SUPERIOR COURT OF WASHINGTON IN AND FOR KING COUNTY

SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM, an agency of the City of Seattle, Plaintiff, v. EPSILON GLOBAL ACTIVE VALUE FUND II, LTD., a British Virgin Islands corporation, EPSILON GLOBAL MASTER FUND II, L.P., a limited partnership formed under the laws of the Cayman Islands, EPSILON INVESTMENT MANAGEMENT, LLC, a Delaware limited liability company, EPSILON GLOBAL ASSET MANAGEMENT LTD., a corporation formed under the laws of the Cayman Islands, and STEVEN G. STEVANOVICH, a resident of Florida, Defendants.	No. 10-2-10235-3 SEA DECLARATION OF CECELIA M. CARTER IN SUPPORT OF MOTION FOR TEMPORARY RESTRAINING ORDER AND ORDER TO SHOW CAUSE WHY A PRELIMINARY INJUNCTION SHOULD NOT ISSUE

CECELIA M. CARTER declares:

1. I am of legal age, have personal knowledge of the facts stated herein, and am competent to testify to them.

2. I am the Executive Director of Seattle City Employees' Retirement System ("SCERS"), an agency of the City of Seattle that provides retirement, disability and survivors' benefits to the City of Seattle's employees. SCERS currently manages pension investments for over 15,000 current, former and retired City of Seattle employees and surviving beneficiaries. As Executive Director, I am familiar with the contracts at issue in this dispute, as well as the

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documents attached to this Declaration, and participated in the communications with Defendants described herein.

3. In or about May 2003, Epsilon Investment Management, LLC ("Epsilon Management") solicited SCERS to invest in Epsilon II (and through it, invest in the Epsilon Global Master Fund II, L.P. ("Epsilon Master Fund")). Between May 2003 and December 2003, Epsilon Management provided an offering memorandum, dated January 2003, to SCERS for investment in Epsilon II. Revised offering memorandums were issued in 2004 and 2009. True and correct copies of the various offering memorandums are attached as Exhibits A, B, and C.

4. It is SCERS's general practice to require an in-person presentation by the principal(s) of a fund before SCERS will consider investing in that fund. SCERS records indicate that Epsilon Management visited Seattle in 2003 to solicit SCERS to invest in Epsilon II. Because of SCERS's general practice requiring that principals attend and participate in presentations such as that made by Epsilon Management, it is highly likely that Steven Stevanovich participated in-person at the Seattle presentation.

5. In or about December 2003, SCERS accepted the terms offered in the offering memorandum and executed a Subscription Agreement and Standing Proxy, by which it purchased shares in Epsilon II. SCERS purchased additional shares in Epsilon II in or about December 2004. In total, SCERS has invested approximately $20 million in Epsilon II. True and correct copies of the 2003 and 2004 subscription agreements and standing proxies are attached as Exhibits D and E.

6. Epsilon II was required to provide the 2008 annual report and 2008 audited financial statement by May 1, 2009. Neither the annual report nor the audited financial statement was provided by that date. When SCERS inquired as to their whereabouts, Epsilon Management explained that it had yet to complete Epsilon II's audited financials for 2008, but assured SCERS that the annual report and audited financials would be forthcoming. To date, the required reports have not been provided.

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7. On or about January 28, 2010, still not having received the 2008 annual report or 2008 audited financial statement, SCERS requested redemption of its Epsilon II shares. A true and correct copy of SCERS's redemption request form is attached as Exhibit F.

8. On February 4, 2010, Steven Stevanovich delivered a memorandum to SCERS, indicating that no redemptions would be honored because: (1) an associated fund, Westford I, was under investigation by the Securities and Exchange Commission ("SEC"); (2) there were liquidity problems with Westford I; and (3) in light of the SEC investigation of Westford I, PricewaterhouseCoopers had not released audited financial statements for 2008. A true and correct copy of Stevanovich's February 4, 2010 memorandum is attached as Exhibit G.

9. Troubled by Steven Stevanovich's response, on February 12, 2010, SCERS requested that Epsilon II consider redeeming 85% of SCERS's position within the subscription documents' timeline and hold back 15% pending completion of the 2008 audit, or other event-driven circumstances, at which point it could provide a full release of held-back monies. SCERS requested a response by February 23, 2010. A true and correct copy of my February 12, 2010 email to Epsilon Management is attached as Exhibit H.

10. Epsilon Management did not respond to my February 12 email other than to provide an "Investor Statement" on February 19, 2010, stating that SCERS's closing position as of December 31, 2009 was $24,865,756.33. However, no supporting data was supplied and the statement did not appear to be audited. A true and correct copy of the February 19, 2010 Investor Statement is attached as Ex. I.

11. On March 8, 2010, I requested additional information regarding SCERS's position in Epsilon II, explaining that none of the reasons supplied in Steven Stevanovich's February 4, 2010 memorandum justified withholding from SCERS the audited financial statements of Epsilon II or associated records if the audited financial statements were not available. As to SCERS's request for redemption, I pointed out that Steven Stevanovich's February 4 memorandum did not justify refusing to redeem SCERS's shares in Epsilon II. In

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this correspondence, I requested a meeting with Epsilon Management on March 15, 2010 at which meeting I requested that Epsilon Management produce: (1) the 2008 audited financial statement, if it existed; (2) all underlying documents provided to Epsilon II's auditor, PricewaterhouseCoopers, for the purposes of preparing the 2008 audited financial statement; and (3) an accounting of SCERS's December 31, 2009 holdings as a percentage of Epsilon II. A true and correct copy of my March 8, 2010 email to Epsilon Management is attached as Exhibit J.

12. On Friday, March 12, George Rudman of Epsilon Management contacted me and told me that Epsilon Management would not meet with SCERS staff on March 15 and that Epsilon II would not provide the requested documents by March 15.

13. Defendants' lack of transparency and refusal to provide basic financial information regarding Epsilon II has put SCERS in an untenable situation. As a public pension plan, SCERS is required by Financial Accounting Standards Board Statement No. 157 to report asset value at market value. Although the February 19, 2010 Investor Statement from Epsilon Management stated that SCERS's closing position as of December 31, 2009 was $24,865,756.33, no supporting data was supplied and the statement did not appear to be audited.

14. The February 19, 2010 Investor Statement is also troubling because, according to the 2007 Directors' Report and Financial Statement, the net asset value to holders of redeemable shares in Epsilon II was $24,222,406.00. SCERS fears that it may be the only shareholder remaining in Epsilon II. Moreover, Epsilon II has suffered very significant losses in the past in very short periods of time, and there is a possibility that SCERS's investment could quickly erode. A true and correct copy of the 2007 Directors' Report and Financial Statement is attached as Exhibit K.

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I declare under penalty of perjury under the laws of the State of Washington the foregoing is true and correct to the best of my knowledge, information, and belief.

Executed this 14th day of March, 2010 in Seattle, Washington.

Cecelia M. Carter

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EPSILON GLOBAL ACTIVE VALUE FUND II LTD.

Maximum Capitalization: 10,000,000 shares
Minimum Investment: US $2,000,000

CONFIDENTIAL OFFERING MEMORANDUM

THE DIRECT OR INDIRECT OFFER AND/OR SALE OF SHARES OF EPSILON GLOBAL ACTIVE VALUE FUND II LTD. TO CITIZENS NATIONAL OR RESIDENTS OF, OR INSTITUTIONS OR OTHER ENTITIES ORGANIZED, CHARTERED OR RESIDENT IN, THE UNITED STATES OF AMERICA, WITH THE EXCEPTION OF CERTAIN QUALIFIED TAX EXEMPT ENTITIES IS EXPRESSLY PROHIBITED

The date of this offering memorandum is 1 January 2003

EXHIBIT A

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INVESTOR NOTICES

THIS MEMORANDUM CONSTITUTES AN OFFER ONLY TO THE PERSON WHOSE NAME APPEARS IN THE SPACE PROVIDED ON THE COVER PAGE. DELIVERY OF THIS MEMORANDUM TO ANYONE OTHER THAN THE PERSON NAMED OR HIS DESIGNATED REPRESENTATIVE IS UNAUTHORIZED, AND ANY REPRODUCTION OF THIS MEMORANDUM, IN WHOLE OR IN PART, WITHOUT THE PRIOR WRITTEN CONSENT OF THE ADMINISTRATOR OF THE FUND, IS PROHIBITED.

****

THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL, OR A SOLICITATION OF AN OFFER TO BUY, SHARES IN THE FUND IN ANY JURISDICTION WHERE SUCH OFFER, SOLICITATION, PURCHASE OR SALE WOULD BE PROHIBITED BY LAW, OR TO ANY FIRM OR INDIVIDUAL TO WHOM IT WOULD BE UNLAWFUL TO MAKE SUCH AN OFFER, SOLICITATION, PURCHASE OR SALE.

****

THIS MEMORANDUM CONTAINS A SUMMARY OF THE MATERIAL PROVISIONS OF THE DOCUMENTS REFERRED TO HEREIN. STATEMENTS MADE WITH RESPECT TO THE PROVISIONS OF THOSE DOCUMENTS ARE NOT NECESSARILY COMPLETE, AND REFERENCE IS MADE TO THE ACTUAL DOCUMENT FOR COMPLETE INFORMATION AS TO THE RIGHTS AND OBLIGATIONS OF THE PARTIES HERETO.

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SHARES ARE AVAILABLE ONLY TO PERSONS WILLING AND ABLE TO BEAR THE ECONOMIC RISKS OF THIS INVESTMENT. THE SHARES ARE SPECULATIVE AND INVOLVE A HIGH DEGREE OF RISK. INVESTMENT IN THE FUND IS DESIGNED ONLY FOR SOPHISTICATED PERSONS WHO ARE ABLE TO BEAR THE LOSS OF THEIR INVESTMENT.

****

NO OFFERING LITERATURE SHALL BE EMPLOYED IN THE OFFERING OF THE SHARES EXCEPT AS PROVIDED BY THE FUND, TOGETHER WITH THIS MEMORANDUM. NO PERSON HAS BEEN AUTHORIZED TO MAKE ANY REPRESENTATIONS OR PROVIDE ANY INFORMATION WITH RESPECT TO THE SHARES EXCEPT SUCH INFORMATION AS IS CONTAINED IN THIS MEMORANDUM. NEITHER THE DELIVERY OF THIS MEMORANDUM NOR ANY SALES MADE HEREUNDER SHALL UNDER ANY CIRCUMSTANCES CREATE AN IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE MATTERS DISCUSSED HEREIN SINCE THE DATE HEREOF.

****

EACH INVESTOR AND HIS OR HER ADVISORS MAY INQUIRE ABOUT ANY ASPECT OF THE OFFERING. NO PERSON HAS BEEN AUTHORIZED TO MAKE ANY REPRESENTATION WITH RESPECT TO THE FUND, ITS INVESTMENT MANAGER, OR THIS OFFERING OTHER THAN THAT WHICH IS CONTAINED IN THIS MEMORANDUM. ANY REPRESENTATION NOT CONTAINED HEREIN MUST NOT BE RELIED UPON. NO REPRESENTATION IS BEING MADE HEREBY WITH RESPECT TO THE POTENTIAL RETURN TO BE DERIVED BY AN INVESTOR. ANY INFORMATION CONTAINED IN THE FUND'S PROMOTIONAL MATERIALS SHALL BE SUPERSEDED BY THE MEMORANDUM TO THE EXTENT SUCH MATERIALS ARE INCONSISTENT THEREWITH.

****

EACH INVESTOR IN THE SHARES OFFERED HEREBY MUST ACQUIRE SUCH SHARES SOLELY FOR SUCH INVESTOR'S OWN ACCOUNT AND NOT WITH AN INTENTION OF DISTRIBUTION, TRANSFER, OR RESALE, EITHER IN WHOLE OR IN PART. IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE PERSON OR ENTITY CREATING THE SECURITIES AND THE TERMS OF THIS OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY U.S. FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. THERE IS NO ESTABLISHED MARKET FOR THESE SECURITIES AND NONE WILL DEVELOP.

****

THE FUND IS SUBJECT TO CONFLICTS OF INTEREST.

MUTUAL FUNDS DISCLOSURE

The British Virgin Islands Mutual Funds Act (the "Act") came into force on January 2nd 1998 with the aim of regulating open-ended Mutual Funds, and the Managers and Administrators of open-ended mutual funds.

Three types of funds, namely Private, Professional and Public Funds (each as defined in the Act) are regulated by the Act. It is intended that Epsilon Global (Euro) Ltd. (the "Fund"), be recognized under the Act as a Professional Fund.

A Professional Fund is defined as a mutual fund:

a. the shares of which are made available only to professional investors and the initial investment in which, in respect of the majority of each such investors, is not less than one hundred thousand dollars in US currency or its equivalent in any other currency; or

b. is designated as a professional fund by regulations.

A "Professional Investor" is defined as a person whose ordinary business involves, whether for his own account or the account of others, the acquisition or disposal of property of the same kind as the property, or a substantial part of the property, of the fund or a person who has signed a declaration that he, whether individually or jointly with his spouse, has a net worth in excess of $1 million in United States currency or its equivalent in any other currency and that he consents to being treated as a professional investor.

The Act provides for a Professional Fund to be able to manage or administer its affairs in or from within the Territory for up to fourteen days before being recognized.

A recognized Professional Fund is required by the Act to pay an annual fee of US$350.

Recognition under the Act should not be taken to imply that the Fund has been approved by any regulatory authority in any country such as the United States, the United Kingdom or any other jurisdiction other than the BVI and it is intended that any potential shareholders of the Fund, participate on the basis that they can afford to lose all or a substantial portion of their investment.

ANTI-MONEY LAUNDERING

In order to comply with regulations aimed at the prevention of money laundering, the Fund will require verification of identity from all prospective investors (unless in any case the Fund is satisfied that an exemption under the Money Laundering Regulations 2000 of the Cayman Islands (the "Regulations") applies). Depending on the circumstances of each subscription, it may not be necessary to obtain full documentary evidence of identity where:

(a) the prospective investor makes the payment for his investment from an account held in the prospective investor's name at a recognised financial institution;

(b) the prospective investor is regulated by a recognised regulatory authority and is based or incorporated in, or formed under the law of, a recognised jurisdiction; or

(c) the subscription is made by an intermediary acting on behalf of the prospective investor and such intermediary is regulated by a recognised regulatory authority and is based or incorporated in, or formed under the law of, a recognised jurisdiction.

For the purposes of these exceptions, recognition of a financial institution, regulatory authority or jurisdiction will be determined in accordance with the Regulations by reference to those jurisdictions recognised by the Cayman Islands as having sufficient anti-money laundering regulations.

The Fund reserves the right to request such information as is necessary to verify the identity of a prospective investor. The Fund also reserves the right to request such identification evidence in respect of a transferee of Shares. In the event of delay or failure by the prospective investor or transferee to produce any information required for verification purposes, the Fund may refuse to accept the application or (as the case may be) to register the relevant transfer and (in the case of a subscription of Shares) any funds received will be returned without interest to the account from which the monies were originally debited.

The Fund also reserves the right to refuse to make any redemption payment to a Shareholder if any of the Directors of the Fund or the Administrator suspects or is advised that the payment of any redemption moneys to such Shareholder might result in a breach or violation of any applicable anti-money laundering or other laws or regulations by any person in any relevant jurisdiction, or such refusal is considered necessary or appropriate to ensure the compliance by the Fund, its Directors or the Administrator with any such laws or regulations in any relevant jurisdiction.

If, as a result of any information or other matter which comes to his attention, any person resident in the Cayman Islands (including the Fund, its Directors and the Administrator) knows or suspects that another person is engaged in money laundering, such person is required to report such information or other matter pursuant to the Proceeds of Criminal Conduct Law (2001 Revision) of the Cayman Islands and such report shall not be treated as a breach of any restriction upon the disclosure of information imposed by law or otherwise.

DIRECTORY

FUND REGISTERED OFFICE

Epsilon Global Active Value Fund II Ltd.
Craigmuir Chambers
P.O. Box 71
Road Town, Tortola, British Virgin Islands

INVESTMENT MANAGER

Epsilon Global Asset Management Ltd.
Ugland House, South Church Street
P.O. Box 309
George Town, Grand Cayman
Cayman Islands
British West Indies

All notices to the Investment Manager must be sent as follows:

Epsilon Global Asset Management Ltd.
c/o Epsilon Investment Management L.L.C.
7280 W. Palmetto Park Road, Suite 310
Boca Raton, Florida 33433 U.S.A.
Phone: 561-237-0330
Fax: 561-237-0329

ADMINISTRATOR

UBS Fund Services (Cayman) Ltd.
UBS House
227, Elgin Avenue, P.O. Box 852
George Town, Grand Cayman
Cayman Islands

PRIME BROKER AND CUSTODIAN

Goldman Sachs & Co.
One New York Plaza
New York, New York 10004
U.S.A.

ACCOUNTANTS AND AUDITORS

PricewaterhouseCoopers
Hofplein 19
3032 AC Rotterdam
The Netherlands

COUNSEL

Monahan & Biagi, P.L.L.C.
701 Fifth Avenue, Suite 2800
Seattle, Washington 98104
U.S.A.

SUMMARY OF THE CONFIDENTIAL OFFERING MEMORANDUM

THE FOLLOWING IS A SUMMARY OF THIS CONFIDENTIAL OFFERING MEMORANDUM (THE "MEMORANDUM"). THIS SUMMARY IS QUALIFIED IN ITS ENTIRETY BY THE MORE DETAILED INFORMATION APPEARING ELSEWHERE HEREIN, AND THE DESCRIPTION OF ANY DOCUMENT IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH DOCUMENT. AN INVESTMENT IN THE FUND IS SPECULATIVE AND INVOLVES SUBSTANTIAL RISKS. EACH SHAREHOLDER MAY LOSE HIS ENTIRE INVESTMENT (INCLUDING ANY PROFITS, WHETHER OR NOT DISTRIBUTED). SEE "RISK FACTORS."

The Fund

Epsilon Global Active Value Fund II Ltd. (the "Fund") is a corporation formed under the laws of the British Virgin Islands. All assets of the Fund are, and the proceeds from the sale of additional shares of Common Stock in the Fund will be, invested through a "master-feeder" fund structure in Epsilon Global Master Fund II, L.P., a limited partnership formed under the laws of the Cayman Islands ("Master Fund"). The General Partner of the Master Fund is Epsilon Global Asset Management Ltd., a corporation formed under the laws of the Cayman Islands and is responsible for all investment decisions relating to the Master Fund. Epsilon Global Active Value Fund II, L.P., a U.S. partnership organized for U.S. investors, also invests all of its assets in the Master Fund and other investment vehicles may be formed in the future to invest in the Master Fund. Each such investment vehicle will invest in the Master Fund on substantially the same terms and conditions as the Fund and therefore will generally be allocated a proportionate share of the Master Fund's gains, losses and expenses based on their interest in the Master Fund, adjusted for any differences in fees. It is also noted that the Fund is authorized to invest outside of the Master Fund, although it does not currently anticipate that it will do so.

Investment Objective

The Fund's investment objective is capital appreciation with risk control. (References to the "Fund" in this Memorandum include both the Fund and the Master Fund.) The Fund seeks to achieve a superior absolute return by employing various investment strategies.

Investment Manager

The Investment Manager of the Fund is Epsilon Global Asset Management Ltd. (the "Investment Manager" or "Epsilon"), a Cayman Islands corporation. Epsilon is solely responsible for the trading and investment decisions of the Fund.

Directors

The Directors of the Fund are Mr. Steve G. Stevanovich and Mr. Alberto Clodoaldo D'ABREU DE PAULO.

Administrator

UBS Fund Services (Cayman) Ltd. ("UBS") serves as the Fund's Administrator, and will communicate with the Fund's shareholders.

Auditors

The Fund's books of account will be audited each year by the Fund's independent auditors, PricewaterhouseCoopers.

Prime Broker & Custodian

The Fund's principal prime broker and custodian is Goldman Sachs & Co., New York.

Indemnification

Neither the Administrator, the Investment Manager, nor any of their respective officers, directors, employees or agents ("Indemnified Parties"), shall be liable, in damages or otherwise, to the Fund or the Shareholders for any act or omission performed or omitted by any of them unless such act or omission results from willful misconduct, fraud or bad faith. The Fund will indemnify and hold harmless all Indemnified Parties from and against any and all claims or liabilities of any nature whatsoever, including attorneys' fees, arising out of or in connection with any action taken or

omitted by any Indemnified Party, unless such act or omission results from willful misconduct, fraud or bad faith.

Fees and Expenses Payable by the Fund

The Fund pays or causes to be paid its own fees and expenses, including all legal and accounting expenses, and all normal trading, operating, communication and administrative expenses. To the extent that fees and expenses are paid by the Master Fund with regard to investments made into the Master Fund, such fees and expenses will not be charged to investors at the Investor Fund level.

Management Fee

The Investment Manager will receive, in consideration for their services to the Fund, a quarterly management fee in an amount equal to one half of one percent (2% per annum) of the Fund's net assets, determined as of the close of each calendar quarter (the "Management Fee"). In the discretion of the Investment Manager, certain shareholders may be assessed a Management Fee in a different amount. To the extent that such Management Fee is paid by the Master Fund for investments made by the Fund into the Master Fund, such Management Fee amounts will not charged to investors at the Investor Fund level.

Performance Fee

The Investment Manager will receive a contingent performance fee for each fiscal year or otherwise determined upon the redemption of any Common Stock, with respect to such redeemed Common Stock, respectively, (each a "Performance Period") equal to 20% of the amount, if any, of the net appreciation of the Fund's net assets during that Performance Period. The Investment Manager may elect to defer all or part of this 20% amount for two years, 10 years, or any period in between. If the Investment Manager elects to defer all or part of the 20% amount, that deferred amount is treated as if it were invested in newly issued common stock of the Fund as of the last day of the Performance Period. The deferred amount then rises and falls with the value of the Fund's common shares during the intervening period of between two and ten years. To the extent that the Performance Fee is paid by the Master Fund with regard to investments made into the Master Fund by the Fund, such Performance Fee amounts will not be charged to investors at the Fund level.

If the Fund incurs a net loss during a fiscal year, the Investment Manager may not receive any contingent fees from the Fund in a subsequent fiscal year unless and until the amount of such net loss applicable to each and every Share which experienced such net loss (and which remains outstanding at the time the subsequent profit occurs) has been recouped in full.

Reports

Within 120 days following the conclusion of each fiscal year, each Shareholder will receive an annual report (together with an annual audited financial statement) describing the results of the Fund's trading activities for that fiscal year. The annual report will be audited by the Fund's independent public accountants. Each Shareholder will also receive a quarterly investment report, describing the Fund's activities in such detail, as the Investment Manager, in its sole discretion, shall determine. The Fund reports its results in U.S. dollars.

Fiscal Year

The fiscal year of the Fund shall end on December 31 of each year, and the fiscal quarters of the Fund shall end on March 31, June 30, September 30 and December 31 of each year; provided, however, that the Fund's initial fiscal year shall begin on the date the Fund commences operations and shall end on the following December 31.

Terms of Investment

Shares

The Fund will issue shares of common stock ("Shares"). Each of the Shares is entitled to participate ratably, on a share for share basis, with all outstanding Shares, in the Fund's earnings and assets. Purchasers of Shares are referred to herein as Shareholders. With the exception of certain pension and profit sharing trusts, charities and other entities which are generally tax-exempt under U.S. Federal income tax laws ("U.S. tax-exempt entities"), ownership of Shares will

be restricted to persons other than "United States persons." "United States persons" are defined to include (i) a citizen or resident of the United States; (ii) a corporation, partnership, trust, or other entity organized or created under the laws of the United States; or (iii) any organization or entity controlled, directly or indirectly, by a person or persons described in (i) or (ii), or in which such persons are known to be the owners, directly or indirectly, of a majority of the beneficial interests therein.

Minimum Subscription

The minimum subscription for Shares is US$2,000,000, subject to the Investment Manager's discretion to accept lesser amounts.

Subscription Procedure

The Fund offers its shares on a continuous basis at a price per Share equal to the Net Asset Value (the "NAV") per Share as of date of issuance, plus any applicable subscription charges. A deposit to a Performance Fee Reserve may be required in certain circumstances, and further adjustments to the number of Shares may be required in accordance with an Equalization Credit (See "Equalization Adjustments" for a more detailed description of Equalization Accounting). Subscriptions received during any monthly period will ordinarily be accepted as of the first day of the following monthly period, i.e., subscriptions received between March 1 and March 31 will be accepted as of April 1. The Fund may, in its discretion, accept subscriptions on a day other than the first day of a month. The Fund will issue number of shares by dividing subscription amount by per share price rounded to 2 decimal places.

All persons desiring to subscribe for and purchase Shares should complete, execute and deliver a Subscription Agreement to the Fund. Subscription Instructions are attached to this Memorandum as Exhibit A-1. The Subscription Agreement is attached to this Memorandum as Exhibit A-2.

Shares will generally be issued on the first day of the month following the acceptance of a subscription (the "Closing Date"). The subscriber's payment for his or her Shares must be made at least one Business Day prior to the Closing Date.

Payments should be made by wire transfer of immediately available funds to the Fund's account as follows:

To:	UBS AG, Stamford Branch
ABA Fedwire:	0260-0799-3
SWIFT:	UBSWUS33XXX
For account of:	UBS Fund Services (Cayman) Ltd.
Account#:	101-WA-359025-000
For further credit to:	Epsilon Global Active Value Fund II Ltd.
Account#:	72162

All subscriptions for Shares are irrevocable by the subscriber upon acceptance by the Fund. The Fund or Investment Manager may reject any subscription for any reason.

Potential investors, by accepting delivery of this Memorandum, agree to return this Memorandum, including Exhibits hereto, if (i) such potential investor does not subscribe for Shares, (ii) such potential investor's subscription is not accepted, or (iii) the offering is terminated before the sale to such potential investor is consummated.

There are no underwriting arrangements with respect to the shares. All solicitations by subscriptions will be made directly by the Fund or through the issuance of unaffiliated placement

agents or money managers. Such unaffiliated placement agents may charge their clients a fee or share in the fees paid to the Managers.

Solicitation of Subscriptions

There are no underwriting arrangements with respect to the offering of Shares. All solicitations of subscriptions will be made directly by the Company or through the assistance of unaffiliated placement agents and money managers. Such unaffiliated placement agents and money managers may charge their clients a placement fee of up to 5% of the total amount of the subscription for Shares sold with their assistance, and/or share in the fees earned by Epsilon Global Asset Management Ltd., as Investment Manager. The unaffiliated placement agents and money managers may rebate all or a portion of such fees to their clients.

Limited Transferability

Each potential investor must represent that they will acquire the Shares only for investment purposes and not with a view to resale or distribution. No Shareholder may transfer Shares without the prior written consent of the Investment Manager and on terms acceptable to Administrator.

Redemption Procedure

Upon 45 days' prior written notice to the Fund, each Shareholder may request that the Fund redeem all or part of such Shareholder's Shares as of the close of business on the last day of the calendar quarter.

With respect to any partial redemption, a Shareholder may not make a partial redemption of less than US$100,000 and may not reduce such Shareholder's unredeemed Shares to an amount less than the minimum investment then required of new Shareholders. Also, in order to be considered a partial redemption, the redemption cannot exceed 90% of a Shareholder's total capital account. In any case, the redemption price shall be the NAV of the redeemed Shares, as calculated at the end of the applicable measurement period.

The Investment Manager also has the right to force the complete redemption of any Shareholder at any time at the Investment Manager's sole discretion.

THE FUND

Epsilon Global Active Value Fund II Ltd. (The "Fund") incorporated in the territory of the British Virgin Islands (the "BVI") as an international business company. The registered office of the Fund is located in Tortola, British Virgin Islands.

Shareholders have the right to purchase additional shares on a monthly basis (see "Offering of the Shares") and to redeem shares as of the last day of end of fiscal quarter on at least 45-days notice (see "Redemption Procedure").

INVESTMENT OBJECTIVES

The Fund's investment objective is capital appreciation with risk control. The Investment Manager seeks superior absolute returns while reducing the risk of permanent impairment to capital. To accomplish this objective, the Investment Manager employs global opportunistic, distressed and event-driven value investing across a variety of security types and asset classes.

INVESTMENT PRINCIPLES

The Investment Manager seeks investment opportunities and deploys capital on a global basis. The Fund's opportunistic investment style may lead to investments in capital structure restructuring, the equity or high yield debt of distressed or mismanaged companies which may be in default or in bankruptcy, private corporate debt such as bank debt or trade claims, sovereign debt, convertible securities and special situations including turnarounds, mergers, spinoffs, restructurings, recapitalizations and exchange offers. The Fund may also invest in privately negotiated and structured securities of public and private companies.

Analytical Methodology. The Investment Manager believes that the market price of the various components of a capital structure are ultimately determined by enterprise value. Therefore, when evaluating the securities of distressed or mismanaged companies, the Investment Manager attempts to determine the enterprise or "going concern" value of the company and then compares that value to the current market value of the company's securities. This analysis and comparison enables the Investment Manager to determine which securities are incorrectly priced, and subsequently, offer the best risk/return. Factors considered by the Investment Manager in assessing enterprise value are, among other things: (i) historical and discounted future levels of operating and free cash flow, (ii) current and likely future financing needs and alternatives, (iii) balance sheet structure including off balance sheet items, (iv) revenue and expense recognition policies, (v) industry standing, (vi) diversity of operations and (vii) background, operational experience and track record of management.

The application of the above analytical methodology not only enables the Investment Manager to identify which securities it believes are undervalued, but also which securities are overpriced. Once identified, these overpriced securities may be sold short in anticipation of a future price decline.

Global Investments. In non-U.S. markets, the Investment Manager may purchase U.S. dollar and non-U.S. currency denominated equity and debt securities of non-U.S. corporations, as well as the sovereign debt of various governments and the debt of their respective agencies or departments, which may be trading at distressed levels. The Investment Manager may also purchase newly or recently privatized equity or debt securities of former state owned entities in private or open market transactions. When purchasing non-U.S. currency denominated securities, the Investment Manager may hedge currency fluctuation risk, thereby minimizing the impact of negative currency movements.

Special Situations. The Investment Manager focuses on corporate dislocations and discrete events such as a restructuring or a reorganization, the spinoff of a division or subsidiary, a recapitalization, an acquisition or merger, a tender offer, an asset sale or a regulatory shift. For example, in a restructuring, a company may sell, spinoff or close unprofitable or non-strategic portions of its business, thereby leaving a more focused core business. Additionally, the company may restructure its balance sheet by exchanging high interest rate debt for lower rated debt or equity or some combination thereof. The Investment Manager seeks restructuring situations in an effort to identify companies whose core business or whose remaining or newly created securities are incorrectly priced by the market.

Risk Control. The Investment Manager may attempt to reduce risk or to hedge positions, including the risk of non-U.S. currency fluctuations, with offsetting transactions, such as short sales and buying or selling options on the same or similar securities. The Investment Manager analyzes the historical and probable price movements of certain securities against that of an underlying security, in an effort to determine not only which securities offer the best hedge, but also which hedge ratio offers the best downside protection as well as upside potential. The Investment Manager may also purchase and sell market or index options for hedging or speculative purposes.

MANAGEMENT OF THE FUND, THE INVESTMENT MANAGER AND OTHER RELATIONSHIPS

The Fund. The Fund's Board of Directors has overall management responsibility for the Fund, including establishing investment, dividend and distribution policy (although it will not make or approve investment decisions since all of these have been delegated to the Investment Manager), and having the authority to select and replace the Fund's Administrator, any officers of the Company and other persons or entities with management or administrative responsibilities to the Fund. The Fund's Memorandum and Articles of Association provide that a Director shall not be liable to the Fund for any acts or omissions in the performance of his duties if such person acted honestly and in good faith with a view to the best interests of the Fund and, in the case of criminal proceedings, such a person had no cause to believe that his conduct was unlawful. Such Memorandum and Articles of Association contain certain provisions for the indemnification of Directors by the Fund, to the extent permitted by law, against liabilities to third parties arising in connection with the performance of their services. The Directors of the Fund are Mr. Steve G. Stevanovich and Mr. Alberto Clodoaldo d'ABREU DE PAULO, whose backgrounds are set forth below.

Mr. Steve G. Stevanovich is the Founder and President of Epsilon Investment Management L.L.C. Mr. Stevanovich has over 18 years of experience in international investment management. During these 18 years, Mr. Stevanovich has developed an ability to assess and exploit capital structure mispricings on a global basis while utilizing various hedging techniques in an attempt to maximize capital preservation. Prior to founding Epsilon, Mr. Stevanovich was the Executive Vice President of Everest Capital Limited, a US$1.4 billion global hedge fund. During the five and one-half years that Mr. Stevanovich spent at Everest, the fund had a compounded return of over 25% per annum. Prior to joining Everest Capital, Mr. Stevanovich had over seven years of experience in corporate finance and investment banking, most recently at Ingoldsby, O'Connor, Altwell & Company, a leveraged buyout firm in Boston where he was involved in analyzing and valuing companies in various industries and negotiating the capital structure and pricing of various transactions. Mr. Stevanovich has a BA in Economics from the University of Chicago and an MBA from the University of Chicago Graduate School of Business.

Alberto Clodoaldo d'ABREU DE PAULO is a Managing Director of Dutch Antilles Management N.V. He was born in Curacao on September 7th, 1938, residing at Plantage Klein Kwartier z/n, Curacao, Netherlands Antilles, with the personal title of "PRESIDENT".

Epsilon Global Asset Management Ltd. The Investment Manager of the Fund is Epsilon Global Asset Management Ltd. (the "Investment Manager" or "Epsilon"). In its capacity as Investment Manager to the Fund, Epsilon provides all advisory services required for the Fund's operation and has full discretion in the management of the fund's trading and investments transactions. Specifically, Epsilon manages the investment and reinvestment of the Fund's assets, including the selection of securities brokers and banks. Steve G. Stevanovich, whose background is set forth above, is responsible for the investment decisions of the Fund and is assisted by a team of investment professionals.

Investment Management Agreement. Under an Investment Management Agreement (the "Management Agreement"), between the Investment Manager and the Fund, the Investment Manager will invest and reinvest the assets of the Fund in accordance with the investment objective and policies of the Fund set forth above. It is noted that the Investment Manager will maintain the Fund's financial records and compute the net asset value.

Under the terms of the Management Agreement, the Fund will pay to Epsilon Global Asset Management Ltd. for its services as Investment Manager a "Fixed Fee" and an "Incentive Fee" as described below. The Fixed Fee for any fiscal quarter is an amount payable in arrears equal to 0.5% of the net assets of the Fund before any Incentive Fee allocation on the last day of such quarter. The Fund will pay the Fixed Fee in U.S. dollars promptly after the end of such quarter, unless the Investment Manager elects to defer receipt of the Fixed Fee as further described below. The Fixed Fee will be deducted in computing the net profit or net loss of the Fund. In the event that the Investment Manager is not acting as Investment Manager for an entire fiscal quarter, the Fixed Fee payable by the Fund for such fiscal quarter will be prorated to reflect the portion of such fiscal quarter in which the Investment

Manager is acting as such under the Management Agreement. Notwithstanding the foregoing, certain shareholders may, in effect, be charged the Fixed Fee at a rate less than 0.5% of the net assets of the Fund before any Incentive Fee allocation on the last day of each quarter.

The Incentive Fee is an amount, allocated annually or such shorter period upon redemption of Common Stock, equal to twenty percent (20%) of the net profits (including net unrealized gains), if any, during such Performance Period allocable to each share of Common Stock. If a share of Common Stock has a loss chargeable to it during any fiscal year and during a subsequent year there is a profit allocable to such share, there will be no Incentive Fee payable with respect to such share until the amount of the loss previously allocated to such share has been recouped. In certain circumstances (e.g., due to prior net losses or a loss carryforward at the Fund level), all or a portion of the Incentive Fee attributable to a share of Common Stock may be paid by redemption of a portion of a shareholder's shares of Common Stock. Notwithstanding the foregoing, certain shareholders may, in effect, be charged the Incentive Fee at a rate less than 20% of the net profits of the Fund during any Performance Period. The Management Agreement provides that the Investment Manager will be paid the Incentive Fee within 30 days after the end of the Performance Period, unless the Investment Manager elects to defer receipt of the Incentive Fee as further described below.

The Investment Manager may elect to defer payment of its Fixed Fee or Incentive Fee to the first day of any Performance Period following the quarter or year such fee was earned. If the Investment Manager elects to defer payment of all or part of the Fixed Fee or Incentive Fee, any such deferred amounts payable to the Investment Manager shall be treated, and the amounts eventually payable at the end of such deferred periods shall be determined, as if such deferred amounts had been invested in shares of Common Stock on the first day of the fiscal quarter or year following the year the deferred fee was earned and redeemed as of the last day of the deferred period. The deferred fees and amounts of net profits, if any, allocated to such deferred fees shall be paid promptly after the end of the deferred period. If any cash dividends are paid with respect to the Common Stock during any of such deferred periods, there shall be paid to the Investment Manager, at the time of payment of such dividends, an amount equal to the dividends that would have been paid to the Investment Manager if the deferred amounts had been invested in shares of Common Stock.

As noted above, the Fund invests all of its assets through a "master-feeder" fund structure in the Master Fund, a Cayman Islands limited partnership of which the Investment Manager serves as the General Partner of the Partnership and the Investment Manager. The Limited Partnership Agreement of the Master Fund provides that the General Partner shall be paid a fixed fee for each quarter in an amount equal to 0.5% of the net assets of the Master Fund before any Incentive Fee Allocation and an incentive allocation equal to 20% of the net profits of each limited partner in the Master Fund. However, to the extent that the Master Fund pays Fixed Fees and Incentive Fees with regard to investments made into the Master Fund, such Fixed Fee and Incentive Fee amounts will not be charged at the Investor Fund level.

The Management Agreement provides that it shall continue until the close of business on December 31, 2030, except that either the Fund or the Investment Manager may terminate the Management Agreement effective at the close of business on the last day of any fiscal year by giving the other party not less than 60 days written notice.

The Management Agreement recognizes that the Investment Manager has investments of its own and is acting as investment manager for others. The Management Agreement further recognizes that the Investment Manager may become associated with other investment entities and engage in investment management for others. Except to the extent necessary to perform its obligations under the Management Agreement, the Investment Manager or its affiliates are not limited or restricted from engaging in or devoting time and attention to the management of any other business, whether of a similar or dissimilar nature, or to render services of any kind to any other corporation, firm, individual or association. As a result, the Investment Manager and its affiliates and other clients may hold substantial positions in securities that are owned by the Fund. If the Investment Manager and its affiliates and other clients hold a substantial position in an issuer, liquidity and concentration considerations may limit the ability of the Investment Manager to add to the position on behalf of the Fund or other clients or to readily dispose of the position. The Investment Manager may on occasion give advice or take action with respect to those accounts that differs from the advice given with respect to the Fund. See discussion on page 11 under "Conflicts of Interest."

Pursuant to the Investment Management Agreement between the Fund and the Investment Manager the Investment Manager shall not be liable to the Fund for any acts or omissions in the performance of their respective services in the absence of willful misconduct, gross negligence or as otherwise required by law, and each agreement contains provisions for the indemnification of each of the Managers by the Fund against liabilities to third parties arising in connection with the performance of their services, to the extent permitted by law.

Prime Broker and Brokerage Commissions. Although the Investment Manager will regularly review the brokerage commission rates charged to the Fund, it has complete discretion to determine which brokerage firms will be engaged by the Fund, regardless of their commission rates. The fund will use Goldman Sachs & Co. as its principal prime broker and custodian, but may engage other brokers to provide similar services.

Portfolio transactions for the Fund will be allocated by the Investment Manager to broker-dealers on the basis of best execution, price, and brokerage services (e.g., special execution capabilities, clearance, settlement and custodial services) which benefit the Fund. The Investment Manager may also generally consider the amount and nature of research, execution and other services provided by brokers, as well as the extent to which such services are relied upon, and may attempt to allocate a portion of the brokerage business of the Fund on the basis of that consideration. The investment information received from brokers may be used by the Investment Manager in servicing any other entities to which the Investment Manager provides investment advice and not all such information may be used by the Investment Manager in connection with the Fund. A broker will not be excluded from receiving brokerage business because it does not provide research services. Among the services the Investment Manager may consider in allocating portfolio transactions to broker-dealers is whether a broker-dealer has referred investors to the Fund. If, and when, such an allocation of portfolio transactions is made, the commission rates charged for such transactions shall not exceed commercially reasonable rates.

CERTAIN RISK FACTORS

AN INVESTMENT IN THE FUND IS SPECULATIVE AND IS SUITABLE ONLY FOR PERSONS WHO ARE ABLE TO ASSUME THE RISK OF LOSING THEIR ENTIRE INVESTMENT. PROSPECTIVE PURCHASERS SHOULD CAREFULLY CONSIDER THE FOLLOWING RISKS BEFORE SUBSCRIBING FOR SHARES.

Limited Operating History. The Fund commenced operation only in July, 2001 and has only a limited operating history upon which an evaluation of the Fund's performance can be made. The success of the Fund will be largely dependent on the judgment and ability of the Investment Manager.

Securities to be Purchased. The Fund may purchase low rated or unrated debt securities. Such securities may offer higher yields than do higher rated securities, but generally involve greater volatility of price and risk of principal and income, including the possibility of default by, or bankruptcy of, the issuers of the securities. In addition, the markets for such securities may be limited. The Fund may enter into contracts with dealers as principal to purchase certain securities and synthetic instruments. Such transactions are not subject to exchange rules and may result in losses to the Fund in the event of a default or bankruptcy of a counterparty. The Fund may also purchase securities issued by companies from many countries and by the countries themselves. Such investments will cause the Fund to be affected by changes in the currency exchange rates and revaluation of currencies. Less information may be available about non-U.S. issuers than about their U.S. counterparts. Further, securities markets of certain other countries may not be as liquid as U.S. markets. Investment in these securities may result in higher costs to the Fund than investment in U.S. securities due to the cost of converting a foreign currency to dollars, the payment of fixed brokerage commissions on some non-U.S. exchanges and the imposition of transfer taxes or transaction charges by those exchanges. Investment in securities of certain countries may also be subject to political or economic risks. The Fund may invest in securities of United States or non-U.S. closed-ended investment companies. There may be no liquid secondary market for these securities and some of the companies may limit the intervals at which shares may be redeemed.

Leverage and Short Sales. The Fund may maximize its investment position by purchasing securities on margin. As a result, the possibilities of profit and loss will be increased. Borrowing money to purchase securities will provide the Fund with advantages of leverage, but exposes it to capital risk and higher current expenses. Any gain in the value of securities purchased with borrowed money or income earned from these securities that exceeds interest paid on the amount borrowed would cause the Fund's investment profit or loss to increase faster than would otherwise be the case. Conversely, any decline in the value of the securities purchased would cause the Fund's

investment profit or loss to decrease faster than would otherwise be the case. In addition to purchasing securities on margin, the Fund may engage in short selling of securities. A short sale will result in a gain if the price of the securities sold declines sufficiently between the time of the short sale and the time at which securities are purchased to replace those borrowed. A short sale will result in a loss if the price of securities sold short increases or does not decline sufficiently to cover transactions. Any gain would be decreased and any loss would be increased by the amount of any premium or interest that the Fund may be required to pay with respect to the borrowed securities.

Assets May Not Be Diversified. The Fund may at times have an unusually high concentration in certain types of securities positions. Accordingly, the Fund's assets may be subject to greater risk of loss than if they were more widely diversified, since the failure of one or more limited number of investments could have a material adverse effect on the Fund.

Foreign Exchanges. The Fund may invest in non-United States securities and may trade securities on exchanges located outside the United States, where protection afforded to investors by the Securities and Exchange Commission and federal securities laws do not apply. Accordingly, the Fund is subject to various risks inherent in trading non-U.S. securities and/or trading on foreign exchanges, including fluctuations in currency exchange rates, exchange controls, expropriation, burdensome or confiscatory taxation, moratoria, or political or economic events, all of which could have an adverse effect on the Fund's ability to generate profits on investments. As the Fund determines its investment profit or loss in United States dollars, it will be subject to the risk of fluctuation in the exchange rate between the local currency and dollars and to foreign exchange controls. Although the Fund may hedge against fluctuations in currency exchange rates, there can be no assurance that the Fund would not incur losses as a result of adverse changes in currency exchange rates and foreign exchange controls. The Fund is unable to predict the nature of future exchange controls. Imposition or significant increases in the level of exchange controls or other restrictions could have an adverse effect on the Fund.

Limited Liquidity of Investment. The Fund does not intend to list its Shares on any securities exchange. It is not expected that there will be any established over-the-counter market for sale of the Shares, and it is not anticipated that there will be any secondary market for trading in the Shares. However, a Shareholder may request that the Fund redeem some or all of his or her Shares. Under certain circumstances, including market conditions which would prohibit the liquidation of positions, the Fund may delay redemption beyond the end of the applicable year.

Active Investments. The Investment Manager may seek to effect the control or management of a company in which the Fund has an investment position. The Investment Manager may take positions in excess of 5% of a company's outstanding voting shares, possibly giving the Investment Manager the ability to influence the actions of management. Additionally, the Investment Manager may structure, negotiate and execute private transactions directly with publicly traded companies or their agents. Often, the resulting security is convertible debt with underlying publicly traded common stock. The Fund may also invest in the securities of privately held companies.

The Failure of Brokerage Firms. The Fund may be subject to a risk of loss of the assets held by a broker-dealer in the event of a broker-dealer's bankruptcy. In the event of a failure of a broker-dealer used by the Fund, the United States Securities Investor Protection Corporation provides a maximum of US$500,000 of account insurance, only US$100,000 of which may be taken in cash. To the extent the Fund leaves assets in the possession of its broker in excess of these amounts, the Fund may receive only a pro rata share of the remaining assets deposited with the failed broker-dealer. Moreover, because the Fund may trade on non-United States exchanges with non-United States brokers and/or dealers, the failure of a non-United States broker or dealer could result in the complete loss of Fund amounts on deposit with such broker or dealer, depending on the regulatory rules governing such broker.

Government Regulation. The Fund is not registered as an investment company under the Investment Company Act of 1940, and the Investment Manager is not registered as an investment adviser under the U.S. Investment Advisers Act of 1940 (or any similar law). Shareholders, therefore, are not afforded the protective measures provided by such laws.

Substantial Fees and Expenses. The expenses to which the Fund will be subject could be substantial.

Arbitrage Trading May Involve Risks. The Fund's investments may involve arbitrage between the prices of two securities, between the equity and equity options of the same or similar securities, between the price of a security and its announced buy-out or exchange price and/or any combination thereof. Given the volatile nature of certain arbitrage situations, the short-term performance of the Fund's arbitrage investments may fluctuate significantly in

value. The Fund may purchase or sell securities (on a current basis) and take offsetting positions in the options of the same or similar securities. These offsetting positions entail a substantial risk that the price differential could change unfavorably, causing a loss to the Fund.

Unidentified Investments. The Fund has not identified any particular investments to make from the proceeds of this offering, other than to make investments on the basis of opportunities as they may arise. Therefore, prospective investors must rely on the ability of the Investment Manager in making investments consistent with the Fund's objectives. Shareholders will not have the opportunity to evaluate the relevant economic, financial and other information which will be utilized by the Fund in deciding whether or not to make a particular investment. The Memorandum and Articles of Association of the Fund do not restrict the type of investments the Fund may make.

Options. The Fund may engage in the trading of options, including index and equity options. Such trading involves risks substantially similar to those involved in trading margined securities, in that options are speculative and highly leveraged. Specific market movements of the securities underlying an option cannot accurately be predicted. The purchaser of an option is subject to the risk of losing the entire purchase price of the option. The writer of an option is subject to the risk of loss resulting from the difference between the premium received for the option and the price of the security underlying the option which the writer must purchase or deliver upon exercise of the option.

Futures Contracts. Futures contracts are contracts usually made on a futures exchange which call for the future delivery of a specified "commodity" at a specified time and place. These contractual obligations, depending on whether one is a buyer or a seller, may be satisfied either by taking or making physical delivery of the "commodity" or by making an offsetting sale or purchase of an equivalent futures contract on the same exchange prior to the end of trading in the contract month. Commodity futures prices are highly volatile. Price movements of commodity futures contracts are influenced by, among other things, changing supply and demand relationships, governmental, agricultural and trade programs and policies and national and international political and economic events. Financial instrument and foreign currency futures and forward prices are influenced by, among other things, interest rates, changes in balances of payments and trade, domestic and international rates of inflation, international trade restrictions and currency revaluations. Because low margin deposits are normally required, an extremely high degree of leverage is obtainable in commodity futures trading. A relatively small price movement in a commodity futures contract, consequently, may result in large losses. Thus, like other highly leveraged investments, any purchase or sale of a commodity futures contract may result in losses that exceed the amount invested.

Synthetics. The Investment Manager may use derivatives or other synthetic securities, both listed and over-the-counter, instead of purchasing or selling securities outright. These synthetic securities allow the Investment Manager to gain exposure to certain markets or securities which the Investment Manager might otherwise not be able to execute. If the Investment Manager believes that a situation merits investment, but the costs and risks associated with such an investment are prohibitive or unacceptable, then the Investment Manager may enter into an over-the-counter option contract, custom securities basket or swap transaction in order to gain exposure to the situation. Such instruments involve risks not associated with more traditional types of investments, including counterparty default risk.

Nature of Investments. A portion of the portfolio of the Fund may consist of securities issued by privately-held companies. There is generally little or no publicly available information about such companies and the Fund must rely on the due diligence of the Investment Manager to obtain the information necessary for the decision to invest in them. Typically, such companies depend for their success on the management, talents and efforts of one person or a small group of persons, so that the death, disability or resignation of such person or persons could have a materially adverse impact on them. Moreover, small companies frequently have smaller product lines and smaller market shares than larger companies and therefore may be more vulnerable to economic downturns. Because these companies will generally have highly leveraged capital structures at least initially, reduced cash flow resulting from an economic downturn may adversely affect the return on, or the recovery of, the Company's investment in them. Investment in such companies therefore involves a high degree of business and financial risk, which can result in substantial losses, and, accordingly, should be considered speculative.

Illiquidity. A portion of the Fund's investments may consist of securities acquired directly from their issuers in private transactions. These securities will be restricted securities under the Securities Act of 1933 and may not be resold unless there is an effective registration statement on file with the Securities and Exchange Commission with

respect to such securities, or an exemption from registration exists. Such securities will therefore be illiquid. In addition, there may be no established trading market for such securities into which they could be sold, even after an exemption from registration becomes workable.

Lack of Liquidity in Markets. Despite heavy volume of trading in securities, the markets for some securities have limited liquidity and depth. This lack of depth could disadvantage the Fund, both in the realization of the prices which are quoted and in the execution of orders at desired prices.

Master-Feeder Fund Structure. As noted above, the Fund generally invests all of its investable assets through a "master-feeder" fund structure in the Master Fund. The "master-feeder" fund structure - in particular the existence of multiple investment vehicles investing in the same portfolio - presents certain unique risks to investors. Smaller investment vehicles investing in the Master Fund may be materially affected by the actions of larger investment vehicles investing in the Master Fund. For example, if a larger investment vehicle withdraws from the Master Fund, the remaining funds may experience higher pro rata operating expenses, thereby producing lower returns. Similarly, the Master Fund may become less diverse due to a withdrawal by a larger investment vehicle, resulting in increased portfolio risk.

Conflicts of Interest. There exist a number of potential conflicts of interest between the Investment Manager and the Fund. In addition to serving as investment manager to the Fund, the Investment Manager serves as the general partner of Epsilon Global Master Fund, L.P., a Cayman Islands partnership and Epsilon Global Master Fund II, L.P., a Cayman Islands partnership, and may have additional investment management clients in the future (collectively, the "Other Clients"). The Other Clients may invest in the same or similar securities as the Fund. Purchase and sale orders may be combined for the Fund and the Other Clients with each entity paying its pro rata share of the total commission and paying or receiving its pro rata share of the total cost or sales proceeds. From the standpoint of the Fund, simultaneous identical portfolio transactions for the Fund and the Other Clients may tend to decrease the prices received, and increase the prices required to be paid, by the Fund for its portfolio sales and purchases. Where less than the maximum desired number of shares of a particular security to be purchased is available at a favorable price the shares purchased will be allocated among the Fund and the Other Clients in a manner as determined by the Investment Manager. In addition, purchase and sale transactions (including swaps) may be effected between the Fund and the Other Clients.

The Investment Manager may have conflicts of interest in allocating its time and activity between the Fund and the Other Clients, in allocating investments between the Fund and the Other Clients and in effecting transactions between the Fund and the Other Clients, including ones in which the Investment Manager may have a greater financial interest. In addition, the Investment Manager and its officers and employees may have investments of their own. Further, the Investment Manager may engage in a wide variety of investment banking activities. The Investment Manager may, in some instances, perform investment banking services for companies in which the Fund owns securities. The Investment Manager may choose not to make an otherwise appropriate investment for the Fund if the Investment Manager or its clients have a business relationship with either the potential investee company or with a third party that has indicated its interest in acquiring the potential investee company. Any fees earned by the Investment Manager with respect to its investment banking activities will be paid solely to the Investment Manager and not the Fund.

In addition, the Investment Manager may become aware of investment opportunities and, to the extent the Investment Manager in its sole discretion determines such investment would not be suitable for the Fund, may refer such investment opportunities to others. Any fees or commissions with respect to the referral of such investments will be paid solely to the Investment Manager (see discussion concerning additional potential conflicts of interest under Fees, Compensation and Expenses).

The Investment Manager's obligations to the Fund are not exclusive and the Investment Manager is not required to devote any specific amount of time to the Fund.

THE DESCRIPTION CONTAINED HEREIN OF SPECIFIC ACTIVITIES THAT MAY BE ENGAGED IN BY THE FUND SHOULD NOT BE CONSTRUED AS IN ANY WAY LIMITING THE FUND'S INVESTMENT ACTIVITIES. THE FUND MAY ENGAGE IN INVESTMENT ACTIVITIES NOT DESCRIBED HEREIN WHICH THE INVESTMENT MANAGER CONSIDERS APPROPRIATE.

ADMINISTRATION

The Administrator. UBS Fund Services (Cayman) Ltd. serves as the Administrator of the Fund pursuant to an administration agreement to be entered into between the Fund and the Administrator (the "Administration Agreement"). The Administrator's principal place of business is located at UBS house, 227 Elgin Avenue, P.O. Box 852, George Town, Grand Cayman, Cayman Islands. The Administrator is licensed as a mutual fund administrator under the Mutual Funds Law (2001 Revision) of the Cayman Islands.

Pursuant to the Administration Agreement, the Administrator will perform or supervise the performance of services necessary for the operation and administration of the Fund (other than making investment decisions), including administrative, accounting, administration and shareholder services. For the purpose of calculating the Net Asset Value of the Fund, the Administrator will rely solely on the valuation of the Master Fund as provided by the Investment Manager.

The Administration Agreement also provides for indemnification of the Administrator and its directors, officers and employees from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgements suites, costs, expenses or disbursements of any kind or nature whatsoever (other than those resulting from fraud, gross negligence or willful default on its part or on the part of its directors, officers, servants or agents) which may be imposed on, incurred by or asserted against the Administrator in performing its obligations or duties thereunder.

The Directors and the Investment Manager, and not the Administrator, are responsible for determining that the Shares are marketed and sold in compliance with all applicable securities and other laws.

The Administration Agreement is governed by the laws of the Cayman Islands and is for an indefinite period, but it may be terminated by either party on ninety days' written notice to the other party.

THE FUND'S SHARE CAPITAL

Capitalization of the Fund. The Fund has an authorized capital of US$100,000, consisting of 10,000,000 shares of common stock (par value US$ 0.01 per share) (the "Shares").

Share Participation in Earnings and Assets. Each Share is entitled to participate ratably, on a share for share basis, with each other outstanding Share, in the earnings and assets of the Fund.

SUBSCRIPTION PROCEDURE

The minimum subscription for Shares is US$2,000,000, subject to the Fund's discretion to accept lesser amounts. The Fund will offer its Shares on a continuous basis at a price per Share equal to the Net Asset Value (the "NAV") per Share as of the last Business Day of the date of issuance, plus any applicable subscription charges. A deposit to a Performance Fee Reserve may be required in certain circumstances, and further adjustments to the number of Shares may be required in accordance with an Equalization Credit (See "Equalization Adjustments" below for a more detailed description of Equalization Accounting).

All persons desiring to subscribe for and purchase Shares should complete, execute and deliver a Subscription Agreement to the Fund's Administrator. The subscription agreement may be sent by fax if original is received by the Administrator within 10 business days. The wire payment instructions have to include the name of the subscriber which has to match the name on the subscription agreement. Subscription Instructions are attached to this Memorandum as Exhibit A-1. The Subscription Agreement is attached to this Memorandum as Exhibit A-2.

Shares will generally be issued on the first day of the month following the month in which each subscriber's subscription and payment for Shares is received. Subscriptions received during any monthly period will ordinarily be accepted as of the first day of the following month, i.e., subscriptions received between March 1 and March 31, will be accepted as of April 1. The Fund may, in its discretion, accept subscriptions on a day other than the first day of the month. Payments should be made by wire transfer of immediately available funds to the Fund's account as follows:

To:	UBS AG, Stamford Branch
ABA Fedwire:	0260-0799-3
SWIFT:	UBSWUS33XXX
For account of:	UBS Fund Services (Cayman) Ltd.
Account#:	101-WA-359025-000
For further credit to:	Epsilon Global Active Value Fund II Ltd.
Account#:	72162

All subscriptions for Shares are irrevocable by the Subscriber. The Fund may reject a subscription for any reason.

Potential investors, by accepting delivery of this Memorandum, agree to return this Memorandum, including the Exhibit hereto, if (i) such potential investor does not subscribe for Shares, (ii) such potential investor's subscription is not accepted, or (iii) the offering is terminated before the sale to such potential investor is consummated.

Equalization Adjustments. When interim subscriptions are made, certain adjustments may be required to the price paid for Shares or to the number of Shares purchased. These adjustments are necessary to ensure: (a) the Performance Fee paid to the Investment Manager is charged only to those Shares which have appreciated in value since their acquisition, (b) all Shareholders have the same amount per Share at risk and (c) all Shares have the same NAV.

With respect to a Deficit Interim Subscription, the subscription price per Share is the NAV per Share on the acquisition date plus 20% of the excess, if any, by which the Peak NAV per Share, for a preceding calendar year-end exceeds the NAV per Share on the date of subscription. Such amount (the "Performance Fee Reserve") shall be added to the purchase price per Share and shall be invested and distributed as set forth herein. The Performance Fee Reserve shall be separately invested in U.S. Treasury Bills, Certificates of Deposit or other equivalently rated short-term instruments. The Performance Fee Reserve shall become payable to the Investment Manager if the deficit between the NAV per Share on the subscription date and the Peak NAV is recouped by favorable performance of the Fund. The Performance Fee Reserve may, in certain circumstances, be returned to a Shareholder upon redemption of Shares if, and to the extent, such Performance Fee Reserve applicable to the Shares being redeemed has not been earned by the Investment Manager. Promptly after the end of each fiscal year in which a Performance Fee Reserve is held, the interest or dividends earned thereon shall either be paid to the Shareholder who provided such Performance Fee Reserve or reinvested into the Fund in the form of additional Shares, at the Investment Manager's discretion.

With respect to a Premium Interim Subscription, where the NAV per Share on the date of subscription (computed before accrued Performance Fees) is greater than the Peak NAV per Share, for a preceding calendar year-end, 20% of the excess shall constitute an "Equalization Credit." This Equalization Credit accounts for the fact that the NAV per Share at the time of subscription includes a potential Performance Fee to be borne by existing Shareholders which experienced such appreciation. The Equalization Credit serves as a credit against Performance Fees that might otherwise be payable to the Investment Manager by Shareholders of the Fund, but which should not, in equity, be charged against such subscriber's Shares because, as to its Shares, no favorable performance has yet occurred. Upon redemption by a Shareholder of its Shares, the Equalization Credit, or a portion thereof, will be paid to such Shareholder, without interest, or if a Performance Fee becomes payable prior to such redemption, then the Equalization Credit payable shall be applied to the purchase of additional Shares, subject to appropriate adjustments for favorable performance. Examples of a Deficit Interim Subscription and a Premium Interim Subscription are set forth on the next page.

TABLE 1 – Deficit Interim Subscription [Based on a 20% Performance Share Allocation]:

Peak NAV =	1,000
Gross Subscription NAV =	900
NAV at Date of Purchase =	900
Performance Fee Reserve (1,000 – 900) * 20% =	20

Gross NAV at Valuation Date	Performance Fee Due to Investment Manager	Performance Fee Reserve Due to Investment Manager	NAV (Net of All Fees)	Performance Fee Reserve on Account
1,050	10.0	20.0	1,040	0.0
1,000	0.0	20.0	1,000	0.0
950	0.0	10.0	950	10.0
900	0.0	0.0	900	20.0
850	0.0	0.0	850	20.0

NOTE: Gross NAV is equal to the NAV before accrual for Performance Fees. The total value of a Shareholder's position is equal to the sum of the NAV (Net of All Fees) and the Performance Fee Reserve on Account. In the above example, the Performance Fee Reserve on Account does not include any accrued interest.

TABLE 2 – Premium Interim Subscription [Based on a 20% Performance Share Allocation]:

Peak NAV =	1,000
Gross Subscription NAV =	1,400
NAV at Date of Purchase =	1,320
Performance Fee Reserve (1,400 – 1,000) * 20% =	80

Gross NAV at Valuation Date	Performance Fee Due to Investment Manager	Equalization Credit Due to Shareholder	NAV (Net of All Fees)	Equalization Credit Against Future Performance Fees: At Performance Fee Payment	Equalization Credit Against Future Performance Fees: At Redemption
1,500	20.0	80.0	1,400	0.0	0.0
1,400	0.0	80.0	1,320	0.0	0.0
1,200	0.0	40.0	1,160	40.0	0.0
1,000	0.0	0.0	1,000	80.0	0.0
900	0.0	0.0	900	80.0	0.0

NOTE: Gross NAV is equal to the NAV before accrual for Performance Fees. The Equalization Credit remaining against future performance fees does not accrue interest; rather, these funds are at risk with other monies in the Fund and will appreciate or depreciate accordingly.

REDEMPTION PROCEDURE

Shareholders may redeem their Shares as of the last day of each calendar quarter (the "Redemption Date), upon 45 days written notice. The amount payable in redemption of the Shares is equal to the "net asset value" of such Shares as of the Redemption Date (the "Redemption Price"). A Shareholder wishing to redeem his Shares is required to deliver to the Fund's Investment Manager, at least 45 days prior to the Redemption Date, a written redemption request indicating the number of Shares to be redeemed. The redemption request must be accompanied by: (i) the share certificate(s) if issued, representing the Shares to be redeemed, if issued, and (ii) a certification (in a form furnished by or satisfactory to the Fund) identifying all Shares which are directly or indirectly owned by such shareholder.

With respect to any partial redemption of Shares, a Shareholder may not make a partial redemption of less than US$100,000, and, in the case of a partial redemption, may not reduce such Shareholder's unredeemed Shares to an amount less than the minimum investment then required of new Shareholders. Also, in order to be considered a partial redemption, the redemption cannot exceed 90% of a Shareholder's total capital account.

Payment in U.S. dollars of the Redemption Price will be made as soon as practicable but, except in cases where share certificates and share transfers are not delivered, the shareholder will receive at least 90% of the Redemption Price no later than thirty (30) days following the date of redemption, with the balance paid within fifteen days after the receipt by the Fund of its audited annual financial statements for the fiscal year. The Investment Manager has the right to make payment on such redemption in securities owned by the Fund. The Investment Manager may, in its discretion, deduct from any redemption proceeds an amount determined by the Investment Manager to represent the transaction costs and related expenses incurred by the Fund in connection with the processing of redemptions.

The Investment Manager also has the right to force the complete redemption of any Shareholder at any time at the Investment Manager's sole discretion.

The Fund has the power to suspend the redemption of Shares in the following circumstances:

(a) During any period with the New York Stock Exchange, or any other securities exchange or board of trade or other contract market on which a significant portion of the Fund's assets is ordinarily traded, is closed (other than for holidays) or trading thereon has been restricted or suspended;

(b) When, for any reason, the value of the Fund's assets cannot be accurately ascertained;

(c) During any state of affairs which, in the judgment of the Investment Manager, would render disposition of the Fund's assets impracticable or be seriously prejudicial to the Fund's Shareholders; or

(d) When, in the opinion of counsel to the Fund, such redemption could result in adverse tax consequences to the Fund or its Shareholders.

The Fund will promptly notify Shareholders of the suspension of redemptions for any reason.

Sales and Transfers of Shares. The Fund has the authority to issue additional Shares following the initial offering, either through the resale of Shares tendered for redemption or through the issuance of authorized but previously unissued Shares. The subscription price payable for any Shares which may be issued in the future will be the net asset value of such Shares determined at the time of issuance.

Restrictions on Ownership and Transfer; Compulsory Redemptions. The Fund's Articles of Association provide that Shares may be owned only by (i) a limited number of pension and profit sharing trusts, charities and other entities which are generally tax-exempt under U.S. Federal income tax laws ("U.S. tax-exempt entities"); and (ii) otherwise, only by persons who are not "United States persons". For this purpose, the term "United States person" is defined in the Fund's Articles of Association to include: (a) a United States citizen or a "resident" of the United States (as defined for United States federal income tax purposes); (b) a corporation, partnership, trust or other entity organized or created under the laws of the United States; or (c) any organization or entity controlled by a person or persons described in (a) or (b) or in which such persons are known to be the owners of a majority of the beneficial interests therein, as shareholders, partners, beneficiaries or otherwise, whether directly or indirectly either through other organizations or entities, or through any other arrangement.

Each subscriber for Shares which is not a U.S. tax-exempt entity will be required to certify to the Fund: (i) the identity of the person or persons on whose behalf the Shares are being acquired and (ii) that the Shares are not being acquired and will not at any time be held for the account or benefit, directly or indirectly, of any United States persons. Shareholders are required to notify the Fund immediately of any change in such information. It is the responsibility of each investor to verify that he is not a United States person. For this purpose, investors should be aware that United States federal income tax laws contain specific definitions of the terms "resident alien" and "nonresident alien", which must be taken into account in making this determination.

Each subscriber will be required to agree that no Shares, nor any interest therein, will be transferred without the prior consent of the Investment Manager or Administrator, which consent may be withheld in the discretion of the Investment Manager or Administrator and that, prior to considering any request to permit a transfer of shares, the Investment Manager or Administrator may require the submission by the proposed transferee of a certification as to the matters referred to in the preceding paragraph, as well as such other documents as the Investment Manager or Administrator considers necessary. The Fund's Memorandum and Articles of Association provide, and each subscriber for Shares is required to agree, that: (i) any attempted transfer in violation of the foregoing restrictions shall be invalid, and (ii) if the Fund has reason to believe that a Shareholder has violated the applicable restrictions on transfer or that any material matters set forth in the certifications referred to in the preceding paragraph were false, the Fund may redeem all Shares held by such shareholder compulsorily.

Voting and Other Rights. Each Share is entitled to one vote on any matter presented to a meeting of Shareholders. Shareholders will receive at least 30 days' notice of any Shareholders' meeting (or 10 days' notice if the Board of Directors determines that prompt shareholder action is advisable) and will be entitled to vote their Shares either personally or by proxy. If the proxy sent to a Shareholder with the notice of meeting is not completed and received at the Company's registered office prior to the meeting, Shares held by such Shareholder will be voted in the discretion of the attorney-in-fact designated in the Subscription Agreement executed by such Shareholder at the time the Shares were issued. At any meeting of Shareholders, a majority of the Shares represented in person (including representation by the attorney-in-fact) or by proxy at the meeting will be sufficient for the transaction of business.

The Administrator will maintain a current stock register for all Shares. All Shares will be issued in registered form. The Fund will not issue certificates in bearer form. All Shares, when issued and paid for, will be fully paid and non-assessable and Shareholders will have no personal liability for the debts of the Fund. The Shares have no preemptive rights.

In the event of the dissolution of the Fund, the Fund is authorized to distribute amounts due to Shareholders, in accordance with their respective interests, either in cash or in the form of portfolio securities or other assets.

DETERMINATION OF NET ASSET VALUE

The Investment Manager will value or arrange for the valuation of the securities and other assets of the Fund as of the close of business on the last day of each month in accordance with generally accepted accounting principles. For the purpose of calculating the Net Asset Value of the Fund, the Administrator will rely solely on the valuation of the Master Fund as provided by the Investment Manager. The "net asset value" of the Shares, for purposes of computing the redemption price applicable to such Shares and the minimum issue price applicable to such Shares after their initial offering, will be determined as follows:

1. **Total Net Assets.** The value of the "total net assets" of the Fund as of a particular date will be computed by subtracting from the total value of all securities and other assets of the Fund an amount equal to all accrued debts, liabilities and obligations of the Fund (including any contingencies for which it is determined that any accrual should be made).

2. **Net Asset Value.** The total net assets are allocated pro rata, on a share for share basis, to each outstanding Share. The net asset value of each Share is equal to the amount of such total net assets divided by the number of Shares outstanding on the date as of which the valuation is being made (with due account being given to any Shares "deemed issued" to the Managers under their respective agreements with the Fund). Net asset value determinations for the Fund will be made in accordance with United States generally accepted accounting principles in which the following principles are observed.

In general, portfolio securities will be valued at the last sales price reported on securities exchanges, or quoted in the NASDAQ National Market System, or at the last reported bid price in the case of other over-the-counter securities (or listed securities for which there have been no sales on the determination date) held long, or the last reported asked price in the case of other over-the-counter securities (or listed securities for which there have been no sales on the determination date) sold short.

Forward contracts will be valued based upon the closing quotations reported for the same on the principal board of trade or other contract market in which dealings are made or by quotations from the counterparty bank. Swap positions will be valued at the average secondary trading market price, as obtained from dealers in such market.

Commodities and commodity futures, if utilized by the Fund, will be valued based upon the closing quotations reported for the same on the principal board of trade or contract market in which dealings are made. If a futures contract cannot be liquidated, due to the operation of daily limits or otherwise, on a day when net assets are determined, a value determined to be fair and reasonable by the Investment Manager shall be used.

Listed securities options traded on an exchange will be valued at their last sales prices on the date of determination on the principal exchange on which such options shall have traded on such date (or, in the event that the date of determination is not a date upon which exchange on which such options are traded was open for trading, on the last prior date on which such exchange was so open), or if no sales occurred on either of the foregoing dates, at the mean between the "bid" and "asked" prices on the principal securities exchange on which such options are traded, on the date of determination (or, in the event that the date of determination is not a date upon which such securities exchanges was open for trading, on the last prior date on which such securities exchange was so open). Premiums received for the writing of listed securities options written by the Fund will be included in the assets of the Fund, and the market value of such options will be included as a liability of the Fund.

Over-the-counter options will be valued at fair value, as determined by the Investment Manager, based upon representative brokers' bids or valuations. If such bids or valuations are not available, or, in the opinion of the Investment Manager, do not represent fair value, over-the-counter options will be valued as the Investment Manager deems fair and reasonable.

In the absence of quoted values, or for assets which are not readily marketable, valuations will be at fair market value as determined by the Investment Manager.

FEES, COMPENSATION AND EXPENSES

Expenses. The Fund will bear all of the continuing offering costs (including legal expenses incident thereto) and all other expenses incurred in the operation of the Fund, if any, including the ordinary and necessary expenses directly related to its investment activities, including brokerage commissions, exchange fees, interest and commitment fees on loans and debit balances, all administration fees and all legal and auditing fees, including any legal and auditing fees that relate to extraordinary circumstances, such as tax examinations or litigation involving the Fund. As noted above, the Fund invests its assets through a "master-feeder" fund structure in the Master Fund. Each investment vehicle, including the Fund, that invests in the Master Fund will indirectly bear the administrative and other expenses of the Master Fund pro rata based upon its interest in the Master Fund. It is anticipated that virtually all expenses will be incurred at the Master Fund level and therefore that expenses incurred directly by the Fund will be relatively small. If expenses are incurred by the Fund requiring payment by the Fund, the Fund may make a

withdrawal of a portion of its interest in the Master Fund (within the limitation imposed by the Master Fund) in order to pay those expenses.

Management Fee. The Investment Manager will receive a quarterly fixed fee equal to one half of one percent (0.50%) of the Net Asset Value (as defined) of the Fund as of the last day of each calendar quarter (equivalent to 2% per annum) The Management Fee will be paid to the Investment Manager within three business days after the close of each calendar quarter. In the discretion of the Investment Manager, certain shareholders may be assessed a Management Fee in a different amount.

Performance Fee. The Investment Manager will receive contingent fees, for each calendar year or otherwise determined upon the redemption of any Common Stock, with respect to such redeemed Common Stock, respectively, (each a "Performance Period") of the Fund (the "Performance Fee"), in an amount equal to 20% of the increase of the Fund's per Share Net Asset Value, if any, after adjustment for additional contributions and/or redemptions. The Investment Manager may elect to defer all or part of Performance Fee amount for two years, 10 years, or any period in between. If the Investment Manager elects to defer all or part of its Performance Fee, that deferred amount is treated as if it were invested in newly issued common stock of the Fund as of the last day of the Performance Period. The deferred amount then rises and falls with the value of the Fund's Shares.

If the Fund incurs a net loss during the Performance Period, the Investment Manager will not receive any Performance Fees unless and until the amount of such net loss applicable to each and every Share of the Fund's stock which experienced such net loss (and which remains outstanding at the time the subsequent profit occurs) has been recouped in full.

As noted above, the Fund invests all of its assets through a "master-feeder" fund structure in the Master Fund, a Cayman Islands limited partnership. The Limited Partnership Agreement of the Master Fund provides that the General Partner shall be paid a fixed fee for each quarter in an amount equal to 0.5% of the net assets of the Master Fund before any Incentive Fee allocation and an incentive allocation equal to 20% of the net profits of each limited partner in the Master Fund. However, to the extent the Fixed Fees or Incentive Fees are paid by the Master Fund, such Fixed Fee and Incentive Fee amounts will not be charged at the Investor Fund level.

The Management Agreement recognizes that the Investment Manager has investments of its own and is acting as investment manager for others. The Management Agreement further recognizes that the Investment Manager may become associated with other investment entities and engage in investment management for others. The Investment Manager or its affiliates are not limited or restricted from engaging in or devoting time and attention to the management of any other business, whether of a similar or dissimilar nature, or to render services of any kind to any other corporation, firm, individual or association. As a result, the Investment Manager and its affiliates and other clients may hold substantial positions in securities that are owned by the Fund. If the Investment Manager and its affiliates and other clients hold a substantial position in an issuer, liquidity and concentration considerations may limit the ability of the Investment Manager to add to the position on behalf of the Fund or other clients or to readily dispose of the position. The Investment Manager may on occasion give advice or take action with respect to those accounts that differs from the advice given with respect to the Fund. See discussion above under "Conflicts of Interest."

DIVIDEND POLICY

The declaration of dividends on the Shares will be in the discretion of the Board of Directors, and dividends may be declared only out of retained earnings. The Fund does not presently intend to pay dividends on its Shares.

TAXATION

THE FOLLOWING IS A SUMMARY OF CERTAIN U.S.. AND B.V.I. TAX CONSIDERATIONS AFFECTING THE FUND AND ITS SHAREHOLDERS. WHILE THE FOLLOWING SUMMARY IS BELIEVED TO BE ACCURATE AS OF THE DATE HEREOF, A SHAREHOLDER'S OWN CIRCUMSTANCES MAY RENDER THE FOLLOWING SUMMARY INACCURATE OR INCOMPLETE. THUS, THE FOLLOWING SUMMARY SHOULD NOT BE CONSTRUED AS BINDING OR AUTHORITATIVE ADVICE TO ANY ACTUAL OR PROSPECTIVE SHAREHOLDER. ANY ACTUAL OR PROSPECTIVE SHAREHOLDER IS URGED TO CONSULT HIS OR HER OWN TAX ADVISOR REGARDING THE TAX CONSIDERATIONS RELEVANT TO AN INVESTMENT IN THE FUND.

United States Federal Income Taxation of the Fund.

1. Neither the Master Fund nor the Fund will be subject to any income, withholding or capital gains taxes in the Cayman Islands or the British Virgin Islands.

2. Under present law, the Fund will not be subject to any United States federal income tax on its capital gains whether from sources within or without the United States to the extent that such gains are not derived from securities classified as United States real property interests within the meaning of Section 897 of the Internal Revenue Code of 1986, as amended (the "Code"). In this connection, the Fund does not presently intend to acquire any securities which would be classified as United States real property interests.

3. The only United States income taxes which will be payable by the Fund on its income from dividends and interest is the 30% withholding tax applicable to dividends and certain interest income considered to be from sources within the United States. Certain debt obligations which may be acquired by the Fund will not be subject to the 30% withholding tax. The Fund generally intends to invest its cash reserves in short-term debt obligations the interest on which is not subject to 30% withholding.

4. Shareholders who are not residents of the British Virgin Islands will not be subject to any income, withholding or capital gains taxes in the British Virgin Islands with respect to the shares of the Fund owned by them and dividends received on such shares, nor will they be subject to any estate or inheritance taxes in the British Virgin Islands.

5. Shareholders who are not residents of the Cayman Islands will not be subject to any income, withholding or capital gains taxes in the Cayman Islands with respect to the shares of the Fund owned by them and dividends received on such shares, nor will they be subject to any estate or inheritance taxes in the Cayman Islands.

6. Shareholders that are neither citizens nor residents of the United States and are not engaged in a trade or business in the United States will not be subject to any United States federal income, withholding, capital gains, estate or inheritance taxes with respect to shares of the Common Stock owned by them and dividends received on such shares.

U.S. Shareholders. As noted above, shares in the Fund may be sold to a limited number of U.S. investors who are pension and profit sharing trusts or other organizations which are generally exempt under U.S. federal income tax laws ("U.S. tax-exempt entities"). The U.S. tax-exempt entities in the Fund may not exceed 100 in number. Because the Fund is a "passive foreign investment company" ("PFIC") as defined in Section 1297 of the U.S. Internal Revenue Code of 1986, as amended, (the "Code"), any U.S. tax-exempt entities will be subject to certain filing requirements in the United States. A U.S. tax-exempt entity which does not borrow money or otherwise use leverage in acquiring Shares in the Fund should not be subject to U.S. federal income tax under the PFIC provisions of the Code on any dividends from the Fund or on any sale or redemption of its Shares in the Fund.

While the Fund may purchase securities on margin, borrow money and otherwise use leverage in connection with its investments, under present U.S. tax law that leverage should not be attributed to U.S. tax-exempt entities who are shareholders in the Fund. Thus, assuming that a U.S. tax-exempt entity does not borrow money or otherwise use leverage in acquiring Shares in the Fund, any dividends from the Fund or gain on the sale or redemption of shares in the Fund should not constitute "unrelated debt-financed income" as defined in Section 514 of the Code, or "unrelated business taxable income" as defined in Section 512 of the Code, to such U.S. tax-exempt entity.

However, under certain proposed U.S. tax legislation, a portion of the dividends received by a U.S. tax-exempt entity, as well as a portion of any gain derived by such an entity from a sale or redemption of Shares, would be treated as "unrelated debt-financed income" if that entity were to hold 10 percent or more of the outstanding shares of the Fund (directly or by attribution from related parties). It cannot be predicted whether this proposed legislation will become law and, if so, what form the law would ultimately take.

The Fund will monitor its shareholders in an attempt to ensure that the Fund is not more than 50% owned by such U.S. tax-exempt entities, so that the Fund will not be a "controlled foreign corporation" as defined in Section 957 of the Code.

ERISA Matters. The Fund will not accept any contributions from shareholders that are pension plans or similar pension or retirement trusts (all such entities being herein called "Retirement Trusts") if, after such contribution, the Shares in the Fund held by such Retirement Trusts would represent 25% or more of the total outstanding shares in the Fund. If the shares held by such Retirement Trusts were to exceed this 25% limit, then the Fund's assets would be considered "plan assets" under the U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA"), which could result in adverse consequences to the Investment Manager and the fiduciaries of the Retirement Trusts.

* * * * *

THE FOREGOING TAX SUMMARY DOES NOT ADDRESS TAX CONSIDERATIONS WHICH MAY BE APPLICABLE TO CERTAIN SHAREHOLDERS UNDER THE LAWS OF JURISDICTIONS OTHER THAN THE UNITED STATES OR THE BRITISH VIRGIN ISLANDS. ACCORDINGLY, ALL PERSONS INTERESTED IN PURCHASING THE SHARES SHOULD INFORM THEMSELVES AS TO ANY INCOME OR OTHER TAX CONSEQUENCES PARTICULAR TO THEIR CIRCUMSTANCES ARISING IN THE JURISDICTION IN WHICH THEY ARE RESIDENT OR DOMICILED FOR TAX PURPOSES IN CONNECTION WITH THE ACQUISITION, HOLDING OR DISPOSITION OF THE SHARES.

MISCELLANEOUS

Reports to Shareholders. The fiscal year for the Fund will be the calendar year. The Administrator will furnish each Shareholder an annual report, including audited financial statements, within 120 days following the close of each fiscal year. Quarterly investment reports will also be sent after the close of each interim quarterly period.

Accountants and Auditors. Auditors of the Fund's annual financial statements will be selected annually by the Fund's Board of Directors. The Fund's initial 12/31/02 auditors will be PricewaterhouseCoopers.

APPENDIX A

SUBSCRIPTION DOCUMENTS

SUBSCRIPTION AGREEMENT AND STANDING PROXY

To: Epsilon Global Active Value Fund II Ltd.
c/o UBS Fund Services (Cayman) Ltd.
UBS House
227 Elgin Avenue
P.O. Box 852GT
Grand Cayman, Cayman Islands
Fax: 1-345-914-4060

Please fill in the following information:

Amount of Subscription in U.S. Dollars: $ 10,000,000.—

I/We hereby apply to subscribe to purchase as many shares in Epsilon Global Active Value Fund II Ltd. (the "Fund") as may be purchased with above amount upon the terms of the Confidential Offering Memorandum of the Fund, as it may be amended, which I/we have received and read. I/We acknowledge that I am/we are able to afford a shareholding in a venture having the risks and objectives of the Fund.

I/We declare the following: (1) the Shares hereby subscribed for are not being (i) acquired directly or indirectly by, and (ii) will not be transferred directly or indirectly to, (A) any individual who is a citizen, national or resident of the United States of America, (B) a corporation, partnership, association, joint-stock company, trust, fund, or any organized group of persons whether incorporated or not, created, organized or existing in, or organized and existing under the laws of the United States of America or any state, territory or possession thereof, or any other trust or estate, other than an estate or trust the income of which from sources outside of the United States of America is not includible in gross income for purposes of computing United States income tax payable by it, (C) any other trust in which one or more of the persons specified in clause (A) and (B) above have a cumulative direct or indirect beneficial interest in excess of 50 percent of the value of the trust, (D) any other non-corporate entity in which one or more of the persons specified in clause (A) or (B) above, directly or indirectly, have more than a 50 percent beneficial interest, (E) any other corporation in which one or more of the persons specified in clause (A) or (B) above, directly or indirectly, own stock possessing more than 50 percent of the total combined voting power of all classes of stock entitled to vote, or more than 50 percent of the total value of shares of all classes of stock, and (F) any other corporation, partnership, association, joint-stock company, trust, fund, organized group or persons whether incorporated or not with respect to which one or more of the persons specified in clauses (A) or (B) above have the power to exercise a controlling influence over the management or policies, unless such power is solely the result of an official position with such company ("U.S. Person"); (2) no offer to purchase such shares was made to me/us while I was/we were in the United States; (3) I/We did not agree to purchase such Shares while in the United States; and (4) I/We will not attempt by any means, to offer, originate or execute an agreement to sell such Shares while in the United States.

If the subscriber is a bank or broker-dealer, the subscriber hereby represents and warrants, when it is acquiring Shares on behalf of clients for investment purposes, that such clients are not U.S. Persons, that it will notify the Fund if it shall come to its knowledge that any such client is or has become a U.S. Person, that it will not at any time knowingly transfer or deliver the Shares or any part thereof or interest therein to a U.S. Person, and that it will not make any transfer thereof in the United States of America, its territories or possessions.

I/We declare that in subscribing for Shares in the Fund, I/each of us am/is a Professional Investor within the meaning of the Mutual Funds Act 1996, as amended in that:

[check one or both]

✓ My/our ordinary business involves, whether for my/our own account or the account(s) of (an)other(s), the acquisition or disposal of property of the same kind as the property, or a substantial part of the property which is (or will be) owned by the Company, as detailed in the Confidential Offering Memorandum of the Company.

____ My/our net worth (in the case of a natural person, whether individually or jointly with my spouse) exceeds US$1,000,000 or its equivalent in any other lawfully recognized currency and I/we consent to be treated as a Professional Investor for the purpose of an investment in the Company.

Shares will be held in book entry form for the subscriber, following acceptance, by the Administrator, UBS (Cayman Islands) Limited.

If requested, Share Certificates may be issued in the name of a nominee. If this facility is required, please fill in name of nominee:

_____

The Subscriber hereby designates and appoints UBS Fund Services (Cayman) Ltd., through its authorized officers and directors, with full power of subscription, as its true and lawful Proxy and Attorney-in-Fact for the purpose of voting the shares herein subscribed for as said Proxy may determine on any and all matters which may arise at any annual or special meeting of shareholders and upon which such shares could be voted by shareholders present in person at such meeting. This Proxy may be revoked by the owner of record of the shares hereby subscribed for, either personally or by presentation of a subsequently executed proxy at any annual meeting or special meeting of shareholders, or by written notice to UBS Fund Services (Cayman) Ltd., P.O. Box 852, George Town, Grand Cayman, Cayman Islands.

Signature Page for Subscription by an ENTITY

SHARES TO BE REGISTERED AS FOLLOWS:

ENTITY OWNERSHIP - Check form of organization:

☐ CORPORATION - Please include certified resolutions (or similar documents) authorizing signature.

☐ PARTNERSHIP - Please include a copy of the partnership agreement (or similar document) authorizing signature.

☑ TRUST - Please include a copy of the trust agreement. Government Pension Plan (Municipal Corporation)

☐ BANK or BROKER-DEALER - See Page A-2

(Please print all information exactly as you wish it to appear on the Company's records.)

Seattle City Employees' Retirement System
(Name of Subscriber)

801 Third Avenue, Suite 300
(Address)

206-615-1424
(Telephone - Days)

USA
(Country of Formation)

206-954-5753 (cell)
(Telephone - Evenings)

The undersigned trustee, partner or officer warrants that he has full power and authority from all beneficiaries or partners or from the board of directors of the entity named below to sign this Share Application Form on behalf of the entity and that a purchase of Shares in Epsilon Global Active Value Fund II Ltd. is not prohibited by the governing documents of the entity.

Dated: 12/18/03

Signatures of Entity Subscriber(s)
(Please print name below each signature):

Seattle City Employees' Retirement System
(Name of Entity)

By: _____
(Trustee, partner or authorized corporate officer

Mel Robertson, Asst. Executive Director
(Name and Title)

By: _____
(Trustee, partner or authorized corporate officer

_____
(Name and Title)

SUBSCRIPTION INFORMATION

SHARE REGISTRATION INFORMATION

Seattle City Employees' Retirement System
Name

801 Third Avenue, Suite 300
Address

Seattle, WA, USA 98104
Country of Residence

206-615-1424
Telephone

206-954-5753 (cell)
Telephone (Evenings)

206-386-1506
Fax

MAILING (POST) INFORMATION (if other than address of registration)

REMITTING BANK

Wells Fargo
Name

Address

Seattle WA USA 98104
Country of Residence

206-684-5214 (Marilyn Minato) (Seattle City Treasury)
Telephone

Telephone (Evenings)

Fax

BANK FOR TRANSFERS in case of redemptions (if other than Name & Address of Remitting Bank):

EPSILON GLOBAL ACTIVE VALUE FUND II LTD.
SUBSCRIPTION AGREEMENT AND STANDING PROXY

Instructions

A. All Subscribers. Complete page A-2 by filling in the amount of the subscription; page A-3 by indicating whether the Shares are to be issued in book entry form or issued in the name of a nominee; and page A-6 by completing the necessary subscription information.

B. Subscriptions by Individuals. If a subscription is by an individual (including more than one), the "Signature Page for Subscription by an Individual" (page A-4) must be completed.

C. Subscriptions by Entities. If a subscription is by an entity (trust, partnership, corporation, bank or broker-dealer), the "Signature Page for Subscription by an Entity" (page A-5) must be completed.

D. Items to be delivered by All Subscribers.

(i) Completed and signed Share Application Form and corresponding signature page (pages A-2, A-3, A-4 or A-5, and A-6).

(ii) U.S. dollar denominated funds in the amount of the full purchase price for Shares. Wire transfer funds for the full amount of the subscription to the Company's subscription account at:

To:	UBS AG, Stamford Branch
ABA Fedwire:	0260-0799-3
SWIFT:	UBSWUS33XXX
For account of:	UBS Fund Services (Cayman) Ltd.
Account#:	101-WA-359025-000
For further credit to:	Epsilon Global Active Value Fund II Ltd.
Account#:	72162

(iii) Subscription documents should be delivered or mailed to Epsilon Global Active Value Fund II Ltd., c/o UBS Fund Services (Cayman) Ltd., UBS House, 227 Elgin Avenue, P.O. Box 852GT, Grand Cayman, Cayman Islands

Signature Page for Subscription by an INDIVIDUAL

SHARES TO BE REGISTERED AS FOLLOWS:

(Check One)

☐ INDIVIDUAL SUBSCRIBER ☐ CO-SUBSCRIBERS
(Both signatures required below)

(Please print all information exactly as you wish it to appear on the Company's records.)

_____
(Name of Subscriber)

_____ _____
(Address) (Telephone - Days)

_____ _____
(Country of Residence) (Telephone - Evenings)

_____
(Name of Co-Subscriber)

_____ _____
(Address) (Telephone - Days)

_____ _____
(Country of Residence) (Telephone - Evenings)

Dated: _____

Signatures of Individual Subscriber(s)
(Please print name below each signature):

_____

_____

_____

_____

EPSILON GLOBAL ACTIVE VALUE FUND II LTD.

Maximum Capitalization: 10,000,000 shares
Minimum Investment: US $2,000,000

CONFIDENTIAL OFFERING MEMORANDUM

THE DIRECT OR INDIRECT OFFER AND/OR SALE OF SHARES OF EPSILON GLOBAL ACTIVE VALUE FUND II LTD. TO CITIZENS NATIONAL OR RESIDENTS OF, OR INSTITUTIONS OR OTHER ENTITIES ORGANIZED, CHARTERED OR RESIDENT IN, THE UNITED STATES OF AMERICA, WITH THE EXCEPTION OF CERTAIN QUALIFIED TAX EXEMPT ENTITIES IS EXPRESSLY PROHIBITED

The date of this offering memorandum is 1 January 2004

EXHIBIT B

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INVESTOR NOTICES

THIS MEMORANDUM CONSTITUTES AN OFFER ONLY TO THE PERSON WHOSE NAME APPEARS IN THE SPACE PROVIDED ON THE COVER PAGE. DELIVERY OF THIS MEMORANDUM TO ANYONE OTHER THAN THE PERSON NAMED OR HIS DESIGNATED REPRESENTATIVE IS UNAUTHORIZED, AND ANY REPRODUCTION OF THIS MEMORANDUM, IN WHOLE OR IN PART, WITHOUT THE PRIOR WRITTEN CONSENT OF THE ADMINISTRATOR OF THE FUND, IS PROHIBITED.

* * * * * * * * *

THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL, OR A SOLICITATION OF AN OFFER TO BUY, SHARES IN THE FUND IN ANY JURISDICTION WHERE SUCH OFFER, SOLICITATION, PURCHASE OR SALE WOULD BE PROHIBITED BY LAW, OR TO ANY FIRM OR INDIVIDUAL TO WHOM IT WOULD BE UNLAWFUL TO MAKE SUCH AN OFFER, SOLICITATION, PURCHASE OR SALE.

* * * * * * * * *

THIS MEMORANDUM CONTAINS A SUMMARY OF THE MATERIAL PROVISIONS OF THE DOCUMENTS REFERRED TO HEREIN. STATEMENTS MADE WITH RESPECT TO THE PROVISIONS OF THOSE DOCUMENTS ARE NOT NECESSARILY COMPLETE, AND REFERENCE IS MADE TO THE ACTUAL DOCUMENT FOR COMPLETE INFORMATION AS TO THE RIGHTS AND OBLIGATIONS OF THE PARTIES HERETO.

* * * * * * * * *

SHARES ARE AVAILABLE ONLY TO PERSONS WILLING AND ABLE TO BEAR THE ECONOMIC RISKS OF THIS INVESTMENT. THE SHARES ARE SPECULATIVE AND INVOLVE A HIGH DEGREE OF RISK. INVESTMENT IN THE FUND IS DESIGNED ONLY FOR SOPHISTICATED PERSONS WHO ARE ABLE TO BEAR THE LOSS OF THEIR INVESTMENT.

* * * * * * * * *

NO OFFERING LITERATURE SHALL BE EMPLOYED IN THE OFFERING OF THE SHARES EXCEPT AS PROVIDED BY THE FUND, TOGETHER WITH THIS MEMORANDUM. NO PERSON HAS BEEN AUTHORIZED TO MAKE ANY REPRESENTATIONS OR PROVIDE ANY INFORMATION WITH RESPECT TO THE SHARES EXCEPT SUCH INFORMATION AS IS CONTAINED IN THIS MEMORANDUM. NEITHER THE DELIVERY OF THIS MEMORANDUM NOR ANY SALES MADE HEREUNDER SHALL UNDER ANY CIRCUMSTANCES CREATE AN IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE MATTERS DISCUSSED HEREIN SINCE THE DATE HEREOF.

* * * * * * * * * *

EACH INVESTOR AND HIS OR HER ADVISORS MAY INQUIRE ABOUT ANY ASPECT OF THE OFFERING. NO PERSON HAS BEEN AUTHORIZED TO MAKE ANY REPRESENTATION WITH RESPECT TO THE FUND, ITS INVESTMENT MANAGER, OR THIS OFFERING OTHER THAN THAT WHICH IS CONTAINED IN THIS MEMORANDUM. ANY REPRESENTATION NOT CONTAINED HEREIN MUST NOT BE RELIED UPON. NO REPRESENTATION IS BEING MADE HEREBY WITH RESPECT TO THE POTENTIAL RETURN TO BE DERIVED BY AN INVESTOR. ANY INFORMATION CONTAINED IN THE FUND'S PROMOTIONAL MATERIALS SHALL BE SUPERSEDED BY THE MEMORANDUM TO THE EXTENT SUCH MATERIALS ARE INCONSISTENT THEREWITH.

* * * * * * * * *

EACH INVESTOR IN THE SHARES OFFERED HEREBY MUST ACQUIRE SUCH SHARES SOLELY FOR SUCH INVESTOR'S OWN ACCOUNT AND NOT WITH AN INTENTION OF DISTRIBUTION, TRANSFER, OR RESALE, EITHER IN WHOLE OR IN PART. IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE PERSON OR ENTITY CREATING THE SECURITIES AND THE TERMS OF THIS OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY U.S. FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. THERE IS NO ESTABLISHED MARKET FOR THESE SECURITIES AND NONE WILL DEVELOP.

****

THE FUND IS SUBJECT TO CONFLICTS OF INTEREST.

MUTUAL FUNDS DISCLOSURE

The British Virgin Islands Mutual Funds Act 1996 (the "Act"), as amended, came into force on January 2nd 1998 with the aim of regulating open-ended Mutual Funds, and the Managers and Administrators of open-ended mutual funds.

Three types of funds, namely Private, Professional and Public Funds (each as defined in the Act) are regulated by the Act. It is intended that Epsilon Global Active Value Fund II Ltd. (the "Fund"), be recognized under the Act as a Professional Fund.

A Professional Fund is defined as a mutual fund:

a. the shares of which are made available only to professional investors and the initial investment in which, in respect of the majority of each such investors, is not less than one hundred thousand dollars in US currency or its equivalent in any other currency; or

b. is designated as a professional fund by regulations.

A "Professional Investor" is defined as a person whose ordinary business involves, whether for his own account or the account of others, the acquisition or disposal of property of the same kind as the property, or a substantial part of the property, of the fund or a person who has signed a declaration that he, whether individually or jointly with his spouse, has a net worth in excess of $1 million in United States currency or its equivalent in any other currency and that he consents to being treated as a professional investor.

The Act provides for a Professional Fund to be able to manage or administer its affairs in or from within the Territory for up to fourteen days before being recognized.

A recognized Professional Fund is required by the Act to pay an annual fee of US$350.

Recognition under the Act should not be taken to imply that the Fund has been approved by any regulatory authority in any country such as the United States, the United Kingdom or any other jurisdiction other than the BVI and it is intended that any potential shareholders of the Fund, participate on the basis that they can afford to lose all or a substantial portion of their investment.

ANTI-MONEY LAUNDERING

In order to comply with regulations aimed at the prevention of money laundering, the Fund will require verification of identity from all prospective investors (unless in any case the Fund is satisfied that an exemption under the Money Laundering Regulations 2000 of the Cayman Islands (the "Regulations") and the Code of Practice 1999 (the "Code of Practice") of the British Virgin Islands applies). Depending on the circumstances of each subscription, it may not be necessary to obtain full documentary evidence of identity where:

In the Cayman Islands:

(a) the prospective investor makes the payment for his investment from an account held in the prospective investor's name at a recognised financial institution;

(b) the prospective investor is regulated by a recognised regulatory authority and is based or incorporated in, or formed under the law of, a recognised jurisdiction; or

(c) the subscription is made by an intermediary acting on behalf of the prospective investor and such intermediary is regulated by a recognised regulatory authority and is based or incorporated in, or formed under the law of, a recognised jurisdiction.

In the British Virgin Islands:

(a) the investor is a "Regulated Person" as defined in the Code of Practice, carrying on business in the British Virgin Islands;

(b) the investor is an "authorized financial institution" as that term is used in the Code of Practice in a country or territory which is a member of the Financial Action Task Force (the "FAFT") or the Caribbean Financial Action Task Force (the "CFAFT") and which has anti-money laundering laws and procedures that are at least equivalent to the British Virgin Islands;

(c) the investor is acting in the course of a business in relation to which a "regulatory authority" as that term is used in the Code of Practice, outside the British Virgin Islands exercises regulatory functions and is based or incorporated in or formed under the law of a country or territory outside the British Virgin Islands which is a member of FATF or CFAFT and in which there are in force anti-money laundering laws or procedures that are at least equivalent to those of the British Virgin Islands;

(d) the subscription is made by an intermediary acting on behalf of the prospective investor and such intermediary is regulated by a recognized regulatory authority and is based or incorporated in, or formed under the law of, a recognized jurisdiction and the intermediary has entered into Terms of Business confirming compliance with the Code of Practice requirement to retain and provide due diligence records; and

(e) the investor is an attorney at law entitled to practice in the Territory of the British Virgin Islands or an accountant bound by anti-money laundering rules of its professional body equivalent to the Code of Practice.

For the purposes of the above-referenced exceptions in the Cayman Islands, recognition or classification of a financial institution, regulatory authority or jurisdiction will be determined in accordance with the Regulations by reference to those jurisdictions recognised by the Cayman Islands as having sufficient anti-money laundering regulations.

For purposes of the above-referenced exception in the British Virgin Islands, classification of a financial institution, regulatory authority or jurisdiction in which there are anti-money laundering laws and procedures that are equivalent to those of the British Virgin Islands will be determined in accordance with the Code of Practice by the relevant body in the British Virgin Islands.

The Fund reserves the right to request such information as is necessary to verify the identity of a prospective investor. The Fund also reserves the right to request such identification evidence in respect of a transferee of Shares. In the event of delay or failure by the prospective investor or transferee to produce any information required for verification purposes, the Fund may refuse to accept the application or (as the case may be) to register the relevant transfer and (in the case of a subscription of Shares) any funds received will be returned without interest to the account from which the monies were originally debited.

The Fund also reserves the right to refuse to make any redemption payment to a Shareholder if any of the Directors of the Fund or the Administrator suspects or is advised that the payment of any redemption moneys to such Shareholder might result in a breach or violation of any applicable anti-money laundering or other laws or regulations by any person in any relevant jurisdiction, or such refusal is considered necessary or appropriate to ensure the compliance by the Fund, its Directors or the Administrator with any such laws or regulations in any relevant jurisdiction.

If, as a result of any information or other matter which comes to his attention, any person resident in the Cayman Islands or the British Virgin Islands (including the Fund, its Directors and the Administrator) knows or suspects that another person is engaged in money laundering, such person is required to report such information or other matter pursuant to the Proceeds of Criminal Conduct Law (2001 Revision) of the Cayman Islands or the Code of Practice in the British Virgin Islands and such report shall not be treated as a breach of any restriction upon the disclosure of information imposed by law or otherwise.

DIRECTORY

FUND REGISTERED OFFICE

Epsilon Global Active Value Fund II Ltd.
Craigmuir Chambers
P.O. Box 71
Road Town, Tortola, British Virgin Islands

INVESTMENT MANAGER

Epsilon Investment Management L.L.C.
7280 W. Palmetto Park Road, Suite 310
Boca Raton, Florida 33433 U.S.A.
Phone: 561-237-0330
Fax: 561-237-0329

ADMINISTRATOR

UBS Fund Services (Cayman) Ltd.
UBS House
227, Elgin Avenue, P.O. Box 852
George Town, Grand Cayman
Cayman Islands

PRIME BROKER AND CUSTODIAN

Goldman Sachs & Co.
One New York Plaza
New York, New York 10004
U.S.A.

ACCOUNTANTS AND AUDITORS

PricewaterhouseCoopers
Hofplein 19
3032 AC Rotterdam
The Netherlands

COUNSEL

Monahan & Biagi, P.L.L.C.
701 Fifth Avenue, Suite 2800
Seattle, Washington 98104
U.S.A.

SUMMARY OF THE CONFIDENTIAL OFFERING MEMORANDUM

THE FOLLOWING IS A SUMMARY OF THIS CONFIDENTIAL OFFERING MEMORANDUM (THE "MEMORANDUM"). THIS SUMMARY IS QUALIFIED IN ITS ENTIRETY BY THE MORE DETAILED INFORMATION APPEARING ELSEWHERE HEREIN, AND THE DESCRIPTION OF ANY DOCUMENT IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH DOCUMENT. AN INVESTMENT IN THE FUND IS SPECULATIVE AND INVOLVES SUBSTANTIAL RISKS. EACH SHAREHOLDER MAY LOSE HIS ENTIRE INVESTMENT (INCLUDING ANY PROFITS, WHETHER OR NOT DISTRIBUTED). SEE "RISK FACTORS."

The Fund

Epsilon Global Active Value Fund II Ltd. (the "Fund") is a corporation formed under the laws of the British Virgin Islands. All assets of the Fund are, and the proceeds from the sale of additional shares of Common Stock in the Fund will be, invested through a "master-feeder" fund structure in Epsilon Global Master Fund II, L.P., a limited partnership formed under the laws of the Cayman Islands ("Master Fund"). The General Partner of the Master Fund is Epsilon Global Asset Management Ltd. ("the General Partner"), a corporation formed under the laws of the Cayman Islands. Other "feeder funds" investing in the Master Fund include Epsilon Global Active Value Fund II, L.P.,, Epsilon Global Active Value Fund II-B, L.P., Epsilon Global Active Value Fund II-G, L.P., each a U.S. partnership organized for U.S. investors, and Epsilon Global Active Value Fund II-G Ltd., a BVI international business company. Other investment vehicles may be formed in the future to invest in the Master Fund. Each such investment vehicle will invest in the Master Fund on substantially the same terms and conditions as the Fund and therefore will generally be allocated a proportionate share of the Master Fund's gains, losses and expenses based on their interest in the Master Fund, adjusted for any differences in fees. It is also noted that the Fund is authorized to invest outside of the Master Fund, although it does not currently anticipate that it will do so.

Investment Objective

The Fund's investment objective is capital appreciation with risk control. The Fund seeks to achieve a superior absolute return by employing various investment strategies.

Investment Manager

The Investment Manager of the Fund is Epsilon Investment Management L.L.C. (the "Investment Manager" or "Epsilon"), a Delaware limited liability company. Under the direction, supervision and control of the Directors of the Fund or their designee(s), Epsilon will be responsible for the analysis and recommendations related to the trading and investment decisions of the Fund. The Investment Manager will receive such fees as are agreed to between the Fund and the Investment Manager.

Directors

The Directors of the Fund are Mr. Steve G. Stevanovich and Mr. Alberto Clodoaldo D'ABREU DE PAULO.

Administrator

UBS Fund Services (Cayman) Ltd. ("UBS") serves as the Fund's Administrator, and will communicate with the Fund's shareholders.

Auditors

The Fund's books of account will be audited each year by the Fund's independent auditors, PricewaterhouseCoopers.

Prime Broker & Custodian

The Fund's principal prime broker and custodian is Goldman Sachs & Co., New York.

Indemnification

Neither the Administrator, the Investment Manager, nor any of their respective officers, directors, employees or agents ("Indemnified Parties"), shall be liable, in damages or otherwise, to the Fund or the Shareholders for any act or omission performed or omitted by any of them unless such act or omission results from willful misconduct, fraud or bad faith. The Fund will indemnify and hold

harmless all Indemnified Parties from and against any and all claims or liabilities of any nature whatsoever, including attorneys' fees, arising out of or in connection with any action taken or omitted by any Indemnified Party, unless such act or omission results from willful misconduct, fraud or bad faith.

Fees and Expenses Payable by the Fund

The Fund pays or causes to be paid its own fees and expenses, including all legal and accounting expenses.

Fixed Fee

As stated above, the assets of the Fund will be invested through the Master Feeder structure. The General Partner of the Master Fund will receive, in consideration for its services to the Fund, a quarterly fixed fee in an amount equal to one half of one percent (2% per annum) of the Fund's net assets, determined as of the close of each calendar quarter (the "Fixed Fee"). In the discretion of the Fund , certain shareholders may be assessed a Fixed Fee in a different amount. To the extent that any Fixed Fees are paid to the General Partner by the Master Fund with respect to investments made by the Fund, no Fixed Fee amounts will be charged at the Fund level.

Contingent Fee

The General Partner will receive a contingent fee for each fiscal year or otherwise determined upon the redemption of any Common Stock, with respect to such redeemed Common Stock, respectively, (each a "Performance Period") equal to 20% of the amount, if any, of the net appreciation of the Fund's net assets during that Performance Period. To the extent that the Contingent Fees are paid to the General Partner of the Master Fund by the Master Fund for investments made by the Fund, no Contingent Fees will be charged at the Fund level.

If the Fund incurs a net loss during a fiscal year, the General Partner may not receive any contingent fees from the Fund in a subsequent fiscal year unless and until the amount of such net loss applicable to each and every Share which experienced such net loss (and which remains outstanding at the time the subsequent profit occurs) has been recouped in full.

Reports

Within 120 days following the conclusion of each fiscal year, each Shareholder will receive an annual report (together with an annual audited financial statement) describing the results of the Fund's trading activities for that fiscal year. The annual report will be audited by the Fund's independent public accountants. Each Shareholder will also receive a quarterly investment report, describing the Fund's activities in such detail, as the Fund, in its sole discretion, shall determine. The Fund reports its results in U.S. dollars.

Fiscal Year

The fiscal year of the Fund shall end on December 31 of each year, and the fiscal quarters of the Fund shall end on March 31, June 30, September 30 and December 31 of each year; provided, however, that the Fund's initial fiscal year shall begin on the date the Fund commences operations and shall end on the following December 31.

Terms of Investment

Shares

The Fund will issue shares of common stock ("Shares"). Each of the Shares is entitled to participate ratably, on a share for share basis, with all outstanding Shares, in the Fund's earnings and assets. Purchasers of Shares are referred to herein as Shareholders. With the exception of certain pension and profit sharing trusts, charities and other entities which are generally tax-exempt under U.S. Federal income tax laws ("U.S. tax-exempt entities"), ownership of Shares will be restricted to persons other than "United States persons." "United States persons" are defined to include (i) a citizen or resident of the United States; (ii) a corporation, partnership, trust, or other entity organized or created under the laws of the United States; or (iii) any organization or entity controlled, directly or indirectly, by a person or persons described in (i) or (ii), or in which such persons are known to be the owners, directly or indirectly, of a majority of the beneficial interests therein.

Minimum Subscription

The minimum subscription for Shares is US$2,000,000, subject to the Fund's discretion to accept lesser amounts.

Subscription Procedure

The Fund offers its shares on a continuous basis at a price per Share equal to the Net Asset Value (the "NAV") per Share as of date of issuance, plus any applicable subscription charges. A deposit to a Contingent Fee Reserve may be required in certain circumstances, and further adjustments to the number of Shares may be required in accordance with an Equalization Credit (See "Equalization Adjustments" for a more detailed description of Equalization Accounting). Subscriptions received during any monthly period will ordinarily be accepted as of the first day of the following monthly period, i.e., subscriptions received between March 1 and March 31 will be accepted as of April 1. The Fund may, in its discretion, accept subscriptions on a day other than the first day of a month. The Fund will issue number of shares by dividing subscription amount by per share price rounded to 2 decimal places.

All persons desiring to subscribe for and purchase Shares should complete, execute and deliver a Subscription Agreement to the Fund. Subscription Instructions are attached to this Memorandum as Exhibit A-1. The Subscription Agreement is attached to this Memorandum as Exhibit A-2.

Shares will generally be issued on the first day of the month following the acceptance of a subscription (the "Closing Date"). The subscriber's payment for his or her Shares must be made at least one Business Day prior to the Closing Date.

Payments should be made by wire transfer of immediately available funds to the Fund's account as follows:

To:	UBS AG, Stamford Branch
ABA Fedwire:	0260-0799-3
SWIFT:	UBSWUS33XXX
For account of:	UBS Fund Services (Cayman) Ltd.
Account#:	101-WA-359025-000
For further credit to:	Epsilon Global Active Value Fund II Ltd.
Account#:	72162

All subscriptions for Shares are irrevocable by the subscriber upon acceptance by the Fund. The Fund or Investment Manager may reject any subscription for any reason.

Potential investors, by accepting delivery of this Memorandum, agree to return this Memorandum, including Exhibits hereto, if (i) such potential investor does not subscribe for Shares, (ii) such potential investor's subscription is not accepted, or (iii) the offering is terminated before the sale to such potential investor is consummated.

Solicitation of Subscriptions

There are no underwriting arrangements with respect to the offering of Shares. All solicitations of subscriptions will be made directly by the Company or through the assistance of unaffiliated placement agents and money managers. Such unaffiliated placement agents and money managers may charge their clients a placement fee of up to 5% of the total amount of the subscription for Shares sold with their assistance. The unaffiliated placement agents and money managers may rebate all or a portion of such fees to their clients.

Limited Transferability

Each potential investor must represent that they will acquire the Shares only for investment purposes and not with a view to resale or distribution. No Shareholder may transfer Shares without the prior written consent of the Investment Manager and on terms acceptable to Administrator.

Redemption Procedure

Upon 45 days' prior written notice to the Fund, each Shareholder may request that the Fund redeem all or part of such Shareholder's Shares as of the close of business on the last day of the calendar quarter.

With respect to any partial redemption, a Shareholder may not make a partial redemption of less than US$100,000 and may not reduce such Shareholder's unredeemed Shares to an amount less than the minimum investment then required of new Shareholders. Also, in order to be considered a partial redemption, the redemption cannot exceed 90% of a Shareholder's total capital account. In any case, the redemption price shall be the NAV of the redeemed Shares, as calculated at the end of the applicable measurement period.

The Fund also has the right to force the complete redemption of any Shareholder at any time at the Investment Manager's sole discretion.

THE FUND

Epsilon Global Active Value Fund II Ltd. (The "Fund") incorporated in the territory of the British Virgin Islands (the "BVI") as an international business company. The registered office of the Fund is located in Tortola, British Virgin Islands.

Shareholders have the right to purchase additional shares on a monthly basis (see "Offering of the Shares") and to redeem shares as of the last day of end of fiscal quarter on at least 45-days notice (see "Redemption Procedure").

INVESTMENT OBJECTIVES

The Fund's investment objective is capital appreciation with risk control. The Investment Manager seeks superior absolute returns while reducing the risk of permanent impairment to capital. To accomplish this objective, the Investment Manager employs global opportunistic, distressed and event-driven value investing across a variety of security types and asset classes.

INVESTMENT PRINCIPLES

The Fund seeks investment opportunities and deploys capital on a global basis. The Fund's opportunistic investment style may lead to investments in capital structure restructuring, the equity or high yield debt of distressed or mismanaged companies which may be in default or in bankruptcy, private corporate debt such as bank debt or trade claims, sovereign debt, convertible securities and special situations including turnarounds, mergers, spinoffs, restructurings, recapitalizations and exchange offers. The Fund may also invest in privately negotiated and structured securities of public and private companies.

Analytical Methodology. The Fund believes that the market price of the various components of a capital structure are ultimately determined by enterprise value. Therefore, when evaluating the securities of distressed or mismanaged companies, the Fund attempts to determine the enterprise or "going concern" value of the company and then compares that value to the current market value of the company's securities. This analysis and comparison enables the Fund to determine which securities are incorrectly priced, and subsequently, offer the best risk/return. Factors considered by the Fund in assessing enterprise value are, among other things: (i) historical and discounted future levels of operating and free cash flow, (ii) current and likely future financing needs and alternatives, (iii) balance sheet structure including off balance sheet items, (iv) revenue and expense recognition policies, (v) industry standing, (vi) diversity of operations and (vii) background, operational experience and track record of management.

The application of the above analytical methodology not only enables the Fund to identify which securities it believes are undervalued, but also which securities are overpriced. Once identified, these overpriced securities may be sold short in anticipation of a future price decline.

Global Investments. In non-U.S. markets, the Fund may purchase U.S. dollar and non-U.S. currency denominated equity and debt securities of non-U.S. corporations, as well as the sovereign debt of various governments and the debt of their respective agencies or departments, which may be trading at distressed levels. The Fund may also purchase newly or recently privatized equity or debt securities of former state owned entities in private or open market transactions. When purchasing non-U.S. currency denominated securities, the Fund may hedge currency fluctuation risk, thereby minimizing the impact of negative currency movements.

Special Situations. The Fund focuses on corporate dislocations and discrete events such as a restructuring or a reorganization, the spinoff of a division or subsidiary, a recapitalization, an acquisition or merger, a tender offer, an asset sale or a regulatory shift. For example, in a restructuring, a company may sell, spinoff or close unprofitable or non-strategic portions of its business, thereby leaving a more focused core business. Additionally, the company may restructure its balance sheet by exchanging high interest rate debt for lower rated debt or equity or some combination thereof. The Fund seeks restructuring situations in an effort to identify companies whose core business or whose remaining or newly created securities are incorrectly priced by the market.

Risk Control. The Fund may attempt to reduce risk or to hedge positions, including the risk of non-U.S. currency fluctuations, with offsetting transactions, such as short sales and buying or selling options on the same or similar securities. The Fund analyzes the historical and probable price movements of certain securities against that of an

underlying security, in an effort to determine not only which securities offer the best hedge, but also which hedge ratio offers the best downside protection as well as upside potential. The Fund may also purchase and sell market or index options for hedging or speculative purposes.

MANAGEMENT OF THE FUND, THE INVESTMENT MANAGER AND OTHER RELATIONSHIPS

The Fund. The Fund's Board of Directors has overall management responsibility for the Fund, including establishing investment, dividend and distribution policy, and having the authority to select and replace the Fund's Administrator, any officers of the Company and other persons or entities with management or administrative responsibilities to the Fund. The Fund's Memorandum and Articles of Association provide that a Director shall not be liable to the Fund for any acts or omissions in the performance of his duties if such person acted honestly and in good faith with a view to the best interests of the Fund and, in the case of criminal proceedings, such a person had no cause to believe that his conduct was unlawful. Such Memorandum and Articles of Association contain certain provisions for the indemnification of Directors by the Fund, to the extent permitted by law, against liabilities to third parties arising in connection with the performance of their services. The Directors of the Fund are Mr. Steve G. Stevanovich and Mr. Alberto Clodoaldo d'ABREU DE PAULO, whose backgrounds are set forth below.

Mr. Steve G. Stevanovich is the Founder and President of both Westford Asset Management L.L.C. and Epsilon Investment Management L.L.C. Epsilon Investment Management L.L.C. is currently managing over $800 million in assets in various strategies. Mr. Stevanovich has over 19 years of experience in international investment management. During these 19 years, Mr. Stevanovich has developed an ability to assess and exploit capital structure mispricings on a global basis while utilizing various hedging techniques in an attempt to maximize capital preservation. Prior to founding Epsilon, Mr. Stevanovich was the Executive Vice President of Everest Capital Limited, a $1.4 billion global hedge fund. During the five and one-half years that Mr. Stevanovich spent at Everest, the fund had a compounded return of over 25% per annum. Prior to joining Everest Capital, Mr. Stevanovich had over seven years of experience in corporate finance and investment banking, most recently at Ingoldsby, O'Connor, Altwell & Company, a leveraged buyout firm in Boston where he was involved in analyzing and valuing companies in various industries and negotiating the capital structure and pricing of various transactions. Mr. Stevanovich has a BA in Economics from the University of Chicago and an MBA from the University of Chicago Graduate School of Business.

Alberto Clodoaldo d'ABREU DE PAULO is a Managing Director of Dutch Antilles Management N.V. He was born in Curacao on September 7th, 1938, residing at Plantage Klein Kwartier z/n, Curacao, Netherlands Antilles, with the personal title of "PRESIDENT".

Mr. Stevanovich and Mr. de Paulo are assisted by a team of investment professionals.

Epsilon Investment Management L.L.C. The Investment Manager of the Fund is Epsilon Investment Management, L.L.C. (the "Investment Manager" or "Epsilon"), a Delaware limited liability company. In its capacity as Investment Manager to the Fund, and under the direction, supervision and control of the Directors of the Fund or their designee(s), Epsilon provides services required for the Fund's operation including analysis and recommendations related to the fund's trading and investments transactions. Specifically, under the direction, supervision and control of the Fund, Epsilon aids in the management, investment and reinvestment of the Fund's assets, including the selection of securities brokers and banks. Steve G. Stevanovich, whose background is set forth above, is the sole manager of Epsilon. The Investment Manager and its investment professionals (or their families or related entities) have a significant portion of their net worth invested in the Funds they manage.

Investment Management Agreement. Under an Investment Management Agreement (the "Management Agreement") between the Investment Manager and the General Partner of the Master Fund, the Investment Manager will provide research, analysis and recommendations related to the investment and reinvestment the assets of the Fund in accordance with the investment objective and policies of the Fund set forth above. It is noted that the Investment Manager may also aid in the maintenance the Fund's financial records and computation the Fund's net asset value. For its services the Investment Manager will be paid such fees as are agreed to between the General Partner and the Investment Manager.

The Management Agreement provides that it shall continue until the close of business on December 31, 2030, except that either the General Partner or the Investment Manager may terminate the Management Agreement

effective at the close of business on the last day of any fiscal year by giving the other party not less than ten (10) days written notice.

The Management Agreement recognizes that the Investment Manager has investments of its own and is acting as investment manager for others. The Management Agreement further recognizes that the Investment Manager may become associated with other investment entities and engage in investment management for others. Except to the extent necessary to perform its obligations under the Management Agreement, the Investment Manager or its affiliates are not limited or restricted from engaging in or devoting time and attention to the management of any other business, whether of a similar or dissimilar nature, or to render services of any kind to any other corporation, firm, individual or association. As a result, the Investment Manager and its affiliates and other clients may hold substantial positions in securities that are owned by the Fund. If the Investment Manager and its affiliates and other clients hold a substantial position in an issuer, liquidity and concentration considerations may limit the ability of the Investment Manager to add to the position on behalf of the Fund or other clients or to readily dispose of the position. The Investment Manager may on occasion give advice or take action with respect to those accounts that differs from the advice given with respect to the Fund. See discussion under "Conflicts of Interest."

Pursuant to the Investment Management Agreement between the Fund and the Investment Manager the Investment Manager shall not be liable to the Fund for any acts or omissions in the performance of their respective services in the absence of willful misconduct, gross negligence or as otherwise required by law, and each agreement contains provisions for the indemnification of each of the Managers by the Fund against liabilities to third parties arising in connection with the performance of their services, to the extent permitted by law.

Prime Broker and Brokerage Commissions. Although the Fund will regularly review the brokerage commission rates charged to the Fund, it has complete discretion to determine which brokerage firms will be engaged by the Fund, regardless of their commission rates. The fund will use Goldman Sachs & Co. as its principal prime broker and custodian, but may engage other brokers to provide similar services.

Portfolio transactions will be allocated by the Fund to broker-dealers on the basis of best execution, price, and brokerage services (e.g., special execution capabilities, clearance, settlement and custodial services) which benefit the Fund. The Fund may also generally consider the amount and nature of research, execution and other services provided by brokers, as well as the extent to which such services are relied upon, and may attempt to allocate a portion of the brokerage business of the Fund on the basis of that consideration. To the extent that the Investment Manager aids the Fund in this regard, the investment information received from brokers may be used by the Investment Manager in servicing any other entities to which the Investment Manager provides investment advice and not all such information may be used by the Investment Manager in connection with the Fund. A broker will not be excluded from receiving brokerage business because it does not provide research services. Among the services the Fund may consider in allocating portfolio transactions to broker-dealers is whether a broker-dealer has referred investors to the Fund. If, and when, such an allocation of portfolio transactions is made, the commission rates charged for such transactions shall not exceed commercially reasonable rates.

CERTAIN RISK FACTORS

AN INVESTMENT IN THE FUND IS SPECULATIVE AND IS SUITABLE ONLY FOR PERSONS WHO ARE ABLE TO ASSUME THE RISK OF LOSING THEIR ENTIRE INVESTMENT. PROSPECTIVE PURCHASERS SHOULD CAREFULLY CONSIDER THE FOLLOWING RISKS BEFORE SUBSCRIBING FOR SHARES.

Limited Operating History. The Fund commenced operation in July, 2001 and has a limited operating history upon which an evaluation of the Fund's performance can be made. The success of the Fund will be largely dependent on the judgment and ability of the Directors of the Fund, the General Partner of the Master Fund, and the Investment Manager.

Risk of Loss of Capital. An investment in the Fund creates a risk of loss of capital and is designated for sophisticated persons who are able to bear such a risk. The Fund believes that its investment program and research techniques moderate this risk to some degree, but can make no warranty or representation in this regard.

Reliance on the Investment Manager. Although the Directors of the Fund and the General Partner of the Master Fund have ultimate responsibility for the decisions related to the trading and investment of the Fund's assets, the success of the Fund is heavily dependent on the activities, judgment and availability of the Investment Manager. An investor in the Fund must rely upon the ability of the Investment Manager in making investment analyses and recommendations consistent with the Fund's investment objectives and policies. The investor will not have the opportunity to evaluate personally the relevant economic, financial and other information to be used by the Fund or the Investment Manager in the selection, analysis and monitoring of investments.

Securities to be Purchased. The Fund may purchase low rated or unrated debt securities. Such securities may offer higher yields than do higher rated securities, but generally involve greater volatility of price and risk of principal and income, including the possibility of default by, or bankruptcy of, the issuers of the securities. In addition, the markets for such securities may be limited. The Fund may enter into contracts with dealers as principal to purchase certain securities and synthetic instruments. Such transactions are not subject to exchange rules and may result in losses to the Fund in the event of a default or bankruptcy of a counterparty. The Fund may also purchase securities issued by companies from many countries and by the countries themselves. Such investments will cause the Fund to be affected by changes in the currency exchange rates and revaluation of currencies. Less information may be available about non-U.S. issuers than about their U.S. counterparts. Further, securities markets of certain other countries may not be as liquid as U.S. markets. Investment in these securities may result in higher costs to the Fund than investment in U.S. securities due to the cost of converting a foreign currency to dollars, the payment of fixed brokerage commissions on some non-U.S. exchanges and the imposition of transfer taxes or transaction charges by those exchanges. Investments in securities of certain countries may also be subject to political or economic risks. The Fund may invest in securities of United States or non-U.S. closed-ended investment companies. There may be no liquid secondary market for these securities and some of the companies may limit the intervals at which shares may be redeemed.

Leverage and Short Sales. The Fund may maximize its investment position by purchasing securities on margin. As a result, the possibilities of profit and loss will be increased. Borrowing money to purchase securities will provide the Fund with advantages of leverage, but exposes it to capital risk and higher current expenses. Any gain in the value of securities purchased with borrowed money or income earned from these securities that exceeds interest paid on the amount borrowed would cause the Fund's investment profit or loss to increase faster than would otherwise be the case. Conversely, any decline in the value of the securities purchased would cause the Fund's investment profit or loss to decrease faster than would otherwise be the case. In addition to purchasing securities on margin, the Fund may engage in short selling of securities. A short sale will result in a gain if the price of the securities sold declines sufficiently between the time of the short sale and the time at which securities are purchased to replace those borrowed. A short sale will result in a loss if the price of securities sold short increases or does not decline sufficiently to cover transaction costs. Any gain would be decreased and any loss would be increased by the amount of any premium or interest that the Fund may be required to pay with respect to the borrowed securities.

Assets May Not Be Diversified. The Fund may at times have an unusually high concentration in certain types of securities positions. Accordingly, the Fund's assets may be subject to greater risk of loss than if they were more widely diversified, since the failure of one or more limited number of investments could have a material adverse effect on the Fund.

Foreign Exchanges. The Fund may invest in non-United States securities and may trade securities on exchanges located outside the United States, where protection afforded to investors by the Securities and Exchange Commission and federal securities laws do not apply. Accordingly, the Fund is subject to various risks inherent in trading non-U.S. securities and/or trading on foreign exchanges, including fluctuations in currency exchange rates, exchange controls, expropriation, burdensome or confiscatory taxation, moratoria, or political or economic events, all of which could have an adverse effect on the Fund's ability to generate profits on investments. As the Fund determines its investment profit or loss in United States dollars, it will be subject to the risk of fluctuation in the exchange rate between the local currency and dollars and to foreign exchange controls. Although the Fund may hedge against fluctuations in currency exchange rates, there can be no assurance that the Fund would not incur losses as a result of adverse changes in currency exchange rates and foreign exchange controls. The Fund is unable to predict the nature of future exchange controls. Imposition or significant increases in the level of exchange controls or other restrictions could have an adverse effect on the Fund.

Limited Liquidity of Investment. The Fund does not intend to list its Shares on any securities exchange. It is not expected that there will be any established over-the-counter market for sale of the Shares, and it is not anticipated

that there will be any secondary market for trading in the Shares. However, a Shareholder may request that the Fund redeem some or all of his or her Shares. Under certain circumstances, including market conditions which would prohibit the liquidation of positions, the Fund may delay redemption beyond the end of the applicable year.

Active Investments. The Fund may seek to effect the control or management of a company in which the Fund has an investment position. The Fund may take positions in excess of 5% of a company's outstanding voting shares, possibly giving the Fund the ability to influence the actions of management. Additionally, the Fund may structure, negotiate and execute private transactions directly with publicly traded companies or their agents. Often, the resulting security is convertible debt with underlying publicly traded common stock. The Fund may also invest in the securities of privately held companies.

The Failure of Brokerage Firms. The Fund may be subject to a risk of loss of the assets held by a broker-dealer in the event of a broker-dealer's bankruptcy. In the event of a failure of a broker-dealer used by the Fund, the United States Securities Investor Protection Corporation provides a maximum of US$500,000 of account insurance, only US$100,000 of which may be taken in cash. To the extent the Fund leaves assets in the possession of its broker in excess of these amounts, the Fund may receive only a pro rata share of the remaining assets deposited with the failed broker-dealer. Moreover, because the Fund may trade on non-United States exchanges with non-United States brokers and/or dealers, the failure of a non-United States broker or dealer could result in the complete loss of Fund amounts on deposit with such broker or dealer, depending on the regulatory rules governing such broker.

Investments in "New Issues." The Fund may invest in "New Issues" as that term is defined in Rule 2790 of the Conduct Rules of the National Association of Securities Dealers ("NASD"). Only those investors which are not restricted, as such term is defined by the NASD, may participate in the profits or losses attributable to New Issues. To the extent that a potential investor is "restricted", an investment in the Fund may not yield the performance results which may be achieved by those investors which are entitled to participate in New Issues.

Government Regulation. The Fund is not registered as an investment company under the Investment Company Act of 1940, and the Investment Manager is not registered as an investment adviser under the U.S. Investment Advisers Act of 1940 or as a Commodity Trading Advisor under the Commodity Exchange Act (or any similar law). Further, each of the Fund and its directors and officers, the General Partner of the Master Fund and the Investment Manager (the "Operators") are exempt from registration with the Commodity Futures Trading Commission (the "CFTC") as commodity pool operators and, therefore, none of the Operators is required (unlike a registered commodity pool operator) to deliver a disclosure document and a certified annual report to the investors in the Fund. The Operators are exempt from registration as commodity pool operators because the Operators and the Fund, as applicable, satisfy the criteria for exemption set forth in Rule 4.13(a)(3) adopted by the CFTC. Rule 4.13(a)(3) provides that the operator of a fund is exempt from registration as a commodity pool operator when (i) the sale of interests in the fund are conducted in a manner so as to exempt the sale thereof from registration under the Securities Act of 1933, as amended (the "Securities Act"), (ii) (A) the aggregate initial margin and premiums required to establish commodity interest positions (determined at the time the most recent position was established) does not exceed five percent (5%) of the liquidation value of the fund's portfolio (after taking into account unrealized profits and unrealized losses on any such positions) or (B) the aggregate net notional value of such positions, determined at the time the most recent position was established, does not exceed one hundred percent (100%) of the liquidation value of the fund's portfolio (after taking into account unrealized profits and unrealized losses), (iii) each investor in the fund is (A) an "accredited investor" within the meaning of Rule 501 of Regulation D under the Securities Act, (B) a trust that is not an accredited investor, provided that the grantor of the trust is an accredited investor and the beneficiary of the trust is a family member of the grantor, (C) a "knowledgeable employee" (as defined in 17 CFR 270.3c-5), or (D) a "qualified eligible person" (as defined in CFTC Rule 4.7(a)(2)(viii)(A)) and (iv) interests in the fund are not marketed as, or in, a vehicle for trading in the commodity futures or commodity options markets.

Shareholders, therefore, are not afforded the protective measures provided by such laws.

Substantial Fees and Expenses. The expenses to which the Fund will be subject could be substantial.

Arbitrage Trading May Involve Risks. The Fund's investments may involve arbitrage between the prices of two securities, between the equity and equity options of the same or similar securities, between the price of a security and its announced buy-out or exchange price and/or any combination thereof. Given the volatile nature of certain arbitrage situations, the short-term performance of the Fund's arbitrage investments may fluctuate significantly in value. The Fund may purchase or sell securities (on a current basis) and take offsetting positions in the options of

the same or similar securities. These offsetting positions entail a substantial risk that the price differential could change unfavorably, causing a loss to the Fund.

Unidentified Investments. The Fund has not identified any particular investments to make from the proceeds of this offering, other than to make investments on the basis of opportunities as they may arise. Therefore, prospective investors must rely on the ability of the Investment Manager to seek, analyze and recommend investments consistent with the Fund's objectives. Shareholders will not have the opportunity to evaluate the relevant economic, financial and other information which will be utilized by the Fund in deciding whether or not to make a particular investment. The Memorandum and Articles of Association of the Fund do not restrict the type of investments the Fund may make.

Options. The Fund may engage in the trading of options, including index and equity options. Such trading involves risks substantially similar to those involved in trading margined securities, in that options are speculative and highly leveraged. Specific market movements of the securities underlying an option cannot accurately be predicted. The purchaser of an option is subject to the risk of losing the entire purchase price of the option. The writer of an option is subject to the risk of loss resulting from the difference between the premium received for the option and the price of the security underlying the option which the writer must purchase or deliver upon exercise of the option.

Futures Contracts. Futures contracts are contracts usually made on a futures exchange which call for the future delivery of a specified "commodity" at a specified time and place. These contractual obligations, depending on whether one is a buyer or a seller, may be satisfied either by taking or making physical delivery of the "commodity" or by making an offsetting sale or purchase of an equivalent futures contract on the same exchange prior to the end of trading in the contract month. Commodity futures prices are highly volatile. Price movements of commodity futures contracts are influenced by, among other things, changing supply and demand relationships, governmental, agricultural and trade programs and policies and national and international political and economic events. Financial instrument and foreign currency futures and forward prices are influenced by, among other things, interest rates, changes in balances of payments and trade, domestic and international rates of inflation, international trade restrictions and currency revaluations. Because low margin deposits are normally required, an extremely high degree of leverage is obtainable in commodity futures trading. A relatively small price movement in a commodity futures contract, consequently, may result in large losses. Thus, like other highly leveraged investments, any purchase or sale of a commodity futures contract may result in losses that exceed the amount invested.

Synthetics. The Fund may use derivatives or other synthetic securities, both listed and over-the-counter, instead of purchasing or selling securities outright. These synthetic securities allow the Fund to gain exposure to certain markets or securities which the Fund might otherwise not be able to execute. If the Fund believes that a situation merits investment, but the costs and risks associated with such an investment are prohibitive or unacceptable, then the Fund may enter into an over-the-counter option contract, custom securities basket or swap transaction in order to gain exposure to the situation. Such instruments involve risks not associated with more traditional types of investments, including counterparty default risk.

Nature of Investments. A portion of the portfolio of the Fund may consist of securities issued by privately-held companies. There is generally little or no publicly available information about such companies and the Fund must rely on the due diligence of the Investment Manager to obtain the information necessary for the decision to invest in them. Typically, such companies depend for their success on the management, talents and efforts of one person or a small group of persons, so that the death, disability or resignation of such person or persons could have a materially adverse impact on them. Moreover, small companies frequently have smaller product lines and smaller market shares than larger companies and therefore may be more vulnerable to economic downturns. Because these companies will generally have highly leveraged capital structures at least initially, reduced cash flow resulting from an economic downturn may adversely affect the return on, or the recovery of, the Company's investment in them. Investment in such companies therefore involves a high degree of business and financial risk, which can result in substantial losses, and, accordingly, should be considered speculative.

Illiquidity. A portion of the Fund's investments may consist of securities acquired directly from their issuers in private transactions. These securities will be restricted securities under the Securities Act of 1933 and may not be resold unless there is an effective registration statement on file with the Securities and Exchange Commission with respect to such securities, or an exemption from registration exists. Such securities will therefore be illiquid. In

addition, there may be no established trading market for such securities into which they could be sold, even after an exemption from registration becomes workable.

Lack of Liquidity in Markets. Despite heavy volume of trading in securities, the markets for some securities have limited liquidity and depth. This lack of depth could disadvantage the Fund, both in the realization of the prices which are quoted and in the execution of orders at desired prices.

Changes in Investment Strategies. The Directors have broad discretion to expand, revise or contract the Fund's business. Thus, the investment strategies of the Fund may be altered without prior approval by, or notice to, the investors if the Directors determine that such change is in the best interests of the Fund. Any such decision to engage in a new activity could result in the exposure of the Fund's capital to additional risks which may be substantial.

Master-Feeder Fund Structure. The Fund generally invests all of its investable assets through a "master-feeder" fund structure, in which the Fund is a "feeder entity" to the Master Fund. The "master-feeder" fund structure - in particular the existence of multiple investment vehicles investing in the same portfolio - presents certain unique risks to investors. Smaller investment vehicles investing in the Master Fund may be materially affected by the actions of larger investment vehicles investing in the Master Fund. For example, if a larger investment vehicle withdraws from the Master Fund, the remaining funds may experience higher pro rata operating expenses, thereby producing lower returns. Similarly, the Master Fund may become less diverse due to a withdrawal by a larger investment vehicle, resulting in increased portfolio risk.

Conflicts of Interest. There exist a number of potential conflicts of interest between the Investment Manager and the Fund. In addition to serving as investment manager to the Fund, the Investment Manager currently serves and may have additional investment management clients in the future (collectively, the "Other Clients"). The Other Clients may invest in the same or similar securities as the Fund. Purchase and sale orders may be combined for the Fund and the Other Clients with each entity paying its pro rata share of the total commission and paying or receiving its pro rata share of the total cost or sales proceeds. From the standpoint of the Fund, simultaneous identical portfolio transactions for the Fund and the Other Clients may tend to decrease the prices received, and increase the prices required to be paid, by the Fund for its portfolio sales and purchases. Where less than the maximum desired number of shares of a particular security to be purchased is available at a favorable price the shares purchased will be allocated among the Fund and the Other Clients. In addition, purchase and sale transactions (including swaps) may be effected between the Fund and the Other Clients.

The Investment Manager may have conflicts of interest in allocating its time and activity between the Fund and the Other Clients, in allocating investment analysis and recommendations between the Fund and the Other Clients and in effecting transactions between the Fund and the Other Clients, including ones in which the Investment Manager may have a greater financial interest. In addition, the Investment Manager and its officers and employees may have investments of their own. Further, the Investment Manager may engage in a wide variety of investment banking activities. The Investment Manager may, in some instances, perform investment banking services for companies in which the Fund owns securities. The Investment Manager may choose not to make an otherwise appropriate investment for the Fund if the Investment Manager or its clients have a business relationship with either the potential investee company or with a third party that has indicated its interest in acquiring the potential investee company. Any fees earned by the Investment Manager with respect to its investment banking activities will be paid solely to the Investment Manager and not the Fund.

In addition, the Investment Manager may become aware of investment opportunities and, to the extent the Investment Manager in its sole discretion determines such investment would not be suitable for the Fund, may refer such investment opportunities to others. Any fees or commissions with respect to the referral of such investments will be paid solely to the Investment Manager (see discussion concerning additional potential conflicts of interest under Fees, Compensation and Expenses).

The Investment Manager's obligations to the Fund are not exclusive and the Investment Manager is not required to devote any specific amount of time to the Fund. The Investment Manager has investments of its own and is acting as investment manager for others. The Management Agreement recognizes that the Investment Manager may become associated with other investment entities and engage in investment management for others.

The Investment Manager or its affiliates are not limited or restricted from engaging in or devoting time and attention to the management of any other business, whether of a similar or dissimilar nature, or to render services of any kind to any other corporation, firm, individual or association. As a result, the Investment Manager and its affiliates and other clients may hold substantial positions in securities that are owned by the Fund. If the Investment Manager and its affiliates and other clients hold a substantial position in an issuer, liquidity and concentration considerations may limit the ability of the Investment Manager to recommend adding to the position on behalf of the Fund or other clients or to readily dispose of the position. The Investment Manager may on occasion give advice or take action with respect to those accounts that differs from the advice given with respect to the Fund.

THE DESCRIPTION CONTAINED HEREIN OF SPECIFIC ACTIVITIES THAT MAY BE ENGAGED IN BY THE FUND SHOULD NOT BE CONSTRUED AS IN ANY WAY LIMITING THE FUND'S INVESTMENT ACTIVITIES. THE FUND MAY ENGAGE IN INVESTMENT ACTIVITIES NOT DESCRIBED HEREIN WHICH THE INVESTMENT MANAGER CONSIDERS APPROPRIATE.

ADMINISTRATION

The Administrator. UBS Fund Services (Cayman) Ltd. serves as the Administrator of the Fund pursuant to an administration agreement to be entered into between the Fund and the Administrator (the "Administration Agreement"). The Administrator's principal place of business is located at UBS house, 227 Elgin Avenue, P.O. Box 852, George Town, Grand Cayman, Cayman Islands. The Administrator is licensed as a mutual fund administrator under the Mutual Funds Law (2001 Revision) of the Cayman Islands.

Pursuant to the Administration Agreement, the Administrator will perform or supervise the performance of services necessary for the operation and administration of the Fund (other than making investment decisions), including administrative, accounting, and shareholder services. For the purpose of calculating the Net Asset Value of the Fund, the Administrator will rely solely on the valuation of the Master Fund as provided by the Investment Manager.

The Administration Agreement also provides for indemnification of the Administrator and its directors, officers and employees from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments suites, costs, expenses or disbursements of any kind or nature whatsoever (other than those resulting from fraud, gross negligence or willful default on its part or on the part of its directors, officers, servants or agents) which may be imposed on, incurred by or asserted against the Administrator in performing its obligations or duties thereunder.

The Directors, and not the Administrator, are responsible for determining that the Shares are marketed and sold in compliance with all applicable securities and other laws.

The Administration Agreement is governed by the laws of the Cayman Islands and is for an indefinite period, but it may be terminated by either party on ninety days written notice to the other party.

THE FUND'S SHARE CAPITAL

Capitalization of the Fund. The Fund has an authorized capital of US$100,000, consisting of 10,000,000 shares of common stock (par value US$ 0.01 per share) (the "Shares").

Share Participation in Earnings and Assets. Each Share is entitled to participate ratably, on a share for share basis, with each other outstanding Share, in the earnings and assets of the Fund.

SUBSCRIPTION PROCEDURE

The minimum subscription for Shares is US$2,000,000, subject to the Fund's discretion to accept lesser amounts. The Fund will offer its Shares on a continuous basis at a price per Share equal to the Net Asset Value (the "NAV") per Share as of the last Business Day of the date of issuance, plus any applicable subscription charges. A deposit to a Contingent Fee Reserve may be required in certain circumstances, and further adjustments to the number of Shares may be required in accordance with an Equalization Credit (See "Equalization Adjustments" below for a more detailed description of Equalization Accounting).

All persons desiring to subscribe for and purchase Shares should complete, execute and deliver a Subscription Agreement to the Fund's Administrator. The subscription agreement may be sent by fax if original is received by the Administrator within 10 business days. The wire payment instructions have to include the name of the subscriber which has to match the name on the subscription agreement. Subscription Instructions are attached to this Memorandum as Exhibit A-1. The Subscription Agreement is attached to this Memorandum as Exhibit A-2.

Shares will generally be issued on the first day of the month following the month in which each subscriber's subscription and payment for Shares is received. Subscriptions received during any monthly period will ordinarily be accepted as of the first day of the following month, i.e., subscriptions received between March 1 and March 31, will be accepted as of April 1. The Fund may, in its discretion, accept subscriptions on a day other than the first day of the month. Payments should be made by wire transfer of immediately available funds to the Fund's account as follows:

To:	UBS AG, Stamford Branch
ABA Fedwire:	0260-0799-3
SWIFT:	UBSWUS33XXX
For account of:	UBS Fund Services (Cayman) Ltd.
Account#:	101-WA-359025-000
For further credit to:	Epsilon Global Active Value Fund II Ltd.
Account#:	72162

All subscriptions for Shares are irrevocable by the Subscriber. The Fund may reject a subscription for any reason.

Potential investors, by accepting delivery of this Memorandum, agree to return this Memorandum, including the Exhibit hereto, if (i) such potential investor does not subscribe for Shares, (ii) such potential investor's subscription is not accepted, or (iii) the offering is terminated before the sale to such potential investor is consummated.

Equalization Adjustments. When interim subscriptions are made, certain adjustments may be required to the price paid for Shares or to the number of Shares purchased. These adjustments are necessary to ensure: (a) the Contingent paid which may be paid to the General Partner of the Master Fund is charged only to those Shares which have appreciated in value since their acquisition, (b) all Shareholders have the same amount per Share at risk and (c) all Shares have the same NAV.

With respect to a Deficit Interim Subscription, the subscription price per Share is the NAV per Share on the acquisition date plus 20% of the excess, if any, by which the Peak NAV per Share, for a preceding calendar year-end exceeds the NAV per Share on the date of subscription. Such amount (the "Contingent Fee Reserve") shall be added to the purchase price per Share and shall be invested and distributed as set forth herein. The Contingent Fee Reserve shall be separately invested in U.S. Treasury Bills, Certificates of Deposit or other equivalently rated short-term instruments. The Contingent Fee Reserve shall become payable to the General Partner of the Master Fund if the deficit between the NAV per Share on the subscription date and the Peak NAV is recouped by favorable performance of the Fund. The Contingent Fee Reserve may, in certain circumstances, be returned to a Shareholder upon redemption of Shares if, and to the extent, such Contingent Fee Reserve applicable to the Shares being redeemed has not been earned by the General Partner. Promptly after the end of each fiscal year in which a Contingent Fee Reserve is held, the interest or dividends earned thereon shall either be paid to the Shareholder who provided such Contingent Fee Reserve or reinvested into the Fund in the form of additional Shares, at the Fund's discretion.

With respect to a Premium Interim Subscription, where the NAV per Share on the date of subscription (computed before accrued Contingent Fees) is greater than the Peak NAV per Share, for a preceding calendar year-end, 20% of the excess shall constitute an "Equalization Credit." This Equalization Credit accounts for the fact that the NAV per Share at the time of subscription includes a potential Contingent Fee to be borne by existing

Shareholders which experienced such appreciation. The Equalization Credit serves as a credit against Contingent Fees that might otherwise be payable to the General Partner by Shareholders of the Fund, but which should not, in equity, be charged against such subscriber's Shares because, as to its Shares, no favorable performance has yet occurred. Upon redemption by a Shareholder of its Shares, the Equalization Credit, or a portion thereof, will be paid to such Shareholder, without interest, or if a Contingent Fee becomes payable prior to such redemption, then the Equalization Credit payable shall be applied to the purchase of additional Shares, subject to appropriate adjustments for favorable performance. Examples of a Deficit Interim Subscription and a Premium Interim Subscription are set forth on the next page.

TABLE 1 – Deficit Interim Subscription [Based on a 20% Contingent Fee Allocation]:

Peak NAV =	1,000
Gross Subscription NAV =	900
NAV at Date of Purchase =	900
Contingent Fee Reserve (1,000 – 900) * 20% =	20

Gross NAV at Valuation Date	Contingent Fee Due to General Partner	Contingent Fee Reserve Due to General Partner	NAV (Net of All Fees)	Contingent Fee Reserve on Account
1,050	10.0	20.0	1,040	0.0
1,000	0.0	20.0	1,000	0.0
950	0.0	10.0	950	10.0
900	0.0	0.0	900	20.0
850	0.0	0.0	850	20.0

NOTE: Gross NAV is equal to the NAV before accrual for Contingent Fees. The total value of a Shareholder's position is equal to the sum of the NAV (Net of All Fees) and the Contingent Fee Reserve on Account. In the above example, the Contingent Fee Reserve on Account does not include any accrued interest.

TABLE 2 – Premium Interim Subscription [Based on a 20% Performance Share Allocation]:

Peak NAV =	1,000
Gross Subscription NAV =	1,400
NAV at Date of Purchase =	1,320
Contingent Fee Reserve (1,400 – 1,000) * 20% =	80

Gross NAV at Valuation Date	Contingent Fee Due to General Partner	Equalization Credit Due to Shareholder	NAV (Net of All Fees)	Equalization Credit Against Future Contingent Fees: At Contingent Fee Payment	Equalization Credit Against Future Contingent Fees: At Redemption
1,500	20.0	80.0	1,400	0.0	0.0
1,400	0.0	80.0	1,320	0.0	0.0
1,200	0.0	40.0	1,160	40.0	0.0
1,000	0.0	0.0	1,000	80.0	0.0
900	0.0	0.0	900	80.0	0.0

NOTE: Gross NAV is equal to the NAV before accrual for Contingent Fees. The Equalization Credit remaining against future Contingent Fees does not accrue interest; rather, these funds are at risk with other monies in the Fund and will appreciate or depreciate accordingly.

REDEMPTION PROCEDURE

Shareholders may redeem their Shares as of the last day of each calendar quarter (the "Redemption Date), upon 45 days written notice. The amount payable in redemption of the Shares is equal to the "net asset value" of such Shares as of the Redemption Date (the "Redemption Price"). A Shareholder wishing to redeem his Shares is required to deliver to the Fund, at least 45 days prior to the Redemption Date, a written redemption request indicating the number of Shares to be redeemed. The redemption request must be accompanied by: (i) the share certificate(s) if issued, representing the Shares to be redeemed, if issued, and (ii) a certification (in a form furnished by or satisfactory to the Fund) identifying all Shares which are directly or indirectly owned by such shareholder.

With respect to any partial redemption of Shares, a Shareholder may not make a partial redemption of less than US$100,000, and, in the case of a partial redemption, may not reduce such Shareholder's unredeemed Shares to an amount less than the minimum investment then required of new Shareholders. Also, in order to be considered a partial redemption, the redemption cannot exceed 90% of a Shareholder's total capital account.

Payment in U.S. dollars of the Redemption Price will be made as soon as practicable but, except in cases where share certificates and share transfers are not delivered, the shareholder will receive at least 90% of the Redemption Price no later than thirty (30) days following the date of redemption, with the balance paid within fifteen (15) days after the receipt by the Fund of its audited annual financial statements for the fiscal year. The Fund has the right to make payment on such redemption in securities owned by the Fund. The Fund may, in its discretion, deduct from any redemption proceeds an amount determined by the Fund to represent the transaction costs and related expenses incurred by the Fund in connection with the processing of redemptions.

The Fund also has the right to force the complete redemption of any Shareholder at any time at the sole discretion of the Directors.

The Fund has the power to suspend the redemption of Shares in the following circumstances:

(a) During any period with the New York Stock Exchange, or any other securities exchange or board of trade or other contract market on which a significant portion of the Fund's assets is ordinarily traded, is closed (other than for holidays) or trading thereon has been restricted or suspended;

(b) When, for any reason, the value of the Fund's assets cannot be accurately ascertained;

(c) During any state of affairs which, in the judgment of the Directors, would render disposition of the Fund's assets impracticable or be seriously prejudicial to the Fund's Shareholders; or

(d) When, in the opinion of counsel to the Fund, such redemption could result in adverse tax consequences to the Fund or its Shareholders.

The Fund will promptly notify Shareholders of the suspension of redemptions for any reason.

Sales and Transfers of Shares. The Fund has the authority to issue additional Shares following the initial offering, either through the resale of Shares tendered for redemption or through the issuance of authorized but previously unissued Shares. The subscription price payable for any Shares which may be issued in the future will be the net asset value of such Shares determined at the time of issuance.

Restrictions on Ownership and Transfer; Compulsory Redemptions. The Fund's Articles of Association provide that Shares may be owned only by (i) a limited number of pension and profit sharing trusts, charities and other entities which are generally tax-exempt under U.S. Federal income tax laws ("U.S. tax-exempt entities"); and (ii) otherwise, only by persons who are not "United States persons". For this purpose, the term "United States person" is defined in the Fund's Articles of Association to include: (a) a United States citizen or a "resident" of the United States (as defined for United States federal income tax purposes); (b) a corporation, partnership, trust or other entity organized or created under the laws of the United States; or (c) any organization or entity controlled by a person or persons described in (a) or (b) or in which such persons are known to be the owners of a majority of the beneficial interests therein, as shareholders, partners, beneficiaries or otherwise, whether directly or indirectly either through other organizations or entities, or through any other arrangement.

Each subscriber for Shares which is not a U.S. tax-exempt entity will be required to certify to the Fund: (i) the identity of the person or persons on whose behalf the Shares are being acquired and (ii) that the Shares are not being acquired and will not at any time be held for the account or benefit, directly or indirectly, of any United States persons. Shareholders are required to notify the Fund immediately of any change in such information. It is the responsibility of each investor to verify that he is not a United States person. For this purpose, investors should be aware that United States federal income tax laws contain specific definitions of the terms "resident alien" and "nonresident alien", which must be taken into account in making this determination.

Each subscriber will be required to agree that no Shares, nor any interest therein, will be transferred without the prior consent of the Fund or the Fund's Administrator, which consent may be withheld in the discretion of the Fund or the Administrator and that, prior to considering any request to permit a transfer of shares, the Fund or the Administrator may require the submission by the proposed transferee of a certification as to the matters referred to in the preceding paragraph, as well as such other documents as the Fund or the Administrator considers necessary. The Fund's Memorandum and Articles of Association provide, and each subscriber for Shares is required to agree, that: (i) any attempted transfer in violation of the foregoing restrictions shall be invalid, and (ii) if the Fund has reason to believe that a Shareholder has violated the applicable restrictions on transfer or that any material matters set forth in the certifications referred to in the preceding paragraph were false, the Fund may redeem all Shares held by such shareholder compulsorily.

Voting and Other Rights. Each Share is entitled to one vote on any matter presented to a meeting of Shareholders. Shareholders will receive at least 30 days' notice of any Shareholders' meeting (or 10 days' notice if the Board of Directors determines that prompt shareholder action is advisable) and will be entitled to vote their Shares either personally or by proxy. If the proxy sent to a Shareholder with the notice of meeting is not completed and received at the Company's registered office prior to the meeting, Shares held by such Shareholder will be voted in the discretion of the attorney-in-fact designated in the Subscription Agreement executed by such Shareholder at the time the Shares were issued. At any meeting of Shareholders, a majority of the Shares represented in person (including representation by the attorney-in-fact) or by proxy at the meeting will be sufficient for the transaction of business.

The Administrator will maintain a current stock register for all Shares. All Shares will be issued in registered form. The Fund will not issue certificates in bearer form. All Shares, when issued and paid for, will be fully paid and non-assessable and Shareholders will have no personal liability for the debts of the Fund. The Shares have no preemptive rights.

In the event of the dissolution of the Fund, the Fund is authorized to distribute amounts due to Shareholders, in accordance with their respective interests, either in cash or in the form of portfolio securities or other assets.

DETERMINATION OF NET ASSET VALUE

The Fund will value or arrange for the valuation of the securities and other assets of the Fund as of the close of business on the last day of each month. For the purpose of calculating the Net Asset Value of the Fund, the Administrator will rely solely on information provided by the Investment Manager. The "net asset value" of the Shares, for purposes of computing the redemption price applicable to such Shares and the minimum issue price applicable to such Shares after their initial offering, will be determined as follows:

1. **Total Net Assets.** The value of the "total net assets" of the Fund as of a particular date will be computed by subtracting from the total value of all securities and other assets of the Fund an amount equal to all accrued debts, liabilities and obligations of the Fund (including any contingencies for which it is determined that any accrual should be made).

2. **Net Asset Value.** The total net assets are allocated pro rata, on a share for share basis, to each outstanding Share. The net asset value of each Share is equal to the amount of such total net assets divided by the number of Shares outstanding on the date as of which the valuation is being made. Net asset value determinations for the Fund will be made in accordance with international accounting standards in which the following principles are observed.

(i) Securities listed on a national securities exchange or national market shall be valued at their last sale price on its principal exchange or market on the date of determination, or if no sales occurred on such day, at the mean between the "bid" and "asked" prices on such day.

(ii) Securities not listed on a national securities exchange or national market shall be valued at their last closing "bid" prices if held "long" and their last closing "asked" prices if sold "short" as supplied by the National Association of Securities Dealers or other sources, if necessary.

(iii) Commodities, commodity futures and forward contracts will be valued based upon the closing quotations reported for the same on the principal board of trade or other contract market in which dealings are made or by quotations from the counterparty bank in the case of a forward contract. If a futures contract position cannot be liquidated, due to the operation of daily limits or otherwise, on a day as of which Net Asset Value (defined herein) is determined, a value determined to be fair and reasonable by the Fund shall be used. Swap positions will be valued at the average secondary trading market price, as obtained from dealers in such market.

(iv) Listed securities options and commodity options traded on a national securities exchange or national market will be valued at their last sales prices on the date of determination on the principal national securities exchange or national market on which such options traded on such date (or, in the event that the date of determination is not a date upon which a national securities exchange or national market on which such options are traded was open for trading, on the last prior date on which such national securities exchange or national market was so open), or if no sales occurred on either of the foregoing dates, at the mean between the "bid" and "asked" prices on the principal national securities exchange or national market on which such options are traded, on the date of determination (or, in the event that the date of determination is not a date upon which such national securities exchanges or national contract market was open for trading, on the last prior date on which such securities exchange or current market was so open). If a commodity option cannot be traded on the date of determination due to the operation of daily limits or otherwise, a value determined to be fair and reasonable by the Fund shall be used. Premiums received for the writing of listed securities options and commodity options written by the Fund and traded on a contract market will be included in the assets of the Fund, and the market value of such options will be included as a liability of the Fund.

(v) Over-the-counter options will be valued at fair value, as determined by the Fund , based upon representative brokers' bids or valuations. If such bids or valuations are not available, or, in the opinion of the Fund , do not represent fair value, over-the-counter options will be valued as the Fund shall deem fair and reasonable.

(vi) Securities without an active trading market, as hereinafter defined, shall be assigned fair value by the Fund based upon: (a) a comparison with market values for similar companies, (b) recent sale price(s), (c) the investment risk and/or potential, (d) opinions of qualified investment bankers, (e) marketability (if any) or (f) such other factors as the Fund deems appropriate. For purposes of valuation, an "active trading market" is deemed to be one in which quotations are available on NASDAQ or if not available on NASDAQ, from one or more dealers in the NASD pink or yellow sheets on a reasonably consistent basis.

(vii) All other assets shall be valued in accordance with international accounting standards. The term "Net Asset Value" shall mean the value of all assets of the Fund determined in accordance herewith, less all liabilities and reserves established by the Fund.

FEES, COMPENSATION AND EXPENSES

Expenses. The Fund will bear all of the continuing offering costs (including legal expenses incident thereto) and all other expenses incurred in the operation of the Fund, if any, including the ordinary and necessary expenses directly related to its investment activities, including brokerage commissions, exchange fees, interest and commitment fees on loans and debit balances, all administration fees and all legal and auditing fees, including any legal and auditing fees that relate to extraordinary circumstances, such as tax examinations or litigation involving the Fund. As noted above, the Fund invests its assets through a "master-feeder" fund structure in the Master Fund. Each investment vehicle, including the Fund, that invests in the Master Fund will indirectly bear the administrative and other expenses of the Master Fund pro rata based upon its interest in the Master Fund. It is anticipated that virtually all expenses will be incurred at the Master Fund level and therefore that expenses incurred directly by the Fund will be relatively small. If expenses are incurred by the Fund requiring payment by the Fund, the Fund may make a withdrawal of a portion of its interest in the Master Fund (within the limitation imposed by the Master Fund) in order to pay those expenses. The Investment Manager will receive a fair market value fee for its services as will be agreed to between the General Partner of the Master Fund and the Investment Manager from time to time.

Fixed Fee. The Fund invests its assets into a master fund, Epsilon Global Master Fund II, L.P. In consideration for its services to the Fund, the General Partner of the Master Fund will receive a quarterly fixed fee equal to one half of one percent (0.50%) of the Net Asset Value (as defined) of the Fund as of the last day of each calendar quarter (equivalent to 2% per annum) The Fixed Fee will be paid to the General Partner within three business days after the close of each calendar quarter. Certain shareholders may be assessed a Fixed Fee in a different amount. To the extent that any Fixed Fees are paid to the General Partner by the Master Fund with respect to investments made by the Fund, no Fixed Fees will be charged at the Fund level.

Contingent Fee. In addition to the Fixed Fee, the General Partner will receive contingent fees, for each calendar year or otherwise determined upon the redemption of any Common Stock, with respect to such redeemed Common Stock, respectively, (each a "Performance Period") of the Fund (the "Contingent Fee"), in an amount equal to 20% of the increase of the Fund's per Share Net Asset Value, if any, after adjustment for additional contributions and/or redemptions. To the extent that any Contingent Fees are paid to the General Partner by the Master Fund for investments made by the Fund, no Contingent Fees will be charged at the Fund level.

If the Fund incurs a net loss during the Performance Period, the General Partner will not receive any Contingent Fees unless and until the amount of such net loss applicable to each and every Share of the Fund's stock which experienced such net loss (and which remains outstanding at the time the subsequent profit occurs) has been recouped in full.

DIVIDEND POLICY

The declaration of dividends on the Shares will be in the discretion of the Board of Directors, and dividends may be declared only out of retained earnings. The Fund does not presently intend to pay dividends on its Shares.

TAXATION

THE FOLLOWING IS A SUMMARY OF CERTAIN U.S. AND B.V.I. TAX CONSIDERATIONS AFFECTING THE FUND AND ITS SHAREHOLDERS. WHILE THE FOLLOWING SUMMARY IS BELIEVED TO BE ACCURATE AS OF THE DATE HEREOF, A SHAREHOLDER'S OWN CIRCUMSTANCES MAY RENDER THE FOLLOWING SUMMARY INACCURATE OR INCOMPLETE. THUS, THE FOLLOWING SUMMARY SHOULD NOT BE CONSTRUED AS BINDING OR AUTHORITATIVE ADVICE TO ANY ACTUAL OR PROSPECTIVE SHAREHOLDER. ANY ACTUAL OR PROSPECTIVE SHAREHOLDER IS URGED TO CONSULT HIS OR HER OWN TAX ADVISOR REGARDING THE TAX CONSIDERATIONS RELEVANT TO AN INVESTMENT IN THE FUND.

United States Federal Income Taxation of the Fund.

1. Neither the Master Fund nor the Fund will be subject to any income, withholding or capital gains taxes in the Cayman Islands or the British Virgin Islands.

2. Under present law, the Fund will not be subject to any United States federal income tax on its capital gains whether from sources within or without the United States to the extent that such gains are not derived from securities classified as United States real property interests within the meaning of Section 897 of the Internal Revenue Code of 1986, as amended (the "Code"). In this connection, the Fund does not presently intend to acquire any securities which would be classified as United States real property interests.

3. The only United States income taxes which will be payable by the Fund on its income from dividends and interest is the 30% withholding tax applicable to dividends and certain interest income considered to be from sources within the United States. Certain debt obligations which may be acquired by the Fund will not be subject to the 30% withholding tax. The Fund generally intends to invest its cash reserves in short-term debt obligations the interest on which is not subject to 30% withholding.

4. Shareholders who are not residents of the British Virgin Islands will not be subject to any income, withholding or capital gains taxes in the British Virgin Islands with respect to the shares of the Fund owned by them and dividends received on such shares, nor will they be subject to any estate or inheritance taxes in the British Virgin Islands.

5. Shareholders who are not residents of the Cayman Islands will not be subject to any income, withholding or capital gains taxes in the Cayman Islands with respect to the shares of the Fund owned by them and dividends received on such shares, nor will they be subject to any estate or inheritance taxes in the Cayman Islands.

6. Shareholders that are neither citizens nor residents of the United States and are not engaged in a trade or business in the United States will not be subject to any United States federal income, withholding, capital gains, estate or inheritance taxes with respect to shares of the Common Stock owned by them and dividends received on such shares.

U.S. Shareholders. As noted above, shares in the Fund may be sold to a limited number of U.S. investors who are pension and profit sharing trusts or other organizations which are generally exempt under U.S. federal income tax laws ("U.S. tax-exempt entities"). The U.S. tax-exempt entities in the Fund may not exceed 100 in number. Because the Fund is a "passive foreign investment company" ("PFIC") as defined in Section 1297 of the U.S. Internal Revenue Code of 1986, as amended, (the "Code"), any U.S. tax-exempt entities will be subject to certain filing requirements in the United States. A U.S. tax-exempt entity which does not borrow money or otherwise use leverage in acquiring Shares in the Fund should not be subject to U.S. federal income tax under the PFIC provisions of the Code on any dividends from the Fund or on any sale or redemption of its Shares in the Fund.

While the Fund may purchase securities on margin, borrow money and otherwise use leverage in connection with its investments, under present U.S. tax law that leverage should not be attributed to U.S. tax-exempt entities who are shareholders in the Fund. Thus, assuming that a U.S. tax-exempt entity does not borrow money or otherwise use leverage in acquiring Shares in the Fund, any dividends from the Fund or gain on the sale or redemption of shares in the Fund should not constitute "unrelated debt-financed income" as defined in Section 514 of the Code, or "unrelated business taxable income" as defined in Section 512 of the Code, to such U.S. tax-exempt entity.

However, under certain proposed U.S. tax legislation, a portion of the dividends received by a U.S. tax-exempt entity, as well as a portion of any gain derived by such an entity from a sale or redemption of Shares, would be treated as "unrelated debt-financed income" if that entity were to hold 10 percent or more of the outstanding shares of the Fund (directly or by attribution from related parties). It cannot be predicted whether this proposed legislation will become law and, if so, what form the law would ultimately take.

The Fund will monitor its shareholders in an attempt to ensure that the Fund is not more than 50% owned by such U.S. tax-exempt entities, so that the Fund will not be a "controlled foreign corporation" as defined in Section 957 of the Code.

ERISA Matters. The Fund will not accept any contributions from shareholders that are pension plans or similar pension or retirement trusts (all such entities being herein called "Retirement Trusts") if, after such contribution, the Shares in the Fund held by such Retirement Trusts would represent 25% or more of the total outstanding shares in the Fund. If the shares held by such Retirement Trusts were to exceed this 25% limit, then the Fund's assets would be considered "plan assets" under the U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA"), which could result in adverse consequences to the Investment Manager and the fiduciaries of the Retirement Trusts.

* * * * *

THE FOREGOING TAX SUMMARY DOES NOT ADDRESS TAX CONSIDERATIONS WHICH MAY BE APPLICABLE TO CERTAIN SHAREHOLDERS UNDER THE LAWS OF JURISDICTIONS OTHER THAN THE UNITED STATES OR THE BRITISH VIRGIN ISLANDS. ACCORDINGLY, ALL PERSONS INTERESTED IN PURCHASING THE SHARES SHOULD INFORM THEMSELVES AS TO ANY INCOME OR OTHER TAX CONSEQUENCES PARTICULAR TO THEIR CIRCUMSTANCES ARISING IN THE JURISDICTION IN WHICH THEY ARE RESIDENT OR DOMICILED FOR TAX PURPOSES IN CONNECTION WITH THE ACQUISITION, HOLDING OR DISPOSITION OF THE SHARES.

APPENDIX A

SUBSCRIPTION DOCUMENTS

Signature Page for Subscription by an INDIVIDUAL

SHARES TO BE REGISTERED AS FOLLOWS:

(Check One)

☐ INDIVIDUAL SUBSCRIBER ☐ CO-SUBSCRIBERS
(Both signatures required below)

(Please print all information exactly as you wish it to appear on the Company's records.)

(Name of Subscriber)	(Facsimile)
(Address)	(Telephone - Days)
(Country of Residence)	(Telephone - Evenings)
(Name of Co-Subscriber)	(E-Mail Address)
(Address)	(Telephone - Days)
(Country of Residence)	(Telephone - Evenings)

Dated: _____

Signatures of Individual Subscriber(s)
(Please print name below each signature):

_____

_____

_____

_____

EPSILON GLOBAL ACTIVE VALUE FUND II LTD.

REDEMPTION REQUEST FORM

INSTRUCTIONS

This form should be saved and may be used by a shareholder wishing to redeem Shares in the Fund. Redeeming shareholders should complete and return this form, including page B-3.

TO: EPSILON GLOBAL ACTIVE VALUE FUND LTD.
c/o Epsilon Investment Management L.L.C.
7280 W. Palmetto Park Road, Suite 310
Boca Raton, Florida 33433 USA
Phone: 561-237-0330
Fax: 561-237-0329

_____, 20__

Dear Sirs:

I hereby request redemption, as defined in and subject to all of the terms and conditions of the Confidential Offering Memorandum of Epsilon Global Active Value Fund II Ltd. ("the Fund"), as it may be amended, of _____ Shares, representing [part/all] of my Shares in the Company. I understand that redemption will only be effective as of the close of business on the last day of a calendar quarter, upon at least forty-five (45) days prior written notice. Except as otherwise provided in the Confidential Offering Memorandum, payment of 90% of the redemption proceeds will be made within thirty (30) days after the effective date of redemption with balance being paid within fifteen (15) days after receipt by the Fund if its annual audited statements settlement for such year. If I have been issued share certificates, I enclose my Share certificates, duly endorsed for transfer.

I hereby represent and warrant that (i) I am the owner of Shares of the Company with full power and authority to request redemption of the Shares which are the subject if this request; and (ii) I am not a "U.S. Person" (as that term is defined in the Information Memorandum). Such Shares are not subject to any pledge or otherwise encumbered in any fashion. I acknowledge this I cannot make a partial redemption of less than US$100,000 of Shares as the Net Asset Value is defined in the Confidential Offering Memorandum is computed as the date of redemption and if I am making a partial redemption, that my redemption request will be honored only if it does not reduce the Net Asset Value of my remaining Shares below the minimum subscription amount required of new the shareholders of the Fund. My signature has been guaranteed by a commercial bank acceptable to the Fund.

REDEMPTION REQUEST FORM (Continued)

WIRE INSTRUCTIONS (to be completed by redeeming shareholder):

Bank name and address:
Account:
Account Name:
Account No:

SIGNATURES MUST BE IDENTICAL TO NAME(S) IN WHICH SHARES ARE REGISTERED

_____ _____
PRINT: Name of Registered Owner of Shares Address

ENTITY SHAREHOLDER (OR ASSIGNEE)
[PARTNERSHIP, CORPORATION OR TRUST]

_____

By: _____
(Signature of partner, authorized corporate officer or trustee

_____
Name and Title

By: _____
(Signature of partner, authorized corporate officer or trustee

_____
Name and Title

INDIVIDUAL SHAREHOLDER(S)
(OR ASSIGNEE)

_____

_____
(Signature of individual or assignee)

_____
(Signature of individual or assignee)

Signature(s) guaranteed by:

_____

REDEMPTION INFORMATION

SHARE REGISTRATION INFORMATION

Name

Address

Country of Residence

Telephone

Telephone (Evenings)

Fax

MAILING (POST) INFORMATION (if other than address of registration)

Name

Address

County of Residence

Telephone

Telephone (Evenings)

Fax

BANK FOR TRANSFER OF REDEMPTION

Name

Address

Country of Residence

Telephone

Telephone (Evenings)

Fax

EPSILON GLOBAL ACTIVE VALUE FUND II LTD.

Maximum Capitalization: 10,000,000 Shares
Minimum Investment: US $2,000,000

CONFIDENTIAL OFFERING MEMORANDUM

THE DIRECT OR INDIRECT OFFER AND/OR SALE OF SHARES OF EPSILON GLOBAL ACTIVE VALUE FUND II LTD. TO CITIZENS NATIONAL OR RESIDENTS OF, OR INSTITUTIONS OR OTHER ENTITIES ORGANIZED, CHARTERED OR RESIDENT IN, THE UNITED STATES OF AMERICA, WITH THE EXCEPTION OF CERTAIN QUALIFIED TAX EXEMPT ENTITIES IS EXPRESSLY PROHIBITED

The date of this offering memorandum is 1 January 2009

EXHIBIT C

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INVESTOR NOTICES

THIS MEMORANDUM CONSTITUTES AN OFFER ONLY TO THE PERSON WHOSE NAME APPEARS IN THE SPACE PROVIDED ON THE COVER PAGE. DELIVERY OF THIS MEMORANDUM TO ANYONE OTHER THAN THE PERSON NAMED OR HIS DESIGNATED REPRESENTATIVE IS UNAUTHORIZED, AND ANY REPRODUCTION OF THIS MEMORANDUM, IN WHOLE OR IN PART, WITHOUT THE PRIOR WRITTEN CONSENT OF THE ADMINISTRATOR OF THE FUND, IS PROHIBITED.

****

THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL, OR A SOLICITATION OF AN OFFER TO BUY, SHARES IN THE FUND IN ANY JURISDICTION WHERE SUCH OFFER, SOLICITATION, PURCHASE OR SALE WOULD BE PROHIBITED BY LAW, OR TO ANY FIRM OR INDIVIDUAL TO WHOM IT WOULD BE UNLAWFUL TO MAKE SUCH AN OFFER, SOLICITATION, PURCHASE OR SALE.

****

THIS MEMORANDUM CONTAINS A SUMMARY OF THE MATERIAL PROVISIONS OF THE DOCUMENTS REFERRED TO HEREIN. STATEMENTS MADE WITH RESPECT TO THE PROVISIONS OF THOSE DOCUMENTS ARE NOT NECESSARILY COMPLETE, AND REFERENCE IS MADE TO THE ACTUAL DOCUMENT FOR COMPLETE INFORMATION AS TO THE RIGHTS AND OBLIGATIONS OF THE PARTIES HERETO.

****

SHARES ARE AVAILABLE ONLY TO PERSONS WILLING AND ABLE TO BEAR THE ECONOMIC RISKS OF THIS INVESTMENT. THE SHARES ARE SPECULATIVE AND INVOLVE A HIGH DEGREE OF RISK. INVESTMENT IN THE FUND IS DESIGNED ONLY FOR SOPHISTICATED PERSONS WHO ARE ABLE TO BEAR THE LOSS OF THEIR INVESTMENT.

****

NO OFFERING LITERATURE SHALL BE EMPLOYED IN THE OFFERING OF THE SHARES EXCEPT AS PROVIDED BY THE FUND, TOGETHER WITH THIS MEMORANDUM. NO PERSON HAS BEEN AUTHORIZED TO MAKE ANY REPRESENTATIONS OR PROVIDE ANY INFORMATION WITH RESPECT TO THE SHARES EXCEPT SUCH INFORMATION AS IS CONTAINED IN THIS MEMORANDUM. NEITHER THE DELIVERY OF THIS MEMORANDUM NOR ANY SALES MADE HEREUNDER SHALL UNDER ANY CIRCUMSTANCES CREATE AN IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE MATTERS DISCUSSED HEREIN SINCE THE DATE HEREOF.

****

EACH INVESTOR AND HIS OR HER ADVISORS MAY INQUIRE ABOUT ANY ASPECT OF THE OFFERING. NO PERSON HAS BEEN AUTHORIZED TO MAKE ANY REPRESENTATION WITH RESPECT TO THE FUND, ITS INVESTMENT MANAGER, OR THIS OFFERING OTHER THAN THAT WHICH IS CONTAINED IN THIS MEMORANDUM. ANY REPRESENTATION NOT CONTAINED HEREIN MUST NOT BE RELIED UPON. NO REPRESENTATION IS BEING MADE HEREBY WITH RESPECT TO THE POTENTIAL RETURN TO BE DERIVED BY AN INVESTOR. ANY INFORMATION CONTAINED IN THE FUND'S PROMOTIONAL MATERIALS SHALL BE SUPERSEDED BY THE MEMORANDUM TO THE EXTENT SUCH MATERIALS ARE INCONSISTENT THEREWITH.

****

THE ADMINISTRATOR IS A SERVICE PROVIDER TO THE FUND AND IS NOT RESPONSIBLE FOR THE PREPARATION OF THIS PRIVATE PLACEMENT MEMORANDUM OR THE ACTIVITIES OF THE FUND AND THEREFORE ACCEPTS NO RESPONSIBILITY FOR ANY INFORMATION CONTAINED IN THIS MEMORANDUM. THE ADMINISTRATOR IS NOT AN INVESTMENT OR OTHER ADVISER TO THE FUND AND WILL NOT PARTICIPATE IN THE INVESTMENT DECISION-MAKING PROCESS.

* * * * * * * * *

EACH INVESTOR IN THE SHARES OFFERED HEREBY MUST ACQUIRE SUCH SHARES SOLELY FOR SUCH INVESTOR'S OWN ACCOUNT AND NOT WITH AN INTENTION OF DISTRIBUTION, TRANSFER, OR RESALE, EITHER IN WHOLE OR IN PART. IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE PERSON OR ENTITY CREATING THE SECURITIES AND THE TERMS OF THIS OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY U.S. FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. THERE IS NO ESTABLISHED MARKET FOR THESE SECURITIES AND NONE WILL DEVELOP.

* * * * * * * * *

THE FUND IS SUBJECT TO CONFLICTS OF INTEREST.

MUTUAL FUNDS DISCLOSURE

The British Virgin Islands Mutual Funds Act 1996 (the "Act"), as amended, came into force on January 2nd 1998 with the aim of regulating open-ended Mutual Funds, and the Managers and Administrators of open-ended mutual funds.

Three types of funds, namely Private, Professional and Public Funds (each as defined in the Act) are regulated by the Act. It is intended that Epsilon Global Active Value Fund II Ltd. (the "Fund"), be recognized under the Act as a Professional Fund.

A Professional Fund is defined as a mutual fund:

a. the Shares of which are made available only to professional investors and the initial investment in which, in respect of the majority of each such investors, is not less than one hundred thousand dollars in US currency or its equivalent in any other currency; or

b. is designated as a professional fund by regulations.

A "Professional Investor" is defined as a person whose ordinary business involves, whether for his own account or the account of others, the acquisition or disposal of property of the same kind as the property, or a substantial part of the property, of the fund or a person who has signed a declaration that he, whether individually or jointly with his spouse, has a net worth in excess of $1 million in United States currency or its equivalent in any other currency and that he consents to being treated as a professional investor.

The Act provides for a Professional Fund to be able to manage or administer its affairs in or from within the Territory for up to fourteen days before being recognized.

A recognized Professional Fund is required by the Act to pay an annual fee of US$350.

Recognition under the Act should not be taken to imply that the Fund has been approved by any regulatory authority in any country such as the United States, the United Kingdom or any other jurisdiction other than the BVI and it is intended that any potential shareholders of the Fund, participate on the basis that they can afford to lose all or a substantial portion of their investment.

ANTI-MONEY LAUNDERING

In order to comply with regulations aimed at the prevention of money laundering, the Fund will require verification of identity from all prospective investors (unless in any case the Fund is satisfied that an exemption under the Money Laundering Regulations 2000 of the Cayman Islands (the "Regulations") and the Code of Practice 1999 (the "Code of Practice") of the British Virgin Islands applies). Depending on the circumstances of each subscription, it may not be necessary to obtain full documentary evidence of identity where:

In the Cayman Islands:

(a) the prospective investor makes the payment for his investment from an account held in the prospective investor's name at a recognised financial institution;

(b) the prospective investor is regulated by a recognised regulatory authority and is based or incorporated in, or formed under the law of, a recognised jurisdiction; or

(c) the subscription is made by an intermediary acting on behalf of the prospective investor and such intermediary is regulated by a recognised regulatory authority and is based or incorporated in, or formed under the law of, a recognised jurisdiction.

In the British Virgin Islands:

(a) the investor is a "Regulated Person" as defined in the Code of Practice, carrying on business in the British Virgin Islands;

(b) the investor is an "authorized financial institution" as that term is used in the Code of Practice in a country or territory which is a member of the Financial Action Task Force (the "FATF") or the Caribbean Financial Action Task Force (the "CFATF") and which has anti-money laundering laws and procedures that are at least equivalent to the British Virgin Islands;

(c) the investor is acting in the course of a business in relation to which a "regulatory authority" as that term is used in the Code of Practice, outside the British Virgin Islands exercises regulatory functions and is based or incorporated in or formed under the law of a country or territory outside the British Virgin Islands which is a member of FATF or CFATF and in which there are in force anti-money laundering laws or procedures that are at least equivalent to those of the British Virgin Islands;

(d) the subscription is made by an intermediary acting on behalf of the prospective investor and such intermediary is regulated by a recognized regulatory authority and is based or incorporated in, or formed under the law of, a recognized jurisdiction and the intermediary has entered into Terms of Business confirming compliance with the Code of Practice requirement to retain and provide due diligence records; and

(e) the investor is an attorney at law entitled to practice in the Territory of the British Virgin Islands or an accountant bound by anti-money laundering rules of its professional body equivalent to the Code of Practice.

In Ireland:

(a) the prospective investor is regulated by a recognised regulatory authority and is based or incorporated in, or formed under the law of, a recognised jurisdiction; or

(b) the subscription is made by an intermediary acting on behalf of the prospective investor and such intermediary is regulated by a recognised regulatory authority and is based or incorporated in, or formed under the law of, a recognised jurisdiction.

For the purposes of the above-referenced exceptions in the Cayman Islands and Ireland, recognition or classification of a financial institution, regulatory authority or jurisdiction will be determined in accordance with the Regulations by reference to those jurisdictions recognised by the Cayman Islands and Ireland as having sufficient anti-money laundering regulations.

For purposes of the above-referenced exception in the British Virgin Islands, classification of a financial institution, regulatory authority or jurisdiction in which there are anti-money laundering laws and procedures that are equivalent to those of the British Virgin Islands will be determined in accordance with the Code of Practice by the relevant body in the British Virgin Islands.

The Fund and the Administrator reserves the right to request such information as is necessary to verify the identity of a prospective investor. The Fund and the Administrator also reserves the right to request such identification evidence in respect of a transferee of Shares. In the event of delay or failure by the prospective investor or transferee to produce any information required for verification purposes, the Fund may refuse to accept the application or (as the case may be) to register the relevant transfer or process a redemption, and (in the case of a subscription of Shares) any funds received will be returned without interest to the account from which the monies were originally debited.

The Fund also reserves the right to refuse to make any redemption payment to a Shareholder if any of the Directors of the Fund or the Administrator suspects or is advised that the payment of any redemption moneys to such Shareholder might result in a breach or violation of any applicable anti-money laundering or other laws or regulations by any person in any relevant jurisdiction, or such refusal is considered necessary or appropriate to ensure the compliance by the Fund, its Directors or the Administrator with any such laws or regulations in any relevant jurisdiction.

If, as a result of any information or other matter which comes to his attention, any person resident in the Cayman Islands or the British Virgin Islands (including the Fund, its Directors and the Administrator) knows or suspects that another person is engaged in money laundering, such person is required to report such information or other matter pursuant to the Proceeds of Criminal Conduct Law (2001 Revision) of the Cayman Islands or the Code of Practice in the British Virgin Islands and such report shall not be treated as a breach of any restriction upon the disclosure of information imposed by law or otherwise.

Measures aimed at the prevention of money laundering may require an applicant for Shares to verify his identity to the Administrator. Depending on the circumstances of each application, verification may not be required where the applicant makes the payment from an account held in the applicant's name at a recognised financial institution, or the application is made through a recognised intermediary. These exceptions will only apply if the financial institution or intermediary referred to above is within a country recognised by Ireland as having equivalent anti-money laundering regulations.

The Administrator will notify applicants if proof of identity is required. By way of example an individual may be required to produce a copy of a passport or identification card duly certified by a public authority such as a notary public, the police or the ambassador in his country of residence, together with two items of evidence of his address such as a utility bill or bank statement. In the case of corporate applicants this may require production of a certified copy of the Certificate of Incorporation (and any change of name) and of the Memorandum and Articles of Association (or equivalent), and of the names and residential and business addresses of all directors and beneficial owners.

The details given above are by way of example only and the Administrator will request such information and documentation as it considers is necessary to verify the identity of an applicant. In the event of delay or failure by the applicant to produce any information required for verification purposes, the Administrator may refuse to accept the application and the subscription monies relating thereto or may refuse to process a redemption request until proper information has been provided. Investors should note specifically that redemption proceeds will not be remitted to an account which is not in the name of the investor.

Each applicant for Shares acknowledges that the Administrator shall be held harmless against any loss arising as a result of a failure to process his application for Shares or a request for redemption if such information and documentation as has been requested by the Administrator has not been provided by the applicant.

Each applicant for Shares will be required to make such representations as may be required by the Directors in connection with anti-money laundering programmes, including, without limitation, representations that such applicant is not a prohibited country, territory, individual or entity listed on the United States Department of Treasury's Office of Foreign Assets Control ("OFAC") website and that it is not directly or indirectly affiliated with any country, territory, individual or entity named on an OFAC list or prohibited by any OFAC sanctions programmes. Each applicant will also be required to represent that subscription monies are not directly or indirectly derived from activities that may contravene United States federal or state, or international, laws and regulations, including anti-money laundering laws and regulations.

DIRECTORY

FUND REGISTERED OFFICE

Epsilon Global Active Value Fund II Ltd.
Craigmuir Chambers
P.O. Box 71
Road Town, Tortola, British Virgin Islands

INVESTMENT MANAGER

Epsilon Investment Management L.L.C.
Grand Rue 3
1820 Montreux, Switzerland
Telephone: 41-21-962-8800
Facsimile: 41-21-962-8801

ADMINISTRATOR

Equinoxe Alternative Investment Services (Ireland) Limited
Equinoxe House
Marina Village
Malahide
County Dublin
Ireland

PRIME BROKER AND CUSTODIAN

Goldman Sachs & Co.
One New York Plaza
New York, New York 10004
U.S.A.

ACCOUNTANTS AND AUDITORS

PricewaterhouseCoopers Accountants N.V.
P.O. Box 8800
3009 AV Rotterdam
The Netherlands

COUNSEL

Monahan & Biagi, P.L.L.C.
701 Fifth Avenue, Suite 2800
Seattle, Washington 98104
U.S.A.

SUMMARY OF THE CONFIDENTIAL OFFERING MEMORANDUM

THE FOLLOWING IS A SUMMARY OF THIS CONFIDENTIAL OFFERING MEMORANDUM (THE "MEMORANDUM"). THIS SUMMARY IS QUALIFIED IN ITS ENTIRETY BY THE MORE DETAILED INFORMATION APPEARING ELSEWHERE HEREIN, AND THE DESCRIPTION OF ANY DOCUMENT IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH DOCUMENT. AN INVESTMENT IN THE FUND IS SPECULATIVE AND INVOLVES SUBSTANTIAL RISKS. EACH SHAREHOLDER MAY LOSE HIS ENTIRE INVESTMENT (INCLUDING ANY PROFITS, WHETHER OR NOT DISTRIBUTED). SEE "RISK FACTORS."

The Fund

Epsilon Global Active Value Fund II Ltd. (the "Fund") is a corporation formed under the laws of the British Virgin Islands. All assets of the Fund are, and the proceeds from the sale of additional Shares of Common Stock in the Fund will be, invested through a "master-feeder" fund structure in Epsilon Global Master Fund II, L.P., a limited partnership formed under the laws of the Cayman Islands ("Master Fund"). The General Partner of the Master Fund is Epsilon Global Asset Management Ltd. ("the General Partner"), a corporation formed under the laws of the Cayman Islands. Other "feeder funds" investing in the Master Fund include Epsilon Global Active Value Fund II, L.P., and Epsilon Global Active Value Fund II-B, L.P., each a U.S. partnership organized for U.S. investors. Other investment vehicles may be formed in the future to invest in the Master Fund. Each such investment vehicle will invest in the Master Fund on substantially the same terms and conditions as the Fund and therefore will generally be allocated a proportionate share of the Master Fund's gains, losses and expenses based on their interest in the Master Fund, adjusted for any differences in fees. It is also noted that the Fund is authorized to invest outside of the Master Fund, although it does not currently anticipate that it will do so.

Investment Objective

The Fund's investment objective is capital appreciation with risk control. The Fund seeks to achieve a superior absolute return by employing various investment strategies.

Investment Manager

The Investment Manager of the Fund is Epsilon Investment Management L.L.C. (the "Investment Manager" or "Epsilon"), a Delaware limited liability company. Under the direction, supervision and control of the Directors of the Fund or their designee(s), Epsilon will be responsible for recommendations related to the trading and investment decisions of the Fund. The Investment Manager will receive such fees as are agreed to between the Fund and the Investment Manager.

Directors

The Directors of the Fund are Mr. Steve G. Stevanovich and Mr. Alberto Clodoaldo d'Abreu de Paulo.

Administrator

Equinoxe Alternative Investment Services (Ireland) Limited ("Equinoxe") serves as the Fund's Administrator, and will communicate with the Fund's shareholders.

Auditors

The Fund's books of account will be audited each year by the Fund's independent auditors, PricewaterhouseCoopers.

Prime Broker & Custodian

The Fund's principal prime broker and custodian is Goldman Sachs & Co., New York.

Indemnification

Neither the Administrator, the Investment Manager, nor any of their respective officers, directors, employees or agents ("Indemnified Parties"), shall be liable, in damages or otherwise, to the Fund or the Shareholders for any act or omission performed or omitted by any of them unless such act or omission results from willful misconduct, fraud or bad faith. The Fund will indemnify and hold harmless all Indemnified Parties from and against any and all claims or liabilities of any nature whatsoever, including attorneys' fees, arising out of or in connection with any action taken or

omitted by any Indemnified Party, unless such act or omission results from willful misconduct, fraud or bad faith.

Fees and Expenses Payable by the Fund

The Fund pays or causes to be paid its own fees and expenses, including all legal and accounting expenses. See "Fees, Compensation and Expenses" below.

Fixed Fee

As stated above, the assets of the Fund will be invested through the Master Feeder structure. The General Partner of the Master Fund will receive, in consideration for its services to the Fund, a quarterly fixed fee in an amount equal to one half of one percent (2% per annum) of the Fund's Total Net Assets (as defined below), determined as of the close of each calendar quarter (the "Fixed Fee"). In the discretion of the Fund , certain shareholders may be assessed a Fixed Fee in a different amount. To the extent that any Fixed Fees are paid to the General Partner by the Master Fund with respect to investments made by the Fund, no Fixed Fee amounts will be charged at the Fund level.

Contingent Fee

The General Partner will receive a contingent fee for each fiscal year or otherwise determined upon the redemption of any Common Stock, with respect to such redeemed Common Stock, respectively, (each a "Performance Period") equal to 20% of the amount, if any, of the net appreciation of the Fund's Gross Asset Value ("GAV") during that Performance Period. To the extent that the Contingent Fees are paid to the General Partner of the Master Fund by the Master Fund for investments made by the Fund, no Contingent Fees will be charged at the Fund level.

If the Fund incurs a net loss during a fiscal year, the General Partner may not receive any contingent fees from the Fund in a subsequent fiscal year unless and until the amount of such net loss applicable to each and every Share which experienced such net loss (and which remains outstanding at the time the subsequent profit occurs) has been recouped in full.

Reports

Within 120 days following the conclusion of each fiscal year, each Shareholder will receive an annual report (together with an annual audited financial statement) describing the results of the Fund's trading activities for that fiscal year. The annual report will be audited by the Fund's independent public accountants. Each Shareholder will also receive a quarterly investment report, describing the Fund's activities in such detail, as the Fund, in its sole discretion, shall determine. The Fund reports its results in U.S. dollars under International Financial Reporting Standards.

Fiscal Year

The fiscal year of the Fund shall end on December 31 of each year, and the fiscal quarters of the Fund shall end on March 31, June 30, September 30 and December 31 of each year; provided, however, that the Fund's initial fiscal year shall begin on the date the Fund commences operations and shall end on the following December 31.

Terms of Investment

Shares

The Fund will issue shares of common stock ("Shares"). Each of the Shares is entitled to participate ratably, on a share for share basis, with all outstanding Shares, in the Fund's earnings and assets. Purchasers of Shares are referred to herein as Shareholders. With the exception of certain pension and profit sharing trusts, charities and other entities which are generally tax-exempt under U.S. Federal income tax laws ("U.S. tax-exempt entities"), ownership of Shares will be restricted to persons other than "United States persons." "United States persons" are defined to include (i) a citizen or resident of the United States; (ii) a corporation, partnership, trust, or other entity organized or created under the laws of the United States; or (iii) any organization or entity controlled, directly or indirectly, by a person or persons described in (i) or (ii), or in which such persons are known to be the owners, directly or indirectly, of a majority of the beneficial interests therein.

Minimum Subscription

The minimum subscription for Shares is US$2,000,000, subject to the Fund's discretion to accept lesser amounts.

Subscription Procedure

The Fund offers its Shares on a continuous basis at a price per Share equal to the Net Asset Value (the "NAV") per Share as of date of issuance, plus any applicable subscription charges. A deposit to a Contingent Fee Reserve may be required in certain circumstances, and further adjustments to the number of Shares may be required in accordance with an Equalization Credit (See "Equalization Adjustments" for a more detailed description of Equalization Accounting). Subscriptions received during any monthly period will ordinarily be accepted as of the first day of the following monthly period, i.e., subscriptions received between March 1 and March 31 will be accepted as of April 1. The Fund may, in its discretion, accept subscriptions on a day other than the first day of a month. The Fund will issue number of Shares by dividing subscription amount by per share price rounded to 2 decimal places.

All persons desiring to subscribe for and purchase Shares should complete, execute and deliver a Subscription Agreement to the Fund. All persons subscribing for Shares in the Fund must be qualified clients, as set forth in Rule 205-3 under the Investment Advisers Act of 1940. Subscription Instructions and Agreements are attached to this Memorandum as Appendices A and B. Subscribers must complete all relevant sections of this Subscription Agreement. Failure to do so may result in delay of acceptance of a Subscriber's subscription until a properly completed Subscription Agreement has been received, processed and approved.

Shares will generally be issued on the first day of the month following the acceptance of a subscription (the "Closing Date"). The subscriber's payment for his or her Shares must be made at least one Business Day prior to the Closing Date.

Payments should be made by wire transfer of immediately available funds to the Fund's account as follows:

To:	J.P. Morgan Chase N.A., New York, NY
ABA Fedwire:	021000021
SWIFT:	CHASUS 33
For account of:	JPMorgan Chase Bank, N.A.
SWIFT:	CHASGB2L
Account #:	0010962009
For further credit to:	Epsilon Global Active Value Fund II Ltd.
Account #:	34651101

All subscriptions for Shares are irrevocable by the subscriber upon acceptance by the Fund. The Fund may reject any subscription for any reason.

Potential investors, by accepting delivery of this Memorandum, agree to return this Memorandum, including Appendices hereto, if (i) such potential investor does not subscribe for Shares, (ii) such potential investor's subscription is not accepted, or (iii) the offering is terminated before the sale to such potential investor is consummated.

Solicitation of Subscriptions

There are no underwriting arrangements with respect to the offering of Shares. All solicitations of subscriptions will be made directly by the Company or through the assistance of unaffiliated placement agents and money managers. Such unaffiliated placement agents and money managers may charge their clients a placement fee of up to 5% of the total amount of the subscription for Shares sold with their assistance. The unaffiliated placement agents and money managers may rebate all or a portion of such fees to their clients.

Limited Transferability

Each potential investor must represent that they will acquire the Shares only for investment purposes and not with a view to resale or distribution. No Shareholder may transfer Shares without the prior written consent of the Fund and on terms acceptable to Administrator.

Redemption Procedure

Shareholders may, upon forty-five (45) days' prior written notice to the Fund and the Administrator request that the Fund redeem all or part of such Shareholder's Shares as of the close of business on the last day of the calendar quarter. See "Redemption Procedure."

With respect to any partial redemption, a Shareholder may not make a partial redemption of less than US$100,000 and may not reduce such Shareholder's unredeemed Shares to an amount less than the minimum investment then required of new Shareholders. Also, in order to be considered a partial redemption, the redemption cannot exceed 90% of a Shareholder's total capital account. In any case, the redemption price shall be the NAV of the redeemed Shares, as calculated at the end of the applicable measurement period.

Redemption requests, once received by the Fund and the Administrator, are revocable only with the consent of the Investment Manager, which may withhold its consent for any reason in its sole discretion. Payment in U.S. dollars of the Redemption Price will be made as soon as practicable, and under normal conditions the shareholder will receive at least 90% of the Redemption Price no later than thirty (30) days following the date of redemption, with the balance, if any, paid within fifteen (15) days after the receipt by the Fund of its audited annual financial statements for the fiscal year. However, under conditions of market turmoil in which, in the judgment of the Fund's Investment Manager, the Fund is unable to liquidate portfolio positions in an orderly manner to meet redemptions, the Fund may in its sole discretion delay, in whole or in part, payment of the Redemption Price for longer than thirty (30) days and/or pay the Redemption Price in two or more stages. With respect to assets representing any part of the Redemption Price not paid within thirty (30) days of the redemption date, the Fund will not charge management fees and will pay interest at the rate paid by the Fund's prime broker on the Fund's cash balances. The Fund may agree to arrangements with particular Shareholders regarding the payment of redemption proceeds, which arrangements may include the partial payment of such redemption proceeds, if the Fund's Directors determine that such arrangements are in the best interests of all Shareholders. The Fund has the right to make payment on redemptions in securities owned by the Fund. The Fund may, in its discretion, deduct from any redemption proceeds an amount determined by the Fund to represent the transaction costs and related expenses incurred by the Fund in connection with the processing of redemptions.

The Fund also has the right to force the complete redemption of any Shareholder at any time in the Fund's sole discretion. Under certain circumstances, the Fund has the power to suspend the redemption of Shares. See "Redemption Procedure."

THE FUND

Epsilon Global Active Value Fund II Ltd. (The "Fund") incorporated in the territory of the British Virgin Islands (the "BVI") as an international business company. The registered office of the Fund is located in Tortola, British Virgin Islands.

INVESTMENT OBJECTIVES

The Fund's investment objective is capital appreciation with risk control. The Investment Manager seeks superior absolute returns while reducing the risk of permanent impairment to capital. To accomplish this objective, the Investment Manager employs global opportunistic, distressed and event-driven value investing across a variety of security types and asset classes.

INVESTMENT PRINCIPLES

The Fund seeks investment opportunities and deploys capital on a global basis. The Fund's opportunistic investment style may lead to investments in capital structure restructuring, the equity or high yield debt of distressed or mismanaged companies which may be in default or in bankruptcy, private corporate debt such as bank debt or trade claims, sovereign debt, convertible securities and special situations including turnarounds, mergers, spinoffs, restructurings, recapitalizations and exchange offers. The Fund may also invest in privately negotiated and structured securities of public and private companies, including lease transactions and collateralized debt obligations ("CDOs").

Analytical Methodology. The Fund believes that the market price of the various components of a capital structure are ultimately determined by enterprise value. Therefore, when evaluating the securities of distressed or mismanaged companies, the Fund attempts to determine the enterprise or "going concern" value of the company and then compares that value to the current market value of the company's securities. This analysis and comparison enables the Fund to determine which securities are incorrectly priced, and subsequently, offer the best risk/return. Factors considered by the Fund in assessing enterprise value are, among other things: (i) historical and discounted future levels of operating and free cash flow, (ii) current and likely future financing needs and alternatives, (iii) balance sheet structure including off balance sheet items, (iv) revenue and expense recognition policies, (v) industry standing, (vi) diversity of operations and (vii) background, operational experience and track record of management.

The application of the above analytical methodology not only enables the Fund to identify which securities it believes are undervalued, but also which securities are overpriced. Once identified, these overpriced securities may be sold short in anticipation of a future price decline.

Global Investments. In non-U.S. markets, the Fund may purchase U.S. dollar and non-U.S. currency denominated equity and debt securities of non-U.S. corporations, as well as the sovereign debt of various governments and the debt of their respective agencies or departments, which may be trading at distressed levels. The Fund may also purchase newly or recently privatized equity or debt securities of former state owned entities in private or open market transactions. When purchasing non-U.S. currency denominated securities, the Fund may hedge currency fluctuation risk, thereby minimizing the impact of negative currency movements.

Special Situations. The Fund focuses on corporate dislocations and discrete events such as a restructuring or a reorganization, the spinoff of a division or subsidiary, a recapitalization, an acquisition or merger, a tender offer, an asset sale or a regulatory shift. For example, in a restructuring, a company may sell, spinoff or close unprofitable or non-strategic portions of its business, thereby leaving a more focused core business. Additionally, the company may restructure its balance sheet by exchanging high interest rate debt for lower rated debt or equity or some combination thereof. The Fund seeks restructuring situations in an effort to identify companies whose core business or whose remaining or newly created securities are incorrectly priced by the market.

Risk Control. The Fund may attempt to reduce risk or to hedge positions, including the risk of non-U.S. currency fluctuations, with offsetting transactions, such as short sales and buying or selling options on the same or similar securities. The Fund analyzes the historical and probable price movements of certain securities against that of an underlying security, in an effort to determine not only which securities offer the best hedge, but also which hedge ratio offers the best downside protection as well as upside potential. The Fund may also purchase and sell market or index options for hedging or speculative purposes.

MANAGEMENT OF THE FUND, THE INVESTMENT MANAGER AND OTHER RELATIONSHIPS

The Fund. The Fund's Board of Directors has overall management responsibility for the Fund, including establishing investment, dividend and distribution policy, and having the authority to select and replace the Fund's Administrator, any officers of the Company and other persons or entities with management or administrative responsibilities to the Fund. The Fund's Memorandum and Articles of Association provide that a Director shall not be liable to the Fund for any acts or omissions in the performance of his duties if such person acted honestly and in good faith with a view to the best interests of the Fund and, in the case of criminal proceedings, such a person had no cause to believe that his conduct was unlawful. Such Memorandum and Articles of Association contain certain provisions for the indemnification of Directors by the Fund, to the extent permitted by law, against liabilities to third parties arising in connection with the performance of their services. As Director, Mr. Steve G. Stevanovich is responsible for Fund's operations and activities. The background of Mr. Stevanovich is set forth below.

Mr. Steve G. Stevanovich is the Founder and President of both Westford Asset Management L.L.C. and Epsilon Investment Management L.L.C. Mr. Stevanovich has over 22 years of experience in international investment management. During these 22 years, Mr. Stevanovich has developed an ability to assess and exploit capital structure mispricings on a global basis while utilizing various hedging techniques in an attempt to maximize capital preservation. Prior to founding Epsilon, Mr. Stevanovich was the Executive Vice President of Everest Capital Limited, a $1.4 billion global hedge fund. During the five and one-half years that Mr. Stevanovich spent at Everest, the fund had a compounded return of over 25% per annum. Prior to joining Everest Capital, Mr. Stevanovich had over seven years of experience in corporate finance and investment banking, most recently at Ingoldsby, O'Connor, Altwell & Company, a leveraged buyout firm in Boston where he was involved in analyzing and valuing companies in various industries and negotiating the capital structure and pricing of various transactions. Mr. Stevanovich has a BA in Economics from the University of Chicago and an MBA from the University of Chicago Graduate School of Business.

Mr. Stevanovich is assisted by a team of analysts.

Epsilon Investment Management L.L.C. The Investment Manager of the Fund is Epsilon Investment Management, L.L.C. (the "Investment Manager" or "Epsilon"), a Delaware limited liability company. In its capacity as Investment Manager to the Fund, and under the direction, supervision and control of the Directors of the Fund or their designee(s), Epsilon provides services required for the Fund's operation including analysis and recommendations related to the fund's trading and investments transactions. Specifically, under the direction, supervision and control of the Fund, Epsilon aids in the management, investment and reinvestment of the Fund's assets, including the selection of securities brokers and banks. Steve G. Stevanovich, whose background is set forth above, is the sole manager of Epsilon. The Investment Manager and its investment professionals (or their families or related entities) have a significant portion of their net worth invested in the Funds they manage.

Investment Management Agreement. Under an Investment Management Agreement (the "Management Agreement") between the Investment Manager and the General Partner of the Master Fund, the Investment Manager will provide its services and recommendations related to the investment and reinvestment of the assets of the Master Fund and the Fund in accordance with the investment objectives and policies of the Master Fund and the Fund as set forth above and the provisions of the Master Fund's Offering Memorandum and Agreement of Limited Partnership. For its services the Investment Manager will be paid such fees as are agreed to between the General Partner and the Investment Manager.

The Investment Manager is solely responsible for the payment of its operational costs, including employee salaries, bonuses, rent, utilities, facilities overhead, travel and insurance. The Fund will be responsible for all of its investment and operating expenses, as described below under "Fees, Compensation and Expenses" Also see "Prime Broker and Brokerage Commissions" and "Conflicts of Interest" below, as they relate to expenses to be paid by the Fund.

The Management Agreement provides that it shall continue until the close of business on December 31, 2030, except that either the General Partner or the Investment Manager may terminate the Management Agreement effective at the close of business on the last day of any fiscal year by giving the other party not less than ten (10) days written notice.

The Management Agreement recognizes that the Investment Manager has investments of its own and is acting as investment manager for others. The Management Agreement further recognizes that the Investment Manager may become associated with other investment entities and engage in investment management for others. Except to the extent necessary to perform its obligations under the Management Agreement, the Investment Manager or its affiliates are not limited or restricted from engaging in or devoting time and attention to the management of any other business, whether of a similar or dissimilar nature, or to render services of any kind to any other corporation, firm, individual or association. As a result, the Investment Manager and its affiliates and other clients may hold substantial positions in securities that are owned by the Fund. If the Investment Manager and its affiliates and other clients hold a substantial position in an issuer, liquidity and concentration considerations may limit the ability of the Investment Manager to add to the position on behalf of the Fund or other clients or to readily dispose of the position. The Investment Manager may on occasion give advice or take action with respect to those accounts that differs from the advice given with respect to the Fund. See discussion under "Conflicts of Interest."

Pursuant to the Investment Management Agreement between the Fund and the Investment Manager, the Investment Manager shall not be liable to the Fund for any acts or omissions in the performance of its services in the absence of willful misconduct, gross negligence or as otherwise required by law, and each agreement contains provisions for the indemnification of the Investment Manager by the Fund against liabilities to third parties arising in connection with the performance of their services, to the extent permitted by law.

Prime Broker and Brokerage Commissions. Although the Investment Manager will review the brokerage commission rates charged to the Fund, it has complete discretion to determine which brokerage firms will be selected to execute transactions for the Fund, regardless of their commission rates. The Fund will use Goldman Sachs & Co. as its principal prime broker and custodian, but may engage other brokers to provide similar services.

Portfolio transactions will be allocated by the Investment Manager to broker-dealers on the basis of best execution and best overall terms available, which the Investment Manager will evaluate on the basis of a variety of factors, including a broker's or dealer's ability to effect transactions, reliability and financial responsibility, operational efficiency, responsiveness, stability, the ability to achieve prompt and reliable trade executions, price, and execution and other services (e.g., special execution capabilities, clearance, settlement, post-trade matching and short-term custodial services) which benefit the Fund. The Investment Manager may also generally consider the amount, frequency, and nature of research, its quality and comprehensiveness, along with execution and other services provided by brokers, as well as the extent to which such research and other services are relied upon and provide assistance in making investment decisions.

The Investment Manager values good service, market information and investment ideas received from brokers, and may in its sole discretion allocate transactions for the account of the Fund to particular brokers in order to obtain access to such service, information and ideas. The Investment Manager may also cause the Fund to enter into transactions with brokers with the purpose, in whole or in part, of generating commissions to the brokers and resulting "soft dollar" credits, in order to gain access to the broker's proprietary research, data or analyses, and/or to gain access to services, market information and investment ideas from a broker. The investment information received from brokers may be used by the Investment Manager in servicing any other entities to which the Investment Manager provides investment advice and not all such information may be used by the Investment Manager in connection with the Fund.

A broker will not be excluded from receiving brokerage business because it does not provide research services. It is the intent of the Investment Manager that all services provided by a broker and paid for with "soft dollars" generated by trading for the Fund shall only be such services as would be allowed under the safe harbor under Section 28(e) of the Securities Exchange Act. All such services provided by a broker shall be expenses borne by the Fund, and thus indirectly by the Fund's Shareholders. Also see "Investment Management Agreement" above, and "Conflicts of Interest" and "Fees, Compensation and Expenses" below as they relate to expenses to be paid by the Fund. Among the services the Investment Manager may consider in allocating portfolio transactions to broker-dealers, subject to its obligation to use its best efforts to seek best execution for all transactions, is whether a broker-dealer has referred investors to the Fund. If, and when, such an allocation of portfolio transactions is made, the commission rates charged for such transactions shall not exceed commercially reasonable rates.

CERTAIN RISK FACTORS

AN INVESTMENT IN THE FUND IS SPECULATIVE AND IS SUITABLE ONLY FOR PERSONS WHO ARE ABLE TO ASSUME THE RISK OF LOSING THEIR ENTIRE INVESTMENT. PROSPECTIVE PURCHASERS SHOULD CAREFULLY CONSIDER THE FOLLOWING RISKS BEFORE SUBSCRIBING FOR SHARES.

Limited Operating History. The Fund commenced operation in July, 2001 and has a limited operating history upon which an evaluation of the Fund's performance can be made. The success of the Fund will be largely dependent on the judgment and ability of the Directors of the Fund, the General Partner of the Master Fund, and the Investment Manager.

Risk of Loss of Capital. An investment in the Fund creates a risk of loss of capital and is designated for sophisticated persons who are able to bear such a risk. The Fund believes that its investment program and research techniques moderate this risk to some degree, but can make no warranty or representation in this regard.

Reliance on the Investment Manager. Although the Directors of the Fund and the General Partner of the Master Fund have ultimate responsibility for the decisions related to the trading and investment of the Fund's assets, the success of the Fund is heavily dependent on the activities, judgment and availability of the Investment Manager. An investor in the Fund must rely upon the ability of the Investment Manager in making investment analyses and recommendations consistent with the Fund's investment objectives and policies, and in accordance with the provisions of the Master Fund's Offering Memorandum and Agreement of Limited Partnership. The investor will not have the opportunity to evaluate personally the relevant economic, financial and other information to be used by the Fund or the Investment Manager in the selection, analysis and monitoring of investments.

Securities to be Purchased. The Fund may purchase low rated or unrated debt securities. Such securities may offer higher yields than do higher rated securities, but generally involve greater volatility of price and risk of principal and income, including the possibility of default by, or bankruptcy of, the issuers of the securities. In addition, the markets for such securities may be limited. The Fund may enter into contracts with dealers as principal to purchase certain securities and synthetic instruments. Such transactions are not subject to exchange rules and may result in losses to the Fund in the event of a default or bankruptcy of a counterparty. The Fund may also purchase securities issued by companies from many countries and by the countries themselves. Such investments will cause the Fund to be affected by changes in the currency exchange rates and revaluation of currencies. Less information may be available about non-U.S. issuers than about their U.S. counterparts. Further, securities markets of certain other countries may not be as liquid as U.S. markets. Investment in these securities may result in higher costs to the Fund than investment in U.S. securities due to the cost of converting a foreign currency to dollars, the payment of fixed brokerage commissions on some non-U.S. exchanges and the imposition of transfer taxes or transaction charges by those exchanges. Investments in securities of certain countries may also be subject to political or economic risks. The Fund may invest in securities of United States or non-U.S. closed-ended investment companies. There may be no liquid secondary market for these securities and some of the companies may limit the intervals at which Shares may be redeemed.

A portion of the Fund's investment program may concentrate on structured finance securities with investments in debt obligations, distressed securities and other assets that have significant risks as a result of business, financial market or legal uncertainties. There can be no assurance that the Fund will correctly evaluate the nature and magnitude of the various factors that could affect the value of and return on investment. Prices and market movements of investments may be volatile, and a variety of other factors that are inherently difficult to predict, such as domestic or international economic and political developments, may significantly affect the results of the Fund's investments. As a result, the Fund's performance over a particular period may not necessarily be indicative of the results in future periods.

Structured Finance Securities. The Fund may invest in structured finance securities, which include, among others, collateralized bond obligations, collateralized loan obligations, collateralized debt obligations, equipment trust certificates, collateralized mortgage obligations, letters of credit, asset backed securities, forfeit financing, or similar instruments. Structured finance securities may present risks similar to those of the other types of investments in which the Fund may invest and, in fact, such risks may be of greater significance in the case of structured finance securities. Moreover, investing in structured finance securities may entail a variety of unique risks. Among other

risks, structured finance securities may be subject to prepayment risk, interest rate risk and credit risk. In addition, the performance of a structured finance security will be affected by a variety of factors, including its priority in the capital structure of the issuer thereof, the availability of any credit enhancement, the level and timing of payments and recoveries on and the characteristics of the underlying receivables, loans or other assets that are being securitized, remoteness of those assets from the originator or transferor, the adequacy of and ability to realize upon any related collateral and the capability of the servicer of the securitized assets.

Leveraged Bank Loans. The Fund may also invest in bank loans. Bank loans may become non-performing for a variety of reasons. Such non-performing bank loans may require substantial workout negotiations or restructuring in the event of a default or bankruptcy, which may entail, among other things, a substantial reduction in the interest rate and a substantial write-down of the principal of the bank loan. In addition, bank loans are generally subject to liquidity risks since bank loans are traded in an "over-the-counter" market. Consequently, there may be limited liquidity if a vehicle is required to sell or otherwise dispose of such bank loans.

Derivative Transactions. The structured finance vehicles in which the Fund invests may, to a limited extent, enter into certain transactions that include the use of options and other derivative instruments. Furthermore, the Fund may purchase or sell derivative instruments in the context of the overall hedging and risk management strategy. Possible losses from derivative transactions differ from losses that could be incurred from a purchase of a security, because potential losses from derivative transactions may be unlimited, whereas losses from purchases of securities cannot exceed the total amount invested.

Leverage and Short Sales. The Fund may maximize its investment position by purchasing securities on margin. As a result, the possibilities of profit and loss will be increased. Borrowing money to purchase securities will provide the Fund with advantages of leverage, but exposes it to capital risk and higher current expenses. Any gain in the value of securities purchased with borrowed money or income earned from these securities that exceeds interest paid on the amount borrowed would cause the Fund's investment profit or loss to increase faster than would otherwise be the case. Conversely, any decline in the value of the securities purchased would cause the Fund's investment profit or loss to decrease faster than would otherwise be the case. In addition to purchasing securities on margin, the Fund may engage in short selling of securities. A short sale will result in a gain if the price of the securities sold declines sufficiently between the time of the short sale and the time at which securities are purchased to replace those borrowed. A short sale will result in a loss if the price of securities sold short increases or does not decline sufficiently to cover transaction costs. Any gain would be decreased and any loss would be increased by the amount of any premium or interest that the Fund may be required to pay with respect to the borrowed securities.

Assets May Not Be Diversified. The Fund may at times have an unusually high concentration in certain types of securities positions. Accordingly, the Fund's assets may be subject to greater risk of loss than if they were more widely diversified, since the failure of one or more limited number of investments could have a material adverse effect on the Fund.

Foreign Exchanges. The Fund may invest in non-United States securities and may trade securities on exchanges located outside the United States, where protection afforded to investors by the Securities and Exchange Commission and federal securities laws do not apply. Accordingly, the Fund is subject to various risks inherent in trading non-U.S. securities and/or trading on foreign exchanges, including fluctuations in currency exchange rates, exchange controls, expropriation, burdensome or confiscatory taxation, moratoria, or political or economic events, all of which could have an adverse effect on the Fund's ability to generate profits on investments. As the Fund determines its investment profit or loss in United States dollars, it will be subject to the risk of fluctuation in the exchange rate between the local currency and dollars and to foreign exchange controls. Although the Fund may hedge against fluctuations in currency exchange rates, there can be no assurance that the Fund would not incur losses as a result of adverse changes in currency exchange rates and foreign exchange controls. The Fund is unable to predict the nature of future exchange controls. Imposition or significant increases in the level of exchange controls or other restrictions could have an adverse effect on the Fund.

Limited Liquidity of Investment. The Fund does not intend to list its Shares on any securities exchange. It is not expected that there will be any established over-the-counter market for sale of the Shares, and it is not anticipated that there will be any secondary market for trading in the Shares. However, a Shareholder may request that the Fund redeem some or all of his or her Shares. Under certain circumstances, including market conditions which would preclude the orderly liquidation of positions, the Fund may delay redemptions. See "Redemption Procedure."

Active Investments. The Fund may seek to effect the control or management of a company in which the Fund has an investment position. The Fund may take positions in excess of 5% of a company's outstanding voting Shares, possibly giving the Fund the ability to influence the actions of management. Additionally, the Fund may structure, negotiate and execute private transactions directly with publicly traded companies or their agents. Often, the resulting security is convertible debt with underlying publicly traded common stock. The Fund may also invest in the securities of privately held companies.

The Failure of Brokerage Firms. The Fund may be subject to a risk of loss of the assets held by a broker-dealer in the event of a broker-dealer's bankruptcy. In the event of a failure of a broker-dealer used by the Fund, the United States Securities Investor Protection Corporation provides a maximum of US$500,000 of account insurance, only US$100,000 of which may be taken in cash. To the extent the Fund leaves assets in the possession of its broker in excess of these amounts, the Fund may receive only a pro rata share of the remaining assets deposited with the failed broker-dealer. Moreover, because the Fund may trade on non-United States exchanges with non-United States brokers and/or dealers, the failure of a non-United States broker or dealer could result in the complete loss of Fund amounts on deposit with such broker or dealer, depending on the regulatory rules governing such broker.

Investments in "New Issues." The Fund may invest in "New Issues" as that term is defined in FINRA Rule 5130. Only those investors which are not restricted, as such term is defined by FINRA, may participate in the profits or losses attributable to New Issues. To the extent that a potential investor is "restricted", an investment in the Fund may not yield the performance results which may be achieved by those investors which are entitled to participate in New Issues.

Government Regulation. The Fund is not registered as an investment company under the Investment Company Act of 1940, and the Investment Manager is not registered as an investment adviser under the U.S. Investment Advisers Act of 1940 or as a Commodity Trading Advisor under the Commodity Exchange Act (or any similar law). Further, each of the Fund and its directors and officers, the General Partner of the Master Fund and the Investment Manager (the "Operators") are exempt from registration with the Commodity Futures Trading Commission (the "CFTC") as commodity pool operators and, therefore, none of the Operators is required (unlike a registered commodity pool operator) to deliver a disclosure document and a certified annual report to the investors in the Fund. The Operators are exempt from registration as commodity pool operators because the Operators and the Fund, as applicable, satisfy the criteria for exemption set forth in Rule 4.13(a)(3) adopted by the CFTC. Rule 4.13(a)(3) provides that the operator of a fund is exempt from registration as a commodity pool operator when (i) the sale of interests in the fund are conducted in a manner so as to exempt the sale thereof from registration under the Securities Act of 1933, as amended (the "Securities Act"), (ii) (A) the aggregate initial margin and premiums required to establish commodity interest positions (determined at the time the most recent position was established) does not exceed five percent (5%) of the liquidation value of the fund's portfolio (after taking into account unrealized profits and unrealized losses on any such positions) or (B) the aggregate net notional value of such positions, determined at the time the most recent position was established, does not exceed one hundred percent (100%) of the liquidation value of the fund's portfolio (after taking into account unrealized profits and unrealized losses), (iii) each investor in the fund is (A) an "accredited investor" within the meaning of Rule 501 of Regulation D under the Securities Act, (B) a trust that is not an accredited investor, provided that the grantor of the trust is an accredited investor and the beneficiary of the trust is a family member of the grantor, (C) a "knowledgeable employee" (as defined in 17 CFR 270.3c-5), or (D) a "qualified eligible person" (as defined in CFTC Rule 4.7(a)(2)(viii)(A)) and (iv) interests in the fund are not marketed as, or in, a vehicle for trading in the commodity futures or commodity options markets.

Shareholders, therefore, are not afforded the protective measures provided by such laws.

Substantial Fees and Expenses. The expenses to which the Fund will be subject could be substantial. See "Fees, Compensation and Expenses" below.

Arbitrage Trading May Involve Risks. The Fund's investments may involve arbitrage between the prices of two securities, between the equity and equity options of the same or similar securities, between the price of a security and its announced buy-out or exchange price and/or any combination thereof. Given the volatile nature of certain arbitrage situations, the short-term performance of the Fund's arbitrage investments may fluctuate significantly in value. The Fund may purchase or sell securities (on a current basis) and take offsetting positions in the options of the same or similar securities. These offsetting positions entail a substantial risk that the price differential could change unfavorably, causing a loss to the Fund.

Unidentified Investments. The Fund has not identified any particular investments to make from the proceeds of this offering, other than to make investments on the basis of opportunities as they may arise. Therefore, prospective investors must rely on the ability of the Investment Manager to seek, analyze and recommend investments consistent with the Fund's objectives. Shareholders will not have the opportunity to evaluate the relevant economic, financial and other information which will be utilized by the Fund in deciding whether or not to make a particular investment. The Memorandum and Articles of Association of the Fund do not restrict the type of investments the Fund may make.

Options. The Fund may engage in the trading of options, including credit default swaps ("CDS's"), index and equity options. Such trading involves risks substantially similar to those involved in trading margined securities, in that options are speculative and highly leveraged. Specific market movements of the securities underlying an option cannot accurately be predicted. The purchaser of an option is subject to the risk of losing the entire purchase price of the option. The writer of an option is subject to the risk of loss resulting from the difference between the premium received for the option and the price of the security underlying the option which the writer must purchase or deliver upon exercise of the option. No assurance can be given that the Fund will be able to effect closing transactions at a time when it wishes to do so. If the Fund cannot enter into a closing transaction, the Fund may be required to hold securities that it might otherwise have sold, in which case it would continue to be at market risk on the securities and could have higher transaction costs, including brokerage commissions, upon the sale of securities.

In addition, if the Fund utilizes derivatives, including interest rate swaps, assets swaps and credit default swaps, the Fund may take a credit risk with regard to parties with whom it trades and may also bear the risk of settlement default. These risks may differ materially from those entailed in exchange-traded transactions that generally are backed by clearing organization guarantees, daily marking-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered directly between two counterparties generally do not benefit from such protections and expose the parties to the risk of counterparty default. It is expected that all securities and other assets deposited with custodians or brokers will be clearly identified as being assets (directly or indirectly) of the Fund and hence the Fund should not be exposed to a credit risk with regard to such parties. However, it may not always be possible to achieve this and there may be practical or time problems associated with enforcing rights to its assets in the case of an insolvency of any such party.

Futures Contracts. Futures contracts are contracts usually made on a futures exchange which call for the future delivery of a specified "commodity" at a specified time and place. These contractual obligations, depending on whether one is a buyer or a seller, may be satisfied either by taking or making physical delivery of the "commodity" or by making an offsetting sale or purchase of an equivalent futures contract on the same exchange prior to the end of trading in the contract month. Commodity futures prices are highly volatile. Price movements of commodity futures contracts are influenced by, among other things, changing supply and demand relationships, governmental, agricultural and trade programs and policies and national and international political and economic events. Financial instrument and foreign currency futures and forward prices are influenced by, among other things, interest rates, changes in balances of payments and trade, domestic and international rates of inflation, international trade restrictions and currency revaluations. Because low margin deposits are normally required, an extremely high degree of leverage is obtainable in commodity futures trading. A relatively small price movement in a commodity futures contract, consequently, may result in large losses. Thus, like other highly leveraged investments, any purchase or sale of a commodity futures contract may result in losses that exceed the amount invested.

Synthetics. The Fund may use derivatives or other synthetic securities, both listed and over-the-counter, instead of purchasing or selling securities outright. These synthetic securities allow the Fund to gain exposure to certain markets or securities which the Fund might otherwise not be able to execute. If the Fund believes that a situation merits investment, but the costs and risks associated with such an investment are prohibitive or unacceptable, then the Fund may enter into an over-the-counter option contract, custom securities basket or swap transaction in order to gain exposure to the situation. Such instruments involve risks not associated with more traditional types of investments, including counterparty default risk.

Nature of Investments. A portion of the portfolio of the Fund may consist of securities issued by privately-held companies. There is generally little or no publicly available information about such companies and the Fund must rely on the due diligence of the Investment Manager to obtain the information necessary for the decision to invest in them. Typically, such companies depend for their success on the management, talents and efforts of one person or a small group of persons, so that the death, disability or resignation of such person or persons could have a materially adverse impact on them. Moreover, small companies frequently have smaller product lines and smaller market

shares than larger companies and therefore may be more vulnerable to economic downturns. Because these companies will generally have highly leveraged capital structures at least initially, reduced cash flow resulting from an economic downturn may adversely affect the return on, or the recovery of, the Company's investment in them. Investment in such companies therefore involves a high degree of business and financial risk, which can result in substantial losses, and, accordingly, should be considered speculative.

Illiquidity. A portion of the Fund's investments may consist of securities acquired directly from their issuers in private transactions. These securities will be restricted securities under the Securities Act of 1933 and may not be resold unless there is an effective registration statement on file with the Securities and Exchange Commission with respect to such securities, or an exemption from registration exists. Such securities will therefore be illiquid. In addition, there may be no established trading market for such securities into which they could be sold, even after an exemption from registration becomes workable.

Lack of Liquidity in Markets. Despite heavy volume of trading in securities, the markets for some securities have limited liquidity and depth. This lack of depth could disadvantage the Fund, both in the realization of the prices which are quoted and in the execution of orders at desired prices.

Currency Risks. There is no percentage restriction on the Fund's investments that are denominated in a non-U.S. currency. The Fund's investments that are denominated in a non-U.S. currency are subject to the risk that the value of a particular currency will change in relation to one or more other currencies. An increase in the value of the U.S. dollar compared to the other currencies in which the Fund makes its investments will reduce the effect of increases and magnify the U.S. dollar equivalent of the effect of decreases in the prices of the Fund's securities in their local markets. Conversely, a decrease in the value of the U.S. dollar will have the opposite effect of magnifying the effect of increases and reducing the effect of decreases in the prices of the Fund's non-U.S. dollar denominated securities. Among the factors that may affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political developments.

Interest Rate Risk. The price of most fixed income securities moves in the opposite direction of the change in interest rates. For example, as interest rates rise, the price of fixed income securities falls. If the Fund holds a fixed income security to maturity, the change in its price before maturity will have little impact on the Fund's performance; however, if the Fund has to sell the fixed income security before the maturity date, an increase in interest rates will result in a loss to the Fund. The risk will be greater for long-term securities than for short-term securities.

Reinvestment Risk. The Fund reinvests the cash flows received from a security. The additional income from such reinvestment, sometimes called interest-on-interest, is reliant on the prevailing interest rate levels at the time of reinvestment. There is a risk that the interest rate at which interim cash flows can be reinvested will fall. Reinvestment risk is greater for longer holding periods and for securities with large, early cash flows such as high-coupon bonds.

Timing Risk. Many structured finance securities, agency, corporate and municipal bonds, and all mortgage-backed securities, contain a provision that allows the issuer to "call" all or part of the issue before the bond's maturity date. The issuer usually retains the right to refinance the bond in the future if market interest rates decline below the coupon rate. There are three disadvantages to the call provision. First, the cash flow pattern of a callable bond is not known with certainty. Second, because the issuer will call the bonds when interest rates have dropped, the Fund is exposed to reinvestment rate risk – the Fund will have to reinvest the proceeds received when the bond is called at lower interest rates. Finally, the capital appreciation potential of a bond will be reduced because the price of a callable bond may not rise much above the price at which the issuer may call the bond.

Maturity Risk. In certain situations, the Fund may purchase a bond of a given maturity as an alternative to another bond of a different maturity. Ordinarily, under these circumstances, the Fund will make an adjustment to account for the differential interest rate risks in the two bonds. This adjustment, however, makes an assumption about how the interest rates at different maturities will move. To the extent that the yield movements deviate from this assumption, there is a yield-curve or maturity risk. Another situation where yield-curve risk should be considered is in the analysis of bond swap transactions where the potential incremental returns are dependent entirely on the parallel shift assumption for the yield curve.

Changes in Investment Strategies. The Directors have broad discretion to expand, revise or contract the Fund's business. Thus, the investment strategies of the Fund may be altered without prior approval by, or notice to, the investors if the Directors determine that such change is in the best interests of the Fund. Any such decision to engage in a new activity could result in the exposure of the Fund's capital to additional risks which may be substantial.

Master-Feeder Fund Structure. The Fund generally invests all of its investable assets through a "master-feeder" fund structure, in which the Fund is a "feeder entity" to the Master Fund. The "master-feeder" fund structure - in particular the existence of multiple investment vehicles investing in the same portfolio - presents certain unique risks to investors. Smaller investment vehicles investing in the Master Fund may be materially affected by the actions of larger investment vehicles investing in the Master Fund. For example, if a larger investment vehicle withdraws from the Master Fund, the remaining funds may experience higher pro rata operating expenses, thereby producing lower returns. Similarly, the Master Fund may become less diverse due to a withdrawal by a larger investment vehicle, resulting in increased portfolio risk.

Conflicts of Interest. There exist a number of potential conflicts of interest between the Investment Manager and the Fund. In addition to serving as investment manager to the Fund, the Investment Manager currently serves and may have additional investment management clients in the future (collectively, the "Other Clients"). The Other Clients may invest in the same or similar securities as the Fund. Purchase and sale orders may be combined for the Fund and the Other Clients with each entity paying its pro rata share of the total commission and paying or receiving its pro rata share of the total cost or sales proceeds. From the standpoint of the Fund, simultaneous identical portfolio transactions for the Fund and the Other Clients may tend to decrease the prices received, and increase the prices required to be paid, by the Fund for its portfolio sales and purchases. Where less than the maximum desired number of shares of a particular security to be purchased is available at a favorable price the Shares purchased will be allocated among the Fund and the Other Clients. In addition, purchase and sale transactions (including swaps) may be effected between the Fund and the Other Clients.

The Investment Manager may have conflicts of interest in allocating its time and activity between the Fund and the Other Clients, in allocating investment analysis and recommendations between the Fund and the Other Clients and in effecting transactions between the Fund and the Other Clients, including ones in which the Investment Manager may have a greater financial interest. In addition, the Investment Manager and its officers and employees may engage in other commercial activities and have investments of their own. Further, the Investment Manager and its officers and employees may engage in a wide variety of investment banking activities. The Investment Manager may, in some instances, perform investment banking services for companies in which the Fund owns securities. The Investment Manager may choose not to make an otherwise appropriate investment for the Fund if the Investment Manager or its clients have a business relationship with either the potential investee company or with a third party that has indicated its interest in acquiring the potential investee company. Any fees earned by the Investment Manager with respect to its investment banking activities will be paid solely to the Investment Manager and not the Fund.

In addition, the Investment Manager may become aware of investment opportunities and, to the extent the Investment Manager in its sole discretion determines such investment would not be suitable for the Fund, may refer such investment opportunities to others. Any fees or commissions with respect to the referral of such investments will be paid solely to the Investment Manager (see discussion concerning additional potential conflicts of interest under Fees, Compensation and Expenses).

Commissions earned by a broker executing portfolio transactions for the Fund may vary, in whole or in part due to whether the broker provides additional research or execution-related services to the Fund. Commissions paid by the Fund to brokers providing research or other services, including third party research services paid for out of "soft dollars" as permitted under the safe harbor under Section 28(e) of the Securities Exchange Act, may be higher than the commissions paid to other brokers. In addition, any research services received from brokers may be used by the Investment Manager in servicing any other entities to which the Investment Manager provides investment advice and not all such information may be used by the Investment Manager in connection with the Fund. Thus, the involvement of the Investment Manager with the Fund's portfolio transactions and the portfolio transactions of Other Clients, may lead to conflicts of interest and increase commission costs borne by the Fund.

The Investment Manager's obligations to the Fund are not exclusive and the Investment Manager and its officers and employees are not required to devote any specific amount of time to the Fund. The Investment

Manager has investments of its own and is acting as investment manager for others. The Management Agreement recognizes that the Investment Manager may become associated with other investment entities and engage in investment management for others. The Investment Manager or its affiliates are not limited or restricted from engaging in or devoting time and attention to the management of any other business, whether of a similar or dissimilar nature, or to render services of any kind to any other corporation, firm, individual or association. As a result, the Investment Manager and its affiliates and other clients may hold substantial positions in securities that are owned by the Fund. If the Investment Manager and its affiliates and other clients hold a substantial position in an issuer, liquidity and concentration considerations may limit the ability of the Investment Manager to recommend adding to the position on behalf of the Fund or other clients or to readily dispose of the position. The Investment Manager may on occasion give advice or take action with respect to those accounts that differs from the advice given with respect to the Fund.

The Investment Manager or the Fund may enter into side agreements with specific investors in the Fund providing for different fees, withdrawal rights, access to information about the Fund's investments, or other matters relating to an investment in the Fund.

THE DESCRIPTION CONTAINED HEREIN OF SPECIFIC ACTIVITIES THAT MAY BE ENGAGED IN BY THE FUND SHOULD NOT BE CONSTRUED AS IN ANY WAY LIMITING THE FUND'S INVESTMENT ACTIVITIES. THE FUND MAY ENGAGE IN INVESTMENT ACTIVITIES NOT DESCRIBED HEREIN WHICH THE INVESTMENT MANAGER CONSIDERS APPROPRIATE.

ADMINISTRATION

The Administrator. Equinoxe Alternative Investment Services (Ireland) Limited, a company incorporated under the laws of Ireland and regulated by the Irish Financial Services Regulatory Authority, is part of the Equinoxe Alternative Investment Services group of companies based in Bermuda.

The Administrator is a boutique service provider for alternative investment services and supports a management team comprised of experienced hedge fund administration professionals complemented by key personnel from the buy side of hedge fund and fund of hedge fund operations.

Under the Administration Agreement the Administrator has agreed to act as administrator of the Fund in which capacity its services include, subject to the overall supervision of the Directors, to provide company registrar and administrative services, including dealing with the issue, redemption and transfer of Shares, the calculation of the Net Asset Value of the Fund and each Class and per Share, and performing all financial and accounting duties and functions necessary or appropriate in connection with the activities of the Fund.

The Administration Agreement provides that the Administrator shall not, in the absence of gross negligence, wilful default or fraud on its part or on the part of its servants, agents, employees, officers or delegates (each an "Associated Person") be liable for any loss, damage or expense incurred by the Fund arising out of or in connection with the performance (or failure to perform) by the Administrator or its Associated Persons of its duties under or pursuant to the Administration Agreement. In the event that the Administrator incurs any liability under this Agreement, its liability shall be limited to direct losses incurred by the Fund and the Administrator shall not be liable for any special, indirect or consequential losses, regardless of the form of action or whether it was notified of such potential losses, or for any loss of profit, goodwill, revenue or anticipated savings. In any case, the Administrator's liability will always be limited to a maximum of two year's worth of fees.

In the absence of gross negligence, wilful default or fraud on the part of the Administrator or or its Associated Persons in the performance of its obligations under the Administration Agreement the Fund shall indemnify and keep indemnified and hold harmless the Administrator and its Associated Persons from and against any and all actions, proceedings, claims, demands, liabilities, losses, damages, costs and expenses (including reasonable legal and professional fees and expenses reasonably incurred arising therefrom or incidental thereto) ("Indemnified Claims or Losses") which may be made or brought against or suffered or incurred by the Administrator or its Associated Persons arising out of or in connection with the performance of the Administrator's duties under the Administration Agreement.

The Administration Agreement is terminable by either party giving to the other not less than 90 days' notice in writing expiring at any time, or immediately by notice by one party if the other (i) commits a material breach of the

terms of the Agreement (including the representations and warranties) and where such breach is capable of remedy has not remedied such breach within 30 days after service of notice requiring it to be remedied, (ii) goes into liquidation (except a voluntary liquidation for the purposes of reconstruction or amalgamation or merger on terms previously approved in writing by the other party) or administration (or its equivalent in any jurisdiction) or has a receiver or its equivalent in any jurisdiction appointed over all or any of its assets, or (iii) is in violation or default of or in non-compliance with any securities or taxation laws or regulations applicable to the Fund.

The Administration Agreement is governed by Irish law.

THE FUND'S SHARE CAPITAL

Capitalization of the Fund. The Fund has an authorized capital consisting of 10,000,000 shares of common stock (the "Shares").

Share Participation in Earnings and Assets. Each Share is entitled to participate ratably, on a share for share basis, with each other outstanding Share, in the earnings and assets of the Fund.

SUBSCRIPTION PROCEDURE

The minimum subscription for Shares is US$2,000,000, subject to the Fund's discretion to accept lesser amounts. The Fund will offer its Shares on a continuous basis at a price per Share equal to the Net Asset Value (the "NAV") per Share as of the last Business Day of the date of issuance, plus any applicable subscription charges. A deposit to a Contingent Fee Reserve may be required in certain circumstances, and further adjustments to the number of Shares may be required in accordance with an Equalization Credit (See "Equalization Adjustments" below for a more detailed description of Equalization Accounting).

All persons desiring to subscribe for and purchase Shares should complete, execute and deliver a Subscription Agreement to the Fund's Administrator. The subscription agreement may be sent by fax if original is received by the Administrator within 10 business days. The wire payment instructions have to include the name of the subscriber which has to match the name on the subscription agreement. All persons subscribing for Shares in the Fund must be qualified clients, as set forth in Rule 205-3 under the Investment Advisers Act of 1940. Subscription Instructions and Agreements are attached to this Memorandum as Appendices A and B. Subscribers must complete all relevant sections of this Subscription Agreement. Failure to do so may result in delay of acceptance of a Subscriber's subscription until a properly completed Subscription Agreement has been received, processed and approved.

Qualified Clients. In order to be classified as a "qualified client", an investor will be required to certify that it comes within any one of the categories of qualified clients set forth in Rule 205-3 promulgated under the Investment Advisers Act of 1940, including without limitation, any one of the following:

(i) a natural person who or a company that has currently or will have immediately after making an investment in the Fund at least $750,000 invested with the Fund;

(ii) a natural person who or a company that has a net worth (together, in the case of a natural person, with assets held jointly with a spouse) of more than $1,500,000 at the time the investor makes its investment into the Fund; or

(iii) a natural person who or a company that is a qualified purchaser as defined in section 2(a)(51)(A) of the Investment Company Act of 1940 (15 U.S.C. 80a-2(a)(51)(A)) at the time the investor makes its investment into the Fund (see below).

Qualified Purchasers. In order to be classified as a "qualified purchaser", an investor will be required to certify that it comes within any one of the categories of qualified purchasers set forth in Section 80a-2(51) of the Investment Company Act of 1940, including without limitation, any one of the following:

(i) any natural person (including any person who holds a joint, community property, or other similar shared ownership interest in an issuer that is excepted under section 80a-3(c)(7) of the Investment Company Act of 1940 with that person's qualified purchaser spouse) who owns not less

than $5,000,000 in investments, as defined by the Commission;

(ii) any company that owns not less than $5,000,000 in investments and that is owned directly or indirectly by or for 2 or more natural persons who are related as siblings or spouse (including former spouses), or direct lineal descendants by birth or adoption, spouses of such persons, the estates of such persons, or foundations, charitable organizations, or trusts established by or for the benefit of such persons;

(iii) any trust that is not covered by clause (ii) and that was not formed for the specific purpose of acquiring the securities offered, as to which the trustee or other person authorized to make decisions with respect to the trust, and each settlor or other person who has contributed assets to the trust, is a person described in clause (i) or (ii), above, or clause (iv) below; or

(iv) any person, acting for its own account or the accounts of other qualified purchasers, who in the aggregate owns and invests on a discretionary basis, not less than $25,000,000 in investments.

Generally, a subscription will be accepted, and Shares will be issued on the first day of the month following the month in which the subscriber's subscription and payment for Shares is received, e.g., subscriptions received between March 1 and March 31, will generally be accepted as of April 1. The Fund may, in its discretion, accept subscriptions on a day other than the first day of the month. Payment for Shares should be made by wire transfer of immediately available funds to the Fund's account as follows:

To:	J.P. Morgan Chase N.A., New York, NY
ABA Fedwire:	021000021
SWIFT:	CHASUS 33
For account of:	JPMorgan Chase Bank, N.A.
SWIFT:	CHASGB2L
Account #:	0010962009
For further credit to:	Epsilon Global Active Value Fund II Ltd.
Account #:	34651101

All subscriptions for Shares are irrevocable by the Subscriber. The Fund may reject a subscription for any reason.

Potential investors, by accepting delivery of this Memorandum, agree to return this Memorandum, including the Appendices hereto, if (i) such potential investor does not subscribe for Shares, (ii) such potential investor's subscription is not accepted, or (iii) the offering is terminated before the sale to such potential investor is consummated.

Equalization Adjustments. When interim subscriptions are made, certain adjustments may be required to be made to the price paid for Shares or to the number of Shares purchased. These adjustments are necessary to ensure: (a) the Contingent Fee which may be paid to the General Partner of the Master Fund is charged only to those Shares which have appreciated in value since their acquisition, (b) all Shareholders have the same amount per Share at risk and (c) all Shares have the same NAV.

With respect to a Deficit Interim Subscription, the subscription price per Share is the NAV per Share on the acquisition date plus 20% of the excess, if any, by which the Peak GAV per Share, for a preceding calendar year-end exceeds the GAV per Share on the date of subscription. Such amount (the "Contingent Fee Reserve") shall be added to the purchase price per Share and shall be invested and distributed as set forth herein. The Contingent Fee Reserve shall become payable to the General Partner of the Master Fund if the deficit between the GAV per Share on the subscription date and the Peak GAV is recouped by favorable performance of the Fund. The Contingent Fee Reserve may, in certain circumstances, be returned to a Shareholder upon redemption of Shares if, and to the extent, such Contingent Fee Reserve applicable to the Shares being redeemed has not been earned by the General Partner. Promptly after the end of each fiscal year in which a Contingent Fee Reserve is held, the interest or dividends earned thereon shall either be paid to the Shareholder who provided such Contingent Fee Reserve or reinvested into the Fund in the form of additional Shares, at the Fund's discretion.

With respect to a Premium Interim Subscription, where the NAV per Share on the date of subscription is greater than the Peak GAV per Share, for a preceding calendar year-end, 20% of the excess shall constitute an "Equalization Credit." This Equalization Credit accounts for the fact that the NAV per Share at the time of subscription includes a potential Contingent Fee to be borne by existing Shareholders which experienced such appreciation. The Equalization Credit serves as a credit against Contingent Fees that might otherwise be payable to the General Partner by Shareholders of the Fund, but which should not, in equity, be charged against such subscriber's Shares because, as to its Shares, no favorable performance has yet occurred. Upon redemption by a Shareholder of its Shares, the Equalization Credit, or a portion thereof, will be paid to such Shareholder, without interest, or if a Contingent Fee becomes payable prior to such redemption, then the Equalization Credit payable shall be applied to the purchase of additional Shares, subject to appropriate adjustments for favorable performance. Examples of a Deficit Interim Subscription and a Premium Interim Subscription are set forth on the next page.

TABLE 1 -- Deficit Interim Subscription [Based on a 20% Contingent Fee Allocation]:

Peak GAV =	1,000
Gross Subscription =	920
NAV at Date of Purchase =	900
Contingent Fee Reserve (1,000 – 900) * 20% =	20

Gross GAV at Valuation Date	Contingent Fee Due to General Partner	Contingent Fee Reserve Due to General Partner	NAV (Net of All Fees)	Contingent Fee Reserve on Account
1,050	10.0	20.0	1,040	0.0
1,000	0.0	20.0	1,000	0.0
950	0.0	10.0	950	10.0
900	0.0	0.0	900	20.0
850	0.0	0.0	850	20.0

NOTE: Gross GAV is equal to the Total Net Assets after accrual for Fixed Fees and before accrual for Contingent Fees. The total value of a Shareholder's position is equal to the sum of the NAV (Net of All Fees) and the Contingent Fee Reserve on Account. In the above example, the Contingent Fee Reserve on Account does not include any accrued interest.

TABLE 2 -- Premium Interim Subscription [Based on a 20% Contingent Fee Allocation]:

Peak GAV =	1,000
Gross Subscription =	1,400
NAV at Date of Purchase =	1,320
Equalization Credit (1,400 – 1,000) * 20% =	80

Gross GAV at Valuation Date	Contingent Fee Due to General Partner	Equalization Credit Due to Shareholder	NAV (Net of All Fees)	Equalization Credit Against Future Contingent Fees: At Contingent Fee Payment	Equalization Credit Against Future Contingent Fees: At Redemption
1,500	20.0	80.0	1,400	0.0	0.0
1,400	0.0	80.0	1,320	0.0	0.0
1,200	0.0	40.0	1,160	40.0	0.0
1,000	0.0	0.0	1,000	80.0	0.0
900	0.0	0.0	900	80.0	0.0

NOTE: Gross GAV is equal to the Total Net Assets after accrual for Fixed Fees and before accrual for Contingent Fees. The Equalization Credit remaining against future Contingent Fees does not accrue interest; rather, these funds are at risk with other monies in the Fund and will appreciate or depreciate accordingly.

REDEMPTION PROCEDURE

Shareholders may, upon forty-five (45) days' prior written notice to the Fund, except as provided below, request that the Fund redeem all or part of such Shareholder's Shares as of the close of business on the last day of the calendar quarter (the "Redemption Date"). Shares acquired through reinvestment of dividends may be redeemed as of the last day of a calendar quarter, subject to the Fund's dividend policy. See "Dividend Policy."

The amount payable in redemption of the Shares is equal to the "Net Asset Value" of such Shares as of the Redemption Date (the "Redemption Price"). A Shareholder wishing to redeem Shares is required to deliver to the Fund and the Administrator, at least 45 days prior to the Redemption Date, a written redemption request indicating the number of Shares to be redeemed. The redemption request must be accompanied by a certification (in a form furnished by or satisfactory to the Fund and the Administrator) identifying all Shares which are directly or indirectly owned by such shareholder. Redemption requests may be submitted by fax to the Administrator at (353) 1-816-8722 ***and*** the Fund at 41-21-962-8801, provided that: (1) the original signed redemption request is received by the Administrator prior to the Redemption Date; and (2) the investor receives written confirmation from the Administrator that the faxed redemption request has been received. The Administrator will confirm in writing within 5 Business Days of receipt all faxed redemption requests which are received in good order. *Investors failing to receive such written confirmation from the Administrator within 5 Business Days should contact the Administrator at (353) 1-854-8100 to obtain the same.* **Failure to obtain such written confirmation will render faxed instructions void. The Fund and Administrator will not pay out redemption proceeds without receipt of the original redemption request.**

With respect to any partial redemption of Shares, a Shareholder may not make a partial redemption of less than US$100,000, and, in the case of a partial redemption, may not reduce such Shareholder's unredeemed Shares to an amount less than the minimum investment then required of new Shareholders. Also, in order to be considered a partial redemption, the redemption cannot exceed 90% of a Shareholder's total capital account.

Redemption requests, once received by the Fund and the Administrator, are revocable only with the consent of the Investment Manager, which may withhold its consent for any reason in its sole discretion.

Payment in U.S. dollars of the Redemption Price will be made as soon as practicable, and under normal conditions the shareholder will receive at least 90% of the Redemption Price no later than thirty (30) days following the date of redemption, with the balance, if any, paid within fifteen (15) days after the receipt by the Fund of its audited annual financial statements for the fiscal year. However, under conditions of market turmoil in which, in the judgment of the Investment Manager, the Fund is unable to liquidate portfolio positions in an orderly manner to meet redemptions, the Fund may in its sole discretion delay, in whole or in part, payment of the Redemption Price for longer than thirty (30) days and/or pay the Redemption Price in two or more stages. With respect to assets representing any part of the Redemption Price not paid within thirty (30) days of the redemption date, the Fund will not charge management fees and will pay interest at the rate paid by the Fund's prime broker on the Fund's cash balances. The Fund may agree to arrangements with particular Shareholders regarding the payment of redemption proceeds, which arrangements may include the partial payment of such redemption proceeds, if the Fund's Directors determine that such arrangements are in the best interests of all Shareholders. The Fund has the right to make payment on redemptions in securities owned by the Fund. The Fund may, in its discretion, deduct from any redemption proceeds an amount determined by the Fund to represent the transaction costs and related expenses incurred by the Fund in connection with the processing of redemptions.

The Fund also has the right to force the complete redemption of any Shareholder at any time at the sole discretion of the Directors.

The Fund has the power to suspend the redemption of Shares in the following circumstances:

(a) During any period with the New York Stock Exchange, or any other securities exchange or board of trade or other contract market on which a significant portion of the Fund's assets is ordinarily traded, is closed (other than for holidays) or trading thereon has been restricted or suspended;

(b) When, for any reason, the value of the Fund's assets cannot be accurately ascertained;

(c) During any state of affairs which, in the judgment of the Directors, would render disposition of the Fund's assets impracticable or be seriously prejudicial to the Fund's Shareholders; or

(d) When, in the opinion of counsel to the Fund, such redemption could result in adverse tax consequences to the Fund or its Shareholders.

The Fund will promptly notify Shareholders of the suspension of redemptions for any reason.

Resales and Additional Issuance of Shares. The Fund has the authority to issue additional Shares following the initial offering, either through the resale of Shares tendered for redemption or through the issuance of authorized but previously unissued Shares. The subscription price payable for any Shares which may be issued in the future will be the net asset value of such Shares determined at the time of issuance.

Restrictions on Ownership and Transfer; Compulsory Redemptions. The Fund's Articles of Association provide that Shares may be owned only by (i) a limited number of pension and profit sharing trusts, charities and other entities which are generally tax-exempt under U.S. Federal income tax laws ("U.S. tax-exempt entities"); and (ii) otherwise, only by persons who are not "United States persons". For this purpose, the term "United States person" is defined in the Fund's Articles of Association to include: (a) a United States citizen or a "resident" of the United States (as defined for United States federal income tax purposes); (b) a corporation, partnership, trust or other entity organized or created under the laws of the United States; or (c) any organization or entity controlled by a person or persons described in (a) or (b) or in which such persons are known to be the owners of a majority of the beneficial interests therein, as shareholders, partners, beneficiaries or otherwise, whether directly or indirectly either through other organizations or entities, or through any other arrangement.

Each subscriber for Shares which is not a U.S. tax-exempt entity will be required to certify to the Fund that the Shares are not being acquired and will not at any time be held for the account or benefit, directly or indirectly, of any United States persons. Shareholders are required to notify the Fund immediately of any change in such information. It is the responsibility of each investor to verify that he is not a United States person. For this purpose, investors should be aware that United States federal income tax laws contain specific definitions of the terms "resident alien" and "nonresident alien", which must be taken into account in making this determination.

Each subscriber will be required to agree that no Shares, nor any interest therein, will be transferred without the prior consent of the Fund, which consent may be withheld in the discretion of the Fund or the Administrator and that, prior to considering any request to permit a transfer of Shares, the Fund or the Administrator may require the submission by the proposed transferee of a certification as to the matters referred to in the preceding paragraph, as well as such other documents, including a completed Subscription Agreement, as the Fund or the Administrator considers necessary. The Fund's Memorandum and Articles of Association provide, and each subscriber for Shares is required to agree, that: (i) any attempted transfer in violation of the foregoing restrictions shall be invalid, and (ii) if the Fund has reason to believe that a Shareholder has violated the applicable restrictions on transfer or that any material matters set forth in the certifications referred to in the preceding paragraph were false, the Fund may redeem all Shares held by such shareholder compulsorily.

Voting and Other Rights. Each Share is entitled to one vote on any matter presented to a meeting of Shareholders. Shareholders will receive at least 30 days' notice of any Shareholders' meeting (or 10 days' notice if the Board of Directors determines that prompt shareholder action is advisable) and will be entitled to vote their Shares either personally or by proxy. If the proxy sent to a Shareholder with the notice of meeting is not completed and received at the Company's registered office prior to the meeting, Shares held by such Shareholder will be voted in the discretion of the attorney-in-fact designated in the Subscription Agreement executed by such Shareholder at the time the Shares were issued. At any meeting of Shareholders, a majority of the Shares represented in person (including representation by the attorney-in-fact) or by proxy at the meeting will be sufficient for the transaction of business.

The Administrator will maintain a current stock register for all Shares. All Shares will be issued in registered form. The Fund will not issue certificates in bearer form. All Shares, when issued and paid for, will be fully paid and non-assessable and Shareholders will have no personal liability for the debts of the Fund. The Shares have no preemptive rights.

In the event of the dissolution of the Fund, the Fund is authorized to distribute amounts due to Shareholders, in accordance with their respective interests, either in cash or in the form of portfolio securities or other assets.

DETERMINATION OF NET ASSET VALUE

The Fund will value or arrange for the valuation of the securities and other assets of the Fund as of the close of business on the last day of each month. The "Net Asset Value" of the Shares, for purposes of computing the redemption price applicable to such Shares and the minimum issue price applicable to such Shares after their initial offering, will be determined as follows:

1. Total Net Assets. The value of the "Total Net Assets" of the Fund as of a particular date will be computed by subtracting from the total value of all securities and other assets of the Fund an amount equal to all accrued debts, liabilities and obligations of the Fund (including any contingencies for which it is determined that any accrual should be made) except accruals or reserves for the payment of Fixed Fees and Contingent Fees.

2. Gross Asset Value. The "Gross Asset Value" ("GAV") of the Fund is equal to the Total Net Assets of the Fund less accruals or reserves for Fixed Fees.

3. Net Asset Value. The Net Asset Value ("NAV") of the Fund is equal to the Fund's GAV less accruals or reserves for Contingent Fees. The total Net Asset Value is allocated pro rata, on a share for share basis, to each outstanding Share. Thus, the Net Asset Value of each Share is equal to the amount of such total Net Asset Value divided by the number of Shares outstanding on the date as of which the valuation is being made. Net Asset Value determinations for the Fund will be made in accordance with International Financial Reporting Standards in which the following principles are observed.

(i) Securities listed on a national securities exchange or national market shall be valued at their last sale price on its principal exchange or market on the date of determination, or if no sales occurred on such day, at the mean between the "bid" and "asked" prices on such day.

(ii) Securities not listed on a national securities exchange or national market shall be valued at their last closing "bid" prices if held "long" and their last closing "asked" prices if sold "short" as supplied by the National Association of Securities Dealers or other sources, if necessary.

(iii) Commodities, commodity futures and forward contracts will be valued based upon the closing quotations reported for the same on the principal board of trade or other contract market in which dealings are made or by quotations from the counterparty bank in the case of a forward contract. If a futures contract position cannot be liquidated, due to the operation of daily limits or otherwise, on a day as of which Net Asset Value (defined herein) is determined, a value determined to be fair and reasonable by the Fund shall be used. Swap positions will be valued at the average secondary trading market price, as obtained from dealers in such market.

(iv) Listed securities options and commodity options traded on a national securities exchange or national market will be valued at their last sales prices on the date of determination on the principal national securities exchange or national market on which such options traded on such date (or, in the event that the date of determination is not a date upon which a national securities exchange or national market on which such options are traded was open for trading, on the last prior date on which such national securities exchange or national market was so open), or if no sales occurred on either of the foregoing dates, at the mean between the "bid" and "asked" prices on the principal national securities exchange or national market on which such options are traded, on the date of determination (or, in the event that the date of determination is not a date upon which such national securities exchanges or national contract market was open for trading, on the last prior date on which such securities exchange or current market was so open). If a commodity option cannot be traded on the date of determination due to the operation of daily limits or otherwise, a value determined to be fair and reasonable by the Fund shall be used. Premiums received for the writing of listed securities options and commodity options written by the Fund and traded on a contract market will be included in the assets of the Fund, and the market value of such options will be included as a liability of the Fund.

(v) Over-the-counter options will be valued at fair value, as determined by the Fund , based upon representative brokers' bids or valuations. If such bids or valuations are not available, or, in the opinion of the Fund, do not represent fair value, over-the-counter options will be valued as the Fund shall deem fair and reasonable.

(vi) Securities without an active trading market, as hereinafter defined, shall be assigned fair value by the Fund based upon: (a) a comparison with market values for similar companies, (b) recent sale price(s), (c) the investment risk and/or potential, (d) opinions of qualified investment bankers, (e) marketability (if any) or (f) such other factors as the Fund deems appropriate. For purposes of valuation, an "active trading market" is deemed to be one in which quotations are available on NASDAQ or if not available on NASDAQ, from one or more dealers in the pink or yellow sheets on a reasonably consistent basis.

(vii) All other assets shall be valued in accordance with International Financial Reporting Standards.

FEES, COMPENSATION AND EXPENSES

Expenses. The Fund will bear all of the continuing offering costs (including legal expenses incident thereto) and all other expenses incurred in the operation of the Fund, including the ordinary and necessary expenses directly or indirectly related to its investment activities or which the Investment Manager determines to be related to the investment of the Fund's assets. These expenses shall include normal trading expenses and all research expenses, including but not limited to brokerage commissions, exchange fees, clearing and settlement charges, custodial fees, bank service fees, interest and commitment fees on loans and debit balances, all administration fees and costs and all legal and accounting fees and costs, including any internal or external legal, accounting, professional and auditing fees and costs that relate to day to day operations, or any extraordinary circumstances, such as regulatory examinations or litigation involving the Fund, printing and mailing expenses, hardware and software costs related to research or fund accounting, fees and out-of-pocket expenses of any service company retained to provide any accounting, bookkeeping and administrative services, extraordinary expenses, and any other direct or indirect cost of operations not otherwise properly allocated as the responsibility of the Investment Manager. The Investment Manager is solely responsible for the payment of its operational costs, including employee salaries, bonuses, rent, utilities, facilities overhead, travel and insurance, as described under "Investment Management Agreement" above.

Expenses paid by the Fund may be paid with "soft dollars" or "hard dollars." In either case, because such expenses are paid by the Fund, they are indirectly borne by the Shareholders of the Fund. Expenses paid by the Fund may be paid for with "soft dollars" if the services provided to the Fund are allowed under the safe harbor under Section 28(e) of the Securities Exchange Act. Also see "Prime Broker and Brokerage Commissions" above relating to the use of "soft dollars."

As noted above, the Fund invests its assets through a "master-feeder" fund structure in the Master Fund. Each investment vehicle, including the Fund, that invests in the Master Fund will indirectly bear the administrative and other expenses of the Master Fund pro rata based upon its interest in the Master Fund. It is anticipated that virtually all expenses will be incurred at the Master Fund level and therefore that expenses incurred directly by the Fund will be relatively small. If expenses are incurred by the Fund requiring payment by the Fund, the Fund may make a withdrawal of a portion of its interest in the Master Fund (within the limitation imposed by the Master Fund) in order to pay those expenses. The Investment Manager will receive a fair market value fee for its services as will be agreed to between the General Partner of the Master Fund and the Investment Manager from time to time.

Fixed Fee. The Fund invests its assets into a master fund, Epsilon Global Master Fund II, L.P. In consideration for its services to the Fund, the General Partner of the Master Fund will receive a quarterly fixed fee equal to one half of one percent (0.50%) of the Total Net Assets (as defined) of the Fund as of the last day of each calendar quarter (equivalent to 2% per annum) (the "Fixed Fee"). The Fixed Fee will be paid to the General Partner within three business days (excluding Saturday, Sunday, and U.S. public holidays) after the close of each calendar quarter. Certain shareholders may be assessed a Fixed Fee in a different amount. To the extent that any Fixed Fees are paid to the General Partner by the Master Fund with respect to investments made by the Fund, no Fixed Fees will be charged at the Fund level.

Contingent Fee. In addition to the Fixed Fee, the General Partner will receive contingent fees, for each calendar year or otherwise determined upon the redemption of any Common Stock, with respect to such redeemed Common Stock, respectively, (each a "Performance Period") of the Fund (the "Contingent Fee"), in an amount equal to 20% of the increase of the Fund's per Share Gross Asset Value, if any, after adjustment for additional contributions and/or redemptions. To the extent that any Contingent Fees are paid to the General Partner by the Master Fund for investments made by the Fund, no Contingent Fees will be charged at the Fund level.

If the Fund incurs a net loss during the Performance Period, the General Partner will not receive any Contingent Fees unless and until the amount of such net loss applicable to each and every Share of the Fund's stock which experienced such net loss (and which remains outstanding at the time the subsequent profit occurs) has been recouped in full.

DIVIDEND POLICY

The declaration of dividends on the Shares will be in the discretion of the Board of Directors, and dividends may be declared only out of retained earnings. The Fund does not presently intend to pay dividends on its Shares.

TAXATION

THE FOLLOWING IS A SUMMARY OF CERTAIN U.S. AND B.V.I. TAX CONSIDERATIONS AFFECTING THE FUND AND ITS SHAREHOLDERS. WHILE THE FOLLOWING SUMMARY IS BELIEVED TO BE ACCURATE AS OF THE DATE HEREOF, A SHAREHOLDER'S OWN CIRCUMSTANCES MAY RENDER THE FOLLOWING SUMMARY INACCURATE OR INCOMPLETE. THUS, THE FOLLOWING SUMMARY SHOULD NOT BE CONSTRUED AS BINDING OR AUTHORITATIVE ADVICE TO ANY ACTUAL OR PROSPECTIVE SHAREHOLDER. ANY ACTUAL OR PROSPECTIVE SHAREHOLDER IS URGED TO CONSULT HIS OR HER OWN TAX ADVISOR REGARDING THE TAX CONSIDERATIONS RELEVANT TO AN INVESTMENT IN THE FUND.

United States Federal Income Taxation of the Fund.

1. Neither the Master Fund nor the Fund will be subject to any income, withholding or capital gains taxes in the Cayman Islands or the British Virgin Islands.

2. Under present law, the Fund will not be subject to any United States federal income tax on its capital gains whether from sources within or without the United States to the extent that such gains are not derived from securities classified as United States real property interests within the meaning of Section 897 of the Internal Revenue Code of 1986, as amended (the "Code"). In this connection, the Fund does not presently intend to acquire any securities which would be classified as United States real property interests.

3. The only United States income taxes which will be payable by the Fund on its income from dividends and interest is the 30% withholding tax applicable to dividends and certain interest income considered to be from sources within the United States. Certain debt obligations which may be acquired by the Fund will not be subject to the 30% withholding tax. The Fund generally intends to invest its cash reserves in short-term debt obligations the interest on which is not subject to 30% withholding.

4. Shareholders who are not residents of the British Virgin Islands will not be subject to any income, withholding or capital gains taxes in the British Virgin Islands with respect to the Shares of the Fund owned by them and dividends received on such Shares, nor will they be subject to any estate or inheritance taxes in the British Virgin Islands.

5. Shareholders who are not residents of the Cayman Islands will not be subject to any income, withholding or capital gains taxes in the Cayman Islands with respect to the Shares of the Fund owned by them and dividends received on such Shares, nor will they be subject to any estate or inheritance taxes in the Cayman Islands.

6. Shareholders that are neither citizens nor residents of the United States and are not engaged in a trade or business in the United States will not be subject to any United States federal income, withholding, capital gains, estate or inheritance taxes with respect to shares of the Common Stock owned by them and dividends received on such shares.

U.S. Shareholders. As noted above, Shares in the Fund may be sold to a limited number of U.S. investors who are pension and profit sharing trusts or other organizations which are generally exempt under U.S. federal income tax laws ("U.S. tax-exempt entities"). The U.S. tax-exempt entities in the Fund may not exceed 100 in number. Because the Fund is a "passive foreign investment company" ("PFIC") as defined in Section 1297 of the U.S. Internal Revenue Code of 1986, as amended, (the "Code"), any U.S. tax-exempt entities will be subject to certain filing requirements in the United States. A U.S. tax-exempt entity which does not borrow money or otherwise use leverage in acquiring Shares in the Fund should not be subject to U.S. federal income tax under the PFIC provisions of the Code on any dividends from the Fund or on any sale or redemption of its Shares in the Fund.

While the Fund may purchase securities on margin, borrow money and otherwise use leverage in connection with its investments, under present U.S. tax law that leverage should not be attributed to U.S. tax-exempt entities who are shareholders in the Fund. Thus, assuming that a U.S. tax-exempt entity does not borrow money or otherwise use leverage in acquiring Shares in the Fund, any dividends from the Fund or gain on the sale or redemption of Shares in the Fund should not constitute "unrelated debt-financed income" as defined in Section 514 of the Code, or "unrelated business taxable income" as defined in Section 512 of the Code, to such U.S. tax-exempt entity.

However, under certain proposed U.S. tax legislation, a portion of the dividends received by a U.S. tax-exempt entity, as well as a portion of any gain derived by such an entity from a sale or redemption of Shares, would be treated as "unrelated debt-financed income" if that entity were to hold 10 percent or more of the outstanding Shares of the Fund (directly or by attribution from related parties). It cannot be predicted whether this proposed legislation will become law and, if so, what form the law would ultimately take.

The Fund will monitor its shareholders in an attempt to ensure that the Fund is not more than 50% owned by such U.S. tax-exempt entities, so that the Fund will not be a "controlled foreign corporation" as defined in Section 957 of the Code.

ERISA Matters. The Fund will not accept any contributions from shareholders that are pension plans or similar pension or retirement trusts (all such entities being herein called "Retirement Trusts") if, after such contribution, the Shares in the Fund held by such Retirement Trusts would represent 25% or more of the total outstanding Shares in the Fund. If the Shares held by such Retirement Trusts were to exceed this 25% limit, then the Fund's assets would be considered "plan assets" under the U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA"), which could result in adverse consequences to the Investment Manager and the fiduciaries of the Retirement Trusts.

* * * * *

THE FOREGOING TAX SUMMARY DOES NOT ADDRESS TAX CONSIDERATIONS WHICH MAY BE APPLICABLE TO CERTAIN SHAREHOLDERS UNDER THE LAWS OF JURISDICTIONS OTHER THAN THE UNITED STATES OR THE BRITISH VIRGIN ISLANDS. ACCORDINGLY, ALL PERSONS INTERESTED IN PURCHASING THE SHARES SHOULD INFORM THEMSELVES AS TO ANY INCOME OR OTHER TAX CONSEQUENCES PARTICULAR TO THEIR CIRCUMSTANCES ARISING IN THE JURISDICTION IN WHICH THEY ARE RESIDENT OR DOMICILED FOR TAX PURPOSES IN CONNECTION WITH THE ACQUISITION, HOLDING OR DISPOSITION OF THE SHARES.

APPENDIX A

SUBSCRIPTION DOCUMENTS

For

NON-U.S. INVESTORS

EPSILON GLOBAL ACTIVE VALUE FUND II LTD.
SUBSCRIPTION AGREEMENT AND STANDING PROXY

Instructions for Non-U.S. Investors

Subscribers must complete all relevant sections of this Subscription Agreement. Failure to do so may result in delay of acceptance of a Subscriber's subscription until a properly completed Subscription Agreement has been received, processed and approved.

A. Complete page A-2 by filling in the amount of the subscription;

B. Complete page A-5 through A-7, including an indication whether the Shares are to be issued in book entry form or issued in the name of a nominee; and page A-11 by completing the necessary subscription information.

C. Subscriptions by Non-U.S. Individuals. If a subscription is by an individual (including more than one), the "Signature Page for Subscription by an Individual" (page A-9) must be completed.

D. Subscriptions by Entities. If a subscription is by an entity (trust, partnership, corporation, bank or broker-dealer), the "Signature Page for Subscription by an Entity" (page A-10) must be completed.

E. Items to be delivered by All Subscribers.

(i) Completed and signed Share Application Form and corresponding signature page (pages A-2, A-3, A-4, A-5, A-6, A-7, A-8, A-9 or A-10, and A-11).

(ii) In the case of new or additional subscriptions for Shares, U.S. dollar denominated funds in the amount of the full purchase price for Shares. Wire transfer funds for the full amount of the subscription to the Company's subscription account at:

To:	J.P. Morgan Chase N.A., New York, NY
ABA Fedwire:	021000021
SWIFT:	CHASUS 33
For account of:	JPMorgan Chase Bank, N.A.
SWIFT:	CHASGB2L
Account #:	0010962009
For further credit to:	Epsilon Global Active Value Fund II Ltd.
Account #:	34651101

(iii) Subscription documents should be delivered or mailed to Epsilon Global Active Value Fund II Ltd., c/o Equinoxe Alternative Investment Services (Ireland) Limited, Equinoxe House, Marina Village, Malahide, County Dublin, Ireland.

EPSILON GLOBAL ACTIVE VALUE FUND II LTD.

SUBSCRIPTION AGREEMENT AND STANDING PROXY FOR NON-U.S. INVESTORS

To: Epsilon Global Active Value Fund II Ltd.
c/o Equinoxe Alternative Investment Services (Ireland) Limited
Equinoxe House
Marina Village
Malahide
County Dublin
Ireland

Fax: (353) 1-816-8722

Please fill in the following information:

_____Amount of Subscription in U.S. Dollars: $_____.

I/We hereby apply to subscribe to purchase as many Shares in Epsilon Global Active Value Fund II Ltd. (the "Fund") as may be purchased with above amount upon the terms of the Confidential Offering Memorandum of the Fund, as it may be amended. I/We acknowledge that I am/we are able to afford a shareholding in a venture having the risks and objectives of the Fund. I/We acknowledge that I/we have read and understand the contents of the Confidential Offering Memorandum, and that I/We have had the opportunity to ask any questions and have received and reviewed any other additional documentation and materials that I/we deem relevant. I/We understand that the fees and expenses to which the Fund is subject could be substantial.

I/We declare the following: (1) the Shares hereby subscribed for are not being (i) acquired directly or indirectly by, and (ii) will not be transferred directly or indirectly to, (A) any individual who is a citizen, national or resident of the United States of America, (B) a corporation, partnership, association, joint-stock company, trust, fund, or any organized group of persons whether incorporated or not, created, organized or existing in, or organized and existing under the laws of the United States of America or any state, territory or possession thereof, or any other trust or estate, other than an estate or trust the income of which from sources outside of the United States of America is not includible in gross income for purposes of computing United States income tax payable by it, (C) any other trust in which one or more of the persons specified in clause (A) and (B) above have a cumulative direct or indirect beneficial interest in excess of 50 percent of the value of the trust, (D) any other non-corporate entity in which one or more of the persons specified in clause (A) or (B) above, directly or indirectly, have more than a 50 percent beneficial interest, (E) any other corporation in which one or more of the persons specified in clause (A) or (B) above, directly or indirectly, own stock possessing more than 50 percent of the total combined voting power of all classes of stock entitled to vote, or more than 50 percent of the total value of Shares of all classes of stock, and (F) any other corporation, partnership, association, joint-stock company, trust, fund, organized group or persons whether incorporated or not with respect to which one or more of the persons specified in clauses (A) or (B) above have the power to exercise a controlling influence over the management or policies, unless such power is solely the result of an official position with such company ("U.S. Person"); (2) no offer to purchase such Shares was made to me/us while I was/we were in the United States; (3) I/We did not agree to purchase such Shares while in the United States; (4) I/We will not attempt by any means, to offer, originate or execute an agreement to sell such Shares while in the United States; and (5) I/We agree that I/We will not, directly or indirectly, participate (defined below) in any business or enterprise with any past, present or future employee of the Fund, its general partner or its affiliates in any geographical area in which the Fund now conducts business, presently intends to conduct business, or has conducted business. The term

"participate" includes any direct or indirect interest in any enterprise, whether as an investor, officer, director, employee, partner, sole proprietor, agent, representative, independent contractor, consultant, franchiser, franchisee, creditor, owner or otherwise; provided that the term "participate" shall not include ownership of less than two percent of the stock of a publicly-held corporation whose stock is traded on a national securities exchange or in the over-the-counter market. Investor agrees that this covenant is reasonable with respect to its duration, geographical area and scope. I/We also agree that I/We shall not (i) induce or attempt to induce or solicit any past, present or future employee of the Fund, its general partner of its affiliates to participate in any business with Investor or its affiliates or in any way interfere with the relationship between the Fund and any of its employees; or (ii) induce or attempt to induce any investor or other business relation of the Fund to cease doing business with the Fund or in any way interfere with the relationship between the Fund and any customer, investor or business relation. I/We agree and understand that the Fund would suffer irreparable harm from a breach by me/us of any of the covenants or agreements contained herein, and that money damages would not be wholly adequate to remedy such breach. In the event of a breach (or an alleged or threatened breach) by me/us of any of the provisions of this Agreement, the Fund or its successors or assigns may, in addition to all other rights and remedies in law or in equity existing in their favor, redeem the investment made by me/us, and apply to any court of competent jurisdiction for injunctive or other relief in order to enforce or prevent any violations of the provisions hereof, without the posting of any bond or any other security. I/We agree that these provisions are reasonable.

If I/we are acting as trustee, agent, representative or nominee for a subscriber (a "Beneficial Owner"), I/we understand and acknowledge that the representations, warranties and agreements made herein are made by me/us (A) with respect to the me/us and (B) with respect to the Beneficial Owner. I/We further represent and warrant that it has all requisite power and authority from said Beneficial Owner to execute and perform the obligations under this Subscription Agreement. I/We also agrees to indemnify the Fund, the Investment Manager and the Administrator and their directors, members, partners, officers and agents for any and all costs, fees and expenses (including legal fees and disbursements) in connection with any damages resulting from the my/our misrepresentation or misstatement contained herein, or the assertion of my/our lack of proper authorization from the Beneficial Owner to enter into this Subscription Agreement or perform the obligations hereof.

I/We understand and agree that the Fund prohibits the investment of funds by any persons or entities that are acting, directly or indirectly, (i) in contravention of any applicable laws and regulations, including anti-money laundering regulations or conventions, (ii) on behalf of terrorists or terrorist organizations, including those persons or entities that are included on the List of Specially Designated Nationals and Blocked Persons maintained by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC"), as such list may be amended from time to time, (iii) for a senior foreign political figure, any member of a senior foreign political figure's immediate family or any close associate of a senior foreign political figure, unless the Fund, after being specifically notified by the Subscriber in writing that it is such a person, conducts further due diligence, and determines that such investment shall be permitted, or (iv) for a foreign shell bank (such persons or entities in (i) – (iv) are collectively referred to as "Prohibited Persons"). I/We represent, warrant and covenant that: (i) it is not, nor is any person or entity controlling, controlled by or under common control with the Subscriber, a Prohibited Person, and (ii) to the extent the Subscriber has any beneficial owners, (a) it has carried out thorough due diligence to establish the identities of such beneficial owners, (b) based on such due diligence, the Subscriber reasonably believes that no such beneficial owners are Prohibited Persons, (c) it holds the evidence of such identities and status and will maintain all such evidence for at least five years from the date of the Subscriber's complete redemption from the Fund, and (d) it will make available such information and any additional information requested by the Fund that is required under applicable regulations. If any of the foregoing representations, warranties or covenants ceases to be true or if the Fund no longer reasonably believes that it has satisfactory evidence as to their truth, notwithstanding any other agreement to the contrary, the Fund may, in accordance with applicable regulations, freeze the Subscriber's investment, either by prohibiting additional investments, declining or suspending any redemption requests and/or segregating the assets constituting the investment, or the Subscriber's investment may

immediately be redeemed by the Fund, and the Fund may also be required to report such action and to disclose the Subscriber's identity to OFAC or other authority. In the event that the Fund is required to take any of the foregoing actions, the I/we understand and agree that I/we shall have no claim against the Fund, the Investment Manager, the Administrator, and their respective affiliates, directors, members, partners, shareholders, officers, employees and agents for any form of damages as a result of any of the aforementioned actions.

The Subscriber agrees that all or any funds payable to the Subscriber (including redemption proceeds) may be wire transferred to the Subscriber at the account referenced below until further written notice, signed by one or more of the individuals authorized to act on behalf of the Subscriber, to Equinoxe Alternative Investment Services (Ireland) Limited, Equinoxe House, Marina Village, Malahide, County Dublin, Ireland.

Bank Name: _____
Bank Address: _____
ABA or CHIPS No.: _____
Account Name: _____
Account No.: _____
For Further credit: _____

I/We understand and agree that any redemption proceeds paid to it will be paid to the same account from which the my/our investment in the Fund was originally remitted, unless the Fund, in its sole discretion, agrees otherwise. If any of the foregoing representations cease to be true, I/we will promptly notify the Fund of the facts pertaining to such changed circumstances.

I/We represent, warrant and covenant that: (i) the subscription is not made with a view to financing terrorism; (ii) it is not, nor is any person or entity controlling, controlled by or under common control with the Subscriber, a Prohibited Person, and (iii) to the extent the Subscriber has any beneficial owners: (a) I/we have carried out thorough due diligence to establish the identities of such beneficial owners; (b) based on such due diligence, the I/we reasonably believe that no such beneficial owners are Prohibited Persons; (c) I/we hold the evidence of such identities and status and will maintain all such evidence for at least five years from the date of the Subscriber's complete redemption from the Fund; and (d) I/we will make available such information and any additional information requested by the Fund that is required under applicable regulations. I/We acknowledge that due to anti-money laundering and anti-terrorist financing requirements operating within their respective jurisdictions, the Administrator and the Fund (as the case may be) may require further identification of me/us before an application or redemption can be processed and the Administrator and the Fund shall be held harmless and indemnified against any loss arising as a result of a failure to process the application or redemption if such information as has been required by the parties referred to has not been provided by me/us.

I/We consent to the retention and processing of my/our data by the Administrator for the purposes of maintaining a register of investors, providing subscription and redemption of shares/units and (1) to the transfer of such data to other companies or entities within the Administrator's group, including its officers outside the European Economic Areas (the "EEA"); and (2) to the transfer of such data to third party companies or entities including their officers outside the EEA where the transfer is necessary for the maintenance of records, administrations or provision of services in relation to any investment product or services of any group companies. I/We understand that the transfer of my/our data may be to a country which does not have equivalent data protection to that of the EEA. I/We note that I/we have the right to request a copy of any personal data held about me/us and I/we have the right to have any inaccuracies in the data corrected.

If the subscriber is a bank or broker-dealer, the subscriber hereby represents and warrants, when it is acquiring Shares on behalf of clients for investment purposes, that such clients are not U.S. Persons, that it will notify the Fund if it shall come to its knowledge that any such client is or has become a U.S. Person, that it will not at any time knowingly transfer or deliver the Shares or any part thereof or interest therein to a U.S. Person, and that it will not make any transfer thereof in the United States of America, its territories or possessions.

I/We declare that in subscribing for Shares in the Fund, I/each of us am/is a Professional Investor within the meaning of the Mutual Funds Act 1996, as amended in that:

[check one or both]

____ My/our ordinary business involves, whether for my/our own account or the account(s) of (an)other(s), the acquisition or disposal of property of the same kind as the property, or a substantial part of the property which is (or will be) owned by the Company, as detailed in the Confidential Offering Memorandum of the Company.

____ My/our net worth (in the case of a natural person, whether individually or jointly with my spouse) exceeds US$1,000,000 or its equivalent in any other lawfully recognized currency and I/we consent to be treated as a Professional Investor for the purpose of an investment in the Company.

Shares will be held in book entry form for the subscriber, following acceptance, by the Administrator, Equinoxe Alternative Investment Services.

Allocations of New Issues. For purposes of determining the undersigned's eligibility to participate in the Fund's investment in "New Issues", as defined in FINRA Rule 5130, the undersigned hereby (a) warrants and represents that undersigned; or (b) if the undersigned is a corporation, partnership, trust or other entity, warrants and represents that it and any person having a beneficial interest in the undersigned **[CHECK APPROPRIATE BOX]**:

(A) ☐ is ☐ is not a member of the Financial Industry Regulatory Authority ("a FINRA Member") or other broker dealers.

(B) ☐ is ☐ is not an officer, director, general partner, employee or agent of a FINRA Member (in the case of an agent, such person is engaged in the investment banking or securities business) or of any other broker-dealer (other than a limited business broker-dealer), or a person associated with a FINRA Member or with any other broker-dealer or a member of any such person's immediate family.

(i) The term "person associated with a FINRA Member" in this sub-paragraph (B) is every sole proprietor, partner, officer, director or branch manager of any FINRA Member, or any natural person occupying a similar status or performing similar functions, or any natural person engaged in the investment banking or securities business who is directly or indirectly controlling or controlled by such member, whether or not any person is registered or exempt from registration with FINRA under the By-Laws or the Rules of FINRA.

(ii) The term "immediate family" includes parents, mother-in-law or father-in-law, husband or wife, brother or sister, brother-in-law, sister-in-law, son-in-law or daughter-in-law, and children, and any other individual to whom the person provides or receives material support from the immediate family member, is

employed by or associated with the member or an affiliate of the member, selling the new issue to an immediate family member, or such person has an ability to control the allocation of the new issue.

(C) ☐ is ☐ is not — a finder with respect to initial public offerings of securities or any person acting in a fiduciary capacity to a managing underwriter, including, among others, an attorney, accountant or financial consultant or a member of the immediate family of any such person if such person materially supports, or receives material support from, the immediate family member.

(D) ☐ is ☐ is not — any person (whether natural or non-natural) who has authority to buy or sell securities for a bank, savings and loan institution, insurance company, investment company, investment advisor or collective investment account, and or any member of the immediate family of any such person that materially supports, or receives material support from, such person.

(E) ☐ is ☐ is not — any person listed, or required to be listed, in Schedule A of Form BD (application to become a broker-dealer) (other than with respect to a limited business broker-dealer), except persons identified by an ownership code of less than 10%; or any person listed, or required to be listed, in Schedule B of Form BD (other than with respect to a limited business broker-dealer), except persons whose listing on Schedule B relates to an ownership interest in a person listed on Schedule A identified by an ownership code of less than 10%; or any person listed, or required to be listed, in Schedule C of From BD that meets any of the foregoing two criteria referenced above; or any person that directly or indirectly owns 10% or more of a public reporting company listed, or required to be listed, in Schedule A of Form BD(other than a reporting company that is listed on a national securities exchange, or other than with respect to a limited business broker-dealer); or any person that directly or indirectly owns 25% or more of a public reporting company listed, or required to be listed, in Schedule B of Form BD (other than a reporting company that is listed on a national securities exchange, or other than with respect to a limited business broker-dealer; and any immediate family member of any person described in the foregoing criteria, unless (i) the person owning the broker-dealer does not materially support, or receive material support from, the immediate family member, (ii) is not an owner of the member, or an affiliate of the member, selling the new issue to the immediate family member; and (iii) has no ability to control the allocation of the new issue.

Benefit Plan Investors. Are you a "Benefit Plan Investor" i.e.:

(i) an employee benefit plan, whether or not subject to the U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA") (e.g. a Non US pension plan, employee benefit plan established by a non U.S. employer, an annuity plan, an individual retirement account, an individual retirement annuity; OR

(ii) an entity whose underlying assets include "plan assets" by reason of a plan's investment in the entity (e.g., a group trust or fund of funds or a hypothetical entity with significant (25% or more) Benefit Plan Investor Ownership).

___ yes ___ no

_____ (initial) I/We confirm that no advice or other discretionary service has been provided by Equinoxe Alternative Investment Services (Ireland) Limited or any of its subsidiaries or affiliates in the decision to invest in the shares of the Fund. None of Equinoxe Alternative Investment Services (Ireland) Limited, its subsidiaries or affiliates act as investment or other advisor to the Subscriber.

I/We represent that the following individual or individuals are authorized to act on behalf of me/us to give and receive instructions between the Fund (or its representatives, including the Fund's administrator) and the Subscriber. Such individuals are the only persons so authorized until further written notice, signed by one or more of such individuals, to Equinoxe Alternative Investment Services (Ireland) Limited, Equinoxe House, Marina Village, Malahide, County Dublin, Ireland.

Name	Specimen Signature
_____	_____
_____	_____
_____	_____

I/We represent that the funds utilized for the payment of subscription amounts is sourced as follows:

(a) Name and Address of Financial Institution Wiring/Paying Subscription Monies:

_____

_____

(b) Name and Number of Account at Financial Institution being debited:

_____

_____

The Subscriber hereby designates and appoints the Investment Manager, through its authorized officers and directors, with full power of subscription, as its true and lawful Proxy and Attorney-in-Fact for the purpose of voting the Shares herein subscribed for as said Proxy may determine on any and all matters which may arise at any annual or special meeting of shareholders and upon which such Shares could be voted by shareholders present in person at such meeting. This Proxy may be revoked by the owner of record of the Shares hereby subscribed for, either personally or by presentation of a subsequently executed proxy at any annual meeting or special meeting of shareholders, or by written notice to Equinoxe Alternative Investment Services (Ireland) Limited, Equinoxe House, Marina Village, Malahide, County Dublin, Ireland.

The Administrator and the Fund are each hereby authorized and instructed to accept and execute any instructions in respect of the shares to which this Agreement relates given by the Subscriber in written form or by facsimile. If instructions are given by the Subscriber by facsimile, the Subscriber undertakes to send the original letter

of instructions to the Administrator and the Fund and agrees to keep each of them indemnified against any loss of any nature whatsoever arising to any of them as a result of any of them acting upon facsimile instructions. The Administrator and the Fund may rely conclusively upon and shall incur no liability in respect of any action take upon any notice, consent, request, instructions or other instrument believed in good faith to be genuine or to be signed by properly authorized persons.

I/We agree I/We will, to the fullest extent permitted by applicable law, indemnify, defend and hold harmless the Fund, the Administrator, the Investment Advisors, and their respective officers, directors, shareholders, partners and employees from and against any and all losses, claims, damages or liabilities of any nature whatsoever, including, without limitation, attorneys' fees and expenses arising out of or in connection with any breach of or failure by me/us to comply with any representation, warranty, covenant or agreement made by me/us in this Subscription Agreement. The provisions of this indemnity shall survive the admission of Subscriber as a shareholder of the Fund.

Signature Page for Subscription by an INDIVIDUAL

SHARES TO BE REGISTERED AS FOLLOWS:

(Check One)

☐ INDIVIDUAL SUBSCRIBER ☐ CO-SUBSCRIBERS
(Both signatures required below)

(Please print all information exactly as you wish it to appear on the Company's records.)

(Name of Subscriber)	(Facsimile)
(Address)	(Telephone - Days)
(Country of Residence)	(Telephone - Evenings)
(Name of Co-Subscriber)	(E-Mail Address)
(Address)	(Telephone - Days)
(Country of Residence)	(Telephone - Evenings)

Dated: _____

Signatures of Individual Subscriber(s)
(Please print name below each signature):

_____

_____

_____

_____

Signature Page for Subscription by an ENTITY

SHARES TO BE REGISTERED AS FOLLOWS:

ENTITY OWNERSHIP - Check form of organization:

☐ CORPORATION - Please include certified resolutions (or similar documents) authorizing signature.

☐ PARTNERSHIP/LLC - Please include a copy of the partnership or company agreement (or similar document) authorizing signature.

☐ TRUST - Please include a copy of the trust agreement.

☐ BANK or BROKER-DEALER

(Please print all information exactly as you wish it to appear on the Company's records.)

_____
(Name of Subscriber) (E-Mail Address)

_____ _____
(Address) (Telephone - Days) (Facsimile)

_____ _____
(Country of Formation) (Telephone - Evenings)

The undersigned trustee, partner or officer warrants that he has full power and authority from all beneficiaries or partners or from the board of directors of the entity named below to sign this Share Application Form on behalf of the entity and that a purchase of Shares in Epsilon Global Active Value Fund II Ltd. is not prohibited by the governing documents of the entity.

Dated: _____

Signatures of Entity Subscriber(s)
(Please print name below each signature):

_____
(Name of Entity)

By: _____
(Trustee, partner or authorized corporate officer

_____
(Name and Title)

By: _____
(Trustee, partner or authorized corporate officer

_____
(Name and Title)

SUBSCRIPTION INFORMATION

SHARE REGISTRATION INFORMATION

Name

Address

Country of Residence

Telephone

Telephone (Evenings)

Fax

MAILING (POST) INFORMATION (if other than address of registration)

REMITTING BANK

Name

Address

Country of Residence

Telephone

Telephone (Evenings)

Fax

BANK FOR TRANSFERS in case of redemptions (if other than Name & Address of Remitting Bank):

APPENDIX B

SUBSCRIPTION DOCUMENTS

For

U.S. TAX EXEMPT INVESTORS

EPSILON GLOBAL ACTIVE VALUE FUND II LTD.
SUBSCRIPTION AGREEMENT AND STANDING PROXY

Instructions for U.S. Tax Exempt Investors

Subscribers must complete all relevant sections of this Subscription Agreement. Failure to do so may result in delay of acceptance of a Subscriber's subscription until a properly completed Subscription Agreement has been received, processed and approved.

A. Complete page B-4 by filling in the subscriber's name and the amount of the subscription;

B. Complete pages B-5 through B-10 by making the appropriate representations;

C. Complete pages B-14 and B-15 by providing the necessary subscription information;

D. Subscriptions by Entities: If a subscription is by an entity (corporation, bank or broker-dealer), the "Signature Page for Subscription by an Entity" (page B-16) or "Signature Page for Subscription by Trust/Partnership/IRA" (page B-17) must be completed.

E. Items to be delivered by Subscribers.

(i) Completed and signed Share Application Form and corresponding signature pages (pages B-4 through B-15, B-16 or B-17, and B-18).

(ii) In the case of new or additional subscriptions for Shares, U.S. dollar denominated funds in the amount of the full purchase price for Shares. Wire transfer funds for the full amount of the subscription to the Company's subscription account at:

To:	J.P. Morgan Chase N.A., New York, NY
ABA Fedwire:	021000021
SWIFT:	CHASUS 33
For account of:	JPMorgan Chase Bank, N.A.
SWIFT:	CHASGB2L
Account #:	0010962009
For further credit to:	Epsilon Global Active Value Fund II Ltd.
Account #:	34651101

(iii) Subscription documents should be delivered or mailed to Epsilon Global Active Value Fund II Ltd., c/o Equinoxe Alternative Investment Services (Ireland) Limited, Equinoxe House, Marina Village, Malahide, County Dublin, Ireland.

EPSILON GLOBAL ACTIVE VALUE FUND II LTD.

SUBSCRIPTION AGREEMENT AND STANDING PROXY FOR U.S. TAX EXEMPT INVESTORS

SUBSCRIBER NAME: _____

SUBSCRIPTION AMOUNT: US$_____

EPSILON GLOBAL ACTIVE VALUE FUND II LTD.
c/o Equinoxe Alternative Investment Services (Ireland) Limited
Equinoxe House
Marina Village
Malahide
County Dublin
Ireland
Fax: (353) 1-816-8722

Subscription for Shares. I/We hereby apply to subscribe to purchase as many Shares in Epsilon Global Active Value Fund II Ltd. (the "Fund") as may be purchased with the above amount upon the terms of the Confidential Offering Memorandum of the Fund, as it may be amended. I/We acknowledge that I am/we are able to afford a shareholding in a venture having the risks and the objectives of the Fund. I/We acknowledge that I/we have read and understand the contents of the Confidential Offering Memorandum, and that I/We have had the opportunity to ask any questions and have received and reviewed any other additional documentation and materials that I/we deem relevant. I/We understand that the fees and expenses to which the Fund is subject could be substantial.

Representations and Warranties. The undersigned recognizes that the Fund is not being registered under the Securities Act of 1933, as amended (the "Act"), and the undersigned represents, warrants and covenants as follows:

(i). The undersigned is of legal age, is legally competent and, if signing on behalf of a partnership, corporation or trust, is duly authorized to execute this Subscription Agreement.

(ii). The undersigned recognizes that the Fund is a highly speculative venture, involving a high degree of financial risk.

(iii). The undersigned recognizes that the proposed sale of Shares to the undersigned will not be registered under the Act, and accordingly, that the Shares may not be sold unless they are subsequently registered under the Act or unless, in the opinion of counsel for the Fund, a sale, assignment or transfer may be made without registration thereunder. Notwithstanding the foregoing, the Fund provides limited rights of withdrawal as outlined in the Confidential Offering Memorandum.

(v). The undersigned confirms that undersigned is acquiring the Shares subscribed for herein solely for undersigned's own account, for investment, and not with a view to the distribution or resale of such securities.

(vi). The undersigned acknowledges that undersigned has been furnished with a Confidential Offering Memorandum, which sets forth the relevant terms and conditions of this investment, and such other documents, materials and information as undersigned (and undersigned's purchaser representative, if any) deems necessary or appropriate for evaluating an investment in the Fund. The undersigned confirms that undersigned (and undersigned's purchaser representative, if any) has read and understands these materials and

has made such further investigation of the Fund as was deemed appropriate to obtain additional information to verify the accuracy of such materials and to evaluate the merits and risks of this investment. The undersigned acknowledges that he or she (and undersigned's purchaser representative, if any), has had the opportunity to ask questions of and receive answers from the Fund and persons acting on undersigned's behalf concerning the terms and conditions of the offering and the information contained in the offering materials.

(vii). The undersigned recognizes that the securities laws and regulations of certain states, including the state of which the undersigned is a resident, may impose additional requirements relating to this offering and undersigned's purchase of Shares in the Fund. The undersigned hereby agrees to execute and to comply with the terms of any additions, supplements or amendments to this Subscription Agreement which are required by the Fund.

[Item (viii) is presented in alternative form. Please check (viii) (a) or (viii) (b), whichever is applicable.]

____ (viii). (a). The undersigned has such knowledge and experience in financial and business matters that the undersigned is capable of evaluating the merits and risks of the undersigned's investment in the Fund and has obtained, in the undersigned's judgment, sufficient information from the Fund to evaluate the merits and risks of such investment. The undersigned has not utilized any other person as the undersigned's purchaser representative in connection with evaluating such merits and risks.

____ (viii). (b). The undersigned has utilized _____(insert name(s) of purchaser representative(s)) to assist the undersigned in connection with evaluating the merits and risks of the undersigned's investment in the Fund, and such purchaser representative(s) has (have) completed the Purchaser Representative Acknowledgement attached hereto. The undersigned and named purchaser representative(s) together have such knowledge and experience in financial and business matters that they are capable of evaluating the merits and risks of the undersigned's investment in the Fund, and have obtained sufficient information to evaluate the merits and risks of such investment.

Additional Subscriber Information. In order to insure that the Shares are sold pursuant to appropriate exemption from registration under the Act, and in compliance for exemption from registration under the Investment Company Act of 1940, and in accordance with the requirements of the Investment Advisers Act of 1940, the undersigned is furnishing the following additional information by checking all boxes below preceding any statement that is applicable to undersigned. The undersigned also understands that all information contained herein will be kept strictly confidential by the Fund.

The undersigned certifies that the information contained in the following checked statements is true and correct and hereby agrees to notify the Fund of any changes which should occur in such information prior to the Fund's acceptance of this subscription.

CHECK ALL APPLICABLE STATEMENTS IN PARAGRAPHS "A" THROUGH "T"

A. [ ] I am a natural person whose individual net worth (or joint net worth with my spouse) will exceed $1,000,000 at the time of purchase.

B. [ ] I am a natural person who has had individual income (exclusive of any income attributable to a spouse) of more than $200,000 for the past two years or joint income with a spouse of more than $300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year.

C. [ ] The undersigned is an entity in which each equity owner is an accredited investor under sub-paragraphs A or B above.

D. [ ] The undersigned is either an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended ("Code"); a corporation, a Massachusetts or similar business trust, or a partnership,

in each case not formed for the specific purpose of acquiring the securities being offered, and with total assets in excess of $5,000,000.

E. [ ] The undersigned is a trust, with total assets in excess of $5,000,000, not formed for the specific purpose of acquiring the securities being offered, whose purchase of the securities being offered is directed by a person who, either alone or with a purchaser representative, has such knowledge and experience in business and financial matters that undersigned is capable, as defined by the Act, of evaluating the merits and risks of the prospective investment.

F. [ ] The undersigned is a bank as defined in Section 3(a)(2) of the Act, as amended, (i) acting in its fiduciary capacity as trustee, or (ii) subscribing for the purchase of securities being offered on its own behalf.

G. [ ] The undersigned is an individual retirement account ("IRA") established in the name of a person or persons who is or are accredited investors.

H. [ ] The undersigned is an employee benefit plan within the meaning of The Employee Retirement Income Security Act of 1974 ("ERISA") where investment decisions are made by a plan fiduciary, as defined in Section 3(21) of ERISA, which is either a bank, savings and loan association, insurance company or registered investment advisor, has total assets in excess of $5,000,000 or is a self-directed plan, with investment decisions made solely by persons that are accredited investors as defined under the Act. If the undersigned checked this box, see below [ERISA Plans].

I. [ ] The undersigned is an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended.

AND CHECK ALL APPLICABLE STATEMENTS IN PARAGRAPHS "J" THROUGH "M"

J. [ ] The undersigned is an investment company registered in accordance with the relevant provisions of the Investment Company Act of 1940 (a registered investment company).

K. [ ] The undersigned would be classified as an investment company under Section 3(a) of the Investment Company Act of 1940, but for the application of an exemption from such classification under either Section 3(c)(1) or Section 3(c)(7) of the Investment Company Act of 1940.

L. [ ] The undersigned would be classified as an investment company under Section 3(a) of the Investment Company Act of 1940, but for the application of an exemption from such classification under Section 3(c) of the Investment Company Act of 1940 other than Section 3(c)(1) or Section 3(c)(7).

M. [ ] Paragraphs J and K above do not apply, and the undersigned is not classified as an investment company under Section 3(a) of the Investment Company Act of 1940.

AND CHECK ALL APPLICABLE STATEMENTS IN PARAGRAPHS "N" THROUGH "P"

N. [ ] The undersigned is a natural person who or a company that has currently or will have immediately after making an investment in the Fund at least $750,000 invested with the Fund.

O. [ ] The undersigned is a natural person who or a company that has a net worth (together, in the case of a natural person, with assets held jointly with a spouse) of more than $1,500,000 at the time the investor makes its investment into the Fund.

P. [ ] The undersigned is a natural person who or a company that is a qualified purchaser as defined in section 2(a)(51)(A) of the Investment Company Act of 1940 (15 U.S.C. 80a-2(a)(51)(A)) at the time the investor makes its investment into the Fund (see below).

ERISA Plans. **IF THE UNDERSIGNED CHECKED BOX H ABOVE, THEN COMPLETE THIS SECTION.** The undersigned is furnishing the following additional information by checking the appropriate response to the following series of questions. The undersigned certifies that the information contained in the following checked statements are true and correct and hereby agrees to notify the General Partner of any changes which should occur in such information prior, or subsequent to the General Partner's acceptance of this subscription.

(a). Is the undersigned a pension, profit-sharing, annuity or employee benefit plan (a "Plan") described in the Employee Retirement Income Security Act of 1974 ("ERISA"), whether or not subject to ERISA, or is the undersigned an entity whose underlying assets include Plan assets by reason of a Plan's investment in the undersigned?

_____ Yes _____ No

(b). Is the undersigned a Plan that is voluntary?

_____ Yes _____ No

(c). Is the undersigned a defined contribution plan?

_____ Yes _____ No

(d). Do individual participants in the plan have any right to direct investment in their account?

_____ Yes _____ No

If the answer to each of (c) and (d) above is "yes", please indicate the number of individual participants in the plan. If the number is greater than 100, please enter "more than 100".

Number of Participants: _____

(e). If the undersigned is subscribing as a trustee or custodian for an Individual Retirement Account, is the undersigned a qualified IRA custodian or trustee?

_____ Yes _____ No

Representations by Employee Benefit Plans. If the subscriber is an employee benefit plan (the "Plan") subject to ERISA, the undersigned fiduciaries of the Plan (i) acknowledge that they have been informed of and understand the investment objectives, policies and investment strategies which may be pursued by the Fund; (ii) acknowledge they are aware of the provisions of Section 404 of ERISA relating to the requirements for investment and diversification of the assets of employee benefit plans and trusts subject to ERISA; (iii) represent that they have given appropriate consideration to the facts and circumstances relevant to the Plan's investment in the Fund and have determined that such investment is reasonably designed, as part of the Plan's portfolio, to further the purposes of the Plan; (iv) represent that, taking into account the other investments made with the assets of the Plan, and the diversification thereof, the Plan's investment in the Fund is consistent with the requirements of Section 404 and other provisions of ERISA; and (v) represent that, taking into account the other investments made with the assets of the Plan, the investment of assets of the Plan in the Fund is consistent with the cash flow requirements and funding objectives of the Plan.

If the subscriber is a Plan, the undersigned "plan sponsor" (within the meaning of Section 3(16)(B) of ERISA), hereby designates _____ as a "named fiduciary" of the Plan (within the meaning of Section 402(a)(2) of ERISA).

Qualified Purchaser Acknowledgment. **IF THE UNDERSIGNED CHECKED BOX P ABOVE, THEN COMPLETE THIS SECTION.** The undersigned is furnishing the following additional information by checking the appropriate statements below. The undersigned certifies that the information contained in the following checked statements are true and correct and hereby agrees to notify the Fund of any changes which should occur in such information prior, or subsequent to the Fund's acceptance of this subscription.

A. [ ] The undersigned is a natural person (including any person who holds a joint, community property, or other similar shared ownership interest in an issuer that is excepted under section 80a-3(c)(7) of the Investment Company Act of 1940 with that person's qualified purchaser spouse) who owns not less than $5,000,000 in investments, as defined by the Commission.

B. [ ] This undersigned is a company that owns not less than $5,000,000 in investments and that is owned directly or indirectly by or for 2 or more natural persons who are related as siblings or spouse (including former spouses), or direct lineal descendants by birth or adoption, spouses of such persons, the estates of such persons, or foundations, charitable organizations, or trusts established by or for the benefit of such persons.

C. [ ] This undersigned is a trust that is not covered by clause "B" and that was not formed for the specific purpose of acquiring the securities offered, as to which the trustee or other person authorized to make decisions with respect to the trust, and each settlor or other person who has contributed assets to the trust, is a person described in clause "A" or "B", above, or clause "D" below.

D. [ ] The undersigned is a person, acting for its own account or the accounts of other qualified purchasers, who in the aggregate owns and invests on a discretionary basis, not less than $25,000,000 in investments.

Power of Attorney. The Subscriber hereby designates and appoints the Investment Manager, through its authorized officers and directors, with full power of subscription, as its true and lawful Proxy and Attorney-in-Fact for the purpose of voting the Shares herein subscribed for as said Proxy may determine on any and all matters which may arise at any annual or special meeting of shareholders and upon which such Shares could be voted by shareholders present in person at such meeting. This Proxy may be revoked by the owner of record of the Shares hereby subscribed for, either personally or by presentation of a subsequently executed proxy at any annual meeting or special meeting of shareholders, or by written notice to Equinoxe Alternative Investment Services (Ireland) Limited, Equinoxe House, Marina Village, Malahide, County Dublin, Ireland.

Allocations of New Issues.
For purposes of determining the undersigned's eligibility to participate in the Fund's investment in "New Issues", as defined in FINRA Rule 5130, the undersigned hereby (a) warrants and represents that undersigned; or (b) if the undersigned is a corporation, partnership, trust or other entity, warrants and represents that it and any person having a beneficial interest in the undersigned **[CHECK APPROPRIATE BOX]**:

(A) ☐ is ☐ is not a member of the Financial Industry Regulatory Authority ("a FINRA Member") or other broker dealers.

(B) ☐ is ☐ is not an officer, director, general partner, employee or agent of a FINRA Member (in the case of an agent, such person is engaged in the investment banking or securities business) or of any other broker-dealer (other than a limited business broker-dealer), or a person associated with a FINRA Member or with any other broker-dealer or a member of any such person's immediate family.

(i) The term "person associated with a FINRA Member" in this sub-paragraph (B)

is every sole proprietor, partner, officer, director or branch manager of any FINRA Member, or any natural person occupying a similar status or performing similar functions, or any natural person engaged in the investment banking or securities business who is directly or indirectly controlling or controlled by such member, whether or not any person is registered or exempt from registration with FINRA under the By-Laws or the Rules of FINRA.

(ii) The term "immediate family" includes parents, mother-in-law or father-in-law, husband or wife, brother or sister, brother-in-law, sister-in-law, son-in-law or daughter-in-law, and children, and any other individual to whom the person provides or receives material support from the immediate family member, is employed by or associated with the member or an affiliate of the member, selling the new issue to an immediate family member, or such person has an ability to control the allocation of the new issue.

(C) ☐ is ☐ is not a finder with respect to initial public offerings of securities or any person acting in a fiduciary capacity to a managing underwriter, including, among others, an attorney, accountant or financial consultant or a member of the immediate family of any such person if such person materially supports, or receives material support from, the immediate family member.

(D) ☐ is ☐ is not any person (whether natural or non-natural) who has authority to buy or sell securities for a bank, savings and loan institution, insurance company, investment company, investment advisor or collective investment account, and or any member of the immediate family of any such person that materially supports, or receives material support from, such person.

(E) ☐ is ☐ is not any person listed, or required to be listed, in Schedule A of Form BD (application to become a broker-dealer) (other than with respect to a limited business broker-dealer), except persons identified by an ownership code of less than 10%; or any person listed, or required to be listed, in Schedule B of Form BD (other than with respect to a limited business broker-dealer), except persons whose listing on Schedule B relates to an ownership interest in a person listed on Schedule A identified by an ownership code of less than 10%; or any person listed, or required to be listed, in Schedule C of From BD that meets any of the foregoing two criteria referenced above; or any person that directly or indirectly owns 10% or more of a public reporting company listed, or required to be listed, in Schedule A of Form BD(other than a reporting company that is listed on a national securities exchange, or other than with respect to a limited business broker-dealer); or any person that directly or indirectly owns 25% or more of a public reporting company listed, or required to be listed, in Schedule B of Form BD (other than a reporting company that is listed on a national securities exchange, or other than with respect to a limited business broker-dealer; and any immediate family member of any person described in the foregoing criteria, unless (i) the person owning the broker-dealer does not materially support, or receive material support from, the immediate family member, (ii) is not an owner of the member, or an affiliate of the member, selling the new issue to the immediate family member; and (iii) has no ability to control the allocation of the new issue.

Benefit Plan Investors. Are you a "Benefit Plan Investor" i.e.:

(i) an employee benefit plan, whether or not subject to the U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA") (e.g. a Non US pension plan, employee benefit plan established by a non U.S. employer, an annuity plan, an individual retirement account, an individual retirement annuity; OR

(ii) an entity whose underlying assets include "plan assets" by reason of a plan's investment in the entity (e.g., a group trust or fund of funds or a hypothetical entity with significant (25% or more) Benefit Plan Investor Ownership).

___ yes ___ no

_____ (initial) I/We confirm that no advice or other discretionary service has been provided by Equinoxe Alternative Investment Services (Ireland) Limited or any of its subsidiaries or affiliates in the decision to invest in the shares of the Fund. None of Equinoxe Alternative Investment Services (Ireland) Limited, its subsidiaries or affiliates act as investment or other advisor to the Subscriber.

I/We represent that the following individual or individuals are authorized to act on behalf of the Subscriber to give and receive instructions between the Fund (or its representatives, including the Fund's administrator) and the Subscriber. Such individuals are the only persons so authorized until further written notice, signed by one or more of such individuals, to Equinoxe Alternative Investment Services (Ireland) Limited, Equinoxe House, Marina Village, Malahide, County Dublin, Ireland.

Name	Specimen Signature
_____	_____
_____	_____
_____	_____

I/We represent that the funds utilized for the payment of subscription amounts is sourced as follows:

(a) Name and Address of Financial Institution Wiring/Paying Subscription Monies:

_____

_____

(b) Name and Number of Account at Financial Institution being debited:

_____

_____

Additional Representations and Undertakings.

The undersigned understands that no Federal or state agency has recommended or endorsed the purchase of the Shares as an investment or passed on the adequacy of the information set forth in the Confidential Offering Memorandum or any other Fund documents.

The undersigned acknowledges that the Fund, its affiliates, Investment Manager, nor is officers, directors, employees or service providers offered to sell or sold to undersigned Shares in the Fund by means of any form of general solicitation or general advertising, such as media advertising or seminars.

The undersigned acknowledges that undersigned has been advised to consult with undersigned's own attorney regarding legal matters concerning the Fund and to consult with undersigned's tax advisor regarding the tax consequences of participating in the Fund.

The undersigned hereby agrees that this subscription is irrevocable and that the representations and warranties set forth in this Subscription Agreement shall survive the acceptance hereof.

The undersigned agrees that it will not, directly or indirectly, participate (defined below) in any business or enterprise with any past, present or future employee of the Fund or its affiliates in any geographical area in which the Fund now conducts business, presently intends to conduct business, or has conducted business. The term "participate" includes any direct or indirect interest in any enterprise, whether as an investor, officer, director, employee, partner, sole proprietor, agent, representative, independent contractor, consultant, franchiser, franchisee, creditor, owner or otherwise; provided that the term "participate" shall not include ownership of less than two percent of the stock of a publicly-held corporation whose stock is traded on a national securities exchange or in the over-the-counter market. The undersigned agrees that this covenant is reasonable with respect to its duration, geographical area and scope. The undersigned also agrees that it shall not (i) induce or attempt to induce or solicit any past, present or future employee of the Fund or its affiliates to participate in any business with undersigned or its affiliates or in any way interfere with the relationship between the Fund and any of its employees and affiliates; or (ii) induce or attempt to induce any investor or other business relation of the Fund to cease doing business with the Fund or in any way interfere with the relationship between the Fund and any customer, investor or business relation. The undersigned agrees and understands that the Fund would suffer irreparable harm from a breach by the undersigned of any of the covenants or agreements contained herein, and that money damages would not be wholly adequate to remedy such breach. In the event of a breach (or an alleged or threatened breach) by the undersigned of any of the provisions of this Agreement, the Fund or its successors or assigns may, in addition to all other rights and remedies in law or in equity existing in their favor, redeem the investment made by the undersigned, and apply to any court of competent jurisdiction for injunctive or other relief in order to enforce or prevent any violations of the provisions hereof, without the posting of any bond or any other security. The undersigned agrees that these provisions are reasonable.

If I/we are acting as trustee, agent, representative or nominee for a subscriber (a "Beneficial Owner"), I/we understand and acknowledge that the representations, warranties and agreements made herein are made by me/us (A) with respect to the me/us and (B) with respect to the Beneficial Owner. I/We further represent and warrant that it has all requisite power and authority from said Beneficial Owner to execute and perform the obligations under this Subscription Agreement. I/We also agrees to indemnify the Fund, the Investment Manager and the Administrator and their directors, members, partners, officers and agents for any and all costs, fees and expenses (including legal fees and disbursements) in connection with any damages resulting from the my/our misrepresentation or misstatement contained herein, or the assertion of my/our lack of proper authorization from the Beneficial Owner to enter into this Subscription Agreement or perform the obligations hereof.

I/We understand and agree that the Fund prohibits the investment of funds by any persons or entities that are acting, directly or indirectly, (i) in contravention of any applicable laws and regulations, including anti-money laundering regulations or conventions, (ii) on behalf of terrorists or terrorist organizations, including those persons or entities that are included on the List of Specially Designated Nationals and Blocked Persons maintained by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC"), as such list may be amended from time to time, (iii) for a senior foreign political figure, any member of a senior foreign political figure's immediate family or any

close associate of a senior foreign political figure, unless the Fund, after being specifically notified by the Subscriber in writing that it is such a person, conducts further due diligence, and determines that such investment shall be permitted, or (iv) for a foreign shell bank (such persons or entities in (i) – (iv) are collectively referred to as "Prohibited Persons"). I/We represent, warrant and covenant that: (i) it is not, nor is any person or entity controlling, controlled by or under common control with the Subscriber, a Prohibited Person, and (ii) to the extent the Subscriber has any beneficial owners, (a) it has carried out thorough due diligence to establish the identities of such beneficial owners, (b) based on such due diligence, the Subscriber reasonably believes that no such beneficial owners are Prohibited Persons, (c) it holds the evidence of such identities and status and will maintain all such evidence for at least five years from the date of the Subscriber's complete redemption from the Fund, and (d) it will make available such information and any additional information requested by the Fund that is required under applicable regulations. If any of the foregoing representations, warranties or covenants ceases to be true or if the Fund no longer reasonably believes that it has satisfactory evidence as to their truth, notwithstanding any other agreement to the contrary, the Fund may, in accordance with applicable regulations, freeze the Subscriber's investment, either by prohibiting additional investments, declining or suspending any redemption requests and/or segregating the assets constituting the investment, or the Subscriber's investment may immediately be redeemed by the Fund, and the Fund may also be required to report such action and to disclose the Subscriber's identity to OFAC or other authority. In the event that the Fund is required to take any of the foregoing actions, the I/we understand and agree that I/we shall have no claim against the Fund, the Investment Manager, the Administrator, and their respective affiliates, directors, members, partners, shareholders, officers, employees and agents for any form of damages as a result of any of the aforementioned actions. I/We understand and agree that any redemption proceeds paid to it will be paid to the same account from which the my/our investment in the Fund was originally remitted, unless the Fund, in its sole discretion, agrees otherwise. If any of the foregoing representations cease to be true, I/we will promptly notify the Fund of the facts pertaining to such changed circumstances.

I/We agree that all or any funds payable to me/us (including redemption proceeds) may be wire transferred to me/us at the account referenced below until further written notice, signed by one or more of the individuals authorized to act on behalf of me/us, to Equinoxe Alternative Investment Services (Ireland) Limited, Equinoxe House, Marina Village, Malahide, County Dublin, Ireland.

Bank Name: _____
Bank Address: _____
ABA or CHIPS No.: _____
Account Name: _____
Account No.: _____
For Further credit: _____

I/We represent, warrant and covenant that: (i) the subscription is not made with a view to financing terrorism; (ii) it is not, nor is any person or entity controlling, controlled by or under common control with the Subscriber, a Prohibited Person, and (iii) to the extent the Subscriber has any beneficial owners: (a) I/we have carried out thorough due diligence to establish the identities of such beneficial owners; (b) based on such due diligence, the I/we reasonably believe that no such beneficial owners are Prohibited Persons; (c) I/we hold the evidence of such identities and status and will maintain all such evidence for at least five years from the date of the Subscriber's complete redemption from the Fund; and (d) I/we will make available such information and any additional information requested by the Fund that is required under applicable regulations. I/We acknowledge that due to anti-money laundering and anti-terrorist financing requirements operating within their respective jurisdictions, the Administrator and the Fund (as the case may be) may require further identification of me/us before an application or redemption can be processed and the Administrator and the Fund shall be held harmless and indemnified against any loss arising as a result of a failure to process the application or redemption if such information as has been required by the parties referred to has not been provided by me/us.

I/We consent to the retention and processing of my/our data by the Administrator for the purposes of maintaining a register of investors, providing subscription and redemption of shares/units and (1) to the transfer of such data to other

companies or entities within the Administrator's group, including its officers outside the European Economic Areas (the "EEA"); and (2) to the transfer of such data to third party companies or entities including their officers outside the EEA where the transfer is necessary for the maintenance of records, administrations or provision of services in relation to any investment product or services of any group companies. I/We understand that the transfer of my/our data may be to a country which does not have equivalent data protection to that of the EEA. I/We note that I/we have the right to request a copy of any personal data held about me/us and I/we have the right to have any inaccuracies in the data corrected.

If the undersigned is a corporation, partnership, association, trust or unincorporated organization, the undersigned represents that it (or, if it is a wholly-owned subsidiary, its parent corporation) has not been formed for the specific purpose of making an investment in the Fund and that the undersigned has the full power and authority under its governing instruments to execute this agreement on behalf of the undersigned and that the undersigned has the full power and authority under such instruments to become a shareholder in the Fund.

If the undersigned is a corporation, partnership, association, trust or unincorporated organization, and the undersigned represents above that the undersigned is, or but for the exceptions provided in Sections 3(c)(1) or 3(c)(7) of the Investment Company Act of 1940, would be an investment company, the undersigned is not acquiring ten percent (10%) or more of the Shares in the Fund. The undersigned acknowledges that the Fund is restricted by law as to the number of beneficial interests held in the Fund and it may therefore be necessary to count the beneficial owners of the undersigned if it owns ten percent (10%) or more of the Shares in the Fund. Accordingly, the undersigned shall take whatever action the Fund requests to have undersigned's interest in the Fund be less than ten percent (10%) of the total Shares of the Fund and expressly agrees that the Fund may require the undersigned to withdraw at any time so much of its interest as is necessary to keep such interest below ten percent (10%).

If the undersigned is a corporation, partnership, association, trust or unincorporated organization, and the undersigned represents under Paragraph L under the section entitled "Additional Subscriber Information" above, that to the best of the undersigned's knowledge, based upon such investigations as the undersigned has deemed appropriate, the undersigned is not an investment company under the Investment Company Act of 1940, the undersigned represents and agrees that it shall immediately inform the Fund if the undersigned becomes, or but for the exceptions provided in Sections 3(c)(1) or 3(c)(7) of the Investment Company Act of 1940, would be classified as an investment company on any date subsequent to the date of the acceptance of the undersigned's subscription. The undersigned acknowledges that the Fund is restricted by law as to the number of beneficial interests held in the Fund and it may therefore be necessary to count the beneficial owners of the undersigned if it owns ten percent (10%) or more of the Shares of the Fund. Accordingly, the undersigned shall take whatever action the Fund requests to have undersigned's interest in the Fund be less than ten percent (10%) of the total Shares of the Fund and expressly agrees that the Fund may require the undersigned to withdraw at any time so much of its interest as is necessary to keep such interest below ten percent (10%).

The undersigned represents that based on most recent valuations available (i) less than twenty-five percent (25%) of undersigned's assets are owned by "benefit plan investors" as defined in regulations of the United States Department of Labor concerning those categories of assets that constitute assets of an employee benefit plan, and undersigned agrees to notify the Fund promptly if the percentage of its assets owned by benefit plan investors should equal or exceed twenty-five percent (25%). If undersigned is a Plan or an IRA, the undersigned recognizes that the Fund will be operated such that less than twenty-five percent (25%) of the Shares in the Partnership will be owned by "benefit plan investors" within the meaning of the regulations promulgated under ERISA. Accordingly, the undersigned expressly agrees that the Fund may require undersigned to withdraw at any time so much of its interest as is necessary to keep the total interests of "benefit plan investors" below such twenty-five percent (25%) limit.

The Administrator and the Fund are each hereby authorized and instructed to accept and execute any instructions in respect of the shares to which this Agreement relates given by the Subscriber in written form or by facsimile. If instructions are given by the Subscriber by facsimile, the Subscriber undertakes to send the original letter of instructions to the Administrator and the Fund and agrees to keep each of them indemnified against any loss of any nature whatsoever arising to any of them as a result of any of them acting upon facsimile instructions. The Administrator and the Fund may rely conclusively upon and shall incur no liability in respect of any action take

upon any notice, consent, request, instructions or other instrument believed in good faith to be genuine or to be signed by properly authorized persons. I/We agree I/We will, to the fullest extent permitted by applicable law, indemnify, defend and hold harmless the Fund, the Administrator, the Investment Advisors, and their respective officers, directors, shareholders, partners and employees from and against any and all losses, claims, damages or liabilities of any nature whatsoever, including, without limitation, attorneys' fees and expenses arising out of or in connection with any breach of or failure by me/us to comply with any representation, warranty, covenant or agreement made by me/us in this Subscription Agreement. The provisions of this indemnity shall survive the admission of Subscriber as a shareholder of the Fund.

The agreements and representations herein set forth shall become effective and binding upon the undersigned, undersigned's, legal representatives, heirs, successors and assigns upon the acceptance hereof.

IN WITNESS WHEREOF, the undersigned has set undersigned's hand and seal agreeing to the above on the date set forth below.

Signature Page for Subscription by an ENTITY

SHARES TO BE REGISTERED AS FOLLOWS:
ENTITY OWNERSHIP - Check form of organization:

☐ CORPORATION - Please include certified resolutions (or similar documents) authorizing signatures.

☐ PARTNERSHIP/LLC - Please include a copy of the partnership or company agreement (or similar document) authorizing signatures.

☐ TRUST - Please include a copy of the trust agreement.

☐ IRA- Please include a copy of the appropriate account agreements indicating authorized signatories.

☐ BANK or BROKER-DEALER

(Please print all information exactly as you wish it to appear on the Company's records.)

_____
(Name of Subscriber) (E-Mail Address)

_____ _____
(Address) (Telephone - Days) (Facsimile)

_____ _____
(Country of Formation) (Telephone - Evenings)

The undersigned trustee, partner or officer warrants that he has full power and authority from all beneficiaries or partners or from the board of directors of the entity named below to sign this Share Application Form on behalf of the entity and that a purchase of Shares in Epsilon Global Active Value Fund II Ltd. is not prohibited by the governing documents of the entity.

Dated: _____

Signatures of Entity Subscriber(s)
(Please print name below each signature):

_____
(Name of Entity)

By: _____
(Trustee, partner or authorized corporate officer

_____
(Name and Title)

By: _____
(Trustee, partner or authorized corporate officer

_____
(Name and Title)

SUBSCRIPTION INFORMATION

SHARE REGISTRATION INFORMATION

Name

Address

Country of Residence

Telephone

Telephone (Evenings)

Fax

MAILING (POST) INFORMATION (if other than address of registration)

REMITTING BANK

Name

Address

Country of Residence

Telephone

Telephone (Evenings)

Fax

BANK FOR TRANSFERS in case of redemptions (if other than Name & Address of Remitting Bank):

SIGNATURE FOR CORPORATION

STATE OF ( )

COUNTY OF ( )

On this ____ day of _____, 200_, before me personally came _____ to me and known, who, by me duly sworn, did depose and say that deponent resides at _____, that deponent is the _____ of _____, the corporation described in, and which executed the foregoing Subscription Agreement, that the deponent knows the seal of the corporation, that the seal affixed to the Subscription Agreement is the corporate seal, that is was affixed by order of the board of directors of the corporation; and that deponent signed deponent's name by like order.

_____
Notary Public (Print Name):

_____
Notary Public (Signature):

_____
Commission Expires:

_____
Date:

_____
Stamp or Seal

SIGNATURE FOR PARTNERSHIPS/TRUSTS/IRA
(strike out inapplicable terms)

STATE OF ( )

COUNTY OF ( )

On the _____ day of _____, 200_ before me personally came _____, to me known, who, being by me duly sworn, did depose and say that he resides at _____; that undersigned is Partner/Trustee of _____, the Partnership/Trust described in and which executed the foregoing Subscription Agreement, who duly acknowledged to me that he had full power and authority to sign undersigned's name thereto.

_____
Notary Public (Print Name):

_____
Notary Public (Signature):

_____
Commission Expires:

_____
Date:

_____
Stamp or Seal

EPSILON GLOBAL ACTIVE VALUE FUND II LTD.

PURCHASER REPRESENTATIVE ACKNOWLEDGEMENT

The undersigned hereby acknowledges that undersigned is the purchaser representative (as the term is defined in Rule 501 promulgated under the Act) of _____ (the "Subscriber"). By reason of the undersigned's knowledge and experience in business and financial matters in general, and the business of investment in securities in particular, the undersigned believes himself capable of evaluating and has in fact evaluated the merits and risks of this investment on behalf of the subscriber. The undersigned further acknowledges that undersigned received a Confidential Offering Memorandum dated _____, 200_, and any other information that the undersigned deemed appropriate to evaluate this investment. Furthermore the undersigned acknowledges that undersigned had the opportunity to ask questions of, and receive satisfactory answers or documentation from the Fund, or its affiliates, associates or employees concerning the terms and conditions of the offering and the information contained in the Confidential Offering Memorandum.

The undersigned is not an officer, director, employee or affiliate of the Fund or owner of ten percent (10%) or more of the equity interest in the Fund, and except as otherwise previously disclosed by the undersigned to the subscriber in writing, neither the undersigned nor any affiliate of the undersigned currently has, or has had during the past two (2) years, or contemplates having in the future, any material relationship with the Fund or its affiliates. The undersigned has disclosed to the subscriber the source, and extent of, any and all remuneration received from the Fund as compensation for the undersigned's services as purchaser representative.

_____	_____
Signature of Representative	Address
_____	_____
Print Name of Representative	City State Zip
_____	_____
Occupation	(Area Code) Telephone
_____	
Entity	

APPENDIX C

REDEMPTION REQUEST DOCUMENTS

EPSILON GLOBAL ACTIVE VALUE FUND II LTD.

REDEMPTION REQUEST FORM

This form should be saved and may be used by a shareholder wishing to redeem Shares in the Fund. Redeeming shareholders should complete and return this form.

TO: EPSILON GLOBAL ACTIVE VALUE FUND II LTD.

c/o Equinoxe Alternative Investment Services (Ireland) Limited
Equinoxe House
Marina Village
Malahide
County Dublin
Ireland

c/o Epsilon Investment Management L.L.C.
Grand Rue 3
1820 Montreux
Switzerland

Fax to the Administrator at: (353) 1-816-8722; ***and***
Fax to the Fund at: 41-21-962-8801

_____, 20__

Dear Sirs:

I hereby request redemption, as defined in and subject to all of the terms and conditions of the Confidential Offering Memorandum of Epsilon Global Active Value Fund II Ltd. ("the Fund"), as it may be amended, of _____ Shares, representing [part/all] of my Shares in the Company. **I understand that redemption will only be effective as of the close of business on the last day of a calendar quarter (the "Redemption Date"), upon at least forty-five (45) days prior written notice to both the Fund and the Administrator. I understand that once I have provided my redemption request to the Fund and the Administrator via facsimile: (1) the original signed redemption request must be received by the Administrator prior to the Redemption Date; and (2) I must receive written confirmation from the Administrator that the faxed redemption request has been received by the Administrator.** Except as otherwise provided in the Confidential Offering Memorandum, payment of 90% of the redemption proceeds will be made within thirty (30) days after the effective date of redemption with balance being paid within fifteen (15) days after receipt by the Fund of its annual audited statements for such fiscal year. If I have been issued share certificates, I enclose my Share certificates, duly endorsed for transfer.

I hereby represent and warrant that (i) I am the owner of Shares of the Company with full power and authority to request redemption of the Shares which are the subject if this request; and (ii) I am not a "U.S. Person" (as that term is defined in the Information Memorandum) or I am a qualified employee benefit plan within the meaning of ERISA and exempt from U.S. taxation under IRC sec. 401(a), or I am an IRA or similar plan exempt from U.S. taxation under IRC sec. 408, or I am an organization described in IRC sec. 501(c)(3) and am exempt from U.S. taxation under IRC sec. 501(a). Such Shares are not subject to any pledge or otherwise encumbered in any fashion. I

acknowledge this I cannot make a partial redemption of less than US$100,000 of Shares as the Net Asset Value is defined in the Confidential Offering Memorandum is computed as the date of redemption and if I am making a partial redemption, that my redemption request will be honored only if it does not reduce the Net Asset Value of my remaining Shares below the minimum subscription amount required of new the shareholders of the Fund. I understand that my redemption request, once received by the Fund and the Administrator, is revocable only with the consent of the Investment Manager, which may withhold its consent for any reason in its sole discretion. My signature has been guaranteed by a commercial bank acceptable to the Fund.

REDEMPTION REQUEST FORM (Continued)

WIRE INSTRUCTIONS (to be completed by redeeming shareholder):

Bank name and address:
Account:
Account Name:
Account No:

SIGNATURES MUST BE IDENTICAL TO NAME(S) IN
WHICH SHARES ARE REGISTERED

_____
PRINT: Name of Registered Owner of Shares

_____
Address
_____
_____

ENTITY SHAREHOLDER (OR ASSIGNEE)
[PARTNERSHIP, CORPORATION OR TRUST]

_____

By: _____
(Signature of partner, authorized
corporate officer or trustee

_____
Name and Title

By: _____
(Signature of partner, authorized
corporate officer or trustee

_____
Name and Title

INDIVIDUAL SHAREHOLDER(S)
(OR ASSIGNEE)

_____

_____
(Signature of individual or assignee)

_____
(Signature of individual or assignee)

Signature(s) guaranteed by:

REDEMPTION INFORMATION

SHARE REGISTRATION INFORMATION

Name

Address

Country of Residence

Telephone

Telephone (Evenings)

Fax

MAILING (POST) INFORMATION (if other than address of registration)

Name

Address

County of Residence

Telephone

Telephone (Evenings)

Fax

BANK FOR TRANSFER OF REDEMPTION

Name

Address

Country of Residence

Telephone

Telephone (Evenings)

Fax

EPSILON GLOBAL ACTIVE VALUE FUND II LTD.
SUBSCRIPTION AGREEMENT AND STANDING PROXY

Instructions

A. All Subscribers. Complete page A-2 by filling in the amount of the subscription; page A-3 by indicating whether the Shares are to be issued in book entry form or issued in the name of a nominee; and page A-6 by completing the necessary subscription information.

B. Subscriptions by Individuals. If a subscription is by an individual (including more than one), the "Signature Page for Subscription by an Individual" (page A-4) must be completed.

C. Subscriptions by Entities. If a subscription is by an entity (trust, partnership, corporation, bank or broker-dealer), the "Signature Page for Subscription by an Entity" (page A-5) must be completed.

D. Items to be delivered by All Subscribers.

(i) Completed and signed Share Application Form and corresponding signature page (pages A-2, A-3, A-4 or A-5, and A-6).

(ii) U.S. dollar denominated funds in the amount of the full purchase price for Shares. Wire transfer funds for the full amount of the subscription to the Company's subscription account at:

To:	UBS AG, Stamford Branch
ABA Fedwire:	0260-0799-3
SWIFT:	UBSWUS33XXX
For account of:	UBS Fund Services (Cayman) Ltd.
Account#:	101-WA-359025-000
For further credit to:	Epsilon Global Active Value Fund II Ltd.
Account#:	72162

(iii) Subscription documents should be delivered or mailed to Epsilon Global Active Value Fund II Ltd., c/o UBS Fund Services (Cayman) Ltd., UBS House, 227 Elgin Avenue, P.O. Box 852GT, Grand Cayman, Cayman Islands

EXHIBIT D

SUBSCRIPTION AGREEMENT AND STANDING PROXY

To: Epsilon Global Active Value Fund II Ltd.
c/o UBS Fund Services (Cayman) Ltd.
UBS House
227 Elgin Avenue
P.O. Box 852GT
Grand Cayman, Cayman Islands
Fax: 1-345-914-4060

Please fill in the following information:

Amount of Subscription in U.S. Dollars: $ 10,000,000.—

I/We hereby apply to subscribe to purchase as many shares in Epsilon Global Active Value Fund II Ltd. (the "Fund") as may be purchased with above amount upon the terms of the Confidential Offering Memorandum of the Fund, as it may be amended, which I/we have received and read. I/We acknowledge that I am/we are able to afford a shareholding in a venture having the risks and objectives of the Fund.

I/We declare the following: (1) the Shares hereby subscribed for are not being (i) acquired directly or indirectly by, and (ii) will not be transferred directly or indirectly to, (A) any individual who is a citizen, national or resident of the United States of America, (B) a corporation, partnership, association, joint-stock company, trust, fund, or any organized group of persons whether incorporated or not, created, organized or existing in, or organized and existing under the laws of the United States of America or any state, territory or possession thereof, or any other trust or estate, other than an estate or trust the income of which from sources outside of the United States of America is not includible in gross income for purposes of computing United States income tax payable by it, (C) any other trust in which one or more of the persons specified in clause (A) and (B) above have a cumulative direct or indirect beneficial interest in excess of 50 percent of the value of the trust, (D) any other non-corporate entity in which one or more of the persons specified in clause (A) or (B) above, directly or indirectly, have more than a 50 percent beneficial interest, (E) any other corporation in which one or more of the persons specified in clause (A) or (B) above, directly or indirectly, own stock possessing more than 50 percent of the total combined voting power of all classes of stock entitled to vote, or more than 50 percent of the total value of shares of all classes of stock, and (F) any other corporation, partnership, association, joint-stock company, trust, fund, organized group or persons whether incorporated or not with respect to which one or more of the persons specified in clauses (A) or (B) above have the power to exercise a controlling influence over the management or policies, unless such power is solely the result of an official position with such company ("U.S. Person"); (2) no offer to purchase such shares was made to me/us while I was/we were in the United States; (3) I/We did not agree to purchase such Shares while in the United States; and (4) I/We will not attempt by any means, to offer, originate or execute an agreement to sell such Shares while in the United States.

If the subscriber is a bank or broker-dealer, the subscriber hereby represents and warrants, when it is acquiring Shares on behalf of clients for investment purposes, that such clients are not U.S. Persons, that it will notify the Fund if it shall come to its knowledge that any such client is or has become a U.S. Person, that it will not at any time knowingly transfer or deliver the Shares or any part thereof or interest therein to a U.S. Person, and that it will not make any transfer thereof in the United States of America, its territories or possessions.

I/We declare that in subscribing for Shares in the Fund, I/each of us am/is a Professional Investor within the meaning of the Mutual Funds Act 1996, as amended in that:

[check one or both]

✓ My/our ordinary business involves, whether for my/our own account or the account(s) of (an)other(s), the acquisition or disposal of property of the same kind as the property, or a substantial part of the property which is (or will be) owned by the Company, as detailed in the Confidential Offering Memorandum of the Company.

____ My/our net worth (in the case of a natural person, whether individually or jointly with my spouse) exceeds US$1,000,000 or its equivalent in any other lawfully recognized currency and I/we consent to be treated as a Professional Investor for the purpose of an investment in the Company.

Shares will be held in book entry form for the subscriber, following acceptance, by the Administrator, UBS (Cayman Islands) Limited.

If requested, Share Certificates may be issued in the name of a nominee. If this facility is required, please fill in name of nominee:

_____

The Subscriber hereby designates and appoints UBS Fund Services (Cayman) Ltd., through its authorized officers and directors, with full power of subscription, as its true and lawful Proxy and Attorney-in-Fact for the purpose of voting the shares herein subscribed for as said Proxy may determine on any and all matters which may arise at any annual or special meeting of shareholders and upon which such shares could be voted by shareholders present in person at such meeting. This Proxy may be revoked by the owner of record of the shares hereby subscribed for, either personally or by presentation of a subsequently executed proxy at any annual meeting or special meeting of shareholders, or by written notice to UBS Fund Services (Cayman) Ltd., P.O. Box 852, George Town, Grand Cayman, Cayman Islands.

Signature Page for Subscription by an INDIVIDUAL

SHARES TO BE REGISTERED AS FOLLOWS:

(Check One)

☐ INDIVIDUAL SUBSCRIBER ☐ CO-SUBSCRIBERS
(Both signatures required below)

(Please print all information exactly as you wish it to appear on the Company's records.)

_____
(Name of Subscriber)

_____ _____
(Address) (Telephone - Days)

_____ _____
(Country of Residence) (Telephone - Evenings)

_____
(Name of Co-Subscriber)

_____ _____
(Address) (Telephone - Days)

_____ _____
(Country of Residence) (Telephone - Evenings)

Dated: _____

Signatures of Individual Subscriber(s)
(Please print name below each signature):

_____

_____

_____

_____

Signature Page for Subscription by an ENTITY

SHARES TO BE REGISTERED AS FOLLOWS:

ENTITY OWNERSHIP - Check form of organization:

☐ CORPORATION - Please include certified resolutions (or similar documents) authorizing signature.

☐ PARTNERSHIP - Please include a copy of the partnership agreement (or similar document) authorizing signature.

☑ TRUST - Please include a copy of the trust agreement. Government Pension Plan (Municipal Corporation)

☐ BANK or BROKER-DEALER - See Page A-2

(Please print all information exactly as you wish it to appear on the Company's records.)

Seattle City Employees' Retirement System
(Name of Subscriber)

801 Third Avenue, Suite 300
(Address)

206 615-1424
(Telephone - Days)

USA
(Country of Formation)

206-954-5753 (cell)
(Telephone - Evenings)

The undersigned trustee, partner or officer warrants that he has full power and authority from all beneficiaries or partners or from the board of directors of the entity named below to sign this Share Application Form on behalf of the entity and that a purchase of Shares in Epsilon Global Active Value Fund II Ltd. is not prohibited by the governing documents of the entity.

Dated: 12/18/03

Signatures of Entity Subscriber(s)
(Please print name below each signature):

Seattle City Employees' Retirement System
(Name of Entity)

By: _____
(Trustee, partner or authorized corporate officer

Mel Robertson, Asst. Executive Director
(Name and Title)

By: _____
(Trustee, partner or authorized corporate officer

_____
(Name and Title)

SUBSCRIPTION INFORMATION

SHARE REGISTRATION INFORMATION

Seattle City Employees' Retirement System
Name

801 Third Avenue, Suite 300
Address

Seattle, WA, USA 98104
Country of Residence

206-615-1424
Telephone

206-954-5753 (cell)
Telephone (Evenings)

206-386-1506
Fax

MAILING (POST) INFORMATION (if other than address of registration)

REMITTING BANK

Wells Fargo
Name

Address

Seattle WA USA 98104
Country of Residence

206-684-5214 (Marilyn Minato) (Seattle City Treasury)
Telephone

Telephone (Evenings)

Fax

BANK FOR TRANSFERS in case of redemptions (if other than Name & Address of Remitting Bank):

EPSILON GLOBAL ACTIVE VALUE FUND II LTD.
SUBSCRIPTION AGREEMENT AND STANDING PROXY

Instructions

A. All Subscribers. Complete page A-2 by filling in the amount of the subscription; page A-3 by indicating whether the Shares are to be issued in book entry form or issued in the name of a nominee; and page A-6 by completing the necessary subscription information.

B. Subscriptions by Individuals. If a subscription is by an individual (including more than one), the "Signature Page for Subscription by an Individual" (page A-4) must be completed.

C. Subscriptions by Entities. If a subscription is by an entity (trust, partnership, corporation, bank or broker-dealer), the "Signature Page for Subscription by an Entity" (page A-5) must be completed.

D. Items to be delivered by All Subscribers.

(i) Completed and signed Share Application Form and corresponding signature page (pages A-2, A-3, A-4 or A-5, and A-6).

(ii) U.S. dollar denominated funds in the amount of the full purchase price for Shares. Wire transfer funds for the full amount of the subscription to the Company's subscription account at:

To:	UBS AG, Stamford Branch
ABA Fedwire:	0260-0799-3
SWIFT:	UBSWUS33XXX
For account of:	UBS Fund Services (Cayman) Ltd.
Account#:	101-WA-359025-000
For further credit to:	Epsilon Global Active Value Fund II Ltd.
Account#:	72162

(iii) Subscription documents should be delivered or mailed to Epsilon Global Active Value Fund II Ltd., c/o UBS Fund Services (Cayman) Ltd., UBS House, 227 Elgin Avenue, P.O. Box 852GT, Grand Cayman, Cayman Islands

EXHIBIT E

SUBSCRIPTION AGREEMENT AND STANDING PROXY

To: Epsilon Global Active Value Fund II Ltd.
c/o UBS Fund Services (Cayman) Ltd.
UBS House
227 Elgin Avenue
P.O. Box 852GT
Grand Cayman, Cayman Islands
Fax: 1-345-914-4060

Please fill in the following information:

Amount of Subscription in U.S. Dollars: $10,000,000

I/We hereby apply to subscribe to purchase as many shares in Epsilon Global Active Value Fund II Ltd. (the "Fund") as may be purchased with above amount upon the terms of the Confidential Offering Memorandum of the Fund, as it may be amended, which I/we have received and read. I/We acknowledge that I am/we are able to afford a shareholding in a venture having the risks and objectives of the Fund.

I/We declare the following: (1) the Shares hereby subscribed for are not being (i) acquired directly or indirectly by, and (ii) will not be transferred directly or indirectly to, (A) any individual who is a citizen, national or resident of the United States of America, (B) a corporation, partnership, association, joint-stock company, trust, fund, or any organized group of persons whether incorporated or not, created, organized or existing in, or organized and existing under the laws of the United States of America or any state, territory or possession thereof, or any other trust or estate, other than an estate or trust the income of which from sources outside of the United States of America is not includible in gross income for purposes of computing United States income tax payable by it, (C) any other trust in which one or more of the persons specified in clause (A) and (B) above have a cumulative direct or indirect beneficial interest in excess of 50 percent of the value of the trust, (D) any other non-corporate entity in which one or more of the persons specified in clause (A) or (B) above, directly or indirectly, have more than a 50 percent beneficial interest, (E) any other corporation in which one or more of the persons specified in clause (A) or (B) above, directly or indirectly, own stock possessing more than 50 percent of the total combined voting power of all classes of stock entitled to vote, or more than 50 percent of the total value of shares of all classes of stock, and (F) any other corporation, partnership, association, joint-stock company, trust, fund, organized group or persons whether incorporated or not with respect to which one or more of the persons specified in clauses (A) or (B) above have the power to exercise a controlling influence over the management or policies, unless such power is solely the result of an official position with such company ("U.S. Person"); (2) no offer to purchase such shares was made to me/us while I was/we were in the United States; (3) I/We did not agree to purchase such Shares while in the United States; (4) I/We will not attempt by any means, to offer, originate or execute an agreement to sell such Shares while in the United States ; and (5) I/We agree that I/We will not, directly or indirectly, participate (defined below) in any business or enterprise with any past, present or future employee of the Fund, its general partner or its affiliates in any geographical area in which the Fund now conducts business, presently intends to conduct business, or has conducted business. The term "participate" includes any direct or indirect interest in any enterprise, whether as an investor, officer, director, employee, partner, sole proprietor, agent, representative, independent contractor, consultant, franchiser, franchisee, creditor, owner or otherwise; provided that the term "participate" shall not include ownership of less than two percent of the stock of a publicly-held corporation whose stock is traded on a national securities exchange or in the over-the-counter market. Investor agrees that this covenant is reasonable with respect to its duration, geographical area and scope. I/We also agree that I/We shall not (i) induce or attempt to induce or solicit any past, present or future employee of the Fund, its general partner of its affiliates to participate in any business with Investor or its affiliates or in any way interfere with the relationship between the Fund and any of its employees; or (ii) induce or attempt to induce any investor or other business relation of the Fund to cease doing business with the Fund or in any way interfere with the relationship between the Fund and any customer, investor or business relation. I/We agree and understand that the Fund would suffer irreparable harm from a breach by me/us of any of the covenants or

agreements contained herein, and that money damages would not be wholly adequate to remedy such breach. In the event of a breach (or an alleged or threatened breach) by me/us of any of the provisions of this Agreement, the Fund or its successors or assigns may, in addition to all other rights and remedies in law or in equity existing in their favor, redeem the investment made by me/us, and apply to any court of competent jurisdiction for injunctive or other relief in order to enforce or prevent any violations of the provisions hereof, without the posting of any bond or any other security. I/We agree that these provisions are reasonable.

If the subscriber is a bank or broker-dealer, the subscriber hereby represents and warrants, when it is acquiring Shares on behalf of clients for investment purposes, that such clients are not U.S. Persons, that it will notify the Fund if it shall come to its knowledge that any such client is or has become a U.S. Person, that it will not at any time knowingly transfer or deliver the Shares or any part thereof or interest therein to a U.S. Person, and that it will not make any transfer thereof in the United States of America, its territories or possessions.

I/We declare that in subscribing for Shares in the Fund, I/each of us am/is a Professional Investor within the meaning of the Mutual Funds Act 1996, as amended in that:

[check one or both]

✓ My/our ordinary business involves, whether for my/our own account or the account(s) of (an)other(s), the acquisition or disposal of property of the same kind as the property, or a substantial part of the property which is (or will be) owned by the Company, as detailed in the Confidential Offering Memorandum of the Company.

___ My/our net worth (in the case of a natural person, whether individually or jointly with my spouse) exceeds US$1,000,000 or its equivalent in any other lawfully recognized currency and I/we consent to be treated as a Professional Investor for the purpose of an investment in the Company.

Shares will be held in book entry form for the subscriber, following acceptance, by the Administrator, UBS Fund Services (Cayman) Limited.

If requested, Share Certificates may be issued in the name of a nominee. If this facility is required, please fill in name of nominee:

_____

The Subscriber hereby designates and appoints UBS Fund Services (Cayman) Ltd., through its authorized officers and directors, with full power of subscription, as its true and lawful Proxy and Attorney-in-Fact for the purpose of voting the shares herein subscribed for as said Proxy may determine on any and all matters which may arise at any annual or special meeting of shareholders and upon which such shares could be voted by shareholders present in person at such meeting. This Proxy may be revoked by the owner of record of the shares hereby subscribed for, either personally or by presentation of a subsequently executed proxy at any annual meeting or special meeting of shareholders, or by written notice to UBS Fund Services (Cayman) Ltd., UBS House, 227 Elgin Avenue, P.O. Box 852, George Town, Grand Cayman, Cayman Islands.

Signature Page for Subscription by an ENTITY

SHARES TO BE REGISTERED AS FOLLOWS:

ENTITY OWNERSHIP - Check form of organization:

☐ CORPORATION - Please include certified resolutions (or similar documents) authorizing signature.

☐ PARTNERSHIP - Please include a copy of the partnership agreement (or similar document) authorizing signature.

☑ TRUST - Please include a copy of the trust agreement. Government Pension Plan (Municipal Corporation)

☐ BANK or BROKER-DEALER - See Page A-2

(Please print all information exactly as you wish it to appear on the Company's records.)

Seattle City Employees' Retirement System
(Name of Subscriber)

mel.robertson@seattle.gov
(E-Mail Address)

801 Third Ave, Suite 300 Seattle WA 98104
(Address)

206-615-1424
(Telephone - Days) (Facsimile)

USA
(Country of Formation)

206-954-5753 (cell)
(Telephone - Evenings)

The undersigned trustee, partner or officer warrants that he has full power and authority from all beneficiaries or partners or from the board of directors of the entity named below to sign this Share Application Form on behalf of the entity and that a purchase of Shares in Epsilon Global Active Value Fund II Ltd. is not prohibited by the governing documents of the entity.

Dated: 12/10/04

Signatures of Entity Subscriber(s)
(Please print name below each signature):

Seattle City Employees' Retirement System
(Name of Entity)

By: _____
(Trustee, partner or authorized corporate officer

Mel Robertson, Asst. Executive Director
(Name and Title)

By: _____
(Trustee, partner or authorized corporate officer

_____
(Name and Title)

SUBSCRIPTION INFORMATION

SHARE REGISTRATION INFORMATION

Seattle City Employees' Retirement System
Name

801 Third Ave. Suite 300
Address

Seattle, WA 98104 USA
Country of Residence

206-615-1424
Telephone

206-954-5753 (cell)
Telephone (Evenings)

206-386-1506
Fax

MAILING (POST) INFORMATION (if other than address of registration)

REMITTING BANK

Wells Fargo
Name

Address

Seattle WA USA 98104
Country of Residence

206-684-5214 (Marilyn Minato Seattle City Treasury)
Telephone

Telephone (Evenings)

Fax

BANK FOR TRANSFERS in case of redemptions (if other than Name & Address of Remitting Bank):

Epsilon References

Epsilon Investor References:

Mr. James Manley
President
Atlantic-Pacific Capital, Inc.
411 West Putnam Avenue, Suite 340
Greenwich, CT 06830, USA
(203) 862-9182

Mr. Kevin Hite
UBS Financial Services Inc.
1285 Avenue Of Americas
New York, NY 10019,USA
(212) 713-8854

Mr. Vicente Zaragoza
The Pentium Fund
3857 Birch Street, Suite 213
Newport Beach, CA 92660, USA
(714) 751-1624

Professional References:

Mr. Gordon McDonnell
Executive Vice President
Jefferies & Company
11100 Santa Monica Blvd., 11th Floor
Los Angeles, CA 90025, USA
(310) 914-1155

Mr. Bruce Tolbert
Prudential Securities Inc.
880 Munson, Suite H
P.O. Box 1286
Traverse City, MI 49686, USA
(231) 929-4700

Mr. Jim Glanzer
BNP Paribas
787 Seventh Avenue
New York, NY 10019, USA
(212) 841-2623

EPSILON GLOBAL ACTIVE VALUE FUND II LTD.

REDEMPTION REQUEST FORM

This form should be saved and may be used by a shareholder wishing to redeem Shares in the Fund. Redeeming shareholders should complete and return this form.

TO: EPSILON GLOBAL ACTIVE VALUE FUND II LTD.

c/o Equinoxe Alternative Investment Services (Ireland) Limited
Equinoxe House
Marina Village
Malahide
County Dublin
Ireland

c/o Epsilon Investment Management L.L.C.
Grand Rue 3
1820 Montreux
Switzerland

Fax to the Administrator at: (353) 1-816-8722; *and*
Fax to the Fund at: 41-21-962-8801

Jan 28, 2010

Dear Sirs:

I hereby request redemption, as defined in and subject to all of the terms and conditions of the Confidential Offering Memorandum of Epsilon Global Active Value Fund II Ltd. ("the Fund"), as it may be amended, of 142,674.58 Shares, representing [part/all] of my Shares in the Company. **I understand that redemption will only be effective as of the close of business on the last day of a calendar quarter (the "Redemption Date"), upon at least forty-five (45) days prior written notice to both the Fund and the Administrator. I understand that once I have provided my redemption request to the Fund and the Administrator via facsimile: (1) the original signed redemption request must be received by the Administrator prior to the Redemption Date; and (2) I must receive written confirmation from the Administrator that the faxed redemption request has been received by the Administrator.** Except as otherwise provided in the Confidential Offering Memorandum, payment of 90% of the redemption proceeds will be made within thirty (30) days after the effective date of redemption with balance being paid within fifteen (15) days after receipt by the Fund of its annual audited statements for such fiscal year. If I have been issued share certificates, I enclose my Share certificates, duly endorsed for transfer.

I hereby represent and warrant that (i) I am the owner of Shares of the Company with full power and authority to request redemption of the Shares which are the subject if this request; and (ii) I am not a "U.S. Person" (as that term is defined in the Information Memorandum) or I am a qualified employee benefit plan within the meaning of ERISA and exempt from U.S. taxation under IRC sec. 401(a), or I am an IRA or similar plan exempt from U.S. taxation under IRC sec. 408, or I am an organization described in IRC sec. 501(c)(3) and am exempt from U.S. taxation under IRC sec. 501(a). Such Shares are not subject to any pledge or otherwise encumbered in any fashion. I

EXHIBIT F

acknowledge this I cannot make a partial redemption of less than US$100,000 of Shares as the Net Asset Value is defined in the Confidential Offering Memorandum is computed as the date of redemption and if I am making a partial redemption, that my redemption request will be honored only if it does not reduce the Net Asset Value of my remaining Shares below the minimum subscription amount required of new the shareholders of the Fund. I understand that my redemption request, once received by the Fund and the Administrator, is revocable only with the consent of the Investment Manager, which may withhold its consent for any reason in its sole discretion. My signature has been guaranteed by a commercial bank acceptable to the Fund.

REDEMPTION REQUEST FORM (Continued)

WIRE INSTRUCTIONS (to be completed by redeeming shareholder):

Bank name and address: Wells Fargo, San Francisco, CA 94163
Account: 121 000 248
Account Name: City of Seattle
Account No: 4758359921

SIGNATURES MUST BE IDENTICAL TO NAME(S) IN WHICH SHARES ARE REGISTERED

Seattle City Employees' Retirement System
PRINT: Name of Registered Owner of Shares

720 3rd Ave, Ste. 1000
Address
Seattle, WA 98104

ENTITY SHAREHOLDER (OR ASSIGNEE)
[PARTNERSHIP, CORPORATION OR TRUST]

Seattle City Employees' Retirement System

By: _____
(Signature of partner, authorized corporate officer or trustee)

Cecelia M. Carter, Executive Director
Name and Title

By: _____
(Signature of partner, authorized corporate officer or trustee)

Teresa M. Wells, Investment Strategic Advisor
Name and Title

INDIVIDUAL SHAREHOLDER(S)
(OR ASSIGNEE)

_____
(Signature of individual or assignee)

_____
(Signature of individual or assignee)

Signature(s) guaranteed by:

REDEMPTION INFORMATION

SHARE REGISTRATION INFORMATION

Seattle City Employees' Retirement System
Name

720 3rd Ave, Ste 1000, Seattle 98104
Address

U.S.A.
Country of Residence

206.615.1424
Telephone

206.255.4120
Telephone (Evenings)

206.386.1506
Fax

MAILING (POST) INFORMATION (if other than address of registration)

Name

Address

County of Residence

Telephone

Telephone (Evenings)

Fax

BANK FOR TRANSFER OF REDEMPTION

Wells Fargo
Name

420 Montgomery St.
San Francisco, CA 94163
Address

U.S.A.
Country of Residence

Telephone

Telephone (Evenings)

Fax

City of Seattle

Seattle City Employees' Retirement System
720 Third Avenue, Suite 1000, Seattle, WA 98104, Phone: (206) 386-1292, Fax: (206) 386-1506

Cecelia M. Carter, Executive Director

SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM

SEATTLE, WASHINGTON

RESOLUTION

BE IT RESOLVED, that the Executive Director, Cecelia M. Carter, with the Finance and Operations Manager, Michael K. Akiyama, or the Investment Strategic Advisor, Teresa M. Wells, of the Seattle City Employees' Retirement System be authorized and empowered to endorse on behalf of the members of the Seattle City Employees' Retirement System (SCERS) Board of Administration for transfer, assignment and sale, any certificate of stock, registered bonds, or other securities, belonging to the Seattle City Employees' Retirement System, or make purchases or acquisition on behalf of the Seattle City Employees' Retirement System. The above authorization is pursuant to guidelines approved by the SCERS Investment Committee and Board of Administration. This authorization includes (1) establishing and maintaining one or more accounts for the purpose of purchasing, selling, and trading in S&P 500 futures contracts, and (2) opening futures accounts and implementing SCERS's obligations with respect thereto, and in conjunction therewith to transfer, deposit, pledge, rollover, close or make or take delivery of cash, securities and futures contracts.

BE IT FURTHER RESOLVED, that the Executive Director, Cecelia M. Carter, or the Finance and Operations Manager, Michael K. Akiyama, or the Investment Strategic Advisor, Teresa M. Wells, of the Seattle City Employees' Retirement System be authorized to vote proxies.

I, Mark McDermott, Secretary of the Seattle City Employees' Retirement System Board of Administration, hereby certify that the foregoing is a true and complete copy of a resolution duly adopted by the Board of Administration at a meeting held on the 2nd day of December 2009, at which a quorum was present, and that said resolution has not been repealed or amended and remains in full force and effect.

BOARD OF ADMINISTRATION
SEATTLE CITY EMPLOYEES' RETIREMENT SYSTEM

Mark McDermott, Secretary

City of Seattle

Seattle City Employees' Retirement System
720 Third Avenue, Suite 1000, Seattle, WA 98104, Phone: (206) 386-1292, Fax: (206) 386-1506

Cecelia M. Carter, Executive Director

FORM OF INCUMBENCY CERTIFICATE

The undersigned, being the Secretary of the Seattle City Employees' Retirement System a city retirement system organized under the Seattle Municipal Code and the laws of the State of Washington (the "Company"), does hereby certify on behalf of the Company that the persons named below and that the signature at the right of said name, respectively, is the genuine signature of said person and that the persons listed below are each an authorized signatory for the Company.

Cecelia M. Carter	Executive Director	
Michael K. Akiyama	Finance and Operations Manager	
Teresa M. Wells	Investment Strategic Advisor	

IN WITNESS WHEREOF, the undersigned has hereunto set his hand as of the 11th day of December 2009.

Mark McDermott Secretary

THE UNDERSIGNED, Dwight Dively, the duly authorized Treasurer, does hereby certify that Mark McDermott is a duly authorized officer of Seattle City Employees' Retirement System and that the signature set forth above is his true and correct signature.

IN WITNESS WHEREOF, the undersigned has executed this certificate as of the 11th day of December 2009.

Dwight Dively Treasurer

Εpsilon Investment Management

Grand rue 3, CH-1820
Montreux, Switzerland
Tel: +41-21-966-7900
Fax: +41-21-962-8801

February 4, 2010

Memorandum to
Epsilon Global Active Value Fund Ltd., Epsilon Global Active Value Fund II Ltd., Epsilon Structured Strategies Fund Ltd., Westford Special Situations Fund Ltd., and Westford Special Situations Fund II Ltd.

Epsilon & Westford Versus Selected Indices

	2009				Last	Correlation			
	2nd Quarter	3rd Quarter	4th Quarter	YTD	24 months	EGAVF	EGAVF II	ESSF	WSSF
Epsilon Global Active Value Fund Ltd *	1.23%	(0.41)%	1.67%	1.77%	6.78%				
Epsilon Global Active Value Fund II Ltd *	2.05%	0.08%	2.18%	3.55%	10.04%				
Epsilon Structured Strategies Fund Ltd*	(1.12)%	(1.59)%	(2.67)%	(7.21)%	26.50%				
Westford Special Situations Fund Ltd *	2.19%	0.50%	2.04%	5.26%	12.72%				
Westford Special Situations Fund II Ltd **		1.03%	0.59%	1.63%	1.63%				
S&P 500 Index	15.91%	15.59%	6.04%	26.47%	(20.31)%	0.03	(0.11)	(0.05)	(0.06)
MSCI Global EAFE Index	16.92%	14.82%	3.33%	24.72%	(25.51)%	(0.04)	(0.14)	(0.08)	(0.08)
CSFB Investable Hedge Fund Index	3.85%	4.60%	8.29%	16.62%	(14.06)%	0.14	0.07	(0.04)	0.13
Merrill Lynch Investment Grade Bond Index	8.61%	7.04%	1.33%	16.27%	10.76%	(0.06)	(0.01)	(0.03)	0.06

* Returns are net of fees.
** Fund was launched on July 1, 2009. YTD figures are inception to date. Correlation data is not relevant due to limited history.

We set forth above our quarterly performance summary for the second, third and fourth quarters. As our results reflect, during 2009, as throughout the history of our Funds, we have made no attempt to capture short-term market rallies, but instead have focused consistently, with the success that our longer term results reflect, on providing attractive risk-adjusted returns with no correlation to the broader markets.

Particularly because we believe markets globally appear poised at the edge at what may, at least in retrospect, be regarded as an historically significant inflection point, we would be remiss if we did not afford our investors the opportunity to evaluate our profound skepticism regarding the sustainability of current market valuation levels.

Following the burst of the technology bubble in 2000, the S&P reached its bottom nearly three years later, in March 2003. From the daily low close in March of 2003, it took no fewer than 793 days for the index to rally 60%. By way of comparison, from the daily low close in March of 2009 (the generally accepted "bottom" of this bear market), the S&P has rallied 60% in less than one-fourth that time, thus recording one of history's most rapid market rallies. A great many market observers have pointed to the bear market rally of 1929-30 as an instructive contrast, and have contended that since the current rally has persisted for more than six months without nosing over, we are in a new bull market. To us, however, the more compelling historical analogy is the behavior of the Nikkei following the burst of the Japanese asset bubble in 1989. In a manner anticipating the current extraordinary central bank and government interventions, no one has built more bridges or paved more riverbeds than the Liberal Democratic Party of Japan. Whether or not as a result, since 1990 the Nikkei has managed no fewer than four 50%+ rallies and six 20%+ rallies. Yet the Nikkei is down over 74% from 1990 through 2009. These are the grim hallmarks of deflationary credit collapse.

EXHIBIT G

The US consumer continues to deleverage at a pace unseen since the Great Depression. During 2009, total consumer credit shrank 3.7% during the year and 3.95% from its peak, and has contracted in 11 of the past 12 months. During the third quarter, weekly hours worked in the US fell to an all-time low of 33 hours. The unemployment rate is 10%, less than 1% below the postwar high seen in 1982. For 23 consecutive months, the longest such stretch in data going back to 1929, US non-farm payrolls have contracted. Never before have we experienced a 60% rally in risk assets while also losing 2.7 million jobs. The rally in investment grade credit has been remarkable. For prime borrowers, spread levels have now returned to levels unseen since the Federal Reserve arranged the shotgun marriage between JP Morgan and Bear Stearns—although for other borrowers the credit markets remain highly dislocated and volatile. Since that time, the US has lost 6.1 million jobs. Markets are pricing in GDP growth of 4-5%, but when 70% of the world's largest economy is the consumer, and said consumer has seen his working hours shrink to the lowest level in history, and his credit contract at a record pace to a level that has now reached 4%, we believe the only rational conclusion is intense skepticism that current equity and credit market valuations are sustainable for any length of time.

We are also writing to apprise you of important decisions that we are taking regarding the Epsilon and Westford Funds. In part, these decisions are motivated by our concern, as discussed above, regarding the persistence and possible intensification of credit market dislocation and volatility. As discussed below, certain other developments also have contributed to these decisions. All of these decisions have been reached after painstaking consideration on our part and, in the case of the offshore Funds, each such Fund's Board of Directors. All of these decisions reflect our (and the Boards') dedication to the best interests of the Funds and their investors, and our (and their) conviction that these decisions will best serve those interests.

First, effective as of the date of this letter, all of the Epsilon and Westford Funds are being closed to new subscriptions. Second, effective as of the date of this letter, we are temporarily suspending the redemption of shares or limited partnership interests, as the case may be, in three of our Funds: Epsilon Global Active Value Fund (LP & Ltd.) ("Epsilon I"); Epsilon Global Active Value Fund II (LP & Ltd.) ("Epsilon II"); and Westford Special Situations Fund (LP & Ltd.) ("Westford I"). We take this second step with great reluctance, for the reasons discussed below.

For Westford I in particular, the decision to suspend redemptions stems largely from the ongoing lack of sufficient liquidity in both the credit markets and the Westford I portfolio, and what we see as the diminishing prospect that credit market liquidity will recover meaningfully in the near future, as we had previously anticipated. During 2005-07, prior to the market crash, as equity-oriented investment strategies performed well, Westford I endured substantial redemptions, which the Fund was able to meet in full through disposition of portfolio securities. Beginning in late 2007, as credit market liquidity sharply diminished and then, in 2008, virtually collapsed, Westford I was no longer able to meet redemptions in full. Redemptions fell off sharply in early 2008 and have remained light, and during 2008-09 WSSF has made five *pro rata* partial payments of redemption proceeds to redeemed investors.

Currently, the four largest positions in Westford I are direct lending positions representing approximately 63% of Westford I's portfolio assets. These positions consist of fully secured credit extensions to certain distressed issuers, in furtherance of a distressed lending/loan-to-own strategy along the longer investment horizon characteristic of this strategy. The Manager is a very experienced and skilled practitioner of this strategy, and we believe that all of these investments offer the prospect of highly attractive investment returns. We are pursuing definite "harvesting" strategies for all of these investments, and we are highly confident that, given the time and opportunity to bring these strategies to fruition, as we are in the best position to do, we

will both secure for the Westford Funds the attractive returns that we have anticipated from these investments and, of course, complete payment of the remaining unpaid Westford I redemption proceeds.

Another factor influencing our decision to suspend redemptions in the three Funds named above is that we have not yet received final audited financial statements for the Epsilon and Westford Funds for their fiscal years ended December 31, 2008, from PricewaterhouseCoopers Accountants N.V. ("PwC"), the Funds' independent accountants since 1998. Until December of 2009, we had expected the audited statements to be released before the end of 2009. However, we have been advised by PwC that the release of the audited statements has been delayed because of contacts to PwC from the Staff of the U.S. Securities and Exchange Commission (the "SEC") in connection with a private and confidential order of investigation relating to Westford, which was delivered to us by the Staff in May of 2009. We understand that the investigation has come to focus largely on matters relating to the valuation of the direct loan investments in the Westford portfolio discussed above. These are fully collateralized loans that, in accordance with industry and accounting convention, are valued simply at face value plus accrued interest. From the beginning of the 2008 audits, we and PwC have gone to unusual lengths, including independent audits and valuations of several of these investments by leading independent accountants and valuation experts, all for the purpose of determining beyond reasonable doubt whether each of these investments was unimpaired and thus correctly valued. We are therefore confident that our positions in this regard will be sustained. To date, the SEC has not advised us of any conclusions from its investigation, nor have we been charged with any wrongdoing. We believe we have at all times conducted ourselves appropriately. We have been cooperating fully with the Staff in this investigation.

During the next few days, we shall be reaching out to each of you individually to discuss these matters with you. We very much appreciate the trust and confidence you have placed in us, and very much hope that you will remain steadfast in these challenging times.

Sincerely,

Steve G. Stevanovich

Carter, Cecelia

From: Carter, Cecelia
Sent: Friday, February 12, 2010 3:22 PM
To: 'Karen Tomblin'; 'George Rudman'
Cc: Wells, Teresa; Seu, Carlton
Subject: Seattle CERS / Epsilon Conference Call 02.12.2010

George & Karen;

I want to thank you both, and your compliance officer – Ed Bergman, Esq. again for taking time to speak with the representatives of Seattle City Employees' Retirement System (SCERS) this morning – myself, Teresa Wells, and Carlton Seu, Esq. Both Ms. Wells, Mr. Seu and myself found the dialogue to be most informative and very productive. The conversations helped further our understanding of the position the Epsilon Global Value Fund II (the "Fund") is in.

We look forward to receiving a formal statement from the Fund of SCERS's December 31, 2009 holdings as a percentage of the entire Fund.

We further understand the current gating of redemption request is a business decision and not a mandatory, statutory, or contractual requirement. That said; I would like to reiterate on behalf of the Seattle City Employees' Retirement System our Notice for full redemption of our share of the Fund's assets as outlined in the two subscription documents executed on SCERS's behalf – Notice, which was made to the Fund January 28, 2010. We await your re-evaluation of the Fund's position with regards to this request. Alternatively, we ask for the Fund to consider redeeming 85% of the SCERS's position within the subscription documents timeline and hold back 15% pending completion of the Fund's 2008 audit, or other event driven circumstance providing a full release of held back monies. We await your evaluation of this request as well. We would greatly appreciate feedback from you regarding these request by close of business Tuesday, February 23, 2010.

In the meantime; we certainly look forward to your update communications regarding this Fund as things unfold; the more communication – the better.

Best Regards,
- Cecelia

Cecelia M. Carter
Executive Director
Seattle City Employees' Retirement System
720 Third Avenue, Suite 1000
Seattle, WA 98104
Office Telephone: 206.386.1292
City Mobile Number: 206.255.4117
Office Fax: 206.386.1506

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EXHIBIT H

Tracking:

Investor Statement

Cecelia Carter
Seattle City Employees Retirement System
720 Third Avenue
Suite 1000
Seattle WA 98104
UNITED STATES

Email: cecelia.carter@seattle.gov

Investor Id: 001063
Investor Name: SEATTLE CITY EMPLOYEES RETIREMENT SYSTEM

Class Description	Currency
Epsilon Global Active Value Fund II Ltd USD Class	USD

Account Summary		Units	Valuation	Market Value
Opening Position:	01/12/2009	142,674.58	174.12	24,842,497.87
Additions in the period:		0.00		0.00
Subtractions in the period:		0.00		0.00
Closing Position:	31/12/2009	142,674.58	174.22	24,856,765.33
Market Value Variation:				14,267.46
Valuation % Change:				0.0574%

Should you have any questions please feel free to contact David Barry at dbarry@equinoxeais.com or David McCormack at dmccormack@equinoxeais.com.

EQUINOXE

EXHIBIT I

From: Carter, Cecelia
Sent: Monday, March 08, 2010 3:19 PM
To: 'Karen Tomblin'; 'George Rudman'
Cc: Wells, Teresa; Seu, Carlton
Subject: SCERS - Epsilon Global Active Value Fund II
Importance: High

Dear George and Karen,

We haven't heard back from you with respect to the February 12, 2010 email from me regarding our alternative redemption request of 85%. Please let us know by the end of this week whether Epsilon will agree to the alternative redemption request.

Further, I must insist and therefore request that you provide us with additional information regarding SCERS's position in the Epsilon Global Active Value Fund II Ltd. In Mr. Stevanovich's February 4, 2010 memorandum/correspondence, the justifications provided for gating redemptions are all related to issues with the Westford funds, not Epsilon Global Active Funds. Specifically, the two reasons set forth by Mr. Stevanovich for gating were: (1) lack of liquidity in Westford; and (2) PwC's failure to provide audited financial statements because of an ongoing investigation by the SEC into Westford. From our perspective neither of these reasons justify: (a) the withholding of audited financial statements for Epsilon Global Active Value Fund II Ltd or associated financial records if the audited financial statements for Epsilon are not complete; and (b) refusing to redeem SCERS's shares in Epsilon Global Active Value Fund II Ltd.

As a result, I would like to meet with you at our offices on Monday, March 15, 2010 at 9 a.m <u>or</u> 10am. At this meeting, please be prepared to provide SCERS with: (1) the 2008 audited financial statement if it exist; (2) all underlying documents provided to PwC for the purposes of preparing the 2008 audited financial statement; and (3) an accounting of SCERS's December 31, 2009 holdings as a percentage of the entire Epsilon Global Active Fund II Ltd (as requested in our February 12, 2010 email). Please confirm directly back with me your meeting with us on March 15th and the time more convenient for your travels.

As you know we are a public pension plan; and thus we appreciate your assistance and understanding of the necessity for transparency in all SCERS investments.

I look forward to hearing from you soon.

Best Regards,
- Cecelia

Cecelia M. Carter
Executive Director
Seattle City Employees' Retirement System
720 Third Avenue, Suite 1000
Seattle, WA 98104
Office Telephone: 206.386.1292
City Mobile Number: 206.255.4117

3/14/2010

Office Fax: 206.386.1506

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EXHIBIT J

Epsilon Global Active Value Fund II Ltd.

Road Town, Tortola

British Virgin Islands

Directors' report and financial statements for the year ended December 31, 2007

EXHIBIT K

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Directors and general information

Directors and general information

Board of directors
Steve G. Stevanovich
Alberto C. d'Abreu de Paulo

Registered office
Epsilon Global Active Value Fund II Ltd.
Craigmuir Chambers
P.O. Box 71
Road Town, Tortola
British Virgin Islands

Registrar and transfer agent
(up to November 30, 2006)
UBS Fund Services (Cayman) Ltd.
UBS House
227 Elgin Avenue
P.O. Box 852
George Town, Grand Cayman
Cayman Islands

Custodian and prime broker
Goldman Sachs & Co
One New York Plaza
New York, NY 10004
United States of America

Investment manager
Epsilon Global Asset Management Ltd.
P.O. Box 309
George Town, Grand Cayman
Cayman Islands

Auditors
PricewaterhouseCoopers Accountants N.V.
P.O. Box 8800
3009 AV Rotterdam
The Netherlands

Legal counsel
Monahan & Biagi, P.L.L.C.
701 Fifth Avenue, Suite 2800
Seattle, Washington 98104
United States of America

Administrator, registrar and transfer agent
(as of December 1, 2006)
JPMorgan Hedge Fund Services (Ireland) Limited
Newenham House
Northern Cross
Malahide Road
Co. Dublin
Ireland

Directors' report

Directors' report

Results for the year ended December 31, 2007 were satisfactory. The Fund had total investment income of USD 2,908,452 and net income of USD 2,575,547. Total investment income included interest income of USD 100,171 and net gains on financial assets and liabilities at fair value through profit or loss of USD 2,808,281. Expenses totaled USD 332,905 for the year. The largest expense was attributed to the management fee of USD 308,928.

Epsilon Global Active Value Fund II Ltd. and its sister fund, Epsilon Global Active Value Fund II-B L.P. are organised into a master/feeder structure with their Master Fund, Epsilon Global Master Fund II L.P. (the 'Master Fund').

The Master Fund employs a global opportunistic and event driven investment strategy, investing in a variety of securities. These include but are not limited to, equities, bonds, bank debts, trade claims, options, swaps, futures, Credit Default Swaps (CDSs), Collateralised Debt Obligations (CDOs), Collateralised Loan Obligations (CLOs), direct lending and structured products. In conjunction with this strategy, the Master Fund seeks to minimise risk, opportunistically employing hedging strategies for specific investments. As a result of the global opportunistic and event driven investment strategy, the Master Fund's results frequently do not correlate significantly with global stock and bond indices. The Master Fund requires securities markets to operate with adequate liquidity in order to meet its investment objectives.

The Fund began trading in December 2001 and its assets have grown from that date to USD 29.2 million by December 31, 2007. Due to the nature of the Fund's investments and its global perspective, the directors believe that the Fund has significant capacity for growth. This capacity is further enhanced by the capabilities and depth of the Fund's management team. The investment manager currently employs twenty investment professionals with considerable investment and trading experience.

The Master Fund has thus far employed borrowed funds in the form of margin to establish short positions in both stocks and bonds. For the most part these short positions are used to hedge specific related long positions, although there are instances where the Master Fund may sell short a security it views to be overvalued.

Steve G. Stevanovich

Alberto C. d'Abreu de Paulo

July 15, 2008

Financial statements

Balance sheet as at December 31, 2007

	Notes	2007	2006
		USD	USD
Assets			
Financial assets at fair value through profit or loss	3	24,139,222	59,398,416
Other receivables		4,168	-
Distributions receivable		3,826,033	3,920,069
Other amount receivable from related entity		68,281	-
Other amounts receivable from the Master Fund		96,510	-
Cash due from banks		1,219,918	249
Total assets		29,354,132	63,318,734
Liabilities			
Equalisation shares		7	284
Deferred distributions		3,826,034	3,920,069
Other amounts payable to related entity		1,287,602	-
Fees payable and accrued expenses	6	18,083	225,798
Liabilities (excluding net assets attributable to holders of redeemable participating shares)		5,131,726	4,146,151
Net assets attributable to holders of redeemable participating shares	7	24,222,406	59,172,583
Total liabilities		29,354,132	63,318,734
Net asset value per share (in USD)		158.77	149.95

The accompanying notes are an integral part of these financial statements.

Income statement for the year ended December 31, 2007

	Notes	2007	2006
		USD	USD
Revenue			
Interest income		100,171	40,826
Other income		-	3,750
Depreciation deposit earned		-	22,797
Net gains on financial assets and liabilities at fair value through profit or loss		2,808,281	5,906,810
Total investment income		2,908,452	5,974,183
Expenses			
Management fees	8	308,928	1,011,950
Administration fees	8	15,890	-
Legal and professional fees		-	85,642
Other expenses		8,087	10,758
Total expenses		332,905	1,108,350
Increase in net assets attributable to holders of redeemable participating shares from operations		2,575,547	4,865,833

The accompanying notes are an integral part of these financial statements.

Statement of changes in net assets attributable to holders of redeemable participating shares for the year ended December 31, 2007

	Number of shares	USD
Net assets attributable to holders of redeemable participating shares at January 1, 2006	1,548,705	217,221,325
Subscriptions of redeemable participating shares	11,349	1,600,000
Redemptions of redeemable participating shares	(1,165,429)	(164,514,575)
Increase in net assets attributable to holders of redeemable participating shares from operations		4,865,833
Net assets attributable to holders of redeemable participating shares at December 31, 2006	394,625	59,172,583
Subscriptions of redeemable participating shares	2	1,765
Redemptions of redeemable participating shares	(242,065)	(37,527,489)
Increase in net assets attributable to holders of redeemable participating shares from operations		2,575,547
Net assets attributable to holders of redeemable participating shares at December 31, 2007	152,562	24,222,406

The accompanying notes are an integral part of these financial statements.

Cash flow statement for the year ended December 31, 2007

	2007	2006
	USD	USD
Cash flow from operating activities		
Increase in net assets attributable to holders of redeemable participating shares from operations	2,575,547	4,865,833
Adjustments for:		
Interest income	(100,171)	(40,826)
Operating profit before working capital changes	2,475,376	4,825,007
Net decrease in financial assets at fair value through profit or loss	35,259,194	158,837,852
Net decrease in other receivables	-	56,957
Net increase in other amounts receivable from the Master Fund	(96,510)	-
Net increase in other receivables from and payables to related entities	1,219,321	-
Net decrease in fees payable and accrued expenses	(207,715)	(804,017)
	38,649,666	162,915,799
Interest received	96,003	40,826
Net cash from operating activities	38,745,669	162,956,625
Cash flows from financing activities		
Proceeds from subscriptions of redeemable participating shares	1,488	-
Distributions paid	(37,527,488)	(164,588,330)
Net cash used in financing activities	(37,622,510)	(164,588,330)
Net increase/(decrease) in cash and cash equivalents	1,219,669	(1,631,705)
Cash and cash equivalents at beginning of the year	249	1,631,954
Cash and cash equivalents at end of the year	1,219,918	249

The accompanying notes are an integral part of these financial statements.

Notes to the financial statements

1 General

Epsilon Global Active Value Fund II Ltd. ('the Fund') was incorporated in the British Virgin Islands under the International Business Companies Act (Cap. 291) on October 30, 2001 and commenced operations on December 1, 2001.

All assets of the Fund are, and the proceeds from the sale of additional ordinary shares in the Fund will be, invested through a master/feeder fund structure in Epsilon Global Master Fund II L.P. ('the Master Fund'), a limited partnership formed under the laws of the Cayman Islands. In addition to the Fund, the other Limited Partner in the Master Fund, Epsilon Global Active Value Fund II-B L.P., a Delaware limited partnership, also invests in the Master Fund and other vehicles may be formed in the future to invest in the Master Fund as a Limited Partner. Each such investment vehicle will invest in the Master Fund on substantially the same terms and conditions as the Fund and therefore will generally be allocated a proportionate share of the Master Fund's gains, losses and expenses based on their interest in the Master Fund, adjusted for any differences in fees.

Shares of the common stock of the Fund are offered only to investors who are neither citizens nor residents of the United States of America (natural persons) and to a limited number of United States investors consisting primarily of tax-exempt entities.

The declaration of dividends on the shares will be in the discretion of the board of directors, and dividends may be declared only out of retained earnings. The Fund does not presently intend to pay dividend on its shares.

The Fund has no employees.

The Fund's financial statements were authorised for issue on July 15, 2008, and signed on its behalf by the board of directors.

Mr Steve G. Stevanovich

Mr Alberto C. d'Abreu de Paulo

2 Accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated in the following text.

Basis of preparation

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements are prepared under the historical cost convention as modified by the revaluation of financial assets and financial liabilities held at fair value through profit or loss.

The preparation of financial statements in conformity with IFRS requires the use of accounting estimates. It also requires management to exercise its judgment in the process of applying the Fund's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

These financial statements are the non-consolidated financial statements of the Fund. Separate financial statements have been prepared for the Master Fund and may be obtained from the investment manager of the Fund.

New standards and amendments to published standards effective in 2007

The following standards and amendments are applicable to the Fund's operations and mandatory for the Fund's accounting period beginning on January 1, 2007 and have been adopted on January 1, 2007:

- IFRS 7, Financial Instruments: Disclosures, and the complementary Amendment to IAS 1, Presentation of Financial Statements: Capital Disclosures, effective January 1, 2007 and
- The Amendment to IAS 1, Presentation of Financial Statements: Capital Disclosures, effective January 1, 2007.

The Fund has also applied this new standard and amendment to 2006.

IFRS 7 introduced new disclosures relating to financial instruments. This standard does not have any impact on the classification and valuation of the Fund's financial instruments. In accordance with the requirements of the Amendment to IAS 1, additional disclosures have been provided on the Fund's objectives and policies for its capital, which is represented by the net assets attributable to the holders of redeemable participating shares.

Amendments not yet effective and which have not been early adopted by the Fund

The following amendments to existing standards applicable to the Fund have been published that are mandatory for the accounting periods beginning on or after January 1, 2008 but that the Fund has not early adopted:

- Amendments to IAS 32 Financial Instruments: Presentation, effective January 1, 2009 and Amendments to IAS 1 Presentation of financial statements revision, effective January 1, 2009.

Amendments to IAS 32 may affect the classification of the redeemable participating shares issued by the Fund in the balance sheet of the Fund. The Fund issues redeemable participating shares, which are redeemable at the holder's option. Redeemable participating shares can be put back to the Fund at any time for cash equal to a proportionate share of the Fund's net asset value. The redeemable participating share is carried at the redemption amount that is payable at the balance sheet date if the holder exercises the right to put the share back to the Fund. At December 31, 2007, redeemable participating shares are classified as liabilities in terms of IAS 32 before this amendment. It is expected that the amendment to this standard may result in the classification of redeemable participating shares as equity in the balance sheet of the Fund.

IAS 1 affects the presentation of owner changes in equity and of comprehensive income. It does not change the recognition, measurement or disclosure of specific transactions and other events required by other IFRS standards.

Standards and interpretations to existing standards that are not yet effective and not relevant for the Fund's operations

The following standards and interpretations to existing standards have been published that are mandatory for the Fund's accounting periods beginning on or after 1 January 2008 or later periods but are not relevant for the Fund's operations:

- IFRIC 12, Service Concession Agreements (effective from January 1, 2008);
- IFRIC 13, Customer Loyalty Programmes (effective from July 1, 2008);

- IFRIC 14, IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (effective from January 1, 2008) and
- IFRS 8, Operating segments (effective January 1, 2009).

All references to net assets throughout this document refer to net assets attributable to holders of redeemable participating shares unless otherwise stated.

The balance sheet presents assets and liabilities in increasing order of liquidity and does not distinguish between current and non-current items. All the Fund's assets and liabilities are held for the purpose of being traded or are expected to be realised within one year, with the exception of redeemable participating shares.

Foreign currency translation

(a) Functional and presentation currency

The financial statements are prepared in United States dollar (USD), this being the Fund's functional currency. Management determined USD as the functional and presentation currency for the Fund to reflect the fact that the issued ordinary shares of the Fund are denominated in USD and most of the Fund's investments are denominated in USD.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss shall be recognised in profit or loss.

Translation differences on non-monetary items such as financial assets held at fair value through profit or loss are reported as part of the fair value gain or loss.

Financial assets and liabilities at fair value through profit or loss

- Classification:

All financial assets and liabilities categorised as financial assets and liabilities at fair value through profit or loss are held for trading. Financial assets or liabilities held for trading are acquired or incurred principally for the purpose of selling or repurchasing in the short term.

- Recognition/derecognition:

Regular-way purchases and sales of investments are recognised on trade date - the date on which the Fund commits to purchase or sell the asset. Investments are initially recognised at fair value. Investments are derecognised when the rights to receive cash flows from the investments have expired or the Fund has transferred substantially all risks and rewards of ownership.

- Measurement:

Investments are initially recognised at fair value. Transaction costs for all financial assets and financial liabilities carried at fair value through profit or loss are expensed in the income statement as part of net gains/losses on financial assets and liabilities at fair value through profit or loss as incurred.

– Fair value estimation:

The Fund follows the following measurement hierarchy when determining the fair value of financial assets and liabilities at fair value through profit or loss:

a. For instruments traded in active markets, quoted prices are used;
b. For instruments for which there is not an active market, recent market transactions are used and
c. For instruments for which there is neither an active market nor a recent market transaction, valuation techniques are used.

Unlisted securities are valued at their fair values as determined by management in consultation with the investment manager in accordance with recognised accounting and financial principles. In this respect, investments in other investment companies are valued at fair value which is the net asset value per share on the day of valuation as calculated by the related administrators, unless the directors are aware of good reasons why such valuation would not be the most appropriate indicator of fair value.

The fair value of investments is based on available information and does not necessarily reflect the amounts which might ultimately be realised. Such realisation depends upon future events and circumstances. Due to the inherent uncertainty of valuations, these estimated values may differ materially from the values that would have been used had a ready market for the investments existed.

Determination of gains or losses on financial assets and liabilities at fair value through profit or loss

Both realised and unrealised gains and losses on financial assets and liabilities at fair value through profit or loss are taken as income and expenses as incurred. Realised gains and losses on sales of financial assets and liabilities at fair value through profit or loss are calculated on a first in first out basis.

Other fair values

For all other categories than financial assets and liabilities at fair value through profit or loss, at December 31, 2007 and December 31, 2006, the carrying amount of all financial assets and liabilities approximates their fair values.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

Other receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Receivables are recognised initially at fair value plus transaction costs that are directly attributable to their acquisition or origination. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Distributions receivable

Distributions receivable represent a receivable from the Master Fund for accepted redemptions made in the Master Fund during the year, not yet received at year-end.

Other amounts receivable from related entity

Other amounts receivable from related entity represent amounts receivable from Epsilon Global Master Fund I L.P.

Other amounts receivable from the Master Fund

Other amounts receivable from the Master Fund represent amounts receivable from Epsilon Global Master Fund II L.P., the Master Fund of the Fund.

Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Equalisation shares

Equalisation shares represent the amount issuable in redeemable participating shares to investors to equalise timing differences between individual investors with respect to the accrual of performance fees.

Deferred distributions

Deferred distributions represent amounts payable to shareholders for:

(a) 90% of the redemption requests received and accepted by the Fund in the last 30 days before the financial year-end and

(b) a retained portion of 10% of the value of redemptions received and accepted during the year, both of which are payable to the redeeming shareholders within 15 days of the date of distribution of these audited financial statements to the Fund.

(c) Interest on deferred distributions which is charged at the month-end interest overdraft rate as used by the Fund's main broker, Goldman Sachs & Co. The interest is accrued monthly and paid when the applicable deferred distribution is paid to the shareholder.

Other amounts payable to related entity

Other amounts payable to related entity represent amounts payable to Epsilon Global Active Value Fund II L.P., the other feeder fund of the Master Fund of the Fund.

Fees payable and accrued expenses

Fees payable and accrued expenses are recognised initially at fair value and subsequently stated at amortised cost. The difference between the proceeds and the amount payable is recognised over the period of the payable using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Fund estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all over premiums or discounts.

Redeemable participating shares

The redeemable participating shares of the Fund are redeemable at the holder's option and are classified as financial liabilities.

Each ordinary redeemable participating share carries one vote. They are entitled to participate ratably, on a share for share basis, with all outstanding shares, in the earnings and assets of the Fund.

The Fund offers its shares on a continuous basis at a price per share equal to the Net Asset Value (the 'NAV') per share as of date of issuance, plus any applicable subscription charges. A deposit to an Incentive Fee Reserve may be required in certain circumstances, and further adjustments to the number of shares may be required in accordance with an equalisation credit. Subscriptions received during any monthly period will ordinarily be accepted as of the first day of the following monthly period, i.e., subscriptions received between March 1 and March 31 will be accepted as of April 1. The Fund may, in its discretion, accept subscriptions on a day other than the first day of a month. The Fund will issue number of shares by dividing subscription amount by per share price rounded to 2 decimal places. Subscriptions received during any monthly period will ordinarily be accepted as of the first day of the following monthly period. The Fund may, in its discretion, accept subscriptions on a day other than the first day of a month. The minimum subscription for shares is USD 2,000,000, subject to the Fund's discretion to accept lesser amounts.

Upon 45 days' prior written notice to the Fund, each shareholder may request that the Fund redeems all or part of such shareholder's shares as of the close of business on the last day of the calendar quarter.

With respect to any partial redemption, a shareholder may not make a partial redemption of less than USD 100,000 and may not reduce such shareholder's unredeemed shares to an amount less than the minimum investment then required of new shareholders. Also, in order to be considered a partial redemption, the redemption cannot exceed 90% of a shareholder's total capital account. In any case, the redemption price shall be the net asset value of the redeemed shares, as calculated at the end of the applicable measurement period.

The investment manager also has the right to force the complete redemption of any shareholder at any time at the investment manager's sole discretion.

The net asset value of the shares is calculated by dividing the value of the assets, less the liabilities and appropriate reserves, by the total number of shares outstanding on the valuation date.

Interest income and expense

Interest income is recognised on an accruals basis for those securities for which collection is probable. Recognition on an accruals basis approximates the effective interest rate method for the type of debt instruments held by the Fund. Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

Expenses

Expenses are accounted for on an accrual basis and are charged to the income statement.

Taxation

Under current laws of the British Virgin Islands, there are no income, estate, transfer, sales or other British Virgin Island taxes payable by the Fund. Generally, the Fund intends to conduct its affairs so as not to be liable to taxation in any other jurisdiction; however, the Fund may invest in securities whose income is subject to non-refundable foreign withholding taxes.

3 Financial assets at fair value through profit or loss

At December 31, 2007, the portfolio of financial assets at fair value through profit or loss comprised long positions in Epsilon Global Master Fund II L.P. for a total market value of USD 24,139,222 (2006: USD 59,398,416).

The Fund has not sold or re-pledged any collateral during the year.

	Dec 31, 2007	Dec 31, 2006
	USD	USD
Partnership interest - held for trading	24,139,222	59,398,416
Total financial assets at fair value through profit or loss	24,139,222	59,398,416

4 Accounting estimates and judgments in applying accounting policies

The Fund makes estimates and assumptions that affect the reported amounts of its unlisted investment in the Master Fund within the next financial year. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of its investment in the Master Fund, within the next financial year, are disclosed in the financial statements of the Master Fund, which are available on request from the investment manager of the Fund.

5 Financial risk management

The Fund's investment activities expose it to the various types of risks taken by the Fund and the money managers of the underlying funds, which are associated with the financial instruments and markets in which they invest. The following summary is not intended to be comprehensive of all risks and investors should refer to the Confidential Offering Memorandum for a more detailed discussion of the risks inherent to investing in the Fund.

The investment objective of the Feeder Fund is to invest in the Master Fund.

The investment objective is capital appreciation with risk control. The Master Fund employs a global opportunistic and event driven investment strategy, investing in a variety of securities.
These include but are not limited to, equities, bonds, bank debts, trade claims, options, swaps, futures, Credit Default Swaps (CDSs), Collateralised Debt Obligations (CDOs), Collateralised Loan Obligations (CLOs), direct lending and structured products. In conjunction with this strategy, the Master Fund seeks to minimise risk, opportunistically employing hedging strategies for specific investments. As a result of the global opportunistic and event driven investment strategy, the Master Fund's results frequently do not correlate significantly with global stock and bond indices.
The Master Fund requires securities markets to operate with adequate liquidity in order to meet its investment objectives.

Based on the Fund's activities, it may be exposed to a variety of financial risks which include market risk, credit risk and liquidity risk.

The disclosures below are in respect of the Fund only and are not done on a look-through basis to the level of the Master Fund. Disclosure on financial risk management employed by the Master Fund is disclosed in the financial statements of the Master Fund which are available on request from the investment manager of the Fund.

Market risk

(a) Other price risk
Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk, currency risk, market credit risk or correlation risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Fund's investments and financial instruments are susceptible to other price risk arising from uncertainties about future prices of the instruments. The Fund's overall market positions are monitored on a daily basis by the Fund's manager. Changes in market prices can occur extremely sudden due to numerous factors and may have an adverse impact on the results of the Fund. The maximum other price risk resulting from financial instruments is determined by the fair value of the financial instruments. As at December 31, 2007 and December 31, 2006, the Fund only invested in the Master Fund. At 31 December 2007, should equity prices of the Master Fund on average have increased or decreased by 1%, with all other variables remaining constant, the increase or decrease in net assets attributable to holders of redeemable participating shares for the year would amount to approximately USD 241,392 (2006: USD 593,984). Refer to the financial statemenst of the Master Fund for specific risk factors affecting the equity prices of the Master Fund.

(b) Interest rate risk
All of the Fund's financial assets and liabilities, with the exception of cash and cash equivalents, are non-interest bearing; as a result, the Fund is not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates. Any excess cash and cash equivalents are invested at short-term market interest rates.

(c) Credit risk
Credit risk is the risk that an issuer or counterparty will be unable or unwilling to meet a commitment that it has entered into with the Fund. Financial assets, which potentially expose the Fund to credit risk, consist principally of investments made in the Master Fund, deferred distributions receivable from the Master Fund and cash due from banks. The Fund's cash balances are primarily with high credit quality, well established financial institutions. The extent of the Fund's exposure to credit risk in respect of these financial assets approximates their carrying value as recorded in the Fund's balance sheet.

Liquidity risk
Liquidity risk is defined as the risk that the Fund may not be able to meet its obligations on time or must secure them at excessive cost.

The Fund is exposed to quarterly cash redemptions of redeemable participating shares. A lack of liquidity may also result from limited trading opportunities of the Master Fund. To manage this risk, the Fund invests in the Master Fund from which the Fund may redeem on an annual basis after a notice of 60 days.

Currency risk

The Fund may invest in assets denominated in currencies other than its reporting currency, the USD. Consequently, the Fund is exposed to risks that the exchange rate of the USD relative to other currencies may change in a manner, which has an adverse effect on the reported value of that portion of the Fund's assets, which are denominated in currencies other than the USD.

As at December 31, 2007 and December 31, 2006, all assets and liabilities of the Fund were denominated in USD.

Capital risk management

The capital of the Fund is represented by the net assets attributable to the holders of redeemable participating shares. The Fund does not have any external requirements in respect of capital risk management and therefore does not perform any such activities.

6 Fees payable and accrued expenses

	Dec 31, 2007	Dec 31, 2006
	USD	USD
Management fees	12,958	192,231
Legal and professional fees	-	33,567
Administration fees	5,125	-
	18,083	225,798

7 Redeemable participating shares

The authorised share capital of Epsilon Global Active Value Fund II Ltd. amounts to USD 100,000, divided into 10,000,000 ordinary shares of USD 0.01 each. As at December 31, 2007, 152,562 (2006: 394,625) of the ordinary shares were issued and fully paid.

8 Fees

Management fees

Under the terms of the management agreement, the investment manager receives an annual fee of 2% of the gross asset value of the Fund as of the last day of each quarter, adjusted for subscriptions and redemptions occurring within the quarter and computed without regard to the incentive fee.

To the extent that the management fee is paid by Epsilon Global Master Fund II L.P. (Master Fund) for investments made into the Master Fund by the Fund, such management fee amounts will not be charged to investors at the Fund level.

It is decided by the board of directors of the Fund and the General Partner of the Master Fund that the management fee of the two feeder funds, for the years ended December 31, 2007 and

December 31, 2006, will be charged at the feeder level, therefore, the fees stated in these financial statements relate to the Fund only.

Incentive fees

The General Partner receives an incentive fee for each fiscal year or otherwise determined upon the redemption of any ordinary shares, with respect to such redeemed ordinary shares respectively, (each a 'Performance Period') equal to 20% of the amount, if any, of the net appreciation of the Fund's net assets during that Performance Period.

To the extent that the incentive fee is paid by Epsilon Global Master Fund II L.P. (Master Fund), with regard to investments made into the Master Fund by the Fund, such incentive fee amounts will not be charged to investors at the Fund level.
If the Fund incurs a net loss during a fiscal year, the General Partner may not receive any incentive fees from the Fund in a subsequent fiscal year unless and until the amount of such net loss applicable to each and every share which experienced such net loss (and which remains outstanding at the time the subsequent profit occurs) has been recouped in full.

It is decided by the board of directors of the Fund and the General Partner of the Master Fund that the incentive fee of both feeder funds, for the years ended December 31, 2007 and December 31, 2006, will be charged at the Master Fund level, therefore, no such fees are stated in these financial statements.

Directors' fees

The listing of the members of the board of directors is shown on page 3. In 2007 an amount of USD 6,230 (2006: USD 6,395) was paid to Alberto C. d'Abreu de Paulo as remuneration and no fees were paid to Steve G. Stevanovich.

Administration fees

The administrator of the Fund is JPMorgan Hedge Fund Services (Ireland) Limited. The Fund pays a monthly fee to the administrator based on the average of the trading net asset value of the Fund, calculated monthly and payable monthly in arrears. The fee is subject to an annual minimum fee. Additionally, fees are charged for feeder servicing and corporate secretarial services.

The administrator is also the Fund's transfer agent for which fees are paid included in fees mentioned above.

Audit expenses

Professional and other expenses in the income statement for the year ended December 31, 2006 is an amount of USD 21,537 for audit fees. It was decided by the board of directors of the Fund and the General Partner of the Master Fund that audit fees of both feeder funds, for the year ended December 31, 2007 will be charged at the Master Fund level; therefore, no audit fees are included in the incomes tatement of these financial statements for the year ended December 31, 2007.

9 Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

The Fund is managed by Epsilon Global Asset Management Ltd., an investment management company incorporated in the Cayman Islands. Epsilon Global Asset Management Ltd. receives

from the Fund a fee based on the gross asset value of each class of fund payable quarterly using the annual rate of 2%.

Total management fees for the year, including the outstanding accrued fees due to Epsilon Global Asset Management Ltd. at the end of the year, are detailed below.

	Dec 31, 2007	Dec 31, 2006
	USD	USD
Management fees for the year	308,928	1,011,950
Accrued at the end of the year	12,958	192,231

As at December 31, 2007 and December 31, 2006, Steve G. Stevanovich had direct interests in the Fund through shares held in the Fund.

The directors are entitled to be reimbursed for all expenses incurred by them in attending and returning from meetings of the directors or any other meetings in connection with the business of the Fund. Refer to note 8 for more information in respect of directors' fees paid during the year.

As at December 31, 2007 and December 31, 2006, the Fund had amounts receivable from and payable to parties related to the investment manager as disclosed on the face of the balance sheet.

10 Subsequent events

There were no post-balance-sheet events.

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To the Board of Directors of
Epsilon Global Active Value Fund II Ltd.

Auditor's report

We have audited the accompanying financial statements of Epsilon Global Active Value Fund II Ltd. ('the Fund') as set out on pages 7 to 21 which comprise the balance sheet as at December 31, 2007 and the income statement, statement of changes in net assets attributable to holders of redeemable participating shares and the cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes.

The directors' responsibility for the financial statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Fund's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that our audit provides a reasonable basis for our audit opinion.

PricewaterhouseCoopers is the trade name of among others the following companies: PricewaterhouseCoopers Accountants N.V. (Chamber of Commerce 34180285), PricewaterhouseCoopers Belastingadviseurs N.V. (Chamber of Commerce 34180284), PricewaterhouseCoopers Advisory N.V. (Chamber of Commerce 34180287) and PricewaterhouseCoopers B.V. (Chamber of Commerce 34180289). The services rendered by these companies are governed by General Terms & Conditions, which include provisions regarding our liability. These General Terms & Conditions are filed with the Amsterdam Chamber of Commerce and can also be viewed at www.pwc.com/nl.

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Audit opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Epsilon Global Active Value Fund II Ltd. as at December 31, 2007 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Emphasis of matter

The Fund is the feeder fund of Epsilon Global Master Fund II L.P. ('the Master Fund') and invests only in the Master Fund. The financial statements of the Master Fund are available on request from the investment manager of the Partnership. We draw attention to the emphasis of matter included in the Auditor's report relating to the financial statements for the year ended December 31, 2007 of the Master Fund. Our opinion is not qualified in respect of this matter.

Rotterdam, July 15, 2008

PricewaterhouseCoopers Accountants N.V.

H.F.M. Gertsen RA