

05 JAN 2009

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU HAVE SOLD OR TRANSFERRED ALL YOUR SHARES IN MOMENTUM PERFORMANCE STRATEGIES LIMITED, PLEASE FORWARD THIS DOCUMENT TO THE PURCHASER OR TRANSFEREE, OR TO THE STOCKBROKER, BANK MANAGER OR OTHER AGENT THROUGH WHOM THE SALE OR TRANSFER WAS EFFECTED. IF YOU ARE IN ANY DOUBT AS TO WHAT ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, ATTORNEY, ACCOUNTANT OR OTHER PROFESSIONAL ADVISOR. WE DO NOT REQUIRE ANY ACTION OR RESPONSE FROM YOU ON THE CHANGES DESCRIBED IN THIS DOCUMENT.

MOMENTUM PERFORMANCE STRATEGIES LIMITED
(Incorporated in Bermuda as a limited liability company)

Directors:
Fabio Tombesi
John Cogan
Alberto La Rocca
Declan Murray
Paolo Barbieri
Chris Wetherhill
John Collis
David Smith

Registered Office:
Bank of Bermuda Building
6 Front Street
Hamilton HM11
Bermuda

23 December 2008

**Re: Momentum Performance Strategies Limited (the "Company")
Momentum AllWeather Fund (the "Fund"), a Class Fund of the Company**

Creation of Delayed Redemption AllWeather Fund

Dear Shareholder,

We are writing to you as the registered holder of Participating Shares of the Fund.

The purpose of this letter is to notify you of arrangements that the Company has made in respect of the Fund.

We refer to the Prospectus dated 7 November 2006 and the Supplementary Prospectus dated 7 November 2006 (collectively the "Prospectus") in respect of the Fund. Capitalised terms used in this letter and not themselves defined shall have the meaning given to them in the Prospectus.

Delayed Redemption Class Fund

Due to unprecedented market conditions leading to illiquidity and volatility, a portion of the investments in the underlying portfolios in which the Fund is invested consist of illiquid investments in the underlying portfolio of the Fund (the "Illiquid Assets").

Pioneer Alternative Investment Management Limited (the "Investment Manager") acts as investment manager to the Fund, and has recommended, with effect from 31 December 2008 (the "Effective Date") that we isolate the Fund exposure to the Illiquid Assets into a separate delayed redemption Class Fund of the Company called **DR AllWeather Fund (the "DR Class Fund")**. The creation of the new DR Class Fund will protect existing investors in the Fund from the Illiquid Assets which the Fund have received and which represent approximately 25% of the Net Asset Value of Momentum AllWeather Fund, as at year end. Without the ability to place the Illiquid Assets into a separate Class Fund, the Fund would run the risk of increasing the exposure for remaining investors to the Illiquid Assets.

The Directors therefore consider it is in the best interests of all Shareholders of the Fund to create the new Class Fund, designated "DR AllWeather Fund", that will hold the Illiquid Assets currently held by the Fund respectively.

Accordingly, on the Effective Date, the Fund will transfer the Illiquid Assets in the Fund's portfolio in exchange for shares in the respective DR Class Fund. As a result, the Fund will be holding shares of the DR Class Fund in addition to the remaining liquid investments. After the Effective Date, a Shareholder of a Fund who redeems its holding in the Fund will receive a combination of cash and the relevant DR Class Fund Shares as a partial distribution in-kind. Such Shares will be denominated in US Dollars and will not be hedged to any other currency. Non-redeeming shareholders remaining in the Fund will indirectly own their respective portion of the relevant DR Class Fund Shares through their shareholdings in the respective Fund. **It is important to note that the Fund will not transfer DR Class Fund Shares directly to non-redeeming shareholders.** DR Class Fund Shares will only be transferred to a Shareholder when it redeems its holding in the Fund.

The new DR Class Fund Shares (which are being issued for the sole purpose of holding the Illiquid Assets), will be held directly by the Shareholder and will not be redeemable at the option of the Shareholder until the holdings of the Illiquid Assets, in whole or in part, become liquid. As an Illiquid Asset becomes liquid, holders of the DR Class Fund Shares will receive cash equal to their pro rata holding of the Illiquid Assets in exchange for an equivalent portion of their DR Class Fund Shares. **Non-redeeming shareholders remaining in the Fund should thus see their respective exposure to DR Class Fund Shares reduce over time.** It is currently intended to make any cash payments described above after the Effective Date as soon as we receive cash in respect of the Illiquid Assets. There will be no performance fees charged to the DR Class Fund. Detailed terms of the DR Class Fund Shares are set out in the attached Term Sheet.

Redeeming Shareholders who will receive the new DR Class Fund Shares should be aware that all DR Class Fund Shares will be denominated in USD and are not hedged to any other currency.

Non-redeeming Shareholders who will be indirectly exposed to their respective portion of DR Class Fund Shares should be aware that any currency hedging applicable to the class of

share they currently hold will continue, notwithstanding the fact that they have gained indirect exposure to DR Class Fund Shares denominated in USD.

Fund closed to new subscriptions

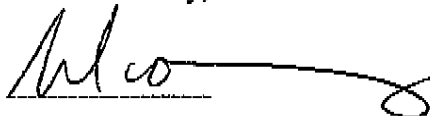
We wish to advise that while the Fund is implementing the arrangements described above it shall be closed to new subscriptions. Details will be available in early 2009 from the contact details above as to when the Fund will re-open for subscriptions.

Exposure to Madoff

As you may have seen recently in the press, on 11 December 2008, Bernard Madoff, head of Bernard L. Madoff Investment Securities LLC ("Madoff"), was arrested by the FBI and appeared before U.S. Magistrate Judge Douglas F. Eaton to face fraud charges and the SEC in the US have also secured an injunction against Mr Madoff and his firm. A portion of the underlying assets of the Fund are invested in, Kingate Global Fund Limited, which in turn invests in Madoff, the Funds exposure to Madoff represented approximately 8.97% of the Net Asset Value of the Momentum AllWeather Fund. This exposure was completely written off in the November 2008 Net Asset Value and will be reflected in any December 2008 redemption proceeds. Any residual rights attaching to the Kingate investment will continue to accrue to the DR Class Fund Shares,

We do not require any action or response from you on the arrangements described above. If you have any questions concerning the above, please do not hesitate to contact Michelle Cardwell at Pioneer Alternative Investment Management (Bermuda) Limited on telephone number + 441 296 1019 or email address: michelle.cardwell@pioneeraltinvest.com.

Yours sincerely,



Director
Momentum Performance Strategies Limited

This document is being circulated for informational purposes only on a restricted and strictly confidential basis and is subject to correction, completion, amendment and updating from time to time at the discretion of the Directors.

The information set out below should be read in conjunction with, and is qualified in its entirety by, the Memorandum of Association and Bye-laws of Momentum Performance Strategies Limited (the "Company") which are available from the Administrator on request and any other contracts, documents and agreements referred to herein. Terms not defined herein shall have the same meanings ascribed to them in the Company's Bye-laws.

This document is not an offer to sell, nor an invitation of offers to buy, Shares in the DR AllWeather Fund (the "Fund"), a Class Fund of the Company. This document has not been reviewed or approved by the Bermuda Monetary Authority nor has it been filed with the Registrar of Companies in Bermuda. No public offer of the Shares is contemplated at this time.

TERM SHEET

23 December 2008

DR AllWeather Fund

A CLASS FUND OF

MOMENTUM PERFORMANCE STRATEGIES LIMITED

A Bermuda Mutual Fund Company
Incorporated with Limited Liability

MANAGER	Pioneer Alternative Investment Management (Bermuda) Limited
INVESTMENT MANAGER	Pioneer Alternative Investment Management Limited
CUSTODIAN	The Bank of Bermuda Limited
SUB-ADMINISTRATOR, SUB-CUSTODIAN AND SUB-REGISTRAR	HSBC Securities Services (Luxembourg) S.A.
REGISTRAR AND ADMINISTRATOR	HSBC Securities Services (Bermuda) Limited

This Term Sheet is subject to such amendment, modification and updating as the Directors may from time to time authorise (without prior notice).

RESTRICTED ISSUE

Currently, Shares of the Fund are only available for issue to the Momentum AllWeather Fund, a class fund of the Company, and holders of shares in the Momentum AllWeather Fund, as may be permitted by the Directors and at such times as the Directors may determine.

INVESTMENT STRATEGY

As a result of market and other circumstances, the Fund may be invested in assets that the Investment Manager determines, either lack a readily assessable market value or lack liquidity (each a "Special Illiquid Investment").

Shares in the Fund entitle the holder thereof to participate in the Special Illiquid Investment in respect of which such Shares has been issued. The Fund will only issue Shares that represents the Special Illiquid Investment

RISK FACTORS

The Special Illiquid Investments may include assets that are subject to legal or contractual restrictions on their resale or for which there is a relatively inactive trading market. The sale of such assets often requires more time and results in higher expenses than assets eligible for trading in an active market.

Investors are also referred to the risk factors described in the standing prospectus of the Company.

FEEES AND EXPENSES

The Company will be charged by the Manager, in respect of the Fund, a Management Fee of 1.5 % per annum of the average monthly Net Asset Value before deduction of the Management Fee. The Company will not be charged any Performance Fee by the Manager. The Fund will bear ongoing operating expenses such as auditors' fees, legal fees, administrator's fees, custodian fees and other usual operating fees and expenses.

Other Class Funds of the Company may invest in the Fund but will not be subject additional management fees as a result of such investments. It is the intention of the Directors that in those circumstances such fees will be rebated by the Manager to avoid the possibility of double charging.

ISSUANCE OF SHARES

Shares of the Fund are available for subscription on the restricted basis described above pursuant to this Term Sheet on the last Business Day of each calendar month or such other day or days as the Directors may determine at a price determined by the Directors in the case of an initial

issuance of the Shares or at a price based on the Net Asset Value per Share as of the last Valuation Day after such initial issuance. Shares will be denominated in US Dollars and will not be hedged to any other currency. The subscription price will be payable in full on application. Subscriptions in specie may be accepted with the consent of the Manager, but otherwise subscriptions are payable in US Dollars. There is no minimum subscription requirement imposed by the Directors in relation to this Fund.

The Directors of the Company reserve the right to reject subscriptions, in whole or part, at their absolute discretion.

REDEMPTION OF SHARES

Shares are not redeemable at the option of the holder of the Shares. The Directors shall, unless otherwise directed by a shareholder, compulsorily redeem any portion of the Shares registered in a shareholder's name at the redemption price of each Share equal to the Net Asset Value per Share of the Fund as of the relevant Redemption Day. The Directors have determined that, in respect of this Fund, a Redemption Day shall be the last Business Day of each calendar month or such other day or days as the Directors may determine. The Net Asset Value per Share will be determined by the Administrator (which the Administrator has in turn delegated to the Sub-Administrator) as of the close of business in Luxembourg on the last Business Day of each calendar month or such other day or days as the Directors may determine.

Payment shall be made to a shareholder in US dollars in respect of the redemption of Shares. Any amount payable will normally be remitted within 15 Business Days after the Net Asset Value of the Fund is determined and published. If shareholders require payment to be made in a currency other than US dollars, the Manager or the Sub-Registrar may, subject to receipt of any necessary exchange control or other governmental consent and at the risk of the shareholder and on his paying any costs thereby involved, arrange for the conversion of an amount to which the shareholder is entitled into such currency as the shareholder may require at such exchange rate as the Manager or the Sub-Registrar shall consider appropriate.

TRANSFER OF SHARES

Transfer of Shares will be permitted in accordance with the Bye-laws of the Company.

SUBSCRIPTION APPLICATIONS

Shares of the Fund are available for subscription on the restricted basis described above pursuant to this Term Sheet on such Dealing Days as the Directors may determine at a price determined by the Directors in the case of an initial issuance of the Shares or at a price based on the Net Asset Value per Share as of the last Valuation Day after such initial issuance. The subscription price will be payable in full on application.