

Investment Track Record – Event-Driven Hedge Fund

Track Record – Oct 2004 to Nov 2005 – Claridge Special Situations Hedge Fund

- Paul Cuatrecasas and Geoffrey Hossie co-founded Claridge Special Situations Ltd and the CSS Fund
- Fund Objectives:** The Claridge Special Situations Fund was an event-driven investment fund focused on corporate spin-offs and exploiting price value inefficiencies in Western European mid-cap and large-cap markets through corporate event arbitrage and catalyst anticipation

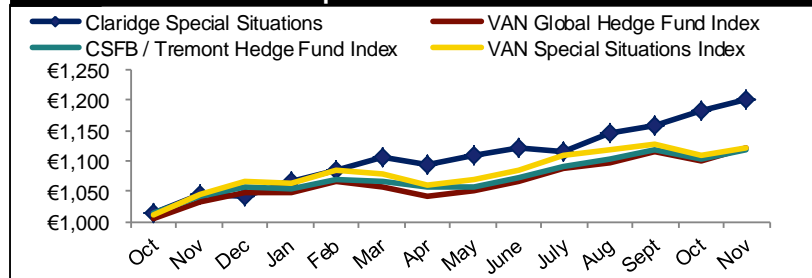
Monthly Performance vs. Benchmarks															2005	Oct-
2004 / 2005	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	YTD	Nov
Claridge Special Situations ⁽¹⁾	1.3%	3.2%	(0.4%)	2.4%	1.6%	2.1%	(1.0%)	1.2%	1.2%	(0.7%)	2.9%	1.1%	2.1%	1.5%	15.2%	20.0%
VAN Hedge Fund	0.6%	2.7%	1.5%	(0.1%)	1.7%	(0.8%)	(1.5%)	0.8%	1.5%	2.0%	0.8%	1.7%	(1.2%)	2.0%	7.0%	12.2%
VAN Special Situations	1.1%	3.3%	2.2%	(0.5%)	2.1%	(0.5%)	(1.7%)	0.9%	1.3%	2.3%	0.8%	0.8%	(1.6%)	1.1%	5.0%	12.1%
VAN Global Long / Short	0.5%	3.7%	2.0%	(0.4%)	1.9%	(1.0%)	(2.2%)	1.7%	2.1%	3.1%	0.8%	1.9%	(1.8%)	2.1%	8.3%	15.2%
CSFB / Tremont Hedge Fund	1.3%	2.7%	1.6%	(0.3%)	1.4%	(0.2%)	(1.0%)	0.2%	1.3%	1.9%	0.9%	1.6%	(1.5%)	1.5%	5.9%	11.9%
S&P 500 Index	1.4%	3.9%	3.4%	(2.5%)	1.9%	(2.0%)	(2.0%)	3.2%	0.1%	3.6%	(3.5%)	0.7%	(1.8%)	3.5%	0.9%	9.9%
DJ Euro Stoxx 50	0.9%	1.7%	2.6%	1.1%	2.5%	(0.9%)	(1.7%)	5.0%	1.4%	3.4%	(1.9%)	5.0%	(3.2%)	3.8%	15.1%	21.2%
Nasdaq	4.1%	6.2%	3.7%	(5.2%)	(0.5%)	(2.6%)	(3.9%)	7.6%	(0.5%)	6.2%	(2.5%)	1.3%	(1.5%)	5.3%	2.8%	17.9%
FTSE	1.2%	1.7%	2.4%	0.8%	(1.5%)	(2.8%)	(1.9%)	3.4%	(1.7%)	3.3%	0.3%	3.4%	(2.9%)	2.0%	2.1%	7.6%

Absolute Performance and Volatility

Risk Statistics: October 2004 - November 2005

Total Return Since Inception	20.1%	Highest Monthly Return	3.2%
Monthly Std Deviation	1.3%	Lowest Monthly Return	(1.0%)
Average Monthly Return	1.3%	Percentage Positive Months	78.6%
Average Positive Return	1.9%	Sharpe Ratio	3.12
Average Negative Return	(0.7%)	Sortino Ratio	4.28
Volatility	4.4%	Correlation to DJ Eurostoxx	(0.24)

Relative Performance Graph 2004/2005 ⁽²⁾



Track record of 20.0% IRR over 13 months vs the VAN Hedge Fund index (12.2%) and the FTSE (7.6%), achieved with volatility 50% lower than FTSE, correlation of -0.2% and Sharpe Ratio of 3.12

(1) Net investment returns as reported by Fund Administrator HSBC / Bank of Bermuda, with Fund expenses capped at 0.75% of AUM

Source: Van Hedge Fund Indices, Bloomberg, HSBC, Claridge Capital

(2) Value of €1,000 Invested