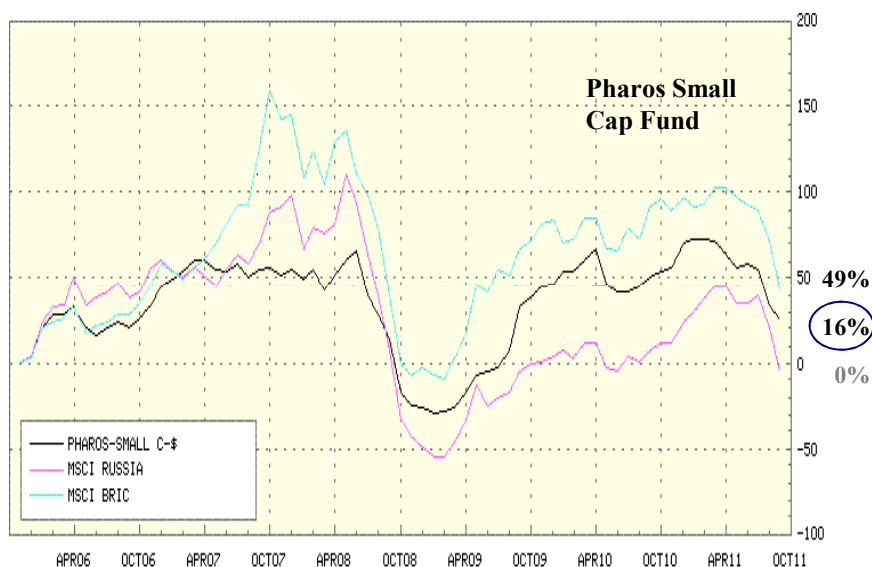


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Pharos Small Cap Fund seeks to take advantage of market inefficiencies by investing in illiquid securities of companies that are either based in, or generating most of their revenue from, Russia and the CIS. The Fund's strategy is to benefit from the 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	2010	2009	2008	5Y Ann.	ITD Ann.
Pharos Small Cap	-31.6%	-8.0%	-7.4%	15.7%	96.6%	-52.1%	-4.3%	2.5%

Pharos Small Cap vs. Indices since inception



5 Year Annualized	Pharos	MSCI
Performance	-4.3%	-9.2%
Volatility	27.1%	42.9%

12 Month Statistics	Pharos	MSCI
Volatility	17.5%	39.7%
Best month	8.3%	19.1%
Worst month	-14.3%	-21.9%
Max drawdown	-20.5%	-32.4%

Pharos Small Cap Fund – Performance since inception

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2011	3.1%	-0.1%	-1.4%	-4.6%	-3.9%	0.4%	-1.0%	-14.3%	-6.3%	2.7%	-1.9%	-8.0%	-31.6
2010	5.1%	0.1%	5.0%	3.3%	-12.8%	-3.0%	-0.3%	2.3%	4.5%	1.8%	2.0%	8.3%	15.7%
2009	-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%
2008	-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%
2007	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%
2006	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%
2005												3.7%	3.7%

Daily performance updates at 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

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



PETER M. HALLORAN, 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.

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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Daily performance updates at www.pharosfund.com

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