**Overview of Managed Account Programme**

**1. The Company**

KeerFX Ltd is a newly formed investment management company that serves a diverse range of clients on a global basis. KeerFX Ltd is regulated under the Financial Services Authority and acts on behalf of its clients to maximise their investment through trading various strategies in the global Foreign Exchange Market.

KeerFX was formed in 2005 and comprises a professional team of managers, traders and analysts from the FX market place. The company is regulated to trade on a discretionary basis under a limited power of attorney with a focus on delivering a risk based approach to FX dealing though a variety of regulated counterparties. We will trade client funds on a discretionary basis with the following objectives in mind:

- **To deliver an anticipated 10% to 15% gross return per annum to investors**
- **To take advantage of differing market conditions**
- **To offer investors a cost effective entry into the FX marketplace**

**2. The Market Place**

The last six or so years following the introduction of the EURO has seen a surge in the volume of Foreign Exchange traded globally. This trend is projected to continue as transaction costs and margins contract and technology allows more entrants to trade systematically.

The impact of this is that FX itself has been firmly established as an asset class in its own right alongside Equities, Bonds and Commodities, Credit and their respective sub-classes.

The supply of liquidity in the market, the potential for attractive returns and the low correlations to other asset classes has proliferated this growth. Hedge Fund growth in this arena has been exceptional and has led to the need for more traditional asset managers to enter the market and invest a proportion of funds under management to FX.

New sub-asset classes within FX have been developed and can be numerous. New strategies are being formulated which attempt to take advantage of market trends, fundamentals, volatility, short term FX movements, and yield capture. The expansive nature of the market allows us at KeerFX to diversify our approach in order to create improved returns for our clients.

Diversification through money managers with different approaches and styles pursuing different strategies will ultimately enhance return over a period of time. We believe that this will result in our clients being able to benefit and improve the returns of their overall investment portfolio.

**3. Investment Management**

KeerFX will arrange for prospective clients to open an account with a clearing firm who will be responsible for holding the clientsô funds. We will manage these funds on a discretionary basis under a limited power of attorney. This power of attorney will allow us to invest clientsô money only in the FX marketplace and within parameters agreed with all clients.

We will operate a managed account programme in which each clientõs account will be managed in a similar way through a number of differing trading strategies and will use gearing or leverage of up to 10%.

The clearing firm, which will also be the counterparty to the transactions entered into by us on behalf of each client, will be selected on the basis of a number of factors including suitability, counterparty risk, terms of dealing, spread width and similar factors.

We will concentrate on trading in the most liquid currencies (USD, EUR, JPY, GBP, AUD, CAD and CHF) including trading on related cross rates (for example EUR vs. JPY or EUR vs. GBP). Our Money Managers have developed a balanced overall strategy for each client and each Money Manager will be responsible for a portion of the clientõs investment and will follow a trading strategy to meet a given set of investment objectives.

**4. Principles of Account**

The main operation of the account is as follows:

- The account will be a Discretionary Managed Account and KeerFX will trade on Power of Attorney basis with all funds sitting in the clients name
- Clients will be sent full statements on a monthly basis.
- Monies will be held at fully regulated counterparties
- Clients will be expected to leave funds in for full 12 months
- There are no transaction charges although spreads will be between 3 ï 6 pips
- Usual Leverage will be up to 10:1.

- Clients will be informed should the account reach the maximum drawdown level of 28.5% and have the option of withdrawing funds at this point
- KeerFX Ltd do not hold or have access to client money.
- KeerFX Ltd do not give advice.
- It is the responsibility of the Clearer for record keeping and reporting to clients

**5. KeerFX Team**

Our team have numerous yearsô experience in the industry, the majority of which have been trading directly in the FX markets. As professional traders we pride ourselves in maximising the potential return for clients with an emphasis on controlling the level of risk and exposure through a disciplined and focussed trading ethos.

We use state of the art systems and all traders are fully regulated by the FSA and are also members of ACI ï Association Cambiste International or Forex Association in London. Our senior analyst is qualified through the Society of Technical Analysts (STA) and provides daily quantitative analysis on the major currency pairs that we trade.

**6. Our Partners**

We work with fully regulated partners who will act as clearing firms for our clients. As the client you will have a direct relationship with the clearing firm as they will be responsible for holding the investment and will facilitate full access to your account. We have no access to your capital and can merely trade via the Power of Attorney you sign allowing us to trade on your behalf. As there may be situations in which funds may be held with multiple clearing firms, we will provide consolidated reports on a monthly basis.

We are currently working with a number of brokers including Man Financial and ODL Securities Ltd, their details are as follows:

**Man Financial** is a part of Man Group PLC, and is the Brokerage division, and one of the world's leading providers of brokerage services. It acts as a broker of futures, options and other equity derivatives for both institutional and private clients and as an intermediary in the worldøs metals, energy and foreign exchange markets with offices in key financial centres. Man has been a long standing member of the worldøs largest futures and options exchanges.

**Location:** Sugar Quay, Lower Thames Street, London, EC3R 6DU

**Regulation:**

Company Registration Number 1600658

FSA Registration number 106052

Man Financial Ltd is a member of the London Stock Exchange

**ODL Securities Ltd** was established in 1994 and is recognised as one of the leading London-based independent derivatives and trading houses.

**Location;** Salisbury House, London Wall, London, EC2M 5QQ

**Regulation**

ODL Securities are authorised and regulated by the Financial Services Authority (FSA) number 171487.

ODL Securities is a member of the London Stock Exchange (LSE) and LIFFE.

The clearing firms will hold all clients funds and will be primarily responsible for record keeping and reporting to clients. All the clearing firms KeerFX intends using offer internet access for viewing account details on a daily basis. As there may be situations in which funds may be held with multiple clearing firms, KeerFX will provide consolidated reports on a monthly basis.

# Terms of Business for Managed Account Programme

## Manager

KeerFX Ltd

Registered Offices: 27 Culmore Road, Derry, BT48 8JB, Northern Ireland, UK
Century House, 28 Bridge Street, Leatherhead, KT22 8BZ, England, UK

KeerFX is authorised and regulated by the Financial Services Authority and is entered onto the FSA Register, registration number 434012. The FSA website is http://www.fsa.gov.uk/.

## General

The account is managed on a Limited Power of Attorney basis with funds held initially in clientsôaccounts at ODL Securities Ltd, London.

## Currencies Traded

Generally the major currencies (USD, CHF, GBP, JPY, EUR, AUD and CAD) and associated crosses. On occasions other liquid currency pairs will be traded.

## Gearing

The account will principally offer up to 10% gearing providing a maximum leverage of 10:1.

## Trading Floors

Should a loss on the account reach a threshold of 28.5% of initial value all open positions will be closed. Clients will then be personally contacted and offered the option of their funds being returned.

## Fees

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| Dealing Spread: | Between 3 and 6 pips per currency pair in normal trading conditions |
| Execution Fee: | 1 ï 2 pips per transaction (to open and close the trade) which is included in the dealing spread noted above |
| Management Fee | 2% management fee upon commencement which is non refundable |
| Performance Fee: | 20% charged quarterly on a peak to peak basis |
| Valuation Dates: | Last business day of March, June, September and December |
| Initial Investment: | $1,000,000 equivalent |
| Duration: | 12 month investment |
| Termination: | Either party can terminate this agreement provided 2 weeks written notice is given |

Complaints — Complaints can be made in writing to:
The Compliance Officer
KeerFX Ltd, 27 Culmore Road, Derry, BT48 8JB, Northern Ireland, UK

Attention must be paid to the Intermediate Customer Notice which forms part of this Agreement.

General: Please note that other taxes or costs may exist that are not paid through KeerFX or imposed by it

**Financial Services Compensation Scheme**

KeerFX Ltd is covered by the Financial Services Compensation Scheme. You may be entitled to compensation from the scheme if we cannot meet our obligations. This depends on the type of business and the circumstances of the claim. Most types of investment business are covered for the first £30,000 and 90% of the next £20,000, so the maximum compensation is £48,000. Further information about compensation arrangements is available from the Financial Services Compensation Scheme.

**Governing Law and Jurisdiction**

This agreement and any disputes or claims arising out of or in connection with its subject matter are governed by and construed in accordance with the law of the United Kingdom and the parties irrevocably agree that the courts of England have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with this agreement.

**Risk Disclosure Statement:**

The risk of loss in trading foreign exchange can be substantial. The undersigned client acknowledges and understands that no one can guarantee profits or freedom from loss. There is no assurance that the techniques and strategies used will produce profitable results in the future. It is a fact that trading results can and do vary as markets change. Therefore, a client who cannot afford to lose the speculative risk capital designated for currency trading should consider alternate investments. All funds should be risk capital funds. Therefore, if those funds are lost, it will not affect one's personal financial well being.

The undersigned Client agrees to indemnify and hold harmless KeerFX Ltd, and all of their employees, associates, traders and representatives, from any and all liabilities except by reason of acts that constitute gross negligence, bad faith or intent to defraud.

The undersigned Client, by affixing their signature below, affirms that they have read and understand the foregoing including the Fees, Charges and Risk Disclosure Statement and that no promises or guarantees have been made or implied that investing in this account will be profitable or will not result in losses.

**Client Signature:**

**Client Name:**

**Date:**

**Signed in the presence of:**

**Signature:**

**Witness Name:**

**Witness Address:**

**Signed for & on behalf of KeerFX Ltd:**

**Intermediate Customer Notice**

Under the rules of our regulator, the Financial Services Authority we are required to categorise the persons with or for whom we intend to carry on investment business. Based on the information you have given us we have categorised you as an Intermediate Customer by reason of your sufficient experience and understanding of the types of transactions we will enter into with and for you. This categorisation will apply to all investment business we will carry on with you.

As a regulated FSA entity you are assured that:

1. KeerFX Ltd is bound by its Principles of Business as verified by the FSA
2. All money managers are regulated and approved by the FSA
3. All compliance issues are adhered to and monitored by the FSA
4. Records are kept of all trading activity
5. The risk management profile has been checked and verified by the FSA
6. KeerFX Ltd must provide quarterly returns to the FSA
7. KeerFX Ltd is required to maintain systems and procedures in order for it to meet with the regulatory requirements of the FSA which includes a periodic review of systems and procedures
8. KeerFX Ltd will only be working with Market Counterparties who are regulated by the FSA
9. KeerFX Ltd must communicate in a way which is clear, fair and not misleading
10. The company is covered by the Financial Services Compensation Scheme

As a result of this categorisation you will not be entitled to the following protections given to Private Customers under the FSA Rules.

**1. Financial Promotions**

You may not be provided with details of the basis or amount of any charges and expenses that you will or may bear on any direct offer financial promotions we send to you.

[We may send you financial promotions for investments or services of an overseas person, but we are not required to ensure that the overseas person will deal with you in an honest and reliable way.]

**2. Risk Warnings**

When we arrange (bring about) a deal in a derivative we are not required to ensure that you understand the nature of the risks involved in entering into transactions in such instruments.

**3. Disclosure of charges**

We are not required to disclose in writing either, the basis or amount of our charges before conducting any investment business with you, or the nature or amount of any other income receivable by us or, to our knowledge, by our associate and attributable to that business.

## 4. Loans and Credit

When extending credit to you we are not required to ensure that the arrangements for the credit and the amount concerned is suitable for the type of investment to be entered into.

## 5. Margin

We are not required to provide you with full details of our arrangements in relation to margin ahead of conducting a transaction with or for you. In particular you may not receive advance notice of the following:

(a) The circumstances in which you may be required to provide any margin;

(b) The form in which the margin may be provided;

(c) The steps we may be required or entitled to take if you fail to provide the required margin.

## 6. Reporting

When we agree with you either;

(a) The contents of your transaction confirmations; or

(b) The timing of the despatch of your transaction confirmations; or

(c) That we will not send you transaction confirmations generally or in specific circumstances;

we are not required to enter into such agreement with you in writing.

## Financial Ombudsman Service

You will not be entitled to refer any complaint you may make against the Firm to the Financial Ombudsman Service if you are dissatisfied with the way in which we have dealt with it.

## 9. Further Information

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| FSA Website: | **www.fsa.gov.uk** |
| FSA Number | 434012 |
| Man Financial website: | www.manfinancial.com |
| ODL Securities website: | www.odls.com |

KeerFX Details

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| Solicitor: | Speechley Bircham<br>6 St Andrew Street<br>London<br>EC4A 3LX |
| Auditor: | Fischer, Sassoon & Marks<br>Farley Court<br>Allsop Place<br>London<br>NW1 5LG |