

SECURITIES AND EXCHANGE COMMISSION

FORM SC TO-I

Issuer tender offer statement

Filing Date: **2005-05-02**
SEC Accession No. **0001193125-05-092082**

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SUBJECT COMPANY

BNY/IVY MULTI STRATEGY HEDGE FUND LLC

CIK: **1198710** | IRS No.: **522380754**

Type: **SC TO-I** | Act: **34** | File No.: **005-79824** | Film No.: **05790121**

Mailing Address
*C/O BNY INVESTMENT
ADVISORS,
1 WALL STREET
NEW YORK NY 10286*

Business Address
*C/O BNY INVESTMENT
ADVISORS,
1 WALL STREET
NEW YORK NY 10286
2122980113*

FILED BY

BNY/IVY MULTI STRATEGY HEDGE FUND LLC

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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

SCHEDULE TO

Tender Offer Statement Under Section 14(d) (1) or 13(e) (1)
of the Securities Exchange Act of 1934

BNY/IVY MULTI-STRATEGY HEDGE FUND LLC
(Name of Issuer)

BNY/IVY MULTI-STRATEGY HEDGE FUND LLC
(Name of Person(s) Filing Statement)

LIMITED LIABILITY COMPANY INTERESTS
(Title of Class of Securities)

N/A
(CUSIP Number of Class of Securities)

Steven Pisarkiewicz
The Bank of New York
One Wall Street
New York, New York 10286
(212) 495-1784

(Name, Address and Telephone Number of Person Authorized to Receive Notices and
Communications on Behalf of the Person(s) Filing Statement)

With a copy to:
Kenneth S. Gerstein, Esq.
Schulte Roth & Zabel LLP
919 Third Avenue
New York, New York 10022
(212) 756-2533

May 2, 2005
(Date Tender Offer First Published,
Sent or Given to Security Holders)

CALCULATION OF FILING FEE

Transaction Valuation: \$10,000,000 (a) Amount of Filing Fee: \$1,177.00 (b)

(a) Calculated as the aggregate maximum purchase price for Interests.

(b) Calculated at \$117.70 per \$1,000,000 of the Transaction Valuation.

[] Check the box if any part of the fee is offset as provided by Rule 0-11(a)(2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

Amount Previously Paid: _____
Form or Registration No.: _____
Filing Party: _____
Date Filed: _____

[] Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer.

Check the appropriate boxes below to designate any transactions to which the statement relates:

[] third-party tender offer subject to Rule 14d-1.

[X] issuer tender offer subject to Rule 13e-4.

[] going-private transaction subject to Rule 13e-3.

[] amendment to Schedule 13D under Rule 13d-2.

Check the following box if the filing is a final amendment reporting the results of the tender offer: []

ITEM 1. SUMMARY TERM SHEET.

As stated in the offering documents of BNY/Ivy Multi-Strategy Hedge Fund LLC (the "Company"), the Company is offering to purchase limited liability company interests in the Company ("Interest" or "Interests," as the context requires) from members of the Company ("Members") at their net asset value (that is, the value of the Company's assets minus its liabilities, multiplied by the proportionate interest in the Company a Member desires to tender). The offer to purchase Interests (the "Offer") will remain open until 12:00 midnight, eastern time, on May 27, 2005 (the "Expiration Date") unless the Offer is extended. The net asset value of the Interests will be calculated for this purpose as of June 30, 2005 or, if the Offer is extended, approximately one month after the Expiration Date (in each case, the "Valuation Date"). The Company reserves the right to adjust the Valuation Date as a result of any extension of the Offer. The Company will review the net asset value calculation of Interests during the Company's audit for its fiscal year ending March 31, 2006, which the Company expects will be completed by the end of May 2006 and the audited net asset value will be used to determine the final amount to be paid for tendered Interests.

Members may tender their entire Interest, a portion of their Interest (defined as a specific dollar value) or a portion of their Interest above the required minimum capital account balance. If a Member tenders its entire Interest (or a portion of its Interest) and the Company purchases that Interest, the Company will give the Member a non-interest bearing, non-transferable promissory note (the "Note") entitling the Member to receive an amount equal to the net asset value of the Interest tendered (valued in accordance with the Company's Second Amended and Restated Limited Liability Company Agreement dated November 2, 2004, (the "LLC Agreement")), determined as of the Valuation Date, less the repurchase fee (as described below), if applicable. The Note will entitle the Member to receive an initial payment in cash and/or marketable securities (valued in accordance with the LLC Agreement) equal to 95% of the net asset value of the Interest tendered by the Member that is accepted for purchase by the Company (the "Initial Payment") and will be paid to the Member within one month after the Valuation Date or, if the Company has requested withdrawals of its capital from any portfolio funds in order to finance the purchase of Interests, within ten business days after the Company has received at least 90% of the aggregate amount withdrawn by the Company from such portfolio funds. The Note will also entitle the Member to receive a contingent payment (the "Contingent Payment") equal to the excess, if any, of (a) the net asset value of the Interest tendered as of the Valuation Date, as it may be adjusted based upon the next annual audit of the Company's financial statements, over (b) the Initial Payment. The Contingent Payment will be payable promptly after the completion of the Company's annual audit. Proceeds of the Initial Payment and the Contingent Payment will be wire transferred directly to an account designated by the Member.

A repurchase fee equal to 1.00% of the value of an Interest (or portion of an Interest) repurchased by the Fund will apply if the date as of which the Interest is to be valued for purposes of repurchase is less than one year following the date of a Member's initial investment in the Fund. If applicable, the repurchase fee will be deducted before payment of the proceeds of a repurchase.

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A Member that tenders for repurchase only a portion of such Member's Interest will be required to maintain a minimum capital account balance of \$75,000.

The Company reserves the right to purchase less than the amount tendered by a Member if the amount tendered would cause the Member's capital account in the Company to have a value less than the required minimum balance. If the Company accepts the tender of the Member's entire Interest or a portion of such Member's Interest, the Company will make payment for Interests it purchases from one or more of the following sources: cash on hand, the proceeds of the sale of and/or delivery of portfolio securities held by the Company, the withdrawals of its capital from portfolio funds in which it has invested, or by borrowings (which the Company does not intend to do).

The Offer remains open to Members until 12:00 midnight, eastern time, on May 27, 2005, the expected expiration date of the Offer. Until this time, Members have the right to change their minds and withdraw the tenders of their Interests. Members will also have the right to withdraw tenders of their Interests at any time after June 27, 2005, if their Interest has not yet been accepted for purchase by the Company.

If a Member would like the Company to purchase its Interest or a portion of its Interest, it should complete, sign and either (i) mail (via certified mail return receipt requested) or otherwise deliver a Letter of Transmittal, attached to this document as Exhibit C, to The Bank of New York (the "Transfer Agent"), 101 Barclay Street, 20W, New York, NY 10286, Attention Global Fund Services, or (ii) fax it to the Transfer Agent at (212) 815-5515, so that it is received before 12:00 midnight, eastern time, on May 27, 2005. If the Member chooses to fax the Letter of Transmittal, it should mail the original Letter of Transmittal to the Transfer Agent promptly after it is faxed (although the original does not have to be received before 12:00 midnight, eastern time, on May 27, 2005). Of course, the value of the Interests will change between March 31, 2005 (the last time prior to the date of this filing as of which net asset value has been calculated) and the Valuation Date. Members may obtain the estimated net asset value of their Interests, which the Company will calculate monthly based upon the information the Company receives from the managers of the portfolio funds in which it invests, by contacting the Transfer Agent at (877) 470-9122 or at the address listed above, Monday through Friday, except holidays, during normal business hours of 9:00 a.m. to 5:00 p.m. (eastern time). Please see Item 4(a)(1)(ix) for a discussion regarding the procedures implemented in the event the Offer is oversubscribed (i.e., more than \$10 million of Interests are duly tendered).

Please note that just as each Member has the right to withdraw the tender of an Interest, the Company has the right to cancel, amend or postpone this Offer at any time before 12:00 midnight, eastern time, on May 27, 2005. Also realize that although the Offer expires on May 27, 2005, a Member that tenders its Interest will remain a Member in the Company notwithstanding the Company's acceptance of the Member's Interest for purchase through the Valuation Date. Accordingly, the value of a tendered interest will remain at risk, until the Valuation Date, because of its investment pursuant to the Company's investment program.

ITEM 2. ISSUER INFORMATION.

(a) The name of the issuer is BNY/Ivy Multi-Strategy Hedge Fund LLC. The Company is registered under the Investment Company Act of 1940, as amended (the "1940 Act"), as a closed-end, non-diversified, management investment company. It is organized as a Delaware limited liability company. The principal executive office of the Company is located at One Wall Street, 26th Floor, Attn: Product Management, New York, New York 10286 and the telephone number is (877) 470-9122.

(b) The title of the securities that are the subject of the Offer is limited liability company interests or portions thereof in the Company. As of the close of business on March 31, 2005, there was approximately \$130.9 million outstanding in capital of the Company, represented by Interests (based on the estimated unaudited net asset value of such Interests). Subject to the conditions set forth in the Offer, the Company will purchase up to \$10 million of Interests that are tendered by Members and not withdrawn as described above in Item 1, subject to any extension of the Offer.

(c) Interests are not traded in any market, and any transfer thereof is strictly limited by the terms of the Company's LLC Agreement.

ITEM 3. IDENTITY AND BACKGROUND OF FILING PERSON.

(a) The name of the filing person is BNY/Ivy Multi-Strategy Hedge Fund LLC. The Company's principal executive office is located at One Wall Street, 26th Floor, Attn: Product Management, New York, New York 10286 and the telephone number is (877) 470-9122. The Investment Adviser of the Company is BNY Investment Advisors, a division of The Bank of New York (the "Adviser"). The principal executive office of the Adviser is located at One Wall Street, New York, New York 10286 and the telephone number is (212) 495-1784. The Company's Managers are Robert M. Bowen, Robert J. Dwyer, Carla D. Hunter, Newton P.S. Merrill, Arthur Williams III and Rodney S. Yanker. Their address is c/o The Bank of New York, One Wall Street, New York, NY 10286.

ITEM 4. TERMS OF THIS TENDER OFFER.

(a)(1)(i) Subject to the conditions set forth in the Offer, the Company will purchase up to \$10 million of Interests that are tendered by Members and not withdrawn (in accordance with Item 1) prior to 12:00 midnight, eastern time, on the Expiration Date, or any later date as corresponds to any extension of the offer.

(ii) The purchase price of Interests tendered to the Company for purchase will be their net asset value as of the Valuation Date.

Members may tender their entire Interest, a portion of their Interest defined as a specific dollar value or a portion of their Interest above the required minimum capital account balance. Each Member who tenders its entire Interest or a portion thereof that is accepted for purchase will be given a Note promptly upon acceptance of the Member's Interest. The Note will entitle the Member to be paid an amount equal to the value, determined as of the Valuation

Date, of the Interest or portion thereof being purchased (subject to adjustment upon completion of the next annual audit of the Company's financial statements). This amount will be the value of the Member's capital account (or the portion

thereof being purchased) determined as of the Valuation Date, less the repurchase fee, if applicable, and will be based upon the net asset value of the Company's assets as of that date, after giving effect to all allocations to be made as of that date. The Note will entitle the Member to receive an initial payment in an amount equal to at least 95% of the unaudited net asset value of the Interest tendered and accepted for purchase by the Company. Payment of this amount will be made within one month after the Valuation Date or, if the Company has requested withdrawals of its capital from any portfolio funds in order to fund the purchase of Interests, no later than ten business days after the Company has received at least 90% of the aggregate amount withdrawn by the Company from such portfolio funds. The Note will also entitle a Member to receive the Contingent Payment. The Contingent Payment will be payable promptly after the completion of the Company's next annual audit. It is anticipated that the annual audit of the Company's financial statements will be completed within 60 days after March 31, 2006, the fiscal year end of the Company.

Although the Company has retained the option to pay all or a portion of the purchase price by distributing marketable securities, the purchase price will be paid entirely in cash except in the unlikely event that the Board of Managers of the Company determines that the distribution of securities is necessary to avoid or mitigate any adverse effect of the Offer on the remaining Members.

A Member who tenders for repurchase only a portion of such Member's Interest will be required to maintain a minimum capital account balance of \$75,000.

A copy of: (a) the Cover Letter to the Offer to Purchase and Letter of Transmittal; (b) the Offer to Purchase; (c) a form of Letter of Transmittal; (d) a form of Notice of Withdrawal of Tender; and (e) forms of Letters from the Company to Members that will be sent in connection with the Company's acceptance of tenders of Interests, are attached hereto as Exhibits A, B, C, D and E, respectively.

(iii) The scheduled expiration date of the Offer is 12:00 midnight, eastern time, Friday, May 27, 2005.

(iv) Not Applicable.

(v) The Company reserves the right, at any time and from time to time, to extend the period of time during which the Offer is pending by notifying Members of such extension. The purchase price of an Interest tendered by any Member will be the net asset value thereof as of the close of business on June 30, 2005 if the Offer expires on the Initial Expiration Date or, if the Offer is extended, approximately one month after the Expiration Date. During any such extension, all Interests previously tendered and not withdrawn will remain subject to the Offer. The Company also reserves the right, at any time and from time to time, up to and including the Expiration Date, to: (a) cancel the Offer in the circumstances set forth in Section 7 of the Offer and in the event of such cancellation, not to purchase or pay for any Interests tendered pursuant to the Offer; (b) amend the Offer; and (c) postpone the acceptance of Interests.

If the Company determines to amend the Offer or to postpone the acceptance of Interests tendered, it will, to the extent necessary, extend the period of time during which the Offer is open as provided above and will promptly notify Members.

(vi) A tender of Interests may be withdrawn at any time before 12:00 midnight, eastern time, Friday, May 27, 2005 and, if Interests have not yet been accepted for purchase by the Company, at any time after June 27, 2005.

(vii) Members wishing to tender Interests pursuant to the Offer should mail a completed and executed Letter of Transmittal to the Transfer Agent, to the attention of Global Fund Services, at the address set forth on page 2 of the Offer, or fax a completed and executed Letter of Transmittal to the Transfer Agent, also to the attention of Global Fund Services, at the fax number set forth on page 2 of the Offer. The completed and executed Letter of Transmittal must be received by the Transfer Agent, either by mail or by fax, no later than the Expiration Date. The Company recommends that all documents be submitted to the Transfer Agent by certified mail, return receipt requested, or by facsimile transmission. A Member choosing to fax a Letter of Transmittal to the Transfer Agent must also send or deliver the original completed and executed Letter of Transmittal to the Transfer Agent promptly thereafter.

Any Member tendering an Interest pursuant to the Offer may withdraw its tender as described above in Item 4(vi). To be effective, any notice of withdrawal must be timely received by the Transfer Agent at the address or fax number set forth on page 2 of the Offer. A form to use to give notice of withdrawal of a tender is available by calling the Transfer Agent at the telephone number indicated on page 2 of the Offer. A tender of Interests properly withdrawn will not thereafter be deemed to be tendered for purposes of the Offer. However, subsequent to the withdrawal of tendered Interests, Interests may be tendered again prior to the Expiration Date by following the procedures described above.

(viii) For purposes of the Offer, the Company will be deemed to have accepted (and thereby purchased) Interests that are tendered when it gives written notice to the tendering Member of its election to purchase such Member's Interest.

(ix) If more than \$10 million of Interests are duly tendered to the Company prior to the Expiration Date and not withdrawn, the Company will in its sole discretion either: (a) accept the additional Interests permitted to be accepted pursuant to Rule 13e-4(f) (3) under the Securities Exchange Act of 1934, as amended (the "1934 Act"); (b) extend the Offer, if necessary, and increase the amount of Interests that the Company is offering to purchase to an amount it believes sufficient to accommodate the excess Interests tendered as

well as any Interests tendered during the extended Offer; or (c) accept Interests tendered on or before the Expiration Date for payment on a pro rata basis based on the aggregate net asset value of tendered Interests. The Offer may be extended, amended or canceled in various other circumstances described in (v) above.

(x) The purchase of Interests pursuant to the Offer will have the effect of increasing the proportionate interest in the Company of Members who do not tender Interests. Members that retain their Interests may be subject to increased risks that may possibly result

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from the reduction in the Company's aggregate assets resulting from payment for the Interests tendered. These risks include the potential for greater volatility due to decreased diversification. However, the Company believes that this result is unlikely given the nature of the Company's investment program. A reduction in the aggregate assets of the Company may result in Members that do not tender Interests bearing higher costs to the extent that certain expenses borne by the Company are relatively fixed and may not decrease if assets decline. These effects may be reduced or eliminated to the extent that additional subscriptions for Interests are made by new and existing Members on June 1, 2005 and thereafter from time to time.

(xi) Not Applicable.

(xii) The following discussion is a general summary of the Federal income tax consequences of the purchase of Interests by the Company from Members pursuant to the Offer. Members should consult their own tax advisors for a complete description of the tax consequences to them of a purchase of their Interests by the Company pursuant to the Offer.

In general, a Member from which an Interest is purchased by the Company will be treated as receiving a distribution from the Company. Such Member generally will not recognize income or gain as a result of the purchase, except to the extent (if any) that the amount of consideration received by the Member exceeds such Member's then adjusted tax basis in such Member's Interest. A Member's basis in such Interest will be adjusted for income, gain or loss allocated (for tax purposes) to such Member for periods prior to the purchase of such Interest. Cash distributed to a Member in excess of the adjusted tax basis of such Member's Interest is taxable as a capital gain or ordinary income, depending on the circumstances. A Member that has its entire interest purchased by the Company may generally recognize a loss, but only to the extent that the amount of consideration received from the Company is less than the Member's then adjusted tax basis in such Member's Interest.

(a) (2) Not Applicable.

(b) It is anticipated that BNY Falcon Three Holding Corp.

("BNY Falcon"), an affiliate of the Company, will tender Interests pursuant to the terms and conditions of the Offer.

ITEM 5. PAST CONTRACTS, TRANSACTIONS, NEGOTIATIONS AND AGREEMENTS WITH RESPECT TO THE ISSUER'S SECURITIES.

The Company's prospectus, dated July 23, 2004, as supplemented on October 15, 2004 and statement of additional information, dated July 23, 2004, as supplemented on October 15, 2004 (together, the "Prospectus"), and the LLC Agreement, which were provided to each Member in advance of subscribing for Interests, provide that the Company's Board of Managers has the discretion to determine whether the Company will purchase Interests from Members from time to time pursuant to written tenders. The Prospectus also states that the Adviser expects that it will recommend to the Board of Managers that the Company purchase Interests from Members twice each year, effective as of June 30 and December 31. The Company

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previously offered to purchase Interests from Members pursuant to written tenders effective as of June 30, 2004 and December 31, 2004.

The Company is not aware of any contract, arrangement, understanding or relationship relating, directly or indirectly, to this tender offer (whether or not legally enforceable) between: (i) the Company and the Adviser or any Manager of the Company or any person controlling the Company or controlling the Adviser or any Manager of the Company; and (ii) any person, with respect to Interests. However, the LLC Agreement provides that the Company shall be dissolved if the Interest of any Member that has submitted a written request, in accordance with the terms of the LLC Agreement, to tender its entire Interest for purchase by the Company has not been repurchased within a period of two years of the request.

ITEM 6. PURPOSES OF THIS TENDER OFFER AND PLANS OR PROPOSALS OF THE ISSUER OR AFFILIATE.

(a) The purpose of the Offer is to provide liquidity to Members that hold Interests, as contemplated by and in accordance with the procedures set forth in the Prospectus and the LLC Agreement.

(b) The Company currently expects that it will accept subscriptions for Interests as of June 1, 2005 and on the first day of each month thereafter, but is under no obligation to do so.

(c) Neither the Company nor the Adviser nor the Board of Managers has any plans or proposals that relate to or would result in: (1) the acquisition by any person of additional Interests (other than the Company's intention to accept subscriptions for Interests on the first day of each month and from time to time in the discretion of the Company), or the disposition of

Interests; (2) an extraordinary transaction, such as a merger, reorganization or liquidation, involving the Company; (3) any material change in the present distribution policy or indebtedness or capitalization of the Company; (4) any change in the identity of the Adviser or the members of the Board of Managers, or in the management of the Company including, but not limited to, any plans or proposals to change the number or the term of members of the Board of Managers, to fill any existing vacancy on the Board of Managers or to change any material term of the investment advisory arrangements with the Adviser; (5) a sale or transfer of a material amount of assets of the Company (other than as the Board of Managers determines may be necessary or appropriate to fund all or a portion of the purchase price for Interests to be acquired pursuant to the Offer or in connection with the ordinary portfolio transactions of the Company); (6) any other material change in the Company's structure or business, including any plans or proposals to make any changes in its fundamental investment policies, as amended, for which a vote would be required by Section 13 of the 1940 Act; or (7) any changes in the LLC Agreement or other actions that might impede the acquisition of control of the Company by any person. Because Interests are not traded in any market, Sections (6), (7) and (8) of Regulation M-A Section 229.1006 (c) are not applicable to the Company.

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ITEM 7. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION.

(a) The Company expects that the purchase price for Interests acquired pursuant to the Offer, which will not exceed \$10 million (unless the Company elects to purchase a greater amount), will be derived from one or more of the following sources: (i) cash on hand; (ii) the proceeds of the sale of and/or delivery of securities and portfolio assets held by the Company; and (iii) possibly borrowings, as described in paragraph (b), below. The Company will segregate, with its custodian, cash or U.S. government securities or other liquid securities equal to the value of the amount estimated to be paid under any Notes as described above.

(b) None of the Company, the Adviser or the Board of Managers has determined at this time to borrow funds to purchase Interests tendered in connection with the Offer. However, depending on the dollar amount of Interests tendered and prevailing general economic and market conditions, the Company, in its sole discretion, may decide to seek to borrow money to finance all or a portion of the purchase price for Interests, subject to compliance with applicable law. If the Company finances any portion of the purchase price in that manner, it will deposit assets in a special custody account with its custodian, to serve as collateral for any amounts so borrowed, and if the Company were to fail to repay any such amounts, the lender would be entitled to satisfy the Company's obligations from the collateral deposited in the special custody account. The Company expects that the repayment of any amounts borrowed will be made from additional funds contributed to the Company by existing and/or new Members, or from the proceeds of the sale of securities and portfolio assets held by the Company.

(c) Not Applicable.

(d) Not Applicable.

ITEM 8. INTEREST IN SECURITIES OF THE ISSUER.

(a) Based on March 31, 2005 estimated values, BNY Falcon owns \$4,493,792 in Interests (approximately, 3.43% of the outstanding Interests). In addition, based on March 31, 2005 estimated values, Newton P.S. Merrill, a Manager of the Company, owns \$113,917 in Interests (approximately .09% of the outstanding Interests).

(b) There have been no transactions involving Interests that were effected during the past 60 business days by the Company, the Adviser, any Manager or any person controlling the Company, the Adviser or any Manager.

ITEM 9. PERSONS/ASSETS RETAINED, EMPLOYED, COMPENSATED OR USED.

No persons have been employed, retained or are to be compensated by the Company to make solicitations or recommendations in connection with the Offer.

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ITEM 10. FINANCIAL STATEMENTS.

(a) (1) Reference is made to the following financial statements of the Company, which the Company has prepared and furnished to Members pursuant to Rule 30e-1 under the 1940 Act and filed with the Securities and Exchange Commission pursuant to Rule 30b2-1 under the 1940 Act, and which are incorporated by reference in their entirety for the purpose of filing this Schedule TO:

Audited financial statements for the period from April 1, 2003 (commencement of operations) through March 31, 2004 previously filed on EDGAR on Form N-CSR on June 14, 2004.

Unaudited financial statements for the period April 1, 2004 through September 30, 2004 previously filed on EDGAR on Form N-CSR on December 8, 2004.

(2) The Company is not required to and does not file quarterly unaudited financial statements under the 1934 Act. The Company does not have shares, and consequently does not have earnings per share information.

(3) Not Applicable.

(4) The Company does not have shares, and consequently does

not have book value per share information.

(b) The Company's assets will be reduced by the amount of the tendered Interests that are repurchased by the Company. Thus, income relative to assets may be affected by the Offer. The Company does not have shares and consequently does not have earnings or book value per share information.

ITEM 11. ADDITIONAL INFORMATION.

- (a) (1) None.
- (2) None.
- (3) Not Applicable.
- (4) Not Applicable.
- (5) None.
- (b) None.

ITEM 12. EXHIBITS.

Reference is hereby made to the following exhibits which collectively constitute the Offer to Members and are incorporated herein by reference:

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- A. Cover Letter to the Offer to Purchase and Letter of Transmittal.
- B. Offer to Purchase.
- C. Form of Letter of Transmittal.
- D. Form of Notice of Withdrawal of Tender.
- E. Forms of Letters from the Company to Members in connection with the Company's acceptance of tenders of Interests.

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SIGNATURE

After due inquiry and to the best of my knowledge and belief, I

certify that the information set forth in this statement is true, complete and correct.

BNY/IVY MULTI-STRATEGY HEDGE FUND LLC

By: /s/ Steven Pisarkiewicz

Name: Steven Pisarkiewicz

Title: President

May 2, 2005

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EXHIBIT INDEX

EXHIBIT

- A Cover Letter to the Offer to Purchase and Letter of Transmittal.
- B Offer to Purchase.
- C Form of Letter of Transmittal.
- D Form of Notice of Withdrawal of Tender.
- E Forms of Letters from the Company to Members in Connection with the Company's Acceptance of Tenders of Interests.

Exhibit A

BNY/IVY MULTI-STRATEGY HEDGE FUND LLC

IF YOU DO NOT WANT TO SELL YOUR LIMITED LIABILITY COMPANY INTERESTS AT THIS TIME, PLEASE DISREGARD THIS NOTICE.

THIS IS SOLELY A NOTIFICATION OF THE COMPANY'S TENDER OFFER.

May 2, 2005

Dear BNY/Ivy Multi-Strategy Hedge Fund LLC Member:

We are writing to inform you of important dates relating to a tender offer by BNY/Ivy Multi-Strategy Hedge Fund LLC (the "Company"). If you are not interested in tendering your limited liability company interests in the Company ("Interest" or "Interests," as the context requires) at this time, please disregard this notice and take no action.

The tender offer period will begin on May 2, 2005 and will end at 12:00 midnight, eastern time, on May 27, 2005. The purpose of the tender offer is to provide liquidity to members that hold Interests. Interests may be presented to the Company for purchase only by tendering them during one of the Company's announced tender offers.

Should you wish to tender your Interest or a portion of your Interest for purchase by the Company during this tender offer period, please complete and return the enclosed Letter of Transmittal in the enclosed postage-paid envelope or by fax so that it arrives no later than May 27, 2005. If you do not wish to tender your Interests, simply disregard this notice. NO ACTION IS REQUIRED IF YOU DO NOT WISH TO TENDER ANY PORTION OF YOUR INTEREST AT THIS TIME.

All tenders of Interests must be received by the Company's Transfer Agent, The Bank of New York, either by mail or by fax (if by fax, please deliver an original, executed copy promptly thereafter) in good order by May 27, 2005.

If you have any questions, please refer to the attached Offer to Purchase document, which contains additional important information about the tender offer, or call your Account Executive or Global Fund Services at our Transfer Agent at (877) 470-9122.

Sincerely,

/s/ Steven Pisarkiewicz
Steven Pisarkiewicz
President
BNY/Ivy Multi-Strategy Hedge Fund LLC

Exhibit B

BNY/Ivy Multi-Strategy Hedge Fund LLC
The Bank of New York
One Wall Street
New York, New York 10286

OFFER TO PURCHASE UP TO \$10 MILLION OF OUTSTANDING
INTERESTS AT NET ASSET VALUE
DATED MAY 2, 2005

THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT
12:00 MIDNIGHT, EASTERN TIME, MAY 27, 2005,
UNLESS THE OFFER IS EXTENDED

To the Members of
BNY/Ivy Multi-Strategy Hedge Fund LLC:

BNY/Ivy Multi-Strategy Hedge Fund LLC, a closed-end, non-diversified, management investment company organized as a Delaware limited liability company (the "Company"), is offering to purchase for cash on the terms and conditions set forth in this offer to purchase ("Offer to Purchase") and the related Letter of Transmittal (which together with the Offer to Purchase constitutes the "Offer") up to \$10 million of Interests in the Company or portions thereof pursuant to tenders by members of the Company ("Members") at a price equal to their net asset value as of June 30, 2005, if the Offer expires on May 27, 2005, or, if the Offer is extended, approximately one month after the expiration date of the Offer (in each case, the "Valuation Date"). (As used in this Offer, the term "Interest" or "Interests," as the context requires, shall refer to the interests in the Company and portions thereof representing beneficial interests in the Company.) If the Company elects to extend the tender period, for the purpose of determining the purchase price for tendered Interests, the net asset value of such Interests will be determined at the close of business on the Valuation Date. This Offer is being made to all Members and is not conditioned on any minimum amount of Interests being tendered, but is subject to certain conditions described below. Interests are not traded on any established trading market and are subject to strict restrictions on transferability pursuant to the Company's Second Amended and Restated Limited Liability Company Agreement dated as of November 2, 2004 (the "LLC Agreement"), if applicable.

Members should realize that the value of the Interests tendered in this Offer likely will change between March 31, 2005 (the last time net asset value was calculated) and the Valuation Date. Members tendering their Interests should also note that they will remain Members in the Company, with respect to the Interest tendered and accepted for purchase by the Company, through the Valuation Date. Accordingly, the value of a tendered Interest will remain at risk until the Valuation Date, because of its investment pursuant to the

Company's investment program.

Any tendering Members that wish to obtain the estimated net asset value of their Interests should contact the Transfer Agent, at the telephone numbers or address set forth below, Monday through Friday, except holidays, during normal business hours of 9:00 a.m. to 5:00 p.m. (eastern time). Members desiring to tender all or any portion of their Interests in accordance with the terms of the Offer should complete and sign the attached Letter of Transmittal and mail or fax it to the Company in the manner set forth in Section 4 below.

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BNY/Ivy Multi-Strategy Hedge Fund LLC

IMPORTANT

NONE OF THE COMPANY, ITS ADVISER OR ITS BOARD OF MANAGERS MAKES ANY RECOMMENDATION TO ANY MEMBER AS TO WHETHER TO TENDER OR REFRAIN FROM TENDERING INTERESTS. MEMBERS MUST MAKE THEIR OWN DECISIONS WHETHER TO TENDER INTERESTS, AND, IF THEY CHOOSE TO DO SO, THE PORTION OF THEIR INTERESTS TO TENDER.

BECAUSE EACH MEMBER'S INVESTMENT DECISION IS A PERSONAL ONE, BASED ON ITS FINANCIAL CIRCUMSTANCES, NO PERSON HAS BEEN AUTHORIZED TO MAKE ANY RECOMMENDATION ON BEHALF OF THE COMPANY AS TO WHETHER MEMBERS SHOULD TENDER INTERESTS PURSUANT TO THE OFFER. NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS IN CONNECTION WITH THE OFFER OTHER THAN THOSE CONTAINED HEREIN OR IN THE LETTER OF TRANSMITTAL. IF GIVEN OR MADE, SUCH RECOMMENDATION AND SUCH INFORMATION AND REPRESENTATIONS MUST NOT BE RELIED ON AS HAVING BEEN AUTHORIZED BY THE COMPANY.

THIS TRANSACTION HAS NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED ON THE FAIRNESS OR MERITS OF SUCH TRANSACTION OR ON THE ACCURACY OR ADEQUACY OF THE INFORMATION CONTAINED IN THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

Questions and requests for assistance and requests for additional copies of the Offer may be directed to the Company's service agent.

The Bank of New York
101 Barclay Street, 20W
New York, New York 10286
Attn: Global Fund Services

Phone: (877) 470-9122
Fax: (212) 815-5515

BNY/Ivy Multi-Strategy Hedge Fund LLC

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BNY/Ivy Multi-Strategy Hedge Fund LLC

SUMMARY TERM SHEET

- . As stated in the offering documents of BNY/Ivy Multi-Strategy Hedge Fund LLC (hereinafter "we" or the "Company"), we will purchase your limited liability company interests ("Interest" or "Interests" as the context requires) at their net asset value (that is, the value of the Company's assets minus its liabilities, multiplied by the proportionate interest in the Company you desire to tender). This offer to purchase Interests (the "Offer") will remain open until 12:00 midnight, eastern time, on May 27, 2005 unless the Offer is extended (the "Expiration Date").
- . The net asset value of the Interests will be calculated for this purpose as of June 30, 2005 or, if the Offer is extended, approximately one month after the Expiration Date (in each case, the "Valuation Date"). The Company reserves the right to adjust the Valuation Date as a result of any extension of the Offer. The Company will review the net asset value calculation of the Interests during the Company's audit for its fiscal year ending March 31, 2006, which the Company expects will be completed by the end of May 2006 and the audited net asset value will be used to determine the final amount paid for tendered Interests.

- . You may tender your entire Interest, a portion of your Interest defined as a specific dollar value or a portion of your Interest above the required minimum capital account balance. If you tender your entire Interest (or a portion of your Interest) and we purchase that Interest, we will give you a non-interest bearing, non-transferable promissory note (the "Note") entitling you to an amount equal to the net asset value of the Interest tendered (valued in accordance with the Company's Second Amended and Restated Limited Liability Company Agreement dated November 2, 2004 (the "LLC Agreement"), less the repurchase fee (as described below), if applicable), determined as of the Valuation Date.
- . A repurchase fee equal to 1.00% of the value of an Interest (or portion of an Interest) repurchased by the Fund will apply if the date as of which the Interest is to be valued for purposes of repurchase is less than one year following the date of a Member's initial investment in the Fund. If applicable, the repurchase fee will be deducted before payment of the proceeds of a repurchase.
- . The Note will be mailed to you and will entitle you to an initial payment in cash and/or marketable securities (valued according to the LLC Agreement) equal to 95% of the net asset value of the Interest (the "Initial Payment") which will be paid to you within 30 days after the Valuation Date or, if we have requested withdrawals of capital from any portfolio funds in order to finance the purchase of Interests, ten business days after we have received at least 90% of the aggregate amount withdrawn from such portfolio funds.
- . The Note will also entitle you to a contingent payment (the "Contingent Payment") equal to the excess, if any, of (a) the net asset value of the Interest tendered as of the Valuation Date (as it may be adjusted based upon the next annual audit of the Company's financial statements) over (b) the Initial Payment. The Contingent Payment will be payable promptly after the completion of the Company's next annual audit.
- . If you tender only a portion of your Interest you will be required to maintain a minimum capital account balance of \$75,000. We reserve the right to purchase less than the amount you tender if the purchase would cause your capital account to have less than the required minimum balance.
- . If we accept the tender of your entire Interest or a portion of your Interest, we will pay you your proceeds from: cash on hand, withdrawals of capital from the portfolio funds in which we have

invested, the proceeds of the sale of and/or delivery of portfolio securities held by the Company and/or by borrowing if the Offer is extended (which we do not intend to do).

- . Following this summary is a formal notice of our offer to repurchase your Interests. Our Offer remains open to you until 12:00 midnight, eastern time, on May 27, 2005, the expected expiration date of the Offer. Until that time, you have the right to change your mind and withdraw any tender of your Interest. You will also have the right to withdraw the tender of your Interest at any time after June 27, 2005, assuming your Interest has not yet been accepted for repurchase.
- . If you would like us to repurchase your Interest or a portion of your Interest, you should (i) mail the Letter of Transmittal, enclosed with the Offer, to The Bank of New York (the "Transfer Agent"), 101 Barclay Street, 20W, New York, NY 10286, attention Global Fund Services; or (ii) fax it to the Transfer Agent at (212) 815-5515, so that it is received before 12:00 midnight, eastern time, on May 27, 2005. If you fax the Letter of Transmittal, you should mail the original Letter of Transmittal to the Transfer Agent promptly after you fax it (although the original does not have to be received before 12:00 midnight, eastern time, on May 27, 2005).
- . The value of your Interests will change between March 31, 2005 (the last time net asset value was calculated) and the Valuation Date.
- . If you would like to obtain the estimated net asset value of your Interests, which we calculate monthly, based upon the information we receive from the managers of the investment funds in which we invest, you may contact the Transfer Agent at (877) 470-9122 or at the address listed above, Monday through Friday, except holidays, during normal business hours of 9:00 a.m. to 5:00 p.m. (eastern time).
- . If more than \$10 million of Interests are duly tendered to the Company prior to the Expiration Date and not withdrawn pursuant to Section 5 below, the Company will in its sole discretion either (a) accept the additional Interests permitted to be accepted pursuant to Rule 13e-4(f)(3) under the Securities Exchange Act of 1934, as amended; (b) extend the Offer, if necessary, and increase the amount of Interests that the Company is offering to purchase to an amount it believes sufficient to accommodate the excess Interests tendered as well as any Interests tendered during the extended Offer; or (c) accept Interests tendered on or before the Expiration Date for payment on a pro rata basis based on the aggregate net asset value of tendered Interests.
- . Please note that just as you have the right to withdraw the tender of an Interest, we have the right to cancel, amend or postpone this Offer at any time before 12:00 midnight, eastern time, on May 27, 2005. Also realize that although the Offer expires on May 27, 2005,

you will remain a Member of the Company, with respect to the Interest tendered and accepted for purchase by the Company, through the Valuation Date. Accordingly, the value of your tendered interest will remain at risk until the Valuation Date, because of its investment pursuant to the Company's investment program.

1. Background and Purpose of the Offer. The purpose of this Offer is to provide liquidity to Members who hold Interests, as contemplated by and in accordance with the procedures set forth in the Company's prospectus, dated July 23, 2004, as supplemented on October 15, 2004 and statement of additional information, dated July 23, 2004, as supplemented on October 15, 2004 (together, the "Prospectus"), and the LLC Agreement. The Prospectus and the LLC Agreement, which were provided to each Member in advance of subscribing for Interests, provide that the Board of Managers has the discretion to determine whether the Company will purchase Interests from Members from time to time pursuant to written tenders. The Prospectus also states that BNY Investment Advisors, the investment adviser of the Company (the "Adviser"), expects that it

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will recommend to the Board of Managers that the Company purchase Interests from Members twice each year, effective as of June 30 and December 31. The Company has previously offered to purchase interests from Members as of June 30, 2004 and December 31, 2004. Because there is no secondary trading market for Interests and transfers of Interests are prohibited without prior approval of the Company, the Board of Managers has determined, after consideration of various matters, including but not limited to those set forth in the Prospectus, that the Offer is in the best interest of Members in order to provide liquidity for Interests as contemplated in the Prospectus and the LLC Agreement.

The purchase of Interests pursuant to the Offer will have the effect of increasing the proportionate interest in the Company of Members that do not tender Interests. Members that retain their Interests may be subject to increased risks due to the reduction in the Company's aggregate assets resulting from payment for the Interests tendered. These risks include the potential for greater volatility due to decreased diversification. However, the Company believes that this result is unlikely given the nature of the Company's investment program. A reduction in the aggregate assets of the Company may result in Members that do not tender Interests bearing higher costs to the extent that certain expenses borne by the Company are relatively fixed and may not decrease if assets decline. These effects may be reduced or eliminated to the extent that additional subscriptions for Interests are made by new and existing Members on June 1, 2005 and thereafter from time to time.

The Company currently expects that it will accept subscriptions for Interests as of June 1, 2005 and on the first day of each month thereafter, but

is under no obligation to do so.

2. Offer to Purchase and Price. Subject to the conditions of the Offer, the Company will purchase up to \$10 million of Interests that are tendered by Members and not withdrawn (in accordance with Section 5 below) prior to 12:00 midnight, eastern time, on Friday, May 27, 2005 or any later date as corresponds to any extension of the Offer (in each case, the "Expiration Date"). The Company reserves the right to extend, amend or cancel the Offer as described in Sections 3 and 7 below. The purchase price of an Interest tendered will be its net asset value as of the Valuation Date, payable as set forth in Section 6. The Company reserves the right to adjust the Valuation Date as a result of any extension of the Offer. As of the close of business on March 31, 2005, the unaudited net asset value of an Interest corresponding to an initial capital contribution of \$100,000 on the following closing dates of the Company was as follows:

<TABLE>

<CAPTION>

If you invested \$100,000 on the following Closing Date Your Unaudited Net Asset Value as of March 31, 2005 would be

<S>	<C>
April 1, 2003	\$113,917.81
May 1, 2003	\$113,041.59
June 2, 2003	\$111,898.20
July 1, 2003	\$111,397.98
August 1, 2003	\$111,546.12
September 1, 2003	\$111,424.61
October 1, 2003	\$110,075.90
November 3, 2003	\$108,619.89
December 1, 2003	\$107,862.38
January 1, 2004	\$106,978.32
February 2, 2004	\$105,774.64

</TABLE>

<TABLE>

<CAPTION>

If you invested \$100,000 on the following Closing Date Your Unaudited Net Asset Value as of March 31, 2005 would be

<S>	<C>
March 1, 2004	\$105,258.71
April 1, 2004	\$105,100.97
May 3, 2004	\$105,246.26
June 1, 2004	\$105,618.60
July 1, 2004	\$105,307.57
August 2, 2004	\$105,792.92
September 1, 2004	\$105,586.84
October 1, 2004	\$104,719.48
November 1, 2004	\$104,121.51
December 1, 2004	\$102,048.22
January 3, 2005	\$100,252.30
February 1, 2005	\$100,485.39
March 1, 2005	\$ 99,775.63

</TABLE>

As of the close of business on March 31, 2005, there was approximately \$130.9 million outstanding in capital of the Company held in Interests (based on the estimated unaudited net asset value of such Interests). Members may obtain monthly estimated net asset value information, which the Company calculates based upon the information it receives from the managers of the portfolio funds in which the Company invests, until the expiration of the Offer, by contacting the Transfer Agent at the telephone number or address set forth on page 2, Monday through Friday, except holidays, during normal business hours of 9:00 a.m. to 5:00 p.m. (eastern time).

3. Amount of Tender. Subject to the limitations set forth below, Members may tender their entire Interest, a portion of their Interest defined as a specific dollar value or the portion of their Interest above the required minimum capital account balance, as described below. A Member that tenders for repurchase only a portion of its Interest will be required to maintain a minimum capital account balance of \$75,000. If a Member tenders an amount that would cause the Member's capital account balance to fall below the required minimum, the Company reserves the right to reduce the amount to be purchased

from such Member so that the required minimum balance is maintained. The Offer is being made to all Members and is not conditioned on any minimum amount of Interests being tendered.

If the amount of Interests that are properly tendered pursuant to the Offer and not withdrawn pursuant to Section 5 below is less than or equal to \$10 million (or such greater amount as the Company may elect to purchase pursuant to the Offer), the Company will, on the terms and subject to the conditions of the Offer, purchase all of the Interests so tendered unless the Company elects to cancel or amend the Offer, or postpone acceptance of tenders made pursuant to the Offer, as provided in Section 7 below. If more than \$10 million of Interests are duly tendered to the Company prior to the Expiration Date and not withdrawn pursuant to Section 5 below, the Company will in its sole discretion either (a) accept the additional Interests permitted to be accepted pursuant to Rule 13e-4(f)(3) under the Securities Exchange Act of 1934, as amended; (b) extend the Offer, if necessary, and increase the amount of Interests that the Company is offering to purchase to an amount it believes sufficient to accommodate the excess Interests tendered as well as any Interests tendered during the extended Offer; or (c) accept Interests tendered on or before the Expiration Date for payment on a pro rata basis based on the aggregate net asset value of tendered Interests. The Offer may be extended, amended or canceled in various other circumstances described in Section 7 below.

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4. Procedure for Tenders. Members wishing to tender Interests pursuant to the Offer should mail a completed and executed Letter of Transmittal to the Transfer Agent, to the attention of Global Fund Services, at the address set forth on page 2, or fax a completed and executed Letter of Transmittal to the Transfer Agent, also to the attention of Global Fund Services, at the fax number set forth on page 2. The completed and executed Letter of Transmittal must be received by the Transfer Agent, either by mail or by fax, no later than 12:00 midnight on the Expiration Date.

The Company recommends that all documents be submitted to the Transfer Agent via certified mail, return receipt requested, or by facsimile transmission. A Member choosing to fax a Letter of Transmittal to the Transfer Agent must also send or deliver the original completed and executed Letter of Transmittal to the Transfer Agent promptly thereafter. Members wishing to confirm receipt of a Letter of Transmittal may contact the Transfer Agent at the address or telephone number set forth on page 2. The method of delivery of any documents is at the election and complete risk of the Member tendering an Interest including, but not limited to, the failure of the Transfer Agent to receive any Letter of Transmittal or other document submitted by facsimile transmission. All questions as to the validity, form, eligibility (including time of receipt) and acceptance of tenders will be determined by the Company,

in its sole discretion, and such determination shall be final and binding. The Company reserves the absolute right to reject any or all tenders determined by it not to be in appropriate form or the acceptance of or payment for which would, in the opinion of counsel for the Company, be unlawful. The Company also reserves the absolute right to waive any of the conditions of the Offer or any defect in any tender with respect to any particular Interest or any particular Member, and the Company's interpretation of the terms and conditions of the Offer will be final and binding. Unless waived, any defects or irregularities in connection with tenders must be cured within such time as the Company shall determine. Tenders will not be deemed to have been made until the defects or irregularities have been cured or waived. None of the Company, the Adviser or the Board of Managers shall be obligated to give notice of any defects or irregularities in tenders, nor shall any of them incur any liability for failure to give such notice.

5. Withdrawal Rights. Any Member tendering an Interest pursuant to this Offer may withdraw such tender at any time prior to or on the Expiration Date and, at any time after June 27, 2005, assuming such Member's Interest has not yet been accepted for purchase by the Company. To be effective, any notice of withdrawal of a tender must be timely received by the Transfer Agent at the address or the fax number set forth on page 2. A form to use to give notice of withdrawal of a tender is available by calling the Transfer Agent at the telephone number indicated on page 2. All questions as to the form and validity (including time of receipt) of notices of withdrawal of a tender will be determined by the Company, in its sole discretion, and such determination will be final and binding. A tender of Interests properly withdrawn will not thereafter be deemed to be tendered for purposes of the Offer. However, withdrawn Interests may be tendered again prior to the Expiration Date by following the procedures described in Section 4.

6. Purchases and Payment. For purposes of the Offer, the Company will be deemed to have accepted (and thereby purchased) Interests that are tendered as, if and when it gives written notice to the tendering Member of its election to purchase such Interest. As stated in Section 2 above, the purchase price of an Interest tendered by any Member will be the net asset value thereof as of the Valuation Date, less the repurchase fee, if applicable. The net asset value will be determined after all allocations to capital accounts of the Member required to be made by the LLC Agreement have been made.

For Members who tender their Interest or a portion thereof that is accepted for purchase, payment of the purchase price will consist of a non-interest-bearing non-transferable promissory note (the "Note") entitling a Member to an initial and contingent payment. The Note will entitle the Member to receive an initial payment of 95% of the unaudited net asset value of the Interest tendered and accepted for purchase by the Company. Payment of this amount will be made within one month after the Valuation Date or, if the Company has requested withdrawals of its capital from any portfolio funds in order to finance the purchase of Interests, no later

than ten business days after the Company has received at least 90% of the aggregate amount withdrawn by the Company from such portfolio funds. The Note will also entitle a Member to receive a contingent payment equal to the excess, if any, of (a) the net asset value of the Interests tendered and accepted for purchase by the Company as of the Valuation Date, determined based on the audited financial statements of the Company for its fiscal year ending March 31, 2006, over (b) the Initial Payment (the "Contingent Payment"). The Note will be delivered to the tendering Member in the manner set forth below within ten calendar days after the acceptance of the Member's Interest. The Contingent Payment will be payable (in the manner set forth below) promptly after completion of the audit of the financial statements of the Company for its fiscal year. It is anticipated that the audit of the Company's financial statements will be completed no later than 60 days after March 31, 2006.

Although the Company has retained the option to pay all or a portion of the purchase price by distributing marketable securities, the purchase price will be paid entirely in cash except in the unlikely event that the Board of Managers determines that the distribution of securities is necessary to avoid or mitigate any adverse effect of the Offer on the remaining Members of the Company.

The Note pursuant to which a tendering Member will receive the Initial Payment and Contingent Payment (together, the "Cash Payment") will be mailed directly to the tendering Member. Any Cash Payment due pursuant to the Note will be made by wire transfer directly to the tendering Member to an account designated by the Member.

The Company expects that the purchase price for Interests acquired pursuant to the Offer, which will not exceed \$10 million, (unless the Company elects to purchase a greater amount) will be derived from: (a) cash on hand; (b) the proceeds of the sale of securities and portfolio assets held by the Company; and/or (c) possibly borrowings, as described below. The Company will segregate with its custodian cash or U.S. government securities or other liquid securities equal to the value of the amount estimated to be paid under the Note, as described above. Neither the Company, nor the Board of Managers, nor the Adviser have determined at this time to borrow funds to purchase Interests tendered in connection with the Offer. However, depending on the dollar amount of Interests tendered and prevailing general economic and market conditions, the Company, in its sole discretion, may decide to finance any portion of the purchase price, subject to compliance with applicable law, through borrowings. If the Company finances any portion of the purchase price in that manner, it will deposit assets in a special custody account with its custodian, The Bank of New York, to serve as collateral for any amounts so borrowed, and if the Company were to fail to repay any such amounts, the lender would be entitled to satisfy the Company's obligations from the collateral deposited in the special custody account. The Company expects that the repayment of any amounts borrowed will be made from additional funds contributed to the Company by existing and/or new Members or from the proceeds of the sale of securities and portfolio

assets held by the Company.

7. Certain Conditions of the Offer. The Company reserves the right, at any time and from time to time, to extend the period of time during which the Offer is pending by notifying Members of such extension. The purchase price of an Interest tendered by any Member will be the net asset value thereof as of the Valuation Date. During any such extension, all Interests previously tendered and not withdrawn will remain subject to the Offer. The Company also reserves the right, at any time and from time to time up to and including acceptance of tenders pursuant to the Offer, to: (a) cancel the Offer in the circumstances set forth in the following paragraph and in the event of such cancellation not to purchase or pay for any Interests tendered pursuant to the Offer; (b) amend the Offer; and (c) postpone the acceptance of Interests. If the Company determines to amend the Offer or to postpone the acceptance of Interests tendered, it will, to the extent necessary, extend the period of time during which the Offer is open as provided above and will promptly notify Members.

The Company may cancel the Offer, amend the Offer or postpone the acceptance of tenders made pursuant to the Offer if: (a) the Company would not be able to liquidate portfolio securities in a manner that is

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orderly and consistent with the Company's investment objectives and policies in order to purchase Interests tendered pursuant to the Offer; (b) there is, in the judgment of the Board of Managers, any (i) legal action or proceeding instituted or threatened challenging the Offer or otherwise materially adversely affecting the Company, (ii) declaration of a banking moratorium by Federal or state authorities or any suspension of payment by banks in the United States or New York State that is material to the Company, (iii) limitation imposed by Federal or state authorities on the extension of credit by lending institutions, (iv) suspension of trading on any organized exchange or over-the-counter market where the Company has a material investment, (v) commencement of war, armed hostilities or other international or national calamity directly or indirectly involving the United States that is material to the Company, (vi) material decrease in the net asset value of the Company from the net asset value of the Company as of commencement of the Offer, or (vii) other event or condition that would have a material adverse effect on the Company or its Members if Interests tendered pursuant to the Offer were purchased; or (c) the Board of Managers determines that it is not in the best interest of the Company to purchase Interests pursuant to the Offer. However, there can be no assurance that the Company will exercise its right to extend, amend or cancel the Offer or to postpone acceptance of tenders pursuant to the Offer.

8. Certain Information About the Company. The Company is registered

under the Investment Company Act of 1940, as amended (the "1940 Act"), as a closed-end, non-diversified, management investment company. It is organized as a Delaware limited liability company. The principal office of the Company is located at One Wall Street, 26/th/ Floor, Attn: Product Management, New York, New York, 10286 and the telephone number is (877) 470-9122. Interests are not traded on any established trading market and are subject to strict restrictions on transferability pursuant to the LLC Agreement.

The Company does not have any plans or proposals that relate to or would result in: (a) the acquisition by any person of additional Interests (other than the Company's intention to accept subscriptions for Interests on the first day of each month and from time to time in the discretion of the Company) or the disposition of Interests; (b) an extraordinary corporate transaction, such as a merger, reorganization or liquidation, involving the Company; (c) any material change in the present distribution policy or indebtedness or capitalization of the Company; (d) any change in the identity of the investment adviser of the Company, or in the management of the Company including, but not limited to, any plans or proposals to change the number or the term of the members of the Board of Managers, to fill any existing vacancy on the Board of Managers or to change any material term of the investment advisory arrangement with the Adviser; (e) a sale or transfer of a material amount of assets of the Company (other than as the Board of Managers determines may be necessary or appropriate to fund any portion of the purchase price for Interests acquired pursuant to this Offer to Purchase or in connection with ordinary portfolio transactions of the Company); (f) any other material change in the Company's structure or business, including any plans or proposals to make any changes in its fundamental investment policies for which a vote would be required by Section 13 of the 1940 Act; or (g) any changes in the LLC Agreement or other actions that may impede the acquisition of control of the Company by any person.

Based on March 31, 2005 estimated values, BNY Falcon owns \$4,493,792 in Interests (approximately, 3.43% of the outstanding Interests). In addition, based on March 31, 2005 estimated values, Newton P.S. Merrill, a Manager of the Company, owns \$113,917 in Interests (approximately 0.09% of the outstanding Interests).

To the Company's knowledge, no executive officer, Manager, or other affiliate plans to tender, and the Company presently has no plans to purchase the Interest of any executive officer, Manager or other affiliate of the Company pursuant to the Offer, except as described above with respect to BNY Falcon.

There have been no transactions involving the Interests that were effected during the past 60 business days by the Company, the Adviser, any Manager or any person controlling the Company or the Adviser or any Manager.

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9. Certain Federal Income Tax Consequences. The following discussion is a general summary of the federal income tax consequences of the purchase of Interests by the Company from Members pursuant to the Offer. Members should consult their own tax advisors for a complete description of the tax consequences to them of a purchase of their Interests by the Company pursuant to the Offer.

In general, a Member from which an Interest is purchased by the Company will be treated as receiving a distribution from the Company. Such Member generally will not recognize income or gain as a result of the purchase, except to the extent (if any) that the amount of consideration received by the Member exceeds such Member's then adjusted tax basis in such Member's Interest. A Member's basis in the Member's Interest will be reduced (but not below zero) by the amount of consideration received by the Member from the Company in connection with the purchase of such Interest. A Member's basis in the Member's Interest will be adjusted for income, gain or loss allocated (for tax purposes) to such Member for periods prior to the purchase of such Interest. Cash distributed to a Member in excess of the adjusted tax basis of such Member's Interest is taxable as capital gain or ordinary income, depending on the circumstances. A Member that has its entire Interest purchased by the Company may generally recognize a loss, but only to the extent that the amount of consideration received from the Company is less than the Member's then adjusted tax basis in such Member's Interest.

10. Miscellaneous. The Offer is not being made to, nor will tenders be accepted from, Members in any jurisdiction in which the Offer or its acceptance would not comply with the securities or Blue Sky laws of such jurisdiction. The Company is not aware of any jurisdiction in which the Offer or tenders pursuant thereto would not be in compliance with the laws of such jurisdiction. However, the Company reserves the right to exclude Members from the Offer in any jurisdiction in which it is asserted that the Offer cannot lawfully be made. The Company believes such exclusion is permissible under applicable laws and regulations, provided the Company makes a good faith effort to comply with any state law deemed applicable to the Offer.

The Company has filed an Issuer Tender Offer Statement on Schedule TO with the Securities and Exchange Commission, which includes certain information relating to the Offer summarized herein. A free copy of such statement may be obtained from the Company by contacting the Transfer Agent at the address and telephone number set forth on page 2 or from the Securities and Exchange Commission's internet web site, <http://www.sec.gov>. For a fee, a copy may be obtained from the public reference office of the Securities and Exchange Commission at Judiciary Plaza, 450 Fifth Street, N.W., Washington, DC 20549.

ANNEX A

Financial Statements

Audited financial statements for the period from April 1, 2003 (commencement of operations) through March 31, 2004 previously filed on EDGAR on Form N-CSR on June 14, 2004.

Unaudited financial statements for the period from April 1, 2004 through September 30, 2004 previously filed on EDGAR on Form N-CSR on December 8, 2004.

LETTER OF TRANSMITTAL

Regarding
Interests
in

BNY/IVY MULTI-STRATEGY HEDGE FUND LLC

Tendered Pursuant to the Offer to Purchase
Dated May 2, 2005

THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE
AT, AND THIS LETTER OF TRANSMITTAL MUST BE
RECEIVED BY THE COMPANY BY, 12:00 MIDNIGHT,
EASTERN TIME, ON FRIDAY, MAY 27, 2005
UNLESS THE OFFER IS EXTENDED.

Complete This Letter Of Transmittal And Return Or Deliver To:

The Bank of New York
101 Barclay Street, 20W
New York, NY 10286

Attn: Global Fund Services

For additional information:

Phone: (877) 470-9122

Fax: (212) 815-5515

Ladies and Gentlemen:

The undersigned hereby tenders to BNY/Ivy Multi-Strategy Hedge Fund LLC (the "Company"), a closed-end, non-diversified, management investment company organized under the laws of the State of Delaware, the limited liability company interest in the Company ("Interest" or "Interests" as the context requires) or portion thereof held by the undersigned, described and specified below, on the terms and conditions set forth in the offer to purchase, dated May 2, 2005 ("Offer to Purchase"), receipt of which is hereby acknowledged, and in this Letter of Transmittal (which together constitute the "Offer"). THE TENDER AND THIS LETTER OF TRANSMITTAL ARE SUBJECT TO ALL THE TERMS AND CONDITIONS SET FORTH IN THE OFFER TO PURCHASE, INCLUDING, BUT NOT LIMITED TO, THE ABSOLUTE RIGHT OF THE COMPANY TO REJECT ANY AND ALL TENDERS DETERMINED BY IT, IN ITS SOLE DISCRETION, NOT TO BE IN THE APPROPRIATE FORM.

The undersigned hereby sells to the Company the Interest or portion thereof tendered hereby pursuant to the Offer. The undersigned hereby warrants that the undersigned has full authority to sell the Interest or portion thereof tendered hereby and that the Company will acquire good title thereto, free and clear of all liens, charges, encumbrances, conditional sales agreements or other obligations relating to the sale thereof, and not subject to any adverse claim, when and to the extent the same are purchased by it. Upon request, the

undersigned will execute and deliver any additional documents necessary to complete the sale in accordance with the terms of the Offer.

The undersigned recognizes that under certain circumstances set forth in the Offer, the Company may not be required to purchase any of the Interests in the Company or portions thereof tendered hereby.

A promissory note for the purchase price will be mailed to the undersigned. The initial payment of the purchase price for the Interest or portion thereof tendered by the undersigned will be made by wire transfer of the funds to an account designated by the undersigned. The undersigned hereby represents and warrants that the undersigned understands that any payment in the form of marketable securities would be made by means of special arrangement with the tendering member in the sole discretion of the Board of Managers of the Company.

The promissory note will also reflect the contingent payment portion of the purchase price (the "Contingent Payment"), if any, as described in Section 6 of the Offer to Purchase. Any Contingent Payment of cash due pursuant to the promissory note will also be made by wire transfer of the funds to the undersigned's account. The undersigned recognizes that the amount of the purchase price for Interests will be based on the unaudited net asset value of the Company as of June 30, 2005 or, if the Offer is extended, approximately one month after the expiration date of the Offer, as described in Section 7. The Contingent Payment portion of the purchase price, if any, will be determined upon completion of the audit of the Company's financial statements which is anticipated to be completed not later than 60 days after March 31, 2006, the Company's fiscal year end, and will be paid promptly thereafter.

All authority herein conferred or agreed to be conferred shall survive the death or incapacity of the undersigned and the obligation of the undersigned hereunder shall be binding on the heirs, personal representatives, successors and assigns of the undersigned. Except as stated in Section 5 of the Offer to Purchase, this tender is irrevocable.

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PLEASE FAX OR MAIL IN THE ENCLOSED POSTAGE PAID ENVELOPE TO:

The Bank of New York, 101 Barclay Street, 20W, New York, NY 10286, Attn: Global Fund Services. For additional information: Phone: (877) 470-9122 Fax: (212) 815-5515

Part 1. Name and Address:

Name of Member: _____

Social Security No.
or Taxpayer

Identification No.: _____

Telephone Number: () _____

Part 2. Amount of Limited Liability Company Interest in the Company being Tendered:

[_] Entire limited liability company interest.

[_] Portion of limited liability company interest expressed as a specific dollar value. (A minimum interest with a value greater than \$75,000 must be maintained (the "Required Minimum Balance").)*

\$ _____

[_] Portion of limited liability company interest in excess of the Required Minimum Balance.

* The undersigned understands and agrees that if the undersigned tenders an amount that would cause the undersigned's capital account balance to fall below the Required Minimum Balance, the Company may reduce the amount to be purchased from the undersigned so that the Required Minimum Balance is maintained.

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Part 3. Payment.

Cash Payment

Cash Payments shall be wire transferred to the following account:

Name of Bank

Address of Bank

ABA Number

Account Number

Name Under Which Account
Is Held

Promissory Note

The promissory note reflecting both the initial and contingent payment portion of the purchase price, if applicable, will be mailed directly to the undersigned to the address of the undersigned as maintained in the books and records of the Company.

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Part 4. Signature(s).

<TABLE>

<S>

<C>

For Individual Investors and Joint
Tenants:

Signature
(Signature of Owner(s) Exactly as Appeared
on Subscription Agreement)
Print Name of Investor

Joint Tenant Signature if necessary
(Signature of Owner(s) Exactly as Appeared
on Subscription Agreement)
Print Name of Joint Tenant

For Other Investors:

Print Name of Investor
Signature
(Signature of Owner(s) Exactly as Appeared on
Subscription Agreement)
Print Name of Signatory and Title

Co-signatory if necessary
(Signature of Owner(s) Exactly as Appeared on
Subscription Agreement)
Print Name and Title of Co-signatory

</TABLE>

Date: _____

BNY/Ivy Multi-Strategy Hedge Fund LLC

EXHIBIT D

NOTICE OF WITHDRAWAL OF TENDER

Regarding Interests in

BNY/IVY MULTI-STRATEGY HEDGE FUND LLC

Tendered Pursuant to the Offer to Purchase Dated May 2, 2005

THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT , AND THIS NOTICE OF WITHDRAWAL MUST BE RECEIVED BY THE COMPANY BY, 12:00 MIDNIGHT, EASTERN TIME, ON FRIDAY, MAY 27, 2005 UNLESS THE OFFER IS EXTENDED.

Complete This Notice of Withdrawal And Return Or Deliver To:

The Bank of New York
101 Barclay Street, 20W
New York, NY 10286

Attn: Global Fund Services

For additional information:

Phone: (877) 470-9122

Fax: (212) 815-5515

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BNY/Ivy Multi-Strategy Hedge Fund LLC

Ladies and Gentlemen:

The undersigned wishes to withdraw the tender of its limited liability company interest in BNY/Ivy Multi-Strategy Hedge Fund LLC (the "Company"), or the tender of a portion of such interest, for purchase by the Company that previously was submitted by the undersigned in a Letter of Transmittal dated _____.

This tender was in the amount of:

Entire limited liability company interest.

Portion of limited liability company interest expressed as a specific dollar value

\$ _____

Portion of limited liability company interest in excess of the Required Minimum Balance.

The undersigned recognizes that upon the submission on a timely basis of this Notice of Withdrawal of Tender, properly executed, the interest in the Company (or portion of the interest) previously tendered will not be purchased by the Company upon expiration of the tender offer described above.

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BNY/Ivy Multi-Strategy Hedge Fund LLC

Signature(s).

<TABLE>

<S>

<C>

For Individual Investors and Joint
Tenants:

For Other Investors:

Signature
(Signature of Owner(s) Exactly as Appeared
on Subscription Agreement)
Print Name of Investor

Print Name of Investor
Signature
(Signature of Owner(s) Exactly as Appeared on
Subscription Agreement)
Print Name of Signatory and Title

Joint Tenant Signature if necessary
(Signature of Owner(s) Exactly as Appeared
on Subscription Agreement)
Print Name of Joint Tenant

Co-signatory if necessary
(Signature of Owner(s) Exactly as Appeared on
Subscription Agreement)
Print Name and Title of Co-signatory

</TABLE>

Date: _____

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EXHIBIT E

Forms of Letters from the Company to Members in Connection with the Company's
Acceptance of Tenders of Interests.

THIS LETTER IS BEING SENT TO YOU IF YOU TENDERED YOUR ENTIRE INTEREST IN THE
COMPANY.

June , 2005

Dear Member:

BNY/Ivy Multi-Strategy Hedge Fund LLC (the "Company") has received and accepted for purchase your tender of a limited liability company interest in the Company. Enclosed is a statement showing the breakdown of your capital withdrawal resulting from our purchase of your interest in the Company.

Because you have tendered and the Company has purchased your entire investment, you have been paid a note (the "Note"). The Note entitles you to receive 95% of the purchase price based on the estimated unaudited net asset value of the Company as of June 30, 2005 or, if the tender offer period is extended, approximately one month after the expiration of the tender offer, in accordance with the terms of the tender offer. A cash payment in this amount will be wire transferred to the account designated by you in your Letter of Transmittal dated , no later than July 30, 2005, unless the valuation date of the Interests has changed, or the Company has requested a withdrawal of its capital from the portfolio funds in which it has invested.

The terms of the Note provide that a contingent payment representing the balance of the purchase price, if any, will be paid to you after the completion of the Company's fiscal year-end audit for the year ending March 31, 2006 and is subject to fiscal year-end audit adjustment. This amount will be paid within ten days after the conclusion of the fiscal year-end audit, or on such earlier date as the Company's Board of Managers may determine, according to the terms of the tender offer. We expect the audit to be completed by the end of May 2006.

Should you have any questions, please feel free to contact the Company's Transfer Agent, The Bank of New York, at (877) 470-9122.

Sincerely,

BNY/IVY MULTI-STRATEGY HEDGE
FUND LLC

Enclosure

THIS LETTER IS BEING SENT TO YOU IF YOU TENDERED A PORTION OF YOUR INTEREST IN THE COMPANY.

June , 2005

Dear Member:

BNY/Ivy Multi-Strategy Hedge Fund LLC (the "Company") has received and accepted for purchase your tender of a portion of your limited liability company interest in the Company. Enclosed is a statement showing the breakdown of your capital withdrawal resulting from our purchase of your interest in the Company.

Because you have tendered and the Company has purchased a portion of your investment, you have been paid a note (the "Note"). The Note entitles you to receive an initial payment of at least 95% of the purchase price based on the unaudited net asset value of the Company as of June 30, 2005 or, if the tender offer period is extended, approximately one month after the expiration of the tender offer, in accordance with the terms of the tender offer. A cash payment in this amount will be wire transferred to the account designated by you in your Letter of Transmittal dated no later than July 30, 2005, unless the valuation date of the Interests has changed, or the Company has requested a withdrawal of its capital from the portfolio funds in which it has invested, and provided that your account retains the required minimum balance, in accordance with the terms of the tender offer.

The terms of the Note provide that a contingent payment representing the balance of the purchase price, if any, will be paid to you after the completion of the Company's fiscal year-end audit for the year ending March 31, 2006 and is subject to fiscal year-end audit adjustment. This amount will be paid within ten days after the conclusion of the fiscal year-end audit, or on such earlier date as the Company's Board of Managers may determine, according to the terms of the tender offer. We expect the audit to be completed by the end of May 2006.

You remain a member of the Company with respect to the portion of your interest in the Company that you did not tender.

Should you have any questions, please feel free to contact the Company's Transfer Agent, The Bank of New York, at (877) 470-9122.

Sincerely,

BNY/IVY MULTI-STRATEGY HEDGE
FUND LLC

Enclosure

