resolution on or about June 20, 2007, as the same may be amended for time to time |
| "Board of Directors" | the board of directors of the Company |
| "Business Day" | a day on which commercial banks are open for general business in London, Dublin and the Cayman Islands |
| "Capital Restructuring" | the increase of (i) the nominal value of the participating shares from €0.01 to €50,000 and (ii) the authorized capital of the Company from €50,000 to €250,000,001 divided into 100 Management Shares with a nominal value of €0.01 each and 5,000 Participating Shares with a nominal value of €50,000 each pursuant to the Articles of Association. |
| "Companies Law" | the Companies Law (Revised) of the Cayman Islands |
| "Company" | Leo Capital Growth SPC |
| "Directors" | the members of the Board of Directors from time to time |
| "Eligible Investors" | all investors other than a United States Person or persons acquiring Participating Shares directly or indirectly for the account on behalf of United States Persons |
| "Euronext" | the stock market of Euronext Amsterdam N.V. |
| "Euronext Amsterdam" | Eurolist by Euronext Amsterdam |
| "FSA" | the UK Financial Services Authority |
| "Gross Assets" | Net Asset Value plus any borrowings plus the market value of any securities sold short |
| "GSI", "Custodian" or "Prime Broker" | Goldman Sachs International |
| "Initial Issuance" | the initial issue of 39,800 Participating Shares at on March 31, 2007 at a subscription price of €1,000 which were consolidated into 398 |

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|---|---|
| | Participating Shares issued at a price of €100,000 each pursuant to the Capital Restructuring |
| "Issuance" | the issue of Participating Shares offered pursuant to this Prospectus |
| "Investment Committee" | the investment committee established by the Board of Directors |
| "Investment Paper" | the investment paper prepared by the Sub-Manager in relation to investment opportunities |
| "Listing Agent" | ING Bank N.V. |
| "Listing Date" | the date on which the Participating Shares will be listed and traded on Euronext Amsterdam which is expected to take place on or about June 26, 2007, subject to extension of the Subscription Period |
| "Manager" | Leonardo Capital Management Limited |
| "Management Shares" | non-participating shares of €0.01 nominal value in the capital of the Company attributable to its general assets having the rights provided for in the Articles of Association |
| "Material Contracts" | the agreement with the Manager, the Sub-Manager and the Administrator summarized in the section headed "Management, Administration and Prime Brokerage" |
| "Memorandum and Articles of Association" | the memorandum of association of the Company adopted by special resolution on or about June 20, 2007, as the same may be amended for time to time, and the Articles of Association |
| "Net Asset Value" | in relation to the Company or the PS Segregated Portfolio, as the context may require, the value of its assets less its liabilities, as determined by the Administrator in accordance with the policies and principles set out in the Articles of Association and this Prospectus, as the same may be amended from time to time |
| "Participating Shares" | participating shares of €50,000 nominal value in the PS Segregated Portfolio of the Company having the rights provided for in the Articles of Association and outstanding from time to time |
| "Paying Agent" | ING Bank N.V. |
| "PS Segregated Portfolio" | the segregated portfolio created by the Company in respect of the Participating Shares |
| "Prospectus" | this Prospectus |
| "Prospectus Directive" | Directive 2003/71/EC |

| | |
|--|---|
| "Redemption Price" | the price at which Participating Shares will be redeemed, calculated in accordance with the Articles of Association of the Company |
| "Securities Act" | the United States Securities Act of 1933, as amended |
| "Settlement Date" | the date on which the Participating Shares will be delivered which is expected to take place on or about June 29, 2007, subject to extension of the Subscription Period |
| "Shareholder" | holder of Participating Shares |
| "Sub-Manager" | Leo Fund Managers Limited |
| "Subscription Period" | the subscription period running until 5 pm (Amsterdam time) on June 25, 2007, unless extended |
| "Supervision Act" | Dutch Financial Market Supervision Act (<i>Wet op het financieel toezicht</i>) |
| "US Person" or "United States Person" | has the meaning assigned to it in the section headed "Transfer Restrictions" in this Prospectus |
| "Valuation Day" | the last Business Day of each month |

Subscription and Share Application Form

Leo Capital Growth SPC - Participating Shares in the PS Segregated Portfolio

The form duly completed should be sent to:

Leo Capital Growth SPC
c/o BISYS Hedge Fund Services (Ireland) Limited
4th Floor,
1 George's Quay Plaza,
George's Quay,
Dublin 2
Ireland

Fax: 00 353 1 672 5361

Attention: Shareholder Services Department

I/We hereby acknowledge that I/we have received and considered the Prospectus dated June 18, 2007 in connection with Leo Capital Growth SPC (the "Company") and this application is made on the terms thereof and subject to the provisions of the Company's Memorandum and Articles of Association from time to time in force. Yes No

I/We hereby acknowledge that I/we have read and fully considered and understood the Prospectus in connection with this application for Leo Capital Growth SPC class Participating Shares in the PS Segregated Portfolio in the Company (the "Participating Shares") and that I/we have evaluated my/our investment in the Company in the PS Segregated Portfolio in light of my/our financial condition and resources. I/we confirm that I/we am/are aware of the risks involved in investing in the PS Segregated Portfolio of the Company and that an inherent risk in this investment is the potential to lose of all of my/our investment. Yes No

I/We the undersigned hereby apply for such number of Leo Capital Growth SPC Participating Shares subscribed for with Euro

.....[amount in words]

.....[amount in numbers] and undertake to have settled

therefore in full by telegraphic transfer, for value by.....

EURO Account details

Branch: JP Morgan A.G., Frankfurt
Swift: CHASDEFX
BLZ: 50110800
Account Name: Leo Capital Growth SPC
Account Number: 6161607798
IBAN Code: DE20501108006161607798

Notes:

- (i) *The Application Form must be received no later than on June 25, 2007 at 5 pm (Amsterdam time) for subscriptions during the Subscription Period.*
- (ii) *Subscriptions cannot be withdrawn.*

Please insert contact details:

Fax No:

Email address:.....

I/we hereby acknowledge that I/we have received and considered the Prospectus and this application is made on the terms thereof and subject to the provisions of the Company's Memorandum and Articles of Association from time to time in force and that I/we have not relied on any representations or statements or information provided by or on behalf of the Company other than information contained therein. I/we further hereby undertake to observe and be bound by the provisions of the Memorandum and Articles of Association (as amended from time to time) of the Company and hereby apply to be entered in the register of Shareholders as the holder of the Participating Shares issued in relation to this application. Further, I/we confirm that I/we am/are not a United States Person as described in the Prospectus and, in particular, am not a national or resident of or a partnership or corporation organized or existing under the laws of the United States or any state, territory or possession thereof nor do I/we hold or intend to hold Participating Shares for the benefit of any such person.

I/We am/are fully empowered and have the authority to make this investment whether the investment is my/our own or is made on behalf of another person or institution.

I/We warrant that (i) I/we have the knowledge, expertise and experience in financial matters to evaluate the risks of investing in the Company; (ii) I/we are aware of the risks inherent in investing in the Company and the investment policies of the Company and the method by which the assets of the Company are held and/or traded and that (iii) I/we can bear the risk of loss of the entire investment.

I/We confirm that (i) I am/we are aware of the risks involved in investing in the Company and that an inherent risk in this investment is the potential to lose all of my/our investment; (ii) I am/we are applying for Participating Shares on the basis of the Prospectus and I/we have not relied on any representations or statements made or information provided by or on behalf of the Company other than information contained in the Prospectus; (iii) I/we have such knowledge and experience in financial, investment and business matters as to be capable of evaluating the merits and risks associated with an investment in the Participating Shares, and I am/we are able to bear the economic risk of such investment; and (iv) the Company has made available to it the Material Contracts described in the Prospectus together (where applicable) with the most recent annual report and accounts of the Company and has given it an opportunity to verify and to clarify any information contained in the Prospectus and such documents.

I/We acknowledge that the Company and the Administrator have the right to reject this application, in whole or in part, and need not give a reason for such rejection. In such circumstances, the full amount of funds tendered, or the excess in respect of a scaled down subscription, will be refunded without interest to the bank account from which the original subscription funds were remitted.

I/We acknowledge that due to anti-money laundering requirements, the Administrator and the Company (as the case may be) may require further verification of the identity and source of funds of me/us before the application can be processed. If the verification evidence supplied is not satisfactory, the Administrator will return the subscription money to the bank account from which they were remitted, at my/our expense and with no interest accruing thereon. I/We hereby release and waive the rights to any claim against the Company or the Administrator in respect of any loss suffered as a result of such action being taken. The Administrator, the Manager, the Sub-Manager and the Company shall be held harmless and indemnified against all loss arising as a result of a failure to process the application if such information has been required by the parties referred to and has not been provided by me/us.

I/We acknowledge and understand that under the Proceeds of Criminal Conduct Law of the Cayman Islands (as amended), a person who is a resident in the Cayman Islands (including the Administrator) must, if he knows or suspects that a payment to the Company (by way of subscription or otherwise) represents proceeds of criminal conduct, report his knowledge or suspicion to the reporting authority, and such report shall not be treated as a breach of any restriction upon the disclosure of information imposed by law or otherwise.

I/We agree to accept the number of Participating Shares that shall be allotted by the Company for the subscription amount which it has tendered, in accordance with the terms of the Prospectus and subject to the Prospectus and Articles of Association of the Company and to have such Participating Shares registered exactly as provided in the registration details below.

I/We acknowledge that payments in respect of subscription and redemption will be made in Euros and that adverse fluctuations in exchange rates could reduce the return to it upon the redemption of Participating Shares;

I/We understand and agree that any redemption proceeds paid to it will be paid to the same account from which my/our investment in the Company was originally remitted, unless the Company or the Administrator, in its sole discretion, agrees otherwise;

I/We agree to the delivery of notices of meetings of the Company, any accounts, Directors' reports and auditors reports by electronic transmission in accordance with the provisions of the Company's Articles of Association.

I/We acknowledge and agree to the use of its personal data as set out under "Data Protection" as defined below;

I/We shall notify the Administrator or the Company immediately in the event that I/we become aware that I/we or any person for whom I/we hold the Participating Shares has ceased to be an Eligible Investor or if any of the representations, declarations or statements contained herein are no longer accurate and complete in all respects; and

I/We agree to provide these representations, warranties and covenants to the Company at such times as the Company may request, and to provide on request such certifications, documents or other evidence as the Company may reasonably require to substantiate such representations, warranties and covenants.

Anti-money laundering

I/We represent, warrant and covenant that to the extent I/we have any beneficial owners³, (1) I/we have carried out thorough due diligence to establish the identities of such beneficial owners, (2) based on such due diligence, I/we reasonably believe that all such beneficial owners are Eligible Investors, (3) 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 Company, and (4) I/we will make available such evidence and any additional evidence that the Company may require upon request in accordance with applicable regulations.

If any of the foregoing representations, warranties or covenants above cease to be true or if the Company no longer reasonably believes that it has satisfactory evidence as to their truth, notwithstanding any other agreement to the contrary, the Company may, in accordance with applicable regulations, be obligated to take certain actions relating to my/our holding of Participating Shares and the Company may also be required to report such action and to disclose my/our identity to OFAC or other authority. In the event that the Company is required to take any of the foregoing actions, I/we understand and agree that I/we shall have no claim against the Company, the Manager, the Sub-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.

In order to comply with the anti-money laundering regulations applicable to the Company and the Administrator, I/we acknowledge that Participating Shares will not be issued until such time that the Administrator or the Company is satisfied that evidence regarding the source of the subscription amounts, the identity of me/us and the payment instructions for redemptions, is satisfactory. Wire confirmations for subscriptions from me/us must match the information provided below. Redemption proceeds will only be made to an account identified below. Subscriptions may be rejected if this information is incomplete or the wire confirmation does not match the information given below. *If the following information changes, the subscriber or an authorized representative of the subscriber must notify the Company or Administrator in writing.*

To: _____
Fed Routing #: _____
Swift address: _____
For account of: _____
Account #: _____

³ For these purposes, beneficial owners will include, but not be limited to: (i) Shareholders of a corporation; (ii) partners of a partnership; (iii) members of a limited liability company; (iv) investors in a fund-of-funds; (v) the grantor of a revocable or grantor trust; (vi) the beneficiaries of an irrevocable trust; (vii) the individual who established an IRA; (viii) the participant in a self-directed pension plan; (ix) the sponsor of any other pension plan; and (x) any person being represented by the subscriber in an agency, representative, intermediary, nominee or similar capacity. If the beneficial owner is itself an entity, the information and representations set forth herein must also be given with respect to its individual beneficial owners. If the subscriber is a publicly-traded company, it need not conduct due diligence as to its beneficial owners.

In favor of: _____

Account #: _____

Note:

To avoid return of funds, the wire transfer must be sent from an account in the name of the investor. The investor's name must be included in line 50 of the SWIFT wire transfer message (or equivalent CHIP or Fed Wire indication), OR the wire transfer must state "From the Account of: (Investor Name)" The wire should be effected by SWIFT MT103.

Power and authority

If the subscriber is an entity, the person executing this Application Form for the subscriber represents that it has the full power and authority under the subscriber's governing instruments to do so and the subscriber has the full power and authority under its governing instruments to acquire Participating Shares of the Company. If the subscriber is acting as trustee, agent, representative or nominee for another person or entity, the subscriber understands and acknowledges that the representations, warranties and agreements made in this Application Form are made by the subscriber (i) with respect to the subscriber, and (ii) with respect to such other person or entity. Furthermore, the subscriber represents and agrees that (1) it is duly organized, validly existing and in good standing under the laws of its jurisdiction of organization, (2) the execution, delivery and performance by it of this Application Form are within its powers, have been duly authorized by all necessary actions on its behalf, require no action by or in respect of, or filing with, any governmental body, agency or official (except as disclosed in writing to the Company) in order to make this investment, and does not contravene, or constitute a breach of or default under any provision of applicable law or governmental rule, regulation or policy statement or of its certificate of incorporation or other comparable organizational documents or any agreement, judgment, injunction, order, decree or other instrument binding upon it, and (3) this Application Form constitutes a valid and binding agreement of the subscriber and is enforceable against the subscriber in accordance with its terms.

If the subscriber is an individual, the subscriber agrees that this Application Form constitutes a valid and binding agreement of the subscriber and is enforceable against the subscriber in accordance with its terms, and the subscriber has legal competence and capacity to execute the same.

Indemnification

The subscriber agrees to indemnify and hold harmless the Company, the Manager, the Sub-Manager, the placement agent(s), if any, the Administrator, their respective officers, directors, members, partners and affiliates and anyone acting on their behalf from and against all damages, losses, costs and expenses (including, without limitation, attorneys' fees and disbursements) which they may incur by reason of the subscriber's failure to fulfill any of the terms or conditions of this Application Form or by reason of any material breach, misrepresentation or misstatement of the representations and warranties made by the subscriber herein, or, where the subscriber is acting as trustee, agent, representative or nominee for another person or entity, the improper assertion of the its proper authorization from the Beneficial Owner to enter into this Subscription Form or perform the obligations hereof.

Data Protection

A subscriber's personal data may be utilized by the Administrator: (i) to properly identify the subscriber in accordance with anti-money laundering regulatory requirements; (ii) to properly record the subscriber's interest in the Company in accordance with relevant corporate laws and regulations; (iii) to advise the subscriber of matters relative to his/her investment in the Company, including current values and changes to Company documentation etc; (iv) unless the subscriber notifies the Administrator otherwise, to advise the subscriber of other investment opportunities that may be or become available from the Company's sponsors.

By agreeing to invest in the Company, subscriber acknowledges and accepts that the Administrator may hold and process personal data for the purposes outlined above and further acknowledges and accepts that the Administrator may, in order to fulfill its duties to the Company and comply with regulatory requirements: (i) retain such personal data for prescribed periods after the subscriber has redeemed its holding in the Company; (ii) transfer such personal data, by any method including electronically, to the Company's registered agent in its country of incorporation, including countries which may not have enacted data protection legislation; (iii) transfer such information to the

Directors, Manager, legal advisors or any other agent of the Company entitled to receive such information; (iv) transfer such personal data to any person or entity to which the Administrator has a legal obligation to disclose such information; (v) maintain such information on the Administrator's computer systems which may be based or maintained in countries which have not enacted data protection legislation.

General

- (a) In this Application Form, unless the contrary intention appears:
 - (i) references to any statute include references to that statute as amended or re-enacted or as other statutes modify its application from time to time and to any subordinate legislation made or to be made under that statute; and
 - (ii) references to the singular include the plural and vice versa; and
 - (iii) references to the masculine gender include the feminine and neuter genders and vice versa; and
 - (iv) references to persons include individuals, companies, firms, partnerships, government bodies or agencies and corporations sale and aggregate; and
 - (v) any obligations entered into by more than one person in this Application Form are entered into jointly and severally; and
 - (vi) the headings shall not affect the interpretations of this Application Form.
- (b) This Application Form shall be binding upon the subscriber and its successors and permitted assigns and shall inure to the benefit of the Company's successors and assigns. This Application Form shall survive the acceptance of the subscription.
- (c) If any provision hereof shall be found invalid or unenforceable under any applicable law, it shall be deemed inoperable to that extent and its invalidity or inoperability shall not affect any other provision hereof.
- (d) This Subscription Agreement shall be irrevocable and shall be governed by and construed in accordance with the laws of the Cayman Islands.

The Administrator, the Manager, and the Company are hereby authorized and instructed to accept and execute any written instructions in respect of the Participating Shares to which this application relates given by me/us in written form or by facsimile. If the instructions are given by me/us by facsimile, I/we undertake to confirm them in writing. I/we hereby agree to indemnify each of the Administrator, the Manager, the Sub-Manager and the Company and their respective Directors, officers and agents and agree to keep each of them indemnified against any loss of any nature whatsoever arising to any of them as a result of any of them acting upon facsimile instructions. The Administrator, the Manager, the Sub-Manager and the Company may rely conclusively upon and shall incur no liability in respect of any action taken upon any notice, consent, request, instruction or other instrument believed in good faith to be genuine or to be signed by properly authorized persons.

(complete in block letters please)

Registration Details

Registered Participating Shareholder:.....

Registered Address:.....

.....

Telephone No:..... Fax No:.....

Contact Name:.....

Signed by:.....

Name:.....

Title:.....

For and on behalf of:.....

Notes:

- (i) *To be valid, Application Forms must be signed by each applicant, including all joint holders.*
- (ii) *A corporation should complete this Application Form under seal or under the hand of a duly authorized corporate officer(s) who should state his capacity.*
- (iii) *In the case of a firm or partnership (not a limited company) applications should be in the name of and signed by all partners.*
- (iv) *If this Application Form is signed under power of attorney, such power of attorney or a duly certified copy thereof must accompany this Subscription Agreement.*
- (v) *In respect of joint applicants only, on the death of one, the Participating Shares will be held in the name of and to the order of the survivor or survivors or the executor or administrator of such survivor or survivors.*

SCHEDULE I
ANTI-MONEY LAUNDERING REQUIREMENTS

A. EXEMPTED SUBSCRIBERS - DECLARATIONS

Provision of full subscriber verification evidence may, at the discretion of the Company or Administrator, be waived where the subscriber is regulated in a country which is recognized as having an adequate anti-money laundering regime⁴ or quoted on an approved stock exchange⁵ or where payment has been made from an account held in the subscribers name from a financial institution based in a country which is recognized as having an adequate anti-money laundering regime. If the subscriber thinks that it falls within an exemption, it should provide a letter to the Company setting out the applicable declaration as set forth below.

- (a) The subscriber declares that we are licensed as [*type of license*] by the [*name of regulatory body*] and are hereby subject to regulations and/or guidelines which to the best of our knowledge and understanding are equivalent to the anti-money laundering laws and regulations of the Cayman Islands; or
- (b) The subscriber declares that we are a company/mutual fund listed on an approved stock exchange [*name of stock exchange*]; or
- (c) We declare that the subscription funds have been made from an account held in our name at [*name of financial institution*] in [*name of country*] –The Source of Funds Exemption Letter under Exhibit I of this Schedule 1 must be completed.

The Administrator, in their absolute discretion may decline to accept such letter and request any documentation it deems necessary.

B. NON-EXEMPTED SUBSCRIBERS

The documentation listed below is required to verify the identity and source of funds of all subscribers who do not qualify under the Exempted subscribers Declaration above

For individuals:

- (i) *evidence of true name, signature, date of birth and photographic identification;*
- (ii) *evidence of permanent address;*
- (iii) *occupation;*
- (iv) *nationality; and*
- (v) *source of subscription funds.*

For companies:

- (i) *copy of certificate of incorporation or its equivalent and any change of name certificate;*
- (ii) *copy of the Memorandum and Articles of Association or its equivalent;*
- (iii) *certificate of good standing;*
- (iv) *register or other acceptable list of directors and officers;*
- (v) *identification, as described for individuals above, of all directors and authorized signatories;*
- (vi) *additional details on the identity of the Shareholders, if considered necessary by the Administrator of the Company;*
and
- (vii) *source of subscription funds.*

⁴ The list of acceptable countries are: Argentina, Austria, Bahamas, Bahrain, Belgium, Bermuda, Brazil, British Virgin Islands, Canada, Denmark, Dubai, Finland, France, Germany, Gibraltar, Greece, Guernsey, Hong Kong, Iceland, Ireland, Italy, Japan, Jersey, Isle of Man, Liechtenstein, Luxembourg, Malta, Mexico, Netherlands, New Zealand, Norway, Panama, Portugal, Singapore, Spain, Sweden, Switzerland, Turkey, United Arab Emirates, United Kingdom, United States of America.

⁵ A list of approved stock exchanges can be found under Appendix H of the Cayman Islands Money Laundering Regulations (as amended) which may be accessed on the Cayman Islands Monetary Authority website at www.cimoney.com.ky

For partnerships and unincorporated businesses:

- (i) *certified copy of the declaration of trust or its equivalent;*
- (ii) *copy of any certificate of registration and certificate of good standing, if registered;*
- (iii) *identification, as described for individuals and companies above, of the general partner, or its equivalent, and the authorized signatories;*
- (iv) *additional details on the identity of the limited partners, or their equivalent, if considered necessary by the Administrator of the Company; and*
- (v) *source of subscription funds.*

