

If you are in any doubt about the contents of this prospectus, the risks involved in investing in the Company or the suitability for you of investment in the Company, you should consult your stock broker, bank manager, solicitor, accountant or other independent financial adviser. Prices for shares in the Company may fall as well as rise.

The directors of the Company ("Directors") whose names appear on page 11 of this prospectus accept responsibility for the information contained in this prospectus. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

AVI PARTNERS CAPITAL FUND PLC

(an umbrella investment company with variable capital and with segregated liability between sub-funds incorporated with limited liability in Ireland with registration number 501463 and authorised by the Central Bank of Ireland as an investment company pursuant to Part XIII of the *Companies Act, 1990*).

P R O S P E C T U S

The date of this prospectus is 10 August 2011.

1 IMPORTANT INFORMATION

This prospectus should be read in conjunction with section 3 titled "Definitions".

1.1 The prospectus

This prospectus describes AVI Partners Capital Fund plc ("Company"), an umbrella investment company with variable capital and with segregated liability between Funds incorporated with limited liability in Ireland on 21 July 2011 with registration number 501463 and authorised by the Central Bank of Ireland ("Central Bank") as an investment company pursuant to Part XIII of the *Companies Act, 1990*. Each Fund will constitute a separate portfolio of assets maintained by the Company in accordance with its Articles. The liability between Funds is segregated pursuant to Irish company law. Funds may be established as open-ended, limited liquidity or closed-ended funds. The Company will invite subscriptions for equity interests ("Shares") representing the capital of the Funds. Shares may be issued in different classes ("Classes") and the Classes available for subscription will be set out in the relevant Supplement. Shares will have no par value and following issue their value will fluctuate in accordance with the Net Asset Value. The Directors may in their absolute discretion differentiate between Classes as to currency of denomination of a particular Class, voting rights, dividend policy, hedging strategies, if any, applied to the designated currency of a particular Class, fees and expenses, subscription or redemption procedures or the minimum subscription applicable. A separate pool of assets will not be maintained in respect of each Class. The Directors have power to issue further Classes on prior notification and clearance by the Central Bank.

This prospectus may only be issued with one or more Supplements, each containing information relating to a separate Fund. To the extent that there is any inconsistency between this prospectus and any Supplement, the relevant Supplement will prevail.

The latest published annual and half yearly reports of the Company will be supplied to Shareholders free of charge on request and will be available to the public as further described in section 5 of appendix III titled "Report and accounts".

1.2 Authorisation by the Central Bank of Ireland

The Company is both authorised and supervised by the Central Bank. Authorisation of the Company by the Central Bank will not constitute a warranty as to the performance of the Company or to the credit worthiness or financial standing of the various parties to the QIF and the Central Bank will not be liable for the performance or default of the Company. The authorisation of the Company is not an endorsement or guarantee of the Company by the Central Bank and the Central Bank is not responsible for the contents of this prospectus nor has the Central Bank reviewed this prospectus.

The Company has been authorised by the Central Bank for marketing solely to Qualifying Investors. With the exception of investors who qualify as Accredited Employees, the minimum subscription amount for each applicant in the Company (through investment in one or more Funds) will be EUR100,000 or its foreign currency equivalent. Accordingly, while the Company is authorised by the Central Bank, the Central Bank has not set any limits or other restrictions on the investment objectives, the investment policies or on the degree of leverage that may be employed by the Company nor has the Central Bank reviewed this prospectus.

1.3 Restrictions on distribution and sale of shares

The distribution of this prospectus and the offering of Shares may be restricted in certain jurisdictions. This prospectus does not constitute an offer or solicitation in any jurisdiction in which such offer or solicitation is not authorised or the person receiving the offer or solicitation may not lawfully do so. It is the responsibility of any person in possession of this prospectus and of any

person wishing to apply for Shares to inform himself of and to observe all applicable laws and regulations of the countries of his nationality, residence, ordinary residence or domicile.

The Directors may restrict the ownership of Shares by any person, firm or corporation where such ownership would be in breach of any regulatory or legal requirement or may affect the tax status of the Company. Any restrictions applicable to Shares or a particular Class will be specified in this prospectus. Any person who is holding Shares in contravention of the restrictions set out above or, by virtue of his holding, is in breach of the laws and regulations of any competent jurisdiction or whose holding could, in the opinion of the Directors, cause the Company or any Shareholder to incur any liability to taxation or to suffer any pecuniary disadvantage that any or all of them might not otherwise have incurred or sustained or otherwise in circumstances that the Directors believe might be prejudicial to the interests of the Shareholders, will indemnify the Company, the Investment Manager, the Custodian, the Administrator and Shareholders for any loss suffered by it or them as a result of such person or persons acquiring or holding Shares.

The Directors have the power under the Articles to compulsorily redeem and/ or cancel any Shares held or beneficially owned in contravention of the restrictions imposed by them as described in this prospectus.

This prospectus has been drafted in accordance with Irish law only. While the Directors believe that the following statements are an accurate summary of the market restrictions as the date hereof there is no guarantee that they fully set out local restrictions or that they have not changed. These disclaimers and information are supplemental to and do not limit the general provision that this prospectus does not constitute an offer or solicitation in any jurisdiction in which such offer or solicitation is not authorised or the person receiving the offer or solicitation may not lawfully do so. The Directors have been advised of disclaimers and selling restriction language in certain markets and include information for those markets without accepting any responsibility for other markets.

This prospectus has been prepared solely for the information of the person to whom it has been delivered by or on behalf of the Company, and should not be reproduced or used for any other purpose.

1.4 **Redemption charge**

The Directors are empowered under the Articles to levy a redemption charge up to a maximum of 5% of the Net Asset Value of Shares being redeemed. Details of the current redemption charges, if any, are disclosed in the relevant Supplement for each Fund.

1.5 **Reliance on this prospectus**

Statements made in this prospectus and any Supplement are based on the law and practice in force in Ireland at the date of this prospectus or Supplement as the case may be, which may be subject to change. Neither the delivery of this prospectus nor the offer, issue or sale of Shares will under any circumstances constitute a representation that the affairs of the Company have not changed since the date hereof. This prospectus may be updated by the Company to take into account any material changes from time to time and any such amendments will be notified in advance to the Central Bank. Any information or representation not contained in this prospectus or given or made by any broker, salesperson or other person should be regarded as unauthorised and should accordingly not be relied on.

1.6 **Risk factors**

The attention of investors is drawn to the potential for above average risk associated with an investment in the Company. Accordingly, such investment should only be undertaken by people in a position to take such a risk. The price of the Shares as well as any income in the Company may fall as well as rise. The difference at any one time between the sale and repurchase price of Shares means that an investment in the Company should be viewed as medium to long term.

Investors should read and consider appendix I titled "Risk factors" before investing in the Company.

1.7 Translations

This prospectus and any Supplements may also be translated into other languages. Any such translation will only contain the same information and have the same meaning as the English language prospectus and supplements. To the extent that there is any inconsistency between the English language prospectus/ supplements and the prospectus/ supplements in another language, the English language prospectus/ supplements will prevail, except to the extent (but only to the extent) required by the law of any jurisdiction where the Shares are sold, that in an action based on disclosure in a prospectus in a language other than English, the language of the prospectus/ supplement on which such action is based will prevail.

2 DIRECTORY

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| Registered Office | Beaux Lane House Mercer Street Lower Dublin 2 Ireland |
| Directors | Philip McEnroe Kimmerly Lau Peter Stapleton |
| Investment manager | Asset Value Investors Limited 25 Berkeley Square London W1J 6HN United Kingdom |
| Custodian | SEI Investments Trustee & Custodial Services (Ireland) Limited Styne House Upper Hatch Street Dublin 2 |
| Administrator, registrar and transfer agent | SEI Investments - Global Fund Services Limited Styne House Upper Hatch Street Dublin 2 |
| Company secretary | MFD Secretaries Limited Beaux Lane House Mercer Street Lower Dublin 2 |
| Legal advisers in Ireland | Maples and Calder 75 St. Stephen's Green Dublin 2 |
| Auditors | Deloitte & Touche Earlsfort Terrace Dublin 2 |

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3 DEFINITIONS AND INTERPRETATION

3.1 Definitions

In this prospectus the following words and phrases have the meanings set out below:

"Accounting Date" means 31 December in each year or such other date as the Directors may from time to time decide.

"Accounting Period" means a period ending on the Accounting Date and commencing, in the case of the first such period on the date of incorporation of the Company and, in subsequent such periods, on the day following expiry of the last Accounting Period.

"Accredited Employee" an investor who is:

- (a) a Director;
- (b) the promoter of the Company;
- (c) the Investment Manager or any other entity appointed to provide investment advisory or investment management services to the Company;
- (d) a director of the Investment Manager or of any entity appointed to provide investment advisory or investment management services to the Company;
- (e) an employee of the Investment Manager or of any entity appointed to provide investment advisory services or investment management services to the Company, who in the opinion of the Company is directly involved in the investment activities of the Company or is a senior employee of the relevant entity and has experience in the provision of investment management services

and in each case certifies in writing to the Company that:

- (a) the investor is availing of the exemption from the minimum subscription requirement of EUR100,000 (or its currency equivalent) on the basis that the investor is an "Accredited Employee" as defined above;
- (b) the investor is aware that the Company is marketed solely to qualifying investors and is normally subject to a minimum subscription requirement of EUR100,000 (or its currency equivalent);
- (c) the investor is aware of the risk involved in the proposed investment; and
- (d) the investor is aware that inherent in such investment is the potential to lose all of the sum invested.

"Administrator" means SEI Investments - Global Fund Services Limited.

"Administration Agreement" means an administration agreement dated 10 August 2011 between the Company and the Administrator under which the

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| | Company appointed the Administrator as administrator of the Company and each Fund. |
| "Anti-Dilution Levy" | means a provision for market spreads (the difference between the prices at which assets are valued and/ or bought or sold), duties and charges and other dealing costs relating to the acquisition or disposal of a relevant Fund's assets in the event of receipt for processing of large subscription or redemption requests (as determined at the discretion of the Directors). |
| "Application Form" | means any application form to be completed by subscribers for Shares as prescribed by the Company from time to time. |
| "Articles" | means the memorandum and articles of association of the Company. |
| "Auditors" | means Deloitte & Touche. |
| "Base Currency" | means the currency of account of a Fund as specified in the relevant Supplement relating to that Fund. A Class of Shares may be designated in a different currency to the Base Currency (see "Reference currency" below). |
| "Business Day" | means any day on which banks are open for business in Dublin and London and/ or such additional or alternative days as may be determined by the Directors at their absolute discretion. If the Directors wish to have different Business Days for particular Funds such day or days will be specified in the relevant Supplement for that Fund. |
| "Central Bank" | means the Central Bank of Ireland. |
| "Class" | means a particular division of Shares in a Fund. |
| "Company" | means AVI Partners Capital Fund plc and references to the Company in this prospectus or a Supplement will include, where the context so requires, corporate action taken on behalf of the Company by the Directors or their authorised delegates. |
| "Custodian" | means SEI Investments Trustee & Custodial Services (Ireland) Limited. |
| "Custodian Agreement" | means a custodian agreement dated 10 August 2011 between the Company and the Custodian under which the Company appointed the Custodian as custodian of the assets of the Company and each Fund. |
| "Dealing Day" | means in relation to a Fund such day or days as will be specified in the relevant Supplement for that Fund. |
| "Dealing Deadline" | means in relation to a Fund, such time in relation to any Dealing Day as will be specified in the relevant Supplement for that Fund before which applications for subscription, redemption or exchange of Shares should be received by the Administrator. |

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| "Directors" | means the directors of the Company or any duly authorised committee or delegate thereof. |
| "EUR" | means the single currency of the European Union's Economic and Monetary Union. |
| "Fund" | means a sub-fund of the Company representing the designation by the Directors of a particular class of Shares as a sub-fund the proceeds of issue of which are pooled separately and invested in accordance with the investment objective and policies applicable to such sub-fund and which is established by the Directors from time to time with the prior approval of the Central Bank. Funds may be established as open-ended, limited liquidity or closed-ended funds. |
| "GBP" | means the currency of the United Kingdom. |
| "Initial Price" | means the initial price payable for a Share as specified in the relevant Supplement for each Fund. |
| "Investment Management Agreement" | means an investment management agreement dated 10 August 2011 between the Company and the Investment Manager under which the Company appointed the Investment Manager as discretionary investment manager of the assets of each Fund. |
| "Investment Manager" | means Asset Value Investors Limited. |
| "Member State" | means a member state of the European Union. |
| "Minimum Holding" | means the minimum number or value of Shares that must be held by Shareholders as specified in the relevant Supplement. |
| "Minimum Subscription" | means the minimum amount that may be subscribed for Shares in any Fund or Class as specified in the relevant Supplement provided that the minimum amount of such subscription will not be less than EUR100,000 or its equivalent in another currency and the aggregate of an investor's investments in one or more Funds or Classes may be taken into account for the purpose of satisfying the minimum subscription requirement. |
| "Net Asset Value" | means the net asset value of a Fund or attributable to a Class (as appropriate) calculated as referred to in this prospectus. |
| "Net Asset Value per Share" | means the Net Asset Value of a Fund divided by the number of Shares in issue in that Fund or the Net Asset Value attributable to a Class divided by the number of Shares issued in that Class rounded to such number of decimal places as the Directors may determine. |
| "Notices" | means any notices issued by the Central Bank pursuant to Part XIII of the <i>Companies Act, 1990</i> . |
| "Qualifying Investor" | has the meaning required by the Central Bank Notices, which at the date of this prospectus is: (a) a professional client within the meaning of Annex II of |

Directive 2004/39/EC (Markets in Financial Instruments Directive) ("MiFID"); or

- (b) an investor who receives an appraisal from an EU credit institution, a MiFID firm or a UCITS management company that the investor has the appropriate expertise, experience and knowledge to adequately understand the investment in the Company; or
- (c) an investor who certifies that it is an informed investor by providing the following:
 - (i) confirmation (in writing) that the investor has such knowledge of and experience in financial and business matters as would enable the investor to properly evaluate the merits and risks of the prospective investment; or
 - (ii) confirmation (in writing) that the investor's business involves, whether for its own account or the account of others, the management, acquisition or disposal of property of the same kind as the property of the scheme.

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| "Reference Currency" | means the currency of account of a Class of Shares as specified in the relevant Supplement relating to that Fund. |
| "Share" | means a participating share or, except as otherwise provided in this prospectus, a fraction of a participating share in the capital of the Company. |
| "Shareholder" | means a person who is registered as the holder of Shares in the register of Shareholders for the time being kept by or on behalf of the Company. |
| "Supplement" | means a supplement to this prospectus specifying certain information in respect of a Fund and/ or one or more Classes. |
| "United Kingdom" and "UK" | the United Kingdom of Great Britain and Northern Ireland. |
| "United States" and "U.S." | the United States of America (including the 50 states, the District of Columbia and the Commonwealth of Puerto Rico) and each of its territories, possessions and other areas subject to its jurisdiction. |
| "USD" | means the currency of the United States. |
| "US Person" | means: <ul style="list-style-type: none">(a) any natural person who is a citizen or a resident of the United States,(b) any estate or trust, the executor, trustee or administrator of which is a US Person, or the income of which is subject to United States federal income taxation without regard to the source of its income, and(c) a corporation, partnership or other entity incorporated or organised in, or under the laws of, or doing business in, the United States or that has a principal place of business in the United States. |

It also means:

- (a) any agency or branch of a foreign entity located in the United States, or the income of which is subject to US income tax, regardless of source,
- (b) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a US Person,
- (c) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated, or (if an individual) resident in the United States,
- (d) any partnership or corporation if:
 - (i) organised or incorporated under the laws of any foreign jurisdiction; and
 - (ii) formed by a US Person principally for the purpose of investing in securities not registered under the 1933 Act, unless it is organised or incorporated, and owned, by accredited investors (as defined in Rule 501(a) of Regulation D of the 1933 Act) who are not natural persons, estates or trusts, and
- (e) an entity organised principally for passive investment, such as a pool, investment company or other similar entity, in which units of participation in the entity held by a US Person under clauses (a), (b) or (c) above represent in the aggregate 10% or more of the beneficial interest in the entity, or that was formed principally for the purpose of facilitating investment by such persons in a pool with respect to which the commodity pool operator is exempt from certain requirements of Part 4 of the regulations of the CFTC by virtue of its participants being non-US Persons under the CFTC's regulations.

"Valuation Point"

means close of business on the relevant markets on the Business Day before the relevant Dealing Day or such other point in time as the Directors may determine provided that the Valuation Point shall always be after the Dealing Deadline for the relevant Dealing Day.

3.2 Principles of interpretation

In this prospectus, unless the contrary intention appears:

- (a) a reference to this prospectus or to any provision of it or schedule, appendix, supplement or annex to it, or to any agreement referred to in it, includes any variation or replacement, in accordance with the requirements of the Central Bank, of any of them;
- (b) a document is a reference to that document as modified from time to time;
- (c) a reference to a statute, ordinance, code or other law is, unless otherwise stated, to the statutes, ordinances, codes or other laws of Ireland and includes regulations, instruments and other subordinate legislation made or other things done under it whether before or

after the date of this prospectus and consolidations, amendments, re-enactments or replacements of any of them from time to time whether before or after the date of this prospectus;

- (d) the masculine gender includes the feminine and neuter genders, and vice versa;
- (e) the singular includes the plural and vice versa;
- (f) the word “person” includes a government, a state, a state agency, a firm, a body corporate, a partnership, a joint venture, an unincorporated body or association, a trust or an authority and includes a reference to the person’s executors, administrators, successors, substitutes (including any persons taking by novation) and assigns, where applicable, in accordance with the requirements of the Central Bank;
- (g) a reference to any thing (including any amount) is a reference to the whole and each part of it and a reference to a group of persons is a reference to all of them collectively, to any two or more of them collectively and to each of them individually;
- (h) the words “including”, “for example” or “such as” do not limit the meaning of the words to which the example relates to that example or examples of a similar kind;
- (i) a time of day is a reference to the time in Dublin, Ireland, unless a contrary indication appears; and
- (j) headings are inserted for convenience and do not affect the interpretation of this prospectus.

4 THE COMPANY

4.1 Establishment and duration

The Company is an umbrella investment company with variable capital, incorporated in Ireland on 21 July 2011 under the *Companies Act, 1963* with registration number 501463. The Company has been authorised by the Central Bank as an investment company pursuant to Part XIII of the *Companies Act, 1990*.

Although the Company has an unlimited life, the Directors may, by giving not less than four nor more than 12 weeks' notice to the Shareholders, expiring on a Dealing Day, redeem at the redemption price per Share prevailing on such Dealing Day all the Shares in any or all Classes then outstanding.

4.2 Structure

The Company is structured as an umbrella fund consisting of different Funds each comprising one or more Classes of Shares.

The Shares issued in each Fund will rank *pari passu* with each other in all respects provided that they may differ as to certain matters including currency of denomination, hedging strategies if any applied to the currency of a particular Class, dividend policy, the level of fees and expenses to be charged to a Fund or Class, subscription or redemption procedures or the Minimum Subscription and Minimum Holding applicable. The assets of each Fund will be invested separately on behalf of each Fund in accordance with the investment objective and policies of each Fund. A separate portfolio of assets is not maintained for each Class. The investment objective and policies and other details in relation to each Fund are set out in the relevant Supplement that forms part of and should be read in conjunction with this prospectus. The Base Currency of each Fund is specified in the relevant Supplement. At the date of this prospectus the Company has established the Funds and Classes with the respective currencies listed below.

| Sub-fund | Class | Reference currency |
|---------------------------|-------|--------------------|
| AVI Global Fund | A | EUR |
| | B | USD |
| | C | GBP |
| AVI Small Cap Global Fund | A | EUR |
| | B | USD |
| | C | GBP |

Additional Funds in respect of which a Supplement or Supplements will be issued may be established by the Directors with the prior approval of the Central Bank. A list of all Funds is available on request. Additional Classes in respect of which a Supplement or Supplements will be issued may be established by the Directors and notified to and cleared in advance with the Central Bank or otherwise must be created in accordance with the requirements of the Central Bank. Such additional classes may be subject to higher, lower or no fees with the prior approval of the Central Bank. Information in relation to the fees applicable to other Classes is available from the Company on request.

4.3 Segregated liability of sub-funds

The Company is an umbrella fund with segregated liability between Funds. As a result, as a matter of Irish company law, any liability attributable to the Fund may only be discharged out of the assets of the Fund and the assets of other sub-funds of the Company may not be used to satisfy the liability. In addition, any contract entered into by the Company in respect of the Fund will, by operation of Irish law, include an implied term to the effect that the counterparty to the contract may not have any recourse to assets of any other sub-fund other than the sub-fund in respect of which the contract was entered into. There is no guarantee that legal systems outside of Ireland will recognise the principle of segregation.

4.4 Liquidity of sub-funds

Funds may be established as open-ended, limited liquidity or closed-ended funds. The Dealings Days and notice periods for each Fund will be set out in the relevant Supplement.

4.5 Investment objective and policies

The specific investment objective and policies of each Fund will be set out in the relevant Supplement to this prospectus and will be formulated by the Directors at the time of creation of the relevant Fund.

Pending investment of the proceeds of a placing or offer of Shares or where market or other factors so warrant, a Fund's assets may be invested in money market instruments, including certificates of deposit, floating rate notes and fixed or variable rate commercial paper and in cash deposits denominated in such currency or currencies as the Company may determine having consulted with the Investment Manager. The investment objective of a Fund may not be altered and material changes in the investment policy of a Fund may not be made without approval of Shareholders on the basis of a majority of votes cast at a meeting of the Shareholders of the particular Fund duly convened and held. In the event of a change of the investment objective and/or policy of a Fund, Shareholders in the relevant Fund will be given reasonable notice of such change to enable them redeem their Shares prior to implementation of such a change.

4.6 Investment restrictions

Investment of the assets of each Fund must comply with the requirements of the Central Bank. The Directors may impose further restrictions in respect of any Fund. The specific investment and borrowing restrictions applicable to each Fund will be set out in the relevant Supplement and will be formulated by the Directors in consultation with the Investment Manager at the time of establishment of the relevant Fund.

The following investment restrictions will apply to all Funds:

- (a) the Company, in respect of a Fund, will not take legal or management control of any of the issuers;
- (b) the Company, in respect of a Fund, may not acquire any shares carrying voting rights that would enable it to exercise significant influence over the management of an issuing body;
- (c) where the Company, in respect of a Fund, directly enters into over-the-counter derivative transactions or other arrangements with a counterparty (other than a prime broker/ sub-custodian) and where assets are transferred to that counterparty, the following restrictions apply:
 - (i) the total exposure of the Company, in respect of the relevant Fund, to a single counterparty cannot exceed 40% of the Net Asset Value of the Fund. The total exposure will be calculated to include outstanding indebtedness from the counterparty to the Company, in respect of the Fund, any securities issued by the

counterparty held by the Company, in respect of the Fund, any deposits the Company, in respect of the Fund, has made with the counterparty, any collateral passed by the Company, in respect of the Fund, to the counterparty and any other form of exposure to the counterparty; and

- (ii) each counterparty must have a minimum credit rating of at least A2/P2 or equivalent by a recognised rating agency;
- (d) the Company, in respect of a Fund, may not grant loans or act as a guarantor on behalf of third parties; and
- (e) the Company, in respect of a Fund, will not invest in real property or physical commodities.

Any additional investment restrictions applicable to a specific Fund will be set out in the relevant Supplement.

4.7 **Margin and collateral support**

For the purpose of providing margin or collateral in respect of permitted transactions, the Company may transfer, mortgage, charge or encumber any assets or cash forming part of the relevant Fund.

4.8 **Borrowing powers**

The Company may pass collateral and margin or charge or pledge, mortgage or otherwise encumber assets of the relevant Fund or any part thereof as security for such borrowings.

4.9 **Indemnities**

The Company has agreed to indemnify certain parties out of the assets of the Company in return for the provision of services and advice. The authority of the Directors to grant indemnities is set out in the Articles and the summaries of the material contracts in section 12 of appendix III titled "Material contracts" outline the indemnity provisions with key service providers.

4.10 **Changes to investment and borrowing restrictions**

It is intended that the Company will have the power (subject to the prior approval of the Central Bank) to avail itself of any change in the investment and borrowing restrictions specified in the Notices that would permit investment by the Company in securities, derivative instruments or in any other forms of investment in which investment is at the date of this prospectus restricted or prohibited under the Notices. In the event of a change of the investment or borrowing restrictions of a Fund, Shareholders in the relevant Fund will be given reasonable notice of such change to enable them redeem their Shares prior to implementation of such a change.

4.11 **Efficient portfolio management**

The Company may, on behalf of each Fund, employ (subject to the conditions laid down by the Central Bank) techniques and instruments for efficient portfolio management purposes. Such techniques and instruments may include foreign exchange transactions that alter the currency characteristics of transferable securities held by the Company. The Company may also (subject to the conditions laid down by the Central Bank) employ techniques and instruments intended to provide protection against exchange risks in the context of the management of its assets and liabilities of a Fund. For the purpose of providing margin or collateral in respect of transactions in techniques and instruments, the Company may transfer, mortgage, charge or encumber any assets or cash forming part of the relevant Fund.

4.12 **Hedged classes**

The Company may (but is not obliged to) enter into certain currency related transactions in order to hedge the currency exposure of the assets of a Fund attributable to a particular Class into the currency of denomination of the relevant Class for the purposes of efficient portfolio management. Any financial instruments used to implement such strategies with respect to one or more Classes will be assets/ liabilities of a Fund as a whole but will be attributable to the relevant Class(es) and the gains/ losses on and the costs of the relevant financial instruments will accrue solely to the relevant Class. Any currency exposure of a Class may not be combined with or offset against that of any other Class of a Fund. The currency exposure of the assets attributable to a Class may not be allocated to other Classes. While not the intention, over-hedged or under-hedged positions may arise due to factors outside of the control of the Investment Manager. Classes may be leveraged as a result of currency hedging transactions. The intention of the Investment Manager is that over-hedged positions will generally not be permitted to exceed 105% of the Net asset Value of a Class, however, this is not an absolute limit. Details of leverage will be disclosed in periodic reporting to Shareholders and the annual and semi-annual reports of the Funds.

4.13 **Dividend policy**

Under the Articles, the Directors are entitled to declare distributions out of the profits of any Fund or Class being: (a) the accumulated net revenue (consisting of all revenue accrued including interest and distributions) and/or (b) realised and unrealised capital gains on the disposal/ valuation of Investments and other funds less realised and unrealised accumulated capital losses of the relevant Fund or Class. The Directors may also elect to declare distributions out of the capital of any Fund or Class at their sole discretion. The potential impact of the payment of dividends out of capital is a diminution of the relevant Fund's Net Asset Value.

Generally, the policy of the Company is to not make any distributions unless the Directors at such times as they think fit, decide to declare distributions of the relevant Fund or Class, in which case the following rules would apply:

- the Directors may satisfy any distribution due to Shareholders in whole or in part by distributing to them in specie any of the assets of the relevant Fund, and in particular any Investments to which that Fund is entitled;
- the Directors will be obliged and entitled to deduct an amount in respect of Irish taxation from any distribution payable to a Shareholder who is or is deemed to be an Irish Resident Shareholder and pay such sum to the Revenue Commissioners;
- distributions not claimed within six years from their due date will lapse and revert to the relevant Fund; and
- distributions payable in cash to Shareholders will be paid by telegraphic transfer to the bank account designated by the Shareholder at the expense of the payee.

5 MANAGEMENT AND ADMINISTRATION

5.1 Directors

The Company will be managed and its affairs supervised by the Directors. The Directors are:

Philip McEnroe is a director and head of Wealth Management and Investment Funds at GlobalReach Securities Limited, a MiFID authorised firm providing management, promotion, and distribution services to investors and collective investment schemes including UCITS and non-UCITS funds. Previously with Ireland's largest domestic fund manager, Mr. McEnroe has 16 years investment management experience of equity and mutual fund platforms. He is approved by the Central Bank to act as a director to Irish collective investment schemes. Mr. McEnroe holds a commerce degree and a Master of Business Studies Degree (Finance) from University College Dublin. He is a former lecturer to the Institute of Bankers in Ireland, and is a member of the Institute of Directors.

Kimberly Lau has been business development director at the Investment Manager since October 2003 where she is responsible for the firm's various asset gathering strategies, working closely with the managers of the client portfolios. Ms. Lau has spent seven years in sales and research specialising in emerging markets with Commerzbank and Wood & Company. Prior to that, she was a management consultant in Central Europe. Ms. Lau has a degree in finance and economics from Oregon State University.

Peter Stapleton is a partner in the investment funds department of Maples and Calder. He has over ten years experience in financial services and regularly advises on the establishment, structuring, financing, public and private distribution and ongoing operation of traditional and alternative investment funds. He previously was a partner with a leading Irish law firm and has also worked in Luxembourg and North America in the area of international investment funds. He is a regular speaker at conferences and has lectured on financial services law at private conferences and for the Law Society of Ireland and University College Dublin (Commercial Law Centre). Mr. Stapleton acts as director to a number of other Irish collective investment schemes, holds a law degree from University College Dublin and is entered on the Roll of Solicitors in Ireland.

5.2 Company secretary

The Company's secretary is MFD Secretaries Limited and its registered office is at Beaux Lane House, Mercer Street Lower, Dublin 2, Ireland.

5.3 Investment manager

The Company has appointed Asset Value Investors Limited as investment manager of the Company and each Fund.

The Investment Manager is a limited liability company incorporated in England and Wales in January 1985 with registered number 1881101. It is authorised and regulated by the Financial Services Authority of the United Kingdom, is a registered investment adviser with the Securities and Exchange Commission of the United States and has been approved by the Central Bank to act as a discretionary investment manager to Irish authorised funds. As at 30 April 2011 it had approximately GBP1.8 billion under management. The Investment Manager's principal business is investment management.

A summary of the terms of the Investment Management Agreement is set out in section 12 of appendix III titled "Material contracts".

5.4 Administrator

SEI Investments - Global Fund Services Limited acts as administrator of the Company. The Administrator is responsible, under the supervision of the Directors, for providing administrative

services required in connection with the Company's operations, including maintaining the financial records of the Company compiling and publishing the Net Asset Value, providing registrar and transfer agent services in connection with the issue, transfer and redemption of Shares, collecting subscription payments and disbursing redemption payments.

The Administrator was incorporated in Ireland on 16 December 1995 and is ultimately a wholly owned subsidiary of SEI Investments Company, a US corporation organised under the laws of the State of Pennsylvania.

A summary of the terms of the Administration Agreement is set out in section 12 of appendix III titled "Material contracts".

5.5 **Custodian**

SEI Investments Trustee & Custodial Services (Ireland) Limited acts as custodian to the Company including maintaining operating bank accounts, safekeeping of assets and trustee duties.

The Custodian is a private limited liability company incorporated in Ireland on 18 November 1999 under registration number 315393 and carries on the business of providing trustee and custodial and related services to collective investment schemes and investment funds such as the Company.

The Custodian is obliged to:

- (a) ensure that the sale, issue, redemption and cancellation of Shares effected on behalf of the Company by the Directors are carried out in accordance with the *Companies Act, 1990*, the conditions imposed by the Central Bank and the Articles;
- (b) ensure that the value of Shares is calculated in accordance with the *Companies Act, 1990* and the Articles;
- (c) carry out the proper instructions of the Company, or a delegate of the Company unless they conflict with the *Companies Act, 1990* or the Articles;
- (d) ensure that in transactions involving the Company's assets, any consideration is remitted to it within time limits that are acceptable market practice in the context of a particular transaction;
- (e) ensure that the Company's income is applied in accordance with the *Companies Act, 1990* and the Articles;
- (f) enquire into the conduct of the Company in each Accounting Period and reports thereon to the Shareholders; and
- (g) notify the Central Bank promptly of any material breach of the provisions of the Articles or the *Companies Act, 1990*.

The Custodian is responsible for the safe-keeping of all of the assets of the Company and each Fund held or delivered to the Custodian or its delegates so as to be held by the Custodian in accordance with the terms of the Custodian Agreement. The Custodian must exercise due care and diligence in the discharge of its duties and will be liable to the Company and the Shareholders for any loss suffered by them as a result of its negligence, fraud, bad faith, wilful default or recklessness in the performance of its duties. However, in the absence of its negligence, fraud, bad faith, wilful default, recklessness in the performance of its duties, the Custodian, its directors, officers and employees shall be indemnified by the Company out of its assets in respect of all liabilities, costs and expenses arising.

The Custodian has power to delegate the whole or any part of its custodial functions but its liability will not be affected by the fact that it has entrusted to a third party some or all of the assets in its safekeeping. In order for the Custodian to discharge its responsibility the Custodian must exercise care and diligence in the selection of sub-custodians as safekeeping agents so as to ensure they have and maintain the expertise, competence and standing appropriate to discharge their responsibilities as sub-custodians. The Custodian must maintain an appropriate level of supervision over sub-custodians and make appropriate enquiries, periodically, to confirm that their obligations continue to be competently discharged.

A summary of the terms of the Custodian Agreement is set out in section 12 of appendix III titled "Material contracts".

6 CONFLICTS OF INTEREST

6.1 General

The Directors, the Investment Manager, the Administrator, the Custodian any other service provider or adviser to the Company and their respective affiliates, officers, directors and shareholders, employees and agents (collectively the "Parties") are, or may be, involved in other financial, investment and professional activities that may on occasion cause a conflict of interest with the management of the Company, a Fund and/ or their respective roles with respect to the Company. These activities may include managing or advising other funds, purchases and sales of securities, banking and investment management services, brokerage services, valuation of unlisted securities (in circumstances in which fees payable to the entity valuing such securities may increase as the value of assets increases) and serving as directors, officers, advisers or agents of other funds or companies, including funds or companies in which the Company may invest. In particular, the Investment Manager may advise or manage other collective investment schemes that have similar or overlapping investment objectives to or with the Company or its Funds.

The Investment Manager may be consulted by the Administrator in relation to the valuation of investments that are not listed, quoted or dealt in on an exchange. There is a conflict of interest between any involvement of the Investment Manager in this valuation process and with the Investment Manager's entitlement to any proportion of a management fee or performance fee that are calculated on the basis of the Net Asset Value.

Each of the Parties will use its reasonable endeavours to ensure that the performance of its respective duties will not be impaired by any such involvement it may have and that any conflicts that may arise will be resolved fairly.

There is no prohibition on transactions with the Company or a Fund by the Parties including holding, disposing or otherwise dealing with Shares issued by or property of the Company and none of them will have any obligation to account to the Company for any profits or benefits made by or derived from or in connection with any such transaction provided that such transactions are consistent with the best interests of Shareholders and dealings are carried out as if effected on normal commercial terms negotiated on an arm's length basis and:

- (a) a person approved by the Custodian as independent and competent certifies the price at which the relevant transaction is effected is fair; or
- (b) the relevant transaction is executed on best terms reasonably obtainable on an organised investment exchange or other regulated market in accordance with the rules of such exchange or market; or
- (c) where the conditions set out in (a) and (b) above are not practical, the relevant transaction is executed on terms that the Custodian is (or in the case of a transaction involving the Custodian, the Directors are) satisfied conform with normal commercial terms negotiated at arm's length.

The Investment Manager or an associated company of the Investment Manager may invest in Shares so that a Fund or Class may have a viable minimum size or is able to operate more efficiently. In such circumstances the Investment Manager or its associated company may hold a high proportion of the Shares of a Fund or Class in issue.

Kimberly Lau is a director of the Investment Manager and also a director of the Company. She has a conflict of interest in managing the Company for the benefit of the Shareholders and in any fees the Investment Manager may receive. She also has a conflict of interest in determining whether to declare distributions in her role as a Director as the Investment Manager's share of fees is based on Net Assets Value and it will accordingly increase as the amount of a Fund's total Net Assets increases.

Peter Stapleton is a partner of the Company's legal adviser.

From time to time, any of the parties providing services to the Company may assist the Company in raising additional money from investors. In addition, from time to time, an investor may request that the Investment Manager direct brokerage to a broker affiliated with an adviser to the investor who had recommended that the investor invest in the Company. Subject to its obligation to seek best execution, the Investment Manager may consider referrals of investors to the Company, and requests by investors to direct brokerage, in determining its selection of brokers. However, the Investment Manager will not commit to an investor or broker to allocate a particular amount of brokerage in any such situation. Disclosure of such arrangements will be made in the periodic reports of the Company.

6.2 **Soft commissions**

The Investment Manager, when effecting transactions with or through the agency of another person, does not enter into arrangements under which that person would provide to or procure for the Investment Manager and/ or an affiliated party goods, services or other benefits such as research and advisory services, specialised computer hardware or software (commonly known as "soft commissions").

6.3 **Commission rebates and fee sharing**

Where the Investment Manager, or any of its delegates, successfully negotiates the recapture of a portion of the commissions charged by brokers or dealers in connection with the purchase and/ or sale of securities, permitted derivative instruments or techniques and instruments for the Company, the rebated commission will be paid to the Company as the case may be. The Investment Manager or its delegates may be reimbursed out of the assets of the Company for reasonable properly vouched costs and expenses directly incurred by the Investment Manager or its delegates in this regard.

7 FEES AND EXPENSES

7.1 Allocation of fees and expenses to the sub-funds

In accordance with the Articles, each Fund will keep separate books and records in which all transactions relating to the relevant Fund will be recorded and all fees, expenses and liabilities attributable to a particular Fund will be allocated to that Fund and within such Fund to the Classes in respect of which they were incurred. As a result, details on fees and expenses attributable to a particular Fund will be detailed in the relevant Supplement for that Fund. Where an expense is not considered by the Directors to be attributable to any one Fund, the expense will normally be allocated to all Funds in proportion to the Net Asset Value of the Funds or otherwise on such basis as the Directors deem fair and equitable. In the case of any fees or expenses of a regular or recurring nature, such as audit fees, the Directors may calculate such fees or expenses on an estimated figure for yearly or other periods in advance and accrue them in equal proportions over any period. The following disclosures relate to fees and expenses that are generally borne by the Company as a whole being attributable to one or more Funds and applied on a pro rata basis by the Directors in their discretion and in accordance with the Articles.

7.2 Fees of the administrator, custodian and investment manager

The Company will pay to the Administrator, the Custodian and the Investment Manager fees and expenses out of the assets of the relevant Fund as disclosed in each Supplement.

7.3 Dealing fees

Details of any subscription, redemption and conversion fees, if applicable, will be set out in the relevant Supplement for each Fund.

7.4 Establishment expenses

All fees and expenses relating to the establishment and organisation of the Company and the Funds including the fees of the Company's professional advisers, listing and registration fees will be borne by the Company and paid out of the assets of the relevant Fund. Such fees and expenses are estimated to amount to approximately EUR50,000. Such costs and expenses will initially be payable out of the proceeds of the initial issue of Shares in the initial Funds and, then, if further Funds are added, each additional Fund may be allocated its pro-rated share of such fees and expenses, and the share borne by the initial Funds will be reduced accordingly. Establishment expenses will be amortised over the first five Accounting Periods of the Company's existence and will be recorded in the annual audited accounts in accordance with International Financial Reporting Standards ("IFRS").

7.5 Operating expenses and fees

The Company pays out of its assets all fees, costs and expenses of or incurred by the Investment Manager, the Administrator and the Custodian in connection with the ongoing management, administration and operation of the Company and each Fund. Such fees, costs expenses and disbursements payable by the Company include:

- (a) auditors' and accountants' fees;
- (b) lawyers' fees;
- (c) commissions, fees and reasonable and properly vouched out-of-pocket expenses payable to any placing agent, structuring agent, paying agent, correspondent bank or distributor of the Shares;
- (d) merchant banking, stock broking or corporate finance fees including interest on borrowings, index calculation, performance attribution, risk control and similar services'

- fees and expenses, fees and charges of clearing agents and interest on debit balances and other bank charges;
- (e) taxes or duties imposed by any fiscal or regulatory authority, including the annual fees of the Central Bank;
 - (f) costs of preparation, translation and distribution of all prospectuses, reports, certificates (if any), confirmations of purchase of Shares and notices to Shareholders;
 - (g) fees and expenses incurred in connection with the listing of Shares on any recognised market and in complying with the listing rules thereof;
 - (h) expenses of Shareholders' meetings;
 - (i) insurance premia;
 - (j) custody and transfer expenses;
 - (k) any other expenses, including clerical costs of issue or redemption of Shares;
 - (l) the cost of preparing, translating, printing and/ or filing in any language the Articles and all other documents relating to the Fund including registration statements, prospectuses, listing particulars, explanatory memoranda, annual, half-yearly and extraordinary reports with all authorities (including local securities dealers associations) having jurisdiction over the Fund or the offer of Shares and the cost of delivering any of the foregoing to the Shareholders;
 - (m) advertising expenses relating to the distribution of Shares;
 - (n) the cost of publication of notices in local newspapers in any relevant jurisdiction;
 - (o) the total costs of any amalgamation or reconstruction relating to the Company;
 - (p) all fees payable in respect of investments in collective investment schemes including, without limitation, subscription, redemption, management, performance, distribution, administration and/ or custody fees in respect of each collective investment fund in which the Fund invests, except where this is not permitted by the Central Bank; and
 - (q) any pro rata fees, costs or expenses of the Fund attributed in accordance with the Articles;
- in each case plus any applicable taxes.

7.6 **Directors' fees**

The Directors who are not associated with the Investment Manager or its affiliates will be entitled to remuneration for their services as directors provided however that the aggregate emoluments of each such Director will not exceed EUR12,500 (plus any applicable taxes) or such other amount as may be approved by a resolution of the Directors or the Shareholders in general meeting. The Directors' fees will be reviewed annually. In addition, all of the Directors will be entitled to be reimbursed out of the assets of each Fund for their reasonable out of pocket expenses incurred in discharging their duties as Directors.

7.7 **Company secretary fees**

The Company Secretary will receive a fee of EUR7,500 per annum (plus disbursements and any applicable taxes) out of the assets of the Company in respect of its company secretarial services to the Company.

7.8 **Fee changes**

The rates of fees for the provision of services to any Fund or Class may be changed provided that written notice is given to affected Shareholders and they are provided with at least one opportunity (e.g. on a Dealing Day) to redeem their Shares prior to the new fees becoming effective.

8 THE SHARES AND SUBSCRIPTIONS

8.1 General

Shares may be issued on any Dealing Day. Shares issued in a Fund or Class will be in registered form and denominated in the Base Currency specified in the relevant Supplement for the relevant Fund or a currency attributable to the particular Class. Shares will have no par value and will first be issued on the first Dealing Day after expiry of the initial offer period specified in the relevant Supplement at the initial offer price as specified in the relevant Supplement. Thereafter Shares will be issued at the Net Asset Value per Share. Subscription prices are available to Shareholders on request. None of the Company, the Investment Manager, the Administrator or the Custodian or any of their respective directors, officers, employees or agents will be responsible or liable for the authenticity of instructions from Shareholders reasonably believed to be genuine and will not be liable for any losses, costs or expenses arising out of or in conjunction with any unauthorised or fraudulent instructions.

8.2 Registered shares

Title to Shares will be evidenced by the entering of the investor's name on the Company's register of Shareholders and no certificates will be issued. Amendments to a Shareholder's registration details and payment instructions will only be made following receipt of original written instructions from the relevant Shareholder.

8.3 Voting rights

Shares will be issued as voting shares and the voting rights attributable to each Class are summarised in section 3 of appendix II titled "Voting rights".

8.4 Subscription procedure

Details of the Dealing Days, offer and notice periods, fees and related information relevant to the subscription of Shares in a particular Fund will be set out in the relevant Supplement. The information in the Supplement will take precedence, however, the general procedure to be followed in making applications of all Shares is similar and can be summarised as follows.

Applications for Shares may be made by completing the Application Form. Applications received by the Administrator prior to the relevant Dealing Deadline for any Dealing Day will be processed on that Dealing Day. Any applications received after the Subscription Deadline for a particular Dealing Day will be processed on the following Dealing Day unless the Company in its absolute discretion otherwise determines to accept one or more applications received after the Subscription Deadline for processing on that Dealing Day provided that such application(s) have been received prior to the Valuation Point for the particular Dealing Day.

Applicants will be required to certify in writing that they meet the criteria to be a Qualifying Investor or an Accredited Employee and that they are aware of the risks involved in the proposed investment and of the fact that inherent in such investment is the potential to lose the entire sum invested.

Initial applications should be made using an Application Form obtained from the Administrator but may, if the Company so determines, be made by fax subject to prompt transmission to the Administrator of the original signed application form and such other papers (such as documentation relating to money laundering prevention checks) as may be required by the Administrator. No redemptions will be paid until the original Application Form and such other papers as may be required by the Company and the Administrator have been received and all anti-money laundering procedures have been completed. Subsequent applications to purchase Shares following the initial subscription may be made to the Administrator by fax and such applications should contain such information as may be specified from time to time by the Directors or their

delegate. Amendments to a Shareholder's registration details and payment instructions will only be made following receipt of original written instructions from the relevant Shareholder.

Once completed applications have been received by the Administrator, they are irrevocable except with the consent of the Company. The Administrator will issue a written confirmation on behalf of the Company to successful applicants for Shares as soon as possible confirming acceptance of their application, and on issue of the Shares, will issue a written confirmation of ownership.

8.5 Liability statement

None of the Company, the Investment Manager, the Administrator or the Custodian or any of their respective directors, officers, employees or agents will be responsible or liable for the authenticity of subscription or related instructions from Shareholders reasonably believed to be genuine and will not be liable for any losses, costs or expenses arising out of or in conjunction with any unauthorised or fraudulent instructions.

8.6 Fractions

Subscription money representing less than the subscription price for a Share will not be returned to the investor. Fractions of Shares will be issued where any part of the subscription money for Shares represents less than the subscription price for one Share, provided however, that fractions will not be less than .01 of a Share. Subscription money, representing less than .01 of a Share will not be returned to the investor but will be retained by the Company in order to defray administration costs.

8.7 Method of payment

Subscription payments net of all bank charges should be wired to the bank account specified in the Application Form. Other methods of payment are subject to the prior approval of the Company. No interest will be paid in respect of payments received in circumstances where the application is held over until a subsequent Dealing Day.

8.8 Currency of payment

Subscription money are payable in the Reference Currency of a Share Class. The Custodian can only accept receipt of the class currency subscription money into the respective bank accounts i.e. for a USD class currency a specific USD subscription bank account will be established which can only receive USD. The Custodian does not handle any FX transactions.

8.9 Timing of payment

Payment in respect of subscriptions must be received in cleared funds into the bank accounts on the Business Day prior to the relevant Dealing Day. All payments will be checked before clearance by the Administrator in accordance with its internal procedures, including the corresponding Application Form, anti-money laundering requirements issues and any other issue the Administrator deems appropriate. In all cases the Company and its delegate reserve the right to defer the issue of Shares until proper receipt and clearance of funds by the Company. If payment in cleared funds in respect of a subscription has not been received by the relevant time, the Company or its delegate may (and in the event of non-clearance of funds, will) cancel the allotment. The Company may waive the relevant cut off time provided cleared funds are received prior to the Valuation Point.

8.10 "In specie" subscriptions

The Company or its delegate (including the Administrator) may on any Dealing Day allot Shares in any Class on terms that settlement will be made by the vesting in the Company, to be attributed to the relevant Fund, of assets of the type in which the subscription money for the relevant Shares

may be invested in accordance with the investment objective policy and restrictions of the relevant Fund and otherwise on such terms as the Company may think fit provided that:

- (a) no Shares will be issued until the assets or property have been vested or arrangements are made to vest the assets or property with the Custodian or its sub-custodian to the Custodian's satisfaction;
- (b) any such exchange will be effected on terms that the number of Shares to be issued will be the number (including, at the Company's discretion, fractions of Shares) that would have been issued at the subscription price per Share for a cash amount equal to the value of the assets or property as calculated in accordance with Net Asset Value provisions of the Company including such sum as the Directors may consider represents an appropriate provision for duties and charges arising in connection with the vesting of the assets or property;
- (c) the assets or property to be transferred to the Company will be valued by applying the rules relating to valuation of investments contained in this prospectus;
- (d) there may be paid to the incoming Shareholder out of the assets or property of the relevant Fund a sum in cash equal to the value at the current price of any fraction of a Share excluded from the calculation aforesaid; and
- (e) the Custodian will be satisfied that the terms of such exchange will not be such as are likely to result in any material prejudice to the existing Shareholders.

8.11 **Abusive trading practices/ market timing**

The Directors generally encourage investors to invest in the Funds as part of a long-term investment strategy and discourages excessive or short term or abusive trading practices. Such activities, sometimes referred to as "market timing", may have a detrimental effect on the Funds and Shareholders. For example, depending on various factors such as the size of the Fund and the amount of its assets maintained in cash, short-term or excessive trading by Shareholders may interfere with the efficient management of the Fund's portfolio, increased transaction costs and taxes and may harm the performance of the Fund.

There can be no assurances that abusive trading practices can be mitigated or eliminated. For example, nominee accounts in which purchases and sales of Shares by multiple investors may be aggregated for dealing with the Fund on a net basis, conceal the identity of underlying investors in a Fund that makes it more difficult for the Directors and their delegates to identify abusive trading practices.

8.12 **Suspension**

The Directors may declare a suspension of the issue of the Shares in certain circumstances as described in section 10.3 titled "Suspension of valuation of assets". Shares will not be issued during any such period of suspension.

8.13 **Anti-money laundering measures**

The Administrator, SEI Investments – Global Fund Services, Limited, is regulated by the Central Bank of Ireland, and must comply with the measures provided for in the *Criminal Justice (Money Laundering and Terrorist Financing) Act, 2010* which is aimed towards the prevention of money laundering. In order to comply with these anti-money laundering regulations, the Administrator will require from any subscriber or shareholder a detailed verification of the identity of such subscriber or shareholder, the identity of the beneficial owners of such subscriber or shareholder, the source of funds used to subscribe for Shares, or other additional information which may be requested from any subscriber or shareholder for such purposes from time to time.

The Administrator reserves the right to request such information as is necessary to verify the identity of an applicant.

The Subscriber recognises that the Administrator, in accordance with its anti-money laundering ("AML") procedures reserves the right to prohibit the movement of any money if all due diligence requirements have not been met, or, if for any reason feels that the origin of the funds or the parties involved are suspicious. In the event that the movement of any money is withheld in accordance with SEI Dublin's AML procedures, SEI Dublin will strictly adhere to all applicable laws, and shall notify the Fund as soon as professional discretion allows or as otherwise permitted by law.

8.14 Anti-Dilution Levy

In calculating the Net Asset Value per Share, the Directors may, where there are net subscriptions, adjust the Net Asset Value per Share by adding an Anti-Dilution Levy of up to 1% of the Net Asset Value per Share for retention as part of the assets of the relevant Fund, further details of which will be set out in the relevant Supplement. This Anti-Dilution Levy will cover dealing costs and preserve the value of the assets of the relevant Fund. No Anti-Dilution Levy will be charged unless it is set out in the Supplement of the relevant Fund.

8.15 Limitations on subscriptions

The Application Form requires each prospective applicant for Shares to represent and warrant that he/she/ it is not an "Ineligible Applicant" and is able to acquire and hold Shares without violating applicable laws. Specifically, the Shares may not be offered, issued or transferred to any person who in the opinion of the Directors is an "Ineligible Applicant". An Ineligible Applicant is a person who, or entity which:

- (a) is not a Qualifying Investor or an Accredited Employee;
- (b) is an individual under the age of 18 (or such other age as the Directors may think fit);
- (c) is a person who or entity which breached or falsified representations on subscription documents or who or which appears to be in breach of any law or requirement of any country or government authority or by virtue of which such person or entity is not qualified to hold Shares including any exchange control regulations;
- (d) would not lawfully hold the Shares; or
- (e) holds or would hold the Shares in circumstances which (whether directly or indirectly affecting such entity or entities, and whether taken alone or in conjunction with any other entity or entities, connected or not, or any other circumstances appearing to the Directors to be relevant), in the opinion of the Directors, may result in the Company or the Shareholders, suffering any regulatory, pecuniary, legal, taxation or material administrative disadvantage which the Company, the relevant Fund or the Shareholders might not otherwise have incurred or suffered or might result in the Company, the relevant Fund or the Shareholders being required to comply with registration or filing requirements in any jurisdiction with which it would not otherwise be required to comply or is otherwise prohibited by the Articles.

8.16 Data protection information

Prospective investors should note that by completing the Application Form they are providing personal information to the Company, that may constitute personal data within the meaning of data protection legislation in Ireland. This data will be used for the purposes of client identification, administration, statistical analysis, market research, to comply with any applicable legal or regulatory requirements and, if an applicant's consent is given, for direct marketing purposes. Data may be disclosed to third parties including regulatory bodies, tax authorities, delegates, advisers and service providers of the Company and their or the Company's duly authorised agents and any of their respective related, associated or affiliated companies wherever located (including outside the EEA) for the purposes specified. By signing the Application Form, investors consent to the

obtaining, holding, use, disclosure and processing of data for any one or more of the purposes set out in the application form. Investors have a right to obtain a copy of their personal data kept by the Company on payment of a fee and the right to rectify any inaccuracies in personal data held by the Company.

A full list of data protection requirements and consents are detailed in the data protection section of the Application Form.

9 REDEMPTIONS AND CONVERSIONS

9.1 Redemption of shares

Details of the Dealing Days, offer and notice periods, fees and related information relevant to the redemption or conversion of Shares in a particular Fund will be set out in the relevant Supplement. Redemption prices are available to Shareholders on request.

Investors should note that Funds can be established as open-ended, limited liquidity or closed-ended funds and their ability to redeem or switch Shares, if any, will be affected accordingly.

10 NET ASSET VALUE AND VALUATION OF ASSETS

10.1 General

The Net Asset Value of each Fund or, if there are different Classes within a Fund, each Class will be calculated by the Administrator as at the Valuation Point on or with respect to each Dealing Day in accordance with the Articles. The Net Asset Value of a Fund will be determined as at the Valuation Point for the relevant Dealing Day by valuing the assets of the relevant Fund (including income accrued but not collected) and deducting the liabilities of the relevant Fund (including a provision for duties and charges, accrued expenses and fees and other liabilities). The Net Asset Value attributable to a Class will be determined as at the Valuation Point for the relevant Dealing Day by calculating that portion of the Net Asset Value of the relevant Fund attributable to the relevant Class subject to adjustment to take account of assets and/ or liabilities attributable to the Class. The Net Asset Value of a Fund will be expressed in the Base Currency of the Fund, or in such other currency as the Directors may determine either generally or in relation to a particular Class or in a specific case.

The Net Asset Value per Share will be calculated as at the Valuation Point on or with respect to each Dealing Day by dividing the Net Asset Value of the relevant Fund or attributable to a Class by the total number of Shares in issue or deemed to be in issue in the Fund or Class at the relevant Valuation Point and rounding the resulting total to four decimal places.

In determining the Net Asset Value of the Company and each Fund:

- (a) securities that are quoted, listed or traded on an exchange except as provided at (d), (e), (f), (g), (h) and (i) will be valued at closing prices. Where a security is listed or dealt in on more than one exchange the relevant exchange or market will be the principal stock exchange or market on which the security is listed or dealt on or the exchange or market that the Directors determine provides the fairest criteria in determining a value for the relevant investment. Investments listed or traded on an exchange, but acquired or traded at a premium or at a discount outside or off the relevant exchange or market may be valued taking into account the level of premium or discount at the Valuation Point provided that the Custodian will be satisfied that the adoption of such a procedure is justifiable in the context of establishing the probable realisation value of the security;
- (b) the value of any security that is not quoted, listed or dealt in on an exchange or that is so quoted, listed or dealt but for which no such quotation or value is available or the available quotation or value is not representative of the fair market value will be the probable realisation value as estimated with care and good faith by (i) the Directors or (ii) a competent person, firm or corporation (including the Investment Manager) selected by the Directors and approved for the purpose by the Custodian or (iii) any other means provided that the value is approved by the Custodian. Where reliable market quotations are not available for fixed income securities the value of such securities may be determined using matrix methodology compiled by the Directors whereby such securities are valued by reference to the valuation of other securities that are comparable in rating, yield, due date and other characteristics;
- (c) cash on hand or on deposit will be valued at its nominal value plus accrued interest, where applicable, to the end of the relevant day on which the Valuation Point occurs;
- (d) derivative contracts traded on a regulated market will be valued at the settlement price as determined by the market. If the settlement price is not available, the value will be the probable realisation value estimated with care and in good faith by (i) the Directors or (ii) a competent person firm or corporation (including the Investment Manager) selected by the Directors and approved for the purpose by the Custodian or (iii) any other means provided that the value is approved by the Custodian. Derivative contracts that are not traded on a regulated market including swap contracts will be valued on the basis of a quotation provided at least weekly by the relevant counterparty and verified or approved at least

monthly by a party independent of the counterparty, including the Investment Manager, or another independent party that is approved for such purpose by the Custodian;

- (e) forward foreign exchange contracts will be valued in the same manner as derivatives contracts that are not traded in a regulated market or by reference to the price at the Valuation Point at which a new forward contract of the same size and maturity could be undertaken;
- (f) despite paragraph (a) above units in collective investment schemes will be valued at the latest available net asset value per unit or bid price as published by the relevant collective investment scheme or, if listed or traded on an exchange, in accordance with (a) above;
- (g) in the case of a Fund that is a money market fund the Directors may value any security with a known residual maturity of fifteen months or less using the amortised cost method of valuation whereby the security is valued at its acquisition cost adjusted for amortisation of premium or accretion of discount on the security. The Directors or their delegates will review or cause a review to take place of deviations between the amortised method of valuation and the market value of investments in accordance with the Central Bank's guidelines;
- (h) the Directors may value floating rate instruments using the amortised cost method of valuation where such floating rate instruments:
 - (i) have an annual or shorter reset date; and
 - (ii) are determined by the Directors to have a market value that approximates the amortised cost valuation; and
 - (iii) have a residual value of two years or less or, in the case of high credit quality instruments, up to five years provided that procedures are adopted for instruments having a residual maturity of between two and five years to ensure that the valuation produced does not vary significantly from its true market value;
- (i) the Directors may value securities having a residual maturity not exceeding six months using the amortised cost method of valuation;
- (j) the Directors may, with the approval of the Custodian, adjust the value of any investment if having regard to its currency, marketability, applicable interest rates, anticipated rates of dividend, maturity, liquidity or any other relevant considerations, they consider that such adjustment is required to reflect the fair value thereof. The Investment Manager and the Administrator will use reasonable best efforts to establish fair value in accordance with accounting standards and in consultation with the Auditors;
- (k) any value expressed otherwise than in the Base Currency of the relevant Fund will be converted into the Base Currency of the relevant Fund at the exchange rate (whether official or otherwise) that the Directors will determine to be appropriate;
- (l) where the value of any investment is not ascertainable as described above, the value will be the probable realisation value estimated by the Directors with care and in good faith or by a competent person approved for the purpose by the Custodian; and
- (m) if the Directors deem it necessary a specific Investment may be valued under an alternative method of valuation approved by the Custodian.

The Articles contain further information on the principles used to value the assets and liabilities of the Company. The Company's annual audited financial statements will also detail the valuations used with regard to recognised audit and accounting standards.

10.2 Responsibility statement

In calculating the Net Asset Value, the Directors, the Custodian, the Administrator and the Investment Manager will not (in the absence of fraud, negligence or wilful default) be liable for any loss suffered by a Fund or any Shareholder by reason of any error in the calculation of the Net Asset Value including any error resulting from any inaccuracy in the information provided by any third party source, pricing service or service provider to a Fund, a prime broker, OTC counterparty broker, market maker, other intermediary or other counterparty (together a "Pricing Party"). The Directors, the Administrator, the Custodian and the Investment Manager will use reasonable endeavours to verify any pricing information supplied by any Pricing Party or any connected person thereof. However, in certain circumstances it may not be possible or practicable for the Directors, the Custodian, the Administrator or the Investment Manager to verify such information and, in such circumstances, none of those parties will (in the absence of fraud, negligence or wilful default) be liable for any loss suffered by any Fund or any Shareholder by reason of any error in the calculation of the Net Asset Value resulting from any inaccuracy in the information provided by any Pricing Party. In the absence of negligence, fraud or wilful default, every decision taken by the Directors or any committee of the Directors or any duly authorised person on behalf of the Company in calculating the Net Asset Value of a Fund or Class or the Net Asset Value per Share will be final and binding on the Company and on present, past or future Shareholders.

10.3 Suspension of valuation of assets

The Directors may at any time and from time to time temporarily suspend the determination of the Net Asset Value of any Fund or attributable to a Class and the issue, conversion and redemption of Shares in any Fund or Class:

- (a) during the whole or part of any period (other than for ordinary holidays or customary weekends) when any of the Recognised Exchanges on which the relevant Fund's investments are quoted, listed, traded or dealt are closed or during which dealings therein are restricted or suspended or trading is suspended or restricted; or
- (b) during the whole or part of any period when circumstances outside the control of the Directors exist as a result of which any disposal or valuation of investments of the Fund is not reasonably practicable or would be detrimental to the interests of Shareholders or it is not possible to transfer money involved in the acquisition or disposition of investments to or from the relevant account of the Company; or
- (c) during the whole or any part of any period when any breakdown occurs in the means of communication normally employed in determining the value of any of the relevant Fund's investments; or
- (d) during the whole or any part of any period when for any reason the value of any of the Fund's investments cannot be reasonably, promptly or accurately ascertained;
- (e) during the whole or any part of any period when subscription proceeds cannot be transmitted to or from the account of any Fund or the Company is unable to repatriate funds required for making redemption payments or when such payments cannot, in the opinion of the Directors, be carried out at normal rates of exchange;
- (f) on mutual agreement between the Company and the Custodian for the purpose of winding up the Company or terminating any Fund; or
- (g) if any other reason makes it impossible or impracticable to determine the value of a substantial portion of the Investments or the Company or any Fund.

Any suspension of valuation will be notified to the Central Bank, the Custodian and Shareholders as soon as reasonably practicable and will be published in a journal or through an exchange where required. Where possible, all reasonable steps will be taken to bring any period of suspension to

an end as soon as possible. The Central Bank may also require that the Company temporarily suspends the determination of the Net Asset Value and the issue and redemption of Shares in a Fund if it decides that it is in the best interests of the general public and the Shareholders to do so.

10.4 **Taxation on the occurrence of certain events**

The attention of investors is drawn to section 2 of appendix II titled "Irish taxation" and in particular the taxation liability arising on the occurrence of certain events such as the encashment, redemption or transfer of Shares by or payment of dividends to Shareholders who are resident or ordinarily resident in Ireland. If the Company becomes liable to account for tax including any interest or penalties thereon if an event giving rise to a tax liability occurs, the Company will be entitled to deduct such amount from the payment arising on such event or to compulsorily redeem or cancel such number of Shares held by the Shareholder or the beneficial owner of the Shares as have a value sufficient after the deduction of any redemption charges to discharge any such liability. The relevant Shareholder will indemnify and keep the Company indemnified against any loss arising to the Company by reason of the Company becoming liable to account for tax and any interest or penalties thereon on the happening of an event giving rise to a tax liability including if no such deduction, appropriation or cancellation has been made.

10.5 **Publication of net asset value per share**

The Net Asset Value per Share may be obtained from either the Investment Manager or the Administrator during normal business hours.

APPENDIX I – RISK FACTORS

1 GENERAL

1.1 The risks described in this prospectus should not be considered to be an exhaustive list of the risks that potential investors should consider before investing in a Fund. Potential investors should be aware that an investment in a Fund may be exposed to other risks of an exceptional nature from time to time. Investment in the Company carries with it a degree of risk. Different risks may apply to different Funds and/ or Classes. Details of specific risks attaching to a particular Fund or Class that are additional to those described in this section will be disclosed in the relevant Supplement. Prospective investors should review this prospectus and the relevant Supplement carefully and in its entirety and consult with their professional and financial advisers before making an application for Shares. Prospective investors are advised that the value of Shares and the income from them may go down as well as up and, accordingly, an investor may not get back the full amount invested and an investment should only be made by persons who can sustain a loss on their investment. Past performance of the Company or any Fund should not be relied on as an indicator of future performance. The difference at any one time between the sale price (to which may be added a sales charge or commission) and the redemption price of Shares (from which may be deducted a redemption fee) means an investment should be viewed as medium to long term. The attention of potential investors is drawn to the taxation risks associated with investing in the Company. Please refer to appendix II titled "Taxation of the Company". The securities and instruments in which the Company invests are subject to normal market fluctuations and other risks inherent in investing in such investments and there can be no assurance that any appreciation in value will occur. There can be no guarantee that the investment objective of a Fund will actually be achieved.

1.2 Lack of operating history

The Company was recently formed. There can be no assurance that the Company will achieve its investment objective. The past investment performance of the Investment Manager cannot be construed as an indication of the future results of an investment in Shares.

1.3 Substantial charges

The Company and the Funds are subject to substantial charges, and must generate profits and income that exceed its fixed costs in order to avoid depletion of its assets. Funds are required to pay the service provider fees, expenses and commissions regardless of its performance.

1.4 Redemption risk

Large redemptions of Shares in a Fund might result in a Fund being forced to sell assets at a time and price at which it would normally prefer not to dispose of those assets.

1.5 Cross-contamination

As a matter of Irish company law, any liability attributable to the Fund may only be discharged out of the assets of the Fund and the assets of other sub-funds of the Company may not be used to satisfy the liability. Despite, is no guarantee that recourse between Funds will be restricted in every case or that such liabilities will be identified or capable of being solely attributable to a Fund. There is no guarantee that a person will not take proceedings against the Company claiming entitlement to the assets of one or more Funds. There is no guarantee that segregation of sub-funds under Irish law will be recognised in other jurisdictions.

1.6 Cross class liabilities

Although the Articles require the establishment of separate Class accounts for each Class of Shares and the attribution of assets and liabilities to the relevant Class account, if the liabilities of a Class exceed its assets, creditors of the Company may seek to have recourse to the assets

attributable to the other Classes. At the date of this document the Directors are not aware of any such existing or contingent liability.

2 INVESTMENT RISKS

2.1 Dependence on key personnel

The performance of the Funds is largely dependent on the services of a limited number of persons at the Investment Manager. If the services of all or a substantial number of such persons were to become unavailable, the result of such a loss of key management personnel could be substantial losses for the Funds.

2.2 No guarantee on investment model and discretionary management

The Investment Manager makes discretionary trading decisions and in doing so it may rely on multiple quantitative and technical models. All trading decisions will be reflective of the judgment, experience, and expertise of personnel of the Investment Manager. Trading decisions informed by the use of statistical methods, trading models, and quantitative research tools depend on the accurate forecasting of major price moves or trends in some commodities. No assurance can be given of the accuracy of models, the forecasts or the existence of price moves.

2.3 Credit markets risk

A Fund's performance may be affected by default or perceived credit impairment of any individual security or instrument and by general or sector-specific or rating class-specific credit spread movement.

2.4 Liquidity risk

The Directors do not expect that an active secondary market will develop in the Shares. Not all securities or instruments invested in by the Funds will be listed or rated and consequently liquidity may be low. Moreover, the accumulation and disposal of holdings in some investments may be time consuming and may need to be conducted at unfavourable prices. The Funds may also encounter difficulties in disposing of assets at their fair price due to adverse market conditions leading to limited liquidity. In some circumstances, investments may be relatively illiquid making it difficult to acquire or dispose of them. Accordingly, a Fund's ability to respond to market movements may be impaired, and the Fund may experience adverse price movements on liquidation of its investments.

2.5 Concentration of investments

A Fund may at certain times hold relatively few investments. A Fund could be subject to significant losses if it holds a large position in a particular investment that declines in value or is otherwise adversely affected, including default of the issuer or counterparty. Additionally, historical correlations may undergo dramatic change, thereby reducing expected diversification protection.

2.6 Market capitalisation risk

The securities of small-to-medium-sized (by market capitalisation) companies, or financial instruments related to such securities, may have a more limited market than the securities of larger companies. Accordingly, it may be more difficult to effect sales of such securities at an advantageous time or without a substantial drop in price than securities of a company with a large market capitalisation and broad trading market. In addition, securities of small-to-medium-sized companies may have greater price volatility as they are generally more vulnerable to adverse market factors such as unfavourable economic reports.

2.7 Market risk

Some of the markets and exchanges in which a Fund may invest may be less well-regulated than those in developed markets and may prove to be illiquid, insufficiently liquid or highly volatile from

time to time. This may affect the price at which a Fund may liquidate positions to meet redemption requests or other funding requirements.

2.8 Exchange control and repatriation risk

It may not be possible for Funds to repatriate capital, dividends, interest and other income from certain countries, or it may require government consents to do so. Funds could be adversely affected by the introduction of, or delays in, or refusal to grant any such consent for the repatriation of funds or by any official intervention affecting the process of settlement of transactions. Economic or political conditions could lead to the revocation or variation of consent granted prior to investment being made in any particular country or to the imposition of new restrictions.

2.9 Emerging markets risk

Certain Funds may invest in securities of companies in emerging markets. Such securities may involve a high degree of risk and may be considered speculative. Risks include (i) greater risk of expropriation, confiscatory taxation, nationalization, and social, political and economic instability; (ii) the small current size of the markets for securities of emerging markets issuers and the currently low or non-existent volume of trading, resulting in lack of liquidity and in price volatility, (iii) certain national policies that may restrict a Fund's investment opportunities including restrictions on investing in issuers or industries deemed sensitive to relevant national interests; and (iv) the absence of developed legal structures governing private or foreign investment and private property.

2.10 Political, regulatory, settlement and sub-custodial risk

The value of a Fund's assets may be affected by uncertainties such as international political developments, changes in government policies, changes in taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in the laws and regulations of countries in which investment may be made. Furthermore, the legal infrastructure and accounting, auditing and reporting standards in certain countries in which investment may be made may not provide the same degree of investor protection or information to investors as would generally apply in major securities markets. As some of the Funds may invest in markets where the trading, settlement and custodial systems are not fully developed, the assets of a Fund that are traded in such markets and that have been entrusted to sub-custodians in such markets may be exposed to risk in circumstances in which the Custodian will have no liability.

2.11 Investing in fixed income securities

Investment in fixed income securities is subject to interest rate, sector, security and credit risks. Lower-rated securities will usually offer higher yields than higher-rated securities to compensate for the reduced creditworthiness and increased risk of default that these securities carry. Lower-rated securities generally tend to reflect short-term corporate and market developments to a greater extent than higher-rated securities that respond primarily to fluctuations in the general level of interest rates. There are fewer investors in lower-rated securities and it may be harder to buy and sell such securities at an optimum time. The volume of transactions effected in certain international bond markets may be appreciably below that of the world's largest markets, such as the United States. Accordingly, a Fund's investment in such markets may be less liquid and their prices may be more volatile than comparable investments in securities trading in markets with larger trading volumes. Moreover, the settlement periods in certain markets may be longer than in others that may affect portfolio liquidity.

2.12 Changes in interest rates

The value of Shares may be affected by substantial adverse movements in interest rates.

2.13 Derivatives and techniques and instruments risk

(a) General

The prices of derivative instruments, including futures and options prices, are highly volatile. Price movements of forward contracts, futures contracts and other derivative contracts are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programmes and policies of governments, and national and international political and economic events and policies. In addition, governments from time to time intervene, directly and by regulation, in certain markets, particularly markets in currencies and interest rate related futures and options. Such intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations. The use of techniques and instruments also involves certain special risks, including (1) dependence on the ability to predict movements in the prices of securities being hedged and movements in interest rates, (2) imperfect correlation between the hedging instruments and the securities or market sectors being hedged, (3) the fact that skills needed to use these instruments are different from those needed to select the Fund's securities and (4) the possible absence of a liquid market for any particular instrument at any particular time, and (5) possible impediments to effective portfolio management or the ability to meet redemption.

(b) Credit default swaps

The use of credit default swaps can be subject to higher risk than direct investment in debt securities. The market for credit default swaps may from time to time be less liquid than debt securities markets. In relation to credit default swaps where the Fund sells protection the Fund is subject to the risk of a credit event occurring in relation to the reference issuer. Furthermore, in relation to credit default swaps where the Fund buys protection, the Fund is subject to the risk of the counterparty of the credit default swaps defaulting.

(c) Liquidity of futures contracts

Futures positions may be illiquid because certain commodity exchanges limit fluctuations in certain futures contract prices during a single day by regulations referred to as "daily price fluctuation limits" or "daily limits." Under such daily limits, during a single trading day no trades may be executed at prices beyond the daily limits. Once the price of a contract for a particular future has increased or decreased by an amount equal to the daily limit, positions in the future can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. This could prevent a Fund from liquidating unfavourable positions.

(d) Forward trading

Forward contracts and options thereon, unlike futures contracts, are not traded on exchanges and are not standardized; rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward and "cash" trading is substantially unregulated; there is no limitation on daily price movements and speculative position limits are not applicable. The principals who deal in the forward markets are not required to continue to make markets in the currencies or commodities they trade and these markets can experience periods of illiquidity, sometimes of significant duration. Market illiquidity or disruption could result in major losses to a Fund.

(e) Swap transactions

A Fund may enter into transactions in the forward or other markets that could be characterized as swap transactions, and that may involve interest rates, currencies, securities interests, commodities, and other items. A swap transaction is an individually negotiated, non-standardized agreement between two parties to exchange cash flows measured by different interest rates, exchange rates, or prices, with payments calculated by reference to a principal ("notional") amount

or quantity. Transactions in these markets present certain risks similar to those in the OTC forward and options markets: (i) the swap markets are generally not regulated; (ii) there are generally no limitations on daily price moves in swap transactions; (iii) speculative position limits are not applicable to swap transactions, although the counterparties may limit the size or duration of positions available as a consequence of credit considerations; (iv) participants in the swap markets are not required to make continuous markets in swap contracts; and (v) the swap markets are “principals’ markets,” in which performance with respect to a swap contract is the responsibility only of the counterparty with which the trader has entered into a contract (or its guarantor, if any), and not of any exchange or clearing corporation. As a result, a Fund will be subject to the risk of the inability of or refusal to perform with respect to such contracts by counterparties trading with a Fund.

(f) Management risk

Derivative products are highly specialized instruments that require investment techniques and risk analyses different from those associated with stocks and bonds. The use of a derivative requires an understanding not only of the underlying instrument but also of the derivative itself, without the benefit of observing the performance of the derivative under all possible market conditions.

(g) Exposure risk

Certain transactions may give rise to a form of exposure. Such transactions may include, among others, reverse repurchase agreements, and the use of when-issued, delayed delivery or forward commitment transactions. Although the use of derivatives may create an exposure risk, any exposure arising as a result of the use of derivatives will not exceed the Net Asset Value of the relevant Fund.

(h) Lack of availability

Because the markets for certain derivative instruments are relatively new and still developing, suitable derivatives transactions may not be available in all circumstances for risk management or other purposes. On the expiration of a particular contract, the Investment Manager may wish to retain the Fund’s position in the derivative instrument by entering into a similar contract, but may be unable to do so if the counterparty to the original contract is unwilling to enter into the new contract and no other suitable counterparty can be found. There is no assurance that the Fund will engage in derivatives transactions at any time or from time to time. The Fund’s ability to use derivatives may also be limited by certain regulatory and tax considerations.

(i) Risks related to contracts for differences

Contracts for differences (“CFDs”), also known as synthetic swaps, are derivative contracts the object of which is to secure a profit or avoid a loss by reference to fluctuations in the value or price of equities or financial instruments or in an index of such financial instruments for example, an interest rate CFD is a derivative instrument designed to exchange periodic payments related to interest rates in a single currency and a currency CFD is designed to exchange streams of interest payments in different currencies for an agreed period of time and to exchange principal amounts in different currencies at a pre-agreed exchange rate at maturity. CFDs are leveraged transactions, so profits and losses can vary in direct proportion to the value of the underlying securities. Consequently, they are only suitable for experienced investors. CFDs are generally traded principal-to-principal with no centralised market quote. As such they are deemed to be off-exchange or over-the-counter (“OTC”) products and are not specifically covered by any stock exchange rules. With CFDs, a Fund can buy (“go long”) with the view that the underlying asset will increase in value or a Fund can sell (“go short”) with the view that the underlying asset will decrease in value. To be used successfully, an investor in CFDs must have a clear view of an expected price movement and a well developed sense of the risk he is taking. In order to protect the integrity of the market, participants in CFD trading are required to post margin to cover potential liabilities arising from price movement. Margin is calculated on the underlying asset value for CFDs; it is expressed as a percentage of the value and the rate varies according to the volatility

of the market or the individual asset. As a guideline only, an equity CFD will typically require a margin of 10% - 20%. Cleared funds in excess of the margin requirement are usually required prior to dealing.

3 COUNTERPARTY AND CREDIT RISK

3.1 Rights of secured parties versus shareholders

The Company may enter into secured lending arrangements as part of its normal course of business and may transfer, mortgage, charge or encumber any assets or cash for the purpose of, among other things, providing margin or collateral in respect of permitted transactions. The Company may also grant security or permit security to be taken over its assets by entities providing services to the Company in order to, among other things, secure any fees or obligations owed by the Company to these entities. The claims of a secured party will rank ahead of the claim of any Shareholder for the return of assets or money from the Company, in particular, in the event of an insolvency or similar event.

3.2 Counterparty risk

The Company is subject to the risk of the inability of any counterparty to perform with respect to transactions, whether due to insolvency, bankruptcy or other causes. The Company may pass cash or other assets to its counterparties as margin or collateral to an unlimited extent. At any one time, the Company may be exposed to the creditworthiness of its counterparties in respect of all or part of such margin or collateral. In the event of the insolvency of a counterparty, the Company might not be able to recover cash or assets of equivalent value in full.

3.3 Credit risk

There can be no assurance that issuers of the securities or other instruments in which the Fund invests will not be subject to credit difficulties leading to the loss of some or all of the sums invested in such securities or instruments or payments due on such securities or instruments. Funds will also be exposed to a credit risk in relation to the counterparties (including prime brokers and other financing counterparties) with whom they transact or place margin or collateral in respect of transactions in derivative instruments and may bear the risk of counterparty default.

4 VALUATION, CURRENCY AND REPORTING RISKS

4.1 Amortised cost method

Some or all of the investments of certain Funds may be valued at amortised cost. Investors' attention is drawn to section 10 titled "Net asset value and valuation of assets" for further information. In periods of declining short-term interest rates, the inflow of net new money to such Funds from the continuous issue of Shares will likely be invested in portfolio instruments producing lower yields than the balance of such Fund's portfolio, thereby reducing the current yield of the Fund. In periods of rising interest rates, the opposite can be true.

4.2 Valuation risk

A Fund may invest some of its assets in illiquid and/ or unquoted securities or instruments. Such investments or instruments will be valued by the Directors or their delegate in accordance with the provisions set out in section 10 titled "Net asset value and valuation of assets". Such investments are inherently difficult to value and are the subject of substantial uncertainty. There is no assurance that the estimates resulting from the valuation process will reflect the actual sales or "close-out" prices of such securities.

4.3 Accounting, auditing and financial reporting standards

The accounting, auditing and financial reporting standards of many of the countries in which a Fund may invest may be less extensive than those applicable to US and European Union companies.

4.4 Currency risk

Assets of a Fund may be denominated in a currency other than the Base Currency of the Fund and changes in the exchange rate between the Base Currency and the currency of the asset may lead to a depreciation of the value of the Fund's assets as expressed in the Base Currency. It may not be possible or practical to hedge against such exchange rate risk. The Fund's Investment Manager may, but is not obliged to, mitigate this risk by using financial instruments. Funds may from time to time enter into currency exchange transactions either on a spot basis or by buying currency exchange forward contracts. Neither spot transactions nor currency exchange forward contracts eliminate fluctuations in the prices of a Fund's securities or in foreign exchange rates, or prevent loss if the prices of these securities should decline. Performance of a Fund may be strongly influenced by movements in foreign exchange rates because currency positions held by a Fund may not correspond with the securities positions held. A Fund may enter into currency exchange transactions and/ or use techniques and instruments to seek to protect against fluctuation in the relative value of its portfolio positions as a result of changes in currency exchange rates or interest rates between the trade and settlement dates of specific securities transactions or anticipated securities transactions. Although these transactions are intended to minimise the risk of loss due to a decline in the value of hedged currency, they also limit any potential gain that might be realised should the value of the hedged currency increase. The precise matching of the relevant contract amounts and the value of the securities involved will not generally be possible because the future value of such securities will change as a consequence of market movements in the value of such securities between the date when the relevant contract is entered into and the date when it matures. The successful execution of a hedging strategy that matches exactly the profile of the investments of any Fund cannot be assured. It may not be possible to hedge against generally anticipated exchange or interest rate fluctuations at a price sufficient to protect the assets from the anticipated decline in value of the portfolio positions as a result of such fluctuations.

4.5 Share currency designation risk

A Class of Shares of a Fund may be designated in a currency other than the Base Currency of the Fund. Changes in the exchange rate between the Base Currency and such designated currency may lead to a depreciation of the value of such Shares as expressed in the designated currency. The Fund's Investment Manager may try but is not obliged to mitigate this risk by using financial instruments such as those described under the heading "Currency Risk". Investors should be aware that this strategy may substantially limit Shareholders of the relevant Class from benefiting if the designated currency falls against the Base Currency and/ or the currency/ currencies in which the assets of the Fund are denominated. In such circumstances Shareholders of the relevant Class of Shares of the Fund may be exposed to fluctuations in the Net Asset Value per Share reflecting the gains/ losses on and the costs of the relevant financial instruments. Financial instruments used to implement such strategies will be assets/ liabilities of the Fund as a whole. However, the gains/ losses on and the costs of the relevant financial instruments will accrue solely to the relevant Class of Shares of the Fund.

4.6 Investment manager valuation risk

The Administrator may consult the Investment Manager with respect to the valuation of certain investments. There is an inherent conflict of interest between the involvement of the Investment Manager in determining the valuation price of each Fund's investments and the Investment Manager's other duties and responsibilities in relation to the Funds.

5 TAX RISKS

5.1 Tax considerations

Greater discussion of the taxation of the Funds and the applicable risk factors is set out in Appendix II – Taxation.

6 RISK FACTORS NOT EXHAUSTIVE

The investment risks set out in this prospectus do not purport to be exhaustive and potential investors should be aware that an investment in the Company or any Fund may be exposed to risks of an exceptional nature from time to time.

APPENDIX II – TAXATION OF THE COMPANY

1 General

The following is a summary of relevant Irish tax law. It does not purport to be a complete analysis of all tax considerations relating to the holding of Shares. These disclosures are for the purpose of providing general assistance only, are not intended to be a substitute for the advice of independent tax and legal advisers, and should not be interpreted as legal or tax advice. The income tax laws discussed below are subject to change, and any such changes might affect the tax considerations discussed below. Shareholders and potential investors must consult independent professional tax and legal advisers concerning possible taxation or other consequences of purchasing, holding, selling, exchanging or otherwise disposing of Shares under the laws of their country of incorporation, establishment, citizenship, residence, ordinary residence or domicile. No advance tax rulings have been sought from any jurisdictions in connection with the operations of the Company or the investment in Shares. There is no assurance that Irish or other tax authorities will agree with the statements described in this prospectus.

The following statements on taxation are based on advice received by the Directors regarding the law and practice in force in the relevant jurisdiction at the date of this Prospectus. As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment in a Fund is made will endure indefinitely as the bases for, and rates of, taxation can fluctuate.

Prospective Shareholders should familiarise themselves with and, where appropriate, take advice on the laws and regulations (such as those relating to taxation and exchange controls) applicable to the subscription for, and the holding and realisation of, Shares in the places of their citizenship, residence and domicile.

The receipt of dividends (if any) by Shareholders, the redemption, exchange or transfer of Shares, and any distribution on a winding-up of a Fund may result in a tax liability for the Shareholders according to the tax regime applicable in their various countries of residence, citizenship or domicile. Shareholders resident in or citizens of certain countries that have anti-offshore fund legislation may have a current liability to tax on the undistributed income and gains of the Company. The Directors, the Company (for and on behalf of each Fund), the Master Fund and each of the Company's and the Master Fund's agents will have no liability in respect of the individual tax affairs of Shareholders.

2 Irish Taxation

2.1 Taxation of the Company

The Directors have been advised that the Company is an investment undertaking within the meaning of section 739B TCA and therefore is not chargeable to Irish tax on its relevant income or relevant gains so long as the Company is resident for tax purposes in Ireland. The Company will be resident for tax purposes in Ireland if it is centrally managed and controlled in Ireland. It is intended that the Directors of the Company will conduct the affairs of the Company in a manner that will allow for this.

The income and capital gains received by the Company from securities issued in countries other than Ireland or assets located in countries other than Ireland may be subject to taxes including withholding tax in the countries where such income and gains arise. The Company may not be able to benefit from reduced rates of withholding tax by virtue of the double taxation treaties in operation between Ireland and other countries. The Directors will have sole discretion as to whether the Company will apply for such benefits and may decide not to apply for such benefits if they determine that it may be administratively burdensome, cost prohibitive or otherwise impractical.

In the event that the Company receives any repayment of withholding tax suffered, the Net Asset Value of the Company will not be restated and the benefit of any repayment will be allocated to the then existing Shareholders rateably at the time of repayment.

Tax may arise for the Company on the happening of a "Chargeable Event" in the Company.

A Chargeable Event includes:

- (i) any payment to a Shareholder by the Company in respect of their Shares;
- (ii) any transfer, cancellation, redemption or repurchase of Shares; and
- (iii) any deemed disposal by a Shareholder of their Shares at the end of a "relevant period" (a "Deemed Disposal").

A "relevant period" is a period of 8 years beginning with the acquisition of Shares by a Shareholder and each subsequent period of 8 years beginning immediately after the preceding relevant period.

A Chargeable Event does not include:

- (i) any transaction in relation to Shares held in a recognised clearing system;
- (ii) any exchange by a Shareholder effected by way of a bargain made at arms length by the Company, of Shares in the Company for other Shares in the Company;
- (iii) certain transfers of Shares between spouses and former spouses; or
- (iv) an exchange of Shares arising on a qualifying amalgamation or reconstruction of the Company with another Irish investment undertaking.

On the happening of a Chargeable Event, the Company will be entitled to deduct the appropriate amount of tax on any payment made to a Shareholder in respect of the Chargeable Event. On the occurrence of a Chargeable Event where no payment is made by the Company to the Shareholder, the Company may appropriate or cancel the required number of Shares to meet the tax liability.

Where the Chargeable Event is a Deemed Disposal and the value of Shares held by Irish Resident Shareholders in the Company is less than 10% of the total value of Shares in the Company (or a sub-fund) and the Company has made an election to the Revenue Commissioners to report annually certain details for each Irish Resident Shareholder, the Company will not be required to deduct the appropriate tax and the Irish Resident Shareholder (and not the Company) must pay the tax on the Deemed Disposal on a self-assessment basis. Credit is available against appropriate tax relating to the Chargeable Event for appropriate tax paid by the Company or the Shareholder on any previous Deemed Disposal. On the eventual disposal by the Shareholder of the Shares, a refund of any unutilised credit will be payable.

2.2 Taxation of Shareholders

Non-Irish Resident Shareholders

Non-Irish Resident Shareholders will not be chargeable to Irish tax on the happening of a Chargeable Event provided that either:

- (a) the Company is in possession of a completed Relevant Declaration to the effect that the Shareholder is not an Irish Resident, or
- (b) the Company is in possession of written notice of approval from the Revenue Commissioners to the effect that the requirement to provide a Relevant Declaration is deemed to have been complied with in respect of that Shareholder and the written notice of approval has not been withdrawn by the Revenue Commissioners.

If the Company is not in possession of a Relevant Declaration or the Company is in possession of information that would reasonably suggest that the Relevant Declaration is not or is no longer materially correct, the Company must deduct tax on the happening of a Chargeable Event in relation to such Shareholder. The tax deducted will generally not be refunded.

Intermediaries acting on behalf of non-Irish Resident Shareholders can claim the same exemption on behalf of the Shareholders for whom they are acting. The intermediary must complete a Relevant Declaration that it is acting on behalf of a non-Irish Resident Shareholder.

A non-Irish Resident corporate Shareholder that holds Shares directly or indirectly by or for a trading branch or agency of the Shareholder in Ireland, will be liable for Irish corporation tax on income from the Shares or gains made on the disposal of the Shares.

Exempt Irish Shareholders

The Company is not required to deduct tax in respect of an Exempt Irish Shareholder so long as the Company is in possession of a completed Relevant Declaration from those persons and the Company has no reason to believe that the Relevant Declaration is materially incorrect. The Exempt Irish Shareholder must notify the Company if it ceases to be an Exempt Irish Shareholder. Exempt Irish Shareholders in respect of whom the Company is not in possession of a Relevant Declaration will be treated by the Company as if they are not Exempt Irish Shareholders.

Exempt Irish Shareholders may be liable to Irish tax on their income, profits and gains in relation to any sale, transfer, repurchase, redemption or cancellation of Shares or dividends or distributions or other payments in respect of their Shares. It is the obligation of the Exempt Irish Shareholder to account for tax to the Revenue Commissioners.

Where the Exempt Irish Shareholder is not a company and tax has not been deducted by the Company, the payment will be treated as if it were a payment from an offshore fund and taxed in accordance with sections 747D and section 747E TCA. Provided the Exempt Irish Shareholder has correctly included the income or disposal in its tax return, tax at the rate of 27% must be paid in respect of annual or more frequent distributions by the Company and at the rate of 30% in respect of any other payment by the Company to the Exempt Irish Shareholder in respect of its Shares or in relation to any sale, transfer, cancellation, redemption or repurchase of Shares. No further Irish tax will be payable by the Exempt Irish Shareholder in respect of that payment or disposal.

Where the Exempt Irish Shareholder is a company, the amount of the payment to the Exempt Irish Shareholder will be treated as income arising that is chargeable to Irish tax. Where the payment is in respect of the sale, transfer, cancellation, redemption or repurchase of Shares, such income will be reduced by the amount of the consideration in money or money's worth given by the Exempt Irish Shareholder on the acquisition of the Shares. Where the payment is not taxable as trading income for the company, it will be chargeable to tax under Schedule D Case IV. Where the payment is taxable as trading income for the company, it will be chargeable to tax under Schedule D Case I.

The rate of corporation tax applicable to Schedule D Case IV income is currently 25%. The rate of corporation tax applicable to Schedule D Case I income is 12.5%.

Irish-Resident Shareholders

Irish Resident Shareholders (who are not Exempt Irish Shareholders) will be liable to tax on the happening of a Chargeable Event. Tax at the rate of 27% will be deducted by the Company on payments made to the Shareholder that are annual or more frequent (e.g. dividends).

Tax at the rate of 30% will be deducted by the Company on the sale, transfer, Deemed Disposal (subject to the 10% threshold outlined above), cancellation, redemption or repurchase of Shares or the making of any other payment in respect of the Shares.

An Irish Resident Shareholder who is not a company and is not an Exempt Irish Shareholder will not be liable to any further income or capital gains tax in respect of any sale, transfer, Deemed Disposal, cancellation, redemption or repurchase, of Shares or the making of any other payment in respect of their Shares.

Where the Irish Resident Shareholder is a company that is not an Exempt Irish Shareholder, and the payment is not taxable as trading income under Schedule D Case I, the following provisions apply:

- (a) where the payment is an annual or more frequent payment, the amount received will be treated as the net amount of an annual payment chargeable to tax under Schedule D Case IV from the gross amount of which income tax has been deducted at the standard rate; and
- (b) the making of any other payment in respect of such Shares or any sale, transfer, Deemed Disposal, cancellation, redemption or repurchase of such Shares will not otherwise be taken into account for the purposes of Irish tax.

Where the Irish Resident Shareholder is a company that is not an Exempt Irish Shareholder, and the payment is taxable as trading income under Schedule D Case I, the following provisions apply:

- (a) the amount received by the Shareholder is increased by any amount of tax deducted by the Company and will be treated as income of the Shareholder for the chargeable period in which the payment is made;
- (b) where the payment is made on the sale, transfer, Deemed Disposal, cancellation, redemption or repurchase of Shares, such income will be reduced by the amount of consideration in money or money's worth given by the Shareholder for the acquisition of those Shares; and
- (c) the amount of tax deducted by the Company will be set off against the Irish corporation tax assessable on the Shareholder in respect of the chargeable period in which the payment is made.

Personal Portfolio Investment Undertaking

An investment undertaking will be considered to be a personal portfolio investment undertaking (PPIU) in relation to a specific Irish Resident Shareholder where that Irish Resident Shareholder can influence the selection of some or all of the property of the undertaking. The undertaking will only be a PPIU in respect of those Irish Resident Shareholders who can influence the selection. A gain arising on a chargeable event in relation to a PPIU will be taxed at the rate of 50%. An undertaking will not be considered to be a PPIU where certain conditions are complied with as set out in section 739BA TCA.

Currency Gains

Where a currency gain is made by an Irish Resident Shareholder on the disposal of Shares, that Shareholder may be liable to capital gains tax in respect of any chargeable gain made on the disposal.

Stamp Duty

On the basis that the Company qualifies as an investment undertaking within the meaning of section 739B TCA, no Irish stamp duty will be payable on the subscription, transfer or repurchase of Shares. The stamp duty implications for subscriptions for Shares or transfer or repurchase of Shares in specie should be considered on a case by case basis.

Capital Acquisitions Tax

No Irish gift tax or inheritance tax (capital acquisitions tax) liability will arise on a gift or inheritance of Shares provided that:

- (a) at the date of the disposition the transferor of the Shares is neither domiciled nor ordinarily resident in Ireland, and, at the date of the gift or inheritance the transferee of the Shares is neither domiciled nor ordinarily resident in Ireland; and
- (b) the Shares are comprised in the gift or inheritance at the date of the gift or inheritance and at the valuation date.

Certain Irish Tax Definitions

Residence – Company

A company that has its central management and control in Ireland is resident in Ireland irrespective of where it is incorporated. A company that does not have its central management and control in Ireland but that is incorporated in Ireland is resident in Ireland except where:

- (a) the company or a related company carries on a trade in Ireland, and either the company is ultimately controlled by persons resident in Member States or, in countries with which Ireland has a double taxation treaty (a "taxation treaty country"), or the company or a related company are quoted companies on a recognised stock exchange in the European Union or in a taxation treaty country; or
- (b) the company is regarded as not resident in Ireland under a double taxation treaty between Ireland and another country.

Residence – Individual

The Irish tax year operates on a calendar year basis.

An individual will be regarded as being resident in Ireland for a tax year if that individual:

- (a) spends 183 days or more in Ireland in that tax year; or
- (b) has a combined presence of 280 days in Ireland, taking into account the number of days spent in Ireland in that tax year together with the number of days spent in Ireland in the preceding tax year.

Presence in a tax year by an individual of not more than 30 days in Ireland will not be reckoned for the purpose of applying the two year test. Presence in Ireland for a day means the personal presence of an individual at any point in time during the particular day in question.

Ordinary Residence – Individual

The term "ordinary residence" as distinct from "residence", relates to a person's normal pattern of life and denotes residence in a place with some degree of continuity.

An individual who has been resident in Ireland for three consecutive tax years becomes ordinarily resident with effect from the commencement of the fourth tax year.

An individual who has been ordinarily resident in Ireland ceases to be ordinarily resident at the end of the third consecutive tax year in which that individual is not resident in Ireland. Thus, an individual who is resident and ordinarily resident in Ireland in 2009 will remain ordinarily resident in Ireland until the end of the tax year 2012.

Intermediary

means a person who:

- (a) carries on a business that consists of, or includes, the receipt of payments from an investment undertaking on behalf of other persons; or
- (b) holds shares in an investment undertaking on behalf of other persons.

3 Shareholders who are United Kingdom Resident or Ordinarily Resident

3.1 Reporting fund

The Company intends to apply for certification of the Funds as “reporting funds” when necessary, and therefore, to conduct the affairs of the Funds (in particular, by observing certain requirements in relation to the preparation of their accounts) and to implement the prescribed reporting practices to both Shareholders and HM Revenue & Customs so as to achieve, in so far as the Company is thereby able, such certification. However, no assurance can be given that the certification to continue to be treated as reporting funds will be obtained and none of the Company, Investment Manager, Administrator or Custodian accept any liability for such certification not being successfully obtained each year.

3.2 Company not resident in the United Kingdom

The Directors intend to conduct the affairs of the Company so that it should not become resident in the United Kingdom for the purposes of United Kingdom taxation. Accordingly, and provided that the Company does not carry on a trade in the United Kingdom through a permanent establishment situated therein, or that any such trading transactions in the United Kingdom are carried out through a broker or investment manager acting as an agent of independent status in the ordinary course of its business, the Company should not be subject to United Kingdom corporation tax on its income and capital gains, and any United Kingdom tax liability should be limited to any withholding tax deducted from the Funds’ United Kingdom source investment income.

Investors are advised to seek their own specialist advice in relation how such certification will affect them.

4 EU Savings Directive

In accordance with EC Council Directive 2003/48/EC regarding the taxation of interest income, a paying agent (within the meaning of the Directive) who makes a payment of interest (that may include an income or capital distribution payment) on behalf of the Company to an individual who is resident in another Member State or a residual entity established in another Member State, is required to provide details of those payments (that includes certain payments made by collective investment undertakings) and certain details relating to the Shareholders of the Company to the Revenue Commissioners. The Revenue Commissioners are obliged to provide such information to the competent authorities of the Member State of residence of the individual or residual entity concerned.

The paying agent will be entitled to require Shareholders to provide information regarding tax status, identity or residency in order to satisfy the disclosure requirements in this Directive. Shareholders will be deemed by their subscription for Shares in respect of the Company to have authorised the automatic disclosure of such information by the paying agent to the relevant tax authorities.

On 15 September 2008, the European Commission issued a report for the Council of the European Union on the operation of the Directive, that included the Commission’s advice on the need for changes to the Directive. On 13 November 2008, the European Commission published a more detailed proposal for amendments to the Directive, that included a number of suggested changes. If any of those proposed changes are made in relation to the Directive, they may amend or broaden the scope of the requirements described above.

APPENDIX III – GENERAL INFORMATION

1 Share capital

- (a) Clause 3 of the memorandum of association of the Company provides that the Company's sole object is the collective investment of its funds in property with the aim of spreading investment risk and giving members of the Company the benefit of the results of the management of its funds.
- (b) The authorised share capital of the Company is 500,000,000,000 Shares of no par value and EUR2 divided into two redeemable non-participating shares of EUR1.00 each. The minimum issued share capital of the Company is two redeemable non-participating shares of EUR1.00 each. The maximum issued share capital of the Company is two redeemable non-participating Shares of EUR1.00 each and 500,000,000,000 Shares of no par value. Non-participating Shares do not entitle the holders thereof to any dividend and on a winding up entitle the holders thereof to receive the amount paid up thereon but do not otherwise entitle them to participate in the assets of the Company. The Directors have the power to allot shares in the capital of the Company on such terms and in such manner as they may think fit. There are two non-participating shares currently in issue that were taken by the subscribers to the Company and are held by nominees of the Company.
- (c) No share capital of the Company has been put under option nor has any share capital been agreed (conditionally or unconditionally) to be put under option.
- (d) As at the date of this prospectus no Fund has commenced operations and no accounts therefor have been made up and no dividends have been declared.

2 Variation of share rights and pre-emption rights

- (a) The rights attaching to the Shares issued in any Class or Fund may, whether or not the Company is being wound up, be varied or abrogated with the consent in writing of the Shareholders of three quarters of the issued Shares of that Class or Fund, or with the sanction of an ordinary resolution passed at a general meeting of the Shareholders of that Class or Fund.
- (b) A resolution in writing signed by all the Shareholders and holders of non-participating shares for the time being entitled to attend and vote on such resolution at a general meeting of the Company will be as valid and effective for all purposes as if the resolution had been passed at a general meeting of the Company duly convened and held and if described as a special resolution will be deemed to be a special resolution.
- (c) The rights attaching to the Shares will not be deemed to be varied by the creation, allotment or issue of any further Shares ranking pari passu with Shares already in issue.
- (d) There are no rights of pre-emption on the issue of Shares in the Company.

3 Voting rights

The following rules relating to voting rights apply:

- (a) The chairman of a general meeting of a Fund or Class or any Shareholder of a Fund or Class present in person or by proxy at a meeting of a Fund or Class may demand a poll. The chairman of a general meeting of the Company or at least two members present in person or by proxy or any Shareholder or Shareholders present in person or by proxy representing at least one tenth of the Shares in issue having the right to vote at such meeting may demand a poll.
- (b) Fractions of Shares do not carry voting rights.

- (c) On a poll every Shareholder present in person or by proxy will be entitled to one vote in respect of each Share held by him and every holder of non-participating shares will be entitled to one vote in respect of all non-participating shares held by him. A Shareholder entitled to more than one vote need not cast all his votes or cast all the votes he uses in the same way.
- (d) In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded will be entitled to a second or casting vote.
- (e) Any person (whether a Shareholder or not) may be appointed to act as a proxy; a Shareholder may appoint more than one proxy to attend on the same occasion.
- (f) Any instrument appointing a proxy must be deposited at the registered office, not less than 48 hours before the meeting or at such other place or by such other means and by such time as is specified in the notice convening the meeting. The Directors may at the expense of the Company send by post or otherwise to the Shareholders instruments of proxy (with or without prepaid postage for their return) and may either leave blank the appointment of the proxy or nominate one or more of the Directors or any other person to act as proxy.
- (g) To be passed, ordinary resolutions of the Company or of the Shareholders of a particular Fund or Class will require a simple majority of the votes cast by the Shareholders voting in person or by proxy at the meeting at which the resolution is proposed. Special resolutions of the Company or of the Shareholders of a particular Fund or Class will require a majority of not less than 75% of the Shareholders present in person or by proxy and voting in general meeting in order to pass a special resolution including a resolution to amend the Articles.

4 Meetings

- (a) The Directors may convene extraordinary general meetings of the Company at any time. The Directors will convene an annual general meeting within six months of the end of each Accounting Period.
- (b) Not less than 21 days' notice of every annual general meeting and any meeting convened for the passing of a special resolution must be given to Shareholders and 14 days' notice must be given in the case of any other general meeting.
- (c) Two Members present either in person or by proxy will be a quorum for a general meeting provided that the quorum for a general meeting convened to consider any alteration to the Class rights of Shares will be two Shareholders holding or representing by proxy at least one third of the issued Shares of the relevant Fund or Class. If within half an hour after the time appointed for a meeting a quorum is not present the meeting, if convened on the requisition of or by Shareholders, will be dissolved. In any other case it will stand adjourned to the same time, day and place in the next week or to such other day and at such other time and place as the Directors may determine and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the Members present will be a quorum and in the case of a meeting of a Fund or Class convened to consider the variation of rights of Shareholders in such Fund or Class the quorum will be one Shareholder holding Shares of the Fund or Class in question or his proxy. All general meetings will be held in Ireland.
- (d) The foregoing provisions with respect to the convening and conduct of meetings will except as otherwise specified with respect to meetings of Funds or Classes and, subject to the *Companies Act, 1990*, have effect with respect to separate meetings of each Fund or Class at which a resolution varying the rights of Shareholders in such Fund or Class is tabled.

5 Reports and accounts

The Company will prepare an annual report and audited accounts as of 31 December in each year and a half-yearly report and unaudited accounts as of 30 June in each year with the first annual report to be made up to 31 December 2012 and the first semi-annual report to be made up to 30 June 2012. The annual report and audited accounts will be published within four months of the Company's financial year end and its semi-annual report will be published within two months of the end of the half year period and in each case will be, filed with the Central Bank, offered to subscribers with the Application Form and supplied to Shareholders free of charge on request and will be available to the public at the office of the Administrator.

6 Communications and notices to shareholders

Communications and notices to Shareholders or the first named of joint Shareholders will be deemed to have been duly given as follows:

| MEANS OF DISPATCH | DEEMED RECEIVED |
|--|--|
| Delivery by hand | The day of delivery or next following working day if delivered outside usual business hours. |
| Post | 48 hours after posting. |
| Fax | The day on which a positive transmission receipt is received. |
| Electronically | The day on which the electronic transmission has been sent to the electronic information system designated by a Shareholder. |
| Through the exchange | The day on which the announcement or publication is released by the exchange. |
| Publication of notice or advertisement of notice | The day of publication in a daily newspaper circulating in the country or countries where shares are marketed. |

7 Transfer of shares

- (a) Transfers of Shares may be effected in writing in any usual or common form, signed by or on behalf of the transferor and every transfer will state the full name and address of the transferor and transferee. The transfer request should also be signed by the transferee and where this results in the registration of a new shareholder (transferee) the transferee would also need to provide a signed application form.

No transfer of shares can be completed until the original Subscription Agreement and all AML verification documentation required have been received by the Administrator in respect of the transferor.

- (b) The Directors may from time to time specify a fee for the registration of instruments of transfer provided that the maximum fee may not exceed 5% of the Net Asset Value of the Shares subject to the transfer on the Dealing Day immediately preceding the date of the transfer.
- (c) The Directors may decline to register any transfer of Shares if:

- (i) in consequence of such transfer the transferor or the transferee would hold a number of Shares less than the Minimum Holding;
 - (ii) all applicable taxes and/ or stamp duties have not been paid in respect of the instrument of transfer;
 - (iii) the instrument of transfer is not deposited at the registered office of the Company or such other place as the Directors may reasonably require, accompanied by such evidence of ownership as the Directors may reasonably require to show the right of the transferor to make the transfer, such relevant information and declarations as the Directors may reasonably require from the transferee including information and declarations of the type that may be requested from an applicant for Shares in the Company and such fee as may from time to time be specified by the Directors for the registration of any instrument of transfer; or
 - (iv) they are aware or reasonably believe the transfer would result in the beneficial ownership of such Shares by a person in contravention of any restrictions on ownership as set out in this prospectus or might result in legal, regulatory, pecuniary, taxation or material administrative disadvantage to the Company or the relevant Fund or Class or Shareholders as a whole.
- (d) The registration of transfers may be suspended for such periods as the Directors may determine provided always that each registration may not be suspended for more than 30 days.

8 **Directors**

The following is a summary of the principal provisions in the Articles relating to the Directors:

- (a) Unless otherwise determined by an ordinary resolution of the Company in general meeting, the number of Directors will not be less than two or more than nine.
- (b) A Director need not be a Shareholder.
- (c) The Articles do not contain any provisions requiring Directors to retire on attaining a particular age or to retire on rotation.
- (d) A Director may vote and be counted in the quorum at a meeting to consider the appointment or the fixing or variation of the terms of appointment of any Director to any office or employment with the Company or any company in which the Company is interested, but a Director may not vote or be counted in the quorum on a resolution concerning his own appointment.
- (e) The Directors for the time being are entitled to such remuneration as may be determined by the Directors and disclosed in this prospectus and may be reimbursed all reasonable travel, hotel and other expenses incurred in connection with the business of the Company or the discharge of their duties and may be entitled to additional remuneration if called on to perform any special or extra services to or at the request of the Company.
- (f) A Director may hold any other office or place of profit under the Company, other than the office of Auditor, in conjunction with his office of Director on such terms as to tenure of office or otherwise as the Directors may determine.
- (g) No Director will be disqualified by his office from contracting with the Company as vendor, purchaser or otherwise, nor will any contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested be liable to be avoided, nor will any Director who is so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that

office or of the fiduciary relationship thereby established, but the nature of his interest must be declared by him at the meeting of the Directors at which the proposal to enter into the contract or agreement is first considered or, if the Director in question was not at the date of that meeting interested in the proposed contract or arrangement, at the next Directors' meeting held after he becomes so interested. A general notice in writing given to the Directors by any Director to the effect that he is a member of any specified company or firm and is to be regarded as interested in any contract or arrangement that may thereafter be made with that company or firm is deemed to be a sufficient declaration of interest in relation to any contract or arrangement so made.

- (h) A Director may not vote in respect of any resolution or contract or arrangement or any proposal whatsoever in which he has any material interest or a duty that conflicts with the interests of the Company and will not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting unless the Directors resolve otherwise. However, a Director may vote and be counted in quorum in respect of any proposal concerning any other company in which he is interested directly or indirectly, whether as an officer or shareholder or otherwise, provided that he is not the holder of 5 per cent or more of the issued shares of any class of such company or of the voting rights available to members of such company. A Director may also vote and be counted in the quorum in respect of any proposal concerning an offer of Shares in which he is interested as a participant in an underwriting or sub-underwriting arrangement and may also vote in respect of the giving of any security, guarantee or indemnity in respect of money lent by the Director to the Company or in respect of the giving of any security, guarantee or indemnity to a third party in respect of a debt obligation of the Company for which the Director has assumed responsibility in whole or in respect of the purchase of directors' and officers' liability insurance.
- (i) The office of a Director will be vacated in any of the following events namely:
 - (i) if he resigns his office by notice in writing signed by him and left at the registered office of the Company;
 - (ii) if he becomes bankrupt or makes any arrangement or composition with his creditors generally;
 - (iii) if he becomes of unsound mind;
 - (iv) if he is absent from meetings of the Directors for six successive months without leave expressed by a resolution of the Directors and the Directors resolve that his office be vacated;
 - (v) if he ceases to be a Director by virtue of, or becomes prohibited or restricted from being a Director by reason of, an order made under the provisions of any law or enactment;
 - (vi) if he is requested by a majority of the other Directors (not being less than two in number) to vacate office; or
 - (vii) if he is removed from office by ordinary resolution of the Company.

9 Winding up

- (a) The Company or any one Fund may be wound up if:
 - (i) at any time after the first anniversary of the incorporation of the Company, the total Net Asset Value of the Funds of the Company falls below EUR10,000,000 million on each Dealing Day for a period of six consecutive weeks and the Shareholders resolve by ordinary resolution to wind up the Company;

- (ii) within a period of three months from the date on which (a) the Custodian notifies the Company of its desire to retire in accordance with the terms of the Custodian Agreement and has not withdrawn notice of its intention to so retire, (b) the appointment of the Custodian is terminated by the Company in accordance with the terms of the Custodian Agreement, or (c) the Custodian ceases to be approved by the Central Bank to act as a custodian; no new Custodian has been appointed, the Directors will instruct the Secretary to immediately convene an extraordinary general meeting of the Company at which there will be proposed an Ordinary Resolution to wind up the Company. Despite anything set out above, the Custodian's appointment will only terminate on revocation of the Company's authorisation by the Central Bank or on the appointment of a successor custodian;
 - (iii) the Shareholders resolve by ordinary resolution that the Company by reason of its liabilities cannot continue its business and that it be wound up;
 - (iv) the Shareholders resolve by special resolution to wind up the Company.
- (b) In the event of a winding up, the liquidator will apply the assets of each Fund in such manner and order as he thinks fit in satisfaction of creditors' claims.
- (c) The liquidator will in relation to the assets available for distribution among Shareholders make such transfers thereof to and from the Funds and/ or Classes as may be necessary in order that the effective burden of creditors' claims may be shared between the Shareholders of different Funds and/ or Classes in such proportions as the liquidator in his discretion deems equitable.
- (d) The assets available for distribution among the Shareholders will be applied in the following priority:
- (i) firstly, in the payment to the Shareholders of each Class or Fund of a sum in the Base Currency (or in any other currency selected and at such rate of exchange as determined by the liquidator) as nearly as possible equal to the Net Asset Value of the Shares of the relevant Class or Fund held by such Shareholders respectively as at the date of commencement of winding up;
 - (ii) secondly, in the payment to the holders of non-participating shares of One Euro per share out of the assets of the Company not comprised within any Fund provided that if there are insufficient assets to enable such payment in full to be made, no recourse will be had to the assets comprised within any of the Funds;
 - (iii) thirdly, in the payment to the Shareholders of each Class or Fund of any balance then remaining in the relevant Fund, in proportion to the number of Shares held in the relevant Class or Fund; and
 - (iv) fourthly, any balance then remaining and not attributable to any Fund or Class will be apportioned between the Funds and Classes pro-rata to the Net Asset Value of each Fund or attributable to each Class immediately prior to any distribution to Shareholders and the amounts so apportioned will be paid to Shareholders pro-rata to the number of Shares in that Fund or Class held by them.
- (e) The liquidator may, with the authority of an ordinary resolution of the Company, divide among the Shareholders (pro rata to the value of their respective shareholdings in the Company) in specie the whole or any part of the assets of the Company and whether or not the assets will consist of property of a single kind provided that any Shareholder will be entitled to request the sale of any asset or assets proposed to be so distributed and the distribution to such Shareholder of the cash proceeds of such sale. The costs of any such sale will be borne by the relevant Shareholder. The liquidator may, with like authority, vest any part of the assets in trustees on such trusts for the benefit of Shareholders as the

liquidator will think fit and the liquidation of the Company may be closed and the Company dissolved, provided that no Shareholder will be compelled to accept any asset in respect of which there is any liability. Further the liquidator may with like authority transfer the whole or part of the assets of the Company to a company or collective investment scheme (the "Transferee Company") on terms that Shareholders in the Company will receive from the Transferee Company shares or units in the Transferee Company of equivalent value to their shareholdings in the Company.

- (f) Despite any other provision contained in the Articles, should the Directors at any time and in their absolute discretion resolve that it would be in the best interests of the Shareholders to wind up the Company, the Secretary will immediately at the Directors' request convene an extraordinary general meeting of the Company at which there will be presented a proposal to appoint a liquidator to wind up the Company and if so appointed, the liquidator will distribute the assets of the Company in accordance with the Articles of.

10 Indemnities and insurance

The Directors (including alternates), Secretary and other officers of the Company and its former directors and officers will be indemnified by the Company against losses and expenses to which any such person may become liable by reason of any contract entered into or any act or thing done by him as such officer in the discharge of his duties (other than in the case of fraud, negligence or wilful default). The Company acting through the Directors is empowered under the Articles to purchase and maintain for the benefit of persons who are or were at any time Directors or officers of the Company insurance against any liability incurred by such persons in respect of any act or omission in the execution of their duties or exercise of their powers.

11 General

As at the date of this prospectus:

- (a) The Company does not have, nor has it had since incorporation, any employees.
- (b) The rights conferred on Shareholders by virtue of their shareholdings are governed by the Articles, the general law of Ireland and the *Companies Act, 1990*.
- (c) The Company is not engaged in any litigation or arbitration and no litigation or claim is known by the Directors to be pending or threatened against the Company.
- (d) Dividends that remain unclaimed for six years from the date on which they become payable will be forfeited. On forfeiture such dividends will become part of the assets of the Fund to which they relate. No dividend or other amount payable to any Shareholder will bear interest against the Company.
- (e) No person has any preferential right to subscribe for any authorised but unissued capital of the Company.

12 Material contracts

The following contracts that are or may be material have been entered into otherwise than in the ordinary course of business:

- (a) **Investment Management Agreement** – between the Company and the Investment Manager dated 10 August 2011 under which the Investment Manager was appointed as investment manager of the Company's assets subject to the overall supervision of the Company. The Investment Management Agreement may be terminated by either party on 90 days' written notice or immediately by notice in writing in certain circumstances such as the insolvency of either party or unremedied breach after notice. The Investment Manager has the power to delegate its duties in accordance with the Central Bank's requirements.

The Agreement provides that the Company will out of the relevant Fund's assets indemnify the Investment Manager and its delegates, agents and employees against and hold it harmless from any actions, proceedings, damages, claims, costs, demands and expenses including legal and professional expenses brought against or suffered or incurred by the Investment Manager in the performance of its duties other than due to the negligence, fraud, bad faith or wilful default of the Investment Manager in the performance of its obligations.

- (b) **Administration Agreement** – between the Company and the Administrator dated 10 August 2011 under which the latter was appointed as Administrator to provide administrative, registrar, transfer agency and accounting services, subject to the terms and conditions of the Administration Agreement and subject to the overall supervision of the Company. The Administration Agreement may be terminated by either party on 90 days' written notice or immediately by notice in writing in certain circumstances such as the insolvency of either party or unremedied breach after notice. The Agreement provides that the Company will out of the relevant Fund's assets indemnify the Administrator and its delegates, agents and employees against and hold it harmless from any actions, proceedings, damages, claims, costs, demands and expenses including legal and professional expenses brought against or suffered or incurred by the Administrator in the performance of its duties other than due to the negligence, fraud, bad faith or wilful default of the Administrator in the performance of its obligations.
- (c) **Custodian Agreement** – between the Company and the Custodian dated 10 August 2011 under which the Custodian was appointed as custodian of the Company's assets subject to the overall supervision of the Directors. The Custodian Agreement may be terminated by either party on 90 days' written notice or immediately by notice in writing in certain circumstances such as the insolvency of either party or unremedied breach after notice provided that the Custodian will continue to act as custodian until a successor custodian approved by the Central Bank is appointed by the Company or the Company's authorisation by the Central Bank is revoked. The Custodian has the power to delegate its duties but its liability will not be affected by the fact that it has entrusted to a third party some or all of the assets in its safekeeping. The Agreement provides that the Company will indemnify the Custodian and its delegates, agents and employees against and hold them harmless from any actions, proceedings, damages, claims, costs, demands and expenses including legal and professional expenses brought against or suffered or incurred by the Custodian in the performance of its duties other than due to the negligence, fraud, bad faith, wilful default or recklessness of the Custodian in the performance of its duties.

13 Documents available for inspection

Copies of the following documents, which are available for information only and do not form part of this document, may be inspected at the registered office of the Company during normal business hours on any Business Day:

- (i) the memorandum and articles of association of the Company;
- (ii) the *Companies Act, 1990* and the Notices;
- (iii) the material contracts detailed above;
- (iv) once published, the latest annual and half yearly reports of the Company; and
- (v) a list of the directorships and partnerships that the Directors of the Company have held in the last 5 years together with an indication as to whether they are still directors or partners.

Copies of the following documents, may also be obtained free of charge by Shareholders from the Administrator:

- (i) this prospectus;
- (ii) the memorandum and articles of association of the Company; and
- (iii) once published, the latest annual and half yearly reports of the Company.