

CAZENOVE

For immediate release

Cazenove raises \$40m in the first of 2 hedge fund launches

The Cazenove UK Equity Absolute Return Fund has successfully raised \$40m during its offer period, is due to launch on 3 November and will be closed to new investors for 6-12 months. The fund, managed by Tim Russell, is one of two new hedge fund offerings from Cazenove. The Cazenove European Equity Absolute Return Fund, to be managed by Chris Rice and Steve Cordell, will begin its offer period on the 3 November and will launch on 28 November.

These long/short funds will be managed using the Cazenove Pan-European equity team's business cycle investment approach and seek to achieve absolute returns independent of market conditions or indices. Both funds are available in 3 share classes (£, \$, €) with the base currencies in sterling and euros for the UK and European funds respectively.

Andrew Ross, Chief Executive of Cazenove Fund Management commented: "This is a further move into alternative investments for Cazenove following last year's successful launch of our Absolute Return Trust for Charities. The methodology and disciplines of our business cycle investing lend themselves well to long/short funds which can comfortably be run in tandem with our long-only portfolios. Absolute return products will continue to be in demand from both private and institutional investors. The impressive track records and the expertise of our Pan-European investment team, supported by our risk management resources, will provide a welcome addition to the long/short universe."

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NOTES TO EDITORS

UK Equity Absolute Return Fund

Objectives

To seek absolute returns independent of market conditions or indices

Low equity market correlation – genuine asset diversifier

Lower volatility than FT-SE A All Share Index – expected 5-12% absolute volatility range

Fund Structure

Offer period ends 31 October 2003, launch 3 November 2003

Open-ended multi-class investment company

Cayman domicile, Dublin Stock Exchange listing

Base currency – Sterling

3 share classes - £, \$, € (\$ and € hedged)

Charges and dealing

Launch prices £1,000, \$1,000 and €1,000

Monthly valuations

Minimum investments £100,000, \$100,000 and €100,000

Annual management fee 1.25%

Performance fee 20% with high water mark

30 day notice period for redemptions

Entities

Investment manager – Cazenove Fund Management Ltd

Prime broker – Deutsche Bank AG, London

Administrator – International Fund Managers (Ireland) Ltd

Auditors – Ernst & Young

Legal Advisers – Dechert (UK) and Walkers (Cayman Islands)

Irish listing/Sponsoring broker – Davy Stockbrokers

Board of Directors:

Vic Holmes (Independent)

Richard Jeffrey (Independent)

Trevor Ash (Independent)

Andrew Ross (Cazenove)

David Harrington (Cazenove)

European Equity Absolute Return Fund

Objectives

To seek absolute returns independent of European market conditions or indices

To achieve minimum 10% compound net annual returns

Low equity market correlation – genuine asset diversifier

Lower volatility than FT-SE World Europe Index

Fund Structure

Launch 28 November 2003

Open-ended multi-class investment company

Cayman domicile, Dublin Stock Exchange listing

Base currency – Euro

3 share classes - €, £, \$ (\$ and £ hedged)

Charges and dealing

Launch prices €1,000, £1,000 and \$1,000

Monthly valuations

Minimum investments €100,000, £100,000 and \$100,000

Annual management fee 1.25%

Performance fee 20% with high water mark

30 day notice period for redemptions

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Trevor Ash (Independent)

Andrew Ross (Cazenove)

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Cazenove Fund Management

Cazenove Fund Management is a client focused business providing specialist investment management and high quality advice. It is a wholly owned subsidiary of Cazenove Group plc, the leading independent investment bank. It is regulated by the Financial Services Authority and is a member of the London Stock Exchange.

Cazenove Fund Management Limited provides independent advice.