

Fund of Hedge Funds – Custody and Fund Administration

A comprehensive portfolio of administrative services and seamless functionality – developed specifically to help fund of hedge funds managers achieve bottom-line benefits from today's alternative investment strategies

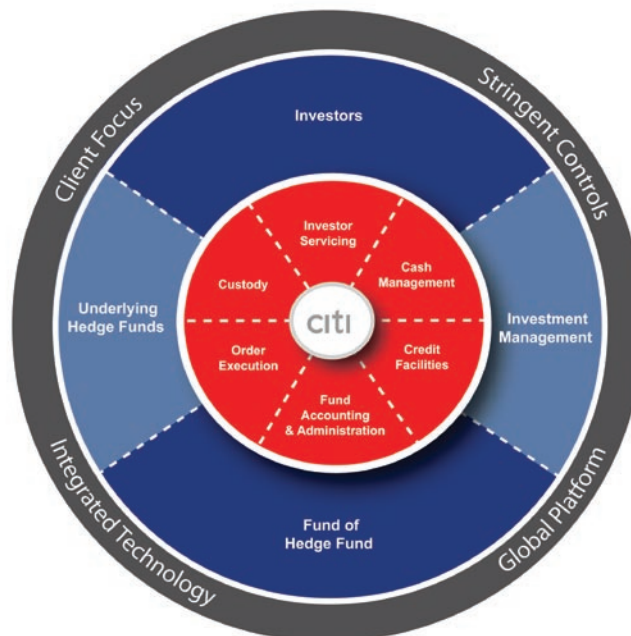
Through Citibank, N.A., Citigroup Global Markets Inc. and their respective affiliates, Citi delivers a fully integrated Fund of Hedge Fund (FoHF) solution – a combination of order execution, custody services, fund accounting and administration, and cash management, all seamlessly accessible through our market-leading relationship management model. Our end-to-end solution is complemented by Citi's unmatched global reach, which creates market efficiencies that significantly improve customer service and reduce costs. From our service centers in North America, Europe and Asia, we provide fully integrated services to FoHFs domiciled in major jurisdictions – freeing you to focus on your core businesses: investment management and distribution.

Your single-source solution

Our all-inclusive suite of solutions for funds of hedge funds include fund administration and investor services, custody and cash management. With Citi, you receive consistent, accurate and timely services integral to the successful operations of your fund of hedge funds. To benefit you and your clients, we deliver market-leading operational and administrative services in a single, coordinated package.

Fund accounting and administration

Our integrated fund accounting package provides you with accurate and timely NAVs backed by superior service standards. Citi provides fund



administration services to over 1,900 funds with assets in excess of \$400 billion. Our resources enable us to deliver uniformly integrated administration services even when your needs span multiple markets.

The key benefits of Citi's fund of fund administration services include:

- Seamless integration with our custody services
- Timely and precise NAV calculation with stringent controls and processes
- Calculation of all performance fee methodologies including series and equalization credit
- Dedicated attention to obtaining NAVs of underlying hedge funds
- Corporate secretarial, regulatory services, audit planning and support

Our approach is to provide you with high-touch, value-added services that address your complex administrative needs.

Investor servicing

At Citi, we treat your investors like our clients. Within our shareholder services, we offer expert management of operational, administrative and regulatory activities, including comprehensive KYC/AML compliance, investor reconciliation and confirmation, share register and reporting. You can be assured that your investors will receive the same dedicated services we offer directly to you.



Custody

For your benefit, we have leveraged Citi's industry-leading global custody network – 85+ markets strong, with more than US\$12 trillion in client assets under safekeeping – to create our proprietary custody capabilities. Spanning 47 markets worldwide, our dedicated network provides clients with in-depth local market knowledge and consistently superior quality service around the world. Our complete custody services include safekeeping, settlement, registration, income processing, corporate actions and reporting and reconciliation.

We are committed to delivering superior fund of hedge funds-specific custody solutions. Significant highlights include:

- Automating manager instructions on subscriptions and redemptions into underlying hedge funds through CitiConnect for Securities, our proprietary integrated trade order management and settlement messaging facility, which is part of CitiDirect for Securities
- Best-in-class trade processing: We validate and book trade orders, review documentation for new target funds, complete any security set up update, check for series and track holdbacks, equalization amounts, post any relevant journals and communicate all relevant information to the administrator
- Registration of underlying hedge funds in Citi nominee name
- Processing corresponding subscription and redemption wire transfers

- Robust Internet reporting tools for managers and investors available via CitiDirect for Securities

Cash management

We offer cash management account capabilities for fund of hedge funds managers in more than 35 currencies across three currency centers to enable you to hold balances and transactions in multiple currencies. Citi offers you the ability to send and receive wires through an integrated platform for wire transfer and clearing. We are a direct participant in all major cash, securities, FX and derivatives clearing systems globally. Apart from the local accounts and domestic funds movement capabilities, our multicurrency payment system also allows you to send payments in more than 135 currencies from a single account. This structure, like the rest of Citi, combines the benefits of having local accounts in each country and the efficiencies of a single account center. Our fully integrated system allows you to access all of your expense, trading, subscription and redemption accounts through CitiDirect® Online Banking, our web-based banking system with robust reporting tools and quality controls.

Our comprehensive range of cash management services for fund of hedge funds also features Citi's investment portal, our proprietary Online Investment technology that allows you to conduct all investment activities online. We integrate investments in operating accounts and provide a variety of channel options such as overnight investment sweeps, intraday sweeps and active investing.

Credit facilities

Citigroup Global Markets Inc. and its affiliates provide to their prime brokerage customers access to dedicated specialists who offer standard and tailored credit options. Fund of hedge funds clients can borrow against qualifying collateral to capitalize on attractive investment opportunities, to enhance portfolio yields, to reinvest in or expand their business, or to acquire assets. These can be structured on a fixed- or floating-rate basis in appropriate currencies. These services, which may be used virtually anywhere in the world, include:

- Leverage financing
- Collateralized fund obligations
- FX hedging

The strength of Citi

At Citi, we have the market-leading experience, global reach and state-of-the-art technology to meet your complex fund of hedge funds needs today and in the years to come. Our unmatched worldwide presence, economies of scale and comprehensive portfolio of solutions enable us to deliver uniformly integrated services, create administrative efficiencies and reduce operational costs.

Global Transaction Services
www.transactionservices.citigroup.com

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