

IN THE GRAND COURT OF THE CAYMAN ISLANDS

267
CAUSE NO: OF 2006

IN THE MATTER OF THE COMPANIES LAW (2004 REVISION)
AND IN THE MATTER OF SPHINX EQUITY MARKET NEUTRAL LTD (IN VOLUNTARY LIQUIDATION)

TO THE GRAND COURT

PETITION

THE HUMBLE PETITION of SPHINX EQUITY MARKET NEUTRAL LTD ("the Petitioner" or "the Company") shows that:

The Company

1. The Company is an exempted limited liability company organised and incorporated under the Companies Law (2004 Revision) of the Cayman Islands ("the Law").
2. The registered office of the Company is situated at Walkers SPV Limited, PO Box 908 GT, Walker House, 87 Mary Street, George Town, Grand Cayman, Cayman Islands.
3. The share capital of the Company is US \$50,000 divided into 1000 Founder shares of US\$0.01 each and 4,999,000 Common Shares of US\$0.01 each.
4. The objects for which the Company was established are unrestricted.
5. The Company was placed into voluntary liquidation upon the passing of a Special Resolution by its Founder Shareholder dated 30 June 2006. Kenneth M. Kryz and Christopher Stride of RSM Cayman Islands were appointed as Voluntary Liquidators and accordingly, the Company now acts through its Voluntary Liquidators. The Company seeks an Order that the Voluntary Liquidation continues subject to the supervision of the Grand Court.

Background Information

6. The Company is one of a group of investment vehicles ("the SPhinX" Group") which form the SPhinX Investment Programme. The SPhinX Investment Programme was designed to address a broad range of Investor needs and is divided into three layers of investment vehicles (Feeder Funds, Master Funds and Portfolio Funds). Each vehicle

has its own set of investment and operational purposes. This was designed to allow the Investment Manager, PlusFunds Group, Inc, ("PFGI") to offer an array of investment products.

7. The Company is a Master Fund.
8. The Feeder Funds are at the top layer of the structure. These were set up by the Investment Manager for subscriptions to external investors and each Feeder Fund issued a confidential offering memorandum and subscription documents. There are 4 Cayman Islands incorporated Feeder Funds. Each Feeder Funds issues different classes and series of shares, which are differentiated on the basis of a variety of basic investment terms, including investment objectives and redemptions.
9. The middle level of the SPhinX Investment Programme comprises 9 Master Funds, which serve various operational objectives. Again, each Master Fund is an exempted Limited Company incorporated in the Cayman Islands. PFGI has served as Investment Manager to each of the Master Funds and has overseen their operations and management.
10. There are 9 Portfolio Funds, which lie at the bottom of the structure. These are the vehicles in which managers selected by Standard and Poor's (with whom PFGI has a licence agreement) ("S&P") trade in securities on the basis of one of three S&P Hedge Fund Indexes. The SPhinX Investment Programme was designed to track these Indexes and, at its peak, 41 Managers tracked a variety of investment strategies within the S&P Hedge Fund Index, 22 Managers tracked the S&P Equity Long/Short Index and 14 Futures Traders tracked the S&P Managed Futures Index. Each Portfolio Fund is an exempted Limited Company incorporated in the Cayman Islands as a segregated Portfolio Company. Each Portfolio within an SPC is operated by a manager and the operation of each Portfolio Fund, and SPC within each Portfolio Fund, is overseen by PFGI, which grants discretionary trading authority to each such entity.

The PFGI Chapter 11

11. On 6 March 2006 PFGI filed for Chapter 11 in the US Court as part of a plan to continue the business under new ownership. On 16 March 2006, the US Court approved bid procedures for the proposed sale of PFGI. On 3 March 2006 PFGI entered into an

Asset Purchase Agreement with a private equity business ("the Asset Purchase Agreement"). While the US Court entered an order permitting the sale of substantially all of PFGI's assets pursuant to the Asset Purchase Agreement, the sale was subject to certain licencing issues. Ultimately the conditions precedent to the sale were not achieved. Since this time the SPhinX Group has actively sought a replacement investment manager. A new manager entered into an agreement on 12 June 2006 with the entities within the SPhinX Group, subject to satisfaction of a number of conditions precedent by 30 June 2006. This agreement was terminated on 19 June 2006 by that new manager. No replacement manager has been located.

Standard & Poor's

12. On 28 June 2006 S&P filed a motion in the PFGI Chapter 11 proceedings seeking relief from the automatic stay in order to declare termination of the license with PFGI in accordance with its terms, or to permit S&P to terminate the license.

Winding Up Petitions/Statutory Demands

13. On 1 June 2006 a winding up petition was filed against one of the Feeder Funds, SPhinX Strategy Fund Ltd ("Strategy"). On 5 June 2006 a winding up petition was filed against SPhinX Managed Futures Fund SPC ("SMFF"). Both of the petitions were filed on just and equitable grounds. On 27 June 2006 the winding up Petition against Strategy was dismissed for want of standing and the winding up petition against SMFF was adjourned generally.
14. On 19 May 2006 statutory demands were served on the following companies by two former directors of PFGI, seeking an indemnity for the expenditure of legal fees: SPhinX Ltd., SPhinX Macro Fund SPC, SPhinX Macro Ltd., SPhinX Managed Futures Fund SPC, SPhinX Long/Short Equity Fund SPC, SPhinX Convertible Arbitrage Fund SPC, SPhinX Fixed Income Arbitrage Fund SPC, SPhinX Distressed Fund SPC, SPhinX Merger Arbitrage Fund SPC, SPhinX Special Situations Fund SPC, SPhinX Equity Market Neutral Fund SPC, SPhinX Strategy Fund Ltd., SPhinX Plus SPC, Ltd., SPhinX Managed Futures Ltd, SPhinX Long/Short Equity Ltd, SPhinX Convertible Arbitrage Ltd, SPhinX Fixed Income Arbitrage Ltd, SPhinX Distressed Ltd, SPhinX Merger Arbitrage Ltd, SPhinX Special Situations Ltd and SPhinX Equity Market Neutral Ltd.

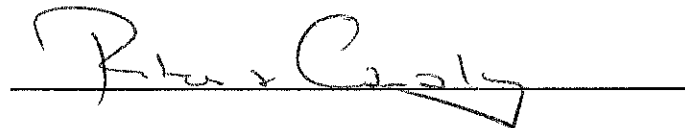
Conclusion

15. No replacement investment manager has been found for PFGI, S&P is seeking to terminate the licence and the Company, together with all of the other companies within the SPhinX Group, have ceased to trade. The SPhinX Group, of which the Company forms a part, is a complex group of companies which need to be wound down in an orderly and co-ordinated fashion. All companies within the SPhinX Group have been placed into voluntary liquidation and petitions seeking Court supervision will be filed for each.
16. It is in the best interests of the Company's investors that the Company (and all companies in the SPhinX Group) be wound up under the supervision of the Court. As set out at paragraph 13 herein, one contributory's petition remains outstanding. Unless the winding up of the Company becomes subject to the supervision of the Court, it possible that one or more investors in the Company and/or investors in other companies in the SPhinX Group might file further petitions, including against the Company. This could lead to fragmentation of the entire wind down process and lead to a consequent lack of co-ordination and inefficiency, which would be a waste of resources.

YOUR PETITIONER THEREFORE HUMBLY PRAYS THAT:

1. An Order be made directing that the voluntary winding up of the Company be continued, but subject to the supervision of the Court.
2. Such other order as the Court thinks fit.

DATED the 4th day of July, 2006



Attorneys-at-Law for the Voluntary Liquidators of the Company

NOTE: This petition is intended to be served on the Registrar of Companies

