Important information

This document has been prepared for the use of Professional Financial Advisers to provide summary information to their retail clients. It is provided for information purposes only and investors should not rely on this document. This document is a marketing communication and is not a fund offering as specified by law.

It provides an overview of the investment only. The views expressed do not constitute investment or any other advice and are subject to change.

The Curzon Alternative Investments Traded Options Fund is a limited liability open-ended exempted mutual fund company of unlimited duration, incorporated under the laws of Bermuda.

Subscriptions will be accepted by and administered by ISIS fund administrators, Bermuda, and are only valid if made on the basis of the current Information Memorandum, Furthermore, past performance of the investment is not always indicative of future performance and investments are subject to trading conditions and fluctuations in exchange rates. Investors may not get back the amount they invest.

Full offering documentation, information memorandum, and copies of the latest reports are obtainable free of charge from Curzon Alternative Investments.

"In normal markets this strategy will generate a return irrespective of whether markets are rising or falling"

CURZON
ALTERNATIVE INVESTMENTS

Penboss Building,
50 Parliament Street,
Hamilton HM 11,
Bermuda.
Tel: + 44 (0) 203 141 2427
Email: info@curzonalternatives.com

www.curzonalternatives.com

Advisers to the Fund & Promoter

CURZON
CAPITAL

34 Clarges Street, Mayfair, London
W1J 7EJ Tel: +44 (0)203 141 2427
www.curzoncapital.com

Authorised & Regulated by the
Financial Services Authority.

Trading Advisers

Hartmann

44 Worship Street, London EC2A 2EA
Tel: +44 (0) 207 456 9100

www.hartmanncapital.com

Authorised & Regulated by the
Financial Services Authority.
A Member of the London
Stock Exchange.

International Promotion & Distribution

ATSG Funds

Tel: +44 (0) 203 371 7688
www.atsgfunds.com

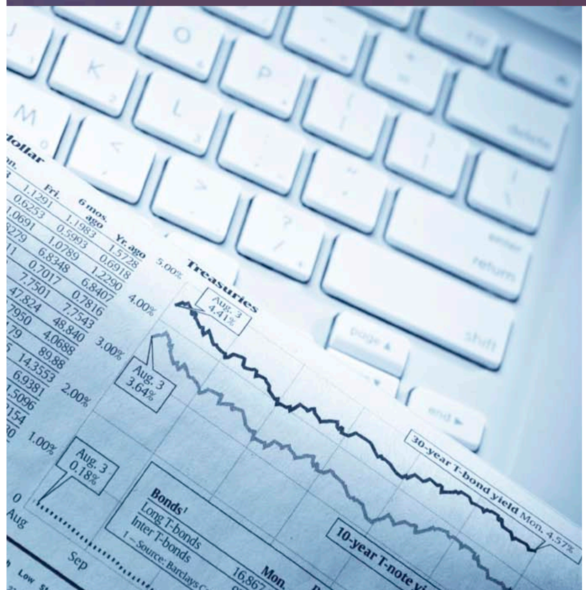
Partners to The Federation of
European Independent Financial
Advisers (FEIFA).

TRADED OPTIONS FUND

Targeting high returns through writing Options

CURZON
ALTERNATIVE INVESTMENTS

A unique approach – not trying to beat the markets



What is an Option?

An option is a financial contract that gives the right but not the obligation to buy ("call option"), or sell ("put option") a financial asset at a specific price within a predetermined time frame.

How Options might be used

The volatile markets of the last few years has seen investors turn to traditional assets such as Gold. The manager of a Gold Fund would be trying to beat the market by buying & selling Gold assets with the objective of growing the fund for his investors.

If the price of Gold were to suddenly fall by 40% the value of the fund would also fall. This may cause investors to withdraw from the fund which could cause liquidity problems. This may put the fund in a position where it would be forced to sell its assets at an artificially low price.

In order to prevent this forced sale and protect the fund, the manager is almost certainly likely to have bought put (sell) options. These options may be set at a price 20% lower than the market. In this example, even though the price of Gold has fallen 40% the manager knows that he can sell at an agreed price which is higher than the market and therefore provides a safety net.

How do you pick a fund that will beat the market?

Ever felt like picking a winning investment fund for your portfolio is a bit like choosing a number on a roulette wheel or picking a horse in a race? We all understand that in the long run the house wins so imagine if with one of your investments you could be the 'house'.

Every day almost every financial institution - Banks, Pension Funds, Investment Funds, and Hedge Funds - protect the value of their customers investments by buying 'options' that act in much the same way as an insurance policy.

The similarity to an insurance policy is very obvious. We all pay a premium to an Insurer each year to protect our cars against a crash or being stolen. We hope that we lose our premiums and do not have to exercise our right to make a claim – this means that nothing bad has happened to our car.

In exactly the same way those responsible for managing investors money will buy 'call' or 'put' options which allow for the asset(s) being managed to be bought or sold at a pre-agreed price should the market price move adversely (either up or down). This allows the fund manager to trade knowing there are safety nets protecting the value of the assets in the fund.

Introducing non-directional investing

The traders that provide trading advice to the Traded Options Fund are City of London based Hartmann Capital. Principle trader, Mark Knight, has developed a particular strategy with his team for over 15 years, and has been successfully running an advisory service to institutions and professional investors for a number of years. As the sellers of options (known as "writers") they effectively act as the insurer and receive premiums for the options they write. As most options expire worthless, Hartmann Capital retain the premium as profit in the same way as the car insurer in our analogy retains your insurance premium when your policy expires.

The objective of the Traded Options Fund is to generate a return irrespective of the way the markets are moving. This is achieved by selling (known as 'writing') options on Gold, Oil, FTSE100 stocks and EURO or GBP versus USD currency rates. The options written are typically short term with expiry dates typically of 8 weeks. As the option expires worthless, so the trader keeps the premium as profit – much in the same way your car insurer keeps the premium once your policy has expired. In reality the trader rarely lets the option run its full term preferring to buy back the options once the premium has been eroded in value – this strategy of making smaller but more frequent profits also removes the risk of the option ever being exercised.

This works because as with a premium for car insurance the option premium is based on certain factors. With your car it might be the type of car or the age of the driver. With options the premium is based on length of the option period, volatility of the asset, and the current market price. Over time the premium will erode in value enabling the Trader to repurchase for a profit.

The reason that this is an attractive strategy is that it is non-directional. It doesn't matter which way the market moves or if it moves at all – provided the asset price stays within the range formed by the call and put options, investors will make a profit.

Nearly 90% of Options expire worthless

Hartmann

Who are Hartmann Capital

Established in 2000, Hartmann Capital are one of the largest independent securities firms and are authorised and regulated by the Financial Services Authority in the UK and by the SEC in the US. They are members of the London Stock Exchange and are covered by the UK Investors Protection Scheme.

The back office infrastructure, and custodial services is provided by Macquarie Bank, who are internationally renowned as one of the leading private banks. The Fund uses JP Morgan Bank for subscriptions, and KPMG as the Fund auditors.

The administrators for the Fund are ISIS Fund Administrators who are recognised as a leading provider of fund administration services.

The Fund is domiciled in Bermuda as an open ended mutual fund registered as a Segregated Accounts Company. The Fund has monthly liquidity, an annual management charge of 1%, no redemption penalties when exiting the fund, and offers investors unique access to an institutional trading model.

If it is so easy – why isn't everyone using this approach?

What are the risks?

Any investment which offers potential for such lucrative returns will not be without risks. Due to the leveraged nature of options (the premium paid represents only a percentage of the potential liability) both returns and losses can be amplified. The fact that losses can be big immediately makes this type of fund appear to be higher risk, however the risk needs to be fully understood.

Using our car insurance example again, if the Insurance Company insured 1000 cars the likelihood of all 1000 cars crashing on the same day and making a claim is clearly quite low risk. However if this did happen the risk of a very large loss to the Insurer is high. So whilst the risk of adverse events is actually quite low, the risk of large losses should an adverse event occur is high.

This same principle applies to the Traded Options Fund. Although the chances of all the open Options being exercised by the buyers is unlikely and remote, if it were to happen losses could be high and in extreme circumstances investors could lose all of their investment.

The assets which the Fund writes options on have been deliberately selected for their lack of correlation. A mixture of commodities, equities, and currencies further reduces the likelihood of all the options written being exercised.

Unlike other funds the Traded Options Fund is not trying to beat any market. It assumes that markets are correct, meaning uniquely, that investors will make a return in normal market conditions regardless of whether the market moves up or down.

Key Facts

Currency:	GBP or CHF
AMC:	1%
Redemptions:	Monthly (no charge)
Min Investment:	£10,000
Fund Adviser:	Curzon Alternatives
Target Returns:	30% p.a.
Custody Bank:	JP Morgan
Auditor:	KPMG
Settlement:	Macquarie Bank

Fund Codes

ISIN:	BMG260421042
Bloomberg:	CAITOPA BH

For the first time retail investors can access this widely-used, and proven institutional trading strategy.