

INSINGER DE BEAUFORT ZEUS (OS) FUND

EXPLANATORY MEMORANDUM OF MARCH 31, 2001

FOR THE OFFERING OF 5,000,000 SHARES OF REDEEMABLE COMMON STOCK, PAR VALUE US\$0.01 PER SHARE, IN INSINGER DE BEAUFORT ZEUS (OS) FUND (THE "FUND"), THE SOLE SERIES OF AUTHORIZED SHARES IN INSINGER DE BEAUFORT ZEUS FUND LIMITED, A BRITISH VIRGIN ISLANDS CORPORATION (THE "COMPANY").

This Explanatory Memorandum (the "Memorandum") relates to the offer and sale of shares in the redeemable common stock of the Fund as described in "General - Capital Stock" through monthly subscription and redemption rights, subject to certain limitations (see "Investment in the Fund").

This document comprises listing particulars for the purpose of giving information to potential purchasers with regard to the issue of up to 5,000,000 shares of redeemable common stock, par value US\$0.01 per share (the "Shares"), in Insinger de Beaufort Zeus (OS) Fund. The net proceeds of all such Share subscriptions to the Fund are to be applied in their entirety to investments by the Investment Manager in conformity with the Fund's investment objectives, policies and restrictions as more fully described in this Memorandum. The Board of Directors of Insinger de Beaufort Zeus Fund Limited (the "Directors") accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Shares were admitted to listing on the Official List of the Irish Stock Exchange, and dealings commenced, on April 14, 1998. No application for listing has been made to any other stock exchange.

The Fund is an open-ended fund for the sophisticated, high net worth individual or institutional investor (minimum subscription: US\$100,000) that invests indirectly in corporate equity securities (which may include both listed and unlisted securities) traded worldwide, currencies, corporate and government debt securities (which may be of both investment and non-investment grade), and in various derivative financial instruments by means of futures and forward contracts, swap agreements and related options (which may be exchange traded or offered through over-the-counter markets ("OTC")) (collectively, "Derivatives"), in any case through investments in a limited number of investment vehicles (the "Portfolio Investments"). Such Portfolio Investments

may include open-ended international investment companies (which may include both listed and unlisted funds, and collective investment vehicles managed or advised by the Investment Manager) and discretionary securities investment accounts. See "Certain Risk Factors and Other Investment Considerations" for a discussion of the risks inherent in such an investment program.

The Investment Manager for the Fund is Insinger de Beaufort Asset Management N.V., Herengracht 537 1017 BV Amsterdam, the Netherlands, and the Agent is Olympia Capital International Inc., a British Virgin Islands corporation.

This Offering will be made by means of a placement to eligible sophisticated investors, as defined in "Eligible Investors and Restrictions on Transfer".

The Directors do not anticipate that an active secondary market will develop in these Shares.

As of the date hereof, the Fund has no loan capital (including term loans) outstanding or created but unissued, or any mortgages, charges, or other borrowings or indebtedness in the nature of borrowings, including bank overdrafts and liabilities under acceptances (other than normal trade bills) or acceptance credits, hire purchase commitments or obligations under finance leases or guarantees or other contingent liabilities. However, the Fund may from time to time borrow for operational or investment purposes as disclosed in "Investment Factors to be Considered – Borrowing and Leverage".

This Memorandum contains information about the Fund that a prospective investor should know before investing and should be retained for future reference.

None of the Shares may be offered or sold, directly or indirectly, in the Republic of Ireland or to any citizen or resident thereof.

March 31, 2001

INSINGER DE BEAUFORT ZEUS (OS) FUND

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CONTENTS

CONTENTS	3	PARTICIPATING FINANCIAL INSTITUTIONS	36
NOTICE	4	REDEMPTIONS	36
NATURE OF INVESTMENT OPPORTUNITY	10	REDEMPTION PROCEDURES	36
GENERAL DESCRIPTION OF THE FUND	10	DETERMINATION OF NET ASSET VALUE	38
THE MULTI-ADVISOR/MULTI-FUND CONCEPT	12	COMMUNICATION OF NET ASSET VALUE	39
PROPRIETARY METHODOLOGY	13	DIVIDEND POLICY	40
LIQUIDITY	14	TAX CONSIDERATIONS	40
DIVERSIFICATION	15	THE FUND	44
INVESTMENT MANAGER	16	GENERAL	45
INVESTMENT MANAGEMENT CONTRACT	16	ISSUANCE OF SHARES	45
INVESTMENT FACTORS TO BE CONSIDERED	17	REPORTS AND FINANCIAL STATEMENTS	45
CONFLICTS OF INTEREST	22	CAPITAL STOCK	46
INVESTMENT RESTRICTIONS	23	SHARES IN BOOK ACCOUNT	47
AGENCY AND ADMINISTRATIVE SERVICES	27	LEGAL COUNSEL	47
FEES AND EXPENSES	27	CUSTODIAN	48
INVESTMENT MANAGEMENT FEES	27	REGISTRAR AND TRANSFER AGENT	49
CORPORATE AND ADMINISTRATIVE SERVICES FEE	28	AUDITORS.....	49
SALES-RELATED CHARGES	28	EXCHANGE LISTING.....	49
OTHER FEES AND EXPENSES	28	SHAREHOLDER MEETINGS.....	50
DIRECTORS AND OFFICERS	30	MATERIAL CONTRACTS	50
INVESTMENT IN THE FUND	31	LEGAL PROCEEDINGS	51
SUBSCRIPTIONS	31	SHAREHOLDER INQUIRIES AND REQUESTS TO REVIEW	
SUBSCRIPTION PROCEDURES	32	AGREEMENTS	52
PAYMENT PROCEDURES FOR ALL SUBSCRIPTIONS	33	MISCELLANEOUS	52
GENERAL CONSIDERATIONS	33	SUBSCRIPTION AGREEMENT	53
ELIGIBLE INVESTORS AND RESTRICTIONS ON TRANSFER		PROXY	57
.....	34	APPENDIX: DEFINITIONS	58
REGISTRATION OF SHARES	35		

NOTICE

THE SHARES OF REDEEMABLE COMMON STOCK (THE "SHARES") OF INSINGER DE BEAUFORT ZEUS (OS) FUND (THE "FUND") HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR THE SECURITIES LAW OF ANY STATE OF THE UNITED STATES ("STATE ACTS"). NEITHER THE U.S. SECURITIES AND EXCHANGE COMMISSION (THE "SEC") NOR THE SECURITIES REGULATORY AUTHORITY OR COMMISSION OF ANY STATE OF THE UNITED STATES HAS PASSED UPON THE VALUE OF THESE SECURITIES, MADE ANY RECOMMENDATIONS AS TO THEIR PURCHASE, APPROVED OR DISAPPROVED THIS OFFERING OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS MEMORANDUM. ANY CONTRARY REPRESENTATION IS A CRIMINAL OFFENSE.

THE SHARES CONSEQUENTLY MAY NOT BE OFFERED, SOLD OR DELIVERED DIRECTLY OR INDIRECTLY IN THE UNITED STATES, ANY OF ITS TERRITORIES OR POSSESSIONS OR AREAS SUBJECT TO ITS JURISDICTION OR TO OR FOR THE ACCOUNT OR BENEFIT OF A U.S. PERSON (AS DEFINED HEREIN), *EXCEPT* THAT UPON RECEIPT OF APPROPRIATE ADVICE FROM ITS COUNSEL THE FUND MAY IN ITS DISCRETION ACCEPT SUBSCRIPTIONS FROM U.S. PERSONS THAT ARE TAX-EXEMPT ENTITIES OR IN OTHER CIRCUMSTANCES THAT IT DEEMS APPROPRIATE.

THE ABOVE DESCRIBED PERMITTED SALES TO OR FOR THE ACCOUNT OR BENEFIT OF U.S. PERSONS MAY ONLY BE EFFECTED UNDER CIRCUMSTANCES THAT WILL NOT REQUIRE THE FUND TO REGISTER UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "U.S. INVESTMENT COMPANY ACT"), AND IN ANY EVENT IN A MANNER AND TO INVESTORS THAT WILL NOT RESULT IN REGULATORY OR TAX BURDENS TO THE FUND OR ITS SHAREHOLDERS. THE FUND MAY REQUIRE THE MANDATORY REDEMPTION OF SHARES BENEFICIALLY OWNED BY ANY PERSON IF SUCH OWNERSHIP MAY IMPOSE REGULATORY, TAX OR OTHER BURDENS ON THE FUND OR ANY OF ITS SHAREHOLDERS (SEE "ELIGIBLE INVESTORS AND RESTRICTIONS ON TRANSFER").

A "U.S. PERSON" IS DEFINED AS A PERSON THAT SATISFIES THE DEFINITIONS OF "U.S. PERSON" OR "UNITED STATES PERSON" IN THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED, REGULATION S UNDER THE U.S. SECURITIES ACT OR IS A "U.S.

RESIDENT" AS THAT TERM IS UNDERSTOOD FOR PURPOSES OF THE SEC STAFF "NO-ACTION" LETTER *TOUCHE REMNANT, ET. AL.* (PUB. AVAIL. AUGUST 23, 1984), UNDER THE U.S. INVESTMENT COMPANY ACT, AS INTERPRETED BY SUBSEQUENT NO-ACTION LETTERS AND RELEASES OF THE SEC AND ITS STAFF.

EACH INVESTOR WILL BE REQUIRED TO MAKE CERTAIN REPRESENTATIONS TO THE FUND TO ENSURE THAT REGISTRATION UNDER THE U.S. SECURITIES ACT, THE U.S. INVESTMENT COMPANY ACT AND ANY APPLICABLE STATE ACT IS NOT NECESSARY.

SHARES ARE AVAILABLE ONLY TO PERSONS WILLING AND ABLE TO BEAR THE ECONOMIC RISKS OF THIS INVESTMENT. THE SHARES ARE SPECULATIVE AND INVOLVE A DEGREE OF RISK. THERE IS NO PUBLIC MARKET FOR SUCH SHARES AND NO PUBLIC MARKET IS EXPECTED TO DEVELOP IN THE FUTURE.

THIS MEMORANDUM CONSTITUTES AN OFFERING ONLY IF DELIVERY OF IT IS PROPERLY AUTHORIZED BY THE FUND. THIS DOCUMENT HAS BEEN PREPARED BY THE FUND SOLELY FOR THE BENEFIT OF PERSONS INTERESTED IN THE PROPOSED OFFERING OF THE SHARES AND ANY REPRODUCTION OF IT, IN WHOLE OR IN PART, OR THE DIVULGENCE OF ANY OF ITS CONTENTS, WITHOUT THE PRIOR WRITTEN CONSENT OF THE FUND, IS PROHIBITED. ANY CONTRARY ACTION MAY PLACE THE PERSON OR PERSONS TAKING SUCH ACTION IN VIOLATION OF SECURITIES LAWS.

THE FUND CONSTITUTES AN UNREGULATED COLLECTIVE INVESTMENT SCHEME FOR THE PURPOSES OF SECTION 76 OF THE FINANCIAL SERVICES ACT OF 1986 OF THE UNITED KINGDOM (THE "FSA") AND THE DISTRIBUTION OF THIS MEMORANDUM IS REGULATED BY THE FSA. ACCORDINGLY, IT MAY NOT BE DISTRIBUTED TO ANY PERSON IN THE UNITED KINGDOM OTHER THAN FIRMS AUTHORIZED UNDER THE FSA AND QUALIFYING INSTITUTIONS OR CORPORATIONS FALLING WITHIN ARTICLE 11(3) OF THE FSA (INVESTMENT ADVERTISEMENTS) (EXEMPTIONS) ORDER 1995 OF THE UNITED KINGDOM. IN ADDITION, IF THIS MEMORANDUM IS DISTRIBUTED OR REDISTRIBUTED BY A FIRM AUTHORIZED UNDER THE FSA, IT MAY ONLY BE DISTRIBUTED TO OTHER RECIPIENTS (SUCH AS THEIR ESTABLISHED CUSTOMERS) TO WHOM IT CAN BE DISTRIBUTED WITHOUT CONTRAVENING SECTION 76(1) OF THE FSA.

SHARES WILL BE ISSUED ONLY ON THE BASIS OF THE INFORMATION CONTAINED IN THIS MEMORANDUM, AND NO OTHER INFORMATION OR REPRESENTATION HAS BEEN AUTHORIZED. ANY PURCHASE MADE BY ANY PERSON ON THE BASIS OF STATEMENTS OR REPRESENTATIONS NOT CONTAINED HEREIN, OR INCONSISTENT WITH INFORMATION HEREIN CONTAINED SHALL BE SOLELY AT THE RISK OF THE PURCHASER. NEITHER DELIVERY OF THIS DOCUMENT NOR ANYTHING STATED HEREIN SHOULD BE TAKEN TO IMPLY THAT ANY INFORMATION HEREIN CONTAINED IS CORRECT AS OF ANY TIME SUBSEQUENT TO THE DATE HEREOF.

THIS MEMORANDUM MAY CONTAIN CERTAIN FORWARD LOOKING INFORMATION ABOUT THE FUND AND ITS INVESTMENT ACTIVITIES IN RELIANCE UPON THE "SAFE HARBOR" PROVISIONS OF THE U.S. FEDERAL SECURITIES LAWS. THIS INFORMATION IS SUBJECT TO VARIOUS RISKS AND UNCERTAINTIES, INCLUDING, BUT NOT LIMITED TO, THOSE DESCRIBED UNDER "INVESTMENT RISK FACTORS" HEREIN. ALL INVESTMENT PERFORMANCE IS INHERENTLY SUBJECT TO SIGNIFICANT UNCERTAINTIES AND CONTINGENCIES, MANY OF WHICH ARE BEYOND THE CONTROL OF THE ALLOCATION ADVISOR. ANY SIGNIFICANT CHANGE THEREIN CAN MATERIALLY AFFECT FUTURE RESULTS. ACCORDINGLY, THERE CAN BE NO ASSURANCE THAT THE COMPANY'S INVESTMENT OBJECTIVE WILL BE ACHIEVED OR THAT THE COMPANY WILL NOT INCUR LOSSES. THE FUND'S INVESTMENT PORTFOLIO IS SUBJECT TO MARKET FLUCTUATIONS AND THERE CAN BE NO ASSURANCE THAT APPRECIATION WILL OCCUR OR THAT LOSSES WILL NOT BE REALIZED; THE VALUE OF INVESTMENTS MAY FALL AS WELL AS RISE.

THE CONTENTS OF THIS MEMORANDUM SHOULD NOT BE CONSTRUED AS INVESTMENT, LEGAL OR TAX ADVICE. EACH PROSPECTIVE INVESTOR IS URGED TO SEEK INDEPENDENT INVESTMENT, LEGAL OR TAX ADVICE CONCERNING THE CONSEQUENCES OF INVESTING IN THE FUND.

NO PERSON IS AUTHORIZED BY THE FUND TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATION OTHER THAN AS SET FORTH IN THIS MEMORANDUM AND, IF GIVEN OR MADE, SUCH OTHER INFORMATION AND REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE FUND. EACH INVESTOR IN THE FUND WILL BE REQUIRED TO EXECUTE A SUBSCRIPTION AGREEMENT TO EFFECTUATE THIS INVESTMENT. IN

THE EVENT THAT ANY OF THE ARTICLES OF ASSOCIATION IS INCONSISTENT WITH OR CONTRARY TO THE DESCRIPTIONS OR TERMS IN THIS DOCUMENT, THE ARTICLES OF ASSOCIATION SHALL CONTROL. PROSPECTIVE INVESTORS ARE URGED TO REQUEST FROM THE FUND ANY ADDITIONAL INFORMATION THEY MAY CONSIDER NECESSARY TO MAKE AN INFORMED INVESTMENT DECISION.

DISTRIBUTION OF THIS DOCUMENT AND THE OFFERING OF SHARES IN CERTAIN JURISDICTIONS MAY BE RESTRICTED AND ACCORDINGLY PERSONS INTO WHOSE POSSESSION THIS DOCUMENT COMES ARE REQUIRED BY THE FUND TO INFORM THEMSELVES ABOUT AND TO OBSERVE SUCH RESTRICTIONS. THIS DOCUMENT DOES NOT CONSTITUTE AN OFFER OR SOLICITATION TO ANYONE IN ANY JURISDICTION IN WHICH SUCH OFFER IS NOT AUTHORIZED OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION.

NEITHER THE DELIVERY OF THIS DOCUMENT NOR THE ALLOTMENT OR ISSUE OF SHARES SHALL UNDER ANY CIRCUMSTANCES CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE FUND SINCE THE DATE HEREOF. IN THE EVENT OF ANY MATERIAL CHANGE PRIOR TO THE SALE OF THE SHARES, THIS MEMORANDUM WILL BE AMENDED OR SUPPLEMENTED ACCORDINGLY.

THIS MEMORANDUM ONLY CONTAINS A SUMMARY OF THE MATERIAL TERMS OF THE INFORMATION PURPORTED TO BE SUMMARIZED HEREIN, AND DOES NOT PURPORT TO BE COMPLETE. ACCORDINGLY, REFERENCE IS MADE TO THE AGREEMENTS, DOCUMENTS, STATUTES, REGULATIONS AND OTHER MATERIALS REFERRED TO HEREIN FOR THE FULL TERMS THEREOF.

THIS MEMORANDUM IS INTENDED SOLELY FOR THE USE OF THE PERSON TO WHOM IT HAS BEEN DELIVERED FOR THE PURPOSE OF EVALUATING A POSSIBLE INVESTMENT BY THE RECIPIENT IN THE SHARES DESCRIBED HEREIN AND IS NOT TO BE REPRODUCED OR DISTRIBUTED TO ANY OTHER PERSONS (OTHER THAN PROFESSIONAL ADVISORS OF THE PROSPECTIVE INVESTOR RECEIVING THIS DOCUMENT).

NONE OF THE SHARES MAY BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, IN THE REPUBLIC OF IRELAND OR TO ANY CITIZEN OR RESIDENT THEREOF. NEITHER ADMISSION OF THE SHARES TO THE OFFICIAL LIST NOR THE APPROVAL OF THE LISTING PARTICULARS PURSUANT TO THE LISTING REQUIREMENTS OF THE

IRISH STOCK EXCHANGE LIMITED SHALL CONSTITUTE A WARRANTY OR REPRESENTATION BY THE IRISH STOCK EXCHANGE LIMITED AS TO THE COMPETENCE OF SERVICE PROVIDERS TO OR ANY OTHER PARTY CONNECTED WITH THE FUND, THE ADEQUACY OF INFORMATION CONTAINED IN THE LISTING PARTICULARS OR THE SUITABILITY OF THE FUND FOR INVESTMENT PURPOSES.

NATURE OF INVESTMENT OPPORTUNITY

The opportunity to invest in the redeemable common stock of **Insinger de Beaufort Zeus (OS) Fund** (the "Fund") is hereby offered to select eligible investors.

GENERAL DESCRIPTION OF THE FUND

The Fund invests indirectly in corporate equity securities (which may include both listed and unlisted securities) traded worldwide, currencies, corporate and government debt securities (which may be of both investment and non-investment grade), and in various derivative financial instruments by means of futures and forward contracts, swap agreements and related options (which may be exchange traded or offered through over-the-counter markets ("OTC")) (collectively, "Derivatives"), in any case through investments in a limited number of investment vehicles (the "Portfolio Investments"). Such Portfolio Investments may include open-ended international investment companies (which may include both listed and unlisted funds) and discretionary securities investment accounts. Such Portfolio Investments may also include collective investment vehicles managed or advised by the Investment Manager. Such an investment program provides for the Fund investment performance without the attendant levels of volatility and risk that such assets, or these Portfolio Investments, may individually experience.

Insinger de Beaufort Asset Management N.V., Amsterdam, The Netherlands, is the Investment Manager. The Investment Manager is responsible for the selection of Portfolio Investments and the allocation and reallocation of the Fund's assets among those Portfolio Investments selected. (See "Investment Manager".) The Investment Manager generally uses its bottom-up approach in identifying investment opportunities of outstanding value in selected markets, complemented by a top-down macro-analysis that forms the basis for strategic sector allocation and market timing. The objective is to identify those investment advisors and investment products such as the Fund, which may be utilised to maximize value added to the client.

By concentrating asset allocation among various portfolio managers, the Fund seeks capital appreciation with lower risk and volatility than would be experienced by an investor making direct investment in these markets and types of investments.

The Portfolio Investments are selected for the access they provide to those experienced and independent investment advisors whose performance is considered by the Investment Manager to be among the best in their respective area of specialization. The Investment Manager dynamically selects such advisors and allocates the Fund's assets to permit them to respond efficiently to performance results and new investment opportunities and conditions.

The Investment Manager's objective is to keep the Fund invested with the optimal mix of a limited number of Portfolio Investments to maximize the Fund's potential for above-average returns within a diversified asset portfolio. The Portfolio Investments selected by the Investment Manager may be changed at any time at their sole discretion, and additional Portfolio Investments may be selected as necessary.

Each Portfolio Investment may invest in any combination of corporate equity securities (which may include both listed and unlisted securities) traded worldwide, currencies, corporate and government debt securities (which may be of both investment and non-investment grade), and various derivative financial instruments by means of futures and forward contracts, swap agreements and related options (which may be exchange traded or offered through over-the-counter markets ("OTC")) (collectively, "Derivatives"). The Investment Manager intends to maintain a risk-averse stance in the allocation of the Fund's assets.

The Fund does not engage in hedging or leveraging activities with respect to its portfolio assets other than from time to time borrowing for investment purposes as described in "Investment Factors to be Considered – Borrowing and Leverage". However, the underlying Portfolio Investments may utilize hedging and leveraging techniques. Such techniques may include the making of short and long sales, the borrowing of securities and borrowing on margin. While the use of hedging techniques may reduce the potential loss resulting from a general market decline, their use may tend to restrain maximum capital growth in times of a general market rise. Conversely, the use of leveraging techniques may increase the volatility of the Fund's net asset value.

The advisors of Portfolio Investments may purchase and sell puts, calls and other option instruments to supplement their hedging and leveraging activities. In addition, advisors may invest in various commodities futures contracts and engage in various forms of risk arbitrage.

The Portfolio Investments will be identified and monitored on an on-going basis by a proprietary quantitative and qualitative methodology. The Fund intends to provide for the investor the opportunity to capture the superior returns offered by each of these Portfolio Investments without the attendant levels of volatility and risk that these Portfolio Investments may individually experience.

THE MULTI-ADVISOR/MULTI-FUND CONCEPT

The multi-advisor/multi-fund concept provides advantages over the use of a single investment. The style, geographic allocation, strategy and trading techniques associated with any given single investment result in successful performance under certain market conditions, but less successful performance at other times. Consequently, few single Portfolio Investments which allocate assets to a single investment program have consistently maintained the same ranking among their peers in terms of performance over extended periods of time.

The Investment Manager believes that, by allocating the Fund's assets among a number of Portfolio Investments which employ different styles and strategies and may emphasize different investment techniques, asset classes and markets, the Fund's performance will be more consistent and less volatile over the long term, and more flexible in responding to the Investment Manager's assessment of changing market conditions, than if assets were allocated to a single Portfolio Investment. The Investment Manager believes that this diversification, coupled with the use of Portfolio Investments managed by experienced, talented advisors which have above-average long-term performance records in their respective asset classes when measured against other Portfolio Investments employing similar styles and strategies, may allow the Fund to achieve better performance and reduced volatility over time than that of single-advisor Portfolio Investments.

The Investment Manager selects Portfolio Investments that provide access to advisors whose performance is considered by the Investment Manager to be among the best in their respective area of specialization.

It is intended for the Fund at all times to maintain a limited number of Portfolio Investments in order to provide a diversity of investment techniques and strategies, asset classes and markets. The most effective combination of Portfolio Investments is sought based on a multi-advisor philosophy grounded in five basic tenets:

- There are few advisors who can consistently deliver high levels of fund performance;
- No one investment strategy, no matter how thoroughly tested and assiduously revisited, can consistently deliver high levels of fund performance;
- No one investment house, or family of funds, can provide optimal solutions for the institutional or high net worth individual investor;
- Preservation of capital is of utmost importance; *and*
- A multi-advisor investment approach balances investment risk with expected levels of investment return.

Of course, no investment program can assure success or eliminate all risk.

PROPRIETARY METHODOLOGY

The Investment Manager applies a proprietary methodology to recommend and monitor Portfolio Investments. This methodology quantitatively evaluates past performance, risk, volatility, statistical correlation of returns and other investment criteria and applies the Investment Manager's qualitative judgment based on direct personal interview and observation.

Decisions are based on extensive research. The cornerstone of the Investment Manager's research philosophy is the acknowledgment that qualitative factors are as critical to monitoring investment results as the quantitative analysis of portfolios. In recognition of this, the Investment Manager allocates more time to interviews and direct discussion with advisors and their staff than to any other activity. These meetings give the Investment Manager the opportunity to analyze first-hand the investment strategy and outlook of advisors, and to assess their attitudes to risk and risk control. These factors are taken into account in the selection process, as are the advisor's reputation and experience, and the strength of its internal controls and administration. A qualitative judgment is then derived from the results of the analysis, the various observations, and any other insights gained from the examination of the portfolio's performance and management, in the context of the Investment Manager's assessment of projected economic and financial trends.

Having dynamically selected top-ranking advisors based on the Investment Manager research, the Fund's assets are allocated to such advisors' flagship offshore fund or equivalent based on the

combined qualitative judgment and quantitative performance analysis to permit the Fund to respond efficiently to performance results and new investment opportunities and conditions. The extent to which investments are made in any given Portfolio Investment is based in part on the Investment Manager's determination of the most efficient asset allocation to maximize returns within narrowly delineated risk parameters through use of in-house proprietary databases developed over several years specifically to analyze advisor performance and risk.

Portfolio Investments and portfolio advisors selected by the Investment Manager may be changed at any time at its sole discretion, and additional Portfolio Investments may be selected as necessary. The Investment Manager additionally may from time to time narrow the scope of the Fund's investments by reducing the number of Portfolio Investments to which assets may be allocated; however, the Fund intends generally to maintain a well diversified portfolio and will in any event operate at all times under the principle of risk spreading.

LIQUIDITY

By focusing portfolio investments on funds with a relatively high level of liquidity, the Investment Manager attempts to maintain a portfolio that can readily be reallocated or converted to cash if and when deemed necessary.

There are several potential advantages of allocating assets among several established Portfolio Investments and reallocating assets among those and other Portfolio Investments as necessary. These include:

- subscription proceeds may be allocated to Portfolio Investments based on their respective performances to maximize effectiveness
- assets may then be shifted among such vehicles based on continuous monitoring of their performance and existing market conditions;
- assets may be deployed to best complement the historical investment performance pattern of each Portfolio Investment;
- the investor in the Fund is thereby given the ability to access the full scope of the talent of multiple advisors with an investment which is considerably smaller than the one required to invest the minimum amounts to participate in each advisor's fund; *and*

- this approach maximizes the “flagship effect”, since each of the selected Portfolio Investments represents the key, offshore flagship product of that vehicle’s advisor and, accordingly, incentivizes him to seek the most effective execution of portfolio transactions to enhance performance.

DIVERSIFICATION

The Investment Manager selects Portfolio Investments and allocates assets through methods intended to minimize the correlation in investment performance between the Portfolio Investments chosen and further to minimize the correlation in investment performance between each Portfolio Investment - and the Fund as a whole - and the MSCI World Index (US\$ basis). This involves diversification across geographical areas, asset classes and investment styles.

The Fund has been structured in recognition of the following principles:

- Through diversification in stocks, bonds and/or derivative financial instruments, investors can seek to preserve capital and enhance investment returns;
- Risk may be reduced and above average performance opportunities can be created by combining investments in multiple, diversified Portfolio Investments selected in part for minimal statistical correlation between each other; *and*
- By focusing portfolio investments on funds with a relatively high level of liquidity, the portfolio can readily be reallocated or converted to cash if and when deemed necessary.

Because of a combination of the limited availability of Portfolio Investments meeting the Investment Manager’s criteria, the maximum asset size established by certain Portfolio Investments’ advisors, as well as the requirement that certain investments be of a stipulated minimum or maximum amount, the acceptance of subscriptions is dependent on the identification and utilization of Portfolio Investments meeting the selection criteria of the Investment Manager.

For further information regarding Portfolio Investments, please contact Insinger de Beaufort Asset Management N.V., P.O. Box 10820, 1001 EV Amsterdam, The Netherlands (Telephone #: (+31 20) 52 15 450, Fax #: (+31 20) 52 15 449), or the Agent, Olympia Capital International Inc., Williams House, 20 Reid Street, Hamilton HM 11, Bermuda (Telephone #: +1 (441) 292-1018, Fax #: +1 (441) 298-5031).

INVESTMENT MANAGER

The Investment Manager to the Fund is **Insinger de Beaufort Asset Management N.V.** (the "Investment Manager").

Insinger de Beaufort Asset Management N.V. is an asset management company located in Amsterdam, the Netherlands. As part of the Insinger Group, the Investment Manager has over US\$5 billion in discretionary assets under management and operates from its headquarters in the Netherlands, and through a network of offices in the British Virgin Islands, Geneva, Hong Kong, Channel Islands, Johannesburg, Luxembourg and London. The roots of the Insinger Group and its 200-year old private banking subsidiary, Bank Insinger de Beaufort, lie in investment management. The Investment Manager currently manages investment portfolios for institutional, corporate and private clients covering the major investment classes and geographical regions throughout the world. Its belief in a local "hands on" approach has resulted in a number of regional alliances for specific local expertise.

The Investment Manager applies a proprietary methodology to select and monitor investments. Its asset allocation strategy is based on the firm's views of the medium-term economic and long-term structural cycles in the various geographical regions and sectors. To assist its cyclical analysis, the Investment Manager has developed a model which analyses the impact on investor sentiment of long-term trends in money, credit and inflation.

This model is based on a strong correlation between international stock market behaviour and trends in global money supply. In terms of regional allocation, the model also utilises forecasts for local markets and corporate earnings which are provided by local experts. An optimal regional allocation is then made on the basis of their forecasts.

The Investment Manager further maintains an extensive data base of external managers, as required for certain investment services. Its Manager Selection Team monitors the performance of such managers, interviews management and conducts manager evaluation.

INVESTMENT MANAGEMENT CONTRACT

The investment management contract entered into with the Investment Manager has an indefinite term but may be terminated without penalty by the Fund on thirty days' prior written notice or by the Investment Manager on six month's

prior written notice, and terminates automatically upon assignment by the Investment Manager without the Fund's consent.

The investment management contract provides that, in the absence of the Investment Manager's bad faith, gross negligence, or willful misfeasance, the Investment Manager is not liable for any act or omission performed or omitted by it in the course of, or in connection with, its rendering of services thereunder. Under the contract, the Investment Manager may advise other clients, including other clients with investment objectives similar to those of the Fund, and may purchase or sell assets for their accounts similar to those purchased or sold for the Fund's account. In case of a conflict between the Fund's account and one or more such other accounts, where there is a limited supply of a particular investment or sale opportunity, the Investment Manager will allocate such opportunities in the manner it considers to be most equitable and consistent with its advisory obligations to the Fund and its other clients, but it cannot assure equality among all accounts and clients at all times.

The statements in this Memorandum relating to the Investment Manager and their approach to the selection of Portfolio Investments and the allocation of the Fund's assets and the related risks have been provided by the Investment Manager.

INVESTMENT FACTORS TO BE CONSIDERED

The Fund diversifies its assets among a number of Portfolio Investments, and does not intend to make direct investment in assets, or to directly hedge its portfolio. Because the Portfolio Investments' advisors invest and trade on a fully discretionary basis, their results (and hence the Fund's results), apart from normal market risk, depend entirely upon such advisors' abilities and efforts.

The Fund is authorized to invest in Portfolio Investments which generally trade in a broad spectrum of securities (which may include both listed and unlisted securities and which may be of both investment and non-investment grade), financial instruments, currencies and market indices by means of direct purchases of securities, futures and forward contracts, and related options and cash contracts on organized and over-the-counter markets. The Fund invests in Portfolio Investments managed by independent investment advisors, and will not make direct investments in securities or Derivatives. The

investment management, brokerage, custodial and administrative operations of the Portfolio Investments are performed by firms which are independent of the Fund, the Investment Manager and the Agent and over which neither the Fund, the Investment Manager nor the Agent exercises any control. Nevertheless, it is a condition for investment in any Portfolio Investment that such Portfolio Investment be audited annually by a recognized firm of independent public accountants.

Shares may only be redeemed on a monthly basis. No significant trading market in the Shares is expected to develop.

Investment in the Fund may be considered speculative and could involve substantial risks that should be carefully considered by any prospective investor.

Trading by the underlying Portfolio Investments may involve a high degree of leverage, investments that may become illiquid, and volatile markets that are characterized by sharp price fluctuations, as more fully described below.

BORROWING AND LEVERAGE. The Fund may, from time to time, if deemed appropriate by the Investment Manager, borrow from certain lenders for investment or other purposes. Such borrowing may be used, among other things, to purchase Portfolio Investments as they become available in advance of the receipt of anticipated subscription proceeds, leverage its investment portfolio, provide temporary cash for distributions, and generally provide liquidity for operations. The Fund currently does not anticipate borrowing in an aggregate amount greater than 7% of its Net Asset Value, but from time to time and subject to the approval of the Board of Directors may increase its borrowing through loan arrangements or the issuance of debt instruments. In any event, the Fund may not borrow money in amounts that exceed in the aggregate 10% of the Fund's total assets taken at cost or at market value, whichever is lower. To the extent that the Fund's cost of borrowing exceeds its rate of return, if any, on the loan proceeds, the use of leverage will decrease profits or generate losses.

In addition to the Fund's borrowing and leverage capabilities, the Portfolio Investments in which the Fund invests may from time to time buy securities on margin and borrow money from banks and brokerage firms against a pledge of securities. Generally, while such leverage may be as great as 5-to-1, depending on the assets held, the Portfolio Investments' stated policies limit leverage to not more than 40% of a Portfolio Investment's total assets. While the use of borrowed funds may substantially improve the return on invested capital if the borrower's investment portfolio increases in value, such use may also substantially increase losses if the borrower's investment portfolio declines in value.

SHORT SALES. Potential Portfolio Investments may from time to time sell securities short in anticipation of the realization of a gain if the securities sold short should decline in market value. A short sale is effected by selling a security which the Portfolio Investment does not own, or selling a security which the Portfolio Investment owns but which it does not deliver upon consummation of the sale. In order to make delivery to the buyer of a security sold short, the Portfolio Investment must borrow the security. In so doing, it incurs the obligation to replace that security, whatever its price may be, at the time it is required to deliver it to the lender. The Portfolio Investment must also pay to the lender of the security any dividends or interest payable on the security during the borrowing period and may have to pay a premium to borrow the security. This obligation must, unless the Portfolio Investment then owns or has the right to obtain, without payment, securities identical to those sold short, be collateralized by a deposit of cash and/or marketable securities with the lender. Short selling is subject to theoretically unlimited risk of loss because there is no limit on how much the price of a security may appreciate before the "short" position is closed out.

OPTIONS TRADING. Additional trading techniques available to the Portfolio Investments involve buying, selling or writing put and call options relating to the markets in which they are active. The taker of an option pays a premium which entitles him during the exercise period to buy (in the case of a call) or sell (in the case of a put), to or from the grantor, a specified number of futures contracts at a specified or "striking" price. Options are speculative in that the whole cost of the option is lost unless the price of the underlying items concerned has moved in the anticipated direction and the option is exercised; however, liability is limited to the premium paid for the option. An option

writer becomes obligated to purchase or sell a futures contract or the underlying items at a specified price during a specified period. In exchange for the premium received upon writing an option, the Portfolio Investment bears the risk of loss from adverse price movements in the underlying futures contracts or the underlying items so long as the position remains open.

FUTURES AND FORWARD CONTRACTS TRADING. The activities of the Portfolio Investments in which the Fund may invest may be transacted on any futures, forward or cash market or directly with institutions (*e.g.*, banks or other dealers with which forward contracts may be entered into or traded). While it is not practicable to set forth in detail all possible forms of transactions in which such Portfolio Investments may engage and the potential benefits and risks of each, certain salient features of their anticipated principal trading activities and markets are described below.

Substantially all trading in futures has as its basis a contract to purchase or sell a specified quantity of a particular asset for delivery at a specified time, although certain financial instruments, such as market index futures contracts, may be settled only in cash based on the value of the underlying composite index. If immediate delivery of the physical asset is contemplated, the trading is "cash" or "spot"; if delivery in the future is agreed upon, the contract to sell or buy is a "futures" contract and trading in such contracts is known as "futures trading". Futures trading involves trading in contracts for future delivery of standardized, rather than specific, lots of particular assets.

Futures are typically traded on "margin". The "margin" is the amount of escrow or performance bond deposit that a Portfolio Investment will have to make and maintain with its brokers to secure its future obligation to close out open positions (either by delivery or acceptance of the contracted-for asset, or by an offsetting sale or purchase of a futures contract on such assets). The initial margin requirements may be satisfied by the deposit of cash (or, in some U.S. markets, certain U.S. Government obligations). The open positions must be "marked to market" daily, requiring additional margin deposits if the position reflects a loss that reduces the Portfolio Investment's equity below the level required to be maintained and permitting release of a portion of the deposit if the position reflects a gain that results in excess margin equity. The level of margin that must be maintained for a given position is sometimes subject to increase, requiring additional cash outlays.

Because margin requirements normally range upward from as little as 2% or less of the total value of the contract, a comparatively small commitment of cash or its equivalent may permit trading in futures contracts of substantially greater value. As a result, price fluctuations may result in a contract profit or loss that is disproportionate to the amount of funds deposited as margin. Such a profit or loss may materialize suddenly, since the prices of futures frequently fluctuate rapidly and over wide ranges, reflecting both supply and demand changes and changes in market sentiment.

Futures trading by persons other than “hedgers”, that is, other than persons such as producers and consumers selling their anticipated production or buying their anticipated requirements, is recognized as a high-risk activity. Ordinarily, trading in futures subjects the trader to unlimited personal liability, which is a risk factor for individuals trading directly. However, because the Fund and the Portfolio Investments are all companies with liability limited by law, investors in the Fund can participate in futures transactions without incurring such risk (although each Portfolio Investment, as such, will normally be responsible to the full extent of its assets).

The United States Commodity Exchange Act, as amended (the “Act”), subjects all futures trading on U.S. exchanges to federal regulation by the Commodity Futures Trading Commission, which administers the Act. U.S. federal regulations and those of various exchanges in the United States impose limits on the numbers of contracts that can be controlled by any one person and on the price fluctuations permitted on any trading day. Trades which cannot be executed within the price change limits for that day must be delayed until the next trading session or later. In a volatile market, the daily limit may be reached with little or no trading. As a result, the holder of a futures contract (including the Portfolio Investments) may be prevented from promptly realizing indicated profits or liquidating unfavorable positions and may be subject to increasing and substantial losses.

The London Metals Exchange and other London and international futures or forward markets are either self-governing, autonomous bodies or, like the interbank markets, represent unregulated direct dealing arrangements.

DISTRESSED SECURITIES. The activities of the Portfolio Investments in which the Fund may invest may include investment in securities of companies that have become financially distressed as a result of unexpectedly or chronically poor operating results,

an excessive debt burden or a substantive liability. A company in financial distress may announce a restructuring plan, either in the form of a court-supervised bankruptcy or insolvency proceeding, or an out-of-court restructuring of its indebtedness and other liabilities. Such distressed securities or other assets acquired by a Portfolio Investment may have to be held for extended periods of time. The risks inherent in investment in distressed securities include the possibilities that proposed reorganizations may not be consummated, may not be consummated at the expected valuations or terms and conditions, or may be significantly delayed for various reasons.

CONFLICTS OF INTEREST

CONFLICTS GENERALLY. The Investment Manager, the Agent, the Principal Distributor and their respective affiliates may face certain conflicts of interest in relation to the Fund, including but not limited to involvement with other entities utilizing investment strategies similar to those of the Fund and with other businesses in general. The Investment Manager may cause the Fund to invest in securities in which one or more parties or affiliated entities own an interest and accordingly may derive additional fees or other benefits from such other investments. The Investment Manager, the Agent, the Principal Distributor, the Fund, the Directors, and their respective affiliates may from time to time conduct business with and receive compensation from or make payments to entities or persons whose clients invest, in the Fund or otherwise deal with the Fund, Portfolio Investments or others dealing with the Fund or any of them, or may provide or receive other consideration to or from any of them. The Fund may additionally utilize a money market fund managed by the Agent.

OTHER CLIENTS. The Investment Manager may advise other clients, including other clients with investment objectives similar to those of the Fund, and may purchase or sell securities for their accounts similar to those purchased or sold for the Fund's accounts. In case of a conflict between the Fund's account and one or more such other accounts, where there is a limited supply of a particular investment or sale opportunity, the Investment Manager will allocate such opportunities in the manner it considers to be most equitable and consistent with its advisory obligations to the Fund and will endeavour to assure equality among all accounts and clients at all times.

OTHER ACTIVITIES. The Investment Manager does not have any duty to account to the Fund for profits derived from its other activities and is under no duty, other than its duty as a fiduciary, to engage in such activities in a manner which does not affect the Fund's investments. Employees of the Investment Manager are not required to devote their full time to the Fund's business and each devotes time to the investment activities of the clients and affiliates of the Investment Manager and to certain other outside business activities. As a result, employees of the Investment Manager may have conflicts allocating their time between the Fund and such other activities. However, the Investment Manager believes that it has sufficient staff to perform its responsibilities to the Fund. The employees of the Investment Manager, the Agent and the Principal Distributor are required to devote to the Fund's affairs only as much time as they deem necessary.

RESOLUTION OF CONFLICTS. Circumstances may occur in which an allocation of assets, management time or other resources could have adverse effects on the Fund or the other clients. The Investment Manager will endeavor to ensure that such conflicts are resolved fairly and in an equitable manner without undue hardship on any Shareholders. Additionally, it is possible that one or more Directors may, in the course of their business, have potential conflicts of interest with the Fund. Each will at all times have regard in such event to its obligation to act in the best interest of the Fund, having regard to its obligations to other clients, when undertaking any investments or other business where conflicts of interest may arise and they will endeavour to resolve such conflicts fairly.

INVESTMENT RESTRICTIONS

The Directors have adopted certain specific investment restrictions to govern the operations of the Fund, as set forth below. Such restrictions may be changed at any time, subject to adherence to the regulations of the Irish Stock Exchange, by vote of the Directors, which will consult on such matters with the Investment Manager. Such restrictions are in any event subject to adherence to the listing rules of the Irish Stock Exchange, including the principles of risk spreading, for as long as the Shares are listed thereon. Unless otherwise indicated, percentage limitations need only be satisfied at the time an investment is made, based upon the value and character of the Fund's assets immediately following such investment; a subsequent change in percentage resulting from changes in

relative values will not be deemed a violation of these restrictions and will not require adjustments by the Fund. Accordingly, the following percentages may from time to time be exceeded, as a result of changes in relative values or otherwise. In such case, the Investment Manager will make every effort to bring the Fund back into compliance with these limitations within three months of the determination of a violation of such limitation.

The Fund will adhere to the following investment restrictions as long as the Shares are listed on the Irish Stock Exchange (in the case of such restrictions as are required by it).

While the Fund expects in general to be substantially fully invested in the Portfolio Investments at all times (see "Investment Objectives and Policies"), it is also anticipated that they will maintain a relatively small amount of assets in cash or cash equivalents for their day to day operational requirements, which assets may include a money market fund with daily liquidity advised by the Agent or its affiliate and held by the Custodian in a segregated account on the Fund's behalf.

Subject to the foregoing, the Investment Manager may not currently:

- Acquire securities of any issuer which will result in the Fund taking legal or management control over that issuer. Such restriction will not be amended so long as the Shares are listed on the Irish Stock Exchange.
- Invest in real estate, real estate mortgage loans, or interests in oil, gas and/or mineral exploration or development programs, provided that such limitation shall not prohibit the purchase of securities issued by companies (including real estate investment trusts and mortgage banks) which invest in any thereof.
- Purchase a security, or the securities of or relating to any single issuer if, immediately following such purchase, more than 20% of the Fund's total assets (before deducting borrowed money) would be invested in such security or securities, provided that such limitation shall not apply to temporary investments in securities issued or guaranteed by a government, governmental agency or instrumentality or by any supranational authority of any EU or OECD member, including money market funds with daily liquidity investing in such securities (for which the limit is 40%). Such restriction will not be amended so long as the Shares are listed on the Irish Stock Exchange.

- Make loans, provided that such limitation shall not prohibit the purchase and holding of a portion of an issue of publicly distributed debt securities, the lending of portfolio securities, or the entry into repurchase agreements.
- Sell shares of the Portfolio Investments short unless at all times when a short position is open, the Fund owns an equal amount of securities, or of securities convertible into or exchangeable without payment of any further consideration for securities, of the same issue as the securities sold short.
- Borrow money in amounts that exceed in the aggregate 10% of the Fund's total assets taken at cost or at market value, whichever is lower. If such borrowings exceed 10% of the Fund's total assets due to changes in the market valuation of such assets or otherwise, the Fund will make no further investments until such borrowings are repaid or the amount of such borrowings are otherwise reduced to an acceptable level (*i.e.*, less than 10% of its total assets). The Portfolio Investments may from time to time have leverage substantially different from the Fund's own borrowing limitation. The leverage employed by any such Portfolio Investment for its own investments, which typically varies based on the asset but for certain derivative financial instruments may be as great as five-to-one, will not be included in the calculation of the Fund's borrowing limitation.

Notwithstanding anything herein to the contrary, the Fund will be additionally subject to the following investment restrictions:

- (i) the Fund shall ensure that a reasonable spread of investments will be made such that the Fund will not effect any purchase or enter into any transaction that would result in a position of more than 20% of the value of the net assets of the Fund in the securities (excluding government securities and the money market funds as mentioned above) of any single issuer or an exposure of more than 20% of the value of the net assets to a counterparty; *and*
- (ii) not more than 20% of the gross assets of the Fund shall be exposed to any one counterparty, save that this restriction will not apply where the counterparty:

(a) is registered and regulated as a broker by the CFTC or the SFA, has financial resources in excess of US\$200 million, and the Fund will comply with any other minimum criteria in respect of acceptable counterparties which are set by the Irish Stock Exchange from time to time;

and the counterparty and/or its parent company (where the counterparty is a wholly owned subsidiary of such a company);

(b) has a credit rating from Moody's Investors Services, Inc. ("Moody's") or Standard & Poor's Corporation ("S&P") of at least category "A" for long-term debt and "P-2" or "A-1", respectively, for short-term debt; *and*

(c) such assets will be traded on or subject to the rules of a recognised Exchange or with counterparties which have (or their parent company has) the credit rating in (ii)(b), above.

The above restrictions will apply as at the date of the relevant transaction or commitment to invest. Changes in the Fund's portfolio of investments do not have to be effected because of appreciation or depreciation in value or by reason of the receipt of, or subscription for, any rights, bonuses or benefits in the nature of capital or of any acquisition or merger or scheme of arrangement for amalgamation, reconstruction or conversion or exchange or of any repayment or redemption, as a result of which any of the restrictions would thereby be breached, but regard shall be had to these restrictions when considering changes or additions to the investments held by such Fund where a restriction is breached as a result of any event outside its control. In such circumstances, no further such investment may be made until the relevant restriction can again be complied with. If the Investment Manager becomes aware of any breach of these limits, they will immediately take all necessary and appropriate steps to bring the Fund's portfolio back within these limits, including but not limited to the termination of investment in any security, and the reallocation of assets in order to reestablish compliance with such rule.

The Fund's policy is generally not to invest in any security, or utilize any technique, which would subject their income to withholding or taxation in the United States.

AGENCY AND ADMINISTRATIVE SERVICES

Olympia Capital International Inc. serves as the Fund's Agent and Principal Distributor. Pursuant to the Agency Agreement, the Agent performs or supervises the performance of services necessary for the operation and administration of the Fund (other than making investment decisions), including administrative, accounting and shareholder services. The Agent also calculates the Fund's Net Asset Value, which is determined monthly, generally on the last Business Day of the month. (A "Business Day" is defined as any day on which general banking business may be transacted in Bermuda, Dublin and London.) The Agent, a company incorporated under the laws of the British Virgin Islands, together with its affiliates in Bermuda, New York, Tokyo, Toronto, Dublin and the Cayman Islands, sponsors, manages and/or administers investment companies worldwide.

The Agency Agreement provides that, in the absence of the Agent's bad faith, gross negligence or willful or reckless misconduct, the Agent will not be liable for any act or omission performed or omitted by it in the course of, or in connection with, its rendering of services thereunder.

FEES AND EXPENSES

The Fund incurs investment management, administrative and distribution fees, and other operational expenses, as described below.

INVESTMENT MANAGEMENT FEES

Base Fee: For providing investment management services, the Investment Manager receives a monthly investment management fee at an annualized rate of 1.25%, based upon the Fund's month-end net assets.

For the purpose of calculating management fees, the term "Net Asset Value" of the Fund means its total assets as at the relevant Valuation Date, including interest income earned on assets held in any cash management account and unrealised profits and losses, less its total liabilities.

Incentive Fee: In addition, the Fund shall pay the Investment Manager a monthly Incentive Fee in an amount equal to 10% of the New Appreciation in the Fund's investment portfolio during such month. "New Appreciation" means, in respect of any month, the remainder, if any, obtained when the highest previously calculated month-end Net Asset Value (as defined

above and adjusted for any subsequent additions and withdrawals) is subtracted from the Fund's preliminary valuation (before deduction of any incentive fee) for such Valuation Date.

Any decrease in the Net Asset Value subsequent to the most recent Valuation Date in which incentive fees were earned will be carried forward and will reduce the amount of incentive fees otherwise payable until future increases exceed the amount of loss carried forward. The amount of the decrease in value carried forward will be reduced in an amount proportionate to the amount of any withdrawals from the Fund.

CORPORATE AND ADMINISTRATIVE SERVICES FEE

For performing or supervising the performance of corporate and administrative services necessary for the operation and administration of the Fund (other than the making of investment decisions), the Agent receives a monthly fee at an annual rate of 0.20%, based upon the Fund's average monthly Net Assets for that month.

SALES-RELATED CHARGES

For distributing the Shares, and for reimbursement of various marketing and distribution expenses, the Fund may receive a sales charge of up to 5% of the purchase price of each Share issued. (See "Investment in the Fund - Terms of Purchase".)

The Investment Manager, the Directors, and their respective affiliates may from time to time conduct business with institutions whose clients invest in the Fund, or may provide other consideration to such institutions or recognized agents.

OTHER FEES AND EXPENSES

The Fund is also responsible for the costs and expenses attributable to its organisation and start-up, and for the costs and expenses associated with the offering and sale of its Shares; for its own direct costs including brokerage, legal, outside auditing, printing and mailing costs; for Directors' fees of US\$1,000 p.a. for each Director; for the expenses of the Board of Directors and shareholder meetings; for any taxes, insurance premiums, transfer agency, registrar and custodial expenses; and for any extraordinary expenses; and, indirectly, for its pro rata share of the fees and expenses charged by the Portfolio Investments in which the Fund invests. The Fund is additionally responsible for the costs and expenses associated with the application and maintenance of its listing on the Irish Stock Exchange. All other expenses and general Fund costs, if any, not

otherwise allocated herein or assigned specifically to other parties, shall be borne by the Fund.

Any reallowances of fees by the Portfolio Investments' investment advisors will be credited directly to the Fund.

The Agent, the Principal Distributor, the Fund, the Investment Manager, the Directors, and their respective affiliates may from time to time conduct other business with the Fund or with institutions whose clients invest in the Fund, or may provide other consideration to such institutions or recognized agents or earn fees from them.

The foregoing fees may be changed upon prior notification to shareholders by the Directors subject to any contractual undertaking.

DIRECTORS AND OFFICERS

The Directors and principal officers of the Fund and their current cities of residence and principal business associations are as follows:

Grant Brown, *Director*, Tropic Isle Building, Road Town, Tortola, British Virgin Islands.

Mr. Brown (New Zealand, b 1967) is a Chartered Accountant and since 1998 Trust and Fiduciary Director of Insinger Trust (BVI) Limited responsible for management, directorship and trusteeship of the firm's trust and fiduciary business unit. Prior thereto, he held in 1997 a contract position with the Order of St John, reporting directly to the New Zealand Priory Trust Board, and from 1995 through 1996 the position of financial analyst in the government of New Zealand. From 1986 through 1994, Mr. Brown was a Chartered Accountant with KPMG Peat Marwick in New Zealand.

Martyn Crespel, *Director*, Tropic Isle Building, Road Town, Tortola, British Virgin Islands.

Mr Crespel (U.K., b. 1957) is the Chief Executive Officer of Insinger Trust (BVI) Limited, the Insinger Group's BVI office. Mr Crespel has over 20 years experience in the Trust and Fiduciary services industry.

Judy Hylton, *Director*, Tropic Isle Building, Road Town, Tortola, British Virgin Islands.

Mrs. Hylton (Jamaica, b 1964) is a qualified Jamaican lawyer with over 10 years of experience. Prior to moving to the BVI, Mrs Hylton practiced as an attorney-at-law specialising in Company and Commercial Law in Jamaica, where she ran her own law practice. Mrs Hylton is currently a Director of Insinger Trust (BVI) Limited responsible for trust and fiduciary services.

Oskar P. Lewnowski,* *Director*, Hamilton, Bermuda.

Mr. Lewnowski has, since its inception, been Chairman and Director of Olympia Capital International Inc. (an affiliate of the Agent), a company he was instrumental in forming in 1990, and an officer and director of its affiliates, and the Chairman of the Board of Winchester Global Trust Company Limited, a licensed Bermuda Trust company. For more than two decades, he has been a director of various international investment companies.

No Director may be considered to be an executive director of the Fund, although in certain cases they may hold executive positions with the Investment Manager, Agent, Principal Distributor or companies affiliated thereto, and there is no provision in the Memorandum of Association with regard to an

executive director. No Director has any service contract with the Fund nor are any proposed. No Director nor any connected person has an interest, direct or indirect, in the Fund's share capital or has any options with respect thereto. No Director has had an interest, direct or indirect, in any transaction with the Fund that was unusual in its nature or conditions or significant to the business of the Fund within the current or preceding financial year.

Conflicts of Interest. If a Director has a conflict of interest with the Fund or a material interest in the business to be conducted at any meeting, that Director will disclose such conflict at the earliest opportunity to the other Directors and abstain from voting with respect to such matter. Where a conflict of interest arises, the Directors will endeavour to ensure that it is resolved fairly. In the absence of an independent quorum, the Directors may not vote remuneration (including pension or other benefits), to themselves or any members of their body. The Board of Directors and its members personally may not enter into loan transactions with the Fund. The Fund is responsible for any payments to Directors, including reimbursement of the costs and expenses associated with meetings of the Board of Directors. There is no provision in the Memorandum of Association with regard to retirement of a Director under an age limit.

The Fund will indemnify its officers and Directors to the fullest extent permitted under applicable law.

INVESTMENT IN THE FUND

SUBSCRIPTIONS

SUBSCRIPTION FREQUENCY

Subscriptions are offered monthly as of the last Business Day of each month (each a "Valuation Date") at the applicable net asset value per share (see "Determination of Net Asset Value") plus in each case a sales charge of up to 5% of the purchase price of each Share, all or part of which may be made available for reallowance by the Fund to its own personnel, to personnel of affiliates or to recognized agents.

SUBSCRIPTION MINIMUMS

- Minimum initial purchase: US\$100,000
- Minimum subsequent purchase: US\$30,000

SUBSCRIPTION PROCEDURES

FIRST SUBSCRIPTIONS

In connection with his first Share subscription only, each investor should complete and sign a copy of the Subscription Agreement, attached at the end of this Memorandum or available from the Agent, Olympia Capital International Inc., and mail it to the Fund c/o its Agent. (See "General Considerations".) The minimum initial subscription amount is US\$100,000, which may from time to time be waived by the Directors subject to an absolute minimum subscription of US\$30,000 with respect to any subscriber.

ALL SUBSCRIPTIONS

Applications to subscribe:

- must be made by facsimile transmission or in writing (including, in the case of first-time investors, by means of a signed Subscription Agreement) *and*
- must be received by the Fund or its appointed agent at least five Business Days before the relevant Valuation Date.

The application must stipulate either the amount of money that the subscriber wishes to invest or the given number of Shares that the subscriber wishes to purchase and the fact that such investment is to be made in Shares of the Insinger de Beaufort Zeus (OS) Fund. The Fund retains the right to refuse to accept, in whole or in part, applications to subscribe for Shares. Applications properly tendered and paid for, received and accepted by the Fund as provided above, will be held for investment in the Fund as of the relevant Valuation Date.

Each investor must represent and warrant to the Fund that, among other things, he is an eligible investor as described below.

Upon acceptance of an investor's purchase order by the Fund and clearance of his funds in the full amount of the applicable purchase price, a transaction advice confirming the purchase will be transmitted to the investor within five Business Days following the determination of net asset value (see "Determination of Net Asset Value").

BUSINESS DAY

A "Business Day" is defined as any day on which general banking business may be transacted in Bermuda, Dublin and London.

PAYMENT PROCEDURES FOR ALL SUBSCRIPTIONS

By wire transfer in U.S. dollars to:
Bank Insinger de Beaufort
Amsterdam, The Netherlands
ABA N^o: []
For A/C: Insinger de Beaufort Zeus (OS) Fund
A/C N^o: []

With a copy of instructions (including value date, the address of the investor's bank, and the investor's contact at such bank for confirmation) to:

Insinger de Beaufort Zeus (OS) Fund
c/o Olympia Capital International Limited
Williams House, 20 Reid Street
Hamilton HM 11, Bermuda
Telephone: +1 (441) 292-1018
Fax: +1 (441) 298-5031

Payment must be received by the Fund or its Agent prior to the relevant Valuation Date. Although not recommended due to the unavoidable delays commonly encountered, payment of subscription funds may also be submitted by cheque, draft or money order, payable to the order of "Insinger de Beaufort Zeus (OS) Fund", mailed directly to the Fund c/o its Agent.

GENERAL CONSIDERATIONS

All or a part of the remainder of each sales charge may be reallocated by the Fund to its own personnel, to personnel of the Agent, the Investment Manager, their affiliates or to recognized agents.

The Fund will issue fractional Shares to represent the difference between the amount invested and the number of full Shares purchasable with that amount. Shares are denominated in U.S. dollars and subscription payments should be made in Dollars.

Subscriptions will be accepted by the Agent in Bermuda on any Business Day during regular business hours of 9 a.m. to 5 p.m. (Atlantic time) for a specified monetary amount or for a specified number of Shares.

AGENT:

Olympia Capital International Inc.
Williams House, 20 Reid Street
Hamilton HM 11, Bermuda
Telephone: +1 (441) 292-1018
Fax: +1 (441) 298-5031

ELIGIBLE INVESTORS AND RESTRICTIONS ON TRANSFER

Each prospective investor is required to certify that the Shares are not being acquired directly or indirectly for the account or benefit of a Restricted Person, except as otherwise permitted herein. The term "Restricted Person" as used in this Memorandum means any member of the public in the BVI or any U.S. Person as defined below and other persons from time to time designated as such by the Fund.

Shares may be sold or otherwise transferred to or held by a citizen or resident of the United States, a partnership organized or existing in any state or possession of the United States, or a corporation, trust or other entity organized under the laws of or existing in the United States or any state, commonwealth or possession thereof (a "U.S. Person") only if the Fund receives evidence satisfactory to it that such sale, transfer or holding is exempt from registration under the securities or commodities laws of the United States, would not require the Fund, the Investment Manager, or the Agent to register pursuant to such securities or commodities laws and involves no adverse tax or regulatory consequences to the Fund or its shareholders. Subject to the foregoing, each transferee will be required to present documentation satisfactory to the Fund that he is not a U.S. Person. The Fund's policies prohibit the sale or transfer of Shares to any investor to whom such sale or transfer would be unlawful, and it intends to exercise its right to compulsorily redeem any Share sold or acquired in contravention of these prohibitions. The Fund's policies also require that an investor affirmatively declare that he (or she) jointly with spouse have total net worth in excess of US\$1,000,000 or its equivalent and that he (or she) consents to being treated as a professional investor as so defined by The Mutual Funds Act (1996) of the British Virgin Islands for the purposes of investment in the Fund. Moreover, the Fund has the right, which it may exercise in its sole discretion, to compulsorily redeem any Shares of any shareholder, the continued ownership of which by such shareholder could result in adverse tax or regulatory consequences to the Fund or its other shareholders.

Shares may be sold or otherwise transferred to or held by a citizen or resident of the United States, a partnership organized or existing in any state or possession of the United States, or a corporation, trust or other entity organized under the laws of or existing in the United States or any state, commonwealth or possession thereof (a "U.S. Person") **only** if the Fund receives evidence satisfactory to it that such sale, transfer or holding is

exempt from registration under the securities or commodities laws of the United States, would not require the Fund, the Investment Manager, or the Agent to register pursuant to such securities or commodities laws and involves no adverse tax or regulatory consequences to the Fund or the Shareholders. Subject to the foregoing, each transferee will be required to present documentation satisfactory to the Fund that he is not a U.S. Person. The Fund's policies prohibit the sale or transfer of Shares to any investor to whom such sale or transfer would be unlawful, and it intends to exercise its right to compulsorily redeem any Share sold or acquired in contravention of these prohibitions. Moreover, the Fund has the right, which it may exercise in its sole discretion, to compulsorily redeem any Shares of any shareholder, the continued ownership of which by such shareholder could result in adverse tax or regulatory consequences to the Fund or the Shareholders.

Each investor additionally must represent and warrant to the Fund that, among other things, he is able to acquire Shares without violating applicable laws and that he is a professional investor as defined by the Irish Stock Exchange. The Fund will not knowingly offer or sell Shares to any investors to whom such offer or sale would be unlawful or register either a subscription for or transfer of Shares unless the incoming shareholder has given the warranty that he is an investor whose ordinary business or professional activity is the buying and selling of securities, whether as principal or agent; or a natural person who warrants that his net worth (or joint net worth with spouse) exceeds US\$1 million; or an institution with a minimum amount of assets under discretionary management of US\$5 million; and he has the knowledge, expertise and experience in financial matters to evaluate the risks inherent in investing in the Fund, has read and understands the Memorandum and is aware of the risks inherent in investing in the Shares and the method by which the Portfolio Investments are held and/or traded as described in the Memorandum and can bear the risk of loss of the entire investment.

REGISTRATION OF SHARES

Shares will normally be registered in the investor's name on the books of the Fund and held in book form. Share certificates will be issued to shareholders only upon written request or by checking the appropriate box in the Subscription Agreement. (See "General — Shares in Book Account".)

PARTICIPATING FINANCIAL INSTITUTIONS

At the subscriber's request, arrangements can be made with participating financial institutions to help effectuate transactions on an accelerated basis. Clients may consult Olympia Capital International Inc., Williams House, 20 Reid Street, Hamilton HM 11, Bermuda (Telephone #: +1 (441) 292-1018, Fax #: +1 (441) 298-5031), for details. Such requests may also be directed to Insinger de Beaufort Asset Management N.V., P.O. Box 10820, 1001 EV Amsterdam, The Netherlands (Telephone #: (+31 20) 52 15 450, Fax #: (+31 20) 52 15 449) for transmission to the Agent.

REDEMPTIONS

Share redemptions may be effected as of each Valuation Date (which is the last Business Day of each calendar month) at the applicable net asset value per Share (see "Determination of Net Asset Value").

REDEMPTION PROCEDURES

To redeem Shares, send a signed redemption request (by facsimile transmission or letter), together with any applicable Share certificates (duly executed for transfer or having an executed stock power attached), directly to the Agent. Each request must specify the exact account name, account number, and number of Shares to be redeemed.

PLEASE NOTE: Due to the necessity of the Fund to liquidate positions in Portfolio Investments, which themselves have varying redemption frequencies and notification requirements for redemptions, the following redemption procedures have been adopted.

Redemption requests properly tendered and received by the Agent, together with any applicable Share certificates in proper form, at least thirty five days prior to any Valuation Date will normally be redeemed as of that Valuation Date and paid in full within fifteen Business Days.

If a shareholder wishes to redeem Shares, but fails to meet the 35-day notification requirement, the redemption proceeds may be paid out in two parts at the discretion of the Operations Committee of the Board of Directors, as long as redemption requests are received by the Agent at least fifteen Business Days prior to the Valuation Date. In such case, redemption payments equal to 85% of the net asset value of the Shares redeemed will normally be made within fifteen Business Days

after the applicable Valuation Date provided that the redemption request is received by the Agent at least fifteen Business Days prior to the Valuation Date. To allow for the timely receipt of proceeds from any liquidations in the Portfolio Investments that may have been effected to fund such redemptions, the balance of the redemption value of the redeemed Shares will normally be paid within thirty five Business Days after such Valuation Date.

Transfers of Shares are effected in the Fund's books by the Transfer Agent upon the request of individual shareholders or their bank or brokerage representative.

Redemption proceeds will be wired to the redeeming shareholder's designated bank account if proper payment instructions have previously been supplied. Upon written request, cheques will be sent to the redeeming shareholder at his address indicated in the Fund's register or at such other address as he may designate.

The redemption price will be the Fund's net asset value per Share as of the relevant Valuation Date (see "Determination of Net Asset Value", below) rounded to the nearest cent.

If, due to delay of receipt of net asset valuation from one or more Portfolio Investments or extraordinary market conditions or delays by one or more Portfolio Investments in providing information for determining the net asset value of Shares, determination of the Fund's net asset value is not reasonably practicable or investments in Portfolio Investments cannot be liquidated in a timely fashion to the extent required to meet redemption needs without a significant adverse impact on the Fund, redemptions may be deferred beyond the times indicated above, or may be paid in kind, or partly in cash and partly in kind, provided that all redemptions made as of any given Valuation Date will generally be made on the same basis and will not materially prejudice the interests of the remaining shareholders. In such case, the Directors shall so notify all shareholders tendering their shares for redemption and the appropriate parties at the Irish Stock Exchange of such action. In the case where redemption requests have been deferred for any reason whatsoever, such redemptions shall be paid in full for the amount based on the net asset value per Share as of the relevant Valuation Date before any subsequent redemption requests are fulfilled. The Fund reserves the right to hold a portion of the redemption payment to the extent that receipt by the Fund of payment of the corresponding redemption of Portfolio Investments is held back by one or more Portfolio

Investments or because timely net asset value information is unavailable from one or more Portfolio Investments.

The Fund also reserves the right to compulsorily redeem any shareholder's account upon sixty days' prior notice if the aggregate net asset value of the Shares held in such account is less than US\$100,000 or another minimum amount as may be determined from time to time by the Board of Directors.

DETERMINATION OF NET ASSET VALUE

The Fund's net asset value per Share is determined for each Valuation Date (which is the last Business Day of each month) by dividing the Fund's net assets by the total number of Shares outstanding on such Valuation Date. Net assets are determined by deducting total liabilities from total assets (which include accrued income and the Fund's unamortized organization expenses, which organizational expenses are being amortized over a five-year period). Income and expenses (including fees) are determined on an accrual basis. The value of such assets and the amount of such liabilities will be determined as of the close of business on each Valuation Date.

Net asset value calculations will be made on the basis of the estimated net asset values of the Portfolio Investments as of the relevant Valuation Date or, in the case of Portfolio Investments whose shares are listed for trading on a recognized exchange, the net asset value will be the closing price as of the relevant Valuation Date, or if quoted but not traded then the mean between the bid and asked prices, for such security on the principal stock exchange on which such security is traded, or if such exchange is not open for trading on such Valuation Date, on the closing price for such security on the last full Business Day on which such exchange was open for trading preceding such Valuation Date. Consequently, the net asset value of the Fund will be made on the basis of the estimated net asset values of the Portfolio Investments as of the relevant Valuation Date.

Valuations are based on the net asset value of the Fund's investments in the Portfolio Investments, as published or otherwise reported by the Portfolio Investments. Consequently, the Fund will be dependent on the Portfolio Investments for reporting and on their auditors ultimately for verification.

Because of normal processing requirements, it is expected that computations of net asset value governing subscriptions and redemptions of Shares will normally be completed within seven days after each Valuation Date (subject to the timely receipt of

estimated valuations from the Portfolio Investments) and will be generally available shortly thereafter. The Fund does not expect to encounter a situation where suspension of the calculation of its net asset value would be required, although the determination of a net asset valuation may from time to time be delayed beyond the seven-day period to allow for the receipt of accurate valuations from the Portfolio Investments. Such a suspension or delay beyond the normal seven-day period could occur due to temporary operational or communications breakdowns or market disruptions, closures of markets or suspension of trading in key markets. Subscription confirmation may be delayed until such information is available, or redemptions may be deferred beyond the times indicated above or may be paid in kind, or partly in cash and partly in kind, provided that all redemptions made as of any given Valuation Date will generally be made on the same basis and such redemptions will not materially prejudice the interests of the remaining Shareholders. The Fund reserves the right to hold a portion of the redemption payment to the extent that receipt of payment of the corresponding redemption of the Fund's investments is held back by one or more Portfolio Investments or because timely net asset value information is unavailable from one or more Portfolio Investments. Notice of any such delay or suspension will be given by the Directors to Olympia Capital International Inc., as the Agent and Principal Distributor, and may be published or distributed in any other way that the Directors may consider appropriate. Such notice will be given to any shareholder tendering his Shares for redemption and will be immediately forwarded to the Irish Stock Exchange and all reasonable steps will be taken to bring any period of suspension to an end as soon as possible.

Written confirmation of all subscriptions and redemptions will be effected immediately upon determination of the net asset value; and the confirmed Dollar amount and number of shares of such subscription or redemption, will be issued promptly following determination of the relevant net asset value.

The Board of Directors, in its discretion, may permit other methods of valuation to be used if it considers that such valuation better reflects the fair value of any asset.

COMMUNICATION OF NET ASSET VALUE

The Fund supplies its most recent net asset value per Share to Extel Financial Services, Micropal and Telekurs, and other intermediaries of financial data. The Directors additionally may

from time to time determine to publish the Fund's current net asset value per Share in such widely distributed newspaper or newspapers as the Directors may designate.

The Fund also provides each registered shareholder on a regular basis with a Performance Update containing performance data and relevant information and commentary about the Fund's performance history. The Fund's net asset value per Share will be notified to the Irish Stock Exchange without delay following each Valuation Date.

DIVIDEND POLICY

The Fund does not currently intend to distribute its income to shareholders. The Directors will periodically review the Fund's dividend policy in light of ongoing needs and operations. Distributions with respect to the Fund, in the event such are declared by the Board of Directors, will be paid as permitted by British Virgin Islands law and in accordance with Irish Stock Exchange requirements.

TAX CONSIDERATIONS

Persons interested in purchasing the Shares should inform themselves as to any tax consequences particular to their circumstances arising in the jurisdiction in which they are resident or domiciled for tax purposes in connection with the acquisition, ownership, redemption or disposition of the Shares.

Prospective investors are urged to consult their own professional advisors regarding the possible tax, exchange control or other consequences of buying, holding, selling or redeeming Shares under the laws of their respective countries of citizenship, residence or domicile and those of any other applicable jurisdiction.

The following summary is based on current law and practice, is subject to change, and does not purport to cover all conceivable issues. In particular, such summary does not cover any of the U.S. tax consequences to a U.S. person, at the shareholder level, of owning Shares in the Fund. Moreover, no attempt is made in this Memorandum to fully specify the possible local tax consequences, at the shareholder level, of the acquisition, holding or disposal of Shares by any person, in view of the number of different jurisdictions whose laws may be applicable to shareholders.

Under current British Virgin Islands legislation applicable to the Fund, there is no income tax, capital gains or withholding tax, estate duty or inheritance tax payable by the Fund, or payable by the Shareholders (provided they are not persons resident in the British Virgin Islands) in respect of their Shares. An annual company license fee is payable by the Fund. There are no exchange controls in the British Virgin Islands applicable to the Fund or its operations.

The Fund has been advised by its U.S. counsel, Shearman & Sterling, that, provided it does not itself engage in a trade or business in the U.S. (which it does not intend to do), or invest in any portfolio investment that structurally or operationally causes it to be treated as so engaged, and otherwise operates in the manner contemplated in such counsel's opinion, it should not be subject to U.S. Federal income or withholding taxes on gains realised by it from investments in the portfolio investments.

Furthermore, U.S.-source interest income earned by the Fund on bank deposits and on certain short-term obligations, if any, and U.S.-source income constituting "portfolio interest" as defined in § 881 of the Internal Revenue Code of 1986, as amended, will not be subject to U.S. Federal income or withholding taxes. Since the Fund is a passive foreign investment company, it is not subject to the U.S. accumulated earnings tax or personal holding company tax.

U.S.-source dividend income (or interest income that is not otherwise exempt from U.S. tax) earned by the Fund will generally be subject to the 30% U.S. Federal withholding tax. However, the Fund intends to minimize the investments that would result in dividend or interest income subject to U.S. taxes.

The Fund generally will be subject to U.S. Federal income tax on gain realised on the disposition of any interest (other than solely as a creditor) in a U.S. corporation that is a U.S. real property holding corporation (a "USRPHC"). A corporation is a USRPHC if the fair market value of U.S. real property directly or indirectly held by the corporation is 50% or more of the aggregate fair market value of certain of its assets. The Fund intends to minimize its tax liability by avoiding investments in U.S. real property and USRPHCs.

Gains realized by a non-U.S. Shareholder on redemption of its Shares by the Fund, and dividends distributed to a non-U.S. Shareholder by the Fund in respect of its Shares, should not be taxable in the U.S., unless such gains or dividends are

effectively connected with a trade or business in which such Shareholder is engaged within the U.S.

The Fund has further been advised regarding United Kingdom tax rules applicable to the Fund and the Shareholders as follows:

The Fund, provided that it is and remains a company not resident in the United Kingdom, will not be subject to United Kingdom taxation on profits realised on the disposition of its investments in portfolio investments provided it does not carry on a trade in the United Kingdom through a branch or agency therein (which it does not intend to do).

Shareholders who are resident in the United Kingdom for tax purposes may, depending on their particular circumstances, be liable for United Kingdom income tax or corporation tax on any dividends paid by the Fund.

Chapter V of Part XVII of the Income and Corporation Taxes Act 1988 makes provision for the taxation as income rather than as capital gains of any gains realised on the disposition of interests in an "offshore fund," such as the Fund. Where that legislation applies to an investor, any gain realised by the investor on the disposal of Shares is treated for United Kingdom tax purposes as an income receipt rather than as a capital gain. The offshore funds legislation applies to investors who are resident or ordinarily resident in the United Kingdom and to non-United Kingdom resident persons whose interest in the offshore fund is held in connection with a branch or agency carrying on a trade in the United Kingdom.

The offshore funds legislation will not apply to the disposal of an interest in an offshore fund if that offshore fund is certified by the United Kingdom Inland Revenue as a "distributing fund" throughout the whole of the period for which the interest was held. The Fund will not qualify as a "distributing fund" for the purposes of the offshore funds legislation and, accordingly, any gains realized on disposal (including exchange or redemption) of Shares by investors affected by the legislation will be treated as income (rather than capital) receipts.

If the Fund is controlled by persons resident in the United Kingdom, it will be a "controlled foreign company" for the purposes of sections 747-756 of, and Schedules 24 and 25 to, the Income and Corporation Taxes Act 1988. Under those provisions, companies resident for taxation purposes in the United Kingdom having a sufficient interest, generally 10% or more, in the Fund could in certain circumstances be chargeable

to United Kingdom corporation tax in respect of any undistributed profits of the Fund which may be deemed to be their income for the purposes of United Kingdom taxation. The controlled foreign company legislation does not apply to companies that implement an "acceptable distribution policy" (as defined in the legislation), but the Fund will not make sufficient distributions to have an "acceptable distribution policy" for these purposes.

If the Fund were to be a company which would be a close company if resident in the United Kingdom, a proportion of capital gains accruing to it may be apportioned to any U.K. resident participator and treated as accruing to that participator for the purposes of taxation of capital gains. The proportion that can be so apportioned is that which corresponds to the extent of that participator's interest as a participator where the aggregate amount so apportioned to him and to persons connected with him does not exceed whichever is smaller of one twentieth of the gain and £500.

Insurance companies will, in certain circumstances, be deemed for the purposes of United Kingdom corporation tax on capital gains to have disposed of and immediately re-acquired the Shares held by them at the end of each of their accounting periods.

The attention of individuals ordinarily resident in the United Kingdom is drawn to Chapter III of Part XVII of the Income and Corporation Taxes Act 1988, which may in certain circumstances render them liable for United Kingdom income tax in respect of undistributed income of the Fund.

Certain holdings in offshore funds are affected by the legislation in the Finance Act 1996 concerning the taxation of certain corporate and government debt. This legislation shall apply to Shares if over 60% of the market value of the assets of the Fund consists of certain assets such as securities or deposits. If this legislation applies in relation to the Shares for any accounting period, companies resident in the United Kingdom (or certain United Kingdom branches of companies not resident in the United Kingdom) will be required to mark to market their shares in that accounting period and treat any resulting gain or loss as income profit or loss for U.K. purposes.

Some of the Fund's income from other sources may be subject to tax in the applicable jurisdiction(s).

The foregoing summary is based on current law and practice, is subject to change, and does not purport to cover all

conceivable issues. In particular, such summary does not cover any of the U.S. tax consequences to a U.S. person, at the shareholder level, of owning the Shares. Moreover, no attempt is made in this Memorandum to fully specify the possible local tax consequences, at the Shareholder level, of the acquisition, holding or disposal of Shares by any person, in view of the number of different jurisdictions whose laws may be applicable to Shareholders.

THE FUND

Insinger de Beaufort Zeus Fund Limited (the "Company") is an International Business Company, organized on September 20, 1996 in the British Virgin Islands with registration number 200057, whose shares may be denominated and issued in several series. Each series would be wholly independent of all other series; investors who hold shares of a given series assume the investment risks (and share in the upside potential) associated with the investment portfolio dedicated to that series only. (See "General - Capital Stock", following.)

The Articles of Association provide that the Company's existence will be indefinite. Articles 5 and 6 of the Memorandum of Association provide that the Company's corporate purposes include any act or activity that is not prohibited under any law for the time being in force in the British Virgin Islands. The Company is prohibited from carrying on certain business activities such as banking and insurance in the British Virgin Islands. The registered office is located at Wickhams Cay, P.O. Box 438, Road Town, Tortola, British Virgin Islands.

By resolution of the Directors, the Company's shares may be denominated and issued in several series. In such case, each series would be wholly independent of all other series; investors who hold shares of a given series assume the investment risks (and share in the upside potential) associated with the investment portfolio dedicated to that series only. At present, the Fund is the only authorized series of shares of Insinger de Beaufort Zeus Fund Limited and the Directors do not at present contemplate the creation of any such additional series. In the event that the Directors authorize additional series of shares, then the assets of each such series may be exposed to the liabilities of other series, including the Fund. Since the various series each would represent capital stock of a single corporation, the assets of each series of Shares could under some circumstances be subjected to the liabilities of other series if any of those other series have insufficient assets to satisfy their own

liabilities. The Directors, who do not contemplate additional series, are not aware of any such contingent liability existing as at the date of this Memorandum or having at any previous time existed.

The Shares are denominated in U.S. dollars. All references herein to "Dollars" or "US\$" are to U.S. dollars. All references herein to "Shares" are to shares of the Fund's redeemable common stock. (See "General — Capital Stock").

Additional copies of this Memorandum and current Financial Statements may be obtained (subject to any applicable legal restrictions) upon request from the Agent, Olympia Capital International Inc., Williams House, 20 Reid Street, Hamilton HM 11, Bermuda (Telephone No.: +1 (441) 292-1018, Fax No.: +1 (441) 298-5031), or from the Agent's appointed agent in Dublin, Olympia Capital (Ireland) Limited, Harcourt Centre, 6th Floor, Block 3, Harcourt Road, Dublin 2, Ireland (Telephone: +3531 475 5040, Fax: +3531 475 5073). Such requests may also be directed to Insinger de Beaufort Asset Management N.V., P.O. Box 10820, 1001 EV Amsterdam, The Netherlands (Telephone #: (+31 20) 52 15 450, Fax #: (+31 20) 52 15 449) for transmission to the Agent.

GENERAL

ISSUANCE OF SHARES

The Shares are offered exclusively outside the United States (except to the extent consistent with the Fund's policies as described under "Investment in the Fund — Eligible Investors and Restrictions on Transfer") to prospective investors for whom such an investment would be considered suitable and would be lawful, and who can afford an investment in an enterprise having the objectives, prospects and risks of the Fund.

REPORTS AND FINANCIAL STATEMENTS

The Company's fiscal year ends on December 31. The Fund will provide all Shareholders and beneficiaries, respectively, with unaudited quarterly account statements within sixty days after the end of each calendar quarter and with an audited annual report in respect of each within ninety days after the end of each fiscal year. The Fund's annual reports will show, among other things, a statement of financial condition as of the close of its fiscal year and a statement of operations for that year. The Fund will also produce unaudited semiannual financial statements for

distribution upon request to shareholders and other interested parties.

CAPITAL STOCK

By virtue of a resolution of the Directors, Insinger de Beaufort Zeus Fund Limited is authorized to issue up to 50,000,000 shares in one or more series or classes and with such rights, preferences and privileges as the Directors may authorize. Currently, there is one authorized series of Insinger de Beaufort Zeus Fund Limited: 5,000,000 shares of redeemable common stock of the Insinger de Beaufort Zeus (OS) Fund, par value US\$0.01 per share. The Directors may approve the creation from time to time of additional series or classes of existing series.

The Memorandum and Articles of Association provides that the Company's principal objects are unrestricted and include, *inter alia*, to carry on the business of an investment company and to invest and reinvest the moneys and assets of the Fund in and to acquire, own and hold, and to sell, transfer and deal in, whether before or after acquisition and whether conditionally or otherwise; shares, stocks, call options, put options, futures, debenture stock, bonds, obligations, currencies, certificates of deposit, bills of exchange and securities of all kinds.

In no event may the Fund sell a Share for a price less than its net asset value per Share as of the date of its sale. Shares may be issued in whole and fractional denominations. The Shares are issued in fully registered form, and the Company will maintain a current shareholder register for all outstanding Shares.

All Shares will have equal rights in respect of assets or dividends of the Fund, and no such share will have preemptive, conversion, exchange or other privileges. All Shares participate proportionately in the net assets of the Fund on liquidation. Each whole Share is entitled to one vote at all meetings of shareholders on all matters on which shares may be voted; provided that the Directors may by resolution determine that a given matter affects only one or more classes or series of shares, in which case only holders of those classes or series shall be entitled to vote on such matter. Each Share, when issued, will be fully paid and non-assessable. There are no outstanding options or any special rights relating to any Shares. No capital of the Fund is under option, or agreed conditionally or unconditionally, to be put under option to any person. There are no rights attaching to the shares of other series (including any

series not yet created) that do or could impinge on the rights of the Fund or that have or would have priority over the Fund.

Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, any Share may be issued with such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting, return of capital or otherwise, as the Directors may from time to time determine. If at any time the authorized share capital is divided into different classes or series of shares other than those provided for in the Memorandum of Association as initially executed, the rights attached to any existing class or series (unless otherwise provided by the terms of issue of the shares of that class or series) may, whether or not the Company is being wound up, be varied with the consent in writing of the members holding interests aggregating to an absolute majority of the issued shares of any other class or series of shares which may be affected by such variation. The rights conferred upon the holders of the shares of any classes issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issuance of further series. Changes in authorized capital and variation of shareholders' rights require amendment to the Articles of Association by virtue of a resolution by the Directors.

Other than shares issued in the normal course of subscription transactions, there have been no operations since incorporation which have changed the amount of issued capital. No part of the issue is being underwritten or guaranteed.

SHARES IN BOOK ACCOUNT

Unless an investor requests a Share certificate, Shares will be registered in his name on the books of the Company and held in book form. Share certificates will be issued to shareholders only upon written request. Shares for which a certificate has been issued may be redeemed only after the Agent receives the certificate, duly executed for transfer or with an executed stock power attached, and proper payment instructions duly signed. Since Shares for which certificates have been issued cannot be redeemed via instructions conveyed by facsimile transmission or other electronic means, shareholders may wish to consider this before requesting certificates.

LEGAL COUNSEL

Matters relating to United States legal requirements have been reviewed by **Shearman & Sterling**, New York, New York, who

act as general counsel to the Fund. Such firm also serves as counsel to the Agent and its affiliates.

CUSTODIAN

The Directors have designated **Bank Insinger de Beaufort N.V.**, Amsterdam, The Netherlands (“Bank Insinger”), as the Custodian. Bank Insinger is a 200-year old private banking subsidiary of Insinger de Beaufort Holdings S.A., the Luxembourg-listed holding company of the Insinger de Beaufort financial services group. Insinger de Beaufort has approximately US\$5 billion of assets under management. The nominee of the Custodian, Bank Insinger de Beaufort Safe Custody N.V., will hold title to the Fund’s assets and charges normal custodial fees for this service. (See “Fees and Expenses”.)

Pursuant to a custodian contract between the Fund and the Custodian, the Custodian is responsible for the safekeeping of the Fund’s assets; the delivery of securities to, and reception of securities from, internationally reputable creditworthy financial institutions; the collection of dividends and other payments in respect of securities held by the Custodian in the custodian account on behalf of the Fund, the delivery of securities sold by the Fund against payment; and the payment for securities purchased by the Fund. All assets of the Fund are held by or under the control of the Custodian in the name of the Fund, pursuant to the custodial agreement and would be unavailable to third party creditors in the event of insolvency of the Custodian. Monies receivable for subscriptions and payable for redemptions are directed without delay through accounts held by the Custodian. The Fund does not contemplate investing directly in derivative financial instruments, and would therefore not be subject to margin or collateral arrangements. The Custodian has no investment decision-making role.

The Custodian may from time to time delegate the responsibility of holding certain assets to sub-custodians. In the case where a sub-custodian is appointed, such entity must be an international reputable and creditworthy financial institution or the Custodian must be satisfied based on adequate and appropriate due diligence that the sub-custodian is a reputable and creditworthy financial institution. The Custodian will exercise reasonable skill, care and diligence in the selection of a suitable sub-custodian and will be responsible to the Fund for the duration of any sub-custody agreement for satisfying itself as to the ongoing suitability of a sub-custodian to provide custodial services to the Fund. The Custodian will maintain an appropriate level of supervision over any sub-custodian and make appropriate

enquiries, periodically, to confirm that the obligations of the sub-custodian continue to be discharged. It is not expected that any such sub-custodians, in the event such are appointed, will entail fees in excess of those charged by the Custodian (see "Fund Expenses—Other Fees and Expenses"). In the event that additional fees are incurred, such fees will not exceed normal commercial rates. The Custodian will not be liable for assets so delegated to sub-custodians.

The Custodian Agreement provides that the Custodian shall not in the absence of negligence and willful default on its part or on the part of its servants or agents, be liable for any loss or damage which the Fund may sustain or suffer as a result or in the course of the discharge by the Custodian of its duties under such agreement.

In the course of its research and analysis of potential investment vehicles, and as a part of its ongoing review of the Fund's investments, the Investment Manager additionally makes such inquiries as deemed necessary or required to assure itself of the reputable and creditworthy nature of the custodian of all Portfolio Investments based upon its review of such custodians' capital strength and capabilities regarding the markets in which each such Portfolio Investment invests or contemplates investment

REGISTRAR AND TRANSFER AGENT

Winchester Fiduciary Services Limited, Hamilton, Bermuda, a wholly owned subsidiary of Winchester Global Trust Company Limited, a trust company licensed under the laws of Bermuda and an affiliate of the Agent, will act as the Registrar and Transfer Agent.

AUDITORS

KPMG Ireland, Dublin, Ireland, have been appointed the auditors to the Fund. The Agent is responsible for supervising the accounting, including the calculation of the net asset value.

EXCHANGE LISTING

Shares of the Fund were admitted to the Official List of the **Irish Stock Exchange** on April 14, 1998.

The Shares are quoted in United States Dollars and settlement will be made in Dollars.

The Fund's sponsoring member firm is Goodbody Stockbrokers.

SHAREHOLDER MEETINGS

The Articles of Association provide that meetings of the Shareholders will be held at such time and in such manner and place as the Directors consider necessary or desirable, and they shall convene such a meeting upon the written request of members holding more than 50% of the votes of the issued and outstanding voting shares in the Fund.

MATERIAL CONTRACTS

The following contracts which may be material have been entered into between the Fund and the relevant party:

The Fund and Bank Insinger de Beaufort, Amsterdam, The Netherlands; Custodial Account Agreement, dated as of March 31, 2001, for an indefinite term and terminable by either party upon thirty days' written notice to the other party. (See "General - Custodians", above.) The Agreement is terminable on sixty days' notice in writing by either party or immediately: (i) in the event of a liquidation, except a voluntary liquidation for the purposes of a reconstruction or amalgamation on terms previously approved in writing by the other party or upon the happening of a like event at the direction of an appropriate regulatory agency or court of competent jurisdiction; or (ii) if the other party shall commit a material breach of the provisions of this Custodian Agreement and, if capable of remedy, shall not have remedied the same within thirty Business Days after the service of notice requiring it to be remedied. The Custodian Agreement may be amended from time to time by mutual consent of the parties. The Agreement contains limitations of liability and indemnities operating in favour of the Custodian in the absence of dishonesty, fraud, wilful default or negligence.

The Fund and Olympia Capital International Inc., Hamilton, Bermuda; Agency and Administration Agreement, dated as of March 25, 1998, for an indefinite term and terminable by either party upon sixty days' written notice to the other party, whereby the Agent has agreed, subject to the overall supervision of the Directors, to act as agent and administrator of the Fund. The Agency and Administration Agreement may be amended from time to time by mutual consent of the parties. It contains limitations of liability and indemnities operating in favour of the Agent in the absence of bad faith, gross negligence or wilful misfeasance. (See "Agent and Principal Distributor".)

The Fund and Olympia Capital International Inc., Hamilton, Bermuda; Distribution Agreement, dated as of March 25, 1998,

for an indefinite term and terminable by either party upon 60 days' written notice to the other party. (See "Agent and Principal Distributor".) It contains limitations of liability and indemnities operating in favour of the Principal Distributor in the absence of bad faith, gross negligence or wilful misfeasance.

The Fund and Insinger de Beaufort Asset Management N.V., Amsterdam, the Netherlands; Investment Management Contract, dated as of March 25, 1998, for an indefinite term and terminable by either party upon not less than thirty days' (on the part of the Fund) or six months' (on the part of the Investment Manager) advance notice to the other party. The investment management contract provides that, in the absence of the Investment Manager's bad faith, gross negligence, or willful misfeasance, the Investment Manager is not liable for any act or omission performed or omitted by it in the course of, or in connection with, its rendering of services thereunder. Under the contract, the Investment Manager may advise other clients, including other clients with investment objectives similar to those of the Fund, and may purchase or sell securities for their accounts similar to those purchased or sold for the Fund's account. In case of a conflict between the Fund's account and one or more such other accounts, where the availability of a particular investment or sale opportunity is limited, the Investment Manager will allocate such opportunities in the manner it considers to be most equitable and consistent with its advisory obligations to the Fund, but it cannot ensure equality among all accounts and clients at all times.

The Fund and Winchester Fiduciary Services Limited, Hamilton, Bermuda; Registrar and Transfer Agent Agreement, dated as of March 25, 1998, for an indefinite term and terminable by either party upon three months' written notice to the other party. It contains limitations of liability and indemnities operating in favour of the Registrar and Transfer Agent in the absence of bad faith, gross negligence or wilful misfeasance. (See "Registrar and Transfer Agent".)

LEGAL PROCEEDINGS

No legal or arbitration proceedings are pending or, to the best of the Fund's knowledge, threatened against the Fund since the incorporation of Insinger de Beaufort Zeus Fund Limited.

SHAREHOLDER INQUIRIES AND REQUESTS TO REVIEW AGREEMENTS

Shareholder inquiries and requests to review the agreements to which the Fund is a party should be directed to the managing offices of the Fund in Bermuda. In addition, this Memorandum, the Memorandum of Association and Articles of Association, The International Business Companies Act, 1984 (Chapter 291) enacted by the Legislature of the British Virgin Islands, all material contracts and agreements and the letters of consent to which the Fund are a party and the report of the Fund's independent auditors are available for inspection at the registered office of the Fund. The latest published accounts of the Fund will be sent on request to any Shareholder.

MISCELLANEOUS

This Memorandum may be translated into other languages, but in the event of any inconsistency or ambiguity as to the meaning of any word or phrase in any such translation, the English text shall prevail. All controversies as to the governance of the Fund shall be determined by the laws of the British Virgin Islands.

SUBSCRIPTION AGREEMENT

FOR NON-U.S. PERSONS

TO: INSINGER DE BEAUFORT ZEUS (OS) FUND
c/o: Olympia Capital (Ireland) Limited
Harcourt Centre, 6th Floor, Block 3, Harcourt Road, Dublin 2, Ireland
Telephone: +3531 475 5040, Fax: +3531 475 5073
E-mail: subscribe@olympiacapital.com

Dear Sirs:

1. We* hereby agree to purchase redeemable common shares of **INSINGER DE BEAUFORT ZEUS (OS) FUND** (the "Fund"), the sole authorized series of shares of a company established under the laws of the British Virgin Islands, on the terms shown in this Subscription Agreement and in the Fund's Explanatory Memorandum dated March 31, 2001 (the "Memorandum"), receipt and review of which we hereby acknowledge.

2. We have carefully read and fully understand the Memorandum and are fully capable of assessing and bearing the risks associated with an investment in the Fund, and we confirm that we are not relying on any information, whether written or oral, not contained in the Memorandum. In addition, we have reviewed the definition of an "accredited investor" and "qualified eligible participant" in the Appendix hereof and represent that we are both an "accredited investor" and "qualified eligible participant" as so defined, and we additionally declare that we, jointly with spouse as appropriate, have total net worth in excess of US\$1,000,000 or its equivalent and that we consent to being treated as a professional investor as so defined by The Mutual Funds Act (1996) of the British Virgin Islands for the purposes of investment in the Fund.

3. We agree that the representations, agreements, acknowledgments and understandings contained herein are all continuous and that all further Share purchases will be governed by them. We further agree to advise you promptly of any changes to any such representations. We shall indemnify and hold harmless the Fund, the Agent, the Investment Manager, their respective affiliates, officers, directors, controlling persons, attorneys, agents and employees from and against any loss, damage or liability due to or arising out of a breach of any representation, warranty or agreement by us contained herein or in any other document provided to us.**

* *In the case of joint investors or signatories, each such investor or signatory is deemed to make each statement and representation herein contained.*

** *Prospective investors who are unable to make one or more of the representations included in items 4 through 8 of this Subscription Agreement should submit a written statement to the Agent at the address above explaining why they cannot so attest. The*

absence of such written statement will be deemed an affirmation of the truth and accuracy of the prospective investor's representations included in items 4 through 8.

4. ***(FOR INDIVIDUAL INVESTORS ONLY)*** I represent that I am not a citizen of the United States, a "Resident Alien" of the United States (as described in item 1 of the Appendix), or otherwise a "U.S. Person" (as described in item 2 of the Appendix). If the Fund separately requests, I will provide you with a completed Investor Questionnaire and any additional information, all of which will be my continuing representation and warranty to you as if incorporated herein.

5. ***(FOR CORPORATIONS, PARTNERSHIPS, ESTATES, TRUSTS AND OTHER ENTITIES)*** We represent that NONE of the Shares we are acquiring are being acquired by a "U.S. Person" (as described in item 2 of the Appendix) or by a person or entity that is owned, directly or "indirectly" (as described in item 3 of the Appendix), in whole or in part, by a U.S. Person.

6. Unless specifically indicated below, we also represent that we are not a "benefit plan investor" within the meaning of 29 C.F.R. Section 2510.3 issued by the U.S. Department of Labor (the "Plan Asset Regulations")(e.g., any employee pension benefit plan or employee welfare benefit plan, including any such plan that is not subject to ERISA, such as a foreign pension fund and an annuity plan, individual retirement account or individual retirement annuity described in Section 4975(e)(1) of the Internal Revenue Code of 1986, as amended) or any entity whose assets are treated as "plan assets" under the Plan Asset Regulations. In the event that we cannot represent that we are not a benefit plan investor, we hereby represent that we are a benefit plan investor and that the portion of the funds with which we intend to purchase the Shares that is deemed to be invested by a benefit plan investor is _____%. If the Fund separately requests, we will provide you with a completed Investor Questionnaire and any additional information, all of which will be our continuing representation and warranty to you as if incorporated herein. Unless indicated to the contrary below, we hereby represent that, while we hold any of the Shares, we shall immediately inform the Fund in writing of any circumstances that cause or are likely to cause our representations as set forth in this Subscription Agreement to become inaccurate.

7. We represent that we are fully informed as to the legal and tax requirements within our own country(ies) regarding a purchase of Shares. We further represent that we are not acquiring any of the Shares for the benefit of, or with an intent or under any obligation (including any option or other right) to resell such Shares to, any U.S. Person or any entity that is owned, directly or indirectly, in whole or in part, by any U.S. Person. We represent that we were not solicited for

the purchase of Shares while we were in the U.S. If we were solicited while in the United States, we are either (x) fiduciaries acting with discretion for persons who are not U.S. Persons or (y) agents acting without discretion for such persons who are also "accredited investors" under Regulation D of the U.S. Securities and Exchange Commission and eligible persons to purchase the Shares consistent with all restrictions set forth herein and in the Memorandum.

8. *(FOR U.K. INVESTORS)* We represent that we are a person of a kind described in Article 11(3) of the Financial Services Act 1986 (Investment Advertisements) (Exemptions) Order 1996.

9. We agree not to transfer any Shares except in accordance with an exemption from the registration requirements of any federal or state securities laws and only with the prior consent of the Company. We also agree to notify the Fund c/o its Agent, Olympia Capital International Inc., at its address given above if we change our citizenship or residence, and we understand that our Shares may be redeemed if we are no longer eligible investors or such redemption is otherwise authorized by the Memorandum or Articles of Association of the Company in order to avoid adverse tax or regulatory consequences to the Company, the Fund or its other shareholders.

The following information has been completed by us and may be relied on by the Company for all purposes:

10. We are applying to purchase (*minimum initial purchase: US\$100,000; minimum subsequent purchase: US\$30,000*):

US\$ _____ or _____ shares at a price per Share equal to the Fund's net asset value per Share, determined as set forth in the Memorandum. We have arranged for payment of the full amount due in respect of our purchase in accordance with the Memorandum.

We will transmit by bank wire our payment in the full U.S. dollar amount due in respect of our purchase order to:

Bank Insinger de Beaufort
Amsterdam, The Netherlands
ABA N^o: []
For A/C: Insinger de Beaufort Zeus (OS) Fund
A/C N^o: []

With a copy of instructions (including value date, the address of the investor's bank, and the investor's contact at such bank for confirmation) for forwarding to the Agent in Bermuda, to:

Insinger de Beaufort Zeus (OS) Fund
c/o Olympia Capital (Ireland) Limited
Harcourt Centre, 6th Floor, Block 3, Harcourt Road
Dublin 2, Ireland
Telephone: +3531 475 5040
Fax: +3531 475 5073

Payment must be received by the Fund or the Principal Distributor prior to the relevant Valuation Date. Although not recommended due to the unavoidable delays commonly encountered, payment of subscription funds may also be submitted by cheque, draft or money order, payable to the order of "Insinger de Beaufort Zeus (OS) Fund", mailed directly to the Fund c/o its Agent.

11. By checking this box , we have indicated that the Shares we are purchasing should be maintained by the Company in book form, registered as follows (*name and full address PRINTED exactly as Shares are to be registered*):

Name: _____

Address: _____

Telephone: _____

Fax: _____ *E-mail:* _____

If the issuance of physical Share certificates is requested, we have so indicated by checking this box.

The full Address for Notices to which any communications (including sales proceeds cheques and dividend cheques and, if requested, Share certificates) should be sent, if different from the registered address furnished in response to the preceding requirement, is:

Name: _____

Address: _____

Telephone: _____

Fax: _____ *E-mail:* _____

If any sales or distribution proceeds are to be wired rather than sent by cheque, the account to which such proceeds should be wired is:

Name and address of Commercial Bank:

Bank Account Number

We understand that any cheques sent to our registered address or Address for Notices, or any wire transfers of any sales or distribution proceeds sent to the account indicated above, will constitute payment to us and relieve the Company of any further obligation to us with respect to the amounts so paid and the Shares thereby sold, and we, for ourselves and any of our estate, heirs, assigns or successors of any kind, release the Company from any further obligation with respect thereto. We also understand that the Company may impose such procedures as it deems appropriate before it will accept any change in our registered address, our Address for Notices or the account designated above.

12. We understand that the Board of Directors of the Company are entitled to rely conclusively on the authority of any sales request believed in good faith to be genuine.

13. We understand that changes may have occurred in the Fund or the Company subsequent to the date of the Memorandum.

PROXY

By execution of this Subscription Agreement, we hereby appoint Olympia Capital International Inc., or any person(s) designated by it, as our proxy to vote our Shares with respect to any and all matters coming before a meeting of shareholders. We understand and confirm that such proxy is revocable only by the registered holder of Shares attending and voting at the meeting in person or delivering a signed proxy to the Company prior to such meeting.

By execution of this Subscription Agreement, each person signing on behalf of any institutional investor represents and warrants that he is duly authorized to sign this Subscription Agreement and to purchase Shares on behalf of such investor.

Signature and Title (if appropriate)

Date

Signature and Title (if appropriate)

Date

APPENDIX: DEFINITIONS

As used in this Subscription Agreement:

1. "Resident Alien" of the United States includes:
 - (a) Any person who has received the legal right to reside permanently in the United States.
 - (b) Any individual who has a "substantial presence" in the United States for the current calendar year. In general, a substantial presence means being present in the United States for a weighted total of 183 (or more) days during the current calendar year and the two preceding years. For purposes of the 183-day test, each day of presence in the United States in the current year counts as a full day, each day of presence in the first preceding year counts as one-third of a day, and each day of presence in the second preceding year counts as one-sixth of a day.*
2. "U.S. Person" includes:**
 - (a) Any citizen or Resident Alien of the United States.
 - (b) Any partnership, corporation or other entity (other than a trust or estate) created, organized or existing under the laws of the United States or any state or possession thereof, or beneficially owned more than 50% by U.S. Persons.
 - (c) Any trust or estate created, organized or existing under the laws of the United States or any state or possession thereof or having assets administered in the United States or having a trustee, settlor or beneficiary who is a U.S. Person.
 - (d) Any person deemed a U.S. resident or person for purposes of (i) the U.S. Investment Company Act of 1940, (ii) Regulation S of the U.S. Securities and Exchange Commission under the U.S. Securities Act of 1933, or (iii) the U.S. Commodity Exchange Act.
3. Shares owned "indirectly" means (i) Shares subject to an option to acquire such Shares and/or (ii) Shares owned through a non-U.S. entity (including a non-U.S. corporation, non-U.S. partnership, non-U.S. trust or non-U.S. estate) or through a chain of non-U.S. entities. Shares owned indirectly through an entity or a chain of entities are considered as owned proportionately by the shareholders, partners or beneficiaries of the entity or entities, as the case may be. For example, if X owns 60% of corporation A, which owns 75% of corporation B, which owns 100% of corporation C, then X is treated as owning indirectly 45% of corporation C (60% of 75% of 100%).

NOTES:

* For these purposes, an individual who is present in the United States during any part of a day is treated as present in the United States throughout that day. Even if an individual meets the weighted 183-day test in any calendar year, he or she will not be considered a resident if he or she is present in the United States on (i) fewer than 31 days during that year or (ii) fewer than 183 days during that year if, in addition, he or she has a principal home (generally the place of work) in, and closer ties to, a foreign country.

** For purposes of this Subscription Agreement, if any prospective investor has a close relative or partner who to such investor's knowledge owns or intends to purchase any Shares and is a "U.S. Person" as defined, then such investor will himself or itself be deemed a U.S. Person.

4. "Accredited Investor" means any person who comes within any of the following categories, or who the issuer reasonably believes comes within any of the following categories, at the time of the sale of the securities to that person:

- a) any bank as defined in Section 3(a)(2) of the U.S. Securities Act of 1933, as amended (the "1933 Act"), or any savings and loan association or other institution as defined in Section 3(a)(5)(A) of the 1933 Act whether acting in its individual or fiduciary capacity; any broker or dealer registered pursuant to Section 15 of the U.S. Securities Exchange Act of 1934, as amended (the "1934 Act"); any insurance company as defined in Section 2(13) of the 1933 Act; any investment company registered under the U.S. Investment Company Act of 1940, as amended (the "1940 Act"), or a business development company as defined in Section 2(a)(48) of the 1940 Act; any small business investment company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958; any plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions for the benefit of its employees, if such plan has total assets in excess of US\$5,000,000; any employee benefit plan within the meaning of the U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA"), if the investment decision is made by a plan fiduciary, as defined in Section 3(21) of ERISA, which is either a bank, savings and loan association, insurance company, or registered investment advisor, or if the employee benefit plan has total assets in excess of US\$5,000,000, or, if a self-directed plan, with investment decisions made solely by persons that are accredited investors;
- b) any private business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940, as amended (the "Advisers Act");
- c) any organization described in Section 501(c)(3) of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), corporation, Massachusetts or similar business trust, or partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of US\$5,000,000;
- d) any director, executive officer, or general partner of the issuer of the securities being offered or sold, or any director, executive officer, or general partner of a general partner of that issuer;
- e) any natural person whose individual net worth, or joint net worth with that person's spouse, at the time of his purchase exceeds US\$1,000,000;
- f) any natural person who had an individual income in excess of US\$200,000 in each of the two most recent years or joint income with that person's spouse in excess of US\$300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year;
- g) any trust, with total assets in excess of US\$5,000,000, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person as described in § 230.506(b)(2)(ii); and
- h) any entity in which all of the equity owners are accredited investors;

5. "Qualified Eligible Participant" under Rule 4.7(a)(1)(ii) of the U.S. Commodity Exchange Act as amended (the "CEA"), means:

a) any person, acting for its own account or for the account of a qualified eligible participant, who the commodity pool operator reasonably believes, at the time of the sale to that person of a pool participation in the exempt pool, is:

(1) a futures commission merchant registered pursuant to Section 4d of the CEA;

(2) a broker or dealer registered pursuant to Section 15 of the 1934 Act;

(3) a registered commodity pool operator who has been registered and active as such for two years or who operates pools which, in the aggregate, have total assets in excess of US\$5,000,000;

(4) a registered commodity trading advisor who has been registered and active as such for two years or who provides commodity interest trading advice to commodity accounts which, in the aggregate, have total assets in excess of US\$5,000,000 deposited at one or more futures commission merchants;

(5) the commodity pool operator and the commodity trading advisor of the exempt pool offered or sold;

b) any person who the commodity pool operator reasonably believes, at the time of the sale to that person of a pool participation in the exempt pool:

(1) (i) owns securities (including pool participations) of issuers not affiliated with such participant and other investments with an aggregate market value of at least US\$2,000,000; (ii) has had on deposit with a futures commission merchant, for its own account at any time during the six-month period preceding the date of sale to that person of a pool participation in the exempt pool, at least US\$200,000 in exchange-specified initial margin and option premiums for commodity interest transactions; or (iii) owns a portfolio comprised of a combination of the funds or property specified in (i) and (ii) of this section in which the sum of the funds or property includable under (i), expressed as a percentage of the minimum amount required thereunder, and the amount of futures margin and option premiums includable under (ii), expressed as a percentage of the minimum amount required thereunder, equals at least one hundred percent. An example of a composite portfolio acceptable under this subparagraph (iii) would consist of US\$1,000,000 in securities and other property (50% of (i)) and US\$100,000 in exchange-specified initial margin and option premiums (50% of (ii));

(2) and is: (i) an investment company registered under the 1940 Act or a business development company as defined in Section 2(a)(48) of the 1940 Act not formed for the specific purpose of investing in the exempt pool; (ii) a bank as defined in Section 3(a)(2) of the 1933 Act, or any savings and loan association or other institution as defined in Section 3(a)(5)(A) of the 1933 Act acting for its own account or for the account of a qualified eligible participant; (iii) an insurance company as defined in Section 2(13) of the 1933 Act acting for its own account or for the account of a qualified eligible participant; (iv) a plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, if such plan has total assets in excess of US\$5,000,000; (v) an employee benefit plan within the meaning of the ERISA, *Provided* that the investment decision is made by a plan fiduciary, as defined in Section 3(21) of the ERISA, which is a bank,

savings and loan association, insurance company, or registered investment adviser; or that the employee benefit plan has total assets in excess of US\$5,000,000; or, if the plan is self-directed, that investment decisions for, or the decisions as to the types of investment alternatives under, the plan are made solely by persons that are qualified eligible participants; (vi) a private business development company as defined in Section 202(a)(22) of the Advisers Act; (vii) an organization described in Section 501(c)(3) of the Code, with total assets in excess of US\$5,000,000; (viii) a corporation, Massachusetts or similar business trust, or partnership, other than a pool, which has total assets in excess of US\$5,000,000, and is not formed for the specific purpose of participating in the exempt pool; (ix) a natural person whose individual net worth, or joint net worth with that person's spouse at the time of his purchase in the exempt pool exceeds US\$1,000,000; (x) a natural person who has an individual income in excess of US\$200,000 in each of the two most recent years or joint income with that person's spouse in excess of US\$300,000 in each of those years and has reasonable expectation of reaching the same income level in the current year; (xi) a trust, insurance company separate account or bank collective trust, with total assets in excess of US\$5,000,000, not formed for the specific purpose of participating in the exempt pool, and whose participation in the exempt pool is directed by a qualified eligible participant; *Provided*, that except where the pool, trust, insurance company separate account or bank collective trust would constitute a qualified eligible participant under paragraph (a)(1)(ii)(D) of this section, no more than 10 % of the fair market value of the assets of such entity are used to purchase units in exempt pools; or (xii) except as provided for the governmental entities referenced in paragraph (a)(1)(ii)(B)(2)(iv) of this section, if otherwise authorized by law to engage in such transactions, a governmental entity (including the United States, a state, or a foreign government) or political subdivision thereof, or a multinational or supranational entity or an instrumentality, agency, or department of any of the foregoing;

c) a person that is not a U.S. Person for purposes of Rule 4.7. For the purposes of this paragraph, the term "United States" means the United States, its states, its territories or possessions, or an enclave of the U.S. government, its agencies or instrumentalities, and the following persons are not considered to be "United States persons":

- (1) a natural person who is not a resident of the United States;
- (2) a partnership, corporation or other entity, other than an entity organized principally for passive investment, organized under the laws of a foreign jurisdiction and which has its principal place of business in a foreign jurisdiction;
- (3) an estate or trust, the income of which is not subject to U.S. income tax regardless of source;
- (4) an entity organized principally for passive investment such as a pool, investment company or other similar entity *Provided*, that units of participation in the entity held by U.S. Persons represent in the aggregate less than 10% of the beneficial interest in the entity, and that such entity was not formed principally for the purpose of facilitating investment by U.S. Persons in a pool with respect to which the operator is exempt from certain requirements of Part 4 of the U.S. Commodity Futures Trading Commission's regulations by virtue of its participants being non-U.S. Persons;
- (5) a pension plan for the employees, officers or principals of an entity

organized and with its principal place of business outside the United States; *and*

d) an entity in which all of the unit owners or participants are persons listed in paragraphs (a)(1)(ii)(A) or (a)(1)(ii)(B) of this section.

INSINGER DE BEAUFORT ZEUS (OS) FUND

MANAGING OFFICE

Williams House, 20 Reid Street
Hamilton HM 11, Bermuda

INVESTMENT MANAGER

Insinger de Beaufort Asset Management N.V.
Herengracht 537 1017 BV Amsterdam
P.O. Box 10820, 1001 EV Amsterdam, The Netherlands
Telephone #: (+31 20) 52 15 450, Fax #: (+31 20) 52 15 449

CUSTODIAN

Bank Insinger de Beaufort
Herengracht 537 1017 BV Amsterdam
P.O. Box 10820, 1001 EV Amsterdam, The Netherlands

AGENT

Olympia Capital International Inc.
Williams House, 20 Reid Street, Hamilton HM 11, Bermuda
Telephone: +1 (441) 292-1018, Fax: +1 (441) 298-5031

REGISTRAR AND TRANSFER AGENT

Winchester Fiduciary Services Limited
Williams House, 20 Reid Street, Hamilton HM 11, Bermuda
Telephone: +1 (441) 292-1018, Fax: +1 (441) 298-5031

LEGAL ADVISORS

Shearman & Sterling
599 Lexington Avenue
New York, New York 10022 U.S.A.

AUDITORS

KPMG Ireland
Chartered Accountants
1 Stokes Place, Russell Court, St Stephen's Green
Dublin 2, Ireland

SPONSORING MEMBER FIRM

Goodbody Stockbrokers
122 Pembroke Road
Ballsbridge, Dublin 4, Republic of Ireland

**EXPLANATORY MEMORANDUM
MARCH 31, 2001**

**INSINGER DE BEAUFORT
ZEUS (OS) FUND**

**INVESTMENT MANAGER
INSINGER DE BEAUFORT ASSET MANAGEMENT N.V.**