



Archeus Capital Management, LLC
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IMPORTANT NOTICE TO ANIMI FUND AND ANIMI CONCENTRATED RISK FUND INVESTORS

October 30, 2006

Dear Investor,

By the unanimous decision of the members of Archeus Capital Management, LLC, the Investment Manager for The Animi Fund LP, The Animi Offshore Fund Ltd, The Animi Master Fund Ltd, the Animi Offshore Concentrated Risk Fund Ltd, and the Animi Master Concentrated Risk Fund Ltd, all investor capital accounts in these funds will be redeemed as of the value to be established on December 31, 2006.

Over the past 3 ½ years it has been our privilege to serve as your investment manager. The trust you have placed in us has been sincerely flattering and we believe we have honored that trust by always working in your best interests. From our launch in May 2003 we have strived to manage diverse multi-strategy products in line with your expectations and within the multiple disciplines where we as a team have demonstrated expertise.

Your well-placed confidence helped Archeus Capital Management grow from 16 professionals and \$100mm to over 80 professionals and \$3 billion in investor capital. While isolated losses over a two-month period in the spring of 2005 were contained within a specific part of the portfolio and led to some initial redemptions, our performance since then has shown improvement. Since July 2005 and through the end of the most recent month, Animi has returned a modest 3.25% while the Concentrated Risk Fund has garnered a gratifying 18.5%. Throughout our careers the members of Archeus Capital have adroitly weathered the storms of asset volatility, paradigm shift, and market fluctuation without protracted detriment.

However, one obstacle we have not been able to overcome has been the negative sentiment which has snowballed as a result of our third-party administrator's failure to properly maintain the books and records of our funds. This failure, and their subsequent inability to properly re-reconcile the funds' records, led to a series of investor withdrawals from which we have not been able to recover. When their failure at re-reconciliation became known, we embarked on a time-consuming and costly effort to reconstruct the funds' books and records from inception. While ultimately we were able to secure clean, unqualified audit opinions without any material changes in estimated NAVs (and in fact throughout our history have experienced only clean and unqualified audit opinions), the significant delays in releasing those audited financials proved understandably intolerable to many investors, who made it clear that they could not accept the uncertainty resulting from protracted delays in financial reporting. We are proud of the transparent and professional manner in which we handled the reconstruction

of the funds' books and records, and have insulated you from the excessive costs associated with such an effort. Nonetheless, the continuing redemptions have triggered a spiral of portfolio liquidations which have in turn eaten into the positive performance that other parts of our book have been experiencing.

As of this writing Archeus Capital manages approximately \$700mm. Our portfolio activities earlier this year (as disclosed to you in our monthly updates) have left the funds in primarily highly liquid positions, with nothing more than nominal bid-offer spreads to pay to effect an unwind. As such we expect no excessive costs or delays in completing your redemptions by the end of this year.

We'd especially like to thank those of you who have recognized and praised our efforts at being always responsive to your requests, demands, and inquiries, and our constant commitment to being transparent, communicative, and above all else responsible in how we have managed your money and our business.

You have extended to us a fidelity and certitude that is both inspiring and humbling. For all the statistics and data which flood the investment community, we believe that ultimately the hedge fund universe is very much about people. In this regard, we're glad to know you.

With our sincere thanks,



Gary K. Kilberg
Chief Executive Officer



Peter G. Hirsch
Chief Investment Officer

Archeus Capital Management, LLC