

Cazenove Absolute Equity Limited Targets 10% Net per annum with low volatility.

13th October 2006

(LONDON, [6 October] 2006) – Cazenove Absolute Equity Fund Limited (the “Company”), a new Guernsey registered closed-ended investment company, has launched an Initial Public Offering (**offer closes 31 October 2006**) and private placement (**offer closes 24 October 2006**) to wealth managers and the public (the “IPO”).

Andrew Ross, Chief Executive, added “It’s a real opportunity for the UK Wealth Management sector including Private investors and charities where exposure to hedge funds are often put off because they are complicated, opaque, tax inefficient, offer no income and have layers of fees. We have addressed these issues with Cazenove Absolute Equity”.

The investment objective of the Company is to target returns of at least 10% net per annum over a rolling three years, with low levels of volatility through a policy of investing in a portfolio of long/short equity funds, the Underlying Funds.

Cazenove Capital Management has been managing and delivering against target, a range of Absolute return strategies since 2003 (see table for performance). As the company will be investing exclusively in Cazenove Capital Management funds investors will not be charged ad Valorem management and performance fee. The company will qualify and be eligible for inclusion in PEP’s, ISA’s, SIPPs and SASS’s.

Initial Underlying Funds

Fund	Initial allocation
Cazenove European Equity Absolute Return Fund (Steve Cordell and Chris Rice)	35 per cent.
Cazenove UK Dynamic Absolute Return Fund (Neil Pegrum)	30 per cent.
Cazenove UK Equity Absolute Return Fund (Tim Russell)	35 per cent.

Robin Minter Kemp, Managing Director, said “We have decided to make capacity available in our three hedge funds managed by Tim Russell, Neil Pegrum, Chris Rice and Steve Cordell to a wider audience in a tax efficient way. All these funds have shown consistent returns with low volatility. With the funds being closed to new investors, it is a real chance for private individuals to invest in the sector with well known managers”.

Initial Underlying Funds

Summary of performance since launch of the Initial Underlying Funds:

Initial Underlying Fund	<i>Cazenove European Equity Absolute Return Fund Limited</i>	<i>Cazenove UK Equity Absolute Return Fund Limited</i>	<i>Cazenove UK Dynamic Absolute Return Fund Limited</i>
Approximate size, as at 31 August 2006	\$296 million	\$233 million	\$79 million
Annualised net return since launch	11.28	9.62	15.86
Annual Management Charge	1.25% & 20% Performance Fee	1.25% & 20% Performance Fee	1.50% & 20% Performance Fee
Volatility	3.0	2.7	3.6
Correlation	0.35	0.27	0.09
Beta	0.10	0.07	0.03
Number of Positive months	27	33	12
Number of Negative months	6	2	3
Best month	2.87	2.5	2.75
Worst month	-0.57	-0.76	-0.8
Launch date	1 December 2003	3 November 2003	1 June 2005

Highlights of IPO

- The Company will seek to achieve target annual average returns of greater than ten per cent. net of fees and expenses over a rolling three year period
- Initial Net asset value ("NAV") per redeemable participating preference share ("Shares") of [95.7] pence
- Up to 100 million Shares are being offered to institutional investors and the public through a Placing and Offer for Subscription at 100p per share
- The public can apply for shares through the Offer for Subscription from today until 12.00 p m. on 20 October 2006*
- Institutional investors can apply for shares under the Placing from today until 12.00 pm. On 24 October 2006*
- It is expected that admission will occur and dealings in the Ordinary Shares will commence on 30 October 2006

The Company has been established with a feature which will allow Shareholders who have made the relevant election to benefit from an annual distribution representing, as closely as possible, one-third of the increase in the Net Asset Value per Share during the relevant financial year. This will be achieved by way of a partial redemption of such Shareholder's holding of Shares and is subject to prevailing market conditions, any legal constraints and the Directors exercising their discretion to redeem such Shares.

It is expected that Shares will be eligible for inclusion in PEPs and ISAs (subject to applicable subscription limits) provided that they have been acquired under the Offer for Subscription or by purchase in the market (but not any Shares acquired under the

Placing). It is expected that the Shares will be permissible assets for SIPPSs and SSASs.

Notes to editors

Introduction

Cazenove Absolute Equity Limited will be a new Guernsey registered, closed-ended investment company with Cazenove Capital Management Limited acting as investment manager.

The investment objective of the Company is to seek to achieve consistent absolute returns with low levels of volatility through a policy of investing in a portfolio of long/short equity funds.

The Company has been incorporated with an unlimited life, but in accordance with the Articles the Directors are obliged to propose a continuation vote at the subsequent annual general meeting to be held after the Company's fifth anniversary of incorporation and every five years thereafter.

Directors of the Company

The Directors are responsible for the determination of the Company's investment objective and policy and have overall responsibility for the Company's activities. The Directors bring a range of expertise in the hedge fund and other financial sectors and have considerable experience of supervising funds with similar corporate structures to that of the Company.

The Directors of the Company, all of whom are non-executive, are John Hallam (Chairman), Paul Hillary Le Page, Geoffrey Marson and Andrew Ross

Investment Manager

Cazenove is one of the oldest and most respected names in the London financial community, tracing its origins back to 1823. November 2005, the Board of Cazenove Group Limited recommended to shareholders that Cazenove Capital Management and its subsidiaries (Cazenove Capital) should be separated formally from the investment bank by way of a demerger. Consequently Cazenove Capital is today an independent asset management business.

Cazenove Capital provides investment management services to a wide range of clients and has assets under management of £10bn. There are three client areas, Specialist Investment Management, Private Clients and Charities

Specialist Investment Management

Cazenove Capital has grown its Specialist Investment Management business, from its inception in 2002, to £2.8 billion of assets under management. This asset growth has been delivered by assembling a team of high profile managers with good long term performance records. Most of the funds that the team manages are first or second quartile since the managers took responsibility for them. The team has also been appointed to a number of specialist institutional mandates. The managers have been supported by hires in key areas such as sales and product development.

There are three areas of specialisation; pan-European equities, European Credit and Worldwide Alpha. Clients include professional advisers, private banks, multi-managers, pension funds and insurance companies, both in the UK and overseas. As well as the pooled funds mentioned above, both UK and Dublin domiciled, the team also manages a range of hedge funds which have attracted over \$1bn in the last three years.

Cazenove Capital has earned a reputation as a successful, specialist investment business with the ability to attract and retain talented managers who produce consistent investment performance for our clients. However client performance is a higher priority than asset gathering and a number of our programmes are currently closed to new business.

For further enquiries please contact:

Georgina Little

020 7155 6152

Georgina.little@cazenovecapital.com