



CAYMAN ISLANDS MONETARY AUTHORITY

19 November 2013

Mr. David J. Mapley
Suite 5
24 Bride Lane
London EC4Y 8DX
England

(E-mail: mapley@shimoda-ltd.com)

Mr. Graham Johnson
Avenue Reverdil 8
Nyon
Switzerland

Dear Sirs,

Re: Warning Notice-The Shimoda Emerging Europe Fund (Reg.#1913) ("the Fund")

We write to you in your capacity as Directors of the Fund.

We refer to our letters of **7 November 2012** and **29 January 2013** in which the Cayman Islands Monetary Authority ("the Authority") advised the Fund that it was in breach of Sections 8(1), 8(2) and 9 of the Mutual Funds Law and Section 50 of the Companies Law.

You were requested to rectify the breaches or submit an appropriate proposal for bringing the Fund into compliance with the Mutual Funds Law. To date no satisfactory response has been submitted. As such, the Fund is in breach of Sections 8(1), 8(2) and 9 of the Mutual Funds Law (2013 Revision) ("the Law") for failing to prepare and submit audited accounts for the years ended 31 December 2002 to the date of the liquidation of the Fund and for failing to pay its annual fees and penalties for the years 2004 to 2013. The Fund is also in breach of Section 50 of the Companies Law (2013 Revision) for failing to have a registered office. In addition, the Fund has not submitted any of the required termination documents in order to de-register with the Authority.

Pursuant to provisions in Section 30(16) of the Law, the Authority may at any time cancel any mutual fund registration if it is satisfied *inter alia* that the fund has ceased to carry on or attempt to carry on business as a mutual fund.

TAKE NOTICE:

The Cayman Islands Monetary Authority of 80e Shedden Road, Elizabethan Square, P.O. Box 10052, Grand Cayman KY1-1001, Cayman Islands, proposes to take the following action.

PROPOSED ACTION:

The Authority proposes to cancel the Fund's mutual fund registration pursuant to Section 30(16) of the Mutual Funds Law (2013 Revision).

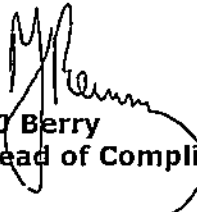
REASONS:

Having considered the representations made to the Authority that the Fund had no legal status and no operations since 2003 and given its inability to satisfy the Authority's termination requirements and become compliant with the Law, the Authority can rely on the information as being sufficient to satisfy itself that the Fund has ceased to carry on, or attempt to carry on, business as a mutual fund.

NOTICE OF REPRESENTATION:

You may make written representations to the Authority within **28** days of receiving this Warning Notice, or such longer period as requested of, and approved by the Authority, as to why the proposed action should not be taken. Written representations should be made to the undersigned at the above address.

Yours faithfully,



RJ Berry
Head of Compliance

cc: Mrs. Yolanda McCoy, Head of Investments and Securities
Ms. Nedra Ebanks, Legal Counsel