

**IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK**

**IN RE TREMONT SECURITIES LAW, STATE
LAW AND INSURANCE LITIGATION**

This Document Relates To:

State Law Actions, 08 Civ. 11183

Securities Actions, 08 Civ. 11212

MASTER FILE NO.:
08 CIV. 11117 (TPG)

**SUPPLEMENTAL NOTICE OF PENDENCY OF CONSOLIDATED ACTIONS AND HEARING ON MOTION FOR FINAL
APPROVAL OF PROPOSED SETTLEMENT, MOTION FOR FINAL APPROVAL OF PLANS OF ALLOCATION AND
MOTION FOR ATTORNEYS' FEES AND EXPENSES**

TO:

- a) all persons other than the Settling Defendants who were holders of limited partnership interests in or shares of the Rye Funds¹ (other than Rye Select Broad Market Insurance Portfolio LDC²) or the Tremont Funds³ as of December 11, 2008, and who sustained net losses thereby (the "State Law Subclass");
- b) all persons who purchased limited partnership interests in or shares of the Rye Funds (other than Rye Select Broad Market Insurance Portfolio LDC⁴) or the Tremont Funds between May 10, 1994 through and including December 11, 2008 (the "Securities Subclass");⁵ and
- c) all persons who are holders of limited partnership interests or shares in any of the Settling Funds ("Fund Claimants") and are entitled to a payment (a "Fund Distribution") from the Remaining Fund Proceeds⁶ (the "Fund Distribution Account").

We are providing this Supplemental Notice to: (1) advise you that the Court has set a new date of August 8, 2011 at 3:00 p.m. ("Final Fairness Hearing") to hear further argument on the pending Motion to Approve the Settlement, Motion to Approve the Plans of Allocation and Motion of Plaintiffs' Settlement Class Counsel⁷ to Approve Attorneys' Fees and Expenses; (2) advise you that the Settling Parties, with the Court's approval, have agreed to extend the deadline for filing Proof of Claim and Release forms to October 30, 2011 (These forms as well as other documents related to the Settlement are available for review and download on the Settlement website set up by the Notice and Claims Administrator, www.tremontlitigationsettlements.com and you may also contact the Notice and Claims Administrator or Plaintiffs' Settlement Class Counsel to request a copy of the Proof of Claim and Release forms); (3) provide you with additional information and clarification of certain matters regarding submitting Proof of Claim and Release forms, objecting to the Settlement, and permission to re-join the Settlement Class after previously requesting exclusion; and (4) advise you of the availability of the most recent versions of the plans of allocation and final judgments for review.⁸

¹ The "Rye Funds" are: (i) Rye Select Broad Market Fund, L.P.; (ii) Rye Select Broad Market XL Fund, L.P.; (iii) Rye Select Broad Market Prime Fund, L.P.; (iv) Rye Select Broad Market Insurance Fund, L.P.; (v) Rye Select Broad Market Portfolio Limited; (vi) Rye Select Broad Market XL Portfolio Limited; and (vii) Broad Market XL Holdings Limited.

² The following shareholders of Rye Select Broad Market Insurance Portfolio LDC are included in the State Law Subclass: INTAC Independent Technical Analysis Centre Ltd., LifeInvest Opportunity Fund, LDC, Scottish Annuity Company (Cayman) Limited, The Scottish Annuity and Life Insurance Company (Bermuda) Ltd. and The Scottish Annuity Life Insurance Co. (Cayman) Ltd.

³ The "Tremont Funds" are: (i) Tremont Market Neutral Fund L.P.; (ii) Tremont Market Neutral Fund II, L.P.; (iii) Tremont Market Neutral Fund Limited; (iv) Tremont Opportunity Fund Limited; (v) Tremont Opportunity Fund II L.P.; (vi) Tremont Opportunity Fund III L.P.; (vii) Tremont Arbitrage Fund, L.P.; (viii) Tremont Arbitrage Fund-Ireland; and (ix) Tremont Strategic Insurance Fund, L.P.

⁴ The following shareholders of Rye Select Broad Market Insurance Portfolio LDC are included in the Securities Subclass: INTAC Independent Technical Analysis Centre Ltd., LifeInvest Opportunity Fund, LDC, Scottish Annuity Company (Cayman) Limited, The Scottish Annuity and Life Insurance Company (Bermuda) Ltd. and The Scottish Annuity Life Insurance Co. (Cayman) Ltd.

⁵ The State Law Subclass and Securities Subclass are collectively referred to as the "Settlement Class." "Settlement Class Member," "Member of the Settlement Class," "Subclass Member" or "Member of a Subclass" means a person who falls within the definition of the Settlement Class. Excluded from the State Law Subclass and the Securities Subclass are the Settling Defendants, the current and former officers and directors of the Settling Defendants, and the Individual Settling Defendants' spouses and dependent children or their successors and legal representatives. Additionally, Argus International Life Bermuda Limited is excluded from the State Law and Securities Subclasses to the extent it was a purchaser of, and/or a shareholder or limited partner in the Rye Funds or the Tremont Funds.

⁶ "Remaining Fund Proceeds" means (i) all amounts remaining in the Rye Funds after resolution of the Settling Funds' claims in or relating to the Madoff Trustee Proceedings and any other matters required to be resolved in the ordinary course; and (ii) all amounts to which the Tremont Funds would otherwise be entitled from the Fund Distribution Account under the Fund Distribution Plan of Allocation as a result of the Tremont Funds' investments in the Rye Funds.

⁷ "Plaintiffs' Settlement Class Counsel" are Entwistle & Cappucci LLP, Hagens Berman Sobol Shapiro LLP and Bernstein Liebhard LLP.

⁸ This Supplemental Notice is intended to supplement and clarify, but not replace, the Original Notice. In the event of any question, ambiguity or conflict in the language between the Original Notice and this Supplemental Notice, the Supplemental Notice will control. A copy of the Notice previously forwarded to you is attached hereto.

If you previously filed a request for exclusion and still wish to be excluded from the Settlement Class, you need not do anything. However, if you filed a request for exclusion and now wish to re-join the Settlement Class, you may request to do so prior to August 1, 2011, by sending a letter to the Notice and Claims Administrator (at the address below), and the Settling Parties may, in their discretion, permit you to do so.

If you have not already filed an objection with the Court and you wish to object to the Settlement (including the Settlement Agreement, allocation to the Insurance Subclass, the Plans of Allocation, the Fund Distribution Account, class relief, derivative relief, or Plaintiffs' Settlement Class Counsels' request for attorneys' fees and reimbursement of expenses) you may do so prior to July 22, 2011. You may object whether or not you excluded yourself from the Settlement Class. If you wish to file an objection, follow the instructions in the Original Notice regarding service and filing.

Amended proposed plans of allocation and forms of judgment in connection with the pending Motions were provided to the Court for consideration prior to the hearing on June 1, 2011. These documents are available for review and download on the Settlement website www.tremontlitigationsettlements.com. Among other changes, the proposed plans of allocation and forms of judgment include the following provisions:

- To the extent that the Court approves the Fund Distribution Account Plan of Allocation, the Fund Distribution Account Plan of Allocation will not be subject to further change as to any investor. Each Settling Fund shall use its best efforts to maximize the amount of the Remaining Fund Proceeds attributable to that Settling Fund without regard to the identity or status of the Settling Fund's shareholders or limited partners, and shall distribute those Remaining Fund Proceeds in accordance with the Fund Distribution Plan of Allocation, without regard to the identity or status of those shareholders or limited partners.
- The Settling Funds, Settling Defendants and the Settling Class Plaintiffs agree that the Settling Funds may not assign or transfer any claims relating to the Swap Counterparties other than to Class Counsel. Except as otherwise released in the Settlement Agreement, any claims of the Settling Funds relating to the Swap Counterparties are preserved, except that such preserved claims may only be asserted by the Settling Funds (or by Class Counsel if so assigned) in defense of the Swap Counterparties' assertion of claims against the Settling Funds under the swap contracts.

SUBMITTING A CLAIM FORM

**You may now submit a Claim Form up to and including October 30, 2011
in the manner provided for in the Original Notice.**

SPECIAL NOTICE TO SECURITIES BROKERS AND OTHER NOMINEES

If you purchased or otherwise acquired limited partnership interests or shares in any of the Settling Funds for the beneficial interest of a person or organization other than yourself, the Court has directed that, within ten (10) calendar days of the receipt of this Supplemental Notice, you either (a) provide to the Notice and Claims Administrator the name and last known address of each person or organization for whom or which you purchased such shares or interests during such time period or (b) request additional copies of the Supplemental Notice, which will be provided to you free of charge, and within ten (10) days mail the Supplemental Notice directly to the beneficial owners of that Settling Fund. If you choose to follow alternative procedure (b), the Court has directed that, upon such mailing, you send a statement to the Notice and Claims Administrator confirming that the mailing was made as directed. You are entitled to reimbursement from the Gross Settlement Fund of your reasonable expenses actually incurred in connection with the foregoing, including reimbursement of postage expense and the cost of ascertaining the names and addresses of the beneficial owners. Those expenses will be paid upon request and submission of appropriate supporting documentation. All communications concerning the foregoing should be addressed to the Notice and Claims Administrator:

In re Tremont Securities Law and State Law Litigation Claim Forms
c/o Notice and Claims Administrator
P.O. Box 9675
Dublin, Ohio 43017-4975
(800) 636-7614

PLEASE DO NOT CONTACT THE COURT REGARDING THIS NOTICE