



EYE ON GEMINI

Welcome to this edition of Eye on Gemini!

DISASTER RECOVERY

Did you know that Gemini has an off-site location from which we can conduct daily business in case of a disaster? We do and we conducted a Disaster Recovery test on Wednesday, August 23 at our off-site location.

Overall, the test went very well. We performed our daily activities for several of our clients funds from the site and verified them against the same work being done in our usual office. As expected, this test showed us the few areas we need to improve on to be fully prepared in the future. We will work to correct those areas and expect our next quarterly test to be even more successful.

TRANSFER AGENCY UPDATE

We are working with our software provider, Envision Financial Systems, to come up with the most cost effective solution to meet the requirements of Rule 22c-2, which takes effect in October 2006. Envision has developed an open architecture, rules based solution that will provide the flexibility and scalability to meet the demands of any possible compliance strategy. This solution is an ASP model that Gemini will be accessing remotely to provide review of underlying trade data on Omnibus registered accounts. We will use this solution to do data analysis and reporting to your fund based upon the fund's market timing policies.

Envision's solution will be utilizing the National Securities Corporation (NSCC) new Networking for SDR, a function added to NSCC's Networking mutual fund service. SDR provides a mechanism for funds (and their agents) and intermediaries to transmit and receive standardized requests for, and reports regarding, underlying shareholder information in accordance with the contract provisions required by Rule 22c-2. SDR addresses the chain of intermediaries' situation by allowing secondary intermediaries, those that do not deal directly with a fund, but rather with another intermediary, to pass information up the chain through a primary intermediary, i.e., one that holds shares directly with the fund's transfer agent. For intermediaries that would not otherwise use Networking, NSCC offers a Data Services Only membership that consists solely of the SDR information sharing function and has fewer requirements than a full-service Networking membership.

We will continue to update you on our preparations and the costs associated with these new procedures, as they are determined.

RULE 22C-2

Rule 22c-2 under the Investment Company Act of 1940 will require two things: 1) Fund Boards must determine whether or not to have an early redemption fee by October 16, 2006; and 2) selling agreements with financial intermediaries must be amended to permit account information to flow to a Fund to permit the Fund to enforce market timing policies. The latter provision, the ICI recently announced, most likely will be delayed by six months, while proposed amendments to the Rule are processed. The amendments deal

with the definition of "financial intermediary," and attempt to sort out which entities will be classified as first vs. second tier intermediaries. First tier intermediaries would report underlying account information to the Fund while second tier intermediaries would not.

IN THE NEWS

Michael Miola, founder of Gemini, was featured in the One on One interview by Jeff Benjamin in *Investment News* on September 4. The interview focused on NorthStar Financial Services Group, LLC, Gemini's holding company. NorthStar, through Gemini and its other subsidiaries, plays a key role in the mutual and hedge fund business. Check it out!

GEMINI SIGHTINGS

NEW ADDITION: Gemini will be exhibiting at Schwab Impact in Washington D.C., November 5-8. We will also be exhibiting at FPA in Nashville, October 21-24.

WELCOME TO GEMINI

We would like to welcome the following clients to our family:

- XTF
- Reliance
- Clarity Group

Congratulations to the following for their funds becoming effective:

- Autopilot Fund
- Arrow
- Ralph Parks
- Changing Parameters

TRIVIA QUESTION

The answer to last months question 'What famous person, referring to the stock market, first uttered the immortal words, "It will fluctuate"?' was: **J.P. Morgan.**

Who was the American President who said, "The business of America is business.?"

Stay tuned for the answer in next months edition.

