

# SCANDIUM ALTERNATIVE INVESTMENTS

Société d'Investissement à Capital Variable  
à Compartiments Multiples

Centre Europe,  
5, Place de la Gare,  
L-1616 Luxembourg,  
Grand-Duchy of Luxembourg

R.C.S. LUXEMBOURG B 118344

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## NOTICE TO SHAREHOLDERS

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Notice is hereby given to the shareholders of Scandium Alternative Investments (the "Company") that the Board of Directors of the Company decided on December 8, 2008 in accordance with article 17 of the articles of incorporation of the Company to suspend the calculation of Net Asset Value and the issue and redemption of shares of the Scandium Absolute Return Fund (the "Fund"). The suspension shall apply to the Net Asset Value as of November 30, 2008 onwards until the Board of Directors of the Company decides to resume the calculation of the Net Asset Value. Shareholders shall be duly informed when the suspension shall be lifted.

The Fund currently has invested 5.52% of its net assets (as of October 31, 2008) in Ark Royal Fund (Offshore), an investment fund domiciled in the British Virgin Islands. The Fund currently has invested 15.13% of its net assets (as of October 31, 2008) in Denholm Hall Russian Arbitrage Fund, an investment fund domiciled in Bermuda. The calculation of net asset value and the issue and redemption of shares of the Ark Royal Fund (Offshore) and the Denholm Hall Russian Arbitrage Fund have been suspended.

The present suspension shall be notified to the investors or Shareholders affected, i.e. those who have made an application for subscription, conversion or redemption of Shares for which the calculation of the net asset value has been suspended.

Suspended subscription, conversion and redemption applications shall be processed on the first Valuation Day after the suspension ends.

Suspended subscription, conversion and redemption applications may be withdrawn by means of a written notice, provided the Company receives such notice before the suspension ends.

In the case where the calculation of the net asset value is suspended for a period exceeding 1 month, all Shareholders will be personally notified.

December 11, 2008

By order of the Board of Directors