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NEWS RELEASE

NEW FUND OF HEDGE FUNDS SPECIALIST TARGETS RELENTLESSLY PROFITABLE RETURNS

The Absolute Fund, a new fund of hedge funds was launched on 1 October 2001. The fund is managed by Absolute Fund Management (AFM), a boutique investment management company dedicated to running this single fund of hedge funds. AFM provides a serious alternative to the flood of branded 'me too' products managed by untested managers or outsourced to third party advisers.

The two founding partners, Charles Hovenden and Christopher Aldous together own 50% of AFM. The other 50% is owned by Richard Wernham, a successful and well respected Canadian financial services entrepreneur. The fourth director is Rupert Robinson, until recently head of private clients at Rothschild Asset Management and now a director and partner at Beaumont Capital Management Ltd. Charles Hovenden, the Chief Investment Officer has invested in hedge funds since 1993 and has managed dedicated hedge fund portfolios since 1998. He has an impressive track record dating from January 1999. Third Quarter returns for 2001 are positive against a decline of c15% in world equity markets.

AFM has a single minded focus on absolute returns and the primary objective of the fund is capital preservation. Past performance shows steady growth with exceptionally low volatility – the largest monthly decline so far being just 0.32%. AFM is wholly free of potential conflicts of interest which may arise from consulting or the promotion of individual funds.

AFM believes that its fee scale may be unique in the market. It receives no performance fees on returns in excess of 24% per annum or of less than 6% per annum, thus providing a strong financial incentive to the investment team to ensure that they remain within targeted risk parameters. Hedge funds are often perceived as providing high returns from a high risk investment, but AFM gives priority and importance to steady returns and the minimisation of risk.

The consistent returns offered by the Absolute Fund should be particularly attractive to holders of Self-Invested Personal Pensions (SIPPs), or Small Self Administered Schemes (SSASs). The Fund is listed on the Irish Stock Exchange and is therefore a permitted investment for SIPPs and SASSs. AFM proposes to pursue the personal pension market energetically over the coming months.

For further information, please contact Christopher Aldous, Chief Executive Officer at AFM, telephone 0207 661 9190.

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