

Exhibit 51

SQUARE ONE FUND, LTD

SUMMARY CONFIDENTIAL MEMORANDUM

Memorandum No. _____

NOT FOR USE OR DISTRIBUTION IN THE UNITED STATES OF AMERICA

SUMMARY CONFIDENTIAL MEMORANDUM
Relating to Class B Shares and Class C Shares of
Par Value U.S. \$1.00 per Share
of
SQUARE ONE FUND, LTD.,
a British Virgin Islands company

June 1, 1999**October 1, 2000**

THESE SECURITIES ARE SUITABLE ONLY FOR SOPHISTICATED INVESTORS (I) WHO ARE NON-U.S. PERSONS OR PERMITTED U.S. PERSONS, (II) WHO DO NOT REQUIRE IMMEDIATE LIQUIDITY FOR THEIR INVESTMENTS, (III) FOR WHOM AN INVESTMENT IN THE FUND DOES NOT CONSTITUTE A COMPLETE INVESTMENT PROGRAM AND (IV) WHO FULLY UNDERSTAND AND ARE WILLING TO ASSUME THE RISKS INVOLVED IN THE FUND'S INVESTMENT PROGRAM. SUBSCRIBERS FOR SHARES MUST REPRESENT THAT THEY ARE ACQUIRING THE SHARES FOR INVESTMENT. THE TRANSFER OF SHARES IS SUBJECT TO LIMITATIONS.

THE SECURITIES OFFERED HEREBY HAVE NOT BEEN FILED WITH OR APPROVED OR DISAPPROVED BY ANY REGULATORY AUTHORITY OF ANY COUNTRY OR JURISDICTION, NOR HAS ANY SUCH REGULATORY AUTHORITY PASSED UPON OR ENDORSED THE MERITS OF THIS OFFERING OR THE ACCURACY OR ADEQUACY OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

THE SHARES ARE NOT REGISTERED FOR SALE, AND THERE WILL BE NO PUBLIC OFFERING OF THE SHARES. NO OFFER TO SELL (OR SOLICITATION OF AN OFFER TO BUY) WILL BE MADE IN ANY JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION WOULD BE UNLAWFUL.

THIS MEMORANDUM HAS BEEN PREPARED SOLELY FOR THE INFORMATION OF THE PERSON TO WHOM IT HAS BEEN DELIVERED BY OR ON BEHALF OF THE FUND, AND SHOULD NOT BE REPRODUCED OR PROVIDED TO ANY OTHER PERSON OR USED FOR ANY OTHER PURPOSE.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE COMPANY IS A PRIVATE FUND WITHIN THE MEANING OF THE BRITISH VIRGIN ISLANDS MUTUAL FUNDS ACT OF 1996 (AS AMENDED) (THE "ACT") AND ACCORDINGLY THE ISSUE AND OFFERING OF ITS SHARES IS RESTRICTED IN THE MANNER DESCRIBED IN THE MEMORANDUM OF ASSOCIATION OF THE COMPANY. AS A PRIVATE FUND, THE COMPANY IS REQUIRED TO BE AND WILL BE RECOGNIZED UNDER THE ACT, AND WILL BE REQUIRED TO PAY AN ANNUAL RECOGNITION FEE OF \$350.00. SUCH RECOGNITION DOES NOT INVOLVE AN EXAMINATION OF THE MERITS OF AN INVESTMENT IN THE COMPANY AND DOES NOT NECESSARILY ENTAIL SUBSTANTIVE SUPERVISION OF THE INVESTMENT PERFORMANCE OR PORTFOLIO CONSTITUTION OF THE COMPANY BY THE BRITISH VIRGIN ISLANDS GOVERNMENT OR THE REGISTRAR OF MUTUAL FUNDS IN THE BRITISH VIRGIN ISLANDS. THERE IS NO FINANCIAL OBLIGATION OR COMPENSATION SCHEME IMPOSED ON OR BY THE GOVERNMENT OF THE BRITISH VIRGIN ISLANDS IN FAVOR OF OR AVAILABLE TO THE INVESTORS IN THE COMPANY.

AS AN ENTITY REGULATED UNDER THE ACT, THE COMPANY WILL BE SUBJECT TO THE SUPERVISION OF THE REGISTRAR OF MUTUAL FUNDS IN THE BRITISH VIRGIN ISLANDS WHO IS AUTHORIZED BY THE ACT TO DIRECT THE COMPANY TO FURNISH INFORMATION OR PROVIDE ACCESS TO ANY RECORDS, BOOKS OR OTHER DOCUMENTS WHICH HE DEEMS NECESSARY TO ASCERTAIN COMPLIANCE WITH THE ACT OR ANY REGULATIONS MADE UNDER THE ACT. THE ACT PROVIDES THAT ANY INFORMATION, MATERIAL OR DOCUMENTS FURNISHED TO OR FILED WITH THE REGISTRAR IS PRIVILEGED FROM DISCLOSURE, EXCEPT BY ORDER OF A COURT OF COMPETENT JURISDICTION IN CRIMINAL PROCEEDINGS AND IN CERTAIN OTHER CASES.

THE ACT PROVIDES THAT THE COMPANY'S CERTIFICATE OF RECOGNITION MAY BE CANCELED OR MADE SUBJECT TO CONDITIONS IF, INTER ALIA, THE COMPANY HAS

BREACHED THE ACT OR ANY SUBSIDIARY LEGISLATION OR CONDITIONS OF ITS CERTIFICATE, HAS BEEN CONVICTED OF AN OFFENSE, IS CARRYING ON BUSINESS IN A MANNER DETRIMENTAL TO ITS INVESTORS OR TO THE PUBLIC INTEREST, OR IS DECLARED BANKRUPT OR IS BEING WOUND-UP OR DISSOLVED.

THE COMPANY HAS OBTAINED A PERMIT FROM THE MINISTER OF FINANCE OF BERMUDA AND THE BERMUDA MONETARY AUTHORITY PURSUANT TO SECTION 133 OF THE COMPANIES ACT 1981 OF BERMUDA TO ENGAGE IN OR CARRY ON BUSINESS IN BERMUDA. WITH THE ISSUANCE OF SUCH PERMIT, NEITHER THE BERMUDA MONETARY AUTHORITY NOR THE REGISTRAR OF COMPANIES OF BERMUDA ACCEPT ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF ANY PROPOSAL CONTAINED HEREIN. AS A PERMIT FUND, THE COMPANY IS NOT SUBJECT TO THE SUPERVISION, REGULATION OR INSPECTION BY THE BERMUDA MONETARY AUTHORITY.

A COPY OF THIS DOCUMENT HAS BEEN DELIVERED TO THE REGISTRAR OF COMPANIES IN BERMUDA FOR FILING PURSUANT TO THE COMPANIES ACT 1981 OF BERMUDA. IT MUST BE DISTINCTLY UNDERSTOOD THAT IN GRANTING SUCH PERMISSION AND IN ACCEPTING THIS DOCUMENT FOR FILING, THE BERMUDA MONETARY AUTHORITY AND THE REGISTRAR OF COMPANIES IN BERMUDA ACCEPT NO RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF ANY PROPOSAL OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINIONS EXPRESSED WITH REGARD TO THEM. APPROVALS OR PERMISSIONS RECEIVED FROM THE BERMUDA MONETARY AUTHORITY DO NOT CONSTITUTE A GUARANTEE BY THE AUTHORITY AS TO THE PERFORMANCE OF THE SCHEME OR CREDITWORTHINESS OF THE COMPANY INVOLVED. FURTHERMORE, IN GIVING SUCH APPROVALS OR PERMISSION, THE AUTHORITY SHALL NOT BE LIABLE FOR THE PERFORMANCE OR DEFAULT OF THE COMPANY OR FOR THE CORRECTNESS OF ANY OPINIONS OR STATEMENTS EXPRESSED.

THE MINIMUM AMOUNT WHICH IN THE OPINION OF THE DIRECTORS MUST BE RAISED BY THE OFFER OF SHARES PURSUANT TO THIS DOCUMENT IN ORDER TO PROVIDE FOR THE MATTERS REFERRED TO IN SECTION 28 OF THE COMPANIES ACT 1981 OF BERMUDA IS ZERO.

AS OF THE DATE OF THIS MEMORANDUM, NONE OF THE DIRECTORS OR OFFICERS OF THE COMPANY OWNS ANY SHARE OF THE COMPANY.

AS OF THE DATE OF THIS MEMORANDUM, THE COMPANY HAS COMMENCED BUSINESS, NO DIVIDENDS HAVE BEEN DECLARED OR PAID, THE DIRECTORS OF THE COMPANY HAVE NOT APPROVED ANY FINANCIAL STATEMENTS OF THE COMPANY.

THE AUDITORS HAVE CONFIRMED THEIR ACCEPTANCE OF THE APPOINTMENT AS AUDITOR OF THE COMPANY AND HAVE GIVEN AND HAVE NOT WITHDRAWN THEIR WRITTEN CONSENT TO THE INCLUSION OF THEIR NAME AND THE REFERENCES TO THEM IN THE FORM AND CONTEXT IN WHICH THEY ARE INCLUDED.

FOR FRENCH PROSPECTIVE SHAREHOLDERS

THE SHARES OFFERED HEREBY DO NOT COMPLY WITH THE CONDITIONS IMPOSED BY FRENCH LAW FOR ISSUANCE, DISTRIBUTION, SALE, PUBLIC OFFERING, SOLICITATION AND ADVERTISING WITHIN FRANCE. THE DISTRIBUTION OF THIS CONFIDENTIAL MEMORANDUM AND THE OFFERING OF SHARES IN THE FUND IN FRANCE ARE THEREFORE RESTRICTED BY FRENCH LAW. PROSPECTIVE INVESTORS SHOULD INFORM THEMSELVES AS TO THE RESTRICTIONS WITH RESPECT TO THE MANNER IN WHICH THEY MAY DISPOSE OF THE SHARES IN FRANCE.

FOR NETHERLANDS PROSPECTIVE SHAREHOLDERS

IN THE NETHERLANDS, SHARES MAY ONLY BE OFFERED, SOLD, TRANSFERRED OR DELIVERED AS PART OF THEIR INITIAL ISSUANCE OR AT ANY TIME THEREAFTER, AND THIS CONFIDENTIAL MEMORANDUM MAY ONLY BE CIRCULATED, TO PERSONS WHO IN THE

COURSE OF THEIR BUSINESS TRADE OR INVEST IN SECURITIES, AS DESCRIBED IN THE WET EFFECTENHANDEL (NETHERLANDS SECURITIES ACT OF OCTOBER 30, 1985), THE REGLING VAN 9 OKTOBER TOT UITVOERING VAN ARTIKEL 14 VAN DE WET TOEZICHT BELEGGINGSINSTELLINGEN (DECREE OF OCTOBER 9, 1990 PURSUANT TO ARTICLE 14 OF THE NETHERLANDS ACT ON THE SUPERVISION OF INVESTMENT INSTITUTIONS OF JUNE 27, 1990) AND THE RESPECTIVE ACCOMPANYING MEMORANDA THERETO OF THE MINISTER OF FINANCE OF THE NETHERLANDS.

FOR UNITED KINGDOM PROSPECTIVE SHAREHOLDERS

THIS CONFIDENTIAL MEMORANDUM HAS NOT BEEN DELIVERED FOR REGISTRATION TO THE REGISTRAR OF COMPANIES IN ENGLAND AND WALES. THE SHARES MAY NOT BE OFFERED OR SOLD IN THE UNITED KINGDOM EXCEPT IN ACCORDANCE WITH ALL APPLICABLE PROVISIONS OF THE FINANCIAL SERVICES ACT 1986 AND ALL APPLICABLE ORDERS, RULES AND REGULATIONS RELATING THERETO. FURTHER, SUCH SECURITIES MAY NOT BE OFFERED OR SOLD BY ANY PERSON IN GREAT BRITAIN, BY MEANS OF THIS DOCUMENT OR ANY OTHER DOCUMENT, OTHER THAN TO A PERSON: (I) WHOSE ORDINARY BUSINESS IS TO BUY OR SELL SHARES OR DEBENTURES, WHETHER AS PRINCIPAL OR AGENT (EXCEPT IN CIRCUMSTANCES WHICH DO NOT CONSTITUTE AN OFFER TO THE PUBLIC WITHIN THE MEANING OF THE COMPANIES ACT 1985), AND (II) WHO UNDERTAKES NOT TO OFFER OR SELL SUCH SECURITIES EXCEPT SUBJECT TO THE RESTRICTIONS SET OUT IN THIS PARAGRAPH (INCLUDING THIS CLAUSE (II)). PURCHASE OF ANY OF THE SHARES MAY ONLY BE MADE ON TERMS CONSISTENT WITH THIS PARAGRAPH.

FOR BELGIAN PROSPECTIVE SHAREHOLDERS

THE SHARES MAY NOT BE OFFERED OR SOLD IN ANY MANNER THAT CONSTITUTES AN OFFER OR SALE TO THE PUBLIC IN THE KINGDOM OF BELGIUM WITHIN THE LAWS AND REGULATIONS FROM TIME TO TIME APPLICABLE TO PUBLIC OFFERS OR SALES OF SECURITIES.

FOR FRENCH PROSPECTIVE SHAREHOLDERS

THE SHARES OFFERED HEREBY DO NOT COMPLY WITH CONDITIONS IMPOSED BY FRENCH LAW FOR ISSUANCE, DISTRIBUTION, SALE, PUBLIC OFFERING, SOLICITATION AND ADVERTISING WITHIN FRANCE. THE DISTRIBUTION OF THIS CONFIDENTIAL MEMORANDUM AND THE OFFERING OF SHARES IN THE FUND IN FRANCE ARE THEREFORE RESTRICTED BY FRENCH LAW. PROSPECTIVE INVESTORS SHOULD INFORM THEMSELVES AS TO THE RESTRICTIONS WITH RESPECT TO THE MANNER IN WHICH THEY MAY DISPOSE OF THE SHARES IN FRANCE.

FOR SWISS PROSPECTIVE SHAREHOLDERS

THE FUND HAS NOT BEEN AUTHORIZED BY THE SWISS FEDERAL BANKING COMMISSION AS A FOREIGN INVESTMENT FUND UNDER ARTICLE 45 OF THE SWISS FEDERAL MUTUAL FUND ACT OF MARCH 1994. ACCORDINGLY, THE SHARES MAY NOT BE OFFERED OR DISTRIBUTED ON A PROFESSIONAL BASIS IN OR FROM SWITZERLAND, AND NEITHER THIS PROSPECTUS NOR ANY OTHER OFFERING MATERIAL RELATING TO THE SHARES MAY BE DISTRIBUTED IN CONNECTION WITH ANY SUCH OFFERING OR DISTRIBUTION. SHARES MAY, HOWEVER, BE OFFERED AND THE PROSPECTUS MAY BE DISTRIBUTED IN SWITZERLAND ON A PROFESSIONAL BASIS IN CIRCUMSTANCES SUCH THAT THERE IS NO PUBLIC OFFER.

SQUARE ONE FUND, LTD.

DIRECTORY

Fund's Registered Office	Square One Fund, Ltd. Ansbacher (BVI) Limited International Trust Building Wickhams Cay I Road Town, Tortola British Virgin Islands Phone: (284) 494-3215 Facsimile: (284) 494-3216
Investment Manager	Square Asset Management, Ltd. HWR Services Ltd. Craigmuir Chambers P.O. Box 71 Road Town, Tortola British Virgin Islands Phone: (284) 494-2233 Facsimile: (284) 494-3547/4885
Investment Advisor	Bernard L. Madoff Investment Securities 885 Third Avenue New York, NY 10022-4834 USA Phone: (212) 230-2424 Facsimile: (212) 486-8178
Administrator, Registrar and Transfer Agent	The Bank of Bermuda Limited 6 Front Street Hamilton HM 11 Bermuda Phone: (441) 295-4000 Facsimile: (441) 299-6565
Custodian	The Bank of Bermuda Limited 6 Front Street Hamilton HM 11 Bermuda Phone: (441) 295-4000 Facsimile: (441) 299-6565
Auditors	Ernst & Young Reid Hall 3 Reid Street HM 11 Hamilton Bermuda Phone: (441) 295-7000 Facsimile: (441) 295-5193
U.S. Counsel	Lowenstein Sandler PC 65 Livingston Avenue Roseland, NJ 07068 USA Phone: (973) 597-2500 Facsimile: (973) 597-2400

Advisers on British Virgin Islands Law

Harney Westwood & Riegels
Craigmuir Chambers
P.O. Box 71
Road Town, Tortola
British Virgin Islands
Phone: (284) 494-2233
Facsimile: (284) 494-3547

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SQUARE ONE FUND, LTD.

SUMMARY OF TERMS

The following is a summary of certain information concerning an investment in Square One Fund, Ltd.

THE FUND:

Square One Fund, Ltd. (the "Fund") is an International Business Company incorporated under the International Business Companies Act (Cap 291) of the laws of the British Virgin Islands in December 1998. The Fund has applied for recognition as a private mutual fund under the Mutual Funds Act of 1996, as amended and will thereby be subject to the supervision of the Registrar of Mutual Funds in the British Virgin Islands. The Fund is structured to give non-U.S. investors (the "Shareholders") the opportunity to participate in investment strategies directed by Bernard L. Madoff Investment Securities ("Madoff Securities"), a U.S. investment manager, a non traditional stock/options trading strategy.

INVESTMENT OBJECTIVE:

The Fund's investment objective is to provide investors with access to thea non traditional stock/options trading strategy trading strategy of Madoff Securities. One of the strategies that Madoff Securities intends to implement is will be implemented is the split-strike conversion strategy, as more fully described in Exhibit A A. Madoff SecuritiesThe Investment Advisor will have the authority to change or modify the strategies it utilizes at any time.

INVESTMENT MANAGER:

The Investment Manager is Square Asset Management, Ltd., an International Business Company, organized under the laws of the British Virgin Islands. The registered office of the Investment Manager is located at Craigmuir Chambers, P.O. Box 71, Road Town, Tortola, British Virgin Islands and its telephone number is (284) 494-2233. The Investment Manager is responsible for overseeing the activities of Madoff Securitiesthe Investment Advisor and the relationship between Madoff Securities the Investment Advisor and the Fund. The Investment Manager has been instrumental in forging and maintaining this relationship.- The Investment Manager is not involved in or otherwise responsible for the day to day trading activities of the Fund.

INVESTMENT ADVISOR:

The Fund has appointed a New York based NASD* registered broker-dealer employing approximately 200 people and acting primarily as a market-maker in listed and unlisted stocks and convertible securitiesBernard L. Madoff Investment Securities as the Investment Advisor. Bernard L. Madoff Investment Securities The Investment Advisor will manage all of the Fund's assets and will have complete and absolute authority to make trading decisions for the Fund.

* The term NASD* refers to the U.S. National Association of Securities Dealers, Inc.

MINIMUM SUBSCRIPTION:

The minimum initial subscription is US \$1,000,000, with subsequent investments of a minimum of US \$250,000. The Board of Directors, in its sole and absolute discretion, may accept subscriptions of a lesser amount.

THE SHARES:

The Fund is offering its shares with a par value of \$1.00 per share (the "Shares") at an offer price of U.S. \$10,000 per share. The Fund has three classes of shares, namely the Class A Shares, Class B Shares and Class C Shares. The Class A Shares shall have the right to one vote per Share, but shall not participate in the profits and losses of the Fund. The Class B Shares will participate fully in the profits and losses of the sub-fund associated with such class of Shares, but shall not have any voting rights. The Class C Shares shall be levered by incurring indebtedness to increase the amount of funds available for investment and will participate fully in the profits and losses of the sub-fund associated with such class of Shares. Class C Shares shall not have any voting rights. The Fund will attempt to limit the liability of the holders of Class B shares and insulate such Shares from any losses incurred by Class C Shares in excess of the Net Asset Value (as defined below) of such class as a result of a default in any indebtedness incurred with respect to such class.

OFFERING OF SHARES:

The Fund is offering Class B Shares and Class C Shares. The Fund will offer Class B and Class C Shares on the first business day of any month ("Dealing Day") or at such other times as the Board of Directors, in its sole and absolute discretion, may allow. A business day shall be any day on which banks are open for business in the United States and Bermuda (a "Business Day"). Properly completed subscription documents must be received by 5 p.m. Bermuda time.

Shares will be issued in registered, book-entry form, unless otherwise requested by a Shareholder. The Fund does not issue bearer shares. Share certificates will not be issued to Shareholders unless specifically requested in writing. The Administrator maintains a current register of the names and addresses of Shareholders. The Administrator's entry in the share register will be conclusive evidence of ownership of such Shares. Shares of each Class generally may be purchased at the Net Asset Value per Share (as defined below) of the applicable Class as of the close of business on the immediately preceding Business Day (the "Offering Price"). The Net Asset Value per Share of the applicable Class will generally be calculated on the last Business Day of each month (the "Valuation Day"). The Offering Price for each Share of a class after the initial offering period will be calculated as of the relevant Valuation Day. Generally, the Net Asset Value per Share of the applicable class is equal to the value of the gross assets

of the sub-fund associated with such class of Shares less the gross liabilities of such sub-fund, divided by the number of outstanding Shares of the class. A shareholder acceptable to the Board of Directors will be sold that number of Shares (including fractional Shares up to four decimal places) of the applicable class which his subscription will purchase (to the extent accepted) at the Offering Price then in effect for such class of Shares.

There will be no sales charges imposed by the Fund in connection with the offering of Shares, and the Fund will not make payments to persons who introduce prospective investors to the Fund. The Fund and/or the Investment Manager may enter into one or more placement agent agreements for, among other things, certain placement agent services. Any compensation payable to such placement agents will reduce the Management Fee payable to the Investment Manager. An investor who is introduced to the Fund by an advisor engaged by the investor may be required to compensate such advisor in accordance with the agreement in effect between such investor and his or her advisor.

SUBSCRIPTION PROCEDURE:

Persons interested in subscribing for Shares will be furnished, and will be required to complete and return to the Administrator, properly completed subscription documents in the form of the attached Subscription Documents and Shareholder Agreement.

In the event application is made by facsimile or telex, an original executed subscription application must also be sent by mail. Applicants should be aware of the risks associated with sending faxed subscription applications and that the Administrator accepts no responsibility for any loss caused due to the non-receipt of any facsimile. The Administrator will take such steps as it considers necessary to comply with international standards for the prevention of money laundering. Applicants may be required to furnish adequate documents to evidence their identity and address information relating to the source of the monies to be invested. Failure to provide such information or documentation in a timely manner could result in a delay to the issue of Shares or a refusal to issue Shares. Except where an application is made via a recognized financial intermediary or banking institution in the European Union (or in a country with equivalent anti-money laundering rules), the Administrator may require, directly or via a distributor, further identification of the applicant before the Shares can be registered in the applicant's name.

USE OF PROCEEDS:

Proceeds received by the Fund from the sale of Shares (after payment of offering expenses, exclusive of the sales commissions) will be used by the Fund in its investment program.

TRANSFER RESTRICTIONS:

The Articles of Association of the Fund provides that Shares may not be sold, assigned, transferred, conveyed or disposed of without the prior written consent of the Board of Directors of the Fund, which consent may be

given or withheld in its sole and absolute discretion. Any attempt to sell or transfer Shares without the prior approval of the Board of Directors may subject such Shares to compulsory redemption. There is no independent market for the purchase or sale of Shares, and none is expected to develop. Subscribers must represent that they are purchasing Shares for investment.

REDEMPTION:

An investor shall generally have the right on the first Business Day of each month, upon 30 days' prior written notice, to redeem all or any portion of its Shares. The Board of Directors may permit redemptions at other times, subject to any conditions it may impose, in its sole and absolute discretion. Each date as of which a Share may be redeemed is herein referred to as a "Redemption Date". Shares of either class will be redeemed at a per Share price equal to the Net Asset Value of the Shares of the applicable class. Payment of ninety-five percent (95%) of the aggregate redemption price for redeemed Shares (calculated on the basis of unaudited data) normally will be made within 30 days following the Redemption Date. The Fund shall pay the balance of the redemption price within 60 days following the Redemption Date. The Directors of the Fund have reserved the right to retain up to five per cent (5%) of the aggregate pending an audit to confirm the accuracy of such amount or any other amount in order to make adequate provision for all liabilities and contingencies of the Fund. In circumstances where the Fund is unable to liquidate securities positions in an orderly manner so as to fund redemptions or where the value of the assets of the Fund cannot reasonably be determined, the Fund may take longer than sixty (60) days to effect settlement of redemption.

If a redemption would cause the value of a Shareholder's Shares to fall below \$1,000,000, or such other minimum amount as may be determined by the Board of Directors in its sole and absolute discretion, then the Board of Directors will have the right to compulsorily redeem all Shares held by such Shareholder. Under the Articles of Association of the Fund, the Board of Directors, subject to applicable law and upon 10 days' prior written notice to a Shareholder, may compulsorily redeem all or any part of a Shareholder's Shares at any time for any reason or no reason. In addition, the Board of Directors, by written notice to the Shareholders, may suspend redemption rights, in whole or in part, when, among other things, there exists, in the opinion of the Board of Directors, a state of affairs constituting an emergency or period of extraordinary market volatility as a result of which disposal of part or all of its assets, or the determination of Net Asset Value, would not be reasonably practicable or would be seriously prejudicial to the Shareholders. Redemptions may also be suspended if, for any reason, the Fund is unable to liquidate its

investment with the Investment Advisor, whether in whole or in part, to the extent required to fund the redemption. Redemption requests may initially be sent by facsimile, however shareholders should be aware of the risks associated with sending documentation in this manner and that the Administrator will not be responsible in the event of non-receipt of any redemption request sent by facsimile. In any event, the original redemption request must be sent to The Bank of Bermuda Limited.

MANAGEMENT FEE:

For Class B Shares, the Investment Manager will receive from the Fund a fixed management fee (the "Management Fee"), payable on the last Business Day of each month, at a rate of .104% (1.25% on an annualized basis) of the Net Asset Value of the Class B Shares, as of the end of the month.

For Class C Shares, the Investment Manager will receive from the Fund a Management Fee on the last Business Day of each month, at a rate of .16% (2% on an annualized basis) of the Net Asset Value of the Class C Shares, as of the end of the month.

**ADMINISTRATOR,
REGISTRAR AND
TRANSFER AGENT:**

The Bank of Bermuda Limited (the "Administrator") has been retained by the Fund to perform administrative services. The Administrator receives fees based upon the nature and extent of the services provided by the Administrator to the Fund. The Administrator may delegate some of its duties to companies affiliated with the Administrator.

CUSTODIAN:

The Bank of Bermuda Limited (the "Bank") will serve as the custodian of the Fund's assets. The Bank in its capacity as Custodian is responsible for holding any uninvested cash and the documents of title representing the Company's investment in the various investment vehicles. The Custodian is not responsible for the assets of the Company which have been placed in accounts with sub-custodians, brokers, the Investment Adviser, futures commodities merchants or other intermediaries.

**OPERATING AND OTHER
EXPENSES:**

In consideration of the payment by the Fund of the Management Fee, the Investment Manager bears its own administrative expenses, including office space and utilities, news, quotation and computer equipment and the salaries and other compensation of secretarial, clerical and other personnel. Organizational expenses are not expected to exceed U.S. \$50,000

The Fund bears its own operating and other expenses including, but not limited to, taxes, organizational and offering expenses (exclusive of sales commissions) and investment expenses (e.g., expenses related to the investment of the Fund's assets, such as brokerage commissions, interest expense and investment-related travel expenses), administrative expenses of the Fund,

fees payable to the Administrator and members of the Board of Directors, legal expenses, internal and external accounting expenses, audit and tax preparation expenses, corporate licensing and custodial fees, annual recognition fees payable to the British Virgin Islands Government in respect of the Fund and other expenses associated with the operation of the Fund. The Fund expects to amortize its organizational expenses over a period of thirty six months.

The Investment Advisor will not receive any management fees, advisory fees or performance fees. However, the Investment Advisor and certain of its affiliates are registered as broker dealers and in such capacity, expect to execute trades for the account of the Fund. In so doing, the Investment Advisor will receive commissions and in the case of principal trades, will earn profits on the "bid/ask spread" (i.e., markups and markdowns on the price at which securities are sold to or purchased from the Fund). In all such transactions, the Investment Advisor will have an obligation to provide "best execution" to the Fund.

RISK FACTORS:

The investment program of the Fund is speculative and involves significant risk of loss. For example, the split-strike conversion strategy may create special risks for the Fund's portfolio. Moreover, an investment in the Fund provides limited liquidity, since the Shares are not freely transferable and investors have limited redemption rights.

OTHER ACTIVITIES OF THE AFFILIATES:

Certain affiliates of the Investment Manager have in the past and will continue in the future to provide advice to managed accounts and to other investment funds and partnerships.

OTHER ACTIVITIES OF THE INVESTMENT ADVISOR:

The Investment Advisor and its affiliates have in the past and will continue in the future to provide advice to managed accounts and to other investment funds and partnerships.

NET ASSET VALUE

Readily marketable portfolio securities which are traded on a registered national securities exchange (and for which the exchange is the primary market) or for which last sale data is available through an inter-dealer quotation system of a registered national securities association or a comparable source in the United States are valued at the last sale price reported on such an exchange or through such a system or source on the Valuation Day as of which such value is being determined. If there has been no sale that day, the security is valued at the closing bid price that day. If no bid price is quoted for that day, the security is valued at its fair value as determined in good faith by the directors. Readily marketable securities actively traded in the over-the-counter market are valued at the current bid price as reported on the NASDAQ system of the National Association of Securities Dealers, Inc. or by the National Quotation Bureau, Inc. or by such other comparable source as the directors deem appropriate to reflect their market value. All other assets of the Company, including restricted and not readily marketable securities, but

excluding commodity positions, are valued at their fair value as determined in good faith by or under the direction of the directors. All commodity positions shall be valued at their then market value, which means the settlement price, as determined by the exchange on which the transaction is effected or the most recent quotation as supplied by the clearing broker or banks through which the transaction is effected, and if such settlement price or quotation is not available on the date Net Asset Value is determined, commodity positions shall be valued at their fair value as determined in good faith by or under the direction of the directors. All brokers' commissions on all open positions shall be accrued in full upon the initiation of such open position as a liability of the Company.

The Investment Advisor has the right in its sole discretion to alter the valuation methodology if the Investment Advisor feels that the current valuation methodology results in the Fund's securities not reflecting fair market value.

SHAREHOLDER REPORTS:

Shareholders will receive an annual audited financial report of the Fund prepared by the Fund's independent auditor. The Fund's independent auditor is Ernst & Young, Bermuda. The Board of Directors may in its sole and absolute discretion and for any year, waive the requirement that the Fund's financial statements be audited.

TAXES:

Based upon the Fund's organizational structure, anticipated method of operation and other features as described herein, the Fund should generally not be subject to U.S. Federal income tax on gains from trading in securities.

The Company will be exempt from all income taxes in the British Virgin Islands and a shareholder will also be exempt from all income taxes on dividends and other payments received from the Company provided the shareholder is not resident in the British Virgin Islands. There are no capital gains taxes, capital transfer taxes, estate duties or inheritance duties in the British Virgin Islands.

There can be no assurance that the U.S. or British Virgin Islands tax laws will not be changed adversely with respect to the Fund and its Shareholders or that the Fund's income tax status will not be successfully challenged by such authorities.

Potential Shareholders should consult their own advisors regarding tax treatment by the jurisdictions applicable to them. Shareholders should rely only upon advice received from their own tax advisors based upon their own individual circumstances and the laws applicable to them.

DIRECTOR AND SECRETARY:

The directors of the Fund are Luc D. Estenne and Kathryn R. Siggins, C.A. Peter Borland, Ms Isabella Pearson, an ~~employee~~ officer of the Bank, has been appointed the Secretary of the Fund and will provide corporate

secretarial services.

U.S. COUNSEL:

Lowenstein Sandler PC, 65 Livingston Avenue, Roseland, New Jersey 07068, has acted as counsel to the Fund in connection with its offering of Shares. Lowenstein Sandler PC also acts as counsel to the Investment Manager and its affiliates. In connection with the Fund's offering of Shares and subsequent advice to the Fund, Lowenstein Sandler PC will not be representing investors in the Fund. No independent counsel has been retained to represent investors in the Fund.

**ADVISERS ON BRITISH VIRGIN ISLANDS
LAW**

Harney Westwood & Riegels, Craigmuir Chambers, P.O. Box 71, Road Town, Tortola, British Virgin Islands, has acted as British Virgin Islands counsel to the Fund on matters of British Virgin Islands law.

MANAGEMENT OF THE FUND

General

Square One Fund, Ltd. was formed on 29 December 1998. A copy of the Fund's Memorandum and Articles of Association will be provided to prospective investors upon request.

Information Concerning the Fund's Directors

Luc D. Estenne and ~~Kathryn R. Siggins, C.A.~~ Peter Borland are the directors of Square One Fund, Ltd.

Biographical sketches of Luc D. Estenne and ~~Kathryn R. Siggins, C.A.~~ Peter Borland are set forth below.

Luc D. Estenne

Luc D. Estenne is a Director of Partners Advisers S.A., a Geneva based company which provides global hedge fund investment advisory services to a group of privately held international investment companies and institutions. From 1994 to 1996, Mr. Estenne was an officer of Bank Brussels Lambert ("BBL") in New York and Brussels, trading proprietary capital. Prior to joining BBL, he held different positions in the Global Technology and Operations group of JP Morgan Brussels. Mr. Estenne received his MBA (Commercial Engineer Degree) with distinction from the Catholic University of Louvain in 1990.

Kathryn R. Siggins, C.A. Peter Borland

Peter Borland, British, 47 years old was educated at St. Francis Xavier's Grammar School, Liverpool, England. A fully qualified Chartered Secretary, he is a Fellow of The Institute of Chartered Secretaries and Administrators. Peter Borland joined The Bank of Bermuda in 1982, and has held a number of management positions within the Trust Division and the Global Fund Services Division. Peter Borland acts as a Secretary and/or Director on a number of offshore mutual funds and companies. Kathryn R. Siggins, C.A., is General Manager, Vice President, Corporate Trust of The Bank of Bermuda Limited (the "Bank") in Bermuda. In 1987, Mrs. Siggins joined the Corporate Trust Division of the Bank as the Accounting and Valuations Manager and has held positions as Client Relationship Manager and Business Development Manager. In 1996, Mrs. Siggins transferred to Ireland and held the position of General Manager of the Bank's Dublin office prior to her return to Bermuda in 1997 to assume her current role. Mrs. Siggins serves as a director for a number of mutual funds.

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Information Concerning the Investment Manager

The Investment Manager for the Fund is Square Asset Management, Ltd. The Fund will pay Square Asset Management, Ltd. a management fee based on the class of Shares purchased by the Shareholder. Square Asset Management, Ltd. has been organized in April 1999 to provide hedge fund investment advisory services to the Fund. It is expected that Square Asset Management, Ltd. will also advise other funds and clients in the future. Square Asset Management Ltd. has been instrumental in the establishment of the Fund's relationship with the Investment Advisor.

Information Concerning the Investment Advisor

The Investment Advisor is a New York based NASD registered broker-dealer employing approximately 200 people and acting primarily as a market-maker in listed and unlisted stocks and convertible securities. The Fund has established a discretionary account with such Investment Advisor. The Investment Advisor utilizes a "split strike conversion" strategy described in Exhibit A. All investment decisions in the account held with the Investment Advisor are effected by person

~~associated with the Investment Advisor. The Investment Advisor has managed the assets of the Fund since its inception and it is anticipated that the retention of such Investment Advisor will continue.~~

~~The Fund appointed Bernard L. Madoff Investment Securities as the Investment Advisor and has established a trading account with Bernard L. Madoff Investment Securities. The Investment Advisor has discretionary authority over the Fund's account.~~

~~———— Bernard L. Madoff is the Chairman and founder of the Investment Advisor, an investment firm founded in 1960, which is a market-maker in off-exchange trading of listed United States equities. The firm is also a market-maker in all of the S&P-500 stocks as well as over 100 NASDAQ issues and in United States convertible bonds, preferred stocks warrants, units and rights.~~

~~———— The firm uses sophisticated computers in every aspect of the firm's activities, from executing trades to clearing and settling them, from monitoring prices to identifying global trading opportunities. Madoff Securities is a registered US broker/dealer regulated by the Securities and Exchange Commission and the National Association of Securities Dealers ("NASD"), the leading US self-regulatory organization. Madoff Securities International, its affiliate in London, is a member of the London Stock Exchange and is regulated by the Securities and Futures Authority.~~

~~———— As of the date hereof, the firm ranks among the top 75 United States securities firms in total capital, and it is in the top 50 in excess capital.~~

~~———— Mr. Madoff has been chairman of the board of directors of the NASDAQ Stock Market as well as a member of the board of governors of the NASD and a member of numerous NASD committees. Mr. Madoff was also a founding member of the board of directors of the International Securities Clearing Corporation in London.~~

~~———— Peter B. Madoff has also been deeply involved in the NASD and other financial services regulatory organizations. He has served as vice chairman of the NASD, a member of its board of governors, and chairman of its New York region. He also has been actively involved in the NASDAQ Stock Market as a member of its board of governors and its executive committee and as chairman of its trading committee. He also has been president of the Security Traders Association of New York.~~

RISK FACTORS

An investment in the Fund will involve risks not associated with other investment alternatives. Although the Investment Advisor will seek to reduce the risks associated with the Fund's investments, prospective investors should carefully consider, among other factors, the risks described below. Such risk factors are not meant to be an exhaustive listing of all potential risks associated with an investment in the Fund.

1. Risks Related to the Business of the Fund.

Volatility of Financial Markets; Risks of Certain Investment Strategies. During the last year, the financial markets have evidenced a high level of volatility. Continued volatility could disrupt the investment strategy of the Fund, decrease the value of the Fund's portfolio and adversely impact its profitability. If the Investment Advisor's evaluation of an investment opportunity should prove incorrect, the Fund could experience losses. The risk management techniques that may be utilized by the Investment Advisor will not provide any assurance that the Fund will not be exposed to a risk of significant investment losses.

Changes in Investment Strategy. The Investment Advisor has considerable discretion in choosing the securities which will be acquired and has the right to modify the selection criteria or hedging or trading techniques used by the Fund without the consent of the Shareholders. Any of these new trading techniques may not be thoroughly tested in the market before being employed and may have operational or theoretical shortcomings, which could result in unsuccessful trades and, ultimately, losses to the Fund. In addition, any new investment strategy or hedging

technique developed may be more speculative than earlier techniques and may increase the risk of an investment in the Fund.

2. Dependence on the Investment Advisor. All investment decisions will be made by the Investment Advisor and its staff of investment professionals. Accordingly, no person should invest in the Fund unless he is willing to entrust all aspects of the management of the Fund to the Investment Advisor, who will have considerable discretion in the types of securities in which the Fund will invest and will have the right to modify the investment strategy of the Fund without the consent of any Shareholder. The Fund will be dependent upon the skill, judgment and expertise of the Investment Advisor.

3. Other Activities of the Investment Advisor and Affiliates. The success of the Fund will be largely dependent upon the efforts of the Investment Advisor. However, the Investment Advisor will engage in other business activities, including providing investment advice to many other clients. This could potentially pose a risk of a conflict of interest in allocating investments among the Investment Advisor's clients as well as capacity constraints related to the Investment Advisor's strategy.

4. Lack of Diversification. The Fund will not have diversification as one of its primary trading objectives. Therefore, the Fund at any given time, could hold a small number of positions or be heavily concentrated in one industry or sector of the marketplace. As a result of this lack of diversification, a significant loss in any one position or a deterioration in the securities of a particular sector may have a material adverse affect on the Net Asset Value of the Fund and the Fund's rate of return.

5. Class C Shares. The Investment Manager will attempt to limit the recourse of lenders who provide financing to leverage the Class C sub-fund to the assets associated with such fund. There is no guarantee that this strategy will be successful. If as a result of losses incurred, the liabilities associated with the Class C sub-fund exceed the assets of such funds, the net assets of the Class B sub-fund may be at risk to satisfy such excess liabilities.

ADDITIONAL INFORMATION

The Fund will make available to any prospective Shareholder any additional information which it possesses, or which it can acquire without unreasonable effort or expense, necessary to verify or supplement the information set forth herein. Copies of the Fund's Memorandum and Articles of Association, the Investment Management Agreement and other Fund documents are available upon request from the Administrator.

SUBSCRIPTION FOR SHARES

Persons interested in subscribing for Shares will be furnished with, and will be required to complete and return, subscription documents to the Administrator: The Bank of Bermuda Limited, 6 Front Street, Hamilton HM 11 Bermuda. Phone: (441) 295-4000; Facsimile: (441) 299-6565.

EXHIBIT A

Split Strike Strategy

~~Bernard L. Madoff Investment Securities offers investors access through different funds to~~
aThe Investment Advisor implements, among others, a non traditional investment strategy which is often described as a split-strike conversion.

This underlying strategy which invests exclusively in the United States in highly liquid securities with no leverage consists of either:

- (i) purchasing equity shares;
- (ii) selling related out-of-the money call options which represent a number of underlying shares equal to the number of shares purchased;
- (iii) buying related out-of-the-money or at-the-money put options representing the same number of underlying shares when the manager believes the market is due to strengthen; or
- (iv) remaining in cash or USTB when he believes the market is due to weaken

Example: Assuming the S&P 100 Index trades at 552.75, an example would be the purchase of a basket of the stocks at the market with an overall value of \$10'000'000 accompanied by the simultaneous purchase of an appropriate number of 3-month puts, with a strike price of 550 and the sale of 3-months calls with a strike price of 570.

A properly executed strategy along these lines will limit losses if the price of the stocks decline.

The manager utilizes a strategy which entails:

- (i) purchasing a basket of 30 to 35 large-capitalization S&P 100 index ("OEX") stocks (e.g., American Express upside potential (albeit capped at the strike price of the short call) should the stock price rise, Boeing, Citicorp, Coca Cola, Du Pont, Exxon, General Motors, IBM, Merck, McDonald's, et cetera) which, at the time the purchase are made, presents a high degree of correlation with the general market;
- (ii) selling out-of-the-money OEX index call options representing a dollar amount of the underlying index equivalent to the dollar amount of the basket of shares purchased; and
- (iii) purchasing out-of-the-money or at-the-money OEX Index puts in the same dollar amount.

A proprietary computer system continuously optimizes the basket of stocks to replicate and enhance the performance of the overall market (S&P 100 index) at low cost. The put and call options positions are actively managed as strike prices and maturities are adjusted in a function of relative valuations and general market movements. The collection of dividends on the basket of stocks constitutes an integral part of the strategy.

The number of puts and calls needed to obtain an exposure approximately equivalent to the market value of the basket of stocks is calculated by dividing the market value of the equity portfolio (10'000'000), by the current level of the S&P 100 Index (552.75), and by further dividing the result by the number of Index units represented by each option (100). In this example, 181 puts should be purchased and 181 calls should be sold (10'000'000 +1 00).

THERE IS NO GUARANTEE THAT THIS STRATEGY WILL BE EXECUTED EXACTLY AS DESCRIBED HEREIN OR EVEN IF EXECUTED AS DESCRIBED, THAT IT WILL BE SUCCESSFUL.

At a price of \$21.00 each, the cost of purchasing 181 puts is \$379'919 (181x\$2'100). At a unit price of \$18.375, proceeds from the sale of 181 calls is \$332'429 (181x\$1'837.5). Because the sale of the calls partially finances the purchase of the puts, the net cost of the options strategy is \$47'490 (\$379'919 paid less \$332'429 received), and the total cost of the strategy is, therefore, \$10'047'490 (\$10'000'000 plus \$47'490).

The downside break-even level of the S&P 100 Index is 550.13 (552.75-21.00 +18.375, i.e., the current level of the S&P 100 Index less the price of the puts plus the price of the calls), which represents a market decline of -0.48%. Additionally, assuming the equity portfolio receives quarterly dividends yielding 2.6% on an annualized basis (or 3.60 quarterly for the S&P 100 Index), the break-even level of the S&P 100 Index is raised to 553.72 (552.75-21.00+18.375+3.60), or an increase of +0.18%.

This attractive level of downside protection, though, has its counterpart in the fact that the upside potential is limited to an S&P 100 Index of 570 (the strike price of the calls sold, because at that level the calls would be exercised), or a market rise of +3.121/o (plus dividends).

The table below presents a picture of the return profile at option expiration over a 3-month period (assuming a static strategy up to the expiration of the options, and including extreme calculations to show that no further changes occur beyond the strike prices of the puts-550, and of the calls -570):

Range Market Outcomes	S&P Expiration Prices	Market Value Equity Portfolio	Market Value Options Positions	Quarterly Dividends	Market Value of Combined Portfolio	Profit/ (loss) of Combined Portfolio	Percent Change
10.00%	608.03	11'000'000	-735'414	65'000	10'329'586	329'586	3.30%
3.12%	570.00	10'312'076	-47'490	65'000	10'329'586	329'586	3.30%
0.00%	552.75	10'000'000	-47'490	65'000	10'017'510	17'610	0.18%
-0.48%	550.11	9'952'284	-47'490	65'000	9'969'794	-30'206	-0.30%
-10.00%	497.48	9'000'000	902'759	65'000	9'967'759	-32'241	-0.32%

The risk/reward profile of the strategy appears to be quite attractive; as can be seen from the table, the downside risk is -0.32% (-1.28% annualized), while the upside potential is +3.30% (+13.85% annualized).

THERE IS NO GUARANTEE THAT THIS STRATEGY WILL BE EXECUTED EXACTLY AS DESCRIBED HEREIN OR EVEN IF EXECUTED AS DESCRIBED, THAT IT WILL BE SUCCESSFUL.