

3A Windrider Fund
P.O. Box 309GT, Ugland House,
George Town, Grand Cayman, KY1-1104
Cayman Islands

Shareholders update

July 30, 2009

Dear Shareholders,

We are writing to you to update you on the situation of the Fund as well as explain the efforts undertaken to reach a situation that would allow the Board of Directors to lift the suspension of the NAV calculation and resume more normal operations.

First we would like to inform you that at the beginning of July, the Fund carries no leverage anymore. It is currently 98.5% invested, with fairly concentrated positions of 16 underlying HF. After the write down for SV Special Situations in June, all these positions are healthy and have been doing well in the current market environment. However, as we have communicated since the suspension, a large portion of these managers are currently gated or offering limited liquidity. This is a very important point, as the Board of Directors is determined to treat all clients equally, both redeeming investors and investors who want to remain invested in the Fund. Indeed, the Board cannot provide liquidity to some investors at the detriment of others. As a result, the board has decided to keep the fund suspended.

The Board of Director believes that there is still enough value in the Fund's portfolio to explore alternative to a simple liquidation. The Board was influenced by the request by some shareholders to remain invested in the Fund. As a result, it is considering offering the choice between a liquidating class and a continuing class. The liquidating class will then ensure timely distribution of the cash and the proceeds of the redemptions of the underlying HF and we anticipate that the cash will return gradually to investors between now and the middle of 2010. This is obviously an estimate that may change depending on the liquidity of the manager and the decision taken by the underlying HF.

The continuing class will be managed like an ongoing fund. It will have a wider scope, allowing the Fund to invest in Long only managers as well. The Manager of the Fund is close to finalize discussions with two counterparties in order to reinstall leverage and be able to recover from the losses experienced in 2008. In any case, the Board has requested the manager to provide a new investment case in order to allow you to make an informed decision.

The plan is obviously highly dependent on shareholder support and the Board will present it to you as soon as possible.

The Board of Directors is convinced that these measures are in the best interest of all shareholders.

Yours sincerely,

for and on behalf of
the Board of Directors of 3A Windrider Fund