

## Greater Europe Fund Ltd track record and competitors

Wermuth Asset Management GmbH, acting as the Investment Adviser, considers the Fund's gross return over the eight years and eight months from inception on 31 March 1998 through 30 November 2006 of 1533%, or 35% p.a. to have been outstanding in absolute and relative terms. Key benchmarks such as the S&P 500 grew by only 27% over the period. The Fund's level of return is particularly outstanding when considered in relation to the limited amount of risk assumed, reflected by a Sharpe Ratio of 1.23 and a Sortino Ratio of 2.55.

Through 30 October 2006, the Fund's return ranks it 59th out of 20,995 funds of any type on Bloomberg with an eight years and seven months track record from a total universe of some 100,000 funds listed on Bloomberg. The Fund's Bloomberg ticker is GREEURU JY.

On the CSFB/Tremont Hedge Fund database, the Fund's performance since inception ranks it first among all the funds with 8 and 2/3 year track record.

Page Screen Printed		P144 Equity RPT					
FUND PERFORMANCE					PAGE	5/5557	
Name	Custom 3/31/98 10/30/06	1 Month	3 Month	YTD	1 Year	3 Year	5 Year
55) SMALL C VALUATIO	1424.4	8.21	18.43	39.44	43.41	44.83	51.26
56) MORGAN ST-GROWTH	1413.5	-0.68	18.76	39.23	40.03	53.32	43.65
57) GOLDEN ARROW SEL	1380.7	-2.24	-2.39	-13.51	-7.88	21.39	47.71
58) SUNDARAM-TAX 97	1367.3	0.83	8.15	33.24	35.74	34.01	40.56
59) GREATER-EURO-US\$	1362.9	N.A.	-6.16	26.47	40.98	40.91	44.24
60) SLF-PUISSANCE K	1359.9	-3.43	7.02	15.80	17.30	33.85	36.02
61) UBAM-M/T \$ DO-AC	1345.2	0.41	1.93	3.09	3.47	1.72	3.30
62) HSBC-GL INDAN-AD	1339.1	0.83	15.10	38.34	43.12	37.41	46.74
63) BIRLA-ADVANT-B-G	1337.8	0.67	11.65	31.63	34.67	37.78	38.45
64) SAHARA-TAX-G-D	1321.6	1.91	7.50	21.70	23.71	28.46	32.92
65) EVLI-SELECT-B	1295.9	3.22	11.40	23.15	24.45	25.51	16.92
66) RELIANCE-VIS-B	1284.3	0.82	11.97	40.21	42.10	42.13	62.54
67) RELIANCE-VIS-G	1276.6	0.81	11.91	40.06	41.91	41.88	62.35
68) RUSSELL-JPN E-SA	1251.9	2.79	3.22	-3.59	0.31	127.76	64.14
69) TATA-TAX SAVING	1249.7	-0.37	7.75	17.88	21.21	33.04	42.55
70) RELIANCE-VIS-D	1204.0	0.81	11.97	40.15	42.02	41.54	60.61
71) PRIN-TAX-SAVER	1160.7	0.00	20.40	33.50	35.84	33.42	36.63
72) SBI-TAX GAIN	1130.8	1.25	15.47	38.99	40.25	67.12	58.23
Number of funds:		*****			Average Custom Return		102.12
Australia 61 2 9777 8600		Brazil 5511 3048 4500		Europe 44 20 7330 7500		Germany 49 69 920410	
Hong Kong 852 2977 6000		Japan 81 3 3201 8900		Singapore 65 6212 1000 U.S. 1 212 318 2000		Copyright 2006 Bloomberg L.P. H177-338-1 18-Dec-2006 11:59:33	

Note that the Fund received its first capital injection of USD 1.5 million in April 1998. Investment activities began and return calculations started that month, such that 31 March 1998 is treated as inception/launch date. Comparisons to other funds are based on data from inception through the latest available date.

Comparison to various indices

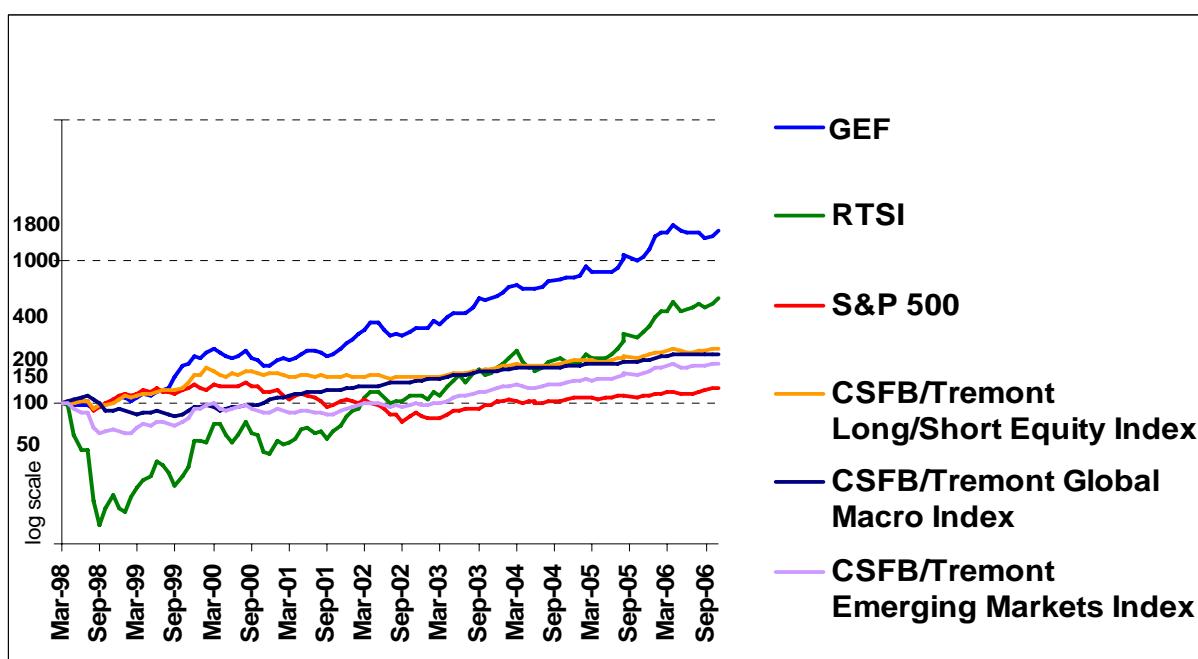
Since inception through 30 November 2006 the Fund's compounded growth rate of 1533% has outperformed:

- The CSFB/Tremont Index for Global Macro hedge funds, which grew 121%
- The CSFB/Tremont Index for Long/Short hedge funds, which grew by 138%
- The Standard & Poor's 500 Index, which grew 27%
- The CSFB/Tremont Index for Emerging Markets, which grew 88%
- The Russian Trading System Index (RTSI), which grew 446%

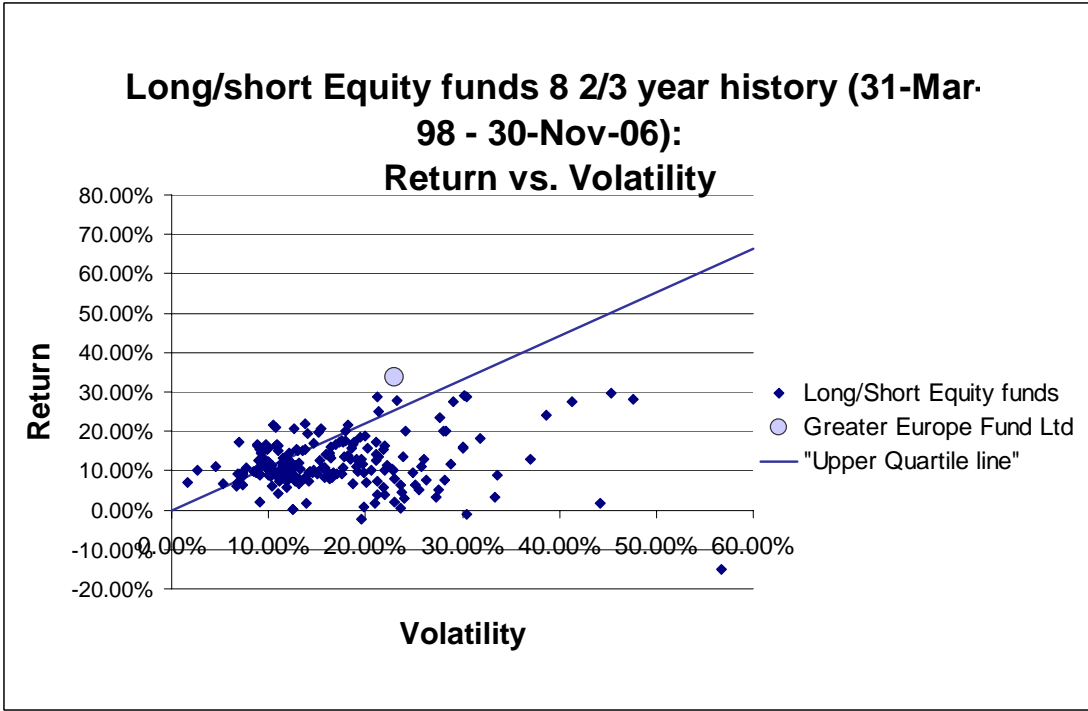
**Greater Europe Fund Ltd (GEF) performance vs. key indices, 31 March 1998 – 30 November 2006**

	Greater Europe Fund Ltd	Standard & Poor's 500 Index	CSFB/Tremont Global Macro Index	CSFB/Tremont Long/Short Equity Index	CSFB/Tremont Emerging Markets Index	Russian Trading System Index
Total compounded return	1533% <sup>1</sup>	27%	121%	138%	88%	446%
Compd. annual growth rate	38%	3%	10%	11%	8%	22%
Best month	26%	10%	9%	13%	15%	56%
Worst month	-12%	-15%	-12%	-11%	-23%	-56%
Percentage of up months	67%	58%	76%	66%	64%	62%
Percentage of down months	33%	42%	24%	34%	36%	38%
Ann. St. Dev. of mthly rtns (Volatility)	25%	15%	8%	11%	15%	52%
Sharpe ratio	1.23					
Sortino ratio	2.55					

**Greater Europe Fund Ltd (GEF) NAV per share vs. key indices, 31 March 1998 =100, 31 March 1998 – 30 November 2006**

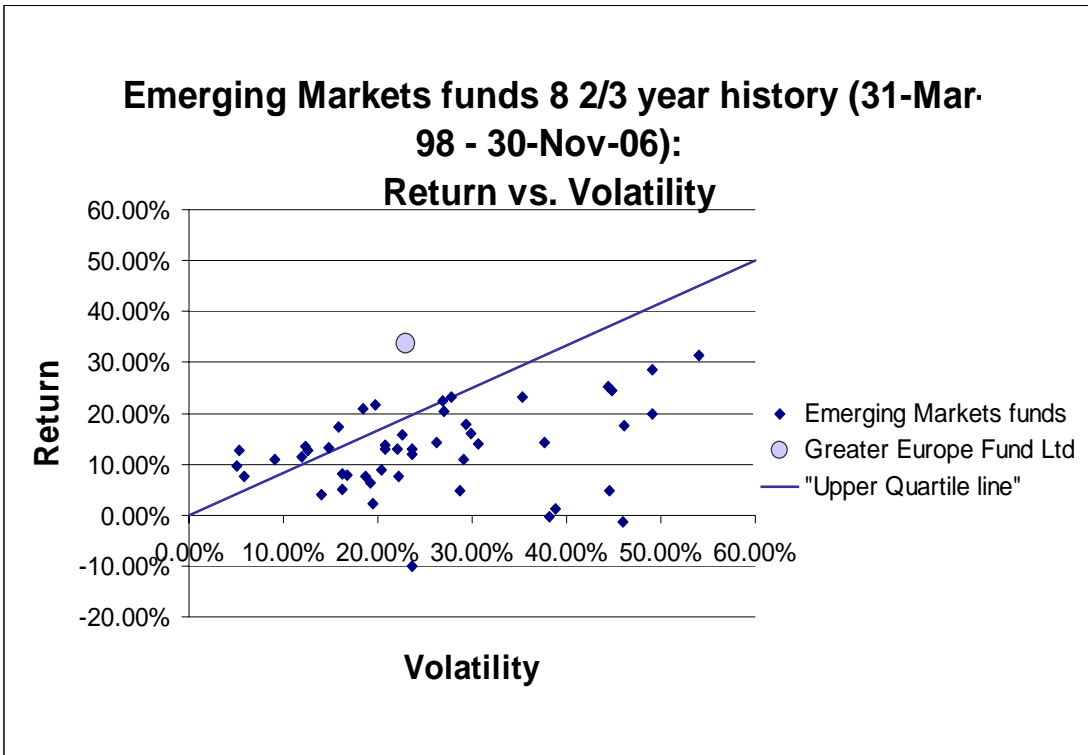


<sup>1</sup> Returns gross of performance fee are used



Data from the CSFB/Tremont hedge fund database has been used to compare the Greater Europe Fund Ltd to Long/Short and Emerging Markets focused hedge funds with an eight and 2/3 year track record in the graphs below. The data in the graphs is divided by splitting the funds into top quartile and bottom three quartiles, sorting the set of funds by the ratio of their return (compounded annual growth rate) to their volatility (annualized standard deviation). As most of the funds on TASS Tremont Database are reporting net figures net returns were also used for the Greater Europe Fund Ltd.

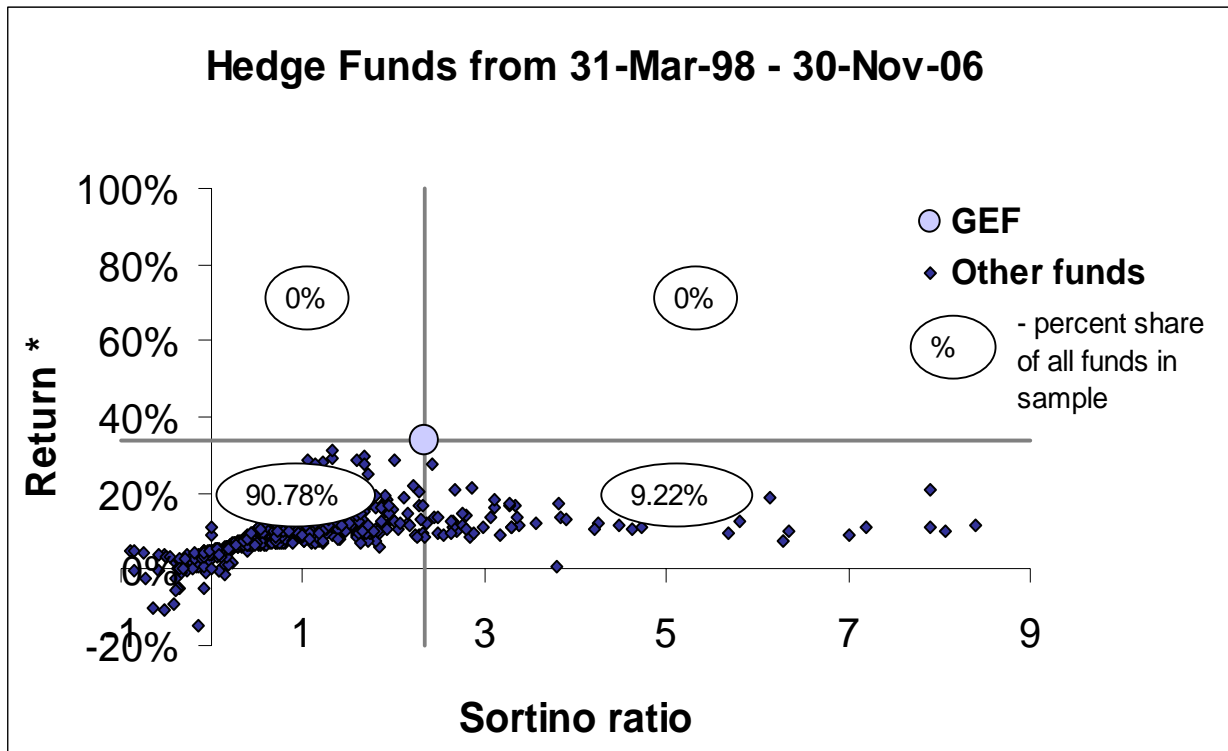
As can be seen, the Fund is in the "top quartile" of each peer group.



## Comparison to other funds considering both returns and Sortino ratios

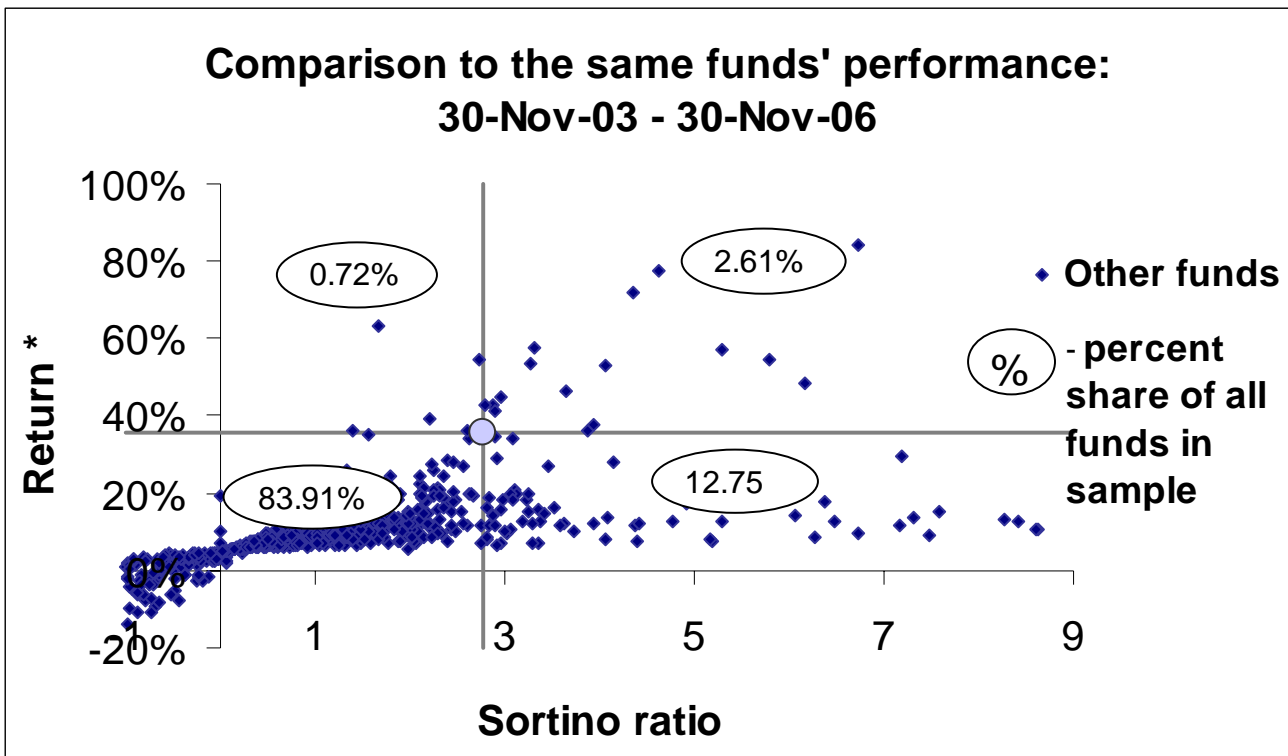
Many analysts of fund performance focus their quantitative analysis on the relationship between return and volatility. Volatility as expressed by the Sharpe ratio reflects both upside and downside volatility, however, since upside volatility should not necessarily be considered a negative factor, the Investment Adviser is of the opinion that it is more useful to analyse the Sortino ratio which takes into account downside volatility only.

The graph below shows annualized returns over the eight and 2/3 years up to 30 November 2006 on the Y axis against Sortino ratio on the X axis for all funds on the CSFB/Tremont database with a sufficiently long track record. The lines intersect at the point that represents the position of the Fund and split the graph into four quadrants. The one to the upper right of the Fund includes all funds which have both a higher rate of return and a higher Sortino ratio; there is no fund in the data set. The one to the lower left includes all those funds which have both a lower rate of return and a lower Sortino ratio than the Fund - these are 90.8% of all funds. 9.2% of funds are in the lower right quartile, with a higher Sortino ratio, but typically with significantly lower returns. No funds have higher returns. The Investment Adviser believes that the Fund's strategy has thus allowed it to be in the exceptional position of having both a high Sortino ratio and high returns, while most funds that achieve high Sortino ratios end up with significantly lower returns.



\*average annual return on the basis of monthly data, net of performance fees.

Considering the same set of funds as above - that is any fund on the CSFB/Tremont database with at least an eight and 2/3 year track record up to 30 November 2006 - and examining their performance over the past three years (from 30 November 2003 through 30 November 2006), both in terms of Sortino ratio and return, a similar picture arises; the vast majority of funds, 83.91%, end up in the lower left quadrant, while only 2.61% are in the upper right quadrant



\*average annual return on the basis of monthly data, net of performance fees.

#### Comparison to other funds sorted by Sortino ratios

The tables below sort the various peer groups by Sortino ratio and also provide, for information purposes, the Sharpe ratio, the compounded annual rate of growth (CAGR) over the last eight and 2/3 years and annualized standard deviation.

Ranked by Sortino ratio over eight and 2/3 years, the Fund ranks 2nd out of 50 amongst the Emerging Markets and 10th out of 210 amongst the Long/Short Equity, focused peer groups. This roughly implies a top 5% ranking in terms of Sortino ratio, i.e. the relationship of return to downside volatility, in each peer group.

#### CSFB/Tremont Emerging Markets funds with a 8 and 2/3 year history; ranked by Sortino

Rank	Name	Sortino	Sharpe	CAGR over the past 8 and 2/3 year	Volatility
1	Marathon Master Fund	2.64	2.07	12.69%	5%
2	Greater Europe Fund Ltd	2.33	1.34	33.73%	23%
3	LIM Asia Arbitrage Fund Inc	1.74	1.61	9.67%	5%
4	SR Global Fund: Emerging Portfolio USD (Class G)	1.69	1.06	20.85%	18%
5	Value Partners Classic Fund	1.43	1.04	21.73%	20%
6	Russian Opportunities Fund Ltd	1.32	0.73	31.31%	54%
7	Metage Special Emerging Markets Fund Ltd	1.08	0.85	22.44%	27%
8	EK Asia Fund	1.07	0.92	12.65%	13%
9	Firebird Republics Fund Ltd	1.05	0.86	23.14%	28%
10	Russian Prosperity Fund	1.05	0.75	28.59%	49%
11	Ashmore Emerging Markets Liquid Investment	1.04	1.04	17.42%	16%

	Portfolio				
12	Tradewinds Fund LP	1.02	0.78	20.38%	27%
13	Greylock Global Opportunity Fund LP	0.99	0.99	13.47%	12%
14	Firebird New Russia Fund Ltd	0.98	0.72	25.17%	44%
15	India Capital Fund Limited	0.97	0.74	23.08%	35%
16	Tradewinds Russia Partners I LP	0.96	0.65	22.36%	64%
17	Firebird Fund LP	0.94	0.70	24.46%	45%
18	Permal Fixed Income Special Opportunities Ltd (Class A)	0.90	1.05	10.89%	9%
19	Emerging Value Opportunities Fund Bahamas Ltd.	0.89	0.67	17.87%	29%
20	Zazove Global Convertible Fund LP	0.85	0.88	11.51%	12%
21	Thai Focused Equity Fund Ltd (Class A)	0.84	0.52	13.92%	31%
22	Kazimir Russia Growth Fund Ltd	0.80	0.61	19.75%	49%
23	Rainbow Global High Yield Fund	0.77	0.72	15.78%	23%
24	Hermitage Fund, The	0.74	0.60	17.61%	46%
25	Avalon Fund	0.73	0.62	16.14%	30%
26	Ukraine Value Opportunities Fund	0.71	0.50	14.27%	38%
27	Marathon Emerging Markets Fund	0.71	0.59	14.22%	26%
28	Ashmore Local Currency Debt Portfolio	0.70	0.85	13.30%	15%
29	Genesis Emerging Markets Fund Ltd	0.70	0.67	13.79%	21%
30	Comgest Panda	0.70	0.61	13.02%	22%
31	Deltec Emerging Market Equities LP	0.63	0.59	13.02%	24%
32	CG Nouvelle Asie (EUR)	0.61	0.54	11.84%	24%
33	Compass Income Fund	0.58	1.09	7.61%	6%
34	Deltec Forum Fund LP	0.51	0.46	10.84%	29%
35	Optima Opportunity Fund Limited	0.40	0.39	4.88%	45%
36	Sofaer Capital Asian Hedge Fund (Series B)	0.39	0.46	7.75%	17%
37	GLS Offshore Global Opportunities Fund Ltd	0.39	0.47	8.85%	20%
38	Tiedemann Global Emerging Markets LP/Ltd	0.38	0.48	8.01%	16%
39	Tiedemann/Ayer Asian Growth LP/Ltd	0.35	0.42	7.56%	19%
40	GLS Global Opportunities Fund LP	0.30	0.40	7.49%	22%
41	Deltec Latin American Partners LP	0.21	0.38	6.43%	19%
42	Everest Capital Emerging Markets Ltd (USD)	0.20	0.29	4.70%	29%
43	Latinvest Fund Ltd	0.14	0.20	1.19%	39%
44	Brazvest Fund Ltd	0.14	0.18	-1.29%	46%
45	Green Cay Emerging Markets Fund Inc (Offshore)	0.11	0.31	5.01%	16%
46	Latinvest Partners LP	0.09	0.16	-0.21%	38%
47	Genesis Emerging Markets Investment Company	0.00	0.00	12.97%	21%
48	Compass Appreciation Fund	-0.01	0.26	4.00%	14%
49	Axiom Balanced Growth Fund	-0.03	0.17	2.22%	19%
50	Sri Lanka Fund, The	-0.65	-0.38	10.06%	24%

### CSFB/Tremont Long/Short funds with a 8 and 2/3 year history; ranked by Sortino

Rank	Name	Sortino	Sharpe	CAGR over the past 8 and 2/3 year	Volatility
1	Primeo Select Fund	6.35	3.21	10.23%	3%
2	Wimbledon Fund Ltd (Class C)	3.82	2.16	17.26%	7%
3	Tomasetti Investment LP	3.80	2.27	0.55%	109%
4	Eureka (US\$) Fund Ltd, The	3.27	1.67	16.77%	9%
5	Eureka (Euro) Fund Ltd (Class A)	3.11	1.62	16.38%	9%

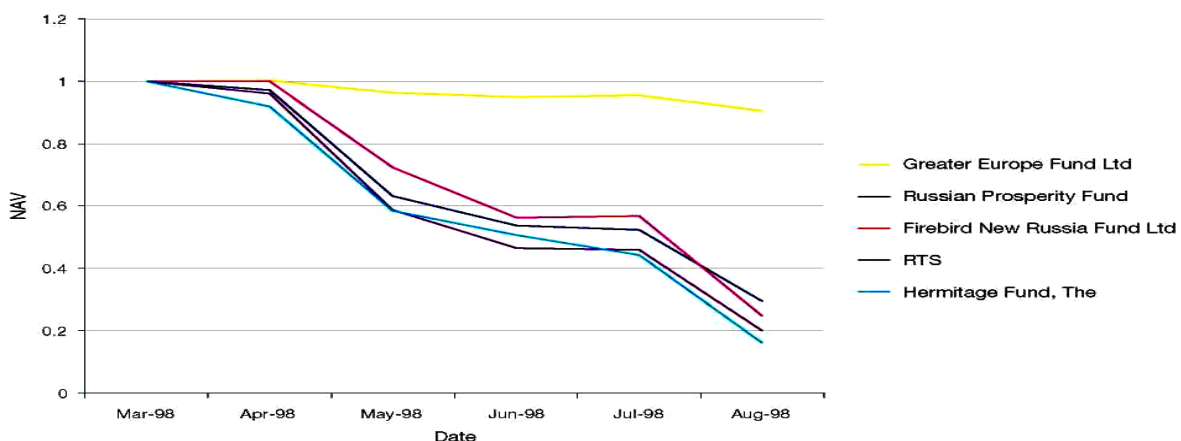
6	Prism Partners I LP	2.99	2.06	10.99%	5%
7	Greenlight Capital LP	2.85	1.80	21.47%	11%
8	Greenlight Capital Offshore Ltd (Class B)	2.67	1.73	20.93%	11%
9	Pequot Healthcare Fund LP	2.42	1.11	27.68%	23%
10	Greater Europe Fund Ltd	2.33	1.34	33.73%	23%
11	Optima The Cuttyhunk Fund Ltd	2.28	1.46	20.57%	13%
12	Egerton Capital Partners LP	2.27	1.53	16.79%	10%
13	Tonga Partners LP	2.21	1.43	22.05%	14%
14	Tail Wind Fund Ltd, The	2.12	0.89	18.72%	20%
15	Libra Fund LP	2.00	1.25	28.64%	21%
16	Egerton European Dollar Fund Ltd	1.98	1.41	15.85%	10%
17	Kenmare Fund II LP	1.94	1.37	16.68%	11%
18	Egerton European Equity Fund Ltd (Euro)	1.89	1.39	15.35%	10%
19	Kenmare Offshore Fund Ltd	1.88	1.35	16.26%	11%
20	Kenmare Fund I LP	1.87	1.35	16.32%	11%
...					
210	Storie Partners LP	-0.04	-0.09	-2.30%	20%

### Comparison to Russia funds

The Greater Europe Fund Ltd has historically earned a significant proportion of its profits from exposure to Russia, and benefits from investment advice from the Frankfurt based firm Wermuth Asset Management GmbH, which also has a representative office and staff in Moscow. The Fund's mandate and sole objective, however, is to achieve total return in the area of 20% per annum while avoiding permanent loss of capital over the medium term. The Fund therefore allocates its assets to countries and instruments as it considers optimal given the global environment and the skill set of its advisers, which is primarily an in-depth knowledge of economies in "Greater Europe", including the EU and Russia. This has meant that, on occasions, the Fund has been net short Russia or had no Russia exposure at all. It is this flexibility that clearly distinguishes it from dedicated Russia funds.

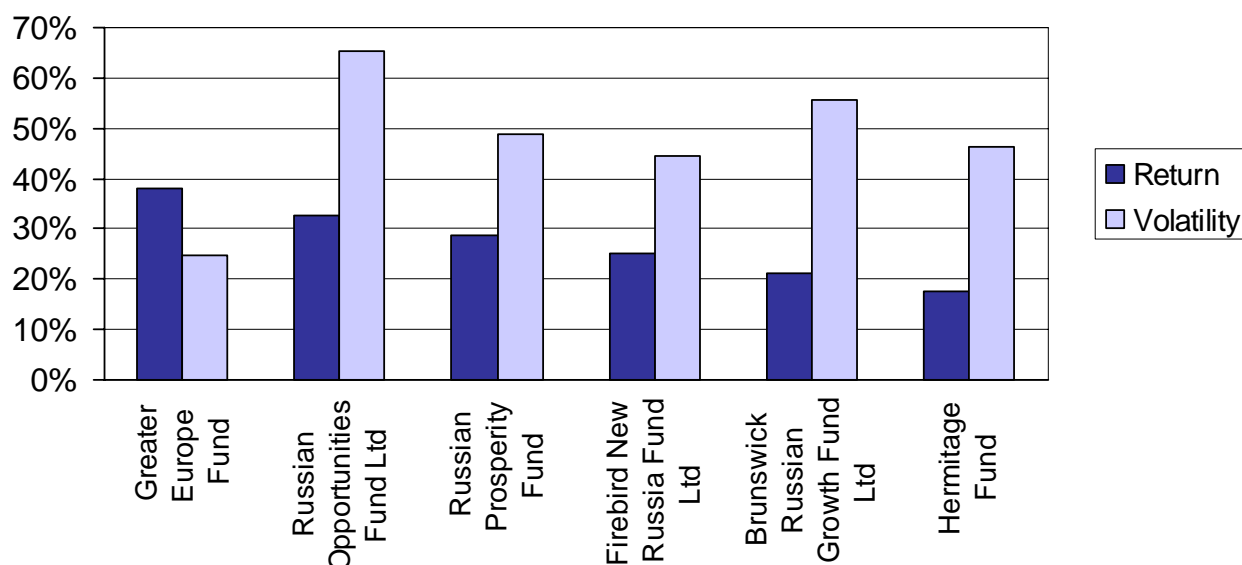
For example, the Fund's advisers were on record in official communications to the Russian Government in 1997 suggesting that a default would be very likely at some stage in 1998. Therefore at inception in March 1998 the Fund chose to remain invested elsewhere and did not invest in Russia until after the appointment of Vladimir Putin as Prime Minister in late 1999, thus avoiding the financial crisis that hit Russia in August 1998. More recently, in the summer of 2004 the Fund's advisers were concerned over the prospects for Russia given the Yukos affair and thus took net short positions in order to benefit from the falling market.

Performance during 1998 Crisis: 31/03/1998 - 31/08/1998



Aside from its broader mandate, the Fund has also consciously chosen to remain a relatively small fund allowing it to effectively switch exposure between countries and instruments. Larger funds, even if they have a broader mandate tend to have difficulty entering or exiting positions without moving the market. Therefore, given the typical single country, single asset class and long-only mandate of large Russia funds, comparisons to the Greater Europe Fund Ltd should be provided this qualification. This becomes particularly evident when comparing the annualized returns since the Fund's inception in March 1998 to leading Russia funds with a similarly long track record. As the bar chart below shows, not only is their annualized performance much lower, but their volatility of returns is significantly higher.

Annual returns versus volatility of Russia-related Funds, 31 March 1998 - 30 November 2006



### Breakdown of investments between asset classes and regions

The Greater Europe Fund invested across several asset classes, mainly in Eastern Europe, with an emphasis on hedging the currency exposure

Instrument	End of August 2006	End of September 2006	End of October 2006	End of November 2006
Cash (including dividends)	1.7%	14.2%	-6.2%	-20.0%
Equity	91.6%	77.3%	98.0%	95.5%
Bonds	0.7%	0.7%	0.7%	0.7%
Futures	0.0%	0.0%	0.0%	0.0%
FX	1.1%	2.5%	2.1%	16.6%
Options	5.0%	5.2%	5.3%	7.1%
Other derivatives	0.0%	0.0%	0.0%	0.0%
<b>Net Exposure by Region in %NAV</b>				
Eastern Europe	85.9%	99.6%	91.4%	91.8%
Other (including FX and bonds)	12.3%	-13.8%	14.8%	28.2%

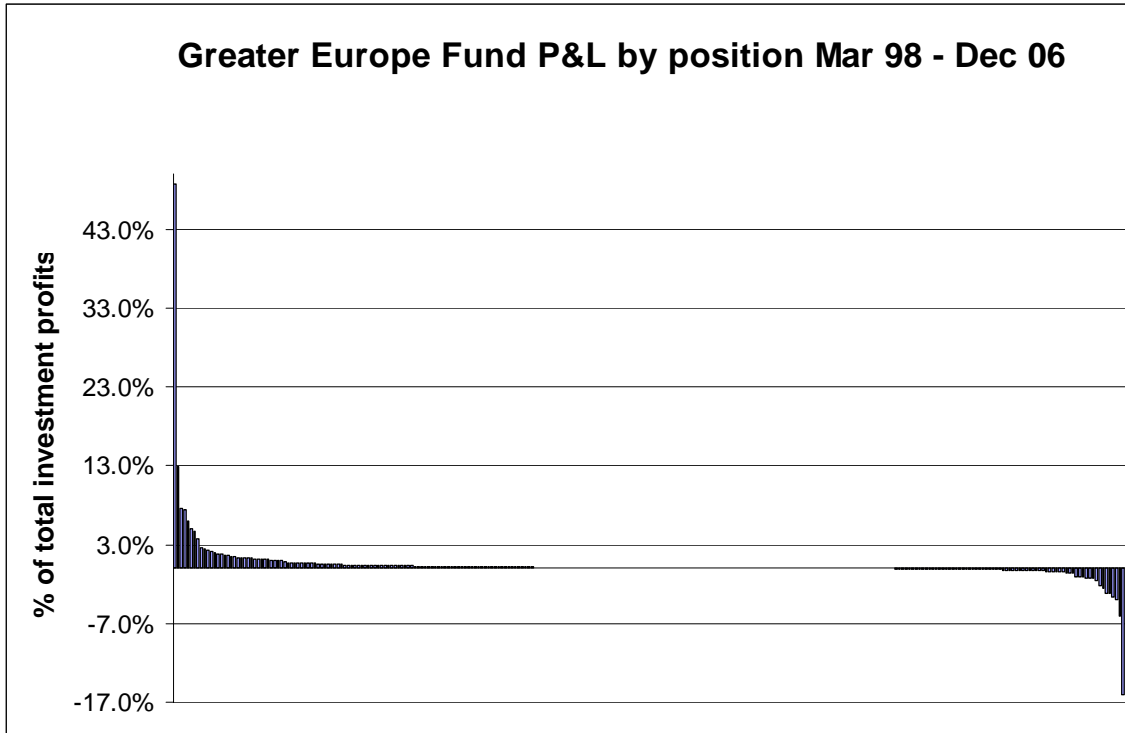
Since 31.07.2006 the Greater Europe Deep Value Fund invested in Equity in Eastern Europe and gained a gross return until end of November 2006 of 21%:

**Table DVF: Net Allocation (by asset class and region)**

<b>Instrument</b>	<b>End of August 2006</b>	<b>End of September 2006</b>	<b>End of October 2006</b>	<b>End of November 2006</b>
Cash (including dividends)	62.4%	3.8%	3.5%	-12.2%
Equity	37.6%	96.2%	96.5%	112.2%
Bonds	0.0%	0.0%	0.0%	0.0%
Futures	0.0%	0.0%	0.0%	0.0%
FX	0.0%	0.0%	0.0%	0.0%
Options	0.0%	0.0%	0.0%	0.0%
Other derivatives	0.0%	0.0%	0.0%	0.0%
<b>Net Exposure by Region in %NAV</b>				
Eastern Europe	37.6%	96.2%	96.5%	112.2%
Other (including FX and bonds)	0.0%	0.0%	0.0%	0.0%

## Profit and Loss by Position.

GEF:



Note that the above graph is done in total USD profits per position over the life of the fund. Due to the fact that the fund started out with USD 1.5m in size in 1998, and was both much larger and had a high return in H2 2005 and 2006, the majority of profits in USD terms were made on the few trades that worked well in that period. Some of the major losses shown here are actually parts of pair trades / hedges of some of the exposure (such as to the USD) related to the major gains.

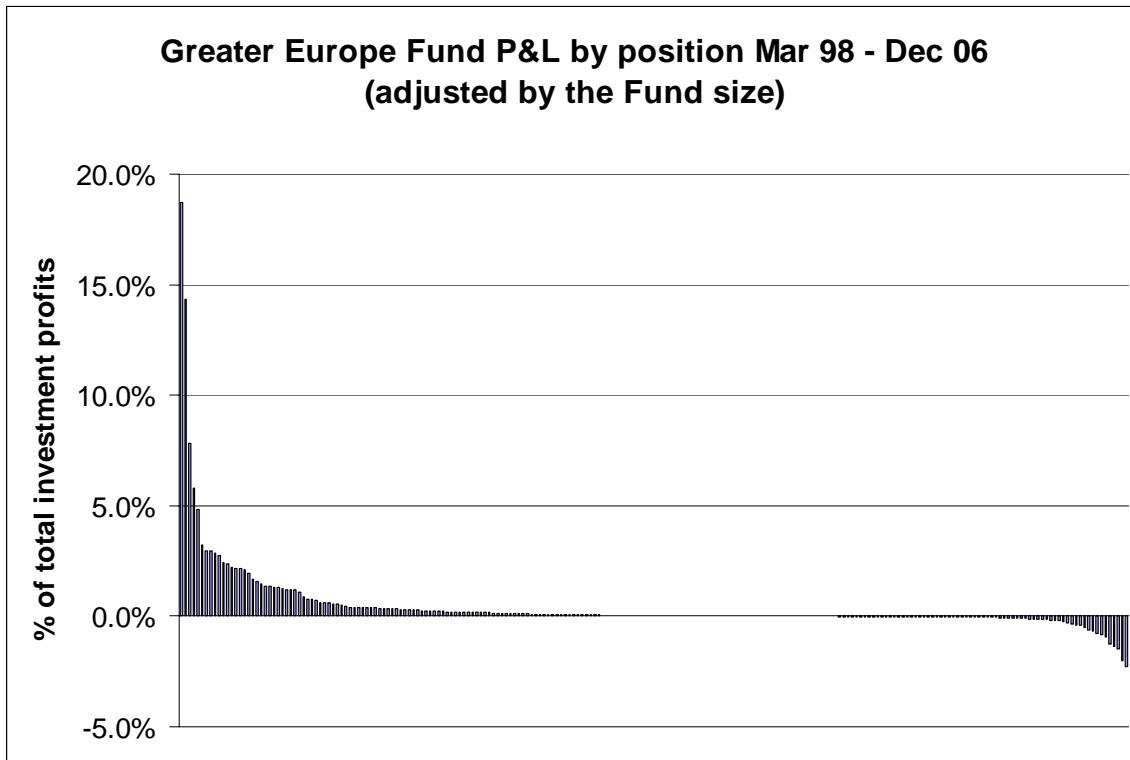
The five largest gaining positions were: Gazprom local shares, Sberbank, Private Equity Oil&Gas deal, Polyus Gold Mining, Rostelecom.

RAO Gazprom	48.7%
Sberbank	12.9%
MaximTep PLC	7.7%
Polyus	7.5%
Rostelecom	6%

The five largest losing positions were Gazprom ADR short position, UES, Rostelecom ADR short position, Rostelecom American Call option short position, Surgutneftegaz ADR short position.

Surgutneftegaz ADR	-3.3%
Rostelecom American Call \$3.7649, 5 Feb 07	-3.7%
Rostelecom ADR	-4%
Unified Energy Systems	-6%
RAO Gazprom	-16%

An analysis of the contribution by positions to return, weighted by monthly asset size might be more telling and is shown below.



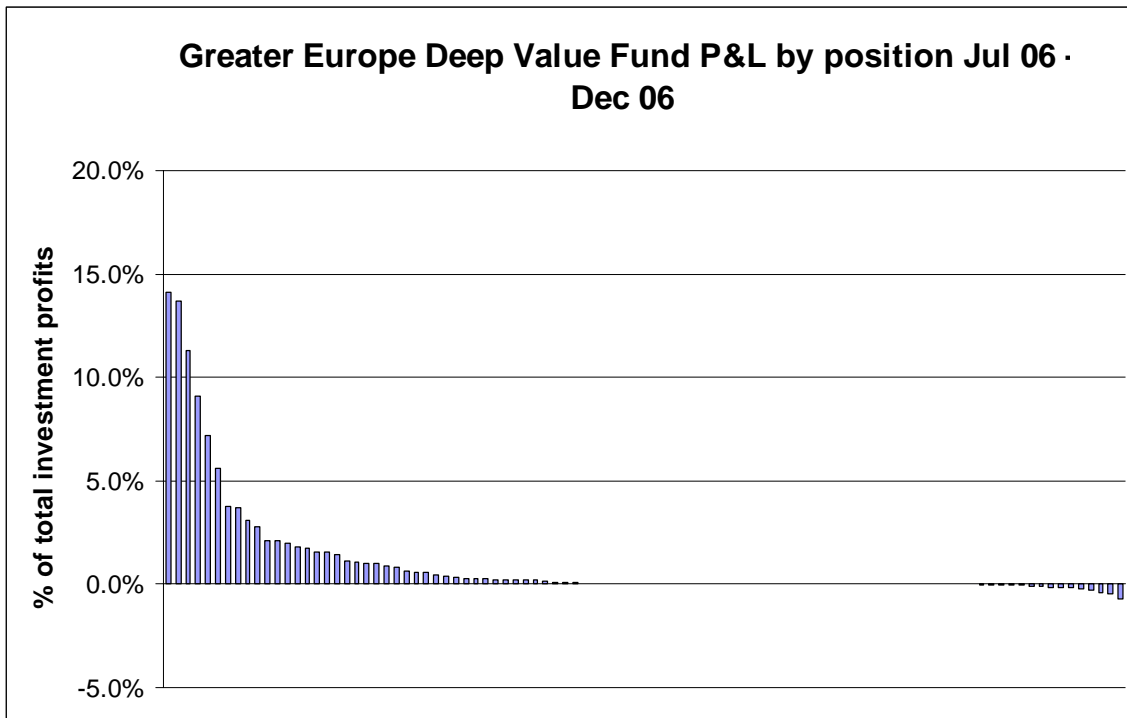
According to the above graph the top 5 winners are:

RAO Gazprom	18.7%
Krasnoyarsk agro bond	14.4%
DWS Japan Anteile	7.8%
Russia 30 bond	5.8%
Sberbank	4.8%

Top 5 losers are:

Surgutneftegaz ADR	-1.2%
Rostelecom	-1.4%
RAO UES pref	-1.5%
RAO Gazprom ADR	-2.0%
DWS Inv. Man. DB Tiger Fund	-2.3%

**DVF:**



According to the above graph the top 5 winners are:

Top 5 losers are:

Sverdlovenego preferred	14.1%
Belgorodenergo preferred	13.7%
Moscow Region Electricity Distribution Network	11.3%
Novatek GDR	9.1%
Bank Vozrozhdenie	7.2%

Norsi	-0.2%
Sverdlov TRANSCO, preferred	-0.3%
Alphacement	-0.4%
Severstal GDR	-0.5%
Tatneft preferred	-0.7%

**Appendix H: Profit and Loss over Time**

**GEF:** Time distribution of profits and losses relative to total investment gains under the assumption of a constant fund size for GEF:

Year	Profit/Loss (%)	Quarter	Profit/Loss (%)
1998	1.4%	2003Q1	1.6%
1999	30.6%	2003Q2	6.7%
2000	-9.6%	2003Q3	7.6%
2001	9.4%	2003Q4	2.5%
2002	8.4%	2004Q1	6.7%
2003	18.3%	2004Q2	-1.5%
2004	11.1%	2004Q3	3.2%
2005	16.2%	2004Q4	2.6%
2006	14.1%	2005Q1	4.1%
		2005Q2	-0.6%
		2005Q3	10.1%
		2005Q4	2.7%
		2006Q1	10.4%
		2006Q2	0.7%
		2006Q3	-2.1%
		2006Q4	5.1%
<b>Total</b>	<b>100.0%</b>	<b>Total</b>	<b>100.0%</b>

## Greater Europe Funds` Investor Base

### Greater Europe Deep Value Fund Ltd

Type	USD m	Percentage
Fund of Funds	119	43.8%
Family Offices	94	34.4%
High Net Worth Indivs	23	8.6%
Pension Funds	36	13.3%
Total	272	100%

### Greater Europe Fund Ltd as of closure of the Fund in 2006

Type	USD m	Percentage
Fund of Funds		40%
Family Offices		35%
High Net Worth Indivs		17.5%
Pension Funds		7.5%
Total		100%

Name and title of the firm officers who have prepared and reviewed this Track record section:

Jochen Wermuth, Managing Partner

Michael Hyuk Choi, Managing Director & In-House Counsel

Thorsten Coers, Risk Analyst

Nadya Nesterova, Administrator

Frankfurt am Main, January 2007