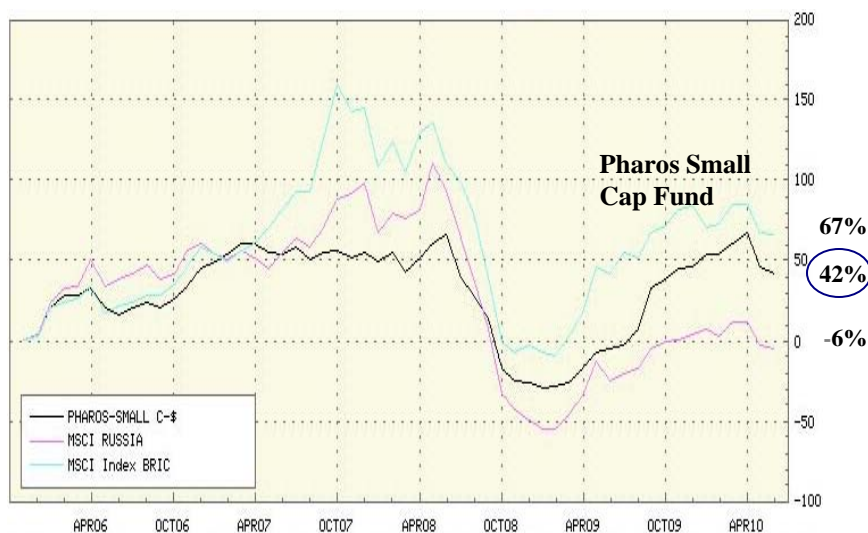


Pharos Financial Group c/o Pharos Service Co. LLC – Rep. office  
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 Pharos Financial Advisors Ltd.  
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Pharos Small Cap Fund seeks to take advantage of market inefficiencies by investing in illiquid securities of companies that are either based in, or generating most of their revenue from, Russia and the CIS. The Fund's strategy is to benefit from the inefficiencies of currently illiquid shares as Russia's economic expansion continues and the market efficiencies broaden. The investment manager is one of the most experienced Russian investment fund managers, with a 13 year track record through up and down markets. These investments are likely to be volatile and are suitable for investors having a long-term investment horizon.

	YTD	1 Month	3 Month	2009	2008	2007	4Y Ann.	ITD Ann.
<b>Pharos Small Cap</b>	-3.5%	-3.0%	-12.7%	96.6%	-52.1%	7.8%	5.2%	7.9%

**Pharos Small Cap vs. Indices since inception**



4 Year Annualized	Pharos	MSCI
Performance	5.2%	-9.0%
Volatility	31.7%	47.8%

12 Month Statistics	Pharos	MSCI
Volatility	35.5%	52.0%
Best month	25.5%	30.4%
Worst month	-12.8%	-14.3%
Max drawdown	-15.5%	-27.0%

**Pharos Small Cap Fund – Performance since inception**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
<b>2010</b>	5.1%	0.1%	5.0%	3.3%	-12.8%	-3.0%							-3.5%
<b>2009</b>	-4.5%	1.5%	3.8%	10.0%	13.0%	1.4%	3.3%	7.3%	25.5%	4.2%	3.9%	1.9%	96.6%
<b>2008</b>	-4.5%	4.1%	-7.5%	5.7%	6.3%	3.2%	-15.3%	-8.8%	-10.0%	-27.4%	-9.8%	-0.6%	-52.1%
<b>2007</b>	3.3%	3.2%	5.1%	-0.1%	-3.8%	-1.1%	3.2%	-4.7%	2.5%	1.5%	-3.0%	2.0%	7.8%
<b>2006</b>	15.4%	7.1%	0.03%	3.7%	-9.7%	-3.7%	3.8%	2.7%	-2.2%	5.2%	5.5%	7.4%	39.4%
<b>2005</b>												3.7%	3.7%

Daily performance updates at [www.pharosfund.com](http://www.pharosfund.com)

Disclaimer: Pharos Financial Advisors Ltd. is part of Pharos Financial Group and is regulated by the DFSA to provide asset management services to Professional Clients. This document is for informational purposes only and does not constitute an offer or solicitation to buy or sell any investments or to make any investment decision. Please refer to the private placement memorandum for more information.

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**Structure & Terms**

<b>Structure</b>	Open Ended Investment Fund
<b>Domicile</b>	Cayman Islands
<b>Inception date</b>	November 2005
<b>Currency</b>	US Dollar
<b>Valuation</b>	Monthly
<b>Minimum Investment</b>	USD 500,000
<b>Investment Advisor</b>	Pharos Financial Advisors Ltd.
<b>Prime Broker</b>	N/A
<b>Custodian</b>	UBS
<b>Fund Administrator</b>	Custom House (Dublin)
<b>Auditor</b>	KPMG
<b>Legal</b>	Dechert LLP (N.Y.) Walkers (Cayman Islands)
<b>Banker</b>	Northern Trust International Bank (New York)
<b>Management Fee</b>	2%
<b>Performance Fee</b>	20%
<b>Highwater Mark</b>	Yes
<b>Subscriptions</b>	Monthly
<b>Redemptions</b>	Monthly
<b>Bloomberg</b>	PHARSCF KY
<b>ISIN</b>	KYG 706101030
<b>CUSIP Number</b>	G 706101030
<b>VALOR</b>	2 332 270



**PETER M. HALLORAN, Co-Portfolio Manager**

Twenty-three years financial markets experience. Pioneered Russian capital markets since their inception, including acquisition of over 7.5% of voucher market, first placements of local debt to foreigners, \$3bn privatization bids, 1st IPO in Russia and overall bringing \$7.5bn of capital to the market. Founder of Pharos 1997. Ran CSFB brokerage taking #1 market share in Moscow 1995-1997 including trading, research, sales and \$300mm prop book. Adviser to Soros Fund Mgmt 1999-2000. Ran local investment bank Aton Capital 2000-2002. Earlier in New York with Morgan Grenfell, Salomon Brothers and CS First Boston. B.A. '84 Yale University.

**KEVIN DOUGHERTY, Co-Portfolio Manager**

Thirteen years financial markets experience, Russia resident since 1997. Previously Director of International Sales for Deutsche Bank / UFG and Head of International Sales at Uralsib Investment Bank. Helped to create a sales desk at Aton Capital, a top-rated local investment bank. Worked on IPO's for many Russian companies in the Consumer Goods and Telecoms, Media and Technology sectors. Earlier in New York with Chase Manhattan Corporation. B.A. '93 UCLA.

Pharos named Best Hedge Fund Manager at Hedge Funds World Middle East Awards 2010 in Dubai.

Pharos Funds have been ranked in the Top 15 Hedge Funds globally by Bloomberg and in the Top 10 by Eurohedge.

Pharos Russia Fund was ranked # 1 in the Equity Long/Short category for September 2009 of Barclay Hedge.

**Subscription Information**

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