

**Devonshire Assets Managed Funds plc**  
(an Umbrella Fund with segregated liability between Sub-Funds)

A company incorporated with limited liability as an open-ended umbrella investment company with variable capital under the laws of Ireland with registered number 395711

**PROSPECTUS**

This Prospectus is dated the 15 November 2011

The Directors of Devonshire Assets Managed Funds plc whose names appear on page 23 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 such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

A&L Goodbody Solicitors

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## INTRODUCTION

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**If you are in any doubt about the contents of this Prospectus and the relevant Supplement you should consult your stockbroker, bank manager, solicitor, accountant or other financial adviser.**

### **Devonshire Assets Managed Funds plc**

**(the Company)**

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**The Company is an open ended umbrella investment company with variable capital incorporated on 23 December 2004 and authorised in Ireland as an undertaking for collective investment in transferable securities pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (S.I. No. 352 of 2011) as may be amended, supplemented or consolidated from time to time. This authorisation however, does not constitute a warranty by the Authority as to the performance of the Company and the Authority shall not be liable for the performance or default of the Company. Authorisation of the Company is not an endorsement or guarantee of the Company by the Authority nor is the Authority responsible for the contents of the Prospectus.**

The Company is structured as an open-ended umbrella fund with segregated liability between the sub-funds in that Shares representing interests in different Funds may be issued from time to time by the Directors. Shares of more than one class may be issued in relation to a Fund. All Shares of each class will rank *pari passu* save as provided for in the relevant Supplement. On the introduction of any new Fund (for which prior Authority approval is required) or any new class of Shares (which must be issued in accordance with the requirements of the Authority Notices), the Company will prepare and the Directors will issue a Supplement setting out the relevant details of each such Fund or new class of Shares. A separate portfolio of assets will be maintained for each Fund (and accordingly not for each class of Shares) and will be invested in accordance with the investment objective and policies applicable to such Fund. Particulars relating to individual Funds and the classes of Shares available therein are set out in the relevant Supplement. The Company has segregated liability between its Funds and, accordingly, any liability incurred on behalf of or attributable to any Fund shall be discharged solely out of the assets of that Fund.

The Company has the following Funds:-

The Balanced Real Return Fund  
The Conservative Real Return Fund  
The Distribution Real Return Fund  
The Tactical Real Return Fund  
The Equity Income Fund  
The Cautious Return Fund

Distribution of this Prospectus and the relevant Supplement is not authorised in any jurisdiction after publication of the unaudited semi annual report of the Company for the period up to 30 June 2005 unless accompanied by a copy of such report and a copy of the then latest published annual report and audited accounts. Such reports and this Prospectus together form the prospectus for the issue of Shares in the Company.

Neither the admission of Shares of the Company to the Official List of the Irish Stock Exchange nor the approval of the Prospectus pursuant to the listing requirements of the Irish Stock Exchange shall constitute a warranty or representation by the Irish Stock Exchange as to the competence of service providers to or any other party connected with the Company, the adequacy of information contained in the Prospectus or the suitability of the

Company for investment purposes.

The Directors do not anticipate that an active secondary market will develop in any of the Shares of the Company.

The Company is a recognised collective investment scheme for the purposes of Section 264 of the Financial Services and Markets Act 2000 ("FSMA") of the United Kingdom. This Prospectus is distributed in the United Kingdom by or on behalf of the Directors and is approved by Armstrong Investment Managers LLP, who is regulated by the United Kingdom's Financial Services Authority.

The Company maintains facilities in the United Kingdom at the address given below in the interests of Shareholders on matters such as inspection of the Memorandum and Articles of Association of the Company and the Prospectus and arrangements for repurchase of Shares as well as obtaining prices. In addition, any person who has a complaint to make about the operation of the Company can submit his complaint in writing to the address given below for transmission to the Board of Directors of the Company.

*c/o Armstrong Investment Managers LLP  
4 Queripel House  
1 Duke of York Square  
Chelsea SW3 4LY  
United Kingdom*

This Prospectus may not be used for the purpose of an offer or solicitation in any jurisdiction or in any circumstances in which such offer or solicitation is unlawful or not authorised. In particular the Shares have not been and will not be registered under the United States Securities Act of 1933 (as amended) or the securities laws of any state or political subdivision of the United States and may not, except in a transaction which does not violate U.S. securities laws, be directly or indirectly offered or sold in the United States or to any U.S. Person. The Company will not be registered under the United States Investment Company Act of 1940 as amended.

The Articles of Association of the Company give powers to the Directors to impose restrictions on the holding of Shares by (and consequently to repurchase Shares held by), or the transfer of Shares to, any U.S. Persons (unless permitted under certain exceptions under the laws of the United States) or by any person who does not clear such money laundering checks as the Directors may determine or by any person who appears to be in breach of any law or requirement of any country or government authority or by virtue of which such person is not qualified to hold such Shares or by any person or persons in circumstances (whether directly or indirectly affecting such person or persons, and whether taken alone or in conjunction with any other person or persons, connected or not, or any other circumstances appearing to the Directors to be relevant) which, in the opinion of the Directors, might result in the Company incurring any liability to taxation or suffering any other pecuniary legal or material administrative disadvantages or being in breach of any law or regulation which the Company might not otherwise have incurred, suffered or breached or any individual under the age of 18 (or such other age as the Directors may think fit). Where Taxable Irish Persons acquire and hold Shares, the Company shall, where necessary for the collection of Irish tax, repurchase and cancel Shares held by a person who is or is deemed to be or is acting on behalf of a Taxable Irish Person on the occurrence of a chargeable event for Irish taxation purposes and pay the proceeds thereof to the Irish Revenue Commissioners.

This Prospectus may be translated into other languages. Any such translation shall only contain the same information and have the same meanings as this English language document. To the extent that there is any inconsistency between this English language document and the document in another language, this English language document shall prevail except to the extent (but only to the extent) required by the laws of any jurisdiction where the Shares are sold so that in an action based upon disclosure in a document of a language other than English, the language of the document on which such action is based shall prevail.

Shareholders in the United Kingdom shall not have the right to cancel the investment agreement constituted by the acceptance by or on behalf of the Company of an application for Shares. The Company does not have a place of business in the United Kingdom and is not authorised under the FSMA. As against the Company, and any overseas agents thereof who is not authorised to carry on regulated activities in the United Kingdom, a United Kingdom investor will not benefit from the rules and regulations made under the FSMA for the protection of private investors, including the Financial Services Compensation Scheme and the Financial Ombudsman Service.

**Potential subscribers and purchasers of Shares should inform themselves as to (a) the possible tax consequences, (b) the legal requirements, (c) any foreign exchange restrictions or exchange control**

requirements and (d) any other requisite governmental or other consents or formalities which they might encounter under the laws of the countries of their incorporation, citizenship, residence or domicile and which might be relevant to the subscription, purchase, holding or disposal of Shares.

**The value of and income from Shares in the Company may go up or down and you may not get back the amount you have invested in the Company. Shares constituting each Fund are described in a Supplement to this Prospectus for each such Fund, each of which is an integral part of this Prospectus and is incorporated herein by reference with respect to the relevant Fund. Please see the risk factors described under the heading “Risk Factors” below.**

Any information given, or representations made, by any dealer, salesman or other person which are not contained in this Prospectus or the relevant Supplement or in any reports and accounts of the Company forming part hereof must be regarded as unauthorised and accordingly must not be relied upon. Neither the delivery of this Prospectus or the relevant Supplement nor the offer, issue or sale of Shares shall under any circumstances constitute a representation that the information contained in this Prospectus or the relevant Supplement is correct as of any time subsequent to the date of this Prospectus or the relevant Supplement. This Prospectus or the relevant Supplement may from time to time be updated and intending subscribers should enquire of the Administrator as to the issue of any later Prospectus or as to the issue of any reports and accounts of the Company.

All Shareholders are entitled to the benefit of, are bound by and are deemed to have notice of the provisions of the Memorandum and Articles of Association of the Company, copies of which are available as mentioned herein.

This Prospectus and the relevant Supplements shall be governed by and construed in accordance with Irish Law.

Defined terms used in this Prospectus shall have the meanings attributed to them in the Definitions section below.

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## **DEFINITIONS**

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<b>“Accounting Period”</b>	means a period ending on 31 December of each year;
<b>“Administration Agreement”</b>	means the Agreement dated 27 January 2005 between the Company and the Administrator as amended, supplemented or otherwise modified from time to time in accordance with the requirements of the Authority Notices;
<b>“Administrator”</b>	means Northern Trust International Fund Administration Services (Ireland) Ltd. or any successor thereto duly appointed in accordance with the requirements of the Authority Notices;
<b>“Application Form”</b>	means the application form for Shares;
<b>“Articles”</b>	means the Articles of Association of the Company as amended from time to time in accordance with the requirements of the Authority;
<b>“Associated Person”</b>	means a person who is connected with a Director if, and only if, he or she is:  (a) that Director’s spouse, parent, brother, sister or child;  (b) a person acting in his capacity as the trustee of any trust, the principal beneficiaries of which are the Director, his spouse or any of his children or any body corporate which he controls;  (c) a partner of that Director.  A company will be deemed to be connected with a Director if it is controlled by that Director;
<b>“Authority”</b>	means the Central Bank of Ireland or any successor regulatory authority with responsibility for authorising and supervising the Company;
<b>“Authority Notices”</b>	means the notices and guidelines issued by the Authority from time to time affecting the Company;
<b>“Base Currency”</b>	means in relation to any Fund such currency as is specified in the Supplement for the relevant Fund;
<b>“Business Day”</b>	means in relation to any Fund such day or days as is or are specified in the Supplement for the relevant Fund;
<b>“CIS”</b>	means an open ended collective investment scheme within the meaning of Regulation 3(2) of the Regulations and which is prohibited from investing more than 10% of its assets in another such collective investment scheme;
<b>“Company”</b>	means Devonshire Assets Managed Funds plc;
<b>“Connected Person”</b>	means the persons defined as such in the section headed “Portfolio Transactions and Conflicts of Interest”;
<b>“Custodian”</b>	means Northern Trust Fiduciary Services (Ireland) Ltd. or any successor thereto duly appointed with the prior approval of the Authority;
<b>“Custodian Agreement”</b>	means the agreement dated 27 January 2005 between the Company and the Custodian as amended, supplemented or otherwise modified from time to time in accordance with the requirements of the Authority Notices;

<b>“Distribution Agreement”</b>	means the Agreement dated 13 July 2010 between the Company and Armstrong Investment Managers LLP or as specified in the Supplement for the relevant Fund between the Company and the respective Distributor as amended, supplemented or otherwise modified from time to time;
<b>“Distributor”</b>	means Armstrong Investment Managers LLP or any successor thereto duly appointed in accordance with the requirements of the Authority and/or as specified in the Supplement in respect of each Fund as the distributor for that fund;
<b>“Dealing Day”</b>	means in respect of each Fund such Business Day or Business Days as is or are specified in the Supplement for the relevant Fund provided that there shall be at least two Dealing Days for each Fund in each month;
<b>“Dealing Deadline”</b>	means in relation to applications for subscription, repurchase or exchange of Shares in a Fund, the day and time specified in the Supplement for the relevant Fund;
<b>“Directors”</b>	means the directors of the Company, each a <b>“Director”</b> ;
<b>“EEA”</b>	means European Economic Area (the current members being: the EU, Iceland, Liechtenstein and Norway);
<b>“EEA Member State”</b>	means a member state of the EEA;
<b>“EU”</b>	means the European Union, the current members being Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, The Netherlands and the United Kingdom;
<b>“EU Member State”</b>	means a member state of the EU;
<b>“Euro” or “€”</b>	means the lawful currency of the European Monetary Union Member States;
<b>“Exchange Charge”</b>	means the charge, if any, payable on the exchange of Shares as is specified herein;
<b>“FDI”</b>	means a financial derivative instrument permitted by the Regulations;
<b>“Foreign Person”</b>	means (i) a person who is neither resident nor ordinarily resident in Ireland for tax purposes who has provided the Company with the appropriate declaration under Schedule 2B TCA and the Company is not in possession of any information that would reasonably suggest that the declaration is incorrect or has at any time been incorrect, or (ii) the company is in possession of written notice of approval from the Revenue Commissioners to the effect that the requirement to have been provided with such declaration is deemed to have been complied with in respect of that person or class of shareholder to which that person belongs, and that approval has not been withdrawn and any conditions to which that approval is subject to have been satisfied;
<b>“Fund”</b>	means a portfolio of assets which is invested in accordance with the investment objective and policies set out in the relevant Supplement and to which all liabilities, income and expenditure attributable or allocated to such fund shall be applied and charged and <b>“Funds”</b> means all or some of the Funds as the context requires or any other funds as may be established by the Company from time to time with the prior approval of the Authority;
<b>“Initial Issue Price”</b>	means the price (excluding any Preliminary Charge) per Share at which Shares are initially offered in a Fund during the Initial Offer Period as specified in the Supplement for the relevant Fund;

<b>“Initial Offer Period”</b>	means the period during which Shares in a Fund are initially offered at the Initial Issue Price as specified in the Supplement for the relevant Fund;
<b>“Investment Manager”</b>	means Armstrong Investment Managers LLP or any successor thereto duly appointed in accordance with the requirements of the Authority and/or as specified in the supplement for the relevant Fund as the investment manager for that Fund;
<b>“Irish Stock Exchange”</b>	means The Irish Stock Exchanges Limited;
<b>“Markets”</b>	means the stock exchanges and regulated markets set out in Appendix I;
<b>“Member State”</b>	means a member state of the EU;
<b>“Minimum Additional Investment Amount”</b>	means such amount (if any) as the Directors may from time to time prescribe as the minimum additional investment amount required by each Shareholder for Shares of each class in a Fund as is specified in the Supplement for the relevant Fund;
<b>“Minimum Fund Size”</b>	means €300,000 or such other amount (if any) as the Directors may consider for each Fund and as set out in the Supplement for the relevant Fund;
<b>“Minimum Initial Investment Amount”</b>	means such amount or number of Shares (if any) as the Directors may from time to time prescribe as the minimum initial subscription required by each Shareholder for Shares of each class in a Fund as is specified in the Supplement for the relevant Fund;
<b>“Minimum Shareholding”</b>	means such number or value of Shares of any class (if any) as specified in the Supplement for the relevant class of Shares within a Fund;
<b>“Minimum Repurchase Amount”</b>	means such number or value of shares of any class (if any) as specified in the Supplement for the relevant Fund;
<b>“money market instruments”</b>	means instruments normally dealt in on the money markets which are liquid, and have a value which can be accurately determined at any time;
<b>“month”</b>	means calendar month;
<b>“Net Asset Value” or “Net Asset Value per Share”</b>	means in respect of the assets of a Fund or the Shares in a Fund, the amount determined in accordance with the principles set out in the Calculation of Net Asset Value/Valuation of Assets section below as the Net Asset Value of a Fund or the Net Asset Value per Share;
<b>“OECD”</b>	means the Organisation for Economic Co-operation and Development, (the current members being: Australia, Austria, Belgium, Canada, Chile, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Korea (Republic), Luxembourg, Mexico, Netherlands, New Zealand, Norway, Poland, Portugal, Slovak (Republic), Slovenia, Spain, Sweden, Switzerland, Turkey, United Kingdom and United States);
<b>“OECD Member State”</b>	means a member state of the OECD;

<b>“OTC derivative”</b>	means a financial derivative instrument permitted by the Regulations which is dealt in over the counter;
<b>“Preliminary Charge”</b>	means in respect of a Fund, the charge payable (if any) on the subscription for Shares as is specified in the Supplement for the relevant Fund;
<b>“Promoter”</b>	means GlobalReach Securities Limited or any successor thereto duly appointed in accordance with the requirements of the Authority;
<b>“Regulation 3(2)”</b>	means clause 3(2) of the Regulations;
<b>“Regulations”</b>	means the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (Statutory Instrument No. 352 of 2011) as amended, supplemented, consolidated or otherwise modified from time to time including any condition that may from time to time be imposed thereunder by the Authority;
<b>“Related Companies”</b>	has the meaning assigned thereto in Section 140(5) of the Companies Act, 1990. In general this states that companies are related where 50% of the paid up share capital of, or 50% of the voting rights in, one company are owned directly or indirectly by another company;
<b>“Settlement Date”</b>	means in respect of receipt of monies for subscription for Shares or dispatch of monies for the repurchase of Shares, the date specified in the Supplement for the relevant Fund. In the case of repurchases this date will be no more than ten Business Days after the relevant Dealing Deadline, or if later, the receipt of completed repurchase documentation;
<b>“Shares”</b>	means participating shares in the Company representing interests in a Fund and where the context so permits or requires any class of participating shares representing interests in a Fund;
<b>“Shareholders”</b>	means holders of Shares, and each a <b>“Shareholder”</b> ;
<b>“£”, “Sterling” and “Pound”</b>	means the lawful currency of the United Kingdom;
<b>“Supplement”</b>	means any supplement to the Prospectus issued on behalf of the Company from time to time;
<b>“Taxable Irish Person”</b>	means any person, other than <ul style="list-style-type: none"> <li>(i) a Foreign Person;</li> <li>(ii) an intermediary, including a nominee, for a Foreign Person;</li> <li>(iii) the Administrator for so long as the Administrator is a qualifying management company within the meaning of section 734 TCA;</li> <li>(iv) a specified company within the meaning of section 734 TCA;</li> <li>(v) an investment undertaking within the meaning of section 739(B) of the TCA;</li> <li>(vi) an exempt approved scheme or a retirement annuity contract or trust scheme within the provisions of sections 774, 784 or 785 of the TCA;</li> <li>(vii) a company carrying on life business within the meaning of section 706 of the TCA;</li> </ul>

- (viii) a special investment scheme within the meaning of section 737 of the TCA;
- (ix) a unit trust to which section 731(5)(a) of the TCA applies;
- (x) a charity entitled to an exemption from income tax or corporation tax under section 207(1)(b) of the TCA;
- (xi) a person entitled to exemption from income tax and capital gains tax under section 784A(2) TCA or section 787I of the TCA and the units held are assets of an approved retirement fund, an approved minimum retirement fund, a special savings incentive account or a personal savings retirement account (as defined in section 787A TCA);
- (xii) the Courts Service;
- (xiii) a Credit Union;
- (xiv) a company within the charge to corporation tax under section 739G(2) TCA, but only where the fund is a money market fund,
- (xv) a company within the charge to corporation tax under section 110(2) TCA;
- (xvi) the National Pension Reserve Fund Commission; and
- (xvii) any other person as may be approved by the Directors from time to time provided the holding of Shares by such person does not result in a potential liability to tax arising to the Company in respect of that Shareholder under section 739 of the TCA,

in respect of each of which the appropriate declaration set out in Schedule 2B TCA and such other information evidencing such status is in the possession of the Company on the appropriate date;

**“TCA”** means the Irish Taxes Consolidation Act, 1997, as amended;

**“transferable securities”** means

1. shares in companies and other securities equivalent to shares in companies;
2. bonds and other forms of securitised debt; and
3. other negotiable securities which carry the right to acquire any such transferable securities by subscription or exchange, other than the techniques and instruments referred to in regulation 48A of the Regulations.

**“UCITS”** means an undertaking for collective investment in transferable securities which is authorised under the Regulations or authorised by a competent authority in another member state of the European Union in accordance Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities, as amended, supplemented, consolidated or otherwise modified from time to time:

**“United Kingdom” and “UK”** means the United Kingdom of Great Britain and Northern Ireland;

**“United States” and “U.S.”** means the United States of America, (including each of the states, the District

of Columbia and the Commonwealth of Puerto Rico) its territories, possessions and all other areas subject to its jurisdiction;

**“US Dollars”,  
“Dollars” and “\$”**

means the lawful currency of the United States or any successor currency;

**“U.S. Person”**

means any person falling within the definition of the term “US Person” under Regulation S promulgated under the US Securities Act 1933, as amended from time to time;

**“Valuation  
Point”**

the point in time by reference to which the Net Asset Value of a Fund and the Net Asset Value per Share are calculated as is specified in the Supplement for the relevant Fund provided that there shall be at least two Valuation Points in every month.

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## **FUNDS**

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The Company has segregated liability between its Funds and, accordingly, any liability incurred on behalf of or attributable to any Fund shall be discharged solely out of the assets of that Fund.

### **Investment Objective and Policies**

The Articles provide that the investment objective and policies for each Fund will be formulated by the Directors at the time of the creation of that Fund. Details of the investment objective and policies for each Fund of the Company appear in the Supplement for the relevant Fund. Where reference to a specific index or indices is made in the investment policy of a Fund, the Directors may only change the index with the prior approval of the Shareholders.

Any change in the investment objective or any material change to the investment policies of a Fund may only be made with the approval of an ordinary resolution of the Shareholders of the Fund. Subject and without prejudice to the preceding sentence of this paragraph, in the event of a change of investment objective and/or policies of a Fund, a reasonable notification period must be given to each Shareholder of the Fund to enable a Shareholder to have its Shares repurchased prior to the implementation of such change.

Under the rules of the Irish Stock Exchange, in the absence of unforeseen circumstances, the investment objective and policies for each Fund must be adhered to for at least three years following the admission of the Shares of the relevant Fund to the Official List of the Irish Stock Exchange. The rules also provide that any material change in the investment objective of a Fund or its policies during the said period may only be made with the approval of the Irish Stock Exchange and an ordinary resolution of the Shareholders of the relevant Fund.

### **Investment Restrictions**

The investment restrictions applying to each Fund of the Company under the Regulations are set out below. These are, however, subject to the qualifications and exemptions contained in the Regulations and in the Authority Notices. Any additional investment restrictions for other Funds will be formulated by the Directors at the time of the creation of such Fund.

The Directors may from time to time impose such further investment restrictions as shall be compatible with or in the interest of the Shareholders, in order to comply with the laws and regulations of the countries where Shareholders are placed.

#### **1. *Permitted Investments***

Investments of a Fund are confined to:

- 1.1. transferable securities and money market instruments which are either admitted to official listing on a stock exchange in an EU Member State or non-EU Member State or which are dealt on a market which is regulated, operates regularly, is recognised and open to the public in an EU Member State or non-EU Member State.
- 1.2. Recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year.
- 1.3. money market instruments, as defined in the Authority Notices, other than those dealt on a regulated market.
- 1.4. Units of UCITS.
- 1.5. Units of non-UCITS as set out in the Authority's Guidance Note 2/03.
- 1.6. Deposits with credit institutions as prescribed in the Authority Notices.
- 1.7. Financial derivative instruments as prescribed in the Authority Notices.

## 2. **Investment Limits**

- 2.1. A Fund may invest no more than 10% of net assets in transferable securities and money market instruments other than those referred to in paragraph 1.
- 2.2. A Fund may invest no more than 10% of net assets in recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described in paragraph 1.1) within a year. This restriction will not apply in relation to investment by the Fund in certain US securities known as Rule 144A securities provided that:
  - 2.2.1. the securities are issued with an undertaking to register with the US Securities and Exchanges Commission within one year of issue; and
  - 2.2.2. the securities are not illiquid securities i.e. they may be realised by the Fund within seven days at the price, or approximately at the price, at which they are valued by the Fund.
- 2.3. A Fund may invest no more than 10% of net assets in transferable securities or money market instruments issued by the same body provided that the total value of transferable securities and money market instruments held in the issuing bodies in each of which it invests more than 5% is less than 40%.
- 2.4. Subject to the prior approval of the Authority, the limit of 10% (in 2.3) is raised to 25% in the case of bonds that are issued by a credit institution which has its registered office in an EU Member State and is subject by law to special public supervision designed to protect bondholders. If a Fund invests more than 5% of its net assets in these bonds issued by one issuer, the total value of these investments may not exceed 80% of the Net Asset Value of the Fund.
- 2.5. The limit of 10% (in 2.3) is raised to 35% if the transferable securities or money market instruments are issued or guaranteed by an EU Member State or its local authorities or by a non-EU Member State or public international body of which one or more EU Member States are members.
- 2.6. The transferable securities and money market instruments referred to in 2.4. and 2.5 shall not be taken into account for the purpose of applying the limit of 40% referred to in 2.3.
- 2.7. A Fund may not invest more than 20% of net assets in deposits made with the same credit institution.

Deposits with any one credit institution, other than credit institutions authorised in an EEA Member State or credit institutions authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1998 or credit institutions located in the Channel Islands, Australia or New Zealand held as ancillary liquidity, must not exceed 10% of net assets.

This limit may be raised to 20% in the case of deposits made with the Custodian.

- 2.8. The risk exposure of a Fund to a counterparty to an over the counter (**OTC**) derivative may not exceed 5% of net assets.

This limit is raised to 10% in the case of credit institutions authorised in the EEA or credit institutions authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July, 1998.

- 2.9. Notwithstanding paragraphs 2.3, 2.7 and 2.8 above, a combination of two or more of the following issued by, or made or undertaken with, the same body may not exceed 20% of net assets:
  - 2.9.1. investments in transferable securities or money market instruments;
  - 2.9.2. deposits, and/or
  - 2.9.3. risk exposures arising from OTC derivatives transactions.

- 2.10. The limits referred to in 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9 above may not be combined, so that exposure to a single body shall not exceed 35% of net assets.
- 2.11. Group companies are regarded as a single issuer for the purposes of 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9. However, a limit of 20% of net assets may be applied to investment in transferable securities and money market instruments within the same group.
- 2.12. A Fund may invest up to 100% of net assets in different transferable securities and money market instruments issued or guaranteed by any EU Member State, its local authorities, non-EU Member States or public international bodies of which one or more EU Member States are members or by Australia, Canada, Hong Kong, Japan, New Zealand, Switzerland, United States or any of the following:

OECD Member States, excluding those listed above (provided the relevant issues are investment grade)

European Investment Bank

European Bank for Reconstruction and Development

International Finance Corporation

International Monetary Fund

Euratom

The Asian Development Bank

European Central Bank

Council of Europe

Eurofima

African Development Bank

International Bank for Reconstruction and Development (The World Bank)

The Inter American Development Bank

European Union

Federal National Mortgage Association (Fannie Mae)

Federal Home Loan Mortgage Corporation (Freddie Mac)

Government National Mortgage Association (Ginnie Mae)

Student Loan Marketing Association (Sallie Mae)

Federal Home Loan Bank

Federal Farm Credit Bank

Tennessee Valley Authority

The Fund must hold securities from at least 6 different issues, with securities from any one issue not exceeding 30% of net assets.

### **3. *Investment in Collective Investment Schemes (CIS)***

- 3.1. A Fund may not invest more than 20% of net assets in any one CIS.
- 3.2. Investment in non-UCITS may not, in aggregate, exceed 30% of net assets.
- 3.2.A. A UCITS may only invest in CIS which are prohibited from investing more than 10% of net assets in other CIS.
- 3.3. When a Fund invests in the units of other CIS that are managed, directly or by delegation, by the Fund's management company or by any other company with which the Fund's management company is linked by common management or control, or by a substantial direct or indirect holding, that management company or other company may not charge subscription, conversion or redemption fees on account of the Fund's investment in the units of such other CIS.
- 3.4. Where a commission (including a rebated commission) is received by the Fund's manager/investment manager/investment adviser by virtue of an investment in the units of another CIS, this commission must be paid into the property of the Fund.

### **4. *Index Tracking UCITS***

- 4.1. A Fund may invest up to 20% of net assets in shares and/or debt securities issued by the same body where the investment policy of the Fund is to replicate an index which satisfies the criteria set out in the Authority Notices and is recognised by the Authority

- 4.2. The limit in 4.1 may be raised to 35%, and applied to a single issuer, where this is justified by exceptional market conditions.

## **5. General Provisions**

- 5.1. An investment company, or management company acting in connection with all of the CIS it manages, may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.
- 5.2. A Fund may acquire no more than:
- 5.2.1. 10% of the non-voting shares of any single issuing body;
  - 5.2.2. 10% of the debt securities of any single issuing body;
  - 5.2.3. 25% of the units of any single CIS;
  - 5.2.4. 10% of the money market instruments of any single issuing body.

The limits laid down in 5.2.2, 5.2.3 and 5.2.4 above may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the money market instruments, or the net amount of the securities in issue cannot be calculated.

- 5.3. 5.1 and 5.2 shall not be applicable to:
- 5.3.1. transferable securities and money market instruments issued or guaranteed by an EU Member State or its local authorities;
  - 5.3.2. transferable securities and money market instruments issued or guaranteed by a non-EU Member State;
  - 5.3.3. transferable securities and money market instruments issued by public international bodies of which one or more EU Member States are members;
  - 5.3.4. shares held by a Fund in the capital of a company incorporated in a non-EU member State which invests its assets mainly in the securities of issuing bodies having their registered offices in that State, where under the legislation of that State such a holding represents the only way in which the Fund can invest in the securities of issuing bodies of that State. This waiver is applicable only if in its investment policies the company from the non-EU Member State complies with the limits laid down in 2.3 to 2.11, 3.1, 3.2, 5.1, 5.2, 5.4, 5.5 and 5.6 and provided that where these limits are exceeded, paragraphs 5.5 and 5.6 below are observed;
  - 5.3.5. Shares held by an investment company in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the repurchase of units at unit-holders' request exclusively on their behalf.
- 5.4. The Company need not comply with the investment restrictions herein when exercising subscription rights attaching to transferable securities or money market instruments which form part of their assets.
- 5.5. The Authority may allow recently authorised Funds to derogate from the provisions of 2.3 to 2.12, 3.1, 3.2 4.1 and 4.2 for six months following the date of their authorisation, provided they observe the principle of risk spreading.
- 5.6. If the limits laid down herein are exceeded for reasons beyond the control of the Company, or as a result of the exercise of subscription rights, the Company must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its shareholders.
- 5.7. A Fund may not carry out uncovered sales of:

- 5.7.1. transferable securities;
  - 5.7.2. money market instruments;
  - 5.7.3. units of CIS; or
  - 5.7.4. financial derivative instruments.
- 5.8. A Fund may hold ancillary liquid assets.

## **6. *Financial Derivative Instruments (FDIs)***

- 6.1. A Fund's global exposure (as prescribed in the Authority Notices) relating to FDI must not exceed its total Net Asset Value.
- 6.2. Position exposure to the underlying assets of FDI, including embedded FDI in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the Authority Notices. (This provision does not apply in the case of index based FDI provided the underlying index is one which meets with the criteria set out in the UCITS Notices.)
- 6.3. A Fund may invest in FDIs dealt in over-the-counter (OTC) provided that the counterparties to over-the-counter (OTCs) are institutions subject to prudential supervision and belonging to categories approved by the Authority.

## **Efficient Portfolio Management**

A Fund may employ techniques and instruments relating to transferable securities and/or other financial instruments in which it invests for efficient portfolio management purposes, a list of which are set out in the relevant Supplement. Where a Fund intends to use such forward currency contracts to alter the currency characteristics of the underlying assets of a Fund, this intention will be disclosed in the investment policy of the relevant Fund and will be set out in the relevant Supplement.

## **Borrowing and Lending Powers**

The Company may not borrow money except insofar as is permitted under the Regulations.

The Company may borrow, for the account of a Fund, up to 10% of the net assets of a Fund and the assets of such Fund may be charged as security for any such borrowings provided that such borrowing is only for temporary purposes. The Company may acquire foreign currency by means of a back to back loan agreement(s). Foreign currency obtained in this manner is not classified as borrowing for the above mentioned 10% limit provided that the offsetting deposit (a) is denominated in the Base Currency of the Fund and (b) equals or exceeds the value of the foreign currency loan outstanding.

The Company may not carry out uncovered sales of transferable securities, money market instruments and other financial instruments.

The Company may not borrow for investment purposes.

Without prejudice to the powers of the Company to invest in transferable securities, the Company may not lend, or act as guarantor on behalf of third parties.

Any special borrowing restrictions relating to a Fund will be formulated by the Directors at the time of the creation of a Fund. There are no special borrowing restrictions currently in operation.

## **Charges and Expenses**

When a Fund invests in the shares of other UCITS or collective investment undertakings or both and those other UCITS or collective investment undertakings are managed, directly or by delegation, by the Investment Manager or by any other company with which the Investment Manager is linked by common management or control, or by a substantial direct or indirect holding, the Investment Manager or other company shall not charge subscription or repurchase fees on account of the investment of the Fund in the shares of such other UCITS or

collective investment undertakings or both, as the case may be.

If a Fund invests a substantial proportion of its net assets in other UCITS or collective investment undertakings or both the maximum level of the management fees that may be charged to the Fund by the other UCITS or collective investment undertakings or both, as the case may be, will be set out in the relevant Supplement. Details of such fees will also be contained in the Company's annual report.

### **Dividend Policy**

The Directors decide the dividend policy and arrangements relating to each Fund and details are set out where applicable in the relevant Supplement. Under the Articles, the Directors are entitled to declare dividends out of the relevant Fund being: (i) the accumulated revenue (consisting of all revenue accrued including interest and dividends) less expenses and/or (ii) 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. The Directors may satisfy any dividend 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 the relevant Fund is entitled. In selecting these investments the Directors will consult with the Custodian to ensure that the remaining Shareholders are not disadvantaged. A Shareholder may require the Company instead of transferring any assets in specie to him, to arrange for a sale of the assets and for payment to the Shareholder of the net proceeds of same. The Company will be obliged and entitled to deduct an amount in respect of Irish taxation from any dividend payable to a Shareholder in any Fund who is or is deemed to be a Taxable Irish Person and pay such sum to the Irish tax authorities. Dividends (if any) will be paid in accordance with Irish Stock Exchange policy.

Dividends not claimed within six years from their due date will lapse and revert to the relevant Fund.

Dividends payable to Shareholders will be paid by electronic transfer to the bank account designated by the Shareholder in which case the dividend will be paid with the expense being paid out of the assets of the relevant Fund or Funds and will be paid within four months of the date the Directors declared the dividend.

The dividend policy for each Fund is set out in the Supplement for the relevant Fund.

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## **RISK FACTORS**

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### **1. General**

The investments of the Company in securities are subject to normal market fluctuations and other risks inherent in investing in securities. **The value of investments and the income from them, and therefore the value of and income from Shares relating to each Fund can go down as well as up and an investor may not get back the amount he invests.** Changes in exchange rates between currencies or the conversion from one currency to another may also cause the value of the investments to diminish or increase. **Due to the Preliminary Charge which may be payable on the issue of Shares, an investment in Shares should be viewed as medium to long term. An investment in a Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.**

Due to adverse market movements the Fund may become valueless.

Each fund is a segregated portfolio of assets and will accordingly bear its own liabilities and will be solely liable to third parties for all of the liabilities of the relevant Fund.

Subject to the investment restrictions applicable to the relevant Fund, the Fund may invest a portion of its assets in unquoted investments. Such investments will be valued at the probable realisation value as determined in accordance with the provisions set out in the Calculation of Net Asset Value/Valuation of Assets section below. Estimates of the probable realisation value of such investments are inherently difficult to establish and are the subject of substantial uncertainty. The Company may consult the Investment Manager with respect to the valuation of unquoted investments. There is an inherent conflict of interest between the involvement of the Investment Manager in determining the valuation price of a Fund's investments and the Investment Manager's other responsibilities.

The income and gains of a Fund from its assets may suffer withholding tax which may not be reclaimable in the countries where such income and gains arise. If this position changes in the future and the application of a lower rate results in a repayment to the relevant Fund, the Net Asset Value will not be re-stated and the benefit will be allocated to the existing Shareholders of the relevant Fund rateably at the time of repayment.

Where a Fund enters into stocklending arrangements for efficient portfolio management purposes there are risks in the exposure to market movements if recourse has to be had to collateral, or if there is fraud or negligence on the part of the Custodian or lending agent. In addition there is an operational risk associated with marking to market daily valuations and there are the potential stability risks of providers of collateral. The principal risk in such stocklending arrangements is the insolvency of the borrower. In this event the Company could experience delays in recovering its securities and such event could possibly result in capital losses.

While the provisions of the Companies Acts 1963 – 2005 provide for segregated liability between Funds, these provisions have yet to be tested in foreign courts, in particular, in satisfying local creditor claims.

### **2. Currency Risk**

The Net Asset Value per Share will be computed in the Base Currency of the relevant Fund, whereas each Fund's investments may be acquired in a wide range of currencies, some of which may be affected by currency movements of a more volatile nature than those of developed countries and some of which may not be freely convertible. It may not be possible or practical to hedge against the consequent currency risk exposure and in certain instances the Investment Manager may consider it desirable not to hedge against such risk. The Investment Manager may enter into cross currency hedging transactions solely for the purpose of efficient portfolio management.

### **3. Market Risk**

Some of the recognised exchanges on which each Fund may invest may prove to be illiquid or highly volatile from time to time and this may affect the price at which each Fund may liquidate positions to meet repurchase requests or other funding requirements. Potential investors should also note that the securities of small capitalisation companies are less liquid and this may result in fluctuations in the price

of the Shares of the relevant Fund.

#### **4. Valuation Risk**

A Fund may invest a limited proportion of its assets in unquoted securities. Such investment will be valued at the probable realisation value as determined in accordance with the valuation provisions set out in the Calculation of Net Asset Value/Valuation of Assets section below. Estimates of the fair value of such investments are inherently difficult to establish and are the subject of substantial uncertainty. Each Fund may, for the purpose of efficient portfolio management, engage in derivative instruments in which case there can be no assurance that the valuation as determined in accordance with the valuation provisions set out in the Calculation of Net Asset Value/Valuation of Assets section below reflects the exact amount at which the instrument may be "closed out".

#### **5. Investment in Financial Derivative Instruments (FDIs)**

The prices of FDIs, including futures and options, are volatile. In addition, the Company is subject to the risk of the failure of any of the exchanges on which it trades or of their clearing houses and in certain cases the counterparties with whom the trades are carried out.

The Company may purchase and sell (**write**) options on securities and currencies on a variety of securities exchanges and over-the-counter markets. The seller (**writer**) of a put option which is covered (i.e., the writer has a short position in the underlying security or currency while being short the put option) assumes the risk of an increase in the market price of the underlying security or currency above the sales price (in establishing the short position) of the underlying security or currency plus the premium received, and gives up the opportunity for gain on the underlying security or currency below the exercise price of the option. If the seller of the put option owns a put option covering an equivalent number of shares with an exercise price equal to or greater than the exercise price of the put written, the position is **fully hedged** if the option owned expires at the same time or later than the option written. The seller of an uncovered put option assumes the risk of a decline in the market price of the underlying security or currency below the exercise price of the option. The buyer of a put option assumes the risk of losing its entire investment in the put option. If the buyer of the put holds the underlying security or currency, the loss on the put will be offset in whole or in part by any gain on the underlying security or currency.

The writer of a call option which is covered (e.g., the writer holds the underlying security or currency) assumes the risk of decline in the market price of the underlying security or currency below the value of the underlying security or currency less the premium received, and gives up the opportunity for gain on the underlying security or currency above the exercise price of the option. The seller of an uncovered call option assumes the risk of a theoretically unlimited increase in the market price of the underlying security or currency above the exercise price of the option. The buyer of the call option assumes the risk of losing its entire investment in the call option. If the buyer of the call sells short the underlying security or currency, the loss on the call will be offset, in whole or in part, by any gain on the short sale of the underlying security or currency. In entering into a closing purchase transaction, the company may be subject to the risk of loss to the extent that the premium paid for entering into a closing purchase transaction exceeds the premium received when the option was written.

Due to the nature of futures, cash to meet margin monies will be held by a broker with whom the Fund has an open position. In the event of the insolvency or bankruptcy of the broker, there can be no guarantee that such monies will be returned to the Fund.

#### **6. Over-the-Counter Markets Risk**

Where any Fund acquires securities on over-the-counter markets, there is no guarantee that the Fund will be able to realise the fair value of such securities due to their tendency to have limited liquidity and comparatively high price volatility.

#### **7. Structured Capital at Risk Products**

A Fund may invest in structured capital-at-risk products (SCARPs). The return from SCARPs may not be guaranteed and the Fund may receive back less than was originally invested. This may be due to a number of factors including early redemption, the SCARP investing in non-readily realisable or high risk investments, such as non- or sub-investment grade bonds which have a lower credit rating than others and carry a higher degree of risk, or the institution arranging the underlying investments being unable to

meet its financial obligations. In addition, the SCARP's rate of growth or income may depend on specified conditions being met, including, but not limited to, the performance of an index, indexes or other factor.

## 8. **Taxation**

Potential investors attention is drawn to the taxation risk associated with investing in any Fund of the Company. See section headed "Taxation" below.

## 9. **Emerging Market Risks**

In the case of certain Funds there may be limited exposure to emerging markets and investors should be aware of risks attached to investing in such markets which could have a limited impact on the performance of such relevant Funds. In particular, the following risks should be noted.

### (a) **Settlement, Credit and Liquidity Risks**

The trading and settlement practices of some of the stock exchanges or markets on which a relevant Fund may invest may not be the same as those in more developed markets, which may increase settlement risk and/or result in delays in realising investments made by a Fund. Those exchanges and markets may also have substantially less volume and generally be less liquid than those in more developed markets. In addition, a Fund will be exposed to credit risk on parties with whom it trades and will bear the risk of settlement default. The Custodian may be instructed by the Investment Manager to settle transactions on a delivery free of payment basis where the Investment Manager believes and the Custodian agrees that this form of settlement is common market practice. Shareholders should be aware, however, that this may result in a loss to a relevant Fund if a transaction fails to settle and the Custodian will not be liable to the relevant Fund or to the Shareholders for such a loss.

### (b) **Regulatory Risks and Accounting Standards**

Disclosure and regulatory standards may be less stringent in certain securities markets than they are in developed countries and there may be less publicly available information on the issuers than is published by or about issuers in such developed countries. Consequently some of the publicly available information may be incomplete and/or inaccurate. In some countries the legal infrastructure and accounting and reporting standards do not provide the same degree of shareholder protection or information to investors as would generally apply in many developed countries. In particular, greater reliance may be placed by the auditors on representations from the management of a company and there may be less independent verification of information than would apply in many developed countries. The valuation of assets, depreciation, exchange differences, deferred taxation, contingent liabilities and consolidation may also be treated differently from international accounting standards.

### (c) **Political Risks**

The performance of a Fund may be affected by changes in economic and market conditions, uncertainties such as political developments, changes in government policies, the imposition of restrictions on the transfer of capital and in legal, regulatory and tax requirements. A Fund may also be exposed to risks of expropriation, nationalisation and confiscation of assets and changes in legislation relating to the level of foreign ownership.

### (d) **Custody Risks**

Local custody services remain underdeveloped in many emerging market countries and there is a transaction and custody risk involved in dealing in such markets. In certain circumstances a Fund may not be able to recover or may encounter delays in the recovery of some of its assets. Such circumstances may include uncertainty relating to, or the retroactive application of legislation, the imposition of exchange controls or improper registration of title. In some emerging market countries evidence of title to shares is maintained in "book-entry" form by an independent registrar who may not be subject to effective government supervision, which increases the risk of the registration of a Fund's holdings of shares in such markets being lost through fraud, negligence or mere oversight on the part of such independent registrars. The costs borne by a Fund in investing and holding investments in such markets will generally be

higher than in organised securities markets.

- 10.** Additional risk factors (if any) in respect of each Fund are set out in the Supplement for the relevant Fund.

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## MANAGEMENT OF THE COMPANY

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### Devonshire Assets Managed Funds plc

#### Directors of the Company

The Directors of the Company are described below:-

**Hugh Ward (Resident in Ireland)** has worked for the last 18 years in the commercial and mutual funds industry. Prior to founding the law firm Hugh J. Ward & Co. Solicitors in 1997 he worked from 1993 as a vice-president with Chase Manhattan Bank (Ireland) plc and as in-house counsel to a large US investment research firm based in Manhattan with a focus on mutual funds and derivatives. Mr. Ward graduated from Trinity College, Dublin in 1982 and was enrolled as a solicitor in Ireland in 1986. He obtained his Juris Doctor Law Degree in the USA in 1991. He is admitted to practise in Ireland, England and America and is a member of the bar in Ireland and the States of New York and the District of Columbia.

**Michael Boyce (Irish)** is an independent Irish resident director who was director of Northern Trust Investor Services (Ireland) Limited until November 2005. From September 1997 to May 2000 he was an Executive Director and Head of Ulster Bank Investment Services. Mr. Boyce has over 25 years experience in investment fund administration and is a member of the Securities Institute. Mr. Boyce is an independent director of several other fund companies.

**Dr. Ana Cukic Armstrong** is joint managing partner and head of Portfolio Strategy and Construction at Armstrong Investment Managers. Previously Dr. Armstrong spent six years at HBOS Plc as co-head of Insight Investment's \$2 billion Multi-Asset Group. Prior to joining Insight Dr. Armstrong worked at UBS Wealth Management as Director & Head of Portfolio Construction for the UBS Managed Accounts Program managing \$6 billion. Dr. Armstrong also worked at Fischer Francis as fixed income and futures trader. She began her career at Coutts as an investment analyst. Dr. Armstrong has a PhD in Quantitative Economics and an MBA from Imperial College in London.

**Philip McEnroe (Irish)** is a Director and Head of Investment Funds at GlobalReach Securities Limited, authorised under the Markets in Financial Instruments Directive 2007 ("MiFID"), 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 and establishment experience of regulated vehicles. He is approved by the Central Bank to act as a director of regulated investment business firms since 1999, and Irish regulated collective investment schemes. Mr McEnroe holds a Masters of Business Studies Degree (Finance) and a Bachelor of Commerce Degree 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 in Ireland.

No Director has:

- (i) any unspent convictions in relation to indictable offences; or
- (ii) been bankrupt or the subject of an involuntary arrangement, or has had a receiver appointed to any asset of such Director; or
- (iii) been a director of any company which, while he was a director with an executive function or within 12 months after he ceased to be a director with an executive function, had a receiver appointed or went into compulsory liquidation, creditors voluntary liquidation, administration or company voluntary arrangements, or made any composition or arrangements with its creditors generally or with any class of its creditors; or
- (iv) been a partner of any partnership, which while he was a partner or within 12 months after he ceased to be a partner, went into compulsory liquidation, administration or partnership voluntary arrangement, or had a receiver appointed to any partnership asset; or
- (v) had any public criticism by statutory or regulatory authorities (including recognised professional bodies); or

- (vi) been disqualified by a court from acting as a director or from acting in the management or conduct of the affairs of any company.

Save for the information disclosed herein no further information is required to be given in respect of the Directors pursuant to the listing requirements of the Irish Stock Exchange.

For the purposes of this Prospectus, the address of all the Directors is the registered office of the Company.

The Company has delegated the day to day investment management and administration of the Company to the Investment Manager and the Administrator respectively and the custody of the assets of each Fund to the Custodian. Consequently, all Directors of the Company in relation to the Company are non-executive.

### **Investment Manager**

The Company has appointed Armstrong Investment Managers LLP to provide certain investment related services to the Company. The Investment Manager is authorised and regulated by the Financial Services Authority (FSA no. 503693). The Investment Manager was founded in 2009 by the former heads of Insight Investment's \$2 Billion Multi-Asset Group, Dr. Ana Armstrong and Patrick Armstrong. The core of the investment team at the Investment Manager and have worked together since 2000 where they managed \$7 billion in the UBS Managed Accounts Division. As of May 2010 the Investment Manager advises on assets totalling \$100 million, and manage assets of \$4 million. Details of any Investment Manager who is appointed as Investment Manager of any specific fund will be set out in the Supplement for that Fund.

### **Custodian**

Northern Trust Fiduciary Services (Ireland) Limited has been appointed Custodian under the Custodian Agreement. The Custodian is a private limited liability company incorporated in Ireland on 5 July, 1990. Its main activity is the provision of custodial services to collective investment schemes. The Custodian is a wholly-owned subsidiary of Northern Trust GFS Holdings Limited which in turn is wholly owned by Northern Trust Corporation. Northern Trust Corporation and its subsidiaries comprise the Northern Trust Group, one of the world's leading providers of global custody and administration services to institutional and personal investors. As at 31 March 2011, the Northern Trust Group's assets under custody and administration totalled in excess of US\$4.4 trillion.

The Custodian is responsible for the safe-keeping of all of the assets of the Company and each Fund. As per 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 unjustifiable failure to perform its obligations or its improper performance of them. The Custodian may, however, appoint any person or persons to be the sub-custodian of the assets of the Company and each Fund. The liability of the Custodian shall not be affected by the fact that it has entrusted to a third party some or all of the assets in its safekeeping. The Company and the Custodian acknowledge that the Authority considers that in order for the Custodian to discharge its responsibility under the Regulations, the Custodian must exercise care and diligence in choosing and appointing such third parties as safekeeping agents so as to ensure that the third parties have, and will maintain the expertise, competence and standing appropriate to discharge the responsibilities concerned. The Custodian must maintain an appropriate level of supervision over the safekeeping agent and make appropriate inquiries, from time to time, to confirm that the obligations of the third party continue to be competently discharged. This does not purport to be a legal interpretation of the Regulations and the corresponding provisions of the UCITS Directive.

As the Company may invest in markets where custodial and/or settlement systems are not fully developed, the assets of the Company which are traded in such markets and which have been entrusted to sub-custodians, in circumstances where the use of such sub-custodians is necessary, may be exposed to risk in circumstances whereby the Custodian will have no liability. Potential investors are referred to the "Risk Factors" section.

The Custodian Agreement contains provisions governing the responsibilities of the Custodian and provides that, in the absence of its unjustifiable failure to perform its obligations or its improper performance of them, the Custodian shall be indemnified out of the assets of the Company.

The Custodian Agreement specifies the conditions to be followed with respect to the replacement of the Custodian with another custodian and contains provisions to ensure the protection of Shareholders in the event of any such replacement.

The Custodian has the right to terminate the Custodian Agreement on six calendar months written notice to the

Company provided that such termination shall not take effect sooner than two calendar years from the date of the Custodian Agreement. If no successor is appointed at the end of the notice period the Custodian shall be entitled to apply to the Authority for revocation of the Company's authorisation under the Regulations and apply to the High Court for an order to wind up the Company or convene an Extraordinary General Meeting of the Company to consider a Special Resolution of the Company to wind up the Company provided that the Agreement will remain in effect until the appointment of a successor custodian or the revocation of the Company's authorisation by the Company. The Custodian Agreement may also be terminated by either party forthwith by giving notice in writing to the other party upon certain breaches or upon insolvency of a party (or upon the happening of a like event).

### **Administrator**

Northern Trust International Fund Administration Services (Ireland) Limited has been appointed Administrator under the Administration Agreement. The Administrator is a private limited company incorporated in Ireland on 15 June 1990 and, like the Custodian, is a wholly-owned subsidiary of Northern Trust GFS Holdings Limited, which in turn is wholly-owned by Northern Trust Corporation. Northern Trust Corporation and its subsidiaries comprise the Northern Trust Group, one of the world's leading providers of global custody and administration services to institutional and personal investors. As at 31 March 2011, the Northern Trust Group's assets under custody and administration totalled in excess of \$4.4 trillion.

The administration duties and functions of the Administrator will include, inter alia, the calculation and publication of the Net Asset Value, the provision of facilities for the confirmation and registration of Shares, the keeping of all relevant records and accounts of the Company and assisting with compliance by the Company with the reporting requirement of IFSRA.

The Administrator will also act as secretary and registrar of the Company.

The Administration Agreement provides that the appointment of the Administrator will continue for an initial period of two calendar years until terminated by either party giving the other not less than six calendar months' written notice although in certain circumstances the appointment may be terminated forthwith by notice in writing by either party to the other. The Administration Agreement contains certain indemnities in favour of the Administrator which are restricted to exclude matters arising by reason of the fraud, wilful default or negligence of the Administrator, its officers or employees, agents or delegates in the performance of its or their obligations and duties.

### **Promoter**

GlobalReach Securities Limited has been appointed Promoter of the Company. The Promoter was incorporated in Ireland on 23 February 1999 and is authorised and regulated by the Central Bank. As at 19 August 2011, the Promoter had over \$2bn of assets under advisory and discretionary mandates.

### **Distributor**

The Company has by an agreement dated 13 July 2010, appointed Armstrong Investment Managers LLP to act as distributors of the funds worldwide. The Distributor was founded in 2009 and is authorised and regulated by the Financial Services Authority (FSA no. 503693). Other distributors may be appointed by the Company from time to time.

### **Portfolio Transactions and Conflicts of Interest**

Subject to the provisions of this section the Company, the Investment Manager, the Administrator, the Custodian, any Shareholder and any of their respective subsidiaries, affiliates, associates, agents or delegates (each a **Connected Person**) may contract or enter into any financial, banking or other transaction with one another or with the Company. This includes, without limitation, investment by the Company in securities of any Connected Person or investment by any Connected Persons in any company or bodies any of whose investments form part of the assets comprised in any Fund or be interested in any such contract or transactions. In addition, any Connected Person may invest in and deal in Shares relating to any Fund or any property of the kind included in the property of any Fund for their respective individual accounts or for the account of someone else.

Any cash of the Company may be deposited, subject to the provisions of the Central Bank Acts, 1942 to 2010 with any Connected Person or invested in certificates of deposit or banking instruments issued by any Connected Person. Banking and similar transactions may also be undertaken with or through a Connected

Person.

Any Connected Person may also deal as agent or principal in the sale or purchase of securities and other investments (including foreign exchange and stocklending transactions) to or from the relevant Fund. There will be no obligation on the part of any Connected Person to account to the relevant Fund or to Shareholders of that Fund for any benefits so arising, and any such benefits may be retained by the relevant party, provided that such transactions are carried out as if effected on normal commercial terms negotiated at arm's length, are consistent with the best interests of the Shareholders of that Fund and:

- a certified valuation of such transaction by a person approved by the Custodian (or in the case of any such transaction entered into by the Custodian, the Directors) as independent and competent has been obtained; or
- such transaction has been executed on best terms reasonably available on an organised investment exchange under its rules; or
- where (a) and (b) are not reasonably practicable, such transaction has been executed on terms which the Custodian is (or in the case of any such transaction entered into by the Custodian, the Directors are) satisfied conform with the principle that such transactions be carried out as if effected on normal commercial terms negotiated at arm's length.

The Investment Manager may also, in the course of its business, have potential conflicts of interest with the Company in circumstances other than those referred to above. The Investment Manager will, however, have regard in such event to its obligations under the Investment Management Agreements in respect of each of the Funds and, in particular, to its obligations to act in the best interests of the Company so far as practicable, having regard to its obligations to other clients when undertaking any investments where conflicts of interest may arise and will ensure that such conflicts are resolved fairly as between the Company, the relevant Funds and other clients. The Investment Manager will ensure that investment opportunities are allocated on a fair and equitable basis between the Company and their other clients. In the event that a conflict of interest does arise the directors of the Investment Manager will endeavour to ensure that such conflicts are resolved fairly.

As the fees of the Investment Manager are based on the Net Asset Value of a Fund, if the Net Asset Value of the Fund increases so to do the fees payable to the Investment Manager and accordingly there is a conflict of interest for the Investment Manager in cases where the Investment Manager is responsible for determining the valuation price of a Fund's investments.

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## **SHARE DEALINGS**

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### **SUBSCRIPTION FOR SHARES**

#### **Purchases of Shares**

Under the Articles, the Directors are given authority to effect the issue of Shares and to create new classes of Shares (in accordance with the requirements of the Authority) and have absolute discretion to accept or reject in whole or in part any application for Shares.

Issuances of Shares will normally be made with effect from a Dealing Day in respect of applications received on or prior to the Dealing Deadline. Dealing Days and Dealing Deadlines relating to each Fund are specified in the relevant Supplement. Applications for the initial issue of Shares should be submitted in writing or by facsimile to the Company care of the Administrator provided that an original Application Form shall be submitted in the case of an initial application for Shares. Subsequent subscriptions (i.e., subsequent to an initial purchase of Shares in a Fund) may be made by contacting the Administrator by telephone, by facsimile or in writing. A Shareholder who places an order by telephone is deemed to have consented to the recording of such telephone order and must provide the following information:

- the Shareholder name and account number and the address and/or fax number to which the contract note is to be sent;
- the Fund name and class of Shares being subscribed for;
- the amount of cash or Shares to be invested;
- a statement as to how settlement will be made; and
- confirmation that the application has been made in compliance with the terms and conditions of the latest Prospectus.

This information will be confirmed to the Shareholder over a recorded telephone line.

Telephone requests will only be processed provided that the Shareholder name and account number, and the name, address and/or fax number to which the contract note is to be sent corresponds to that listed as the Shareholder of record registered with the Administrator. Should the Shareholder designate that the contract note be sent to a name and/or address which differs from that registered with the Administrator, written confirmation of this change must be submitted by the Shareholder and received by the Administrator before the order will be processed.

Applications received after the Dealing Deadline for the relevant Dealing Day shall, unless the Directors shall otherwise agree and provided they are received before the Valuation Point for the relevant Dealing Day, be deemed to have been received by the next Dealing Deadline. Applications will be irrevocable unless the Directors, or a delegatee, otherwise agree. If requested, the Directors may, in their absolute discretion and subject to the prior approval of the Custodian, agree to designate additional and/or substitute Dealing Days and Valuation Points for the purchase of Shares relating to any Fund which will be open to all Shareholders and which will be notified in advance to all Shareholders.

The Minimum Initial Investment Amount for Shares of each Fund that may be subscribed for by each investor on initial application and the Minimum Shareholding of Shares of each Fund is set out in the Supplement for the relevant Fund.

Fractions of Shares up to four decimal places may be issued. Subscription monies representing smaller fractions of Shares will not be returned to the applicant but will be retained as part of the assets of the relevant Fund.

The Application Form contains certain conditions regarding the application procedure for Shares in the Company and certain indemnities in favour of the Company, the relevant Fund, the Administrator, the Custodian and the other Shareholders for any loss suffered by them as a result of certain applicants acquiring or holding Shares.

If an application is rejected, the Administrator at the risk of the applicant may return application monies or the balance thereof by electronic transfer to the account from which it was paid within two Business Days of the rejection, at the cost and risk of the applicant.

### **Issue Price**

During the Initial Offer Period for each Fund, the Initial Issue Price for Shares in the relevant Fund shall be the amount set out in the Supplement for the relevant Fund.

The issue price at which Shares of any Fund will be issued on a Dealing Day after the Initial Offer Period is calculated by ascertaining the Net Asset Value per Share of the relevant class on the relevant Dealing Day.

A Preliminary Charge of up to 5 per cent of the issue price may be charged by the Company for payment to the Investment Manager on the issue of Shares, out of which the Investment Manager may, for example, pay commission to financial intermediaries. Further details of this Preliminary Charge will be set out in the relevant Supplement.

### **Payment for Shares**

Payment in respect of the issue of Shares must be made by the relevant Settlement Date by electronic transfer in cleared funds in the currency of denomination of the relevant Share class. Cheques will only be accepted in exceptional circumstances at the discretion of the Administrator and by advance agreement. Shareholders should note that fees may be charged by clearing banks and these will be deducted from the subscription monies received. Shareholders should also note delays in clearing cheques for subscription moneys will result in subscription being placed on the Dealing Day next following receipt of cleared funds (net of charges). The Administrator may, at its discretion, accept payment in other currencies, but such payments will be converted into the currency of denomination of the relevant Share class at the then prevailing exchange rate available to the Administrator and only the net proceeds (after deducting the conversion expenses) will be applied towards payment of the subscription moneys. This may result in a delay in processing the application.

If payment in full has not been received by the Settlement Date, or in the event of non-clearance of funds, the allotment of Shares made in respect of such application may, at the discretion of the Directors, be cancelled, or, alternatively, the Directors may treat the application as an application for such number of Shares as may be purchased with such payment on the Dealing Day next following receipt of payment in full or of cleared funds. In such cases the Company may charge the applicant for any resulting bank charges or market losses incurred by the relevant Fund.

### **In Specie Issues**

The Directors may in their absolute discretion, provided that they are satisfied that no material prejudice would result to any existing Shareholder and subject to the provisions of the Companies Acts 1963 to 2003, allot Shares in any Fund against the vesting in the Custodian on behalf of the relevant Fund of investments, the nature of which would qualify as suitable investments of the relevant Fund in accordance with the investment objectives, policies and restrictions of the Fund. The number of Shares to be issued in this way shall be the number which would, on the day the investments are vested in the Custodian on behalf of the relevant Fund, have been issued for cash (together with the relevant Preliminary Charge) against the payment of a sum equal to the value of the investments. The value of the investments to be vested shall be calculated by applying the valuation methods described below under the heading "Calculation of Net Asset Value/ Valuation of Assets." The Directors, in valuing any such investments, may provide that the whole of or any part of any duties and charges arising in connection with the vesting of the investments in the Custodian on behalf of the relevant Fund shall be paid out of the assets of the relevant Fund or by the investor to whom the Shares are to be issued or partly by the Fund and partly by such investor.

### **Anti-Money Laundering Provisions**

Measures provided for in the Criminal Justice (Money Laundering and Terrorist Financing) Act, 2010 which are aimed towards the prevention of money laundering/counter terrorist financing, require detailed verification of each applicant's identity; for example an individual may be required to produce a copy of his passport or identification card together with two items evidencing his address such as a utility bill or bank statement and his date of birth. In the case of corporate applicants this may require production of a certified copy of the certificate of incorporation (and any change of name), memorandum and articles of association (or equivalent) and the names, occupations, dates of birth and residential and business address of the directors of the company.

The Administrator reserves the right to request such information as is necessary to verify the identity of an applicant. In the event of delay or failure by the applicant to produce any information required for verification purposes, the Administrator may refuse to accept the application and return all subscription monies. If an application is rejected, the Administrator may return application monies or the balance thereof by cheque or electronic transfer to the account from which it was paid at the cost and risk of the applicant.

Depending on the circumstances of each application, a detailed verification may not be required where (a) the applicant makes payment from an account held in the applicant's name at a recognised financial institution, or (b) the application is made through a recognised intermediary, or (c) investment is made by a recognised intermediary or financial institution. These exceptions will only apply if the financial institution or intermediary referred to above is located in a country, which has equivalent anti-money laundering/counter terrorist financing legislation to that in place in Ireland. Applicants may contact the Administrator in order to determine whether they meet the above exceptions.

### **Limitations on Purchases**

Shares may not be issued or sold by the Company during any period when the calculation of the Net Asset Value of the relevant Fund is suspended in the manner described under "Suspension of Calculation of Net Asset Value" below. Applicants for Shares will be notified of such postponement and, unless withdrawn, their applications will be considered as at the next Dealing Day following the ending of such suspension.

Shares may not be directly or indirectly offered or sold in the United States or purchased or held by or for U.S. Persons (unless permitted under certain exceptions under the laws of the United States).

## **REPURCHASE OF SHARES**

### **Repurchases of Shares**

Requests for the repurchase of Shares should be made to the Company care of the Administrator in writing, by facsimile or by telephone and must in the case of requests in writing or by facsimile and quote the relevant account number, the relevant Fund(s) and class of Share and any other information which the Administrator reasonably requires, and be signed by or on behalf of the Shareholder before payment of repurchase proceeds can be made. Repurchase requests made by facsimile or by telephone must be followed by subsequent confirmation in writing. A request by telephone may only be made if designated by the Shareholder on the account application. When making a repurchase request by telephone, the Shareholder must also provide the following information:

- the Shareholder name and the account number and the address and/or fax number to which the contract note is to be sent;
- the class of Shares being repurchased; and
- confirmation that the repurchase request has been made in compliance with the terms and conditions of the latest Prospectus.

This information will be confirmed to the Shareholder over a recorded telephone line.

Repurchase requests received by fax or telephone will only be processed provided that the Shareholder name and account number, and the address and/or fax number to which the contract note is to be sent corresponds to that listed as the Shareholder of record registered with the Administrator. Should the Shareholder designate that the contract note be sent to the name and/or address which differs from that registered with the Administrator, written confirmation of this change must be submitted by the Shareholder and received by the Administrator before the order will be processed.

Requests received on or prior to the relevant Dealing Deadline will, subject as mentioned in this section and in the relevant Supplement, normally be dealt with on the relevant Dealing Day. Repurchase requests received after the Dealing Deadline shall, unless the Directors shall otherwise agree and provided they are received before the relevant Valuation Point, be treated as having been received by the following Dealing Deadline.

In no event shall repurchase proceeds be paid until the original Application Form has been received from the investor and all of the necessary anti-money laundering checks have been carried out.

A repurchase request will not be capable of withdrawal after acceptance by the Administrator. If requested, the Directors may, in their absolute discretion and subject to the prior approval of the Custodian, agree to designate additional and/or substitute Dealing Days and Valuation Points for the repurchase of Shares relating to any Fund which will be open to all Shareholders and which will be notified in advance to all Shareholders.

The Directors may decline to effect a repurchase request which would have the effect of reducing the value of any holding of Shares relating to any Fund below the Minimum Shareholding for that class of Shares of that Fund. Any repurchase request having such an effect may be treated by the Company as a request to repurchase the Shareholder's entire holding of that class of Shares.

The Administrator will not accept repurchase requests, which are incomplete, until all the necessary information is obtained.

### **Repurchase Price**

The price at which Shares will be repurchased on a Dealing Day is also calculated by ascertaining the Net Asset Value per Share of the relevant class on the relevant Dealing Day. The method of establishing the Net Asset Value of any Fund and the Net Asset Value per Share of any class of Shares in a Fund is set out in the Articles as described herein under the heading "Calculation of Net Asset Value/Valuation of Assets" below.

When a repurchase request has been submitted by an investor who is or is deemed to be a Taxable Irish Person or is acting on behalf of a Taxable Irish Person, the Company shall deduct from the repurchase proceeds an amount which is equal to the tax payable by the Company to the Irish Revenue Commissioners in respect of the relevant transaction.

### **Payment of Repurchase Proceeds**

The amount due on repurchase of Shares will be paid by electronic transfer to an account nominated by the Shareholder in the currency of denomination of the relevant Share class of the relevant Fund (or in such other currency as the Directors shall determine) by the Settlement Date and with the expense being paid out of the assets of the relevant Fund or Funds. Payment of repurchase proceeds will be made to the registered Shareholder or in favour of the joint registered Shareholders as appropriate. The proceeds of the repurchase of the Shares will only be paid on receipt by the Administrator of an original repurchase request together with such other documentation that the Administrator may reasonably require.

### **Limitations on Repurchases**

The Company may not repurchase Shares of any Fund during any period when the calculation of the Net Asset Value of the relevant Fund is suspended in the manner described under "Suspension of Calculation of Net Asset Value" below. Applicants for repurchases of Shares will be notified of such postponement and, unless withdrawn, their applications will be considered as at the next Dealing Day following the ending of such suspension.

The Directors are entitled to limit the number of Shares in a Fund repurchased on any Dealing Day to Shares representing ten per cent of the total Net Asset Value of that Fund on that Dealing Day. In this event, the limitation will apply *pro rata* so that all Shareholders wishing to have Shares of that Fund repurchased on that Dealing Day realise the same proportion of such Shares. Shares not repurchased, but which would otherwise have been repurchased, will be carried forward for repurchase on the next Dealing Day and will be dealt with in priority (on a rateable basis) to repurchase requests received subsequently. If requests for repurchase are so carried forward, the Administrator will inform the Shareholders affected.

The Articles contain special provisions where a repurchase request received from a Shareholder would result in Shares representing more than five per cent of the Net Asset Value of any Fund being repurchased by the Company on any Dealing Day. In such a case, the Company may satisfy the repurchase request by a distribution of investments of the relevant Fund in specie having consulted with the Custodian, and provided that such a distribution would not be prejudicial to the interests of the remaining Shareholders of that Fund. Where the Shareholder requesting such repurchase receives notice of the Company's intention to elect to satisfy the repurchase request by such a distribution of assets that Shareholder may require the Company, instead of transferring those assets, to arrange for their sale and the payment of the proceeds of sale to that Shareholder less any costs incurred in connection with such sale.

The Articles provide that the Company cannot effect a repurchase of Shares, if after payment of any amount in

connection with such repurchase, the Net Asset Value of the issued share capital of the Company would be equal to or less than Euro 300,000 or its foreign currency equivalent. This will not apply to a repurchase request accepted by the Directors in contemplation of the dissolution of the Company.

### **Mandatory Repurchases**

The Company may compulsorily repurchase all of the Shares of any Fund if the Net Asset Value of the relevant Fund is less than the Minimum Fund Size (if any) specified herein.

The Company reserves the right to repurchase any Shares which are or become owned, directly or indirectly, by a U.S. Person (unless pursuant to an exemption under U.S. securities laws), by any individual under the age of 18 (or such other age as the Directors think fit) or if the holding of the Shares by any person is in breach of any law or requirement of any country or governmental authority or by virtue of which such person is not qualified to hold such Shares or might result in the Company incurring any liability to taxation or suffering other pecuniary legal or material administrative disadvantages which the Company might not otherwise have incurred, suffered or breached.

Where Taxable Irish Persons acquire and hold Shares, the Company shall, where necessary for the collection of Irish tax, repurchase and cancel Shares held by a person who is or is deemed to be a Taxable Irish Person or is acting on behalf of a Taxable Irish Person on the occurrence of a chargeable event for taxation purposes and to pay the proceeds thereof to the Irish Revenue Commissioners.

### **Exchange of Shares**

Shareholders will be able to apply to exchange on any Dealing Day all or part of their holding of Shares of any class in any Fund (the **Original Class**) for Shares of another class which are being offered at that time (the **New Class**) (such class being in the same Fund or in a separate Fund) provided that all the criteria for applying for Shares in the New Class have been met and by giving notice to the Administrator on or prior to the Dealing Deadline for the relevant Dealing Day. The Administrator may however at its discretion agree to accept requests for exchange received after the relevant Dealing Deadline provided they are received prior to the relevant Valuation Point. The general provisions and procedures relating to the issue and repurchase of Shares will apply equally to exchanges, save in relation to charges payable, details of which are set out below and in the relevant Supplement.

An Exchange Charge of up to 5 per cent of the repurchase price of the Shares being exchanged may be charged by the Company on the exchange of Shares.

When requesting the exchange of Shares as an initial investment in a Fund, Shareholders should ensure that the value of the Shares exchanged is equal to, or exceeds, the Minimum Initial Investment Amount for the relevant New Class specified in the Supplement for the relevant Fund. In the case of an exchange of a partial holding only, the value of the remaining holding must also be at least equal to the Minimum Shareholding for the Original Class.

The number of Shares of the New Class to be issued will be calculated in accordance with the following formula:

$$S = \frac{[R \times (RP \times ER)] - F}{SP}$$

where:

- R** = the number of Shares of the Original Class to be exchanged;
- S** = the number of Shares of the New Class to be issued;
- RP** = the repurchase price per Share of the Original Class as at the Valuation Point for the relevant Dealing Day;
- ER** = in the case of an exchange of Shares designated in the same Base Currency is 1. In any other case, it is the currency conversion factor determined by the Directors at the Valuation Point for the relevant Dealing Day as representing the effective rate of exchange applicable to the transfer of assets relating to the Original and New Classes of Shares after adjusting such rate as may be necessary to reflect the effective costs of making such transfer;

- SP** = the subscription price per Share of the New Class as at the Valuation Point for the applicable Dealing Day; and
- F** = the Exchange Charge (if any) payable on the exchange of Shares.

Where there is an exchange of Shares, Shares of the New Class will be allotted and issued in respect of and in proportion to the Shares of the Original Class in the proportion S to R.

### **Limitations on Exchange**

Shares may not be exchanged for Shares of a different class during any period when the calculation of the Net Asset Value of the relevant Fund or Funds is suspended in the manner described under "Suspension of Calculation of Net Asset Value" below. Applicants for exchange of Shares will be notified of such postponement and, unless withdrawn, their applications will be considered as at the next Dealing Day following the ending of such suspension.

### **Calculation of Net Asset Value/Valuation of Assets**

The Net Asset Value of each Fund shall be calculated by the Administrator as at the Valuation Point for each Dealing Day by valuing the assets of the Fund and deducting therefrom the liabilities of the Fund. Where there is more than one class of Shares in a Fund, the Net Asset Value per Share of any class is calculated by the Administrator by ascertaining the Net Asset Value of the relevant Fund as at the Valuation Point for that Fund on the relevant Dealing Day and determining the amount of the Net Asset Value which is attributable to the relevant class of Shares. The Net Asset Value per Share of the relevant class is calculated by determining that proportion of the Net Asset Value of the Fund which is attributable to the relevant class at the Valuation Point. The Valuation Point for each Fund is set out in the Supplement for the relevant Fund. The Net Asset Value per Share is the resulting sum rounded to the nearest four decimal places.

The Articles provide for the method of valuation of the assets and liabilities of each Fund and of the Net Asset Value of each Fund.

In general, the Articles provide that the value of any investments quoted, listed or dealt in on a Market the value thereof shall be the last traded price as at the relevant Valuation Point provided that if the last traded price is not available such investments will be valued at mid bid and offer price. Where such investment is quoted, listed or traded on or under the rules of more than one Market, the Directors shall, in their absolute discretion, select the Market, which in their opinion, constitutes the main Market for such investment for the foregoing purposes. The value of any investment which is not quoted listed or traded in on a Market but in respect of which no price is currently available or the current price of which does not in the opinion of the Directors, represent fair market value, the value thereof shall be the probable realisation value estimated with care and in good faith by the Directors or by a competent person, in each case approved, for such purpose, by the Custodian. In determining the probable realisation value of any such investment, the Directors may accept a certified valuation thereof provided by a competent independent person or in the absence of any independent person, the Investment Manager (notwithstanding that a conflict of interests arises because the Investment Manager has an interest in the valuation), who in each case shall have been approved by the Custodian to value the relevant securities.

The Articles further provide that cash and other liquid assets will be valued at their face value with interest accrued, where applicable unless in any case the Directors are of the opinion that the same is unlikely to be paid or received in full in which case the value thereof shall be arrived at after making such discount as the Directors may consider appropriate in such case to reflect the true value thereof as at the relevant Valuation Point. Certificates of deposit, treasury bills, bank acceptances, trade bills and other negotiable instruments shall each be valued at each Valuation Point at the latest available middle market dealing price on the Market on which these assets are traded or admitted for trading (being the Market which is the sole market or in the opinion of the Directors the principal market on which the assets in question are quoted or dealt in) plus any interest accrued thereon from the date on which same were acquired. Forward foreign exchange contracts which are dealt in on a Market shall be valued by reference to the price at which a new forward contract of the same price and maturity could be undertaken provided that if such price is not available, the value of any such forward foreign exchange contracts shall be the settlement price provided by the counterparty to such contracts at the Valuation Point and shall be valued at least weekly. The valuation will be verified at least monthly by a party independent of the counterparty, who has been approved for such purpose by the Custodian.

The value of any off-exchange traded derivative contracts shall be the quotation from the counterparty to such contracts at the Valuation Point and shall be valued daily. The valuation will be approved or verified at least

weekly by a party independent of the counterparty who has been approved for such purpose by the Custodian.

The value of any exchange traded futures contracts, share price index futures contracts and options and other derivative contracts shall be the settlement price, as determined by the Market in question, as at the relevant Valuation Point, provided that where it is not the practice for the relevant Market to quote a settlement price or such settlement price is not available for any reason as at the relevant Valuation Point, such value shall be the probable realisation value thereof estimated with care and in good faith by the Directors or another competent person appointed by the Directors provided that the Directors or such other competent person have been approved for the purpose by the Custodian.

The value of units or shares or other similar participation in any collective investment scheme, which provides for the units or shares or other similar participations therein to be redeemed at the option of the holder out of the assets of that undertaking, shall be the last available Net Asset Value per unit or share or other similar participation after deduction of any repurchase charge as at the relevant Valuation Point or if bid and offer prices are published, the latest available bid price.

If in any case a particular value is not ascertainable as provided above or if the Directors shall consider that some other method of valuation better reflects the fair value of the relevant investment, then in such case the method of valuation of the relevant investment shall be such as the Directors in their absolute discretion shall determine, such method of valuation to be approved by the Custodian.

Notwithstanding the generality of the foregoing, the Directors may with the approval of the Custodian adjust the value of any such security if having regard to currency, applicable rate of interest, anticipated rate of dividend, maturity, marketability, liquidity and/or such other considerations as they may deem relevant, they consider that such adjustment is required to reflect the fair value thereof as at the relevant Valuation Point.

Any value expressed otherwise than in the Base Currency of the relevant Fund (whether of any investment or cash) and any non-Base Currency borrowing shall be converted into the Base Currency at the rate (whether official or otherwise) which the Custodian shall determine to be appropriate in the circumstances.

The Net Asset Value will be notified to the Irish Stock Exchange, immediately upon calculation.

#### **Suspension of Calculation of Net Asset Value**

The Directors may at any time temporarily suspend the calculation of the Net Asset Value of any Fund and the issue, repurchase and exchange of Shares and the payment of repurchase proceeds during:

- (i) any period when any of the Markets on which a substantial portion of the investments of the relevant Fund, from time to time, are quoted, listed or dealt in is closed, otherwise than for ordinary holidays, or during which dealings therein are restricted or suspended; or
- (ii) any period when, as a result of political, economic, military or monetary events or any circumstances outside the control, responsibility and power of the Directors, disposal or valuation of a substantial portion of the investments of the relevant Fund is not reasonably practicable without this being seriously detrimental to the interests of Shareholders of the relevant Fund or if, in the opinion of the Directors, the Net Asset Value of the Fund cannot be fairly calculated; or
- (iii) any breakdown in the means of communication normally employed in determining the price of a substantial portion of the investments of the relevant Fund, or when, for any other reason the current prices on any Market of any of the investments of the relevant Fund cannot be promptly and accurately ascertained; or
- (iv) any period during which any transfer of funds involved in the realisation or acquisition of investments of the relevant Fund cannot, in the opinion of the Directors, be effected at normal prices or rates of exchange; or
- (v) any period when the Directors are unable to repatriate funds required for the purpose of making payments due on the repurchase of Shares in the relevant Fund; or
- (vi) any period when the Directors consider it to be in the best interest of the relevant Fund; or
- (vii) following the circulation to Shareholders of a notice of a general meeting at which a resolution proposing to wind up the Company or terminate the relevant Fund is to be considered.

Where possible, all reasonable steps will be taken to bring any period of suspension to an end as soon as possible.

Shareholders who have requested issue or repurchases of Shares of any class or exchanges of Shares of one class to another will be notified of any such suspension in such manner as may be directed by the Directors and, unless withdrawn but subject to the limitation referred to above, their requests will be dealt with on the first relevant Dealing Day after the suspension is lifted. Any such suspension will be notified on the same Business Day to the Authority and to the Irish Stock Exchange and will be communicated without delay to the competent authorities in the Member States in which it markets its Shares. Details of any such suspension will also be notified to all Shareholders and will be published in a newspaper circulating in the European Union, or such other publications as the Directors may determine if, in the opinion of the Directors, it is likely to exceed 14 days.

### **Form of Shares, Share Certificates and Transfer of Shares**

Shares will be in non-certificated form. Contract notes providing details of the trade will normally be issued within four Business Days of the relevant Dealing Day. Confirmation of ownership evidencing entry in the register will normally be issued within four Business Days of the relevant Dealing Day upon receipt of all original documentation required by the Administrator. Share certificates will not be issued.

Shares in each Fund will be transferable by instrument in writing in common form or in any other form approved by the Directors and signed by (or, in the case of a transfer by a body corporate, signed on behalf of or sealed by) the transferor. Transferees will be required to complete an Application Form and provide any other documentation reasonably required by the Administrator. In the case of the death of one of joint Shareholders, the survivor or survivors will be the only person or persons recognised by the Company as having any title to or interest in the Shares registered in the names of such joint Shareholders.

Shares may not be transferred to (i) a United States Person (except pursuant to an exemption available under U.S. securities laws); or (ii) any person who does not clear such money laundering checks as the Directors may determine or who appears to be in breach of any law or requirement of any country or governmental authority or by virtue of which such person is not qualified to hold such Shares; or (iii) any person which in the opinion of the Directors might result in the Company incurring any liability to taxation or suffering other pecuniary legal or material administrative disadvantages or being in breach of any law or regulation which the Company might not otherwise have incurred, suffered or breached; or (iv) or by a minor or person of unsound mind; or (v) any person unless the transferee of such Shares would, following such transfer, be the holder of Shares equal to or greater than the Minimum Initial Investment Amount; or (vi) any person in circumstances where as a result of such transfer the transferor or transferee would hold less than the Minimum Shareholding; or (vii) any person where in respect of such transfer any payment of taxation remains outstanding; or (viii) in any other circumstances prohibited by the Articles as described herein. Registration of any transfer may be refused by the Directors if, following the transfer, either transferor or transferee would hold Shares having a value less than the Minimum Shareholding for that class of Shares specified in the Supplement for the relevant Fund.

If the transferor is, or is deemed to be, or is acting on behalf of a Taxable Irish Person, the Company is entitled to repurchase and cancel a sufficient portion of the transferor's Shares as will enable the Company to pay the tax payable in respect of the transfer to the Revenue Commissioners in Ireland.

### **Notification of Prices**

The issue and repurchase price of each class of Shares in each Fund will be available from the Administrator, and will be published on each Business Day on the Investment Manager's website <http://www.distinctionfunds.co.uk/daily-prices/>. Such prices will usually be the prices applicable to the previous Dealing Day's trades and are therefore only indicative.

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## **FEES AND EXPENSES**

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Particulars of the specific fees and expenses (including performance fees, if any) payable to the Investment Manager, any Distributor, the Administrator and the Custodian are set out in the relevant Supplement.

The Company may pay out of the assets of each Fund the fees and expenses payable to the Investment Manager, any Distributor, any Sub-Distributor, the Custodian and the Administrator, the fees and expenses of sub-custodians which will be at normal commercial rates, the fees and expenses of the Directors (if any, as referred to below), any fees in respect of circulating details of the Net Asset Value, stamp duties, all taxes and VAT, company secretarial fees, any costs incurred in respect of meetings of Shareholders, marketing and distribution costs, investment transaction charges, costs incurred in respect of the distribution of income to Shareholders, the fees and expenses of any paying agent or representative appointed in compliance with the requirements of another jurisdiction, any amount payable under indemnity provisions contained in the Articles or any agreement with any appointee of the Company, all sums payable in respect of directors' and officers' liability insurance cover, brokerage or other expenses of acquiring and disposing of investments, the fees and expenses of the auditors, tax and legal advisers and fees connected with listing the Shares on the Irish Stock Exchange and registering the Company for sale in other jurisdictions. The costs of printing and distributing this Prospectus, reports, accounts and any explanatory memoranda, any necessary translation fees, the costs of publishing prices and any costs incurred as a result of periodic updates of the Prospectus, or of a change in law or the introduction of any new law (including any costs incurred as a result of compliance with any applicable code, whether or not having the force of law) may also be paid out of the assets of the Company. Such fee arrangements shall be disclosed in the Supplement for the relevant Fund.

Such fees, duties and charges will be charged to the Fund in respect of which they were incurred or, where an expense is not considered by the Directors to be attributable to any one Fund, the expense will be allocated by the Directors with the approval of the Custodian, in such manner and on such basis as the Directors in their discretion 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 and expenses on an estimated figure for yearly or other periods in advance and accrue the same in equal proportions over any period.

The Directors will be entitled to remuneration for their services as directors provided however that the aggregate annual emoluments of the Directors shall not exceed €110,000 or such other amount as may be approved by a resolution of the Directors or the Shareholders in general meeting. 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.

The cost of establishing the Company, obtaining authorisation from any authority, listing the Shares on the Irish Stock Exchange, filing fees, the preparation and printing of this Prospectus, marketing costs and the fees of all professionals relating to it which are estimated not to exceed Stg£75,000 will be borne by the Company and amortised over the first five years of the Company's operation (or such other period as may be determined by the Directors at their discretion) and charged to the first Funds (including at the discretion of the Directors subsequent Funds established by the Company within such period) on such terms and in such manner as the Directors may at their discretion determine. The cost of establishing subsequent funds will be charged to the relevant Fund.

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## TAXATION

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### General

The following statements on taxation are by way of a general guide to potential investors and Shareholders only and do not constitute tax advice. Shareholders and potential investors are, therefore, advised to consult their professional advisers concerning possible taxation or other consequences of purchasing, holding, selling or otherwise disposing of the Shares under the laws of their country of incorporation, establishment, citizenship, residence or domicile.

Shareholders and potential investors should note that 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 and proposed regulations and legislation in draft form. 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 is made in the Company will endure indefinitely.

### Ireland

#### *Tax On Income And Capital Gains*

##### The Company

The Company will only be subject to tax on chargeable events in respect of Shareholders who are Taxable Irish Persons (generally persons who are resident or ordinarily resident in Ireland for tax purposes – see certain Irish Tax Definitions for more details).

A chargeable event occurs on:

- (a) a payment of any kind to a Shareholder by the Company; and
- (b) a transfer of Shares; and
- (c) on the eight anniversary of a Shareholder acquiring Shares and every subsequent eight anniversary.

but does not include any transaction in relation to Shares held in a clearing system recognised by the Irish Revenue Commissioners, certain transfers arising as a result of an amalgamation or reconstruction of fund vehicles and certain transfers between spouses or former spouses.

If a Shareholder is not a Taxable Irish Person at the time a chargeable event arises no Irish tax will be payable on that chargeable event in respect of that Shareholder.

Where tax is payable on a chargeable event, subject to the comments below, it is a liability of the Company which is recoverable by deduction or, in the case of a transfer and on the eight year rolling chargeable event, by cancellation or appropriation of Shares from the relevant Shareholders. In certain circumstances and only after notification by the Company to a Shareholder, the tax payable on the eight year rolling chargeable event can at the election of the Company become a liability of the Shareholder rather than the Company. In such circumstances the Shareholder must file an Irish tax return and pay the appropriate tax (at the rate set out below) to Irish Revenue Commissioners.

In the absence of the appropriate declaration being received by the Company that a Shareholder is not a Taxable Irish Person or if the Company has information that would reasonably suggest that such a declaration is incorrect and in the absence of written notice of approval from the Revenue Commissioners to the effect that the requirement to have been provided with such declaration is deemed to have been complied with (or following the withdrawal of, or failure to meet any conditions attaching to such approval), the Company will be obliged to pay tax on the occasion of a chargeable event.

Where the chargeable event is an income distribution, tax will be deducted at the rate of 27% on the amount of the distribution. Where the chargeable event occurs on any other payment to a Shareholder, on a transfer of Shares and on the eight year rolling chargeable event tax will be deducted at the rate of 30% on the increase in value of the Shares since their acquisition. In respect of the eight year rolling chargeable event, there is a mechanism for obtaining a refund of tax where the Shares are subsequently disposed of for a lesser value.

The Finance Act 2007 introduced an anti-avoidance provision that increases the 30% rate of tax to 50% if, under the terms of an investment in a fund, the investor or certain persons associated with the investor have an ability to influence the selection of the assets of the fund.

Other than in the circumstances described above the Company will have no liability to Irish taxation on income or chargeable gains.

## **Shareholders**

Shareholders who are neither resident nor ordinarily resident in Ireland in respect of whom the appropriate declarations have been made (or in respect of whom written notice of approval from the Revenue Commissioners has been obtained by the Company to the effect that the requirement to have been provided with such declaration from that Shareholder or class of shareholders to which the Shareholder belongs is deemed to have been complied with) will not be subject to Irish tax on any distributions from the Company or any gain arising on a redemption, repurchase or transfer of their Shares provided the Shares are not held through a branch or agency in Ireland and the shares, if unlisted, do not derive the greater part of their value from Irish land or mineral rights. No tax will be deducted from any payments made by the Company to Shareholders who are not Taxable Irish Persons.

Shareholders who are Irish resident or ordinarily resident or who hold their Shares through a branch or agency in Ireland may have a liability under the self-assessment system to pay tax or further tax on any distribution or gain arising from their holdings of Shares.

Refunds of tax where a relevant declaration could be made but was not in place at the time of a chargeable event are generally not available except in the case of certain corporate Shareholders within the charge to Irish corporation tax.

## **Stamp Duty**

No Irish stamp duty will be payable on the subscription, transfer or repurchase of Shares provided that no application for Shares or repurchase, redemption or transfer of Shares is satisfied by an in specie transfer of any Irish situated property.

## **Capital Acquisitions Tax**

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

- (a) at the date of the disposition the transferor 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 disposition at the date of the gift or inheritance and the valuation date.

## **Other Irish Tax Matters**

The income and/or gains of a Company from its securities and assets may suffer withholding tax in the countries where such income and/or gains arise. The Company may not be able to benefit from reduced rates of withholding tax in double taxation agreements between Ireland and such countries. If this position changes in the future and the application of a lower rate results in repayment to that Company, the Net Asset Value of the Company will not be restated and the benefit will be allocated to the existing Shareholders rateably at the time of repayment.

## **EU Savings Directive**

On 3 June, 2003 the Council of the European Union (ECOFIN) adopted a directive regarding the taxation of interest income. Each EU Member State must implement the directive by enacting legislation that requires paying agents (within the meaning of the directive) established within its territory to provide to the relevant competent authority details of interest payments (which includes certain payments made by collective investment undertakings) such as the Company made to any individual and certain intermediate entities resident in another EU Member State or a territory being a dependent or associated territory of an EU Member State (**Relevant Territory**). The competent authority of the EU Member State of the paying agent (within the meaning of the directive) is then required to communicate this information to the competent authority of the Relevant Territory of which the beneficial owner of the interest is a resident.

Austria and Luxembourg may opt instead to withhold tax from interest payments within the meaning of the directive. Belgium previously operated a withholding system but changed to the provision of information with effect from 1 January 2010.

Member States must apply the respective provisions with effect from 1 July, 2005, Ireland has implemented the directive into national law. Any Irish paying agent making an interest payment on behalf of the Fund to an individual, and certain residual entities defined in the TCA, resident in another Relevant Territory will have to provide details of the payment to the Irish Revenue Commissioners who in turn will provide such information to the competent authorities of the Relevant Territory of residence of the individual or residual entity concerned.

Broadly speaking, for income distributions, it is only if the Fund has invested more than 15% of its assets directly or indirectly in interest bearing securities and for capital distributions, it is only if the fund has invested more than 25% of its assets directly or indirectly in interest bearing securities, that payments received from the Fund would be subject to reporting obligations.

### **Certain Irish Tax Definitions**

#### **(i) Residence - Company**

A company which has its central management and control in the Republic of Ireland (the **State**) is resident in the State irrespective of where it is incorporated. A company which does not have its central management and control in the State but which is incorporated in the State is resident in the State except where:-

- the company or a related company carries on a trade in the State, and either the company is ultimately controlled by persons resident in Member States or, in countries with which the State has a double taxation treaty, or the company or a related company are quoted companies on a recognised Stock Exchange in the EU or in a taxation treaty country

or

- the company is regarded as not resident in the State under a double taxation treaty between the State and another country.

It should be noted that the determination of a company's residence for tax purposes can be complex in certain cases and declarants are referred to the specific legislative provisions which are contained in section 23A of the TCA.

#### **(ii) Residence – Individual**

An individual will be regarded as being resident in the State for a tax year if s/he:

- 1) spends 183 days or more in the State in that tax year;

or

- 2) has a combined presence of 280 days in the State, taking into account the number of days spent in the State in that tax year together with the number of days spent in the State in the preceding year.

Presence in a tax year by an individual of not more than 30 days in the State will not be reckoned for the purpose of applying the two year test. Up to 31 December, 2008, presence in the State for a day means the personal presence of an individual at the end of the day (midnight). **From 1 January 2009, presence in the State for a day means the personal presence of an individual at any time during the day.**

#### **(iii) 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 the State 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 the State ceases to be ordinarily resident at the end of the third consecutive tax year in which s/he is not resident. Thus, an individual who is resident and ordinarily resident in the State in 2005 and departs from the State in that tax year will

remain ordinarily resident up to the end of the tax year in 2008.

(iv) **Intermediary**

This means a person who:-

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

## **United Kingdom Taxation**

### **United Kingdom**

#### *The Company*

The Directors intend that the Company should be managed and conducted so that it does not become resident in the United Kingdom for United Kingdom taxation purposes. Accordingly, and provided that the Company does not carry on a trade in the United Kingdom through a permanent establishment situated therein for United Kingdom taxation purposes, the Company will not be subject to United Kingdom corporation tax on income and capital gains arising to it. The Directors intend that the affairs of the Company are conducted so that no such permanent establishment will arise insofar as this is within their control, but it cannot be guaranteed that the conditions necessary to prevent any such permanent establishment coming into being will at all times be satisfied.

Interest and other income received by the Company which has a United Kingdom source may be subject to withholding taxes in the United Kingdom.

#### *Shareholders*

United Kingdom Shareholders (whether individual or corporate) should note that a new offshore funds taxation regime was introduced on 1 December 2009. In accordance with the new offshore funds regime, each share class will be viewed as a separate "offshore fund" for United Kingdom tax purposes under Part 8 of the Finance Act 2008 ("FA 2008").

United Kingdom resident or ordinarily resident shareholders should also be aware of the provisions of The Offshore Funds (Tax) Regulations 2009 ("Regulations 2009"), which have been introduced with effect from 1 December 2009. From that date, the introduction of the reporting fund regime has replaced the distributing fund regime. Certification as a distributing fund is granted retrospectively whereas the reporting fund regime requires an offshore fund to seek advance approval from HM Revenue and Customs ("HMRC") to be treated as a reporting fund. Once an offshore fund has been granted reporting fund status, it maintains that status for so long as it continues to satisfy the conditions to be a reporting fund, without an application for further certification by HMRC.

The Directors of the Company have applied for and received approval from HMRC for all share classes of the Company to be treated as reporting funds for the purposes of the Regulations 2009 for the period ended 31 December 2011 and subsequent periods.

Part 2 of the Regulations 2009 provide that if any shareholder who is resident or ordinarily resident in the United Kingdom for taxation purposes holds an interest in an overseas company that constitutes an offshore fund and that interest does not qualify as a reporting fund (or for any United Kingdom Shareholders invested prior to 1 January 2011, a distributing fund) throughout the period during which the Shareholder holds that interest, any gain accruing to the Shareholder upon the sale, redemption or other disposal of that interest (which may include, redemption by the Company) or switch (where the switch is either between share classes of the same fund, where the original share class was not at some point certified as a distributing or reporting fund and the "new" share class has always been certified as a distributing or reporting fund, as applicable), or a switch between different sub-funds (as distinct from switches between different share classes of the same fund) will be taxed at the time of such sale, redemption or disposal as income ("offshore income gain") and not as a capital gain unless the shareholder makes an election under section 48 of the Regulations 2009 for a deemed disposal at the date of conversion of the relevant share class from a non-reporting fund to a reporting fund.

Where such gains are taxed as income, no relief will be available for capital gains tax exemptions or other reliefs.

Where an offshore fund has been certified as a distributing fund or reporting fund for each accounting period during which the Shareholder has held his interest in the offshore fund, any gain arising will be calculated and taxed as a capital gain, rather than as an offshore income gain.

Where an offshore fund has been previously granted distributing fund status for the purposes of Chapter V, Part XVII of the Income and Corporation Taxes Act 1988 ("ICTA 1988") there will be no impact on Shareholders of the transition from distributing fund status to reporting fund status.

All share classes of the Company have been certified as distributing funds for all periods up to and including the period ended 31 December 2009. The Directors intend to apply to HMRC for approval of all share classes of the Company as distributing funds for the period ended 31 December 2010. Although the Directors will endeavour to ensure that approvals are obtained in respect of distributing fund status and that the appropriate conditions for reporting fund status continue to be met, there can be no guarantee that they will be obtained or so met, or that once obtained or met, they will continue to be obtained or met for future accounting periods.

Under the reporting fund regime, United Kingdom Shareholders will be subject to tax on any sums distributed by the Company, together with a deemed distribution of any excess of reported income over the sums distributed. Reported income is calculated after specified adjustments have been made to the net revenue/expense after taxation disclosed in the accounts for the Company and reported income may be more or less than the net revenue/expense so disclosed. The Directors will make available details of reported income for the Company via a suitable method to be determined.

#### *Taxation of income*

Subject to their personal circumstances, Shareholders resident in the United Kingdom for taxation purposes will be liable to United Kingdom income tax or corporation tax (subject to the provisions governing the taxation of foreign profits) on dividends paid or other distributions of income made by the Company whether or not such distributions are reinvested in the Company, together with a deemed distribution of any excess of reported income over the sums distributed.

A United Kingdom individual who is resident, or an eligible non-United Kingdom resident (e.g. an individual opting to be taxed on a remittance basis), that receives a relevant income distribution made by a non-United Kingdom resident company is entitled to a non-refundable tax credit equal to one-ninth of the amount of the grossed up distribution. The non-refundable tax credit is available in respect of distributions (including any sums treated as an excess of reported income) from offshore funds unless the offshore fund fails to meet the qualifying investments test at any time in the relevant period. An offshore fund fails to meet the qualifying investments test if the market value of the fund's qualifying investments exceeds 60 per cent of all of the assets of the fund (excluding cash awaiting investment). Qualifying investments include those assets which are interest bearing assets (e.g. cash on deposit, certain derivative contracts or holdings in other collective investment schemes which do not themselves satisfy the qualifying investments test). Where an offshore fund fails to meet the qualifying investments test the distribution is treated as interest under Chapter 2 of Part 4 of the Income Tax (Trading and Other Income) Act 2005.

With effect from 1 July 2009, under the Finance Act 2009 ("FA 2009") where a dividend or other distribution is received by a company which is resident in the United Kingdom and is a small company, that dividend will normally be exempt from corporation tax provided the payer is a resident of a qualifying territory. For the purposes of this legislation the Company is a resident of a qualifying territory. Where a dividend or other distribution is received by a company which is resident in the United Kingdom and is not a small company, that dividend will be exempt from corporation tax if the distribution falls into an exempt class. For the purposes of this legislation the exempt classes include distributions from controlled companies, distributions in respect of non-redeemable ordinary shares and distributions in respect of portfolio holdings where the recipient holds less than 10 per cent of the issued share capital of the payer.

#### *Taxation of individuals not domiciled in the United Kingdom*

Shareholders who are individuals resident or ordinarily resident but not domiciled in the United Kingdom will be liable to tax on disposals on a remittance basis in certain circumstances. Currently, individuals who have been United Kingdom resident but non-United Kingdom domiciled or non-United Kingdom ordinarily resident for at least seven of the nine tax years immediately preceding the relevant tax year will, in order to retain the benefit of

the remittance basis of taxation, be obliged to pay an annual charge of £30,000 to HMRC. If no claim for the remittance basis to apply is made by the individual Shareholder, this will result in such individuals becoming subject to United Kingdom tax on their worldwide income and gains. These rules are to undergo consultation in June 2011 with the annual charge potentially being increased from April 2012 to £50,000 for those individuals who have been resident in the UK for at least twelve years.

#### *Anti-avoidance provisions*

Shareholders who are individuals ordinarily resident in the United Kingdom for taxation purposes may be impacted by Chapter II of Part XIII of the Income Tax Act 2007 ("ITA 2007"). These provisions are aimed at preventing the avoidance of income tax by individuals through the transfer of assets resulting in income becoming payable to persons (including companies) resident or domiciled outside the United Kingdom and may render them liable to income tax in respect of the undistributed income or profits of the Company on an annual basis, where the income has not already been attributed to the individual under a separate provision. However the provisions will not apply to Shareholders if they can demonstrate that it would not be reasonable to conclude that avoiding liability to United Kingdom taxation was the purpose or one of the purposes of his investment in the Company. The anti-avoidance provisions will also not apply if it can be demonstrated that all relevant transactions were genuinely commercial, carried out for the purposes of a trade or business and on arm's length terms. It must also be demonstrated that it would not be reasonable to conclude that any of the relevant transactions was more than incidental to the purpose of avoiding liability to taxation.

Chapter IV of Part XVII of the Income and Corporation Taxes Act 1988 ("ICTA 1988") subjects UK resident companies to tax on the profits of companies not so resident in which they have an interest. The provisions affect UK resident companies which, hold alone or together with certain other associated persons, shares which confer a right to at least 25 per cent. of the profits of a non-resident company where that non-resident company is controlled by persons who are resident in the UK and is subject to a lower level of taxation in its territory of residence. The legislation provides for certain exceptions including an exception for a company which implements an "acceptable distribution policy" which broadly requires the Company to distribute annually 90 per cent. of its net chargeable profits as calculated for UK tax purposes. Whilst it is likely that the Company will satisfy the "acceptable distribution" test, and indeed United Kingdom Shareholders will be subject to tax on deemed distributions of any excess of reported income over the sums distributed, UK resident companies holding a right to 25 per cent. or more of the profits of the Company (directly or indirectly) should take their own specific professional taxation advice. These provisions are not directed towards the taxation of capital gains.

The "controlled foreign company" regime is currently undergoing consultation, and it is expected that reform of the legislation will take place in the future. The attention of persons resident or ordinarily resident in the United Kingdom for taxation purposes (and who, if individuals, are also domiciled in the United Kingdom for those purposes) is drawn to the provisions of Section 13 of the Taxation of Chargeable Gains Act 1992 ("Section 13"). Section 13 applies to a "participator" for United Kingdom taxation purposes (which term includes a Shareholder) if at any time when a gain accrues to the Company which constitutes a chargeable gain for those purposes, the Company is itself controlled by a sufficiently small number of persons so as to render the Company a body corporate that would, were it to have been resident in the United Kingdom for taxation purposes, be a "close" company for those purposes. The provisions of Section 13 could, if applied, result in any such person who is a "participator" in the Company being treated for the purposes of United Kingdom taxation of chargeable gains as if a part of any chargeable gain accruing to the Company had accrued to that person directly, that part being equal to the proportion of the gain that corresponds to that person's proportionate interest in the Company as a "participator". No liability under Section 13 could be incurred by such a person however, where such proportion does not exceed one-tenth of the gain.

Chapter 3 of Part 6 of the Corporation Tax Act 2009 ("CTA 2009") provides that if more than 60 per cent by value of the assets of a fund are qualifying investments then any United Kingdom corporate Shareholder's holding would normally be taxed as a creditor relationship under the loan relationship rules. Qualifying investments are broadly defined as those which yield a return directly or indirectly in the form of interest. In the event that the Company fails to satisfy the qualifying investments test, then Shareholders within the charge to United Kingdom corporation tax would in these circumstances be required to account for their interest in the Company under the loan relationships regime, in which case all returns on their shares in the relevant accounting period (including gains and losses) would be taxed or relieved as an income receipt or expense on a "mark to market" or "fair value" basis, depending on their applicable accounting regime and treatment. Such investors might therefore, depending upon their particular circumstances, incur a charge to United Kingdom corporation tax on an unrealised increase in the value of the shares (or obtain relief against United Kingdom corporation tax for an unrealised diminution in the value of their shares). Any difference between the proceeds arising on a disposal and the open-market value at the start of the accounting period in which the disposal is made must be brought into the tax computation for the accounting period in which the disposal is made. United

Kingdom corporate Shareholders affected by these rules should seek their own specific professional tax advice.

In addition, it is understood that in such circumstances the shares would also be regarded as a “qualifying asset” for the purpose of taxing foreign exchange movements under the Finance Act 1993 so that differences in the sterling accrued equivalent of the initial US Dollar or Euro investment would be taxable as a non-trading income receipt or loss as the case may be. The provisions relating to non-reporting funds and to holdings in controlled foreign companies (outlined above) would not then apply to such corporate shareholders.

#### *Stamp Duty and Stamp Duty Reserve Tax*

Transfers of shares which are executed in the United Kingdom or where there is any connection with the United Kingdom, such as the purchaser being a United Kingdom resident, are technically liable to United Kingdom stamp duty at the rate of 0.5 per cent on transfer. However, this liability may effectively be avoided by ensuring that any transfer document is executed and retained outside the United Kingdom. No United Kingdom stamp duty should have to be paid if this is done. No Stamp Duty Reserve Tax (“SDRT”) is payable on any agreement to transfer the shares because they are not “chargeable securities” for United Kingdom SDRT purposes.

#### **Other Jurisdictions**

As Shareholders are no doubt aware, the tax consequences of any investment can vary considerably from one jurisdiction to another, and ultimately will depend on the tax regime of the jurisdictions within which a person is tax resident. **Therefore the Directors strongly recommend that Shareholders obtain tax advice from an appropriate source in relation to the tax liability arising from the holding of Shares in the Company and any investment returns from those Shares.** It is the Director’s intention to manage the affairs of the Company so that it does not become resident outside of Ireland for tax purposes.

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## GENERAL INFORMATION

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### **Reports and Accounts**

The Company's year end is 31 December in each year. The annual report and audited accounts of the Company will be sent to the Irish Stock Exchange and made available to Shareholders within four months after the conclusion of each accounting year and at least 21 days before the general meeting of the Company at which they are to be submitted for approval. The latest annual report was published within four months of 31 December 2010. The Company will also prepare unaudited semi-annual reports which will be sent to the Irish Stock Exchange and made available to Shareholders within two months after 30 June in each year. The latest semi-annual report was published within two months of 30 June 2011.

Such reports and accounts will contain a statement of the Net Asset Value of each Fund and of the investments comprised therein as at the year end or the end of such semi-annual period.

### **Directors' Confirmation – Commencement of Business**

The Directors confirm that the Company was incorporated on 23 December 2004.

### **Incorporation and Share Capital**

The Company was incorporated and registered in Ireland under the Companies Act, 1963 to 2009 as an open-ended investment company with variable capital on 23 December 2004 with registered number 395711.

At the date hereof the authorised share capital of the Company is 1,000,000,000,000 Shares of no par value initially designated as unclassified shares.

The unclassified shares are available for issue as Shares. The issue price is payable in full on acceptance. There are no rights of pre-emption attaching to the Shares in the Company.

### **Memorandum and Articles of Association**

Clause 2 of the Memorandum of Association provides that the sole object of the Company is the collective investment in transferable securities and/or other liquid financial assets of capital raised from the public operating on the principle of risk-spreading in accordance with the Regulations.

The Articles contain provisions to the following effect:

- 1. Directors' Authority to Allot Shares.** The Directors are generally and unconditionally authorised to exercise all powers of the Company to allot relevant securities, including fractions thereof, up to an amount equal to the authorised but as yet unissued share capital of the Company;
- 2. Variation of rights.** The rights attached to any class may, be varied or abrogated with the consent in writing of the holders of three-fourths in number of the issued Shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the Shares of the class, and may be so varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding-up. The quorum at any such separate general meeting, other than an adjourned meeting, shall be two persons holding or representing by proxy at least one third of the issued Shares of the class in question and the quorum at an adjourned meeting shall be one person holding Shares of the class in question or his proxy;
- 3. Voting Rights.** Subject to any rights or restrictions for the time being attached to any class or classes of Shares, on a show of hands every holder who is present in person or by proxy shall have one vote and the holder(s) of subscriber shares present in person or by proxy shall have one vote in respect of all the subscriber shares in issue and on a poll every holder present in person or by proxy shall have one vote for every Share of which he is the holder and every holder of a subscriber share present in person or by proxy shall have one vote in respect of his holding of subscriber shares. Holders who hold a fraction of a Share may not exercise any voting rights, whether on a show of hands or on a poll, in respect of such fraction of a Share;
- 4. Alteration of Share Capital.** The Company may from time to time by ordinary resolution increase the

share capital by such amount and/or number as the resolution may prescribe;

The Company may also by ordinary resolution:

- (i) consolidate and divide all or any of its share capital into Shares of larger amount;
- (ii) subdivide its Shares, or any of them, into Shares of smaller amount or value;
- (iii) cancel any Shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and reduce the amount of its authorised share capital by the amount of the Shares so cancelled; or
- (iv) redenominate the currency of any class of Shares.

5. **Directors' Interests.** Provided that the nature and extent of his interest shall be disclosed as set out below, no Director or intending Director shall be disqualified by his office from contracting with the Company nor shall any such contract or any contract or arrangement entered into by or on behalf of any other company in which any Director shall be in any way interested be avoided nor shall any Director so contracting or being 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.

The nature of a Director's interest must be declared by him at the meeting of the Directors at which the question of entering into the contract or arrangement is first taken into consideration, or if the Director was not at the date of that meeting interested in the proposed contract or arrangement at the next meeting of the Directors held after he became so interested, and in a case where the Director becomes interested in a contract or arrangement after it is made, at the first meeting of the Directors held after he becomes so interested.

A Director shall not vote at a meeting of the Directors or of any committee established by the Directors on any resolution concerning a matter in which he has, directly or indirectly, an interest which is material (other than an interest arising by virtue of his interest in Shares or debentures or other securities or otherwise in or through the Company) or a duty which conflicts or may conflict with the interests of the Company. A Director shall not be counted in the quorum present at a meeting in relation to any such resolution on which he is not entitled to vote.

6. **Borrowing Powers.** The Directors may exercise all of the powers of the Company to borrow or raise money and to mortgage, or charge its undertaking, property and assets (both present and future) and uncalled capital or any part thereof and to issue securities, whether outright or as collateral security for any debt, liability or obligation of the Company provided that all such borrowings shall be within the limits and conditions laid down by the Authority;
7. **Delegation to Committee.** The Directors may delegate any of their powers to any committee consisting of Directors. Any such delegation may be made subject to any conditions the Directors may impose, and either collaterally with or to the exclusion of their own powers and may be revoked. Subject to any such conditions, the proceedings of a committee with two or more members shall be governed by the provisions of the Articles of Association regulating the proceedings of Directors so far as they are capable of applying;
8. **Retirement of Directors.** The Directors shall not be required to retire by rotation or by virtue of their attaining a certain age;
9. **Directors' Remuneration.** Unless and until otherwise determined from time to time by the Company in general meeting, the ordinary remuneration of each Director shall be determined from time to time by resolution of the Directors. Any Director who is appointed as an executive director (including for this purpose the office of chairman or deputy chairman) or who serves on any committee, or who otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director, may be paid such extra remuneration by way of fees, commission or otherwise as the Directors may determine. The Directors may be paid all travelling, hotel and other out-of-pocket expenses properly incurred by them in connection with their attendance at meetings of the Directors or committees established by the Directors or general meetings or separate meetings of the holders of any class of Shares of the Company or otherwise in connection with the discharge of their duties;

10. **Transfer of Shares.** Subject to the restrictions set out below, the Shares of any holder may be transferred by instrument in writing in any usual or common form or any other form, which the Directors may approve.

The Directors in their absolute discretion and without assigning any reason therefor may decline to register any transfer of a Share to a U.S. Person (other than pursuant to an exemption available under the laws of the United States), any person who, by holding Shares, would appear to be in breach of any law or requirement of any country or governmental authority or by virtue of which such person is not qualified to hold such Shares or might result in the Company incurring any liability to taxation or suffering pecuniary legal or material administrative disadvantages or being in breach of any law or regulation which the Company might not otherwise have incurred, suffered or breached, any transfer to an individual under the age of 18, any transfer to or by a minor or a person of unsound mind, any transfer unless the transferee of such Shares would following such transfer be the holder of Shares with a value at the then current subscription price equal to or greater than the Minimum Initial Investment Amount, any transfer in circumstances where as a result of such transfer the transferor or transferee would hold less than the Minimum Shareholding and any transfer in regard to which any payment of taxation remains outstanding.

The Directors may decline to recognise any instrument of transfer unless it is accompanied by the certificate for the Shares to which it relates (if issued), is in respect of one class of Share only, is in favour of not more than four transferees and is lodged at the registered office or at such other place as the Directors may appoint. The Directors may decline to register any transfer of Shares unless the transferor and the transferee have provided the Administrator with such evidence of their identities as the Administrator may reasonably require.

11. **Right of Repurchase.** Shareholders have the right to request the Company to repurchase their Shares in accordance with the provisions of the Articles of Association;
12. **Dividends.** The Articles of Association permit the Directors to declare such dividends on any class of Shares as appear to the Directors to be justified by the profits of the relevant Fund. The Directors may satisfy any dividend due to holders of Shares 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 the relevant Fund is entitled. A holder may require the Directors instead of transferring any assets in specie to him, to arrange for a sale of the assets and for payment to the holder of the net proceeds of same. Any dividend unclaimed for six years from the date of declaration of such dividend shall be forfeited and shall revert to the relevant Fund;
13. **Funds.** The Directors are required to establish a separate portfolio of assets for each Fund created by the Company from time to time, to which the following shall apply:-
- (i) for each Fund the Company shall keep separate books and records in which all transactions relating to the relevant Fund shall be recorded and, in particular, the proceeds from the allotment and issue of Shares of each class in the Fund, and the investments and the liabilities and income and expenditure attributable thereto shall be applied to such Fund subject to the provisions of the Articles;
  - (ii) any asset derived from any other asset(s) (whether cash or otherwise) comprised in any Fund, shall be applied in the books and records of the Company to the same Fund as the asset from which it was derived and any increase or diminution in the value of such an asset shall be applied to the relevant Fund;
  - (iii) in the event that there are any assets of the Company which the Directors do not consider are attributable to a particular Fund or Funds, the Directors shall, with the approval of the Custodian, allocate such assets to and among any one or more of the Funds in such manner and on such basis as they, in their discretion, deems fair and equitable; and the Directors shall have the power to and may at any time and from time to time, with the approval of the Custodian, vary the basis in relation to assets previously allocated;
  - (iv) each Fund shall be charged with the liabilities, expenses, costs, charges or reserves of the Company in respect of or attributable to that Fund and any such liabilities, expenses, costs, charges, or reserves of the Company not attributable to any particular Fund or Funds shall be allocated and charged by the Directors, with the approval of the Custodian, in such manner and

on such basis as the Directors, in their sole and absolute discretion deem fair and equitable, and the Directors shall have the power to and may at any time and from time to time, with the approval of the Custodian, vary such basis including, where circumstances so permit, the re-allocation of such liabilities, expenses, costs, charges and reserves;

- (v) in the event that any asset attributable to a Fund is taken in execution of a liability not attributable to that Fund, the provisions of Section 256E of the Companies Act 1990 (as amended), shall apply.

**14. Fund Exchanges.** Subject to the provisions of the Articles of Association, a Shareholder holding Shares in any class in a Fund on any Dealing Day shall have the right from time to time to exchange all or any of such Shares for Shares of another class (such class being either an existing class or a class agreed by the Directors to be brought into existence with effect from that Dealing Day);

**15. Winding up.** The Articles contain provisions to the following effect:

- (i) If the Company shall be wound up the liquidator shall, subject to the provisions of the Companies Acts, apply the assets of each Fund in such manner and order as he thinks fit in satisfaction of creditors' claims relating to that Fund;
- (ii) The assets available for distribution amongst the holders shall be applied as follows: first the proportion of the assets in a Fund attributable to each class of Share shall be distributed to the holders of Shares in the relevant class in the proportion that the number of Shares held by each holder bears to the total number of Shares relating to each such class of Shares in issue as at the date of commencement to wind up; secondly, in the payment to the holder(s) of the subscriber shares of sums up to the notional amount paid thereon out of the assets of the Company not attributable to any class of Share. In the event that there are insufficient assets to enable such payment in full to be made, no recourse shall be had to the assets of the Company attributable to each class of Share; and thirdly, any balance then remaining and not attributable to any of the classes of Shares shall be apportioned pro-rata as between the classes of Shares based on the Net Asset Value attributable to each class of Shares as at the date of commencement to wind up and the amount so apportioned to a class shall be distributed to holders pro-rata to the number of Shares in that class of Shares held by them;
- (iii) A Fund may be wound-up pursuant to Section 256E of the Companies Act 1990 (as amended) and in such event the provisions in this paragraph 15 shall apply mutatis mutandis in respect of the Fund;
- (iv) If the Company shall be wound up (whether the liquidation is voluntary, under supervision or by the court) the liquidator may, with the authority of a special resolution of the relevant holders and any other sanction required by the Companies Acts of Ireland, divide among the holders of Shares of any class or classes in a Fund in specie the whole or any part of the assets of the Company relating to that Fund, and whether or not the assets shall consist of property of a single kind, and may for such purposes set such value as he deems fair upon any one or more class or classes of property, and may determine how such division shall be carried out as between all the holders of Shares or the holders of different classes of Shares in a Fund as the case may be. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of holders as the liquidator, with the like authority, shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no holder shall be compelled to accept any assets in respect of which there is a liability. A holder may require the liquidator instead of transferring any asset in specie to him/her, to arrange for a sale of the assets and for payment to the holder of the net proceeds of same.

**16. Share Qualification.** The Articles do not contain a share qualification for Directors.

## Litigation and Arbitration

Since incorporation the Company has not been involved in any litigation or arbitration nor are the Directors aware of any pending or threatened litigation or arbitration.

## Directors' Interests

1. There are no service contracts in existence between the Company and any of its Directors, nor are any such contracts proposed;
2. At the date of this Prospectus, no Director has any interest, direct or indirect, in any assets which have been or are proposed to be acquired or disposed of by, or issued to, the Company and save as provided in (d) below no Director is materially interested in any contract or arrangement subsisting at the date hereof which is unusual in its nature and conditions or significant in relation to the business of the Company; and
3. At the date of this Prospectus neither the Directors nor any Associated Person have any beneficial interest in the share capital of the Company or any options in respect of such capital.
4. Dr. Armstrong is a Director of the Company and the Investment Manager.

## Material Contracts

The following contracts have been entered into otherwise than in the ordinary course of the business intended to be carried on by the Company and are or may be material

1. **The Custodian Agreement** dated 27 January 2005 between the Company and the Custodian, the material terms of which are set out in the Custodian section above.
2. **The Administration Agreement** dated 27 January 2005 between the Company and the Administrator (the **Administration Agreement**); this Agreement provides that the appointment of the Administrator will continue for an initial term of two calendar years until terminated by either party giving to the other not less than six calendar months written notice although in certain circumstances the Agreement may be terminated forthwith by notice in writing by either party to the other; this Agreement contains certain indemnities in favour of the Administrator which are restricted to exclude matters arising by reason of the fraud, wilful default or negligence of the Administrator, its officers or employees, agents or delegates in the performance of its or their obligations and duties;
3. The **Distribution Agreement** dated 13 July 2010 between the Company and the Distributor provides that the agreement will continue unless and until terminated by either party giving not less than 90 days' written notice to the other, although in certain circumstances the agreement may be terminated forthwith by notice in writing by either party to the other; this agreement contains certain indemnities in favour of the Distributor which are restricted to exclude matters resulting from the wilful misfeasance, bad faith, fraud, wilful default or negligence of the Distributor in the performance or non-performance of its obligations and duties.
4. The **Lead Distributor and Promoter Agreement** dated 14 November 2011 between the Company and the Promoter provides that the agreement will continue unless and until terminated by either party giving not less than 90 days' written notice to the other, although in certain circumstances the agreement may be terminated forthwith by notice in writing by either party to the other. The agreement contain certain indemnities in favour of the Promoter save to the extent that a matter arises as a result of the fraud, wilful default, negligence, bad faith or wilful misconduct of the Promoter. Pursuant to the terms of this agreement, the Promoter will act as promoter of the Company and as non-exclusive distributor of the Shares of the Funds of the Company and perform certain administrative services. Details of fees payable to the Promoter out of the assets of a particular Fund will be set out in the Supplement for that Fund.

Please refer to each Supplement for details of relevant material contracts (if any) in respect of a Fund.

## **Miscellaneous**

Save as may result from the entry by the Company into the agreements listed under "Material Contracts" above or any other fees, commissions or expenses discharged, no amount or benefit has been paid or given or is intended to be paid or given to any promoter of the Company.

Save as disclosed under the Portfolio Transactions and Conflicts of Interest section above, no commissions, discounts, brokerages or other special terms have been paid or granted or are payable for subscribing or agreeing to subscribe, or procuring or agreeing to procure subscriptions, for any Shares or loan capital of the Company.

## **Documents for Inspection**

Copies of the following documents may be obtained from the Company and inspected at the registered office of the Company during usual business hours during a Business Day at the address shown in the Directory section below:

1. the Memorandum and Articles of Association of the Company;
2. the Prospectus (as amended and supplemental to) and the Supplements;
3. the annual and semi-annual reports relating to the Company most recently prepared by the Administrator;
4. details of notices sent to Shareholders;
5. the material contracts referred to above;
6. the Regulations;
7. the UCITS series of notices issued by the Authority; and
8. a list of any directorships or partnerships, past or present, held by the Directors in the last five years.

Copies of the Memorandum and Articles of Association of the Company (and, after publication thereof, the periodic reports and accounts) may be obtained from the Administrator free of charge.

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## APPENDIX I

### MARKETS

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Subject to the provisions of the Authority Notices and with the exception of permitted investments in unlisted securities, the Company will only invest in securities listed or traded on the following stock exchanges and regulated markets which meets with the regulatory criteria (regulated, operate regularly, be recognised and open to the public);

1 (a) any stock exchange which is:

- located in an EEA Member State; or
- located in Australia, Canada, Hong Kong, Japan, New Zealand, Switzerland, United States of America; or

(b) any stock exchange included in the following list:-

Argentina	-	Bolsa de Comercio de Buenos Aires, Cordoba, Mendoza, Rosario and La Plata Stock Exchange;
Bahrain	-	Bahrain Stock Exchange;
Bangladesh	-	Chittangong Stock Exchange and Dhaka Stock Exchange;
Bermuda	-	Bermuda Stock Exchange;
Bosnia – Herzegovina	-	Sarajevo Stock Exchange and Banja Luka Stock Exchange;
Botswana	-	Botswana Stock Exchange;
Brazil	-	Bolsa de Valores de Sao Paulo, Bolsa de Valores de Brasilia, Bolsa de Valores de Bahia-Sergipe - Alagoas, Bolsa de Valores de Extremo Sul, Bolsa de Valores de Parana, Bolsa de Valores de Regional, Bolsa de Valores de Santos, Bolsa de Valores de Pernambuco e Paraiba and Bolsa de Valores de Rio de Janeiro;
Bulgaria	-	Bulgarian Stock Exchange;
Channel Islands (Guernsey & Jersey)	-	Channel Islands Stock Exchange;
Chile	-	Santiago Stock Exchange and Valparaiso Stock Exchange;
China	-	Shanghai Stock Exchange and Shenzhen Stock Exchange;
Colombia	-	Bolsa de Bogota and Bolsa de Medellin;
Croatia	-	Zagreb Stock Exchange;
Egypt	-	Cairo Stock Exchange and Alexandria Stock Exchange;
Ghana	-	Ghana Stock Exchange;
India	-	Mumbai Stock Exchange, Madras Stock Exchange, Delhi Stock Exchange, Ahmedabab Stock Exchange, Bangalore Stock Exchange, Cochin Stock Exchange, Guwahati Stock Exchange, Magadh Stock Exchange, Pune Stock Exchange, Hyderabad Stock Exchange, Ludhiana Stock Exchange, Uttar Pradesh Stock Exchange, Calcutta Stock Exchange and the National Stock Exchange of India;
Indonesia	-	Jakarta Stock Exchange and Surabaya Stock Exchange;
Israel	-	Tel-Aviv Stock Exchange;
Jamaica	-	Jamaica Stock Exchange;
Jordan	-	Amman Stock Exchange;
Kazakistan	-	Kazakhstan Stock Exchange;
Kenya	-	Nairobi Stock Exchange;
Korea	-	Korean Stock Exchange;
Kuwait	-	Kuwait Stock Exchange;
Lebanon	-	Beirut Stock Exchange;
Malaysia	-	Kuala Lumpur Stock Exchange;
Mauritius	-	Stock Exchange of Mauritius;

Mexico	-	Bolsa Mexicana de Valores;
Morocco	-	Casablanca Stock Exchange;
Namibia	-	Namibian Stock Exchange;
Nigeria	-	Nigerian Stock Exchange;
Oman	-	Muscat Securities Market;
Pakistan	-	Lahore Stock Exchange and Karachi Stock Exchange;
Palestine	-	Palestine Stock Exchange;
Peru	-	Bolsa de Valores de Lima;
Philippines	-	Philippines Stock Exchange;
Qatar	-	Doha Stock Exchange;
Romania	-	Bucharest Stock Exchange;
Russia	-	RTS Stock Exchange, MICEX (solely in relation to equity securities that are traded on level 1 or level 2 of the relevant exchange);
Saudi Arabia	-	Saudi Arabia Stock Exchange (solely in relation to government bonds);
Serbia	-	Belgrade Stock Exchange;
Singapore	-	The Stock Exchange of Singapore;
South Africa	-	Johannesburg Stock Exchange;
Sri Lanka	-	Colombo Stock Exchange;
Swaziland	-	Swaziland Stock Exchange;
Taiwan	-	Taipei Stock Exchange Corporation;
Thailand	-	The Stock Exchange of Thailand;
Trinidad & Tobago	-	The Trinidad & Tobago Stock Exchange;
Tunisia	-	Tunis Stock Exchange;
Turkey	-	Istanbul Stock Exchange;
Uganda	-	Uganda Securities Exchange;
Ukraine	-	Ukrainian Stock Exchange;
United Arab Emirates	-	Abu Dhabi Securities Market, Dubai Financial Market, Dubai International Financial Market
Uruguay	-	Montevideo Stock Exchange;
Venezuela	-	Caracas Stock Exchange and Maracaibo Stock Exchange;
Vietnam	-	Ho Chi Minh Stock Exchange (Main), Hanoi Securities Trading Centre;
Zambia	-	Lusaka Stock Exchange;
Zimbabwe	-	Zimbabwe Stock Exchange;

(c) any of the following:

The market organised by the International Capital Market Association;

The (i) market conducted by banks and other institutions regulated by the Financial Services Authority (**FSA**) and subject to the Inter-Professional Conduct provisions of the FSA's Market Conduct Sourcebook and (iii) market in non-investment products which is subject to the guidance contained in the Non Investment Products Code drawn up by the participants in the London market, including the FSA and the Bank of England;

The market in US government securities conducted by primary dealers regulated by the Federal Reserve Bank of New York and the US Securities and Exchange Commission;

The over-the-counter market in the United States conducted by primary and second dealers regulated by the Securities and Exchanges Commission and by the National Association of Securities Dealers (and by banking institutions regulated by the US Comptroller of the Currency, the Federal Reserve System or Federal Deposit Insurance Corporation);

KOSDAQ;

NASDAQ;

SESDAQ;

TAISDAQ/Gretai Market;

The Chicago Board of Trade;

The Chicago Mercantile Exchange;

The Johannesburg Securities Exchange;

The Singapore International Monetary Exchange;

The over-the-counter market in Japan regulated by the Securities Dealers Association of Japan;

The Over-the-Counter market in Canadian Government Bonds as regulated by the Investment Dealers Association of Canada;

The French market for **Titres de Creance Negotiable** (over-the-counter market in negotiable debt instruments);

- 2 In relation to any exchange traded financial derivative contract, any stock exchange on which such contract may be acquired or sold and which is regulated, operates regularly, is recognised and open to the public and which is (i) located in an EEA Member State, (ii) located in Australia, Canada, Hong Kong, Japan, New Zealand, Switzerland or the United States, (iii) the Channel Islands Stock Exchange, or (iv) listed at (c) above.
- 3 The Company may seek access to Iraq, the Ivory Coast and Panama by investing in ADR's or GDR's.
- 4 The stock exchanges and regulated markets described above are set out herein in accordance with the requirements of the Authority which does not issue a list of approved markets

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***DIRECTORY***

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**DEVONSHIRE ASSETS MANAGED FUNDS PLC**

GEORGE'S COURT  
54-62 TOWNSEND STREET  
DUBLIN 2

**DIRECTORS**

HUGH WARD

MICHAEL BOYCE

ANA ARMSTRONG

PHILIP MCENROE

**PROMOTER**

GLOBALREACH SECURITIES LIMITED  
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ST. GALL'S GARDENS SOUTH  
MILLTOWN  
DUBLIN 14

**INVESTMENT MANAGER AND DISTRIBUTOR**

ARMSTRONG INVESTMENT MANAGERS LLP  
4 QUERPEL HOUSE  
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CHELSEA SW3 4LY  
UNITED KINGDOM

**CUSTODIAN**

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IRELAND

**ADMINISTRATOR**

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IRELAND

**AUDITORS**

GRANT THORNTON  
24-26 CITY QUAY  
DUBLIN 2

**IRISH LEGAL ADVISERS TO THE COMPANY**

A&L GOODBODY SOLICITORS  
INTERNATIONAL FINANCIAL SERVICES CENTRE  
NORTH WALL QUAY  
DUBLIN 1

**SPONSORING BROKERS**

A&L LISTING LIMITED  
INTERNATIONAL FINANCIAL SERVICES CENTRE  
NORTH WALL QUAY  
DUBLIN 1

**SECRETARY**

NORTHERN TRUST INTERNATIONAL FUND ADMINISTRATION SERVICES (IRELAND) LIMITED  
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DUBLIN 2  
IRELAND