



# The Blackhorse Early-Stage Technology Fund

An equities fund for exposure to the Asian technology sector.

The time is right for a long-biased Asian technology-focused hedge fund: sector growth remains dynamic, valuations are towards the low-end of the historical range, opportunity set expansion exceeds Street analytical capacity, and dramatic improvements in the availability of borrow in key markets provides significant opportunities for creation of Alpha in the short-book.

## Asian Technology – Key Facts\*

The Asian Technology sector has witnessed dynamic growth in recent years and decades. Initially serving as a source of low-cost outsourced manufacturing capacity for the global electronics industry, Asian technology players have grown to take leading roles in R&D, manufacturing, and branded sales across a number of key subsectors in the technology space, including IT hardware, semiconductors, advanced displays, communications, storage, IT services and software, alternative energy, and other key verticals in the technology sector. From 2000 to 2006, Asian electronics exports grew at a CAGR of 11.2%, 4x the rate of growth for the global industry, according to Goldman Sachs.

**Increased R&D spending.** Coming off a low-base, knowledge intensity in the Asian technology space is growing but has ample room to improve further. In 2006 Asian technology companies spent 4.8% of sales on R&D, compared with 13.7% in the USA, and 13.6% in Europe, according to Goldman Sachs. On similar metrics, Asian technology companies spent just 4.3% of sales on R&D in 1999.

**Ample outsourcing opportunity.** Outsourcing remains a key driver for Asian technology players. Asia already accounts for almost all global PC and display manufacturing, and

appears set to repeat this success in other key emerging sectors such as alternative energy, LED illumination, IT services, and communications.

**Localization.** As Asian supply chains develop critical mass, success tends to breed success as opportunities for localization and import substitution increase. Asian manufacturing clusters in the PC and display areas are spawning fast growing home-grown industries in upstream manufacturing, including those in semiconductors, IC packaging substrates, optical films, LED illumination technologies, and other areas.

**Government support.** Ample government assistance to Asian technology players in the form of tax incentives, research grants, and other means effectively subsidizes shareholders in Asian technology companies.

**Domestic demand in Asia.** Bouyant consumer and enterprise demand in Asia helps to underpin growth in the Asian technology manufacturing space. China is already the world's number one consumer of cellular handphones, and number two consumer of PCs. Dramatic growth in demand for electronics in India and Southeast Asia is also helping to boost sales across the global electronics sector.

## New Fund Launch

April 2007

### Objective

#### The Blackhorse Early-Stage Technology Fund ("The Company")

The investment objective of the Company is to seek long-term capital appreciation by investing into a portfolio of Asian technology companies. These investments will be in equities that are listed, but investors will also have the option to invest in a special Fund share-class that will invest in unlisted equities which have the potential for eventual listing. The Company will also have the ability to short stocks believed to be overvalued. At the Investment Manager's discretion, the Company may also invest into open- or closed- ended funds or other vehicles consistent with the investment objective of the Company. The Company will primarily invest in technology companies in Japan, Korea, Taiwan, Singapore, Hong Kong, China, Malaysia, Thailand, and India, or in companies listed in other markets that have significant exposure to the Asian technology sector.

### Product

The Company is established to provide investors the ability to participate in growth opportunities in the Asian equities space.

#### i. Fundamental approach

The Company will rely on bottom-up, fundamental analysis to identify undervalued growth opportunities in the Asia technology universe. Through intensive research, the Company will seek to minimize investment risk within the overall objective of maximizing returns for investors.

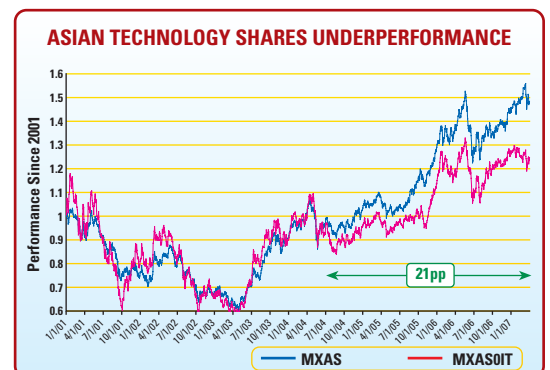
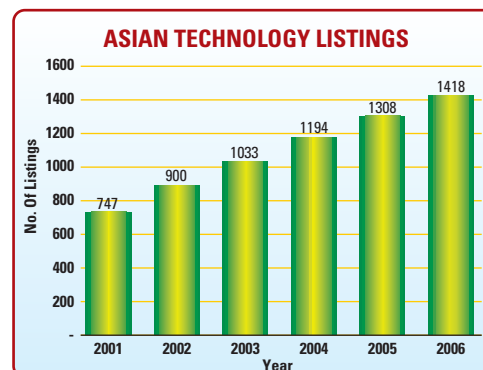
#### ii. Investment process

The Company's assets will be invested directly into opportunities intended to capture growth potential in the Asian technology space. All investments will be subject to a thorough due-diligence process.

#### iii. Enhanced exposure to Asian technology shares

The Company will have the ability to take positions in unlisted Asian technology companies along with listed opportunities. Unlisted investments will be held at cost until realized. The Company will have the ability to short stock, and also to take on leverage up to a maximum gross exposure of 180% and maximum net exposure of 120%.

While the Asian tech story remains powerful over the long-run, investors should be aware of the potential for high monthly volatility given inherent volatility in the sector.



## Why invest in Asian technology companies now?

**Dynamic growth.** Asian technology companies continue to experience rapid earnings growth. In 2007, average EPS growth for Asia technology companies is expected to reach 34%, compared with just 11% for Asian equities overall, according to Goldman Sachs Strategy Research.

**Historical Underperformance.** While fundamental growth remains robust, Asian technology stocks have significantly underperformed the broader markets over an extended period. Since July 1, 2004 through March 19, 2007, the technology-focused Morgan Stanley Asia All-Country Free Information Technology Index (MXASOIT) has underperformed the broader Morgan Stanley Asia All-Country Free Index (MXAS) by over 21 percentage points.

**Proliferation in new issues leads to opportunity to extract value.** An explosion in new issues in the Asian technology sector in recent years provides strong opportunities for investor value creation through solid fundamental, bottom-up research. From end-2001 to end-2006 Asian electronics listings rose roughly 75%, from 922 in 2001 to 1,611 in 2006, according to Goldman Sachs. Investor coverage of the investable technology-sector universe has not kept pace with the volume of new listings in the space.

## The Blackhorse Investment Edge

Blackhorse Asset Management (BAM) is a dedicated Asian-focused fund management company with a superior record of value-creation for fund-holders based on fundamental, value-driven investing. The Blackhorse Principals possess a combined 36 years of experience investing in the Asia stock-markets. BAM furthermore has an on-the-ground presence in Singapore and Vietnam.

**Ability to play regional dynamics and exploit information inefficiencies across the supply chain.** Share gains by nimble Asian upstarts against less cost-competitive, often less-focused Japanese incumbents creates the opportunity for skillful investors to seek Alpha on both sides of long-short trades in the Asian technology space. The vast scale of the Asian investment universe also provides knowledgeable investors with the opportunity to capitalize on information asymmetries across the Asian technology supply-chains.

**Opportunities in the unlisted space.** Greater prevalence of liquidity events, both in new listings and in M&A and buyout activity are helping to boost valuations for pre-IPO technology companies. Better liquidity and transparency in the pre-IPO markets, especially in Taiwan's burgeoning Emerging Market, also provides investors with significant opportunities to capitalize on promising growth stories prior to the IPO phase.

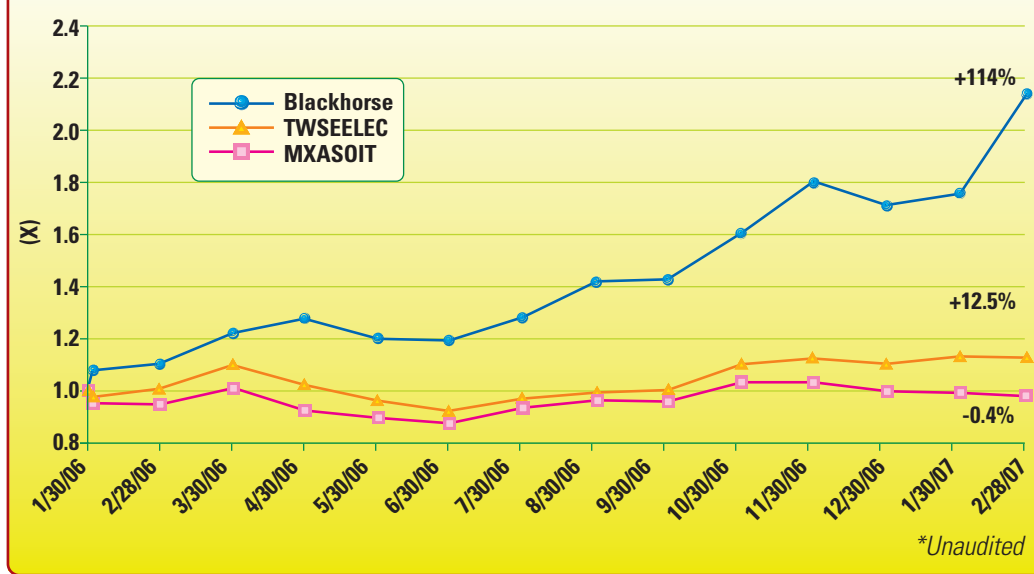
**Improved availability of borrow.** Borrow availability in the key Asian tech-centric markets has expanded rapidly in recent years, providing hedge funds with better opportunities to extract short-Alpha. Borrow lists in Taiwan and Korea have expanded dramatically, from just dozens of names in each market, to hundreds of names at present. Since late-2005, foreign institutions are able to borrow on-shore in Taiwan.



## Blackhorse Early-Stage Technology Fund Executive Summary

- The Blackhorse Early-Stage Technology Fund is a Cayman Registered open-ended Company, providing direct access to the Asian technology sector.
- The Company has no benchmark.
- A monthly NAV is calculated as liquidity for certain classes of investments is limited.
- The Company invests in listed and unlisted equities, and has the ability to short stock as well as use leverage up to a level of 180% gross exposure and maximum 120% net exposure.
- The Company will be managed by an Investment Committee which will include a Blackhorse Fund Manager, the Blackhorse CIO, as well as other members of the Blackhorse professional investment team.
- The Investment Committee will monitor the macro-economic environment and sector trends, and will supervise fundamental analysis undertaken by the manager's analysts. Investments the Company undertakes will be subject to high standards of quality to ensure steady returns and minimized risk.

### BLACKHORSE EARLY-STAGE TECHNOLOGY TRACKRECORD RELATIVE PERFORMANCE

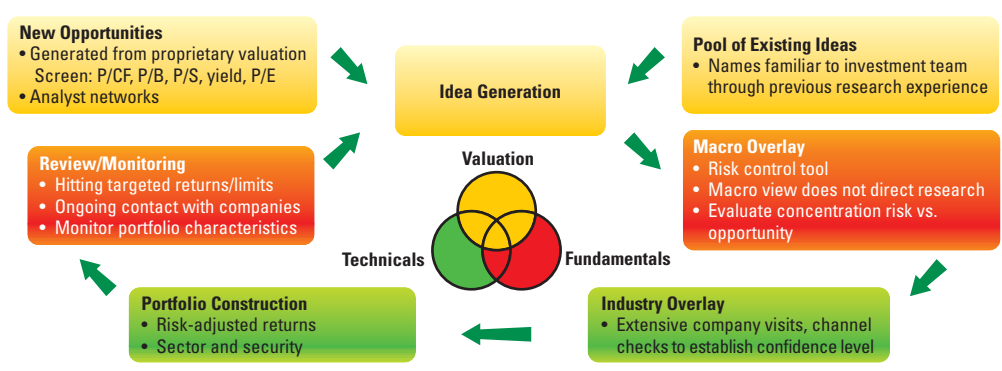


### Indicative Terms

<b>Investment Manager</b>	Blackhorse Asset Management
<b>The Company</b>	The Blackhorse Early-Stage Technology Fund
<b>Launch Date</b>	1 July 2007
<b>Issue Price</b>	US\$ 100
<b>Management Fee</b>	1.75%
<b>Performance Fee</b>	20%
<b>NAV</b>	calculated monthly
<b>Liquidity</b>	Monthly, on 30-day notice, subject to 20% gate and 20% maximum side-pocket for pre-IPO or illiquid investments
<b>Fund Currency</b>	USD
<b>Legal Structure</b>	Cayman registered open-ended Corporation
<b>Year End</b>	30 June
<b>Minimum Investment</b>	US\$100,000
<b>Currency Hedge</b>	At the Investment Manager's discretion
<b>Administrator</b>	Fortis
<b>Custodian</b>	Fortis
<b>Prime Broker</b>	Goldman Sachs
<b>Legal Advisor</b>	Walkers (Cayman), Sidley Austin & Wood (US), Rajah & Tann (Singapore)
<b>Auditor</b>	KPMG
<b>Share Class</b>	Ordinary Shares

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The following is a summary of The Blackhorse Early-Stage Technology Fund (the "Company") to be managed by Blackhorse Asset Management Pte Ltd (the "Manager") and is qualified in its entirety by reference to an offering memorandum, articles of association of the Company and subscription agreements, (the "Investment Documents") relating to the purchase of interests in the Company, all of which will be made available shortly and should be reviewed carefully prior to making an investment decision. This overview is being furnished on a confidential basis solely to a limited number of prospective investors considering the purchase of interests in the Company. Any reproduction or distribution of this overview, in whole or in part, or the disclosure of its contents, without the prior written consent of the Manager, is prohibited.

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The past performance of the other funds managed by the Manager is not necessarily indicative of future performance of the Company. The Manager does not represent or warrant that the actual future results, performance or achievements will be as indicated.