

21 April 2005

Cazenove Capital reaches \$600m in long/short funds

Since Cazenove Capital Management Limited launched its first UK Absolute Return Fund, managed by Tim Russell, in October 2003, assets have grown significantly. This launch was quickly followed by that of the European Equity Absolute Return Fund, managed by Chris Rice and Steve Cordell. These Funds have achieved asset growth of £282m and €66m respectively¹.

The UK Absolute Return Fund, which has been soft closed since October 2004, **will reopen to new investors** on 2 May, before soft closing again until October 2005. The Fund has achieved annualised returns of 13.9% coupled with low volatility against the FT-SE All Share index, resulting in a Sharpe ratio of 3.9².

On 1 June 2005 Cazenove Capital's alternative fund range will be further boosted by the arrival of a new hedge fund; The Cazenove UK Dynamic Absolute Return Fund, to be managed by Neil Pegrum. This Fund will follow a more aggressive long/short approach and is likely to have a higher risk/return profile than the core hedge funds which follow a business cycle approach.

Neil Pegrum has delivered exceptional performance in managing special situations and concentrated long portfolios during his 15 years' investment experience. Despite being a pragmatic investor in identifying undervalued stocks, he has tended to tilt towards small to mid-cap positions. It is Cazenove Capital's intention to hard close the Fund for six months following the first dealing date.

Robin Minter-Kemp, Head of Institutional Marketing said 'Our initial strategy in 2003, to offer genuine asset diversifying funds in the UK and Europe, has been vindicated in the main by achieving consistent monthly returns alongside low volatility. The money inflows have been extensive. Neil Pegrum's valuable addition to the team enables us to offer a more 'dynamic' UK long/short fund. He has achieved formidable recognition in identifying underrated stocks and successfully executing price target trades.'

¹ Fund sizes as at 13.04.05

² Source: Cazenove Capital Management

For further information on Cazenove Capital's hedge funds, please contact:

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Notes to editors:

Cazenove Capital Management

Cazenove Capital Management Limited provides specialist investment management and high quality advice, centred on excellence in UK and European equities and fixed income to professional advisers, institutions, charities and private individuals.

Cazenove Capital Management Limited is a wholly owned subsidiary of Cazenove Group Limited.

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

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% pa
Performance fee 20% with high water mark
30 day notice period for redemptions

Entities

Investment manager – Cazenove Capital Management Limited

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 Capital Management)

David Harrington (Cazenove Capital Management)

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% pa

Performance fee 20% with high water mark

30 day notice period for redemptions

Entities

Investment manager – Cazenove Capital Management Limited

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)

David Miller (Independent)

Trevor Ash (Independent)

Andrew Ross (Cazenove Capital Management)

David Harrington (Cazenove Capital Management)

UK Dynamic Absolute Return Fund

Objectives

To seek absolute returns independent of market conditions or indices
Low equity market correlation – genuine asset diversifier
Over the medium term, anticipate lower volatility than the FTSE A All Share Index

Fund Structure

Offer period starts 16th May
Launch 1 June 2005
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 1.5% pa
Performance fee 20% with high water mark
30 day notice period for redemptions

Entities

Investment manager – Cazenove Capital Management Limited
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 David Harrington (Cazenove Capital Management)