

Exhibit 16



AIMA'S ILLUSTRATIVE QUESTIONNAIRE FOR DUE DILIGENCE OF MULTIMANAGERS FUND MANAGERS

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The Alternative Investment Management Association Limited
(AIMA)

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AIMA's Illustrative Questionnaire for Due Diligence Review of MULTIMANAGERS FUND MANAGERS

The purpose of this document is to serve as a guide to investors in their relations with multimangers fund managers. This due diligence questionnaire is an unavoidable process that investors must follow in order to choose a manager. Not all of the following questions are applicable to all managers but we recommend that you ask as many questions as possible before making a decision.

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Whilst AIMA has used all reasonable efforts to produce a questionnaire of general application in connection with a due diligence appraisal of multimangers fund managers, in any particular case an investor is likely to have its own individual requirements and each multimangers fund manager its own characteristics. As a result, prior to any individual investor sending out the questionnaire, it is strongly recommended that the questions are reviewed and, where necessary, amended to suit its own requirements and its state of knowledge of the multimangers fund manager's operations.

In addition, responses to the questionnaire should not be relied upon without review and, where considered appropriate, further investigation and are unlikely to have contractual force. The contractual terms of an investment in any multimangers fund will normally be confined to the terms of the application or subscription documents, private placement memorandum or other offering document and the constitutional documents of the multimangers fund. [Funds of hedge funds and funds of hedge funds managers are discouraged from providing to investors side letters or other forms of collateral agreement]. In order to obtain the best possible information on any specific multimangers fund manager, additional questions should be raised to clarify any point of uncertainty, and where practicable verbal examination should be undertaken. In particular, AIMA recommends that in respect of special areas of concern, such as fund performance or risk profile, independent third party data should, if possible, be obtained in order to verify these facts. Accordingly, none of AIMA, its officers, employees or agents make any representation or warranty, express or implied, as to the adequacy, completeness or correctness of the questionnaire. No liability whatsoever is accepted by AIMA, its officers, employees or agents for any loss howsoever arising from any use of this questionnaire or its contents or otherwise arising in connection therewith.

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Hedge Fund Managers
Managed Futures Managers
Hedge Fund Administration for Managers
Hedge Fund Administration for Investors
Prime Brokers

AIMA's Illustrative Questionnaire for Due Diligence Review of FUND OF HEDGE FUND MANAGERS

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AIMA's Illustrative Questionnaire for Due Diligence Review of Fund of Hedge Funds Managers

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NB: THE INFORMATION GIVEN HEREIN IS CORRECT AS AT MONDAY, 06 JUNE 2005

| | |
|--------------------------|--|
| NAVIGATING THIS DOCUMENT | Please use tab-key or point mouse to the beginning of the input field |
| INPUTTING DATA | The size of the fields will automatically adjust to the length of your input |
| UPDATING PAGE NUMBERS | As this questionnaire is completed (thus grows), page numbers on the index page will NOT be updated automatically. To update the index page (which is a table), click to the left of the table (at any point) then press F9 on your keyboard. Select the first option: to update page numbers only |

BACKGROUND INFORMATION

CONTACT INFORMATION

| | |
|------------------------|---|
| Company name: | <i>Optimal Investment Services S.A.</i> |
| Address: | <i>Rue Ami-Lévrier 5-7, 1201 Geneva, Switzerland</i> |
| Telephone: | <i>+41.(0)22.909.74.74</i> |
| Fax: | <i>+41.(0)22.909.62.22</i> |
| E-mail: | |
| Website: | <i>www.optimal.biz</i> |
| Name of contacts: | <p><i>James Woodyatt</i> <i>Senior Sales Officer</i> <i>+41 22 909 74 05</i> <i>james.woodyatt@ois-gruposantander.com</i></p> <p><i>Carlos Garcia Bello</i> <i>Sales/Managed accounts Officer</i> <i>+ 34 91 289 08 91</i> <i>carjgarcia@gruposantander.com</i></p> <p><i>Alberto Machado</i> <i>Sales/Advisory Officer</i> <i>+ 34 91 289 06 87</i> <i>amanchado@gruposantander.com</i></p> <p><i>Rosalinda Vazquez Garibay</i> <i>Sales Support Officer</i> <i>+ 41 22 909 74 08</i> <i>rosalinda.vazquez-garibay@ois-gruposantander.com</i></p> <p><i>Alexia Besomi</i> <i>Sales Support Officer</i> <i>+41 22 909 74 99</i> <i>alexia-besomi@ois-gruposantander.com</i></p> <p><i>Amélie Fontvieille</i> <i>Sales Support Officer</i> <i>+41 22 909 74 20</i> <i>amelie.fontvieille@ois-gruposantander.com</i></p> |
| Title of contacts: | <i>See above</i> |
| Telephone of contacts: | <i>See above</i> |
| E-mail of contacts: | <i>See above</i> |

AIMA's Illustrative Questionnaire for Due Diligence Review of Fund of Hedge Funds Managers

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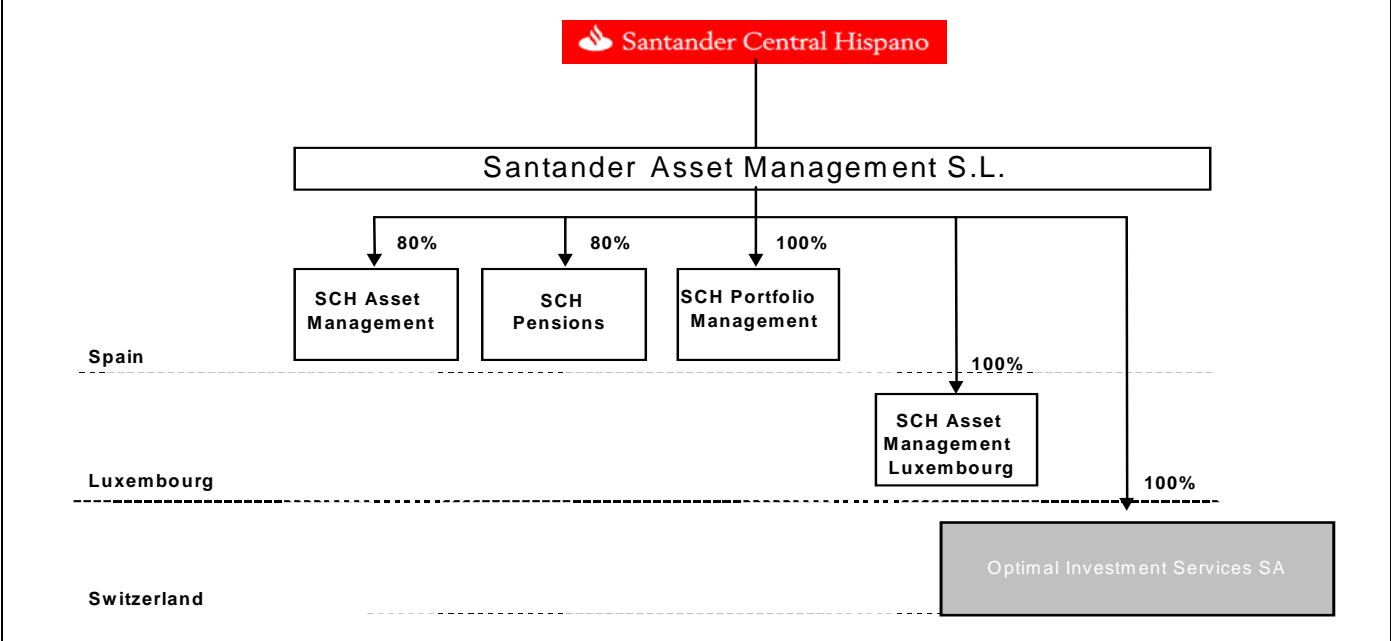
COMPANY STRUCTURE

What is the legal structure of your company?

"Société Anonyme", a Swiss Corporation

Provide a chart of the legal structure of the company and list all branch or affiliate offices:

See chart below



| | |
|---|---|
| Provide details of the company's current ownership structure: | <i>Optimal Investment Services S.A. is 100% owned by Santander Asset Management S.L., a Spanish corporation member of the Santander Group.</i> |
| Detail any changes in the last 3 years: | <i>There have been no changes in the company since the last three years.</i> |
| Are there any plans for further ownership changes? | <i>There are no changes planned.</i> |
| Provide a short history of the company with the most important milestones: | <p><i>In 1989, Manuel Echeverria began investing for clients of Banco Santander in the alternative asset class. This activity was developed in order to address the growing demand stemming from clients of its International Private Banking division. Providing hedge fund solutions to the Bank's clients was additionally viewed as a compelling way to enhance the diversification benefits of their traditional portfolios and also helped enhance risk adjusted metrics.</i></p> <p><i>Between 1990 and 2002, we were co-invested with Notz Stucki & Cie, a well-known Swiss based investment group with a primary focus on hedge funds. This joint venture has allowed both groups to share resources and achieve economies of scale in terms of purchasing power with investment managers, among other things. In 2002, we decided to end the collaboration with Notz Stucki, taking over the management of all our funds.</i></p> <p><i>In 1995 we established a presence in New York to perform analysis and due diligence on managers and to complement the already existing effort of the Geneva analysts team. In August 1995, we launched our first Optimal Multi-advisors fund in Bahamas, Optimal Arbitrage and later in 1995 Optimal Global Trading. In 1997, Optimal Strategic US Equity was launched, and in 1998, Optimal European Opportunities.</i></p> <p><i>OIS has one of the longest track records in the industry, which extends over a period of 15 years. Thanks to our expertise we have manoeuvred efficiently through periods of crisis such as 1990 (Iraq's invasion of Kuwait), 1994 (Tequila crisis), 1998 (Russia and LTCM), and 2000 (Nasdaq bubble). We feel this experience distinguishes us from the numerous organizations entering the alternative multimanagers fund business and we have learned substantially from these periods of "market dislocations".</i></p> <p><i>In June 2001 Optimal Investment Services S.A. was created from the spin-off of the hedge fund unit of the International Private Bank of Banco Santander with the objective to participate in the growing demand for alternative investment products. The creation of an independent structure with its own brand equity has been undertaken in order get access and serve more efficiently our new client base, encompassing institutional clients, pension funds, family offices, independent asset managers as well as High Net Worth Individuals.</i></p> |
| STAFF INFORMATION | |
| Number of permanent staff | <i>29 employees</i> |
| State the number of employees in your company as at year end for the last 5 years: | <p><i>End 2004: 26 employees</i></p> <p><i>End 2003: 24 employees</i></p> <p><i>End 2002: 20 employees</i></p> <p><i>End 2001: 15 employees</i></p> <p><i>End 2000: not applicable (the company was created in June 2001)</i></p> |
| Provide an organisation chart including the different departments and the number of | <i>See attached document "A4 OIS Organigramme".</i> |

| | |
|---|---|
| permanent employees for each: | |
| Explain any significant employee turnover: | <p>Since Optimal Investment Services S.A. was spun out of the group, the number of employees has almost tripled. 3 more persons have been contracted since the beginning of year 2005. Additionally, our Head of Research left the company in January 2005 to pursue other interests in line with his personal objectives. While we were disappointed to see him leave, his departure has not affected by any means our research abilities and we are continuously interviewing promising candidates to continue to add analysts to our team.</p> |
| How does the company attract new people? | <p>By using executive search firms, manager recommendations, client recommendations, other competitors' recommendations, business schools, university recruitment, industry contacts.</p> |
| Explain the compensation scheme for key people: | <p>For all employees, the compensation system is based on salary plus discretionary bonus based on the company's financial results, fund performance and other criteria. Bonus is paid annually. A long term incentive plan is also in place for senior management that includes a deferral pool that gets invested in the funds we manage, with a 3 years lock-up.</p> |
| Provide a brief background of key personnel (education, professional background): | <p>Manuel Echeverría</p> <p><u>Present responsibility:</u> Chief Executive Officer and Chief Investment Officer. Manuel Echeverría is responsible for the management of Optimal Investment Services S.A., which includes supervising the Sales team, the analysis and due diligence, operations, administrative and legal teams. He is also a Director of the Optimal Multiadvisors and Multiselect funds, both in Bahamas and Ireland and of the Elite Multimanager Fund Ltd.</p> <p><u>History at present firm:</u> Executive Vice President Manuel Echeverría has worked for the Santander Group for the past 14 years. He was responsible for creating the alternative investment fund of fund business for the Santander Group and leading the creation in 2001 of Optimal Investment Services S.A. as an independent company. Mr. Echeverría also developed the portfolio management activity for the private bank of SCH from 1990, including hedge funds as an asset class from the onset.</p> <p><u>Specific hedge fund related experience:</u> In addition to developing and managing the business at Optimal Investment Services S.A. and Santander Group for the past 10 years. He held co-management responsibility of Columbus Holdings Limited and Asian Selection Holdings (co-managed funds with Notz Stucki & Cie). Mr. Echeverría is responsible for creating and managing the Optimal multimanager fund.</p> <p><u>Previous employments:</u> Prior to SCH, Mr. Echeverría worked for J. P. Morgan in the Securities and Foreign Exchange Group in Geneva with responsibilities for investment management and trading. He worked previously with Morgan Guaranty Trust Company in New York in the International Private Banking Group. Mr. Echeverría attended the CBMP</p> |

(Commercial Bank Management Program) training program, number 52, after joining Morgan.

Education:

Mr. Echeverría holds a Master of Management degree from the J.L. Kellogg Graduate School of Management (Northwestern University) and a Bachelor of Science in Management from Babson College.

Caron Bastianpillai

Present responsibility:

Caron Bastianpillai is our Senior Research Analyst and Product Specialist. He is responsible for the management and risk control of a number of multimanager funds. Mr. Bastianpillai monitors alternative investment managers focusing on long/short strategies and also develops investment fund database tools.

History at present firm:

Mr. Bastianpillai has worked for the Santander Group for the past 10 years. He has been in charge of research and due diligence for a number of hedge fund strategies. He was also responsible for developing an internal database for evaluating managers.

Specific hedge fund related experience:

For the past 10 years Mr. Bastianpillai has been involved in analysing hedge funds, developing and managing alternative multimanager funds.

Previous employments:

Mr. Bastianpillai worked for Valorinform S.A., part of Thomson Financial services, as a product supervisor and finally as a product manager from 1991 to 1995.

Education:

Mr. Bastianpillai holds an MBA in International Management, Magna Cum Laude (European University Geneva) and a BBA in Marketing, Cum Laude (University of Houston).

Hugh Burnaby-Atkins

Present responsibility:

Mr. Burnaby-Atkins is based in New York and responsible for research, due diligence, fund monitoring and selection of a full range of hedge fund strategies. He also performs portfolio management for a number of Optimal products.

History at present firm:

Mr. Burnaby joined the Optimal team in March 2003. He was promoted to Senior Vice President in December 2004 and has become a member of the management committee since January 2005

Specific Hedge Fund related experience:

When Mr. Burnaby-Atkins was director of the Alternative Investment Research at Bank of Bermuda, he was instrumental in establishing the bank's alternative investment program.

When employed at the Bank of Bermuda, Mr. Burnaby-Atkins was a fund analyst.

Previous employments:

Prior to joining Optimal Investment Services S.A., Mr. Burnaby was an Alternative Investment Manager at Pavilion Capital from Jan 2002. Previously, he was Director of Alternative Investment Research at Bank of Bermuda. He began his investment career at Bank of Bermuda in the Private Client Wealth Management Division in 1998. He previously worked as a management consultant in the defense industry and was a Captain in the British Army.

Education:

Mr. Burnaby holds a Bachelor of Commerce from Edinburgh University. He holds the following professional certifications: CFA Charterholder. FRM (Financial Risk Manager). SFA - Registered Representative. IMC (Investment Management Certificate).

Vincent Gattone

Present responsibility:

Mr. Gattone is a Research Analyst. He participates in original research and analysis of European based traditional and alternative equity managers. On-going due diligence of funds for which Mr. Gattone has direct responsibility. Regular and periodical preparation of reports for due diligence, managers meetings, and Optimal products. Participates as member of Investment Committee for Optimal Multiadvisors funds.

History at present firm:

Mr. Gattone joined Optimal Investment Services S.A. in November 2001 as a Research Analyst focusing on European-based equity managers.

Specific hedge fund related experience:

Mr. Gattone was promoting funds of hedge funds as well as constructing tailored made portfolios of Funds of Hedge Funds at Republic National Bank of New York. Prior to that he was employed by Geforin S.A. in Geneva, being responsible for alternative and traditional investments, including selection of both individual hedge funds and multimanager funds for a group of high net worth individuals.

Previous employments:

Mr. Gattone started his work experience in 1995 as Junior Portfolio Manager with Geforin S.A., an independent asset management company.

He joined Republic National Bank of New York (today part of the HSBC group) in 1997 as Sales officer for the Republic Funds Department, promoting RNBNY traditional and alternative fund range, then returned to Geforin S.A. in 1999 as Portfolio Manager (Vice President) for a group of high net worth individuals. He

worked at Geforin S.A. until September 2001.

Education:

Mr. Gattone graduated from University of Geneva in 1995 specializing in Economics. He holds a master's degree in Finance from Hautes Etudes Commerciales, Geneva, Switzerland (1997).

Cecilia Alvarez-Santullano

Present responsibility:

Ms. Cecilia Alvarez-Santullano is a Research Analyst, providing quantitative research and analytical support to the research team. She is responsible for manager reviews and the due diligence process for European based relative value/arbitrage managers. In addition, Ms. Alvarez-Santullano produces monthly risk and analytical reports on Optimal Multiadvisors fund products.

History at present firm:

Joined the firm in February 2003.

Previous employments:

From December 1999 to January 2003, Ms Alvarez-Santullano worked for Morgan Stanley Capital International (MSCI), as a research analyst at the Corporate Actions department focusing on M & A activity in Europe. She was also a member of the MSCI Index Committee.

Education:

Masters Degree in Political Science and Administration at the College of Europe in Brugge, Belgium.
License in International Relations at the Graduate Institute of International Studies, Geneva, Switzerland (four-year university degree). Ms Alvarez-Santullano is a CFA charterholder.

Jonathan C. Clark

Present responsibility:

Mr. Clark is a Research Analyst in New York responsible for research, due diligence, and fund monitoring of US-based managers, focusing on relative value and event-driven strategies.

History at present firm:

Mr. Clark joined Optimal Investment Services in March 2003.

Previous employments:

Previously, Jonathan was an Associate in the Corporate Finance group at Deutsche Bank in New York and Buenos Aires, where he worked on bond and loan offerings, merger transactions, and corporate restructurings for Latin American corporations.

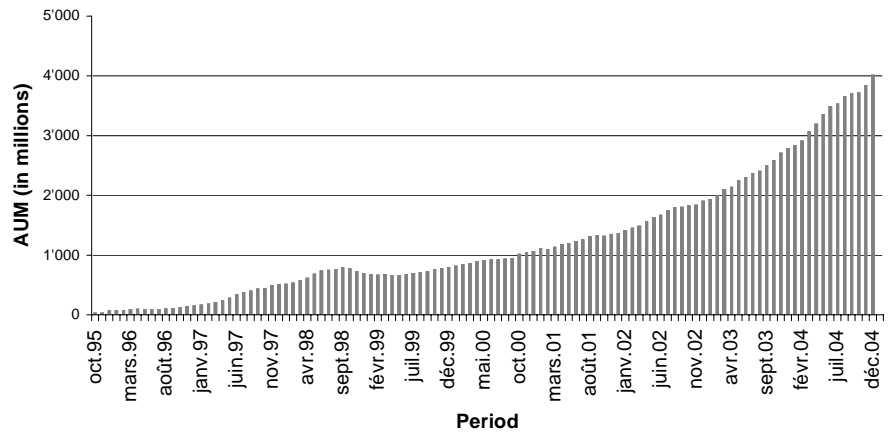
| | |
|---|---|
| | <p><u>Education:</u> <i>Mr. Clark holds an MBA in Finance from Columbia Business School and a BS in Business Administration, Summa Cum Laude from John Brown University. Series 7 licensed. CFA level I candidate.</i></p> <p>Sebastien Poirer <u>Present Responsibility</u> <i>Mr. Poirer is a Research Analyst in Geneva and is responsible for research, due diligence, fund monitoring and selection of managers focusing on European based macro strategies and to a lesser extent relative value, arbitrage and long/short strategies.</i></p> <p><u>History at present firm</u> <i>Mr. Poirer joined Optimal Investment Services in June 2004.</i></p> <p><u>Specific hedge fund related experience</u> <i>Mr. Poirer has been involved in hedge fund analysis since 1998. When working at Resolution Capital Management LLC, Mr. Poirer was Head of Manager Research. In Chaparral Advisors LP, Mr. Poirer was Senior Analyst and Assistant Portfolio Manager, and in Cygnus Capital he was Senior Analyst/Trader and Assistant Portfolio Manager.</i></p> <p><u>Previous employments</u> <i>Mr. Poirer was employed between July 2002 and May 2004 at Resolution Capital Management LLC, a fund of hedge funds in New York. In parallel Mr. Poirer worked 30% of his time at Chaparral Advisors LP (between February 2003 and May 2004). Mr. Poirer previously worked from July 1998 to June 2002 at Cygnus Capital LLC, a global Emerging Markets hedge fund in New York/San Francisco.</i></p> <p><u>Education</u> <i>Mr. Poirer graduated from the Espeme School of Business (Edhec Group, 1996) in Nice, France with a degree in corporate finance. He received a Master of Business Administration from State University of Nice with majors in finance and international private banking (1997).</i></p> |
| <p>Please discuss possible retirement of key individuals with succession plans:</p> | <p><i>There are no plans for anyone to retire, as the company is only four years old and the oldest person is 45 years old.</i></p> |
| <p>ASSET MANAGEMENT ACTIVITIES</p> | |
| <p>Total AUM in FoHF?</p> | <p><i>Approximately USD 4'665'000'000 as of March 31st 2005</i></p> |
| <p>Show the growth of assets under management over the last 5 years:</p> | <p><i>See chart below</i></p> |

Firmwide

Optimal Funds

Year-by-year AUM (in millions):

| | |
|---------|-------|
| 1995 | 75 |
| 1996 | 154 |
| 1997 | 505 |
| 1998 | 696 |
| 1999 | 797 |
| 2000 | 1'068 |
| 2001 | 1'371 |
| 2002 | 1'908 |
| 2003 | 2'791 |
| 2004 | 4'015 |
| Q1 2005 | 4'360 |



Does the company conduct any business other than asset management? If so, please state the nature of those businesses:

No other business conducted.

Apart from FoHF, does the company manage other products? If yes, provide the breakdown of assets (USD/%) for each product family (traditional, FoHF, HF, etc.):

*The company primarily manages multimanager fund.
As of the end of 2004, 5.6% of our Asset Under Management are managed in discretionary and managed accounts mandates with tailor made solutions for large mandates with specific requirements.
Of the 11 multimanager funds managed, 9 are in the alternative universe and 2 are long only absolute return funds: Optimal North America and Optimal Europe. The investment objective of these two funds is to achieve above average capital appreciation by concentrating on absolute return vs. relative returns.*

Optimal Europe seeks to achieve capital appreciation by investing in long-only strategies focused on Pan European markets. The fund invests in collective investment schemes using a multi-manager approach. Selection of asset managers is based on the ability to preserve capital over the long term and consistently outperform their peers within their style universe. The fund's return objective is to outperform the MSCI Europe Index.

Optimal North America seeks to achieve capital appreciation by investing in long-only strategies focused on North American markets. The fund will invest in collective investment schemes using a multi-manager approach. Selection of asset managers is based on the ability to preserve capital over the long term and consistently outperform their peers within their style universe. The fund's return objective is to outperform their peers within their style universe. The fund's return objective is to outperform the MSCI North America Index.

Breakdown of assets for each product family (all data as of March 31st 2005)

Multimanagers fund (in thousands USD): 4'360'000

Optimal Arbitrage: 968'000

Optimal Strategic US Equity: 1'603'000

Optimal European Opportunities: 368'000

Optimal Japan Opportunities: 82'000

Optimal US Opportunities Ireland: 228'000

Optimal Global Trading: 312'000

Optimal Multistrategy Ireland: 382'000

Elite Multimanager Fund: 416'000

Optimal Global Opportunities: TBD

| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|--|---|-----|--------------|----|-----------------------------------|----|---------------------------------|----|----------------------|----|---------------------------------|-----|----------------------|-----|----------------------------|-----|-----------------------|-----|-----------------------|-----|------------------------------|----|--------------------------|----|---------------------------|----|----------------------------------|----|----------------------------|-----|
| | <p><u>Long only funds (in thousands USD): 38'000</u> Optimal Europe: 21'000 Optimal North America: 17'000</p> <p><u>Managed Accounts (in thousands USD): 266'000</u></p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Does the company manage any direct hedge funds? If so, please describe. Does your FoHF invest in them? | No | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Does the company sponsor or have any ownership interest in hedge fund managers who are not employees of the company? If so, does the FoHF invest in these managers? | No | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Which investor group does the company primarily target? | <p><i>Institutional clients</i> <i>Pension funds</i> <i>Independent asset managers</i> <i>Independent financial advisors</i> <i>Ultra high net worth individuals</i> <i>Private banking clients of Santander Group</i></p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Provide a breakdown of assets under management by: <ul style="list-style-type: none"> • Client group: • Country: • Strategy: | <p>Breakdown by client group</p> <table> <tr> <td><i>Private clients of Santander Group</i></td> <td>75%</td> </tr> <tr> <td><i>Banks</i></td> <td>8%</td> </tr> <tr> <td><i>Independent asset managers</i></td> <td>5%</td> </tr> <tr> <td><i>Private clients (others)</i></td> <td>4%</td> </tr> <tr> <td><i>Pension Funds</i></td> <td>8%</td> </tr> </table> <p>Geographic breakdown of clients</p> <table> <tr> <td><i>Latin America and Europe</i></td> <td>90%</td> </tr> <tr> <td><i>Rest of world</i></td> <td>10%</td> </tr> </table> <p>Breakdown by strategy</p> <table> <tr> <td><i>Equity Option Hedge</i></td> <td>37%</td> </tr> <tr> <td><i>Relative Value</i></td> <td>35%</td> </tr> <tr> <td><i>Global Traders</i></td> <td>10%</td> </tr> <tr> <td><i>European Equity Hedge</i></td> <td>7%</td> </tr> <tr> <td><i>U.S. Equity Hedge</i></td> <td>6%</td> </tr> <tr> <td><i>Japan Equity Hedge</i></td> <td>2%</td> </tr> <tr> <td><i>Distressed and High Yield</i></td> <td>2%</td> </tr> <tr> <td><i>Global Equity Hedge</i></td> <td>TBD</td> </tr> </table> <p><i>Please note that the allocation between strategies is given on an informational basis and that allocations might change in the future.</i></p> | <i>Private clients of Santander Group</i> | 75% | <i>Banks</i> | 8% | <i>Independent asset managers</i> | 5% | <i>Private clients (others)</i> | 4% | <i>Pension Funds</i> | 8% | <i>Latin America and Europe</i> | 90% | <i>Rest of world</i> | 10% | <i>Equity Option Hedge</i> | 37% | <i>Relative Value</i> | 35% | <i>Global Traders</i> | 10% | <i>European Equity Hedge</i> | 7% | <i>U.S. Equity Hedge</i> | 6% | <i>Japan Equity Hedge</i> | 2% | <i>Distressed and High Yield</i> | 2% | <i>Global Equity Hedge</i> | TBD |
| <i>Private clients of Santander Group</i> | 75% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <i>Banks</i> | 8% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <i>Independent asset managers</i> | 5% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <i>Private clients (others)</i> | 4% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <i>Pension Funds</i> | 8% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <i>Latin America and Europe</i> | 90% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <i>Rest of world</i> | 10% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <i>Equity Option Hedge</i> | 37% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <i>Relative Value</i> | 35% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <i>Global Traders</i> | 10% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <i>European Equity Hedge</i> | 7% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <i>U.S. Equity Hedge</i> | 6% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <i>Japan Equity Hedge</i> | 2% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <i>Distressed and High Yield</i> | 2% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <i>Global Equity Hedge</i> | TBD | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| What is the percentage of assets under management represented by your largest client, and by your 5 largest clients? | 75% of total assets come from private clients of the Santander Group. No single client represents more than 3% of total assets under management. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Provide a list of the 5 main clients (incl. size of assets, duration of client relationship): | We are willing to disclose a list of our clients provided we sign a non-disclosure agreement and that we seek their agreement. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| INVESTMENT PHILOSOPHY | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Describe your investment philosophy: | Our investment philosophy is to find outstanding investment talent and skill and create a diversified portfolio of these managers in the form of a multimanager fund, or a managed/managed accounts account. The investment objective is to | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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| | <p><i>generate positive absolute returns with a strong goal of preservation of capital. This will be achieved through diversification, strict risk control rules and combination of manager styles. In building a portfolio of managers we also aim to reduce correlation between the managers, trying to maximise the sharp ratio.</i></p> <p><i>The fund selection indeed follows an ongoing dynamic process led by the research team, which uses both top-down and bottom-up approaches. Every investment decision is analyzed from a risk-return perspective and is integrated within our funds based on intrinsic merits and diversification benefits.</i></p> |
| <p>INVESTMENT PROCESS</p> | |
| <p>Describe your investment process:</p> | <p><i>We define a universe of funds by using a top-down approach (to determine the relevant sub-universe), a bottom-up approach (to select the appropriate fund for a given portfolio) and studying client's needs and sourcing ideas.</i></p> <p><i>We determine the sub-universe by using quantitative and qualitative analysis which covers data analysis, background check and strategy evaluation.</i></p> <p><i>From the sub-universe we keep a short list that we obtain after gathering data from quantitative analysis (returns analysis, volatility analysis, drawdown analysis, benchmark analysis, asset evolution), qualitative analysis (manager experience, investment style analysis, evaluation of investment strategy, consistency in management style, business terms and structure) and analyst report on the funds.</i></p> <p><i>This way we propose a selection of funds that then go to our investment committee and investment decisions are made by the investment committee.</i></p> |

STRATEGY AND STYLE ALLOCATION

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| <p>Which strategies do you use?</p> | <p><u>Directional Trading</u> Macro discretionary Macro diversified Systematic non trend Systematic trend following FX trading</p> <p><u>Relative value</u> Convertible arbitrage Event driven (merger arbitrage, special situations) Distressed debt/High yield Credit ABS (mortgage, CDO) Fixed income arbitrage Equity arbitrage Capital structure arbitrage Relative value plus Multistrategy PIPES</p> <p><u>Equity</u> Long short Market neutral Statistical arbitrage Long only absolute return Long only Long biased Short only Short biased</p> <p><u>Investment style</u> GARP Growth Blend Value Trading Value event driven</p> <p><u>Market cap focus</u> Small cap Small cap and mid cap Mid and large cap Large cap All cap</p> <p><u>Private equity</u></p> |
| <p>Which strategies do you avoid?</p> | <p>We avoid managers fully dedicated to Emerging Markets fixed income relative value strategies, and most illiquid strategies that invest in private equity and real estate</p> |

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| <p>Describe the company's asset/style allocation process:</p> | <p><i>The asset allocation process is decided and reviewed regularly by the Investment Committee. It is based on a thorough top down macro assessment of each individual strategy and sub-strategy in light of our view of market conditions and investment opportunities. Furthermore, all tactical asset allocation decisions are based on the investment objectives of each fund or managed accounts / managed accounts. This is the first element of our dynamic investment process, which is built at its core around risk management, portfolio construction and bottom-up fundamental evaluation of inherent qualities of underlying managers.</i></p> <p><i>Investments are allocated according to client needs or in-line with the stated objectives of the multimanager fund. Both managed accounts and multimanager fund' asset allocation is articulated around the economic and market valuation of the investment committee.</i></p> |
| <p>What is the company's competitive edge in the strategy and style allocation process?</p> | <p><i>The main factor is an experienced and stable team of professionals with strong and established knowledge, the capacity to innovate, a vast network of resources and the ability to attract top talent to support our growth.</i></p> <p><i>We furthermore feel that our longstanding track record distinguishes us from many of our competitors, who publish pro-forma returns for their newly launched products. We have survived and prospered through different market cycles and through major crisis. We can document correct investment decisions as well as occasional mistakes. We have proven we have learned from these mistakes.</i></p> <p><i>We stress the importance of performing thorough due diligence - on an ongoing basis - on the managers with whom we invest. We want to know how the manager makes money and how he or she is able to protect capital in difficult times. We want to challenge the manager in face-to-face meetings, to see how he would react in a given situation. Our careful attention in this area has allowed us to avoid the well-publicized cases of manager fraud</i></p> <p><i>Our portfolios offer diversification (25 to 40 managers), however when we have conviction in a manager, we will increase our investment in the manager to what we consider "core positions" in other words about 7 to 8 % of the fund. Typically, the 10 largest positions in our funds will account for around 50% of the total assets.</i></p> |
| <p>On what basis and when does the company define and change the asset allocation of the portfolios?</p> | <p><i>Changes in the asset allocation of the portfolios and funds occur upon the decision of the Investment Committee and upon its assessment of the evolution of risk / reward opportunities of each strategy. Changes in the asset allocation will usually be the result of a changing market environment, in which certain strategies will be less effective due to a lack of opportunities, liquidity, volatility or other factors. The review is formally conducted on a monthly basis in the Investment Committee. Portfolios are however constantly examined, discussed and reviewed between all involved members of the Analyst team in New York and in Geneva</i></p> |
| <p>Do investment guidelines exist for all products? If so, please provide sample:</p> | <p><i>Each product has an investment policy, together with investment guidelines, which is specified in the respective offering memorandum. Please see the attached sample of investment guidelines.</i></p> |

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| <p>How can the guidelines be altered?</p> | <p><i>Any alteration of guidelines has to go through a product committee for approval. Investors must also be informed prior to any change so as to enable them to exit if they so wish.</i></p> |
| <p>For non-standard products, to what extent can the investor be involved in the asset allocation process?</p> | <p><i>For our managed accounts and white-labelled business, the investors can request whether they would like to be involved or not in the decision making process and if so at what level.</i></p> |
| <p>DUE DILIGENCE / MANAGER SELECTION</p> | |
| <p>Summarise your manager selection process:</p> | <p><i>The minimum criteria a manager has to meet to enter the process is:</i></p> <ul style="list-style-type: none"> ○ <i>Proven experience in the investment field</i> ○ <i>Superior risk control</i> ○ <i>Alignment of manager's and investors' interest (managers that are invested in their own funds)</i> ○ <i>Performance</i> ○ <i>Risk / reward profile</i> ○ <i>Reputation</i> |
| <p>Where does your due diligence process differ from that of others in the marketplace?</p> | <p><i>Our due diligence follows a specific process:</i></p> <ul style="list-style-type: none"> ○ <i>Capital appreciation: we seek selective opportunities in confirmed and consistent absolute returns generators</i> ○ <i>Wealth preservation: we focus on proven ability of managers to dynamically control for downside risk</i> ○ <i>Sustainable Business Structure: we seek firms with a robust business model and seamless operating infrastructure with focus on continuity</i> |

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| <p>Please describe, in detail, the company's due diligence process including the investment, legal and compliance and operational due diligence procedures. Provide examples of reports and working papers, where available:</p> | <p><i>Optimal Investment Services S.A. uses an intensive and thorough due diligence process that has been developed and "fine tuned" through our many years of experience over the last decade. The first step includes screening as dictated by a mandate or strategy (since our multimanager funds tend to be strategy specific). We have developed our network to allow us to build an evolving universe, which includes new managers and existing managers that are introduced to us through prime brokers, current hedge fund managers, investors, as well as sifting through industry literature for other ideas, etc. Screening also comprises a review of on-line or marketed databases (such as, TASS, Altvest, HFRI, Hedgefunds.net and others). However, these are not our primary sources for new ideas, as hedge funds tend to work in a less transparent environment and the most successful managers tend to avoid any publicity. We maintain an internal proprietary database, which includes both existing and potential investments.</i></p> <p><i>Once a universe has been identified, we screen for managers who have managed to avoid large drawdowns and have consistently surpassed returns of their respective strategies. A universe then forms the base for comparing existing managers and funds against a peer group, which is monitored on an on-going basis.</i></p> <p><i>Monthly analyst meetings and a formal Investment Committee also guides the process of which strategies and managers to focus on. Once managers are identified based on strategy, returns, experience, etc a more comprehensive due diligence ensues and usually comprises background checks, business structure and terms analysis, return / volatility / draw-down / benchmark analysis and an evaluation of the managers' business plan and operational infrastructure.</i></p> <p><i>Our risk manager and in-house legal counsel will ensure all non-investment due diligence (operational and legal) and risk control for all new/existing investments. They will provide an opinion on all managers from an operational/legal risk perspective at the Investment Committee prior to investment decisions are made.</i></p> |
| <p>VISIT</p> | |
| <p>How many managers are you currently invested with?</p> | <p><i>140 managers.</i></p> |
| <p>How many new managers do you analyse per year?</p> | <p><i>We see over 450 managers a year in both our offices and at capital introduction events organized by the prime brokers and follow-up with about 300 managers by visiting them in their offices.</i></p> |
| <p>How many managers are approved per year?</p> | <p><i>Around 25 new managers each year. However, we have increased this number as we have recently created new funds.</i></p> |
| <p>What is the average time scale of the manager selection process?</p> | <p><i>Before initial investment it takes on average at least two months.</i></p> |
| <p>Do you conduct on-site visits with the managers?</p> | <p><i>Yes.</i></p> |
| <p>How many visits to a manager will you make prior to making an investment?</p> | <p><i>We will meet at their offices at least once.</i></p> |
| <p>How much time is spent with each manager during the due diligence process:</p> <ul style="list-style-type: none"> • Before initial investment? • After initial investment? | <p><i>The due diligence process before initial investment takes approximately 2 months. After initial investment, we have three to five meetings on-site, and regular phone calls and others means of communication.</i></p> |

| OPERATIONAL DUE DILIGENCE | |
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| Do you have a dedicated operational due diligence team? | <i>We are in the process of hiring an experienced person to build the non-investment due diligence which includes risk management, operational and legal due diligence. The person in charge will ensure we are able to create a more thorough procedure, will perform an ongoing update to make sure all procedures are maintained and enhanced. In addition, this person will ensure pro-active risk management.</i> |
| Do you perform reference checks on the manager? | <i>Yes. Reference checks are performed on ex-colleagues and superiors, related people in the industry, other hedge funds, prime brokers. In case we cannot gather enough information on the manager, we contract services on specialised companies such as Back Track.</i> |
| Do you perform operational due diligence on the middle and back office operations? | <i>Yes, both on middle and back office.</i> |
| Do you perform due diligence checks on the administrator or any other service provider to the targeted funds? If so, please describe: | <i>Yes, we do carry due diligence on the fund's administrator to see how they price the portfolio and where they obtain the prices from. We also talk to the prime brokers the fund uses as well as any other third party providers.</i> |
| Do you contact the outside audit company prior to approval? | <i>The analysis of audit reports is integrated in the due diligence process. We may contact the outside audit company, but it is not a condition sine qua non for approval.</i> |
| CAPACITY | |
| How many managers are currently on your approved list? | <i>We are currently invested in 140 managers.</i> |
| How much capacity is available from managers on the approved list / you are invested with? Please provide breakdown by strategy: | <i>Capacity is negotiated on an on-going basis and Optimal enjoys favourable terms thanks to its capacity to be initial investor with top tier hedge fund managers.</i> |
| How does the company secure and expand capacity with underlying hedge fund managers? | <i>Thanks to a good relationship with managers originated through our status as initial day one investor in many of the top tier hedge funds, we have not yet had capacity problems. We believe this to be a recurring event that usually does not last long. The last market capacity problem was in March 2004. We execute capacity agreements.</i> |
| PORTFOLIO CONSTRUCTION | |
| Describe the portfolio construction? | <i>Diversification benefits are thoroughly studied and when a manager is selected, we make sure that the correlation level with existing holdings is low or negative. A plain vanilla long-short manager may add little value to the portfolio, even if the track record is good. A manager with higher volatility may have a place in our multimanager's fund (within prudent constraints) if the manager's results exhibit low correlation to other managers. We also look for managers with an edge, i.e. special knowledge of a sector or special techniques. We focus on low downside deviation. A first-rate investment team (including synergy between analysts and traders) is desired. In that vein, a hedge fund is a business. We want to see proven risk management skills. We additionally insist that the managers take a financial stake (co-investment) in the fund to ensure alignment of interest with investors.</i> |
| Is there an investment committee to approve portfolio allocation? If applicable, please describe its set up and authority: | <i>Yes, there is an investment committee. The committee is composed of three permanent members: Caron Bastianpillai, Hugh Burnaby-Atkins, and Manuel Echeverria, chief investment officer. The committee is held every month, usually at the end of the month. The analysts, after completing the due diligence process,</i> |

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| | <i>sit in the committee with proposals. The 3 permanent members have decision making power, in case of diverging opinions; Manuel Echeverria has the final authority.</i> |
| How often are portfolios rebalanced? | <i>At least once a month during the Investment Committee.</i> |
| State the average turnover of managers within the portfolios: | <i>On average we hold 25-40 managers in each portfolio and between 3 to 5 managers are removed and added in each fund every year.</i> |
| Does the turnover of managers in different portfolios vary substantially? | <i>Even if our main philosophy is to build a long-term relation with our managers the turnover may vary depending on the strategy and on the flows of each fund</i> |
| What are the main reasons for the exclusion of managers from a portfolio? | <p><i>Reducing or removing a manager will occur when:</i></p> <ul style="list-style-type: none"> • <i>Performance is inferior to others and/or has negative absolute performance over an extended period (usually 12 months).</i> • <i>Changes in key personnel occur that may affect the ability to deliver consistent returns.</i> • <i>The style and strategy diverge from their stated objective.</i> • <i>Changes in level of assets make it difficult to operate the investment style or strategies.</i> • <i>Changes in the macro view of the Investment Committee that favour one or another type of investment style</i> |
| Does the company apply leverage to some or all of its products? If so, please explain: | <i>We do not employ leverage at the multimanager fund level. We do closely monitor the leverage employed by the underlying hedge fund managers. One of our products, Elite Multimanager, has a leveraged share class (with specific segregation of assets), which shall target a leverage ratio of 50% loan to asset or 2X* in USD to investors pursuant to a credit facility with an affiliate of Bank of America. Will also have the benefit of a Liquidity Facility provided by Bank of America that allows Elite shareholders to redeem on a quarterly basis with no lock-up.</i> |
| RESEARCH | |
| In which areas does the company use external research and which sources do you employ? | <i>External research is used in all areas related to investment. There are various sources used: brokers, industry commentaries, dedicated papers.</i> |
| Does the company publish regularly in the press or commission any research / academic papers? Provide samples: | <p><i>Yes, we report on a monthly basis to Altvest, Hedgefund.net, Investhedge, Bloomberg and Reuters. The NAV of the Optimal Japan Opportunities is published on a daily basis in two Swiss newspapers (pursuant to the Swiss Federal Act on Investment Funds).</i></p> <p><i>Various members of the team have had their academic research and market analysis published in the domestic and international press.</i></p> |

RISK MANAGEMENT

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| <p>Describe your risk management philosophy:</p> | <p><i>Optimal Investment Services Risk Management Philosophy is to monitor the Optimal fund's risk parameters in accordance to the rules set forth in the "Policies and Procedures". The goal is to analyse a set of risk management rules on a monthly basis based on a pre-set process.</i></p> |
| <p>Describe how risk management is structured within your organisation:</p> | <p><i>Risk management is an integral part of Optimal's business and investment philosophy. Scrupulous attention is paid to all risk factors as mentioned above and a team of 2 investment professionals makes sure that risk guidelines and parameters are strictly followed. We are currently employing a highly experienced individual to lead this risk management aspect for Optimal Investment Services. As reinforcement to the current risk control mechanisms in place, Santander Asset Management S.L. has assigned a full time risk manager who operates independently to supervise that Optimal Investment Services S.A. complies with both internal and Santander Group's risk management policies and procedures.</i></p> |

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| <p>What risk management concepts does the company apply to its underlying managers?</p> | <p><i>The Optimal Fund of Funds (FoFs) are monitored on a monthly basis against pre-set risk parameters and risk rules. Those parameters have been created by our senior management in coordination with the Risk Monitoring Division of Banco Santander. They are part of Optimal's "Policies and Procedures" code.</i></p> <p><i>The risk monitoring concentrates on three different types of risks:</i></p> <p><i>1/ Credit / Diversification Risks</i></p> <p><i>The goal is to check that the Optimal FoFs are well diversified in terms of the number of underlying funds they can invest in as well as in terms of the size of one particular sub fund in the Optimal FoF. The same analysis is undertaken for investment management companies in order to monitor Optimal fund's exposure to hedge fund management firms as a whole. Thresholds are also set as to how much Optimal can hold in a particular sub fund or investment management company.</i></p> <p><i>2/ Liquidity Risks</i></p> <p><i>The risk monitoring process insures that Optimal FoFs have sufficient monthly liquidity to face potential redemptions, that they have enough liquidity available in terms of cash and credit lines and that sub funds with low liquidity do not represent a large part of the portfolio.</i></p> <p><i>3/ Market Risks</i></p> <p><i>Market risks, such as negative performances and draw downs, are analyzed in order to constantly flag potential sources of negative returns and volatile performances.</i></p> <p><i>A comprehensive database helps monitor the risk parameters on a monthly basis. The fund administration team as well as the research team provide and update the required information for the risk reports to be run.</i></p> <p><i>Potential breaches of the above mentioned risks are presented at the monthly Investment Committee Meeting, documented and sent to the Bank's Risk Monitoring Division in Madrid. A Risk Summary Report is written and signed of by both Optimal and the Risk Monitoring Division of Banco Santander on a monthly basis.</i></p> |
| <p>Does the company maintain a written risk management policy? If yes, provide a copy:</p> | <p><i>The company maintains a policy and procedure manual, which includes risk management. This document is proprietary.</i></p> |

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| <p>Does the company maintain a risk management system including operational, legal, reputational and business risks? If so, please describe:</p> | <p><i>Yes, risk at the fund level is monitored using in-house database and monitoring various risk metrics. Optimal Investment Services S.A. undertakes risk management at the multimanager fund level through an in-house proprietary risk management model that focuses primarily on credit, liquidity, concentration and market risk (we have described this model before). In addition, all of Optimal Investment Services S.A.'s investment decisions and adherence to investment policies and guidelines are independently monitored by the Central Bank of Ireland (IFSRA) and by the internal audit and risk control units of the Santander Group. As reinforcement to the current risk manager who operates independently to supervise that Optimal Investment Services S.A. complies with both internal and Santander Group's risk management policies and procedures.</i></p> <p><i>Legal, reputational and business risk is monitored by our Legal Counsel and our Chief Operating Officer within guidelines set out by the risk and internal audit of the Santander Group which enforces strict adherence to internal guidelines as well as by external auditors.</i></p> |
| <p>Do the underlying hedge fund managers provide portfolio transparency? Please describe the extent and frequency of this:</p> | <p><i>Transparency varies from one manager to another. Also, some strategies are more transparent than others; i.e. Equity Long/Short strategies are more transparent than Arbitrage ones.</i></p> |
| <p>Describe the company's quantitative risk management tools:</p> | <p><i>Risk at the fund level is monitored using our in-house database and by monitoring various risk metrics.</i></p> <p><i>We use a number of statistical measures to calculate risk, such as volatility (as measured by standard deviation and downside deviation, Sharpe ratio, Sortino ratio), maximum drawdowns, months to recover and correlations. However, there are some restrictions to quantitative tools like "lock ups".</i></p> <p><i>In addition to the statistical ratios measured above, there are certain criteria that are applicable to specific strategies. For long-short equity managers, we track net exposure on an ongoing basis (gross exposure, long, short and net exposure). For arbitrage managers, we track leverage and the use of excess capital.</i></p> <p><i>However, there are some limitations to the use of quantitative tools as they are "backward looking". In addition, lock-ups prevent implementation of risk control rules in many instances.</i></p> |
| <p>How are liquidity provisions monitored and controlled?</p> | <p><i>Liquidity at the underlying fund level is monitored and controlled on a monthly basis by the analysts, who maintain a permanent contact with the managers.</i></p> <p><i>Liquidity at the multimanager fund level is also controlled monthly by the COO and risk manager.</i></p> |
| <p>Has a manager included in one of the company's portfolios ever gone out of business ("blow ups")? If yes, please describe and explain what are the lessons learnt from that experience and how have they been applied to your business.</p> | <p><i>In August 1998, we were invested with the III High Risk Opportunities Fund. This fund was partly invested in Russian debt. They had contracted a "Non Deliverable Forward" (Dollar/Rouble) as their hedge with two reputable financial institutions.</i></p> <p><i>As the Russian crisis unfolded, the two institutions refused to honour the NDFs and the fund collapsed. This issue is still in litigation today. However, the result of the collapse of the III High Risk Opportunities Fund cost our Optimal Arbitrage Fund a drawdown of 6% in August of that year. After the 1998 Russian and LTCM crises, we decided to stop investing in emerging market fixed income strategies and reviewed our entire portfolio allocation by favouring those managers that preserved capital and performed during those months of strong market dislocation and redeem those that failed to do so. This experience led us to implement changes that have resulted in more consistent performance with reduced volatility. Since October 1998 and</i></p> |

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| | <i>until December 2004, the Optimal Arbitrage Fund has only had eight negative months.</i> |
| ADMINISTRATION / OPERATIONS | |
| ADMINISTRATION | |
| How often is the NAV calculated/estimated? | <i>Monthly for NAVs and fortnightly for estimates</i> |
| <p>Is the fund administration performed in-house? If performed in-house:</p> <ul style="list-style-type: none"> • What are the tasks of the fund administration? • Does an independent party review these calculations? • What systems are used for fund administration? <p>Are the computer systems developed in-house or does the company use standard products?</p> | <p><i>The fund administration is performed independently by external service providers. However, we have an operational team that verifies the work executed by these service providers.</i></p> <p><i>The role of the Fund Admin department is to conduct in parallel to our designated external administrators the calculation of monthly NAVs, shareholder registry control, pricing of all underlyings as well as all relevant information flow.</i></p> <p><i>Discrepancies are highlighted and reconcile in order to insure accuracy and integrity of data.</i></p> <p><i>The funds' administrator is HSBC Securities Services (Ireland) Limited; it is the custody in charge of reviewing the NAV calculations.</i></p> <p><i>We use a fully integrated front/ middle / back office system with extensive specifications to conduct checks and balances and reconciliation tasks.</i></p> <p><i>The database is developed by a specialized firm.</i></p> |
| <p>If services are outsourced:</p> <ul style="list-style-type: none"> • Which tasks are fulfilled by external service providers (include names of companies)? • Detail the duration of the relationship: | <p><i>Accounting services are outsourced in order to support our full time accountant in book keeping activities.</i></p> <p><i>H/R payroll services are managed by the Group Santander.</i></p> <p><i>The fund administration and custody is performed by HSBC Institutional Trust Services and by HSBC Securities Services (Ireland) Limited respectively. Both entities form part of the HSBC Group.</i></p> <p><i>The relationship with the administrator exists since 2002.</i></p> <p><i>A team of 5 administrators spends 100% of their time insuring the integrity of all data from the administrator by working in parallel in all tasks.</i></p> <p><i>The auditors are Deloitte and Touche for Optimal Investment Services S.A. and Price Waterhouse Coopers for the Optimal funds.</i></p> |
| SERVICE PROVIDERS | |
| <p>Provide a list of professional counterparts the company maintains a business relationship with:</p> <ul style="list-style-type: none"> • Legal advisors: • Auditors: • Banks: • External marketers: • Other: | <p><u>Custodian:</u> <i>HSBC Institutional Trust Services (Ireland) Limited</i> <i>JP Morgan Tranaut</i></p> <p><u>Administrator:</u> <i>HSBC Securities Services (Ireland) Limited</i></p> <p><u>Legal advisors:</u> <i>Lenz and Staehelin (Geneva)</i> <i>William Fry (Dublin)</i> <i>Simmons & Simmons (London)</i></p> |

AIMA's Illustrative Questionnaire for Due Diligence Review of Fund of Hedge Funds Managers

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| | <p><i>Lennox Paton (Bahamas)</i> <i>Conyers Dill & Pearman (Bermuda)</i> <i>Maples and Cadler (Cayman Islands)</i></p> <p><u>Auditors:</u> <i>PriceWaterhouseCoopers (Dublin)</i> <i>Deloitte & Touche (Geneva)</i> <i>Santander Group(Madrid Internal Auditors)</i></p> <p><u>Bank:</u> <i>UBS S.A.</i></p> <p><u>Financial institutions:</u> <i>HSBC (Suisse) S.A.</i> <i>Santander Central Hispano Group</i> <i>Merrill Lynch Financial Products</i> <i>Banc of America Securities</i> <i>Commerzbank</i> <i>BNP Paribas</i> <i>Société Générale</i></p> |
| Has the company ever terminated a contract with any service providers (including auditors)? If so, explain the circumstances: | <i>Yes. Prior to HSBC, we used Fortis Fund Services Bahamas as administrator and custodian. We terminated our relationship because of inefficient fund administration services and the time zone difference.</i> |
| COMPLIANCE / REGULATION | |
| Does the company have a full-time compliance officer? | <i>Yes.</i> |
| Describe how compliance is structured within your organisation: | <i>The Legal and Compliance Department is composed of two full time legal counsels. The head of the Legal and Compliance Department is also the Compliance Officer of the Company.</i> |
| Does the company have a written compliance manual? If yes, please provide a copy: | <i>Yes: General Code of Conduct, Code of Conduct in Securities Markets, Swiss Association of Assets Managers Code of Conduct, Swiss Funds Association Code of Conduct, Directives on Funds Distribution.</i> |
| Is the company registered with any regulatory and/or supervisory bodies? | <i>Self-regulatory body, Swiss Association of Asset Managers (S.A.AM) and the Swiss Fund Association (an application has been filed. Membership will be confirmed during the month of June).</i> <i>Admitted as an investment adviser in Luxembourg and in Ireland.</i> |
| When was the last inspection of these bodies? | <i>December 2004</i> |
| Are there any lawsuits pending against the company? | <i>None</i> |
| Is your company a member of AIMA or any other relevant trade association? | <i>The company is member of AIMA and of the Swiss Association of Asset Managers.</i> |
| CONFLICT OF INTEREST | |
| How does the company ensure an alignment of interests between the company, as fund manager and the investor? | <i>We have comprehensive bonus plans, which are built around multiple factors such as individual performance, quality of service towards clients, firm's growth and performance, all of which contribute to optimally align interests between the firm, its individuals and our investors. In addition, all Optimal's employees are subject to the Swiss Fund Association Code of Conduct, the General Code of Conduct, and the Code of Conduct in Securities Market of Santander Group.</i> |

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| Are key people invested in the funds? | <i>Yes. Part of senior management's deferred compensation is invested in Optimal funds.</i> |
| Are there any conflicts of interests the investor should be aware of? | <i>There is no conflict of interest.</i> |

ANTI-MONEY LAUNDERING

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| Confirm that the company has established Anti-money Laundering (AML) procedures: | <i>Please refer to the attached document AML Directives</i> |
| Please advise which jurisdiction's regulations you comply with: | <i>Switzerland (member of GAFI). Admitted as an investment adviser in Luxembourg and in Ireland.</i> |
| Please advise who your MLRO (Money Laundering Reporting Officer) is: | <i>Our Money Laundering Officer is our head of compliance, Jaime Calvo. Money Laundering Reporting is also addressed by our external LBA audit entity, Deloitte and Touche.</i> |
| Elaborate on the procedure to ensure compliance with AML policies: | <i>Prior to opening an account with a new client, full due diligence is conducted with the client. This due diligence is summarised in the "Know Your Customer" form which is signed off by the account officer, the head of compliance and the supervisory officer.</i> |

BUSINESS CONTINUITY/DISASTER RECOVERY

| | |
|---|--|
| Does the company have a formal disaster recovery plan? Please describe the basic provisions: | <i>A seamless disaster recovery capabilities is hosted by Grupo Santander. We follow the Group's procedures. Please see attached contingency plan.</i> |
| What contingency plans do you have in terms of: <ul style="list-style-type: none"> • Computer system fault? • Incapacitated investment decision makers? • Technical failure at Prime Broker's location? • Presence of in-house computer technician? • Back-up systems? | <i>Computer system default: we have the same contingency plan as Grupo Santander, we have a back-up system hosted by the group.</i> <i>Incapacitated decision maker: senior analysts and product managers can take over the responsibility of key decision makers in case those are incapacitated.</i> <i>Failure at Prime Broker's location: not applicable to our business.</i> <i>Presence of in-house computer technician: yes we have a full-time IT responsible.</i> <i>Back-up system: back-up is performed daily. The back-up system is hosted by Grupo Santander.</i> |

INSURANCE

| | |
|---|------------------------------------|
| Do you currently hold insurance for the following: <ul style="list-style-type: none"> • Director & Officers Liability? • Professional Indemnity? • Crime (Employee fidelity/third party fraud)? • Key Person Insurance? • Other? | <i>Restricted from disclosure.</i> |
| N.B.: if you are not restricted from disclosing such information under your policy(ies) | |

PRODUCT INFORMATION

Provide a short description of your flagship products or most representative products, including:

- Investment objective, return, risk:
- Target investors:
- Legal structure:
- Asset allocation:
- Number of funds in the portfolio:
- Current size:
- Date of inception:
- Total standard fee structure:
- Conditions for Subscriptions and Redemptions:
- Minimum investment:

Alternatively, provide offering memoranda for your flagship products.

Please refer to the attached Fund Booklet for detailed information on each of our product, which covers:

- Optimal Arbitrage Ltd.
- Optimal Strategic US Equity Ltd.
- Optimal European Opportunities Ltd.
- Optimal US Opportunities Ireland Fund
- Optimal Japan Opportunities Ltd.
- Optimal Multistrategy Ireland Fund
- Optimal Global Trading Ltd.
- Optimal Global Opportunities
- Elite Multimanager Fund Ltd.
- Optimal North America Fund (long only)
- Optimal Europe Fund (long only)

The minimum subscription size varies between USD 50,000 and USD 1,000,000. However, for the managed account side of our business, we recommend a minimum-starting amount of USD 10 millions in the first year.

Does the company specialise in any product or group of products? If so, please elaborate:

Optimal Investment Services S.A. does not have a specific speciality in the hedge fund universe, but we offer our clients access to all the main hedge fund investment styles.

List your other funds with their key characteristics:

We have listed all our funds.

PERFORMANCE

Provide historical performance for all your products (actual only) since inception net of standard fees (in electronic form) including:

- Monthly returns:
- Standard deviation (annualised):
- Three largest drawdowns and recovery periods:
- Percentage of positive / negative months:

Please see table below and refer to the attached Booklet for more details

| Risk Table | Annualized ROR | Maximum Drawdown | Valley Drawdown | Length Drawdown | Recovery Period | Standard Deviation | Sharpe -3% |
|--|----------------|------------------|-----------------|-----------------|-----------------|--------------------|------------|
| Elite Multimanager Fund Unleveraged Class A Shares | 2.80% | -2.83% | Sep-04 | 5 | 3 | 2.74% | -0.06 |
| Optimal Arbitrage Class A Series | 8.94% | -16.00% | Jul-98 | 3 | 15 | 4.63% | 1.24 |
| Optimal European Opportunity Class A Series | 10.20% | -10.94% | Oct-98 | 3 | 8 | 10.30% | 0.71 |
| Optimal Global Trading Class A Series | 9.43% | -5.43% | Sep-04 | 7 | 2 | 6.25% | 1 |
| Optimal Japan Opportunities Ireland Fund Class A | 12.01% | -5.26% | Oct-04 | 4 | - | 8.40% | 0.93 |
| Optimal Multi-Strategy Ireland Fund Class A | 6.95% | -0.77% | Sep-04 | 5 | 1 | 2.54% | 1.5 |
| Optimal Strategic US Equity Class A Series | 12.21% | -0.64% | Feb-03 | 3 | 1 | 2.97% | 2.91 |
| Optimal US Opportunities Ireland Fund Class A | 8.86% | -2.80% | May-04 | 3 | 6 | 4.30% | 1.31 |
| Optimal Europe Class A | 6.89% | -19.91% | Mar-03 | 9 | 9 | 11.12% | 0.39 |
| Optimal North America Class A | 10.05% | -7.58% | Sep-02 | 3 | 8 | 10.15% | 0.71 |

Since inception of the fund till Jan 2005

Has this track record been audited? By who? When?

There is a yearly audit performed on all our funds by Price Waterhouse Coopers.

Is the company compliant with the Association of Investment Management and Research Performance Presentation Standards or the Global Investment Performance Standards? If so, please provide a copy of the compliance

The standards imposed by this association are very similar to those imposed by the Swiss Federal Banking Commission (actually, the Swiss Federal Banking Commission is an associate) and we are subject to the standards imposed by the Swiss Federal Banking Commission. The guidelines are stated in the two documents "Guidelines on the calculation and disclosure of TER" and "Guidelines on calculation and

| | |
|--|--|
| presentation. Have these presentations been verified by a third party? Please provide a copy of the verification report. | <i>publication of fund performance data".</i> |
| CLIENT INFORMATION/REPORTING | |
| What is your client reporting policy? Address topics such as level of transparency and frequency: | <i>Reporting is available on weekly basis for estimates / monthly for newsletters and portfolio reviews / quarterly for in-depth portfolio analysis and also yearly.</i> |
| What is the normal method of communication with your clients: | <i>Relationship with client is maintained through phone calls, conference calls, e-mails, fax, business visits.</i> |
| Provide sample reports that are sent to investors. | <i>Please see the attached documents. We provide to clients 3 types of standardized reports: Quantitative information on monthly factsheet for each fund Qualitative commentary of each Optimal fund on our monthly newsletter Quarterly analysis of the fund performance on the quarterly presentations</i> |
| Can investors receive customised reports? | <i>Yes</i> |
| Are audited reports available to the investor? Please provide sample. | <i>Yes see attached document</i> |
| How often will you review a portfolio with a client? | <i>Monthly or quarterly</i> |
| Do you provide client training? | <i>Yes, we have done so in the past.</i> |

Please attach your most recent disclosure document, information memorandum, and marketing literature.

In the event of amendments to the aforementioned documents, notably the memorandum, please ensure that we will receive those directly from you within reasonable time, as well as copies of proxy's and notification of the Annual General Meeting (the latter only for information purposes).

Please state the name and title of the officer at your company who has prepared and reviewed this questionnaire.

| | |
|-----------|------------------------------|
| Name: | <i>Amélie Fontvieille</i> |
| Date: | <i>06/06/2005</i> |
| Position: | <i>Sales support officer</i> |