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Attention: Daniel J Rauchle

19 January 2005

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Dear Sirs

HFR Umbrella Trust
Butterfield Trust (Bermuda) Limited (the "Trustee")
HFR Asset Management, L.L.C. ("Investment Manager")

We have been instructed by Kirkpatrick & Lockhart LLP, as agreed by the Investment Manager, to address this opinion to you in connection with the creation of a separate fund within the HFR Umbrella Trust structure and specific issues concerning rights of holders of Units (as defined in the Umbrella Trust and in the Trust, both of which are referred to below).

Documents and Interpretation

For the purposes of this opinion, we have been supplied with, and have reviewed and relied only upon the following:

1. an electronic copy of the Deed of Modification and Restatement dated 8 December 2004 (the "Umbrella Trust Deed") and made between the Investment Manager and the Trustee and known as the HFR Umbrella Trust (the "Umbrella Trust"), supplied to us by the Trustee;
2. an electronic copy of the First Restated Trust Deed dated 11 September 2003 (the "Trust Deed") made between the Investment Manager and the Trustee and known as the HFR HE Japan Fundamental Master Trust (the "Trust"), supplied to us by the Trustee.

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For the purposes of this opinion, "Unit" means a unit, or fraction of a unit, of beneficial interest in the Trust (or Umbrella Trust) or of any Fund or any Class or any Series, issued pursuant to the Trust Deed or the Umbrella Trust Deed.

Unless otherwise defined herein, capitalised terms have the meanings assigned to them in the Umbrella Trust and the Trust.

Requested Opinion

In particular we have been asked to opine on the following:

- A. That Units do not confer any voting rights on their holders;
- B. That holders of the Units have no right to remove or replace a trustee;
- C. That holders of the Units have no right to vote on the election or removal of the trustee;
- D. That holders of the Units have no right to terminate the Trust if one of the initial trustees ceases to serve in that role;
- E. That holders of the Units have no right to take part in the conduct or control of the business of the Trust;
- F. That holders of the Units have no right to vote on the election or removal or replacement of the Investment Manager; and
- G. That the Umbrella Trust and the Trust and the provisions thereof are governed by the laws of Bermuda.

Assumptions

In giving this opinion, we have assumed where the context admits:

- (a) the conformity to original documents of all documents submitted to us as copies and the authenticity and completeness of the original documents which, or copies of which, have been submitted to us;
- (b) that there have been no changes to the documents examined by us and that the documents remain in full force and effect and have not been revoked or amended;
- (c) the genuineness of all signatures and seals on the documents which we have examined;

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- (d) that all documentation which was received by electronic means is complete, intact and in conformity with the transmission as sent and that the original documentation has been properly executed;
- (e) the capacity, power and authority of all parties to enter into and perform their obligations under the Umbrella Trust and the Trust;
- (f) that the Trustee and the Investment Manager are not holders of Units. In the event that the Trustee and/or the Investment Manager were holders of Units, they would have, in their capacity as holders of Units, the powers reserved to holders of Units by the Umbrella Trust and the Trust. They would also still have the powers and responsibilities reserved to them as Trustee and/or Investment Manager as applicable;
- (g) the truth of all facts, opinions, assumptions, representations and warranties contained in the Umbrella Trust Deed and the Trust Deed;
- (h) that the transfer of the Initial Trust Fund of each of the Umbrella Trust and the Trust (as defined in the Umbrella Trust Deed and the Trust Deed respectively) to the Trustee does not constitute an illegal, void or voidable act by reason of the laws of any jurisdiction, other than Bermuda, which may be applicable to the transferor thereof; and
- (i) that each of the Umbrella Trust Deed and the Trust Deed has been validly authorised, executed and delivered by each of the parties thereto.

We have also considered such questions of law as we have deemed necessary as a basis for the opinions hereinafter expressed. In such examinations, we have assumed that the Umbrella Trust and the Trust remain in full force and effect and have not been revoked or amended.

Opinion

Based upon the foregoing, subject to the qualifications set out below and matters not disclosed to us and having regard to such legal consideration as we deem relevant, we are of the opinion that insofar as the present laws of Bermuda are concerned:

- (i) The Trust Deed and the Umbrella Trust Deed do not confer any rights of voting on holders of Units. For purposes of this Clause (i), the phrase "rights of voting" shall be deemed to include not only a vote at a meeting but any consent to, or approval of, any proposal, arrangement, scheme or resolution or

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- any alteration in, or abandonment of, any rights attaching to the Units and the right to requisition or join in a requisition to convene any meeting or to give notice of any resolution or to circulate any statement;
- (ii) By virtue of Clause 36 of the Umbrella Trust and of the Trust, the Investment Manager may remove a trustee, and the Investment Manager or the Trustee (with the written consent of the Investment Manager) may appoint a new trustee. We are therefore of the opinion that holders of Units have no right to remove or replace a trustee or to vote on the election or removal of the trustee;
 - (iii) Holders of Units have no right to terminate the Trust if one of the initial trustees ceases to serve in that role;
 - (iv) Holders of Units will have the rights and powers reserved to them by the Umbrella Trust and the Trust. Holders of Units do not have the right to exercise any rights and powers of the Trustee or the Investment Manager under the Umbrella Trust or the Trust;
 - (v) Clause 37 of the Umbrella Trust and of the Trust provides for the retirement and removal of the Investment Manager by the Trustee. We are therefore of the opinion that holders of Units have no right to remove or replace the Investment Manager; and
 - (vi) The Umbrella Trust and the Trust and the provisions thereof are governed by the laws of Bermuda.

Qualifications

Our qualifications are as follows:

- A. We express no opinion as to any law other than Bermuda law and none of the opinions expressed herein relates to compliance with or matters governed by the laws of any jurisdiction other than Bermuda. This opinion is limited to Bermuda law as applied by the courts of Bermuda at the date of this opinion;
- B. Where an obligation is to be performed in a jurisdiction other than Bermuda, a Bermuda court may decline to enforce it to the extent that such performance would be illegal or contrary to public policy under the laws of such other jurisdiction;
- C. The obligations of the Trustee under the Umbrella Trust and the Trust will be subject to any laws from time to time in effect relating to bankruptcy or liquidation or any other laws of other legal procedures affecting generally the

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enforcement of creditors' rights and may also be subject to statutory limitation of the time within which proceedings may be brought; and

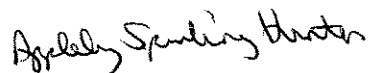
- D. Section 31 of the Trustee Act 1975 of Bermuda provides that a court may, whenever it is expedient to appoint a new trustee or trustees, and it is found inexpedient, difficult or impracticable to do so without the assistance of the court, make an order appointing a new trustee or new trustees. Section 49 of the Trustee Act 1975 further provides that any person beneficially interested in trust assets may make an application to the court for an order with respect to the appointment of a new trustee.

Disclosure

This opinion is issued on the basis that it will not give rise to any action in any other jurisdiction. It is issued solely for the benefit of the addressees and subject thereto is neither to be transmitted to any other person, firm or entity nor relied upon by any other person or for any other purpose nor quoted from or referred to in any public document nor filed with any governmental agency or person, other than the United States Securities and Exchange Commission, without our prior written consent. Further, this opinion speaks as of its date and is strictly limited to the matters stated herein and we assume no obligation to review it or update it if the existing facts or circumstances should change.

This opinion is governed by and construed in accordance with the laws of Bermuda and is limited to and is given on the basis of the current law and practice in Bermuda. We have made no investigation of the laws of any jurisdiction other than Bermuda and neither express nor imply any opinion as to any other law.

Yours faithfully



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