

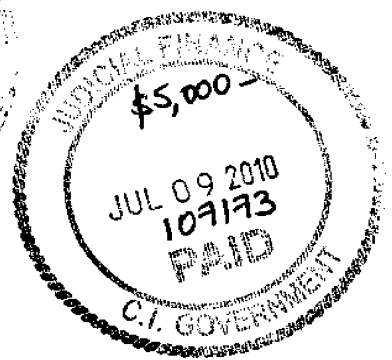
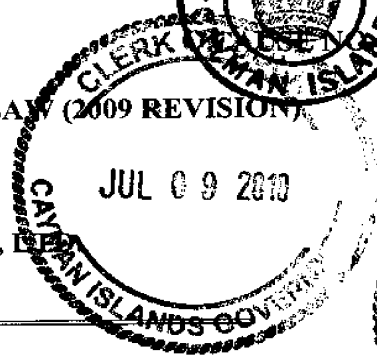
IN THE GRAND COURT OF THE CAYMAN ISLANDS
FINANCIAL SERVICES DIVISION

IN THE MATTER OF THE COMPANIES LAW (2009 REVISION)

AND

IN THE MATTER OF BLUE ELITE FUND, INC.

WINDING UP PETITION



TO THE GRAND COURT

The humble petition of UBS Fund Services (Cayman) Ltd. ("**Petitioner**") shows that:

Preamble

1. The Petitioner presents this petition ("**Petition**") for the winding up of Blue Elite Fund, Ltd. (the "**Company**"). The Petitioner is a shareholder ("**Member**" or "**Shareholder**") of the Company, holding 38,792.475 Class L-IK Series F 0205 shares registered in the name of UBS Fund Services (Cayman) Ltd. Ref Alpha Hedge Fund Ltd.
2. In addition, as set out in further detail in this Petition, the Company is indebted to the Petitioner in respect of the compulsory redemption (the "**Compulsory Redemption**") by the Company of a proportion of the Petitioner's shares on 31 October 2008 (the "**Compulsory Redemption Debt**") and in respect of the Petitioner's Class L-IK Shares (the "**Class L-IK Share Debt**"), which debts are currently due and payable to the Petitioner.

3. The Petitioner seeks the winding up of the Company pursuant to Section 92(e) of the Companies Law (2009 Revision) ("**Companies Law**") on the grounds that it is just and equitable to do so having regard to the matters set out in this Petition.
4. The Petitioner seeks the winding up of the Company pursuant to Section 92(d) of the Companies Law on the grounds that the Company's failure to pay the Compulsory Redemption Debt and/or the Class L-IK Share Debt demonstrates that the Company is unable to pay its debts.

Incorporation and Constitutional Documents, Purpose and Share Capital of the Company

5. The Company was incorporated on 8 January 2003 as an exempt company under the laws of the Cayman Islands with Registration Number 122353 and is a "regulated mutual fund" within the meaning of the Mutual Funds Law (2009 Revision). The registered office of the Company is situated at Citco Fund Services (Cayman Islands) Limited, 89 Nexus Way, Camana Bay, P.O. Box 31106 SM, Grand Cayman, Cayman Islands.
6. The constitutional documents of the Company include the following:
 - 6.1. Confidential Explanatory Memorandum dated April 2004 ("**2004 CEM**");
 - 6.2. Memorandum of Association dated 10 September 2007 ("**2007 Memorandum of Association**");
 - 6.3. Articles of Association dated 10 September 2007 ("**2007 Articles**");
 - 6.4. Confidential Explanatory Memorandum dated 10 September 2007 ("**2007 CEM**");
 - 6.5. Supplement to 2007 CEM, dated June 2010 ("**2010 CEM Supplement**").

7. The Company was incorporated to operate as an open-ended investment fund. The investment objective (“**Investment Objective**”) of the Company is to achieve capital appreciation through investing the Company's assets among a select group of investment managers or in private investment funds sponsored by investment managers.
8. The authorized share capital of the Fund consists of 10,000,000 Common Shares (“**Common Shares**”), issuable in multiple series, having a par value of \$.01 (U.S.) per share. The total number of Common Shares that were in issue and outstanding as at 31 December 2008, according to the Audited Financial Statements of the Company for the year ended 31 December, 2008 (“**2008 Audited Financial Statements**”) was 1,060,079.68, divided into the following classes and series:

Class A Series 1 Common Share - 34,951.45 shares outstanding
Class B Series 1 Common Share - 42,393.64 shares outstanding
Class C Series 1 Common Share - 145,190.15 shares outstanding
Class C Series 2 Common Share - 11,377.38 shares outstanding
Class C Series 9 Common Share - 21,220.40 shares outstanding
Class D Series 1 Common Share - 39,139.69 shares outstanding
Class D Series 5 Common Share - 6,815.05 shares outstanding
Class E Series 1 Common Share - 460,343.74 shares outstanding
Class E Series 2 Common Share - 5,687.74 shares outstanding
Class E Series 3 Common Share - 44,959.20 shares outstanding
Class E Series 3 2008 Common Share - 5,688.69 shares outstanding
Class E Series 4 Common Share - 4,573.11 shares outstanding
Class E Series 11 Common Share - 9,471.03 shares outstanding
Class F Series 1 Common Share - 191,090.11 shares outstanding
Class F Series 2 Common Share - 1,661.10 shares outstanding
Class F Series 3 Common Share - 2,581.90 shares outstanding
Class F Series 4 Common Share - 16,552.48 shares outstanding
Class F Series 6 Common Share - 5,005.44 shares outstanding
Class F Series 8 Common Share - 11,377.38 shares outstanding.

9. The Petitioner is unable to determine the total number, classes and series of Common Shares in issue as at 31 December 2009, as no Audited Financial Statements of the Company have been distributed to the Petitioner for the year ended 2009.

Directors and Management Structure

10. The directors of the Company are:
 - 10.1. Mr. Mark R. Graham;
 - 10.2. Mr. Edward Brendan Lynch; and
 - 10.3. Mr. Gregory Tolaram (collectively, the “**Directors**” or “**Board of Directors**”).
11. The investment manager of the Company is Blue Alternative Asset Management, L.L.C., a U.S.-based limited liability company (the “**Investment Manager**”). The Investment Manager’s principal office is located at 70 East 55th Street, 22nd Floor, New York, New York 10022. Mark R. Graham is the sole principal of the Investment Manager. The Investment Manager is responsible for investment decisions relating to the allocation of Company assets among various investment managers.

Articles of Association

12. Certain relevant provisions in the 2007 Articles are set out in paragraphs 13 to 20 below.
13. Article 25, which sets out provisions in relation to the determination of Net Asset Value per Share, states that, for the purposes of Article 25, shares to be redeemed pursuant to Articles 27 to 29 shall be deemed to remain in issue until and including close of business on the Redemption Day on which they are to be redeemed, and from that time until paid the Redemption Price shall be deemed to be a liability of the Company. “Redemption Price” is defined in Article 2(a) to be the price at which shares shall be redeemed determined in accordance with Article 29(a).
14. Article 27(a) provides that, subject to the provisions of the Companies Law (as amended) of the Cayman Islands and the 2007 Articles, a Member may request the Company to

redeem all or some of his shares as of any Redemption Day in accordance with the provisions of Article 27, including the following provisions:

- 14.1. Article 27(d) states that a Redemption Request and any certificate(s) representing the shares to which it relates must be lodged with the Company or its authorised agent no later than the day which is not less than 60 days (or such lesser period as the Directors may from time to time determine for any Class or Series, either generally or in any particular case) prior to the Redemption Day for which the redemption is requested and if they are not so received the redemption shall be effected on the next following Redemption Day.
- 14.2. Article 27(f) provides that a Redemption Request, once given, may not be withdrawn without the consent of the Directors, except upon a declaration of the suspension of Net Asset Value per Share pursuant to Article 31.
- 14.3. Article 27(h) states that if on any Redemption Day, assets of the Company required in order to meet Redemption Requests are invested with a Money Manager who (1) does not permit redemptions, or (2) will not honour the Company's entire redemption request on such day, or (3) has distributed to the Company a security or other financial instrument that the Company is unable (or, in the absolute opinion of the Directors, it is not practicable for the Company) to distribute then, in the sole discretion of the Directors (following consultation with the Investment Manager) payment to the redeeming Member(s) of the portion of his or their Redemption Request(s) or the amount otherwise payable on such Redemption Day attributable to the Company's investment with such Money Manager or attributable to the said security or other financial instrument which

cannot or is not practicable to be distributed may be delayed until such time as the Money Manager permits the redemption or will honour the Company's entire redemption request or until such time as the Company is able to distribute or otherwise dispose of the security or other financial instrument in which case the amount otherwise due to the redeeming Member(s) will be increased or decreased to reflect the performance of the relevant Money Manager through the date on which the entire redemption from the Money Manager is effected by the Company or to reflect the increase or decrease in the value of the security or other financial instrument through the date on which it is distributed or otherwise disposed of by the Company.

14.4. However, notwithstanding the foregoing provisions of Article 27, the Directors, following consultation with the Investment Manager, may waive the notice provisions and otherwise modify the redemption provisions of the 2007 Articles in respect of any Member and the Company may convert the shares of such Member into a separate Class of shares, in which case the provisions of Article 30(e) shall apply to any such conversion.

15. Article 28(b) provides that the Directors, in their absolute discretion, with or without cause, may at any time by notice in writing to any Member compulsorily redeem all or any part of a Member's holding of shares on any Redemption Day which shall be not less than 20 days from the date of the notice. Upon such Redemption Day, such shares shall be redeemed in all respects as if the holder thereof had submitted a Redemption Request pursuant to Article 27(d).

16. Article 29 states that its provisions apply to all redemptions of shares.

17. Article 29(d) states that upon the date of redemption of a share, the holder shall cease to be entitled to any rights in respect thereof (excepting always the right to receive (i) the Redemption Price including the proceeds of sale of any Investments placed in a liquidating account pursuant to Article 29(g) and (ii) any dividend which had been declared in respect thereof prior to such redemption being effected) and accordingly his name shall be removed from the Register with respect thereto and the share shall be cancelled.
18. Article 29(e) states that, subject to Article 29(g), a Member who is making a redemption will receive approximately 90% of the Redemption Price no later than 30 days after whichever is the later of (i) the Redemption Day on which the redemption was effected, and (ii) the date of receipt by the Company or its agent of the certificate(s) (if applicable). Promptly after the receipt by the Company of its audited financial statements for the relevant fiscal year, the Company will pay to the redeeming Member the balance, if any, of the amount to which such Member is entitled, or such Member will be obligated to repay to the Company the excess, if any, of the amount previously paid over the amount to which such Member is entitled.
19. Article 29(g) provides that payment of the Redemption Price may, at the absolute discretion of the Directors, be satisfied in whole or in part by the transfer of assets of the Company provided that the Company shall transfer to a redeeming Member that proportion of the assets of the Company which is then equivalent in value to the Redemption Price of the shares to be redeemed (or such redeemed part thereof which is being so satisfied). If the Directors determine to distribute the Investments in kind (instead of paying all or a part of the Redemption Price in cash), such Investments may

be transferred directly to the redeeming Member or may be transferred to a liquidating account and sold by the Company for the benefit of the redeeming Member in which case payment of that proportion of the Redemption Price attributable to such Investments will be delayed until such Investments are sold and the amount payable in respect of such Investments will depend on the performance of such Investments through to the date on which they are sold.

20. Article 31 provides that the Directors may declare a suspension of the determination of Net Asset Value per Share in respect of the whole or any part of a period during which, *inter alia*, there exists any state of affairs which constitutes a state of emergency or period of crisis, extreme volatility or illiquidity as a result of which (i) disposal of a substantial part of the Investments of the Company would not be reasonably practicable and might seriously prejudice the Members, or (ii) it is not reasonably practicable for the Company to determine fairly the value of its net assets. Article 32 states that any such suspension shall take effect at such time as the Directors shall declare but not later than the close of business on the day next following the declaration and thereafter there shall be no determination of Net Asset Value per Share until the Directors shall declare the suspension to be at an end. Article 27(g) provides that the right of redemption shall be suspended during any period when the determination of Net Asset Value per Share is suspended pursuant to Article 31.

Grounds for Winding Up

21. UBS AG Global Asset Management (“UBS”) was, at all material times, authorised by the Petitioner to, among other things, act on its behalf in connection with Petitioner’s investment in the Company.

22. As at 25 June 2008, the Petitioner held 68,192.29 Class F shares registered in the name of UBS Fund Services (Cayman) Ltd. Ref Alpha Hedge Fund Ltd.
23. On 25 June 2008, UBS submitted a request to redeem all of the Petitioner's remaining Class F shares (totalling 68,192.29 shares) registered in the name of UBS Fund Services (Cayman) Ltd. Ref Alpha Hedge Fund Ltd. on 30 September 2008.
24. However, by letter to the Shareholders of the Company dated 30 September 2008 ("**First Investor Letter**"), the Directors announced their decision to implement the Compulsory Redemption, pursuant to which the Company would:
 - 24.1. institute a partial compulsory redemption, effective as of 31 October 2008, of a percentage of each Shareholder's shares as of that date, representing the portion of the Company's value attributable to certain "Designated Assets" of the Company; and
 - 24.2. suspend redemptions from the Company and the determination of net asset value as of 29 September 2008, until such time as the Directors determine that "there is sufficient liquidity in the [Company] and in the broader markets to meet redemption requests without materially prejudicing the [Company] or its shareholders", with the consequence that pending redemption requests for 30 September 2008 and 31 December 2008 would be postponed until the suspension was lifted.
25. In relation to the Compulsory Redemption, the First Investor Letter stated further that:
 - 25.1. the Company would pay the proceeds of such redemption "in-kind" with the Designated Assets, but because the Designated Assets were "generally not

transferable”, the assets would be held in a separate book entry account, the Compulsory Redemption Account (“CRA”) in the Company’s name “for the benefit of the Shareholders in the manner contemplated by the [Company’s] Articles of Association”;

25.2. the positions in the CRA would be liquidated “as soon as reasonably practicable and in an orderly manner designed to maximize value” and the proceeds from liquidated positions would be distributed as soon as reasonably practicable after receipt by the Company.

26. By letter to the Shareholders of the Company dated 3 November 2008 (“**Second Investor Letter**”), the Directors announced that:

26.1. certain assets representing approximately 44% of the Company’s net assets as at 30 September 2008 would be allocated to the CRA;

26.2. the positions in the CRA would be liquidated as soon as reasonably practicable and in an orderly manner designed to maximize value;

26.3. they estimated that 11% of the CRA would be redeemed on or about 31 December 2008 (when, in fact, only 5.96% was redeemed on or about 30 November 2008), and an additional 10% would be redeemed on or about 31 March 2009 (when, in fact, only 8.42% was redeemed on or about 28 February 2009);

26.4. although the Directors expected additional liquidity from certain managers during this period, there was no certainty with respect to such additional liquidity and the proceeds from liquidated positions would be distributed as soon as reasonably practicable after receipt by the Company;

- 26.5. the Directors' intention was to make such distributions monthly, however, Shareholders would remain exposed to these positions until such time as they are able to be liquidated;
- 26.6. as stated in the First Investor Letter, those underlying positions of the Company not transferred to the CRA would continue to be held by the Company ("**Remaining Shares**");
- 26.7. After 31 October 2008, there would be a change in reporting: although calculation of NAV had been suspended, estimated performance figures (and each Shareholder's *pro rata* share thereof) would be distributed in separate statements for each of the CRA and the Remaining Shares.
27. From November 2008 through March 2009, both UBS and Petitioner made numerous requests to the Company for information. However, the Company either failed entirely to respond to such requests, or responded in a delayed and incomplete fashion.
28. Thus, by letter from UBS to the Investment Manager dated 1 April 2009 ("**April 2009 Letter**"), UBS reiterated the Petitioner's concerns about the handling of the financial affairs of the Company (including the redemption of shares and the payment or satisfaction of the redemption price in respect thereof) and the repeated failure to communicate sufficient, accurate information to the Petitioner and/or other investors in a timely fashion. UBS provided an aggregate list of the questions posed by or on behalf of the Petitioner that remained unanswered, to which answers were requested by 6 April 2009. No substantive response was ever received by UBS or the Petitioner to the April 2009 Letter.

29. The letter from the Company to Shareholders dated 20 May 2009 (“**Third Investor Letter**”) that was included in the May 2009 Shareholder Package sent to shareholders in the Company set out the following options that were to be given to Shareholders in relation to the Remaining Shares:
- 29.1. sell all or a portion of their Shares to buyers through an event organized and managed by an independent, licensed broker dealer;
- 29.2. remain invested in the Fund subject to a one year lock up and a reduced management fee; or
- 29.3. liquidate, *in toto*, their Shares either:
- (a) through an in-kind distribution of their *pro rata* share of the Company's underlying assets; or
- (b) through the sale of their *pro rata* share of underlying assets for cash in the secondary market.
30. In relation to the option to liquidate shares through an in-kind distribution of a *pro rata* share of the Company's underlying assets (referred to in paragraph 29.3(a) hereof), the Third Investor Letter states:

“Existing Shareholders who do not sell their Shares in the Liquidity Event and who elect instead to liquidate their Shares by converting to Class L-IK Shares will receive a distribution of their pro rata share of the [Company's] assets (net of reserves) on or about July 1, 2009....Transfers of shares of underlying funds are generally subject to the consent of the underlying manager. There can be no assurance that any of the underlying managers will consent to all or any part of a distribution in-kind to a Shareholder. Furthermore, there can be no assurance that such managers will not require as a condition to such consent some modification of the terms of the investment, such as eliminating the existing high water mark or resetting any applicable lock-up period. Shareholders receiving a distribution in kind will be required to execute such transfer and subscription

documentation as may be required by the underlying funds (including representations as to regulatory and economic status) and accept any such conditions as may be imposed in order to obtain the required consents. In the event that a distribution in-kind is not feasible in the good faith discretion of the Investment Manager, the Investment Manager will proceed with the sale of such assets contemporaneous with the sale of assets attributable to the Class L-IS Shares. Class L-IK Shares will be non-redeemable and will be subject to a Management Fee of 1.00% per annum and an Incentive Fee (subject to the existing high water mark on the converted Shares) payable to the Investment Manager. Class L-IK Shares will also bear a pro rata share of Fund expenses for so long as such Shares remain outstanding and will also bear any and all expenses (including broker fees) attributable to the distribution in kind or the liquidation of the assets attributable to the Class L-IK Shares."

31. The Petitioner elected to liquidate its Remaining Shares by converting the Remaining Shares registered in the name of UBS Fund Services (Cayman) Ltd. Ref Alpha Hedge Fund Ltd into Class L-IK Shares ("Class L-IK Shares "). However, as at the date of this Petition, the Petitioner has not received a distribution of its *pro rata* share of the Company's underlying assets which was due to be received on or about 1 July 2009, nor has it received any payments from the proceeds of the sale of assets attributable to the Class L-IK Shares.
32. Between July 2009 and May 2010, the Petitioner and UBS repeatedly requested the Investment Manager and the Directors to confirm whether and, if so, when an in-kind distribution of both the Class L-IK Shares and the CRA would be made, or, as alternatives to an in-kind distribution, whether the Company would make a cash payment to the Petitioner in satisfaction of the Company's liabilities to the Petitioner in respect of the Class L-IK Shares and the CRA, or find a buyer for the Petitioner's Class L-IK Shares and its interests in the CRA. However, the Investment Manager and the Directors failed and/or refused to provide such confirmation. Furthermore, during that period, UBS and Petitioner continued to make requests to the Company for information, including

information about the financial affairs, management and performance of the Company and in particular the Class L-IK Shares and the CRA. However, again, the Company either did not provide the requested information, provided only some of the information requested or delayed in providing the information requested.

33. In addition, the Investment Manager has provided inaccurate or potentially misleading information to Shareholders, such as in its letter to investors dated 26 January 2010, in which the Investment Manager stated:

33.1. the Company “enjoys substantial liquidity”; in light of the matters set out in this Petition, this statement would appear to be inaccurate;

33.2. “As you know we have been dissatisfied with the performance of our third party administrator and custodian....There will be an announcement shortly concerning the administration and custody of the Fund.” Neither the Petitioner nor UBS was aware of any dissatisfaction with the administrator (Citco Fund Services (Curacao) N.V.) and custodian (Citco Global Custody (N.A.) N.V), and are not aware of any subsequent announcement concerning the administration and custody of the Company. Further, in an email dated June 8, 2010, Daniel Priestley of Priestleys, Cayman legal counsel to the Company and the Investment Manager, indicated that “Citco Fund Services” continues to serve as administrator to the Company;

33.3. “Blue is in the process of registering with the SEC”; however, a review of SEC public records offers no indication that the Investment Manager has done so.

34. By letter to the CRA Investors dated 6 May 2010 (“**Fourth Investor Letter**”), the Company announced that:

34.1. the Company would issue (at 100% of NAV and with full preservation of highwater marks) a new class of shares (“**Class Q Shares**”) to the CRA Investors in exchange for the assets of the CRA. The exchange would be effective as of 1 June 2010 (the “**Exchange Date**”);

34.2. to effect the exchange, the CRA assets attributable to the CRA Investors participating in the exchange would be transferred out of the CRA and into the main account of the Company;

34.3. CRA Investors who did not wish to convert their beneficial interest in the CRA into Class Q Shares could instead elect to receive a distribution in kind of the underlying positions of the CRA, to be made shortly after the “**Effective Date**” (which is not defined in the Fourth Investor Letter), following which, the CRA would be terminated;

34.4. The 2010 CEM Supplement attached to the Fourth Investor Letter described the terms of the Class Q Shares.

35. The 2010 CEM Supplement states:

35.1. Although the CRA has significant liquidity in 2010, a significant portion has an embedded liquidity profile that extends beyond 2010, as shown in the following table:

	04/30/2010	09/30/2010	12/31/2010	12/31/2012	Beyond 2012
Redemption Date					

Redemption Value	2,785,883.22	331,378.83	23,046,206.86	17,323,518.97	17,187,929.00
% Account	4.59%	0.55%	37.98%	28.55%	28.33%

35.2. The terms and conditions subject to which the Class Q Shares would be issued were generally the same as apply to the Company's "main" class of Common Shares, namely, the Class E Shares;

35.3. The Class Q Shares will participate in the performance of the Company as a whole;

35.4. The Class Q Shares would be redeemable pursuant to a redemption schedule designed to track the liquidity of the portfolio holdings of the CRA outlined in the table above. Accordingly, an Investor would be able to redeem their Class Q Shares as follows:

35.4.1. approximately 4.6% of their Class Q Shares for cash on or after 31 May 2010;

35.4.2. 0.6% on or after 31 October 2010;

35.4.3. 37.9% on or after 31 December 2010;

35.4.4. 28.5% on or after 31 December 2012; and

35.4.5. the balance on any quarterly redemption date occurring on or after the respective dates on which those positions with no fixed redemption date become liquid or are sold in the secondary market, which would be notified to the Class Q Shareholders at the appropriate time.

36. The Petitioner elected to receive a distribution in kind of the underlying positions of the CRA and notified the Company accordingly.

37. By letter from Reed Smith (the Petitioner's US attorneys) to the Company dated 2 June 2010 (the "**Reed Smith Letter**"), the Company was informed that:

37.1. The Petitioner was concerned with the approach taken to investor communications and "fund liquidation" by the Investment Manager, and with the level of attention paid to these matters by the Board, including the ongoing failure to honour redemption requests and the failure of the Investment Manager to respond in a timely, full and frank manner to reasonable requests for information;

37.2. Since the First Investor Letter, the Petitioner repeatedly has attempted to ascertain when it could expect liquidity in respect of the CRA and of its remaining positions in the Company, however to date the Petitioner had received only about \$12.3 million of its aggregate \$17 million original investment. Furthermore, no redemption payments had been received since February 2010, nor had the Petitioner been informed when any more redemption payments would be made;

37.3. The Petitioner had not received any meaningful or detailed response to its April 2009 Letter;

37.4. The Investment Manager had recently reduced disclosures to investors at a time when, if anything, enhanced disclosure is called for. For example:

37.4.1. the current Monthly and Strategy Reports for the Company no longer list the assets under management even though previous reports did; and

- 37.4.2. investors were not informed that one of the Company's founding partners (Mr Getz) had resigned without explanation in February 2010, until receipt of the Fourth Investor Letter three months after the event.
- 37.5. Following a meeting in New York on 19 May 2010 between representatives of the Petitioner and Messrs Graham and Cutler on behalf of the Investment Manager, Mr Graham assured the Petitioner that he would respond within one week with information on a potential buyer for the Petitioner's shares or details of an in-kind transfer or payment of cash to the Petitioner, but no further communication on this proposal had been received by the Petitioner;
- 37.6. As a consequence of the foregoing, the Petitioner requested a meeting with the full Board of Directors during the week commencing 14 June 2010, at which the Investment Manager's attendance would also be welcome;
- 37.7. In advance of the proposed meeting with the Board of Directors and Investment Manager, the Petitioner required full responses to certain other questions and/or copies of relevant documents by no later than 11 June 2010.
38. In response to the Reed Smith Letter, Priestleys, the Company's Cayman Islands attorneys, stated by e-mail on 8 June 2010 that:
- 38.1. the Petitioner had requested a distribution in kind in respect of its remaining investment in the Company;
- 38.2. The Investment Manager had been working with the Company's administrator, Citco Fund Services (the "Administrator") to achieve this distribution and had intended to have the distribution executed by the date of the e-mail, however, the

Administrator had been unable to achieve the distribution within the mandated period and the Administrator had informed the Investment Manager in late May that it would be unable to achieve the distribution before 1 July 2010;

38.3. as the Petitioner should soon receive its distribution in kind, a more detailed response to the Reed Smith Letter and the April 2009 Letter would serve no purpose “except to waste valuable time and unnecessarily increase costs.”

39. On or about 25 June 2010 the Company informed the Petitioner that that the underlying positions of the CRA would be transferred to the Petitioner on 1 July 2010.

40. As at 9 July 2010, the Petitioner had not received an in-kind distribution in respect of either the Class L-IK Shares or the CRA which was due to be received on 1 July 2010; nor did it receive any cash payment in respect of either the Class L-IK Shares or the CRA on that date. Neither the Company nor the Investment Manager provided any communication to the Petitioner about the fact or timing of such distribution on or about 1 July 2010.

41. Accordingly, the Company’s liabilities to the Petitioner in respect of the Compulsory Redemption Debt and the Class L-IK Share Debt remain due and payable as of the date of this Petition.

42. Furthermore, no Audited Financial Statements of the Company for the year ended 2009 have been provided to the Petitioner, and accordingly the Petitioner is concerned that the Company may be in breach of section 8 of the Mutual Funds Law (2009 Revision).

43. By reason of the matters set out in this Petition:

- 43.1. the Company has ceased to pursue its Investment Objective or carry on, in any meaningful or significant way, its investment business as set out in its constituent documents;
 - 43.2. the Company is now mainly engaged in the distribution or transfer of its assets to Shareholders or former Shareholders or in the liquidation of its assets and the distribution of the proceeds of such liquidations to its Shareholders or former Shareholders;
 - 43.3. there has been a loss or failure of the Company's substratum;
 - 43.4. the purpose for which the Company was formed has been exhausted;
 - 43.5. it has become impractical, if not actually impossible, for the Company to carry on its investment business in accordance with the reasonable expectations of its Shareholders, and the Company has ceased to be viable;
 - 43.6. the Directors and the Investment Manager have failed to operate the Company in accordance with the Company's constitutional documents or with the law of the Cayman Islands (including, but not limited to, the Mutual Funds Law (2009 Revision)) and/or in a way that is fair and equitable and in the interests of the Company; and
 - 43.7. the Petitioner has suffered a justifiable loss of faith and confidence in the conduct and management of the Company's affairs by the Directors and the Investment Manager.
44. For the foregoing reasons it is just and equitable that the Company be wound up and official liquidators appointed.

45. The Company's failure to pay the Compulsory Redemption Debt and/or the Class L-IK Share Debt demonstrates that the Company is unable to pay its debts and should therefore be wound up.

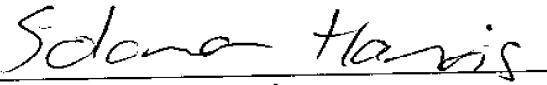
YOUR PETITIONER THEREFORE HUMBL Y PRAYS THAT:

1. The Company be wound up in accordance with the Companies Law (2009 Revision).
2. Geoff Varga and Mark Longbottom, both of Kinetic Partners (Cayman) Ltd. of Ground Floor, Harbour Centre, P.O. Box 10387, Grand Cayman, KY1-1004, Cayman Islands, be appointed as Joint Official Liquidators of the Company.
3. The Joint Official Liquidators not be required to give security for their appointment.
4. The Joint Official Liquidators be authorised to take such steps as may be necessary or expedient for the protection of the Company's assets, and for that purpose may exercise any of the powers specified in Part I and II of the Third Schedule to the Companies Law (2009 Revision) without further sanction of the Court, and for the avoidance of doubt such powers may be exercised within and outside the Cayman Islands. Specifically, but without prejudice to the generality of the foregoing, the Joint Official Liquidators shall have the power:
 - 4.1. to bring or defend any action or other legal proceeding in the name of and on behalf of the Company;
 - 4.2. to take possession of, collect and get in the property of the Company and for that purpose to take all such proceedings as they consider necessary;
 - 4.3. to carry on the business of the Company so far as may be necessary for its beneficial winding up;

- 4.4. to engage Attorneys and other professionally qualified persons to assist them in the performance of their functions; and
- 4.5. to engage staff (whether or not as employees of the Company) to assist them in the performance of their functions.
5. The Joint Official Liquidators be authorised to act jointly and severally.
6. The Joint Official Liquidators be at liberty to apply for further directions concerning their functions and the exercise or proposed exercise of their powers.
7. No suit, action or other proceeding may be proceeded with or commenced against the Fund except with the leave of the Court and subject to such terms as the Court may impose.
8. The remuneration and expenses of the Joint Official Liquidators be paid out of the assets of the Company.
9. The Petitioner's costs of and incidental to this Petition be paid from the assets of the Company as expenses within the liquidation.

AND your Petitioner will ever pray etc.

DATED the 9th day of July 2010



SOLOMON HARRIS
ATTORNEYS-AT-LAW FOR THE PETITIONER

