

IN THE GRAND COURT OF THE CAYMAN ISLANDS

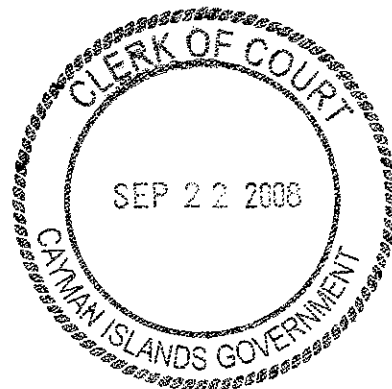
CAUSE NO: 445 OF 2008

IN THE MATTER OF THE COMPANIES LAW (2007 REVISION)

AND IN THE MATTER OF P.I. MULTI-STRATEGY FUND LDC



PETITION



TO THE GRAND COURT

The humble petition of the above named company ("the Company") shows that:-

1. The object of this Petition is to seek:
  - (a) The sanction of the Court to a Scheme of Arrangement and Amalgamation under sections 86 and 87 of the Companies Law (2007 Revision) between the Company, its shareholders and PI MULTI-STRATEGY FUND II, LDC ("FUND II"). The proposed Scheme of Arrangement ("the Scheme") is annexed as Appendix 1 to this Petition; and
  - (b) The confirmation of the Court, pursuant to section 16 of the Companies Law, of the intended resolution of the Company's shareholders to cancel the Company's share capital to give effect to the Scheme, which will be passed by way of special resolution.
2. The Company was incorporated on 28 June 1996 under the Companies Law (Revised) as a Limited Duration Company limited by shares.

3. The registered office of the Company is at Trident Trust Company (Cayman) Limited, One Capital Place, PO Box 847, Grand Cayman KY1-1103, Cayman Islands.
4. The authorised nominal capital of the Company is CI\$50,000 divided into 5,000,000 Ordinary Shares of a nominal or par value of US\$0.01 each (“the Ordinary Shares”). As at the date hereof, the holders of the issued Ordinary Shares comprise 5 investors who have subscribed for such shares for the purpose of investing through the Company as an investment mutual fund.
5. The principal objects for which the Company was established are unrestricted, subject to the provisos and exceptions stated in its Memorandum of Association.

### **Background**

6. The Company was established on 28 June 1996 to act as a close-ended regulated mutual fund under the provisions of the Mutual Funds Law (Revised) and invests funds for its shareholders/investors in accordance with its objects and governing documents.
7. FUND II was established on 12 September 2008 for the sole purpose of merging with and assuming the business rights and obligations of the Company and has not traded or conducted any other business.
8. Neither the Company nor FUND II have any significant creditors.
9. The Company has been advised that it automatically entered into voluntary liquidation on or about 28 January 2006 by virtue of the provisions of Section 200 of the Companies Law (2004 Revision) following the redemption in full of an investor on 31 October 2005. However, the Shareholders wish the mutual fund business of the Company to continue so as to allow the continued holding of investments in the underlying securities held by the Company and the continued management of those securities.

## **Amalgamation**

10. In order to ensure the seamless continuation of the Company's business, consideration has been given by the respective boards of the companies for a merger of the Company into FUND II under which proposal the whole business and undertaking of the Company will be transferred to FUND II and the issued and outstanding Ordinary Shares in the Company will be cancelled and the Company dissolved. These proposals have been embodied in the Scheme.
11. A draft of the proposed Scheme effecting the amalgamation has been drawn up and approved by the directors of the Company and FUND II, subject to receiving the necessary sanction of the Scheme by the Court. The Shareholders of the Company have also approved the implementation of the Scheme. The purpose of the Scheme now proposed on behalf of the Company is to give effect to the amalgamation upon the above mentioned terms. It is not anticipated that there will be any need for the appointment of Scheme Administrators to oversee the implementation of the Scheme.
12. The amalgamation of the Company into FUND II pursuant to the provisions of the Scheme will involve the cancellation of the share capital of the Company. Authority to effect such a cancellation is given under Article 26(c) of the Company's Articles of Association, and has been approved by the Shareholders of the Company. Since the entire business and undertaking of the Company will be transferred to FUND II pursuant to the Scheme and neither the Company nor FUND II has any significant creditors, no creditor will be prejudiced.
13. The Company respectfully submits that this is a clear case for approval of the Scheme and reduction of capital, and seeks the sanction by the Court of the Scheme in the form approved.

## **YOUR PETITIONER THEREFORE HUMBLY PRAYS THAT:-**

1. the Scheme be sanctioned by the Court so as to be binding on the Company and its shareholder pursuant to section 86 of the Company Law (2007 Revision);

2. the reduction/cancellation of the Company's share capital to give effect to the Scheme be confirmed pursuant to section 16 of the Companies Law (2007 Revision);
3. the whole of the business and undertaking of the Company be transferred to FUND II pursuant to the terms of the Scheme, the agreements and obligations of the Company with Shareholders and third parties to be transferred to and vest in FUND II without any further action being taken on the part of the Company or FUND II;
4. the Company be dissolved pursuant to the terms of the Scheme upon the completion of the amalgamation effected by the Scheme;
5. all necessary and proper directions be given;
6. such other Order be made as the Court shall deem fit.

AND your Petitioner will ever pray etc.

Dated the 22<sup>nd</sup> day of September 2008

  
APPLEBY

NOTE: It is not intended to serve this Petition on any person

**Indorsement**

This petition having been presented to the Court on the \_\_\_\_\_ day of September 2008 will be heard at the Grand Court of the Cayman Islands, the Court House, George Town, Grand Cayman on the 31<sup>st</sup> day of October 2008 at 10:00 o'clock (or as soon thereafter as the petition may be heard).

THIS PETITION was presented by Appleby, the Attorneys-at-Law for the Petitioner, whose address for service is that of its said attorneys at Clifton House, 75 Fort Street, PO Box 190, Grand Cayman KY1-1104, Cayman Islands (Ref. JST/12410.002.017).

**APPENDIX 1**

**Proposed Scheme of Arrangement**