

## **PROSPECTUS**

**If you are in any doubt about the contents of this Prospectus, the risks involved in investing in the GaveKal Multi- Fund Plc (the “Company”) or the suitability for you of investment in the Company, you should consult your stock broker, bank manager, solicitor, accountant or other independent financial adviser. Prices for Shares in the Company may fall as well as rise.**

### **GaveKal Multi-Fund PLC**

(An open-ended umbrella variable capital investment company with segregated liability between Sub-Funds incorporated with limited liability in Ireland under the Companies Acts 1963 to 2009 with registration number 422577) and established as an undertaking for collective investment in transferable securities pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011).

Dated 2 July, 2012

PRELIMINARY

**THIS PROSPECTUS MAY ONLY BE ISSUED WITH ITS SUB-FUND INFORMATION CARD ATTACHED. THE SUB-FUND INFORMATION CARD CONTAINS SPECIFIC INFORMATION RELATING TO EACH SUB-FUND. TO THE EXTENT THAT THERE IS ANY INCONSISTENCY BETWEEN THIS PROSPECTUS AND A SUB-FUND INFORMATION CARD, THE RELEVANT SUB-FUND INFORMATION CARD SHALL PREVAIL.**

**SEPARATE CLASS INFORMATION CARDS MAY BE ISSUED CONTAINING SPECIFIC INFORMATION RELATING TO ONE OR MORE CLASSES WITHIN A SUB-FUND**

*This Prospectus describes GaveKal Multi-Fund plc (the "Company"), an open-ended umbrella variable capital investment company with segregated liability between Sub-Funds incorporated in Ireland and authorised by the Central Bank of Ireland (the "Central Bank") as a UCITS pursuant to the UCITS Regulations. The Company is structured as an umbrella fund and may comprise several portfolios of assets. The share capital of the Company ("Shares") may be divided into different classes of shares ("Sub-Funds") each representing a separate portfolio of assets and further sub-divided to denote differing characteristics attributable to particular Shares, into "Classes".*

**Authorisation of the Company and approval of its Sub-Funds by the Central Bank is not an endorsement or guarantee of the Company or of its Sub-Funds by the Central Bank nor is the Central Bank responsible for the contents of this Prospectus. The authorisation of the Company and approval of its Sub-Funds by the Central Bank shall not constitute a warranty as to the performance of the Company or of its Sub-Funds and the Central Bank shall not be liable for the performance or default of the Company or of its Sub-Funds.**

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

*No person has been authorised to issue any advertisement or to give any information, or to make any representations in connection with the offering, issue or sale of Shares, other than those contained in this Prospectus and, if issued, given or made, such advertisement, information or representations must not be relied upon as having been authorised by the Directors. Neither the delivery of this Prospectus nor the offer, issue or sale of any of the Shares shall under any circumstances create any implication or constitute a representation that the information given in this Prospectus is correct as of any time subsequent to the date hereof.*

*This Prospectus does not constitute, and may not be used for the purposes of, an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised, or to any person to whom it is unlawful to make such offer or solicitation. The distribution of this Prospectus and the offer, issue or sale of Shares in certain jurisdictions may be restricted and, accordingly, persons into whose possession this Prospectus comes are required to inform themselves about, and to observe, such restrictions. Prospective*

*investors should inform themselves as to (a) the legal requirements within their own jurisdictions for the purchase or holding of Shares, (b) any foreign exchange restrictions which may affect them, and (c) the income and other tax consequences which may apply in their own jurisdictions relevant to the purchase, holding or disposal of Shares.*

*Distribution of this Prospectus is not authorised after the publication of the latest half-yearly report of the Company unless it is accompanied by a copy of that report, and is not authorised after the publication of the first annual report of the Company unless it is accompanied by a copy of the latest annual report and any subsequent half-yearly report. Such reports will form part of this Prospectus.*

*Statements made in this Prospectus are based on the law and practice currently in force in Ireland and are subject to changes in that law.*

*Investors should note that because investments in securities can be volatile and that their value may decline as well as appreciate, there can be no assurance that a Sub-Fund will be able to attain its objective. **The price of Shares as well as the income therefrom may go down as well as up to reflect changes in the Net Asset Value of a Sub-Fund. The difference at any one time between the issue and redemption price of Shares means that an investment in a Sub-Fund should be viewed as medium to long term.***

***An investment should only be made by those persons who could sustain a loss on their investment, should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.***

***Attention is drawn to the section headed "Risk Factors".***

#### **Translations**

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

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## DEFINITIONS

The following definitions apply throughout this Prospectus unless the context otherwise requires:-

- "Accounting Date"** the date by reference to which the annual accounts of the Company and each of its Sub-Funds shall be prepared and shall be 30 June in each year or (in the case of the termination of the Company or of a Sub-Fund) the date on which monies required for the final distribution shall have been paid to the Shareholders in the relevant Sub-Fund or Sub-Funds with the prior approval of the Central Bank
- "Accounting Period"** in respect of each Sub-Fund, a period ending on an Accounting Date and commencing (in the case of the first such period) from and including the date of the first issue of Shares of the relevant Sub-Fund or (in any other case) from the end of the last Accounting Period.
- "Administration Agreement"** an agreement dated 3 August, 2006 between the Manager and the Administrator
- "Administrator"** Société Générale Securities Services, SGSS (Ireland) Limited or any successor company appointed by the Manager and approved by the Central Bank and the Directors as administrator of the Company
- "Administration Expenses"** the sums necessary to provide for all costs, charges and expenses including, but not limited to costs, fees and expenses incurred by the Manager including courier's fees, telecommunication costs and expenses, regulatory expenses, out-of-pocket expenses, legal and professional expenses which the Manager incurs whether in litigation on behalf of the Company or any of its Sub-Funds or in connection with the establishment of or ongoing administration of the Company or any of its Sub-Funds or Classes or otherwise together with the costs, charges and expenses, including translation costs, of any documents including but not limited to reports, prospectuses, listing particulars and newspaper notices given to Shareholders in whatever manner plus value added tax (if any) on any such costs, charges and expenses and all properly vouched fees and reasonable out-of-pocket expenses of the Administrator (as administrator and as registrar and transfer agent), the Investment Adviser or any delegate investment adviser or any distributor, paying agent and/or correspondent bank incurred pursuant to a contract to which the Manager or the Manager's delegate and such person are party
- "Articles of Association"** the Memorandum and Articles of Association of the Company.

<b>"Business Day"</b>	means in relation to a Sub-Fund such day or days as shall be so specified in the relevant Sub-Fund Information Card
<b>"CEA"</b>	the United States Commodity Exchange Act, as amended;
<b>"Central Bank"</b>	means the Central Bank of Ireland
<b>"Class" or "Class of Shares"</b>	a Class of Shares of a Sub-Fund
<b>"Company"</b>	means Gavekal Multi- Fund plc
<b>"Convertible Bond"</b>	a corporate bond that can be exchanged, at the option of the holder, for a specific number of shares of the company's preferred stock or common stock
<b>"Correspondent Bank/ Paying Agent"</b>	any one or more companies or any successor company appointed by the Manager as correspondent bank or paying agent for the Company and/or all or any of its Sub-Funds
<b>"Custodian Agreement"</b>	an agreement dated 3 August, 2006 between the Company and the Custodian
<b>"Dealing Day"</b>	in respect of each Sub-Fund, the dealing day as defined in the Sub-Fund Information Card
<b>"Dealing Deadline"</b>	in respect of each Sub-Fund, the deadline for receipt of subscription and/or redemption and/or switching applications, as defined in the Sub-Fund Information Card
<b>"Depository Receipts"</b>	Certificates issued by a depository bank, representing shares held by the bank, usually by a branch or correspondent in the country of issue of the shares, which trade independently from the shares
<b>"Directors"</b>	the directors of the Company or any duly authorised committee or delegate thereof
<b>"Disbursements"</b>	includes in relation to the Custodian all disbursements properly made by the Custodian in connection with its trusteeship of the Company and each of its Sub-Funds and Classes under the Custodian Agreement including (but not limited to) courier's fees, telecommunication costs and the fees (at normal commercial rates) and out-of-pocket expenses of any sub-custodian appointed by it pursuant to the provisions of the Custodian Agreement and all costs, charges and expenses of every kind which it may suffer or incur in



connection with such trusteeship of the Company and of each of its Sub-Funds and Classes and all matters attendant thereon or relative thereto and all legal and other professional expenses incurred or suffered by it in relation to or in any way arising out of the Company and of each of its Sub-Funds and Classes (including the establishment thereof) and any value added tax liability incurred by the Custodian arising out of the exercise of its powers or the performance of its duties pursuant to the provisions of the Custodian Agreement

<b>"Distribution Date"</b>	the date or dates by reference to which a distribution may at the option of the Manager be declared
<b>"Distribution Payment Date"</b>	the date upon which the Manager shall determine to make payment of a distribution which shall be within 30 days of the Manager declaring a distribution
<b>"Distribution Period"</b>	any period ending on an Accounting Date or a Distribution Date as the Manager may select and beginning on the day following the last preceding Accounting Date, or the day following the last preceding Distribution Date, or the date of the initial issue of Shares of a Sub-Fund or Class, as the case may be
<b>"Distributor"</b>	means GaveKal Limited or any one or more persons or companies or any successor persons or company appointed by the Manager to act as distributor of one or more Classes of Shares of a Sub-Fund
<b>"EEA"</b>	means European Economic Area
<b>"euro" or "€"</b>	means the lawful currency of the participating Member States of the European Union
<b>"Exempt Irish Investor"</b>	means:- <ul style="list-style-type: none"><li>• a pension scheme which is an exempt approved scheme within the meaning of Section 774 of the Taxes Act or a retirement annuity contract or a trust scheme to which Section 784 or 785 of the Taxes Act applies;</li><li>• a company carrying on life business within the meaning of Section 706 of the Taxes Act;</li><li>• an investment undertaking within the meaning of Section 739B(1) of the Taxes Act;</li><li>• a special investment scheme within the meaning of Section 737 of the Taxes Act;</li><li>• a charity being a person referred to in Section 739D(6)(f)(i) of the Taxes Act;</li></ul>

- a unit trust to which Section 731(5)(a) of the Taxes Act applies;
- a qualifying fund manager within the meaning of Section 784A(1)(a) of the Taxes Act where the Shares held are assets of an approved retirement fund or an approved minimum retirement fund;
- a qualifying management company within the meaning of Section 739B of the Taxes Act;
- a personal retirement savings account (“PRSA”) administrator acting on behalf of a person who is entitled to exemption from income tax and capital gains tax by virtue of Section 787I of the Taxes Act and the Shares are assets of a PRSA;
- a credit union within the meaning of Section 2 of the Credit Union Act, 1997;
- the National Pensions Reserve Fund Commission;
- the National Asset Management Agency;
- a company which is within the charge to corporation tax in accordance with Section 110(2) of the Taxes Act in respect of payments made to it by the Company; or
- any other Irish Resident or persons who are Ordinarily Resident in Ireland who may be permitted to own Shares under taxation legislation or by written practice or concession of the Revenue Commissioners without giving rise to a charge to tax in the Company or jeopardising tax exemptions associated with the Company giving rise to a charge to tax in the Company;

in each case provided that they have correctly completed the Relevant Declaration.

***"GAFI"***

means Groupe d'Action Financière contre le blanchiment des capitaux or, in English, Financial Action Task Force on Money Laundering

***"GaveKal Group"***

means the group of companies controlled by the combined equity holdings of Louis-Vincent Gave and Charles Jean Hubert Gave

***"Global Depositary Receipt"***

Certificate issued by a depositary bank in more than one country, representing shares held by the bank, usually by a branch or correspondent in the country of issue of the shares, which trade independently from the shares

***"Initial Price"***

means the initial price payable for a Share as specified in the relevant Class Information Card for each Sub-Fund

***"Intermediary"***

An ‘intermediary’ means a person who;

- (i) carries on a business which consists of, or includes, the receipt

of payments from an investment undertaking on behalf of other persons; or

- (ii) holds shares in an investment undertaking on behalf of other persons

**"Investment Adviser"**

means any one or more persons or companies or any successor person or company appointed by the Manager in accordance with the requirements of the Central Bank as investment adviser of a Sub-Fund

**"Ireland"**

means the Republic of Ireland

**"Irish Resident"**

means:

- in the case of an individual, an individual who is resident in Ireland for tax purposes
- in the case of a trust, means a trust that is resident in Ireland for tax purposes
- in the case of a company, means a company that is resident in Ireland for tax purposes

An individual will be regarded as being resident in Ireland for a tax year if he/she is present in Ireland: (1) for a period of at least 183 days in that tax year; or (2) for a period of at least 280 days in any two consecutive tax years, provided that the individual is present in Ireland for at least 31 days in each period. In determining days present in Ireland, an individual is deemed to be present if he/she is in Ireland at any time during the day. This new test takes effect from 1 January 2009 (previously in determining days present in Ireland an individual was deemed to be present if he/she was in Ireland at the end of the day (midnight)).

A trust will generally be Irish resident where the trustee is resident in Ireland or a majority of the trustees (if more than one) are resident in Ireland.

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

- the company or a related company carries on a trade in Ireland, and either the company is ultimately controlled by persons resident in EU Member States or in countries with which Ireland 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 treaty country under a double taxation treaty between Ireland and that country;

or,

- the company is regarded as not resident in Ireland under a double taxation treaty between Ireland 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 potential investors are referred to the specific legislative provisions that are contained in Section 23A of the Taxes Act.

<b>"Manager"</b>	means GaveKal Fund Management (Ireland) Limited or any successor company appointed by the Directors and approved by the Central Bank as manager of the Company
<b>"Member State"</b>	means a member state of the European Union
<b>"Minimum Holding"</b>	means the minimum number or value of Shares which must be held by a Shareholder as specified in the relevant Sub-Fund Information Card
<b>"Minimum Subscription"</b>	means the minimum amount which may be subscribed for Shares in any Sub-Fund or Class as specified in the relevant Sub-Fund Information Card
<b>"Net Asset Value"</b>	means the Net Asset Value of a Sub-Fund or attributable to a Class (as appropriate) calculated as referred to herein
<b>"Net Asset Value of a Class"</b>	means the net asset value of a Class calculated in accordance with the provisions of the Memorandum and Articles of Association, as described under "Administration of the Fund - Calculation of Net Asset Value"
<b>"Net Asset Value of the Company"</b>	means the aggregate Net Asset Value of all the Sub-Funds
<b>"Net Asset Value of a Sub-Fund"</b>	means the net asset value of a Sub-Fund calculated in accordance with the provisions of the Articles of Association, as described under "Administration of the Company - Calculation of Net Asset Value"
<b>"Net Asset Value per Share"</b>	means the net asset value per Share of a Class calculated in accordance with the provisions of the Articles of Association, as described under "Administration of the Company - Calculation of Net Asset Value"
<b>"Notices"</b>	means any notices issued by the Central Bank pursuant to the UCITS Regulations

**"OECD Member Country"** means the member countries of the Organisation for Economic Co-operation and Development, which at the date of this Prospectus is each each of Australia, Austria, Belgium, Canada, Chile, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Isreal, Italy, Japan, Korea, Luxembourg, Mexico, the Netherlands, New Zealand, Norway, Poland, Portugal, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Turkey, United Kingdom and the United States

**"Ordinarily Resident in Ireland"** means;

- in the case of an individual, an individual who is ordinarily resident in Ireland for tax purposes.
- in the case of a trust, a trust that is ordinarily resident in Ireland for tax purposes.

An individual will be regarded as ordinarily resident for a particular tax year if he/she has been Irish Resident for the three previous consecutive tax years (i.e. he/she becomes ordinarily resident with effect from the commencement of the fourth tax year). An individual will remain ordinarily resident in Ireland until he/she has been non-Irish Resident for three consecutive tax years. Thus, an individual who is resident and ordinarily resident in Ireland in the tax year 1 January 2012 to 31 December 2012 and departs from Ireland in that tax year will remain ordinarily resident up to the end of the tax year 1 January 2015 to 31 December 2015.

The concept of a trust's ordinary residence is somewhat obscure and linked to its tax residence

**"Paying Agent"** means one or more paying agents appointed by the Company in certain jurisdictions

**"Prospectus"** means the prospectus of the Company and any Sub-Fund and Class Information Cards and addenda thereto issued in accordance with the requirements of the Central Bank

**"Recognised Clearing System"** means Bank One NA, Depository and Clearing Centre, Clearstream Banking AG, Clearstream Banking SA, CREST, Depository Trust Company of New York, Euroclear, Japan Securities Depository Center, National Securities Clearing System, Sicovam SA, SIS Sega Intersettle AG or any other system for clearing shares which is designated for the purposes of Chapter 1A in Part 27 of the Taxes Act, by the Irish Revenue Commissioners as a recognised clearing system

<b>"Recognised Exchange"</b>	means any regulated stock exchange or market on which a Sub-Fund may invest. A list of those stock exchanges or markets is contained in the Appendix to the Articles of Association and listed in Appendix II hereto
<b>"Relevant Declaration"</b>	means the declaration relevant to the Shareholder as set out in Schedule 2B of the Taxes Act, 1997.
<b>"Relevant Period"</b>	means a period of 8 years beginning with the acquisition of a Share by a Shareholder and each subsequent period of 8 years beginning immediately after the preceding relevant period.
<b>"Securities Act"</b>	means the United States Securities Act of 1933, as amended
<b>"Share"</b>	means a participating share or, save as otherwise provided in this Prospectus, a fraction of a participating share in the capital of the Company
<b>"Shareholder"</b>	means a person who is registered as the holder of Shares in the register of Shareholders for the time being kept by or on behalf of the Company
<b>"Sub-Funds"</b>	means the Sub-Funds listed in the Sub-Fund Information Card attached hereto and any other Sub-Fund established by the Directors and the Manager from time to time with the approval of the Custodian and of the Central Bank
<b>"Sub-Fund Information Card"</b>	means a supplement to this Prospectus specifying certain information in respect of a Sub-Fund and/or one or more Classes
<b>"Sub-Investment Adviser"</b>	means any one or more sub-investment managers or advisers appointed by an Investment Manager to manage the assets of a Sub-Fund
<b>"Taxes Act"</b>	means The Taxes Consolidation Act, 1997 (of Ireland) as amended
<b>"UCITS"</b>	means an Undertaking for Collective Investment in Transferable Securities established pursuant to EC Council Directive No. 85/611/EEC of 20 December 1985, as amended by Council Directive No. 88/220/EEC of 22 March 1988, European Parliament and Council Directive No. 95/26/EC of 29 June 1995, European Parliament and Council Directive No. 2001/108/EC of 21 January 2002 and European Parliament and of the Council Directive No. 2001/107/EC of 21 January 2002

<b><i>“UCITS Regulations”</i></b>	means the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2003 (S.I. No. 211 of 2003) (as amended) and any regulations or notices issued by the Central Bank pursuant thereto for the time being in force
<b><i>“US Dollar”, “USD” or “US\$”</i></b>	means United States Dollars, the lawful currency for the time being of the United States of America
<b><i>“US Person”</i></b>	means any citizen or resident of the United States, any corporation, partnership or other entity created or organised in or under the laws of the United States or any person falling within the definition of the term "U.S. Person" under Regulation S promulgated under the Securities Act or the term “United States Person” promulgated under Rule 4.7 under the CEA;
<b><i>“US Tax-Exempt Investor”</i></b>	means a US Person within the meaning of the United States Internal Revenue Code of 1986, as amended, that is exempt from payment of US Federal income tax;
<b><i>“United States” or “US”</i></b>	means the United States of America (including the States and District of Columbia) and any of its territories, possessions and other areas subject to its jurisdiction;
<b><i>“Valuation Day”</i></b>	means such day as shall be specified in the Sub-Fund Information Card;
<b><i>“Valuation Point”</i></b>	means such time as shall be specified in the Sub-Fund Information Card.

In this Prospectus, unless otherwise specified, all references to "billion" are to one thousand million, to "Dollars", "US\$" or "cents" are to United States dollars or cents and to "Euros" or "€" are to the unit of single currency.

## SUMMARY

The following is qualified in its entirety by the detailed information included elsewhere in this Prospectus and in the Articles of Association.

<b>The Company</b>	The Company is an open-ended umbrella variable capital investment company with segregated liability between Sub-Funds. The Company has been authorised by the Central Bank pursuant to the UCITS Regulations.
<b>The Sub-Funds/ Classes</b>	The Company is made up of the Sub-Funds, each Sub-Fund being a single pool of assets. The Directors may, whether on the establishment of a Sub-Fund or from time to time, in accordance with the requirements of the Central Bank, create more than one Class of Shares in a Sub-Fund to which different levels of subscription fees (if any) and expenses (including the management fee), minimum subscription, minimum holding, designated currency, hedging strategy (if any) applied to the designated currency of the Class, distribution policy and such other features as the Directors may determine may be applicable. Shares shall be issued to investors as Shares in a Class.
<b>Investment Objectives and Policies</b>	The assets of a Sub-Fund will be invested separately in accordance with the investment objectives and policies of that Sub-Fund as set out in the Sub-Fund Information Card attached to this Prospectus.
<b>Manager</b>	GaveKal Fund Management (Ireland) Limited
<b>Investment Adviser</b>	GaveKal Capital Limited, appointed by the Manager to manage the assets of the Sub-Funds.
<b>Sub-Investment Adviser</b>	means any one or more sub-investment managers or advisers appointed by an Investment Manager to manage the assets of a Sub-Fund.
<b>Distributor</b>	GaveKal Limited
<b>Administrator</b>	Société Générale Securities Services, SGSS (Ireland) Limited
<b>Custodian</b>	Société Générale S.A., Dublin branch
<b>Initial Issue of Shares</b>	During the initial offer period of a Class, Shares shall be issued at a given initial issue price as set out in the relevant Class Information Card. Thereafter, Shares shall be issued at the



relevant Class Net Asset Value per Share.

**Redemption of Shares**

Shares will be redeemed at the option of a Shareholder at a price per Share equal to the relevant Class Net Asset Value per Share.

**Distribution Policy**

The distribution policy in respect of each Class and Sub-Fund will be set out in the relevant Sub-Fund and Class Information Card.

## THE COMPANY

### General

The Company is an open-ended umbrella variable capital investment company with segregated liability between Sub-Funds, incorporated in Ireland on 26 June, 2006 under the Act with registration number 422577. The Company has been authorised by the Central Bank pursuant to the UCITS Regulations. The Company currently has one Sub-Fund, the GaveKal Platform Company Fund.

The Company is structured as an umbrella fund consisting of different Sub-Funds each comprising one or more Classes. The Shares of each Class of a Sub-Fund will rank pari passu with each other in all respects provided that they may differ as to certain matters including currency of denomination, hedging strategies if any applied to the currency of a particular Class, dividend policy, the level of fees and expenses to be charged, subscription procedures or the Minimum Subscription and Minimum Holding applicable. The assets of each Sub-Fund will be invested separately on behalf of each Sub-Fund in accordance with the investment objective and policies of each Sub-Fund. A separate portfolio of assets is not maintained for each Class. The investment objective and policies and other details in relation to each Sub-Fund are set out in the relevant Sub-Fund Information Card which forms part of and should be read in conjunction with this Prospectus.

The current Sub-Funds and the types of Classes available in each are listed in the Sub-Fund Information Card attached hereto. Sub-Funds may, with the prior approval of, and Classes may, with prior notification to and clearance of, the Central Bank and, in both cases, with the approval of the Custodian, be added by the Directors. The name of each additional Sub-Fund, details of its investment objective and policies, of the types of Classes available, of the issue of Shares and of Sub-Fund specific fees and expenses shall be set out in the Sub-Fund Information Card attached to this Prospectus. Class specific details are set out in the Class Information Cards attached to this Prospectus.

The Directors may, with the approval of the Custodian and upon prior application to the Central Bank, close any Sub-Fund or Class in existence by serving not less than thirty days notice on the Shareholders in that Sub-Fund or Class and on the Central Bank.

The proceeds from the issue of Shares in a Sub-Fund shall be applied in the records and accounts of the Company for that Sub-Fund and the assets and liabilities and income and expenditure attributable thereto shall be applied to that Sub-Fund subject to the provisions of the Articles of Association. The assets of a Sub-Fund will be invested separately in accordance with the investment objective and policies of that Sub-Fund as set out in the Sub-Fund Information Card attached to this Prospectus which shall be updated as Sub-Funds are added to the Company or closed, as the case may be. A separate pool of assets is not maintained by a Class of Shares.

A Class of Shares may be designated in a currency other than the base currency of the relevant Sub-Fund as detailed in the relevant Class Information Card. Changes in the exchange rate between the base currency of the Sub-Fund and such designated currency or between the denominated currency of the assets of the Sub-Fund and the designated currency of the Class may lead to a depreciation of the value of such Shares as expressed in the designated currency. The Investment Adviser may try to mitigate these risks in respect of certain Classes of Shares, as detailed in the Sub-Fund Information Card, by using financial instruments, such as foreign exchange spot and forward contracts, as a hedge, in no case

leveraging the relevant Class Shares by exceeding 100% of the Net Asset Value attributable to the relevant Class of Shares. If the Investment Adviser enters into such transactions, then they will each be solely attributable and accrue to the relevant Class of Shares and may not be combined or offset against the exposures of other Classes or specific assets. In such circumstances, Shareholders of that Class may be exposed to fluctuations in the Net Asset Value per Share reflecting the gains or losses on, and the resultant costs of, the relevant financial instruments and this strategy may substantially limit holders of the Class from benefiting if the Class currency falls against the base currency of the Sub-Fund and/or the currency in which the assets of the Sub-Fund are denominated. Where the Investment Adviser intends to enter into such hedging transactions it will be disclosed in the Sub-Fund Information Card.

Monies subscribed for each Sub-Fund should be in the denominated currency of the relevant Sub-Fund. Monies subscribed for a Sub-Fund in a currency other than the denominated currency of the Sub-Fund will be converted by the Manager to the denominated currency of the Sub-Fund at what the Manager considers to be the appropriate exchange rate and such subscription shall be deemed to be in the amount so converted.

Each Sub-Fund will be treated as bearing its own liabilities as may be determined at the discretion of the Custodian with the approval of the Manager. The Company is not liable as a whole to third parties, provided however, that if the Custodian is of the opinion that a particular liability does not relate to any particular Sub-Fund or Sub-Funds, that liability shall be borne jointly by all Sub-Funds pro rata to their respective Net Asset Values at the time when the allocation is made.

The assets of each Sub-Fund shall belong exclusively to that Sub-Fund, shall be segregated from the assets of the other Sub-Funds, shall not be used to discharge directly or indirectly the liabilities of or claims against any other Sub-Fund and shall not be available for such purpose.

The assets and liabilities of the Company shall be allocated to each Sub-Fund in the following manner:

- (a) for each Sub-Fund, the Company shall keep separate records in which all transactions relating to the relevant Sub-Fund shall be recorded and to which the proceeds from the issue of Shares in each Sub-Fund and the assets and liabilities and income and expenditure attributable to each Sub-Fund shall be applied subject to the provisions of the Articles of Association;
- (b) any asset derived from another asset of a Sub-Fund shall be applied in the records of the relevant Sub-Fund as the asset from which it was derived and on each valuation of an asset, the increase or diminution in value thereof shall be applied to the relevant Sub-Fund;
- (c) where the Company incurs a liability which relates to any asset of a particular Sub-Fund or to any action taken in connection with an asset of a particular Sub-Fund, such liability shall be allocated to that Sub-Fund;
- (d) in circumstances in which an asset or liability cannot be considered as being attributable to a particular Sub-Fund such assets or liability shall be allocated between all Sub-Funds pro-rata to their Net Asset Values at the time of allocation; and
- (e) where hedging strategies are used in relation to a Sub-Fund or Class, the financial instruments used to implement such strategies shall be deemed to be assets or liabilities (as the case may be)

of the relevant Sub-Fund as a whole but the gains or losses on the costs of the relevant financial instruments will accrue solely to the relevant Class.

The Company has been established as an umbrella company with segregated liability between Sub-Funds. As a result, neither the Company nor any Director, receiver, examiner, liquidator or other person shall apply nor be obliged to apply, the assets of any one Sub-Fund in satisfaction of any liability incurred on behalf or attributable to any other Sub-Fund. In addition, although each Sub-Fund is not a separate legal person:- (i) the Company may sue and be sued in respect of a particular Sub-Fund and may exercise the same rights of set-off, if any, between the Sub-Funds as apply at law in respect of companies; (ii) the property of a Sub-Fund is subject to orders of the court as if the Sub-Fund were a separate legal person; and (iii) each Sub-Fund may be wound-up as if it were a separate legal person, provided always that the appointment of a liquidator and the powers, rights, duties and responsibilities of the liquidator shall be confined to the Sub-Fund which is being wound-up.

### **Investment Objective and Policies**

The assets of a Sub-Fund will be invested separately in accordance with the investment objectives and policies of that Sub-Fund which are set out in the Sub-Fund Information Card attached to this Prospectus which shall be updated as Sub-Funds are added to the Company or closed, as the case may be. There can be no assurance that any Sub-Fund will achieve its investment objective.

Investors should be aware that the performance of certain Sub-Funds may be measured against a specified index or benchmark and in this regard, Shareholders are directed towards the relevant Sub-Fund Information Card which will refer to any relevant performance measurement criteria. The Company may at any time change that reference index where, for reasons outside its control, that index has been replaced, or another index or benchmark may reasonably be considered by the Company to have become the appropriate standard for the relevant exposure. Such a change would represent a change in policy of the relevant Sub-Fund and Shareholders will be advised of any change in a reference index or benchmark (i) if made by the Directors, in advance of such a change and (ii) if made by the Index concerned, in the annual or half-yearly report of the Company issued subsequent to such change.

The investment return to Shareholders of a particular Sub-Fund is related to the Net Asset Value of that Sub-Fund which in turn is primarily determined by the performance of the portfolio of assets held by that Sub-Fund.

Pending investment of the proceeds of a placing or offer of Shares or where market or other factors so warrant, a Sub-Fund's assets may, subject to the investment restrictions set out in Appendix I of the Prospectus, be invested in money market instruments and cash deposits denominated in such currency or currencies as the Manager may determine having consulted with the Investment Adviser.

A Sub-Fund may also hold or maintain ancillary liquid assets including but not limited to time deposits, master demand notes, equity linked notes, variable rate demand notes and short-term funding agreements, subject to the investment restrictions set out in Appendix I of the Prospectus.

The investment objective of a Sub-Fund as disclosed in the Sub-Fund Information Card attached to this Prospectus shall not be altered or amended without prior Shareholder approval on the basis of a majority of votes cast at a general meeting of Shareholders. Similarly a material change in the investment policy of

a Sub-Fund shall require prior Shareholder approval on the basis of a majority of votes cast at a general meeting of Shareholders. The Manager who, in consultation with the Investment Adviser is responsible for the formulation of each Sub-Fund's present investment policies and any subsequent changes to those policies in the light of political and/or economic conditions, may amend the present investment policies of a Sub-Fund from time to time. In the event of a change of investment objective and/or investment policies a reasonable notification period shall be provided by the Manager to enable Shareholders to redeem their Shares prior to implementation of such changes.

Each Sub-Fund may invest in financial derivative instruments dealt in on a Recognised Exchange and/or in over the counter derivative instruments for the purposes of efficient portfolio management in each case under and in accordance with conditions or requirements imposed by the Central Bank. The financial derivative instruments in which each Sub-Fund may invest, the purpose of such investment, and a description of such investments shall be set out in the relevant Sub-Fund Information Card. The Company will not be leveraged as a result of these transactions. The NAV of the Company may have a high volatility due to its employment of financial derivative instruments.

For the purpose of providing margin or collateral in respect of transactions in financial derivative instruments, the Custodian may, on the instructions of the Manager, transfer, mortgage, charge or encumber any assets or cash forming part of the relevant Sub-Fund.

The Manager will employ a risk management process which will enable it to monitor and measure the risks attached to financial derivative positions and details of this process have been provided to the Central Bank. The Manager will not utilise financial derivatives which have not been included in the risk management process until such time as a revised risk management process has been reviewed by the Central Bank. The Manager will provide to Shareholders on request, supplementary information relating to the risk management methods employed including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments.

### **Efficient Portfolio Management**

The Company may, on behalf of each Sub-Fund, employ (subject to the conditions and within the limits laid down by the Central Bank) techniques and instruments relating to transferable securities and money market instruments, for efficient portfolio management purposes. Efficient Portfolio Management ("EPM") means investment decisions involving transactions that are entered into for one or more of the following specific aims: the reduction of risk; the reduction of cost; or the generation of additional capital or income for the Company with an appropriate level of risk, taking into account the risk profile of the Company as described in herein and the general provisions of the UCITS Regulations. Such techniques and instruments may include foreign exchange transactions which alter the currency characteristics of transferable securities held by the Company. The Company may also employ (subject to the conditions and within the limits laid down by the Central Bank) techniques and instruments intended to provide protection against exchange risks in the context of the management of its assets and liabilities. The techniques and instruments which the Company may use are set out the relevant Sub-Fund Information Card.

## **Investment Restrictions**

Investment of the assets of each Sub-Fund must comply with the UCITS Regulations. The Directors may impose further restrictions in respect of any Sub-Fund. The specific investment and borrowing restrictions applicable to the Company and each Sub-Fund will be set out in Appendix I and in the relevant Sub-Fund Information Card.

A Sub-Fund may borrow up to 10% of its Net Asset Value provided such borrowing is on a temporary basis.

## **Distribution Policy**

Save as set out in the relevant Sub-Fund Information Card, it is not the present intention of the Directors to declare or pay dividends, and income earned by the Company will be reinvested and reflected in the value of the Shares.

In the event that Distributions are declared, the amount to be distributed in respect of each Distribution Period shall be determined by the Manager in consultation with the Investment Adviser within the amount available for distribution provided that any amount which is not distributed in respect of such Distribution Period may be carried forward to the next Distribution Period.

Distributions not claimed within six years from their due dates will lapse and revert to the relevant Sub-Fund.

Any distribution payable will be paid in the denominated currency of the relevant Class or as otherwise determined by the Directors by bank transfer or cheque. Every such bank transfer or cheque shall be made payable to the order of such Shareholder or, in the case of joint Shareholders, made payable to the order of the first named joint Shareholder on the register at the risk of such Shareholder or joint Shareholders.

Where the amount of any distribution payable to an individual Shareholder is less than US\$50, the Manager at its sole discretion may elect not to make any such distribution and, in lieu thereof, to issue and credit to the account of the relevant Shareholder the number of Shares in the relevant Sub-Fund corresponding to the relevant US\$ amount calculated at the Net Asset Value per Share pertaining on the relevant Distribution Date. A subscription fee shall not be deducted from such amount.

The distribution policy in relation to each Sub-Fund is set out in the attached Sub-Fund Information Card. If provisions are made for the Company to change its dividend policy, full details will be disclosed in an updated Sub-Fund Information Card and all Shareholders will be notified in advance.

## RISK FACTORS

Potential investors should consider the following risks in addition to any risks disclosed in the relevant Sub-Fund Information Card and Class Information Card before investing in any of the Sub-Funds.

### *General*

**Potential investors should be aware that the value of Shares and the income therefrom can, in common with other shares or units, fluctuate. There is no assurance that the investment objective of a Sub-Fund will actually be achieved. The difference at any one time between the issue and redemption price of Shares means that an investment in a Sub-Fund should be viewed as medium to long term.**

### **Segregated Liability**

The Company is an open-ended umbrella variable capital investment company with segregated liability between Sub-Funds. As a result, as a matter of Irish law, any liability attributable to a particular Sub-Fund may only be discharged out of the assets of that Sub-Fund, and the assets of other Sub-Funds may not be used to satisfy the liability. In addition any contract entered into by the Company will by operation of law include an implied term to the effect that the counterparty to the contract may not have recourse to assets of the Sub-Funds other than the Sub-Fund in respect of which the contract was entered into. These provisions are binding both on creditors and in any insolvency.

These provisions, while binding in an Irish Court which would be the primary venue for an action to enforce a debt against the Company, have not been tested in other jurisdictions, and there remains a possibility that a creditor might seek to attach or seize assets of one Sub-Fund in satisfaction of an obligation owed in relation to another Sub-Fund in a jurisdiction which would not recognise the principle of segregation of liability between Sub-Funds.

### **Market Capitalisation Risk**

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

### **Securities Lending Risk**

Certain Sub-Funds may engage in securities lending activities. As with any extensions of credit, there are risks of delay and recovery. Should the borrower of securities fail financially or default in any of its obligations under any securities lending transaction, the collateral will be called upon. The value of the collateral will be maintained to exceed the value of the securities transferred. In the event of a sudden market movement there is a risk that the value of the collateral may fall below the value of the securities

transferred.

### **Credit Risk**

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

### **Foreign Exchange/Currency Risk**

Although Shares of certain Sub-Funds may be denominated in US Dollars, such Sub-Funds may invest their assets in securities denominated in a wide range of currencies, some of which may not be freely convertible to US Dollars. The Net Asset Value of a Sub-Fund as expressed in US Dollars will fluctuate in accordance with the changes in the foreign exchange rate between the US Dollars and the currencies in which the Sub-Fund's investments are denominated. A Sub-Fund may, therefore, be exposed to a foreign exchange/currency risk.

It may not be possible or practicable to hedge against the consequent foreign exchange/ currency risk exposure. The Investment Adviser may or may not try to mitigate this risk by using financial instruments.

Certain Sub-Funds may from time to time enter into currency exchange transactions either on a spot (i.e. cash) basis or by buying currency exchange forward contracts. Sub-Funds will not enter into forward contracts for speculative purposes. Neither spot transactions nor forward currency exchange contracts eliminate fluctuations in the prices of a Sub-Fund's securities or in foreign exchange rates, or prevent loss if the prices of these securities should decline.

A Sub-Fund may enter into currency exchange transactions in an attempt to protect against changes in currency exchange rates between the trade and settlement dates of specific securities transactions or anticipated securities transactions. A Sub-Fund may also enter into forward contracts to hedge against changes in such currency exchange rates that could cause a decline in the value of existing investments denominated or principally traded in a currency other than the base currency of that Sub-Fund. To do this, the Sub-Fund may enter into forward contracts to sell the currency in which the investments are denominated or principally traded in exchange for the base currency of the Sub-Fund. Although these transactions are intended to minimise the risk of loss due to a decline in the value of hedged currency, at the same time they limit any potential gain that might be realised should the value of the hedged currency increase. The precise matching of the forward contract amounts and the value of the securities involved will not generally be payable because the future value of such securities will change as a consequence of market movements in the value of such securities between the date when the forward contract is entered into and the date when it matures. The successful execution of a hedging strategy which matches exactly the profile of the investments of any Sub-Fund cannot be assured.

Certain Classes may adopt a currency hedging strategy which may substantially limit the holders of such Class from benefiting if the designated currency of such Class depreciates against the currencies in which the assets of the relevant Sub-Fund are denominated or its base currency.



## **Financial Derivative Instruments Risk**

### **General**

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

### **Liquidity of Financial Derivative Contracts**

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

### **Options Risk**

The Investment Adviser may engage in various portfolio hedging strategies on behalf of the Sub-Funds through the use of options. On execution of an option the Sub-Funds may pay a premium to a counterparty. In the event of the insolvency or bankruptcy of the counterparty, the option premium may be lost in addition to any unrealised gains where the contract is in the money.

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

Where any Sub-Fund acquires securities on over-the-counter markets, there is an increased risk that the Sub-Fund will not be able to realise the fair value of such securities due to their tendency to have limited liquidity and comparatively high price volatility.

### **Counterparty Risk**

Sub-Funds may have credit exposure to counterparties by virtue of investment positions in options and forward exchange rate and other contracts held by the Sub-Fund. To the extent that a counterparty defaults on its obligation and the Sub-Fund is delayed or prevented from exercising its rights with respect

to the investments in its portfolio, it may experience a decline in the value of its positions, lose income and incur costs associated with asserting its rights.

### **Investment Adviser Risk**

The Administrator may consult the Investment Adviser with respect to the valuation of certain investments. Whilst there is an inherent conflict of interest between the involvement of the Investment Adviser in determining the valuation price of each Sub-Fund's investments and the Investment Adviser's other duties and responsibilities in relation to the Sub-Funds, the Investment Adviser will endeavour to resolve any such conflict of interest fairly and in the interests of investors.

### **Custodian Insolvency**

Sub-Funds are subject to a number of risks relating to the insolvency, administration, liquidation or other formal protection from creditors ("Insolvency") of the Custodian. These risks include without limitation: the loss of all cash held with the Custodian which is not being treated as client money or protected by the rules of a regulatory authority ("client money"); the loss of all cash which the Custodian has failed to treat as client money in accordance with procedures (if any) agreed with the Company; the loss of any securities held on trust ("trust assets") or client money held by or with the Custodian in connection with a reduction to pay for administrative costs of the Insolvency and/or the process of identifying and transferring the relevant trust assets and/or client money or for other reasons according to the particular circumstances of the Insolvency; losses of some or all assets due to the incorrect operation of the accounts by the Custodian; and losses caused by prolonged delays in receiving transfers of balances and regaining control over the relevant assets. The Sub-Funds are subject to similar risks in the event of Insolvency of any sub-custodian with which any relevant securities are held or of any third party bank with which client money is held. An Insolvency could cause severe disruption to the trading of a Sub-Fund.

### **Custodian Insolvency**

Sub-Funds are subject to a number of risks relating to the insolvency, administration, liquidation or other formal protection from creditors ("Insolvency") of the Custodian. These risks include without limitation: the loss of cash, securities or other assets held with the Custodian or its appointed sub-custodians. The terms of appointment of the Custodian require it to maintain any securities in its care segregated from its own assets, which should mean that any securities would be returned to the Sub-Fund in the event of a Custodian or sub-custodian insolvency, but this could take an extended period of time during which the Sub-Fund would be unable to realise assets to meet redemptions or to actively manage its portfolio. The Sub-Fund could also find that its assets have not been properly segregated as required or that assets have been used to fund regulatory intervention or investor compensation measures under investor protection regimes in countries where assets are held or the Custodian is domiciled.

### **Sub-Custodians and other depositories**

Where securities are held with a sub-custodian of the Custodian or by a securities depository or clearing system, such securities may be held by such entities in client omnibus accounts and in the event of a default by any such entity, where there is an irreconcilable shortfall of such securities, the Company may have to share that shortfall on a pro-rata basis. Securities may be deposited with clearing brokers which the Custodian is not obliged to appoint as its sub-custodians and in respect of the acts or defaults of which the Custodian shall have no liability. There may be circumstances where the Custodian is relieved from liability for the acts or defaults of its appointed sub-custodians provided that the Custodian has complied with its duties.

### **Market Crisis and Governmental Intervention**

The global financial markets are currently undergoing pervasive and fundamental disruptions which have led to extensive and unprecedented governmental intervention. Such intervention has in certain cases been implemented on an “emergency” basis without much or any notice with the consequence that some market participants’ ability to continue to implement certain strategies or manage the risk of their outstanding positions has been suddenly and/or substantially eliminated. Given the complexities of the global financial markets and the limited time frame within which governments have been able to take action, these interventions have sometimes been unclear in scope and application, resulting in confusion and uncertainty which in itself has been materially detrimental to the efficient functioning of such markets as well as previously successful investment strategies.

It is impossible to predict with certainty what additional interim or permanent governmental restrictions may be imposed on the markets and/or the effect of such restrictions on the Manager’s ability to fulfil a Sub-Fund’s investment objective. However, the Manager believes that there is a high likelihood of significantly increased regulation of the global financial markets, and that such increased regulation could be materially detrimental to the performance of a Sub-Fund’s portfolio.

The value of a Sub-Fund's assets may be affected by uncertainties such as international political developments, changes in government policies, changes in taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in applicable laws and regulations.

### **Accounting Standards**

The Company’s annual report and audited annual accounts (the “Accounts”) will be prepared in accordance with International Financial Reporting Standards (“IFRS”), Where there is any conflict between IFRS and the valuation principles set out in the Articles of Association and this document in relation to the calculation of Net Asset Value, there may be a note to the audited accounts to that effect.

### **Settlement Risk**

The trading and settlement practices on some of the Recognised Exchanges on which a Sub-Fund may invest may not be the same as those in more developed markets. That may increase settlement risk and/or result in delay in realising investments made by the relevant Sub-Fund.

## **Taxation**

Potential investors' attention is called to the taxation risks associated with investing in a Sub-Fund. Further details are given under the heading "TAXATION" below.

***The above should not be considered to be an exhaustive list of the risks which potential investors should consider before investing in a Sub-Fund. Potential investors should be aware that an investment in a Sub-Fund may be exposed to other risks of an exceptional nature from time to time.***

## **MANAGEMENT OF THE COMPANY**

The Directors control the affairs of the Company and are responsible for the formulation of investment policy. The Directors have delegated to the Manager powers over the management and administration of the assets of the Company including but not limited to the full discretionary management over the investment and divestment by the Company in any securities or instruments and other powers with respect to the operation of the Company as a mutual fund investment company, on the terms and conditions of the Management Agreement.

### **Directors**

The Company shall be managed and its affairs supervised by the Directors all of whom are non-executive directors of the Company and whose details are set out below:-

#### **David Hammond (Resident in Ireland)**

David Hammond is a director of Bridge Consulting (“Bridge”), a financial services consultancy and business advisory firm. Before setting up Bridge in 2005, Mr. Hammond was Chief Operating Officer of Sanlam Asset Management (Ireland) Limited, part of the Sanlam group of South Africa, which he joined at the start of 2003.

Between 1994 and the end of 2002, Mr. Hammond worked with International Fund Managers (Ireland) Limited, the Irish fund administration subsidiary of Baring Asset Management and which is now part of Northern Trust. While at IFMI, Mr. Hammond was responsible for legal affairs and business development, becoming a director in 1996. He is also a solicitor, and practised for a number of years in the area of banking and financial services with the Irish firm of A&L Goodbody. Mr. Hammond is a CFA charterholder and holds a law degree from Trinity College, Dublin and an MBA from Smurfit Graduate School of Business, University College, Dublin.

#### **John Mahon (Resident in Ireland)**

Mr. Mahon retired from PricewaterhouseCoopers in March 2000, having served as an audit partner for 25 years. During his last five years as a partner he worked almost exclusively in the mutual funds industry. During his time at PricewaterhouseCoopers Mr. Mahon had a broad spectrum of clients including Irish subsidiaries of many of the world’s large multinational companies and major Irish plcs. Mr. Mahon is a Fellow of the Institute of Chartered Accountants in Ireland and is a director of a number of other IFSC companies.

#### **Charles Jean Hubert Gave**

Mr. Gave has been researching tactical asset allocation for nearly forty years. In 1974 Mr. Gave created a research firm called Cecogest. In 1986, he co-founded Cursitor-Eaton Asset Management where he was Chief Investment Officer until the firm was sold in 1995 to Alliance Capital. At Cursitor, Mr. Gave managed over US\$10billion of institutional money on a global asset allocation mandate. In 1999, he left Alliance Capital and created GaveKal Research. Mr. Gave sits on the boards of various companies.

## **Louis-Vincent Gave**

After receiving his bachelor's degree from Duke University in 1996, Mr. Gave joined the French Army where he served as a second lieutenant in a mountain infantry battalion. Mr. Gave left the army in 1997 to join the capital markets division of Banque Paribas, Hong Kong where he worked as an equity analyst. Mr. Gave left Paribas in 1999 to launch GaveKal Research with his father Charles Jean Hubert Gave. Mr. Gave is the Chief Executive Officer of the GaveKal Holdings and co-manager of the MW GaveKal Asian Opportunities Fund.

## **Manager**

The Directors have delegated to the Manager powers over the management and administration of the assets of the Company including but not limited to the full discretionary management over the investment and divestment by the Company in any securities or instruments and other powers with respect to the operation of the Company as a mutual fund investment company, on the terms and conditions of the Management Agreement.

The Manager is a private company limited by shares and was incorporated in Ireland on July 25, 2005. The Manager, which has an authorised share capital of €10,000,000 with an issued and paid up share capital of €125,000, and the principal shareholders of which are Charles Jean Hubert Gave who holds 37.5% of the issued share capital, Louis-Vincent Gave, who holds 37.5% of the issued share capital, and Anatole Kaletsky who holds 25% of the issued share capital.

Under the Management Agreement, the Manager is responsible for the general management and administration of the Company's affairs, including the investment and re-investment of each Sub-Funds' assets in accordance with the investment objectives and policies of each Sub-Fund. However, the Manager has appointed the Investment Adviser to manage the investment and re-investment of the assets of the Sub-Funds. The Manager shall not be held liable for any actions, costs, charges, losses, damages or expenses arising as a result of the acts or omissions of the Investment Adviser or for its own acts or omissions in bona fide following the advice or recommendations of the Investment Adviser. The Manager shall be indemnified by the Company for any actions, costs, charges, losses, damages and expenses arising as a result of its reliance on any recommendation or advice of the Investment Adviser (other than by reason of the Manager's bad faith, negligence, wilful default, fraud or failure of the Manager to comply with its obligations therein or in the UCITS Regulations) in the performance of its duties. The Management Agreement contains provisions governing the responsibilities of the Manager and providing for its indemnification in certain circumstances subject to the exclusions of bad faith, negligence, wilful default, fraud, or its failure to comply with obligations therein or in the UCITS Regulations.

The Directors of Company are also Directors of the Manager.

The Manager also manages MW GaveKal UCITS Fund.

## **Investment Adviser and Promoter**

Under the terms of an Investment Advisory Agreement dated 3 August, 2006 the Manager has delegated

the power to determine investment strategy and the investment management of the Sub-Funds to GaveKal Capital Limited ("Investment Adviser"). The Investment Adviser was incorporated in Hong Kong on November 6, 2002 as a limited liability company, and is licensed by the SFC to carry on Type 9 (Asset Management) regulated activity under the Securities and Futures Ordinance of Hong Kong in respect of the Manager. As at end of March 2012, the Investment Adviser had USD800m in assets under management. The Investment Adviser forms part of the GaveKal Group of Companies.

The executive directors of the Investment Adviser are Louis-Vincent Gave and Alfred Ho. Louis-Vincent Gave is a 75% shareholder in GCL.

The Investment Advisory Agreement shall continue indefinitely, unless otherwise agreed in advance by the parties. The Agreements is terminable by either party upon giving 3 months' prior written notice to the other

### **Sub-Investment Adviser**

The Investment Manager may appoint one or more Sub-Investment Advisers to manage the investment and reinvestment of the assets of any Sub-Funds or part thereof. Further details are set out in the relevant Sub-Fund Information Card.

### **Distributor**

Under the terms of a Distribution Agreement dated 3 August, 2006 the Manager has delegated responsibility for marketing Shares of the Company and Sub-Funds to GaveKal Limited (the "Distributor").

GaveKal Limited is incorporated in the British Virgin Islands as an exempted company with limited liability under the Companies Law of the British Virgin Islands and is registered for the purposes of the services provided to the Manager pursuant to the terms of the Distribution Agreement.

The director of GaveKal Limited as at the date of this document is Louis-Vincent Gave. The Distribution Agreement shall continue indefinitely, unless otherwise agreed in advance by the parties. The Agreement is terminable by either party upon giving 3 months' prior written notice to the other.

### **Administrator**

The Administrator is Société Générale Securities Services, SGSS (Ireland) Limited (formerly, Euro-VL (Ireland) Limited). The Administrator is a private company incorporated with limited liability in Ireland on 9 January 2003. It is ultimately a wholly-owned subsidiary of Société Générale S.A. and is engaged in the business of, inter alia, providing fund administration transfer agency and registrar services to and in respect of collective investment undertakings and investment companies.

The Administrator was appointed by the Manager under the Administration Agreement dated 3 August, 2006 and is responsible for the administration of the Company's affairs including maintaining the Company's accounting records, calculating the Net Asset Value of each Sub-Fund, the Net Asset Value per Share and serving as registrar and as transfer agent.

## **Custodian**

Société Générale S.A., Dublin branch, has been appointed to the Company to act as Custodian of the Company's assets pursuant to the Custodian Agreement between the Company and the Custodian dated 3 August 2006. The Custodian is a branch of Société Générale S.A., a French public limited company founded in 1864 and which is one of France's leading commercial and investment banking institutions with operations throughout the world. Société Générale S.A. is actively engaged in asset management, private banking and corporate and investment financial services throughout the world. It has over \$23.5 billion in shareholders' equity and Société Générale S.A. provides global custody services to retail, institutional, industrial and corporate clients. As of March 2012 it had approximately \$3,358 billion in assets under custody.

The Custodian Agreement contains provisions governing the responsibilities of the Custodian and, subject to the provisions of the Act, for its indemnification out of the assets of the Company in the absence of its unjustifiable failure to perform its obligations or its improper performance of them.

The primary responsibilities of the Custodian are to act as custodian of the assets of each Sub-Fund.

## **Correspondent Banks/Paying Agents**

Local laws/regulations in EEA Member States may require the appointment of paying agents/representatives/correspondent banks ("Paying Agents") and maintenance of accounts by such Paying Agents through which subscription and redemption monies or dividends may be paid. Shareholders who choose or are obliged under local regulations to pay or receive subscription or redemption monies or dividends via an intermediate entity rather than directly to the Custodian (e.g. a Paying Agent in a local jurisdiction) bear a credit risk against that intermediate entity with respect to (a) subscription monies prior to the transmission of such monies to the Custodian for the account of the Company or the relevant Sub-Fund and (b) redemption monies payable by such intermediate entity to the relevant Shareholder. Biographical details of the Correspondent Banks and Paying Agents appointed in different countries shall be set out in Appendix III to this Prospectus. Fees of Paying Agents may be borne by the Company.

## **Dealings by Manager, Investment Adviser, Sub-Investment Adviser, Distributor, Administrator, Custodian and Associates**

There is no prohibition on dealings in the assets of a Sub-Fund by the Manager, the Investment Adviser, the Sub-Investment Adviser, the Distributor, the Administrator, the Custodian or entities related to the Manager, the Investment Adviser, the Sub-Investment Adviser, the Distributor, the Administrator or the Custodian or to their respective officers, directors or executives, provided that the transaction is effected on normal commercial terms negotiated at arms length. Such transactions must be in the best interests of the Shareholders.

Transactions effected in accordance with paragraphs (i), (ii) or (iii) below are acceptable where:

- (i) a person approved by the Custodian as independent and competent certifies the price at which the transaction is effected is fair; or



- (ii) the execution of the transaction is on best terms on organised investment exchanges under their rules; and
- (iii) where the conditions set out in (i) or (ii) above are not practical, the transaction is executed on terms which the Custodian is satisfied confirm with the principle set out in the first paragraph above.

### **Conflicts of Interest**

The Manager, the Investment Adviser, the Sub-Investment Adviser, the Distributor, the Administrator, the Custodian, and their respective affiliates, officers and shareholders (collectively the "Parties") are or may be involved in other financial, investment and professional activities which may on occasion cause conflict of interest with the management of a Sub-Fund. These include management of other funds, purchases and sales of securities, investment and management counselling, brokerage services, trustee and custodial services and serving as directors, officers, advisers or agents of other funds or other companies, including companies in which a Sub-Fund may invest. In particular, it is envisaged that the Investment Adviser may be involved in valuing unlisted securities and as their fees are based on the Net Asset Value of the relevant Sub-Funds, the amount of their fees will increase as the value of the relevant Sub-Funds increase. The Investment Adviser and Sub-Investment Adviser may also be managing or advising on the investments of other investment funds which may have similar or overlapping investment objectives to or with a Sub-Fund. Each of the Parties will respectively ensure that the performance of their respective duties will not be impaired by any such involvement that they might have. In the event that a conflict of interest does arise, the Directors shall endeavour to ensure that it is resolved fairly.

### **Soft Commissions**

The Investment Adviser and its affiliates may be offered non-monetary benefits which assist in the provision of investment services to the Company or "soft commissions" by brokers to induce the Investment Adviser and its affiliates to engage those brokers to execute securities transactions on behalf of the Company. These soft commissions may take the form of research and brokerage services regarding securities investments, and may be available for use by the Investment Adviser and its affiliates in connection with transactions in which the Company does not participate. The availability of these benefits may influence the Investment Adviser to select one broker rather than another to perform services for the Company and may represent a conflict of interest between the Investment Adviser and the Company and its Shareholders. Nevertheless, the Investment Adviser intends to use its reasonable efforts to assure either that the fees and costs for services or products provided to the Company by such brokers are no greater than they would be if the services were performed by equally capable brokers not offering such services, or that the Company also will benefit from the services or products. In addition, the Investment Adviser will ensure that the brokers will agree to provide best execution with regard to such business and that the benefits provided are those which assist.

## **ADMINISTRATION OF THE COMPANY**

### **Description of Shares**

Shares of each Sub-Fund are all freely transferable and, subject to the differences between Shares of different Classes as outlined below, are all entitled to participate equally in the profits and distributions (if any) of that Sub-Fund and in its assets in the event of termination. The Shares, which are of no par value and which must be fully paid for upon issue, carry no preferential or pre-emptive rights and are in registered form. Fractions of Shares may be issued up to three decimal places.

A Share in a Sub-Fund represents the beneficial ownership of one undivided share in the assets of the relevant Sub-Fund attributable to the relevant Class.

The Company is made up of the Sub-Funds, each Sub-Fund being a single pool of assets. The Manager may, whether on the establishment of a Sub-Fund or from time to time, on prior notice to and clearance by the Central Bank, create more than one Class of Shares in a Sub-Fund to which different levels of subscription fees and expenses (including the management fee), minimum subscription, minimum holding, designated currency, hedging strategy (if any) applied to the designated currency of the Class, distribution policy and such other features as the Manager may determine may be applicable. Shares shall be issued to investors as Shares in a Class.

### **Application for Shares**

#### *Application Procedure*

Initial applications for Shares should be made to the Administrator or to the Correspondent Bank/Paying Agent for onward transmission to the Administrator by completing an application form in such form as the Manager may from time to time prescribe, the original of which should be delivered to the Administrator or to the Correspondent Bank/Paying Agent.

All applications must be received by the Administrator or by the Correspondent Bank/Paying Agent for onward transmission to the Administrator, as relevant at their respective business addresses no later than the Dealing Deadline for the Sub-Fund, set out in the relevant Sub-Fund Information Card. If an application is received after the time aforesaid such application shall be deemed to be made in respect of the Dealing Day next following such relevant Dealing Day. Receipt of such application shall be evidenced by a written confirmation of receipt issued to the applicant by the Administrator (or its agent) or the Correspondent Bank/Paying Agent, in the absence of which confirmation, the applicant should make immediate contact with the Administrator or Correspondent Bank/Paying Agent as appropriate.

The Administrator or the Correspondent Bank/Paying Agent may reject at their discretion any application for such Shares in whole or in part in which event the application monies or any balance thereof will be returned to the applicant by transfer to the applicants designated account or by post, each at the applicant's sole risk.

Following the initial offer period of a Sub-Fund, any issue of Shares shall only be made by the Administrator on a Dealing Day.

The Shares shall be issued in registered form. Written confirmations will be issued confirming Shareholders holdings and registration in the register of Shareholders. Certificates for Shares will not normally be issued.

### **Method of Payment**

Subscription payments must be paid by credit transfer and be received in cleared funds by the Administrator by the Valuation Point on the relevant Valuation Day. If payment in cleared funds in respect of a subscription has not been received by the relevant time, the Company or its delegate may (and in the event of non-clearance of funds, shall) cancel the subscription.

### **Ineligible Applicants**

The Company's application form requires each prospective applicant for Shares to represent and warrant to the Company that, among other things, he is able to acquire and hold Shares without violating applicable laws.

The Shares may not be offered, issued or transferred to any person in circumstances which, in the opinion of the Directors, might result in the Company incurring any liability to taxation or suffering any other pecuniary disadvantage which the Company might not otherwise incur or suffer, or would result in the Company being required to register under any applicable US securities laws.

Shares may generally not be issued or transferred to any US Person other than a US Tax-Exempt Investor; all such issuances and transfers must be made in accordance with an applicable exemption from the registration requirements of the Securities Act, (as amended) and the applicable state securities or Blue Sky laws, and provided that:

- (a) such issue or transfer does not result in a violation of the 1933 Act or the securities laws of any of the states of the United States;
- (b) such issue or transfer will not require the Company to register under the 1940 Act;
- (c) such issue or transfer will not cause any assets of the Company to be treated for any purpose of ERISA or Section 4975 of the Code as assets of any "employee benefit plan" as defined in or subject to ERISA or of any "plan" as defined in or subject to Section 4975 of the Code
- (d) such issue or transfer will not cause the Company to engage in any prohibited transaction as defined in Section 406 of ERISA or Section 4975 (c) of the Code; and
- (e) such issue or transfer will not result in any adverse regulatory or tax consequences to the Company or its Shareholders.

Each applicant for, and transferee of, Shares who is a US Person and a US Tax-Exempt Investor will be required to provide such representations, warranties and documentation as may be required to ensure that these requirements are met prior to the issue or transfer of Shares.

## **Minimum Subscription**

Different minimum subscriptions may be imposed on initial and subsequent subscriptions and minimum subscriptions may differ between Classes, as specified in the relevant Class Information Cards attached to this Prospectus. In exceptional circumstances, the minimum initial subscription and the subsequent instalments may be reduced by the Manager at its discretion in any particular case.

## **Anti-Money Laundering and Countering Terrorist Financing Measures**

Measures aimed at the prevention of money laundering and terrorist financing require a detailed verification of the investor's identity and where applicable the beneficial owner on a risk sensitive basis and the ongoing monitoring of the business relationship. Politically exposed persons ("PEPs"), an individual who is or has, at any time in the preceding year, been entrusted with prominent public functions, and immediate family member, or persons known to close associates of such persons, must also be identified. By way of example an individual may be required to produce an original certified copy of a passport or identification card together with evidence of his/her address such as two original copies of evidence of his/her address, i.e. utility bills or bank statements, date of birth and tax residence. In the case of corporate investors, such measures may require production of a certified copy of the certificate of incorporation (and any change of name), memorandum and articles of association (or equivalent), the names, occupations, dates of birth and resident and business address of all directors. Depending on the circumstances of each application, a detailed verification might not be required where for example, the application is made through a recognised intermediary. This exception will only apply if the intermediary referred to above is located within a prescribed country under the Criminal Justice (Money Laundering and Terrorist Financing) Act 2010. Intermediaries cannot rely on third parties to meet the obligation to monitor the ongoing business relationship with an investor which remains their ultimate responsibility.

The Administrator, the Company and the Correspondent Bank/Paying Agent each reserves the right to request such information as is necessary to verify the identity of an investor. Verification of the investor's identity is required to take place before the establishment of the business relationship. In any event, evidence of identity is required for all investors as soon as is reasonably practicable after the initial contact. In the event of delay or failure by an investor or applicant to produce any information required for verification purposes, the Administrator the Company and the Correspondent Bank/Paying Agent may refuse to accept the application and subscription monies.

The Administrator will notify applicants, as set out in the application form, what proof of identity is required. By way of example, an individual may be required to produce a copy of a passport or identification card, which shows a photograph, signature and date of birth, duly certified by a public authority such as a notary public, the police or the ambassador in their country of residence, together with two items evidencing their address such as a utility bill or bank statement. In the case of corporate applicants this may require production of a certified copy of the certificate of incorporation (and any change of name) and of the memorandum and articles of association (or equivalent) and of the names and residential and business addresses of all directors and beneficial owners and a certified authorised signatory list and properly authorised mandate of the directors of such applicant approving the making of the investment in the Company.

The details given above are by way of example only and the Administrator will request such information and documentation as it considers is necessary to verify the identity and source of funds 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 the subscription monies relating thereto or may refuse to settle a redemption request until proper information has been provided. Investors should note specifically that where redemption proceeds are requested to be remitted to an account which is not in the name of the investor, the Administrator shall settle such redemption requests in exceptional circumstances only and reserves the right to request such information as may be reasonably necessary in order to verify the identity of the investor and the owner of the account to which the redemption proceeds have been requested to be paid. The redemption proceeds will not be paid to a third party account unless exceptional circumstances exist and/or if the investor and/or owner of the account fails to provide such information.

Each subscriber and Shareholder will be required to make such representations to the Company as the Company, the Manager, the Investment Advisor or the Administrator will require in connection with applicable anti-money laundering programmes, including, without limitation, representations to the Company that such subscriber or Shareholder is not a prohibited country, territory, individual or entity listed on the US Department of Treasury's Office of Foreign Assets Control ("OFAC") website, and that it is not directly or indirectly affiliated with any country, territory, individual or entity named on an OFAC list or prohibited by any OFAC sanctions programmes. Such subscriber or Shareholder will also represent to the Company that amounts contributed by it to the Company were not directly or indirectly derived from activities that may contravene US Federal, state, or international laws and regulations, including, without limitation, any applicable anti-money laundering laws and regulations.

## **Issue Price of Shares**

### *Initial Issues*

During the initial offer period of a Sub-Fund or Class the Manager and the Custodian shall, before the issue of any Shares in the Sub-Fund or Class, determine the initial issue price thereof. The time at which, the terms upon which and the initial issue price per Share of the initial issue of Shares of a Sub-Fund or Class shall be specified in the relevant Class Information Card to this Prospectus.

### *Subsequent Issues*

Thereafter, Shares shall be issued at a price equal to the Net Asset Value per Share on the relevant Dealing Day on which the Shares are to be issued.

## **Redemption of Shares**

The Administrator will at any time during the term of a Sub-Fund on receipt by it or by its duly authorised agent of a request by a Shareholder redeem on any Dealing Day all or any part of such Shareholder's holding of Shares at a price per Share equal to the Net Asset Value per Share.

All redemption requests must be received (by signed original letter, or by faxed instruction only where payment is made to the account of record) or by such other means as may be prescribed by the Manager from time to time) by the Administrator or by the Correspondent Bank/Paying Agent for onward

transmission to the Administrator, as relevant at their respective business addresses no later than the Dealing Deadline for the relevant Sub-Fund. Any request received after the time aforesaid shall be deemed to be made in respect of the Dealing Day next following such relevant Dealing Day. Receipt of such application shall be evidenced by a written confirmation of receipt issued to the applicant by the Administrator (or its agent) or the Correspondent Bank/Paying Agent, in the absence of which confirmation, the applicant should make immediate contact with the Administrator or Correspondent Bank/Paying Agent as appropriate.

The redemption price will be payable to the Shareholder within five Business Days after the relevant Dealing Day on which the redemption is to be effected subject to receipt by the Manager of the original redemption request in respect of the Shares. The redemption price payable to the Shareholder will be paid in the base currency of the relevant Sub-Fund by bank transfer or cheque at the expense of the Shareholder to the account of record of the Shareholder. Every such bank transfer or cheque shall be made payable to the order of such Shareholder, or in the case of joint Shareholders, made payable to the order of the joint Shareholder who has requested such redemption at the risk of such Shareholder or joint Shareholders.

If the number of Shares of a Sub-Fund falling to be redeemed on any Dealing Day is equal to one tenth or more of the total number of Shares of that Sub-Fund in issue or deemed to be in issue on such Dealing Day, then the Manager may in its discretion refuse to redeem any Shares in excess of one tenth of the total number of Shares of that Sub-Fund in issue or deemed to be in issue as aforesaid and, if the Manager so refuses, the requests for redemption on such Dealing Day shall be reduced rateably and the Shares to which each request relates which are not redeemed by reason of such refusal shall be treated as if a request for redemption had been made in respect of each subsequent Dealing Day until all the Shares to which the original request related have been redeemed. Requests for redemption which have been carried forward from an earlier Dealing Day shall (subject always to the foregoing limits) be complied with in priority to later requests.

Applicants should note that the Manager or the Administrator or their agents may refuse to accept a redemption request if it is not accompanied by such additional information as they may in their absolute discretion require. This power may, without limitation to the generality of the foregoing, be exercised where proper information has not been provided for money laundering verification purposes as described under "Application for Shares". Applicants should note in particular that redemption proceeds will not be paid by the Administrator to an account which is not in the name of the applicant.

### **Compulsory Redemption of Shares**

The Administrator may at any time redeem, or request the transfer of, Shares held by Shareholders who are excluded from purchasing or holding Shares under the Articles of Association. Any such redemption will be made on a Dealing Day at a price equal to the Net Asset Value per Share on the relevant Dealing Day on which the Shares are to be redeemed.

Shareholders are required to notify the Administrator immediately when, at any time following their initial subscription for Shares, they become US Persons or hold Shares for the account or benefit of US Persons.

When the Directors become aware that a Shareholder is a US Person or is holding Shares for the account

or benefit of a US Person, so that the number of US Persons known to the Directors to be beneficial owners of Shares for the purposes of the 1940 Act exceeds 99 or such other number as the Directors may determine from time to time; the Directors will either (i) direct such Shareholder to redeem, or to transfer the relevant Shares to a person who is qualified or entitled to own or hold, such Shares or (ii) redeem the relevant Shares.

Any person who becomes aware that he is holding Shares in contravention of any of the above provisions and who fails to transfer or redeem his Shares pursuant to the above provisions shall indemnify and hold harmless each of the Directors, the Fund, the Administrator, the Custodian, the Investment Manager, any Sub-Investment Adviser and the Shareholders of the Fund (each an "Indemnified Party") from any claims, demands, proceedings, liabilities, damages, losses, costs and expenses directly or indirectly suffered or incurred by such Indemnified Party arising out of or in connection with the failure of such person to comply with his obligations pursuant to any of the above provisions.

#### *Total Redemption of Shares*

All of the Shares of any Class or any Sub-Fund may be redeemed:

- (a) on the giving by the Company of not less than thirty days' notice expiring on a Dealing Day to Shareholders of its intention to redeem such Shares; or
- (b) if the holders of 75% in value of the relevant Class or Sub-Fund resolve at a meeting of the Shareholders duly convened and held that such Shares should be redeemed.

#### **Switching**

Switching is available but only between the same Classes of different Sub-Funds distributed by the same Distributor, unless expressly authorised on a case by case basis by the Manager.

Subject to the above and to the Shares being in issue and being offered for sale and provided that the issue and redemption of Shares has not been suspended, Shareholders may, in respect of Shares held in one or more Classes (the "Original Shares"), apply to switch some or all of such Original Shares into Shares in one or more other Classes (the "New Shares"). Applications for switching should be made to the Administrator or to the Correspondent Bank/Paying Agent by completing a switching form in such forms as the Manager may from time to time prescribe, the original of which should be delivered to the Administrator or the Correspondent Bank/Paying Agent. All switching requests must be received by the Administrator or by the Correspondent Bank/Paying Agent for onward transmission to the Administrator, as relevant at their respective business addresses no later than the Dealing Deadline for the relevant Sub-Fund. Any request received after the time aforesaid shall be deemed to be made in respect of the Dealing Day next following such relevant Dealing Day.

On the Dealing Day next following the receipt of the switching form, the Original Shares to be switched shall ipso facto be switched into the appropriate number of New Shares. The Original Shares shall on that Dealing Day have the same value (the "Switched Amount") as if they were being redeemed by the Administrator from the Shareholder. The appropriate number of New Shares shall be equal to the number of Shares in that Class that would be issued on that Dealing Day if the Switched Amount were invested in Shares in that Class.

Upon any such switch, there shall be reallocated from the relevant Class or Classes, as the case may be, to which the Original Shares belonged, assets or cash equal in value to the Switched Amount to the Class or Classes, as the case may be, to which the New Shares belong.

Upon any such switch, the Administrator shall procure that the relevant registers are amended accordingly.

### **Transfer of Shares**

Shares in each Sub-Fund will be transferable to persons other than Ineligible Applicants (as described under "Ineligible Applicants", above) by instrument in writing signed by the transferor and the transferor shall be deemed to remain the holder of the Shares until the name of the transferee is entered in the relevant register in respect thereof. 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 Administrator as having any title to or interest in the Shares registered in the names of such joint Shareholders.

A fee not exceeding Euro 25 may be charged by the Manager for the registration of each transfer if requested in the name of the transferee and such fee must, if required by the Manager, be paid before the registration of the transfer.

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

The Net Asset Value of a Sub-Fund shall be expressed in the base currency of the relevant Sub-Fund and shall be calculated as at the Valuation Point on each Valuation Day by ascertaining the value of the assets of the Sub-Fund on such Dealing Day and deducting from such value the liabilities of the Sub-Fund on such Dealing Day.

The increase or decrease in the Net Asset Value of a Sub-Fund over or under, as the case may be, the closing Net Asset Value of that Sub-Fund as at the Valuation Point on the immediately preceding Valuation Day is then allocated between the different Classes of Shares in that Sub-Fund based on their pro rata closing Net Asset Values as calculated as of the immediately preceding Valuation Point, as adjusted for subscriptions and redemptions and any other factor which differentiates one Class from another, including the gains/losses and resultant costs of financial instruments employed for currency hedging between the base currency of a Sub-Fund and the designated currency of a Class or the denominated currency of the assets of the Sub-Fund and the designated currency of a Class to determine the Net Asset Value of each Class. Each Net Asset Value of a Class is then divided by the number of Shares in issue, respectively, at the relevant Valuation Point and then rounded to the nearest two decimal places to give the Net Asset Value per Share.

Where there is more than one Class of Shares in issue in a Sub-Fund, the Net Asset Value per Share of each Class may be adjusted to reflect the accumulation and distribution of income and/or capital and the expenses, liabilities and assets attributable to such Class of Share.

The assets of a Sub-Fund will be valued as follows:-

- (a) any asset listed and regularly traded on a Recognised Exchange and for which market quotations are readily available shall be valued at the latest mid-market prices as at the



Valuation Point, provided that the value of any investment listed on a Recognised Exchange but acquired or traded at a premium or at a discount outside or off the relevant market may be valued taking into account the level of premium or discount as of the date of valuation and the custodian must ensure the adoption of such a procedure is justifiable in the context of establishing the probable realisation value of the security;

- (b) if an asset is listed on several Recognised Exchanges, the latest mid-market prices on the stock exchange or market which in the opinion of the Administrator with the approval of the Custodian, constitutes the main market for such assets will be used;
- (c) the assets of a Sub-Fund which are not listed or which are listed but in respect of which prices are not available or in respect of which the latest mid-market prices does not in the opinion of the Administrator represent fair market value shall be valued at their probable realisation value estimated with care in good faith based upon the advice of the Investment Adviser and such value will be approved by the Custodian;
- (d) derivative instruments dealt in on a market shall be valued by reference to the price which appears to the Administrator to be the settlement price for such instruments on such market. Where such derivative instruments are not dealt in on a market their probable realisation value shall be as determined with care in good faith by the Administrator or by a competent person approved for that purpose by the Custodian. Derivative contracts which are not traded on a regulated market including without limitation swap contracts will be valued on the basis of a quotation provided daily by the relevant counterparty and verified or approved at least weekly by a party independent of the counterparty, including the Investment Adviser, or another independent party which is approved for such purpose by the Custodian;
- (e) forward foreign exchange contracts shall be valued in the same manner as derivatives contracts which are not traded in a regulated market or by reference to the price at the Valuation Point at which a new forward contract of the same size and maturity could be undertaken;
- (f) units in other collective investment schemes not valued pursuant to paragraph (a) above shall be valued by reference to the latest available net asset value of the units of the relevant collective investment scheme;
- (g) the Manager may, with the approval of the Custodian, adjust the value of any investment if, having regard to its currency, marketability, applicable interest rates, anticipated rates of dividend, maturity, liquidity or any other relevant considerations, they consider that such adjustment is required to reflect the fair value thereof;
- (h) assets denominated in a currency other than in the base currency of the relevant Sub-Fund shall be converted into that base currency at the rate (whether official or otherwise) which the Administrator after consulting or in accordance with a method approved by the Custodian deems appropriate in the circumstances; and

- (i) cash and other liquid assets shall be valued at their nominal value plus accrued interest, where applicable, to the end of the relevant day on which the Valuation Point occurs.

In the event of it being impossible or impracticable to carry out a valuation of an asset in accordance with the valuation rules set out in paragraphs (a) to (i) above, or if such valuation is not representative of the securities fair market value, the Manager is entitled to use other generally recognised valuation principles approved by the Custodian, in order to reach a proper valuation of such asset.

#### **Publication of Net Asset Value Per Share**

Except where the determination of the Net Asset Value of a Sub-Fund, the Net Asset Value per Share and the issue and redemption of Shares has been suspended in the circumstances described below, the Net Asset Value per Share on each Dealing Day will be available at the registered office of the Manager and will be published by the Manager at the following website address [www.gavekal-capital.com](http://www.gavekal-capital.com) and/or on Bloomberg and/or such other publication, as the Manager and the Custodian may agree, circulating in the jurisdictions in which Shares are marketed and which are notified to Shareholders. The prices posted on the internet shall be kept up to date.

#### **Temporary Suspension of Calculation of Net Asset Value and of Issues and Redemptions of Shares**

The Manager may, with the consent of the Custodian, temporarily suspend the calculation of the Net Asset Value of each or any Sub-Fund, the Net Asset Value per Share of each such Sub-Fund and the issue and redemption of Shares of such Sub-Fund to and from Shareholders when:-

- (a) a market which is the basis for the valuation of a major part of the assets of the relevant Sub-Fund is closed (except for the purposes of a public/bank holiday), or when trading on such a market is limited or suspended;
- (b) a political, economic, military, monetary or other emergency beyond the control, liability and influence of the Manager makes the disposal of the assets of the relevant Sub-Fund impossible or impracticable under normal conditions or such disposal would be detrimental to the interests of the Shareholders;
- (c) the disruption of any relevant communications network or any other reason makes it impossible or impracticable to determine the value of a major portion of the assets of the relevant Sub-Fund;
- (d) the relevant Sub-Fund is unable to repatriate funds for the purpose of making payments on the redemption of Shares from Shareholders or making any transfer of funds involved in the realisation or acquisition of investments or when payments due on redemption of Shares from Shareholders cannot in the opinion of the Manager be effected at normal rates of exchange;
- (e) any period when proceeds of any sale or repurchase of Shares cannot be transmitted to or from the account of the Sub-Fund; or

- (f) any other reason makes it impossible or impracticable to determine the value of a substantial portion of the assets of the Sub-Fund.

Any such suspension will be notified without delay to the Central Bank and shall be notified to Shareholders if in the opinion of the Manager it is likely to exceed fourteen (14) days and will be notified to investors or Shareholders requesting issue or redemption of Shares by the Manager at the time of application for such issue or filing of the written request for such redemption.

## **MANAGEMENT AND COMPANY CHARGES**

### **The Manager**

The Manager shall be entitled to receive out of that proportion of the assets of a Sub-Fund attributable to the relevant Class an annual fee (the "Management Fee"), accrued at each Valuation Point and payable monthly in arrears at the rate (plus VAT, if any) set out in the relevant Class Information Cards attached to this Prospectus, in relation to the provision of performance attribution, performance measurement, risk analyses and research services to each relevant Sub-Fund.

Where the Manager or any of its delegates successfully negotiates the recapture of a portion of the commissions charged by brokers or dealers in connection with the purchase and/or sale of securities for a Sub-Fund ("recaptured commission"), the recaptured commission shall be paid to the relevant Sub-Fund and the Manager shall be entitled to be reimbursed out of the assets of the relevant Sub-Fund for the reasonable, properly-vouched costs, fees and expenses directly incurred by the Manager in negotiating such recaptured commissions and in monitoring the programmes seeking highest standards for execution, value added services and investment research on behalf of the Sub-Funds. In no event will the amount of such reimbursement exceed fifty per cent. of the recaptured commissions. Accordingly, there may be circumstances where the Manager shall not be entitled to reimbursement of part or all of the costs, fees and expenses it incurs in relation to recapture commission programmes.

The Manager shall also be entitled to be repaid all of its Administration Expenses out of the assets of the Company

### **The Administrator**

#### *Administration Fee*

The Manager shall pay to the Administrator out of the assets of each Sub-Fund such fee as will be disclosed in the relevant Class Information Card (plus VAT, if any), which shall accrue as at each Valuation Day and shall be payable monthly in arrears.

The Administrator shall also be entitled to be repaid out of the assets of the relevant Sub-Fund all of its reasonable out-of-pocket expenses incurred on behalf of the Sub-Fund which shall include but are not limited to legal fees, couriers' fees and telecommunication costs and expenses.

### **The Custodian**

The Custodian shall be entitled to receive out of the assets of each Sub-Fund such fee as will be disclosed in the relevant Class Information Card (plus VAT, if any), which shall accrue as at each Valuation Day and shall be payable monthly in arrears.

The Custodian shall be further entitled to be repaid all of its Disbursements out of the assets of the relevant Sub-Fund. The Custodian shall pay the fees of any sub-custodian appointed by it from its own fee, such fees will be charged at normal commercial rates.

**Investment Adviser**

The Manager shall pay to the Investment Adviser out of its own management fees (plus VAT, if any) the fees of the Investment Adviser for each relevant Sub-Fund. The Investment Adviser shall be entitled to be repaid for any out-of-pocket expenses out of the assets of the relevant Sub-Fund.

**Sub-Investment Adviser**

The Investment Adviser bears the fees of any Sub-Investment Adviser. The Sub-Investment Adviser shall be entitled to be repaid for any out-of-pocket expenses out of the assets of the relevant Sub-Fund.

**Distributor**

The Manager shall pay to the Distributor out of its own management fees (plus VAT, if any) the fees of the Distributor for each relevant Sub-Fund. The Distributor shall be entitled to be repaid for any out-of-pocket expenses out of the assets of the relevant Sub-Fund.

**Correspondent Banks/Paying Agents**

The Correspondent Banks and Paying Agents shall be entitled to receive such fees and expenses, and which shall accrue and be payable at such intervals, as may be disclosed in the relevant Sub-Fund or Class Information Card.

**General**

Each Sub-Fund is responsible for the expenses incurred by it in connection with litigation. Pursuant to provisions contained in the Articles of Association, a Sub-Fund shall indemnify the Custodian in certain circumstances including costs and expenses incurred in litigation by or on behalf of the Sub-Fund. The Manager is entitled to recover from a Sub-Fund the costs and expenses incurred by it in litigation by or on behalf of that Sub-Fund.

Each Sub-Fund pays out of its assets all fees, costs and expenses, including Administration Expenses and Disbursements, of or incurred by the Manager, the Administrator and the Custodian in connection with the ongoing management, administration and operation of the Sub-Fund. Such fees, costs expenses and disbursements payable by the relevant Sub-Fund include, but are not limited to:

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

- (e) taxes or duties imposed by any fiscal authority;
- (f) costs of preparation, translation and distribution of all prospectuses, reports, confirmations of purchase of Shares and notices to Shareholders;
- (g) fees and expenses incurred in connection with the listing of Shares on any Recognised Exchange and in complying with the listing rules thereof;
- (h) initial and ongoing fees and expenses in connection with registering the Shares for sale in any other jurisdictions;
- (i) custody and transfer expenses;
- (j) expenses of Shareholders' meetings;
- (k) insurance premia;
- (l) any other expenses, including clerical costs of issue or redemption of Shares;
- (m) the cost of preparing, translating, printing and/or filing in any language the Articles of Association and all other documents relating to the Company or to the relevant Sub-Fund including registration statements, prospectuses, listing particulars, explanatory memoranda, annual, half-yearly and extraordinary reports with all authorities (including local securities dealers associations) having jurisdiction over the Company or any of the Sub-Funds or the offer of Shares of the relevant Sub-Fund and the cost of delivering any of the foregoing to the Shareholders;
- (n) advertising and marketing expenses relating to the distribution of Shares of the Sub-Fund;
- (o) the cost of publication of notices in local newspapers or web-sites in any relevant jurisdiction;
- (p) the total costs of any amalgamation, reconstruction or termination of any Sub-Fund;
- (q) all fees payable in respect of investments in other collective investment schemes including, without limitation, subscription, redemption, management, investment management, performance, distribution, administration and/or custody fees in respect of each collective investment fund in which any of the Sub-Funds invest, except where this is not permitted by the Central Bank;
- (r) the fees, costs and expenses of any Correspondent Bank or Paying Agent;
- (s) the expenses of the Investment Adviser and Distributor;
- (t) all regulatory fees payable to the Central Bank and any other relevant authority; and
- (u) all fees connected with winding-up the Company.

in each case plus any applicable VAT.

Each Sub-Fund will also pay fees relating to the maintenance of the official register of the Company of up to 40 Euro per subscription or redemption or transfer effected by the registrar in relation to the Shares. Such fee will be payable monthly in arrears.

All fees and expenses relating to the establishment and organisation of the Shares and each of the initial Sub-Funds including the fees of the Shares professional advisers and the fees and expenses incurred in registering them for sale in various markets will be borne by the Shares.

### **Directors' Fees**

The Articles of Association authorise the Directors to charge a fee for their services at a rate determined by the Directors up to a maximum fee per Director of €10,000 per annum and may be entitled to special remuneration if called upon to perform any special or extra services to the Company. Charles Jean Hubert Gave and Louis-Vincent Gave will waive the fee for their services as Director of the Company. However, all Directors will be entitled to reimbursement by the Company of expenses properly incurred in connection with the business of the Company or the discharge of their duties.

### **Allocation of Fees and Expenses**

All fees, expenses, duties and charges will be charged to the relevant Sub-Fund and within such Sub-Fund to the Classes in respect of which they were incurred. Where an expense is not considered by the Directors to be attributable to any one Sub-Fund, the expense will normally be allocated to all Sub-Funds in proportion to the Net Asset Value of the Sub-Funds or otherwise on such basis as the Directors deem fair and equitable. In the case of any fees or expenses of a regular or recurring nature, such as audit fees, the Directors may calculate such fees or expenses on an estimated figure for yearly or other periods in advance and accrue them in equal proportions over any period.

Any fees and/or expenses which are directly or indirectly attributable to a particular Sub-Fund or Class shall be borne solely by that Sub-Fund or Class.

## TAXATION

### General

***The information given is not exhaustive and does not constitute legal or tax advice. Prospective investors should consult their own professional advisers as to the implications of their subscribing for, purchasing, holding, switching or disposing of Shares under the laws of the jurisdictions in which they may be subject to tax.***

***The following is a brief summary of certain aspects of Irish taxation based on advice received by the Directors regarding the law and practice relevant to the transactions contemplated in this Prospectus. It is based on the law and practice and official interpretation currently in effect, all of which are subject to change.***

Dividends, interest and capital gains (if any) which the Company/any of the Sub-Funds receive with respect to its/their investments (other than securities of Irish issuers) may be subject to taxes, including withholding taxes, in the countries in which the issuers of investments are located. It is anticipated that 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 a repayment to the Company the Net Asset Value will not be re-stated and the benefit will be allocated to the existing Shareholders rateably at the time of repayment.

### Irish Taxation

The Directors have been advised that on the basis that the Company is resident in Ireland for taxation purposes the taxation position of the Company and the Shareholders is as set out below.

#### The Company

The Company will be regarded as resident in Ireland for tax purposes if the central management and control of its business is exercised in Ireland and the Company is not regarded as resident elsewhere. It is the intention of the Directors that the business of the Company will be conducted in such a manner as to ensure that it is Irish resident for tax purposes.

The Directors have been advised that the Company qualifies as an investment undertaking as defined in Section 739B (1) of the Taxes Act. Under current Irish law and practice, the Company is not chargeable to Irish tax on its income and gains.

However, tax can arise on the happening of a "chargeable event" in the Company. A chargeable event includes any distribution payments to Shareholders or any encashment, redemption, cancellation, transfer or deemed disposal (a deemed disposal will occur at the expiration of a Relevant Period) of Shares or the appropriation or cancellation of Shares of a Shareholder by the Company for the purposes of meeting the amount of tax payable on a gain arising on a transfer. No tax will arise on the Company in respect of chargeable events in respect of a Shareholder who is neither Irish Resident nor Ordinarily Resident in Ireland at the time of the chargeable event provided that a Relevant Declaration is in place and the Company is not in possession of any information which would reasonably suggest that the information



contained therein is no longer materially correct. In the absence of either a Relevant Declaration or the Company satisfying and availing of the equivalent measures (see paragraph headed “*Equivalent Measures*” below) there is a presumption that the investor is Irish Resident or Ordinarily Resident in Ireland. A chargeable event does not include:

- An exchange by a Shareholder, effected by way of an arms length bargain where no payment is made to the Shareholder, of Shares in the Company for other Shares in the Company;
- Any transactions (which might otherwise be a chargeable event) in relation to shares held in a recognised clearing system as designated by order of the Irish Revenue Commissioners;
- A transfer by a Shareholder of the entitlement to Shares where the transfer is between spouses and former spouses, subject to certain conditions; or
- An exchange of Shares arising on a qualifying amalgamation or reconstruction (within the meaning of Section 739H of the Taxes Act) of the Company with another investment undertaking.

If the Company becomes liable to account for tax if a chargeable event occurs, the Company shall be entitled to deduct from the payment arising on a chargeable event an amount equal to the appropriate tax and/or where applicable, to appropriate or cancel such number of Shares held by the Shareholder or the beneficial owner of the Shares as are required to meet the amount of tax. The relevant Shareholder shall indemnify and keep the Company indemnified against loss arising to the Company by reason of the Company becoming liable to account for tax on the happening of a chargeable event if no such deduction, appropriation or cancellation has been made.

Dividends received by the Company from investment in Irish equities may be subject to Irish dividend withholding tax at the standard rate of income tax (currently 20%). However, the Company can make a declaration to the payer that it is a collective investment undertaking beneficially entitled to the dividends which will entitle the Company to receive such dividends without deduction of Irish dividend withholding tax.

### ***Stamp Duty***

No stamp duty is payable in Ireland on the issue, transfer, repurchase or redemption of Shares in the Company. Where any subscription for or redemption of Shares is satisfied by the in specie transfer of securities, property or other types of assets, Irish stamp duty may arise on the transfer of such assets.

No Irish stamp duty will be payable by the Company on the conveyance or transfer of stock or marketable securities provided that the stock or marketable securities in question have not been issued by a company registered in Ireland and provided that the conveyance or transfer does not relate to any immovable property situated in Ireland or any right over or interest in such property or to any stocks or marketable securities of a company (other than a company which is an investment undertaking within the meaning of Section 739B (1) of the Taxes Act) which is registered in Ireland.

### **Shareholders Tax**

#### *Shares which are held in a Recognised Clearing System*

Any payments to a Shareholder or any encashment, redemption, cancellation or transfer of Shares held in

a Recognised Clearing System will not give rise to a chargeable event in the Company (there is however ambiguity in the legislation as to whether the rules outlined in this paragraph with regard to Shares held in a Recognised Clearing System, apply in the case of chargeable events arising on a deemed disposal, therefore, as previously advised, Shareholders should seek their own tax advice in this regard). Thus the Company will not have to deduct any Irish taxes on such payments regardless of whether they are held by Shareholders who are Irish Residents or Ordinarily Resident in Ireland, or whether a non-resident Shareholder has made a Relevant Declaration. However, Shareholders who are Irish Resident or Ordinarily Resident in Ireland or who are not Irish Resident or Ordinarily Resident in Ireland but whose Shares are attributable to a branch or agency in Ireland may still have a liability to account for Irish tax on a distribution or encashment, redemption or transfer of their Shares.

To the extent any Shares are not held in a Recognised Clearing System at the time of a chargeable event (and subject to the point made in the previous paragraph in relation to a chargeable event arising on a deemed disposal), the following tax consequences will typically arise on a chargeable event.

*Shareholders who are neither Irish Residents nor Ordinarily Resident in Ireland*

The Company will not have to deduct tax on the occasion of a chargeable event in respect of a Shareholder if (a) the Shareholder is neither Irish Resident nor Ordinarily Resident in Ireland, (b) the Shareholder has made a Relevant Declaration on or about the time when the Shares are applied for or acquired by the Shareholder and (c) the Company is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct. In the absence of either a Relevant Declaration (provided in a timely manner) or the Company satisfying and availing of the equivalent measures (see paragraph headed "*Equivalent Measures*" below) tax will arise on the happening of a chargeable event in the Company regardless of the fact that a Shareholder is neither Irish Resident nor Ordinarily Resident in Ireland. The appropriate tax that will be deducted is as described below.

To the extent that a Shareholder is acting as an Intermediary on behalf of persons who are neither Irish Resident nor Ordinarily Resident in Ireland no tax will have to be deducted by the Company on the occasion of a chargeable event provided that either (i) the Company satisfied and availed of the equivalent measures or (ii) the Intermediary has made a Relevant Declaration that he/she is acting on behalf of such persons and the Company is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct.

Shareholders who are neither Irish Residents nor Ordinarily Resident in Ireland and either (i) the Company has satisfied and availed of the equivalent measures or (ii) such Shareholders have made Relevant Declarations in respect of which the Company is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct, will not be liable to Irish tax in respect of income from their Shares and gains made on the disposal of their Shares. However, any corporate Shareholder which is not Irish Resident and which holds Shares directly or indirectly by or for a trading branch or agency in Ireland will be liable to Irish tax on income from their Shares or gains made on disposals of the Shares.

Where tax is withheld by the Company on the basis that no Relevant Declaration has been filed with the Company by the Shareholder, Irish legislation provides for a refund of tax only to companies within the charge to Irish corporation tax, to certain incapacitated persons and in certain other limited circumstances.

### *Shareholders who are Irish Residents or Ordinarily Resident in Ireland*

Unless a Shareholder is an Exempt Irish Investor and makes a Relevant Declaration to that effect and the Company is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct or unless the Shares are purchased by the Courts Service, tax at the rate of 30% will be required to be deducted by the Company from a distribution (where payments are made annually or at more frequent intervals) to a Shareholder who is Irish Resident or Ordinarily Resident in Ireland. Similarly, tax at the rate of 33% will have to be deducted by the Company on any other distribution or gain arising to the Shareholder (other than an Exempt Irish Investor who has made a Relevant Declaration) on an encashment, redemption, cancellation, transfer or deemed disposal (see below) of Shares by a Shareholder who is Irish Resident or Ordinarily Resident in Ireland.

The Finance Act 2006 introduced rules (which were subsequently amended by the Finance Act 2008) in relation to an automatic exit tax for Shareholders who are Irish Resident or Ordinarily Resident in Ireland in respect of Shares held by them in the Company at the ending of a Relevant Period. Such Shareholders (both companies and individuals) will be deemed to have disposed of their Shares ("deemed disposal") at the expiration of that Relevant Period and will be charged to tax at the rate of 33% on any deemed gain (calculated without the benefit of indexation relief) accruing to them based on the increased value (if any) of the Shares since purchase or since the previous exit tax applied, whichever is later.

For the purposes of calculating if any further tax arises on a subsequent chargeable event (other than chargeable events arising from the ending of a subsequent Relevant Period or where payments are made annually or at more frequent intervals), the preceding deemed disposal is initially ignored and the appropriate tax calculated as normal. Upon calculation of this tax, credit is immediately given against this tax for any tax paid as a result of the preceding deemed disposal. Where the tax arising on the subsequent chargeable event is greater than that which arose on the preceding deemed disposal, the Company will have to deduct the difference. Where the tax arising on the subsequent chargeable event is less than that which arose on the preceding deemed disposal, the Company will refund the Shareholder for the excess (subject to the paragraph headed "*15% threshold*" below).

Finance Act 2012 introduced a 25% tax rate to apply in place of the abovementioned 30% or 33% rates in the case of certain corporate shareholders.

#### 10% Threshold

The Company will not have to deduct tax ("exit tax") in respect of this deemed disposal where the value of the chargeable shares (i.e. those Shares held by Shareholders to whom the declaration procedures do not apply) in the Company (or in the sub-fund within an umbrella scheme) is less than 10% of the value of the total Shares in the Company (or in the sub-fund) and the Company has made an election to report certain details in respect of each affected Shareholder to Revenue (the "Affected Shareholder") in each year that the de minimus limit applies. In such a situation the obligation to account for the tax on any gain arising on a deemed disposal will be the responsibility of the Shareholder on a self assessment basis ("self-assessors") as opposed to the Company or Sub-Fund (or their service providers). The Company is deemed to have made the election to report once it has advised the Affected Shareholders in writing that it will make the required report.

### 15 % Threshold

As previously stated where the tax arising on the subsequent chargeable event is less than that which arose on the preceding deemed disposal (e.g. due to a subsequent loss on an actual disposal), the Company will refund the Shareholder the excess. Where however immediately before the subsequent chargeable event, the value of chargeable shares in the Company (or in the sub-fund within an umbrella scheme) does not exceed 15% of the value of the total Shares, the Company (or sub-fund) may elect to have any excess tax arising repaid directly by Revenue to the Shareholder. The Company is deemed to have made this election once it notifies the Shareholder in writing that any repayment due will be made directly by Revenue on receipt of a claim by the Shareholder.

### *Other*

To avoid multiple deemed disposal events for multiple units an irrevocable election under Section 739D(5B) can be made by the Company to value the Shares held at the 30<sup>th</sup> June or 31<sup>st</sup> December of each year prior to the deemed disposal occurring. While the legislation is ambiguous, it is generally understood that the intention is to permit a fund to group shares in six month batches and thereby make it easier to calculate the exit tax by avoiding having to carry out valuations at various dates during the year resulting in a large administrative burden.

The Irish Revenue Commissioners have provided updated investment undertaking guidance notes which deal with the practical aspects of how the above calculations/objectives will be accomplished.

Shareholders (depending on their own personal tax position) who are Irish Resident or Ordinarily Resident in Ireland may still be required to pay tax or further tax on a distribution or gain arising on an encashment, redemption, cancellation, transfer or deemed disposal of their Shares. Alternatively they may be entitled to a refund of all or part of any tax deducted by the Company on a chargeable event.

### *Equivalent Measures*

The Finance Act 2010 ("Act") introduced new measures commonly referred to as equivalent measures to amend the rules with regard to Relevant Declarations. The position prior to the Act was that no tax would arise on an investment undertaking with regard to chargeable events in respect of a shareholder who was neither Irish Resident nor Ordinarily Resident in Ireland at the time of the chargeable event, provided that a Relevant Declaration was in place and the investment undertaking was not in possession of any information which would reasonably suggest that the information contained therein was no longer materially correct. In the absence of a Relevant Declaration there was a presumption that the investor was Irish Resident or Ordinarily Resident in Ireland. The Act however contained new provisions that permit the above exemption in respect of shareholders who are not Irish Resident nor Ordinarily Resident in Ireland to apply where appropriate equivalent measures are put in place by the investment undertaking to ensure that such shareholders are not Irish Resident nor Ordinarily Resident in Ireland and the investment undertaking has received approval from the Revenue Commissioners in this regard.

### *Personal Portfolio Investment Undertaking ("PPIU")*

The Finance Act 2007 introduced new provisions regarding the taxation of Irish Resident individuals or Ordinarily Resident in Ireland individuals who hold shares in investment undertakings. These provisions

introduced the concept of a personal portfolio investment undertaking ("PPIU"). Essentially, an investment undertaking will be considered a PPIU in relation to a specific investor where that investor can influence the selection of some or all of the property held by the investment undertaking. Depending on individuals' circumstances, an investment undertaking may be considered a PPIU in relation to some, none or all individual investors i.e. it will only be a PPIU in respect of those individuals' who can "influence" selection. Any gain arising on a chargeable event in relation to an investment undertaking which is a PPIU in respect of an individual on or after 20<sup>th</sup> February 2007, will be taxed at the standard rate plus 33% (currently 53%). Specific exemptions apply where the property invested in has been widely marketed and made available to the public or for non-property investments entered into by the investment undertaking. Further restrictions may be required in the case of investments in land or unquoted shares deriving their value from land.

### **Capital Acquisitions Tax**

The disposal of Shares may be subject to Irish gift or inheritance tax (Capital Acquisitions Tax). However, provided that the Company falls within the definition of investment undertaking (within the meaning of Section 739B (1) of the Taxes Act), the disposal of Shares by a Shareholder is not liable to Capital Acquisitions Tax provided that (a) at the date of the gift or inheritance, the donee or successor is neither domiciled nor Ordinarily Resident in Ireland; (b) at the date of the disposition, the Shareholder disposing ("disponer") of the Shares is neither domiciled nor Ordinarily Resident in Ireland; and (c) the Shares are comprised in the gift or inheritance at the date of such gift or inheritance and at the valuation date.

With regard to Irish tax residency for Capital Acquisitions Tax purposes, special rules apply for non-Irish domiciled persons. A non-Irish domiciled donee or disponer will not be deemed to be resident or ordinarily resident in Ireland at the relevant date unless;

- i) that person has been resident in Ireland for the 5 consecutive years of assessment immediately preceding the year of assessment in which that date falls; and
- ii) that person is either resident or ordinarily resident in Ireland on that date.

### **Taxation in the United Kingdom**

#### **Taxation in the United Kingdom**

##### **General**

The following is a summary of the anticipated UK tax treatment for beneficial holders of shares resident in the UK. It applies only to persons holding Shares as an investment and does not apply to persons who are holding their Shares for the purposes of a trade. It is based on current law and practice and does not constitute legal or tax advice. Investors who are in any doubt as to the tax consequences of making an investment in or holding or disposing of Shares should consult their own professional advisors.

##### **The Company**

The Directors intend to conduct the affairs of the Company so as to maintain its residence only in Ireland and not in any other jurisdiction including the UK for tax purposes. On the basis that the Company is not resident in the UK and does not carry on a trade in the UK through a branch or agency located in the UK it

will not become subject to UK corporation tax or income tax save to the extent that UK tax may be deducted at source from income which has a UK source.

## **UK Resident Shareholders**

### *Income Tax*

The UK tax treatment of holders of Shares resident in the UK will depend on whether or not the underlying Sub-Fund to which their Shares relate is a reporting Fund for UK tax purposes as described below in the section headed 'Offshore Funds'. Where the relevant Sub-Fund is a reporting fund Shareholders will (subject to certain of the comments below) be liable to UK income tax (or corporation tax in the case of a Shareholder which is a UK company) in accordance with their individual circumstances in relation both to the actual distributions received, as well as the 'reported income' (the reported income being their proportionate share of the Sub-Fund's reportable income in excess of the sums distributed) which will be taxable as if distributed to them. They will not then be liable to any further UK tax when those excess amounts are actually distributed to them. The reported income will be increased by the amount of any non-distributed income arising to any other reporting or non-reporting offshore fund in which the relevant Sub-Fund has an interest. A reporting fund is required to provide holders of Shares with a report for each period of account which should contain the information required for them to comply with their UK tax obligations.

Where the underlying Fund to which the Shares relate is not a reporting fund for UK tax purposes UK Shareholders will be liable to income tax in accordance with their individual circumstances in respect of all dividends and other income distributions actually made in respect of their Shares whether or not such amounts are actually received by them or are re-invested and gains made on disposal of the Shares.

Shareholders who are individuals may be entitled to a tax credit in respect of their dividends which if available will reduce their effective rate of tax in the UK on the net dividend received and for corporate holders the dividends will be exempt from tax if they fall into an exempt class for UK tax purposes.

If the underlying Sub-Fund to which the Shares relate fails the '*qualifying investments test*' the UK tax treatment will differ from that described above. Very broadly, the qualifying investments test will generally be failed where more than 60% of all of the investments of the Sub-Fund by market value comprise debt or debt like investments including money placed at interest, loans, securities, shares in a building society and certain derivatives and contracts for differences whose underlying subject matter comprises of debt like investments. Where this test is failed Shareholders within the charge to UK corporation tax will be subject to tax on all profits and gains from their Shares in accordance with a 'basis of fair value accounting' as if the Shares comprised a loan relationship meaning that fluctuations in value as well as distributions and any profits on disposal will be potentially subject to UK corporation tax. These rules may operate differently in relation to UK investment trusts and venture capital trusts. For UK resident individuals there is a broadly equivalent '*qualifying investments test*' and if this is failed by the Sub-Fund to which their Shares relate all distributions will be taxed as if they were payments of interest at the higher tax rates applicable to interest as opposed to dividends and without the tax credit that might otherwise be available for dividends.

## *Capital Gains*

Gains of a capital nature including foreign exchange gains derived from a holding of Shares including on a disposal, redemption or switching between classes of Shares will (subject to the comments below in relation to 'Offshore funds') be subject to UK capital gains tax in the case of UK resident individuals or corporation tax on chargeable gains in the case of a UK tax resident company depending on their own circumstances including the availability of any reliefs for losses and the annual capital gains exemption for individuals. Individuals who are resident in but not domiciled in the UK for tax purposes may be taxable on any gains on a remittance basis.

Special rules may apply to companies that are life assurance companies and within the charge to UK tax which may deem them to dispose of any re-acquire their Shares at the end of each accounting period.

### **Offshore funds**

Each share class and the underlying Sub-Fund to which it relates will comprise an offshore fund for the purposes of UK tax. If an application for reporting fund status made by the Company on behalf of a Sub-Fund is not accepted by Her Majesty's Revenue and Customs ('HMRC') all gains of a capital nature realised in respect of the Shares including foreign exchange gains and gains arising on a disposal of Shares whether by way of assignment, redemption or switching between classes of Shares will be taxed as income for UK tax purposes and not as capital gains meaning that the rates applicable to income tax will apply and the annual capital gains exemption if otherwise applicable will not be available. For companies, indexation allowance will not be available in computing the amount of the gain.

### **Anti-avoidance**

Anti-avoidance provisions set out in Chapter 2 of part 13 of the Income Tax Act 2007 can apply to UK resident Shareholders where following a transfer of assets income becomes payable to a person abroad including an offshore company. Where applicable these provisions can impose a charge to tax on the income profits of the Company which are attributable to the Shareholder concerned. For UK corporate Shareholders the UK controlled foreign company rules can apply to tax Shareholders on the income of the Company which is attributable to their holding of Shares although these rules do not generally apply where the holding concerned (when aggregated with connected persons) represents less than 25 per cent of the entitlements to the income of the underlying Sub-Fund to which the Shares relate.

In the event that the Company would comprise a close company if it was resident in the UK for tax purposes the relevant proportion of any capital gains realised by the Company might (subject to the application of the double tax treaty between the UK and Ireland) in certain circumstances be attributed to and taxed on shareholders resident in the UK whose interest in the Company (when aggregated with connected persons) exceeds ten per cent.

### **European Union – Taxation of Savings Income Directive**

Dividends and other distributions made by the Company, together with payment of the proceeds of sale and/or redemption of Shares in the Company, may (depending on the investment portfolio of the Company and the location of the paying agent – the definition of a paying agent for the purposes of the Savings

Directive is not necessarily the same person who may legally be regarded as the paying agent) be subject to the exchange of information regime or withholding tax imposed by EU Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments. If a payment is made to a Shareholder who is an individual resident in a Member State of the European Union (or a “residual entity” established in a Member State) by a paying agent resident in another Member State (or in certain circumstances the same Member State of the Shareholder) then the Directive may apply. The Directive applies to payments of “interest” (which may include distributions or redemption payments by collective investment funds) or other similar income made on or after 1 July 2005 and applicants for Shares in the Company will be requested to provide certain information as required under the Directive. It should be noted that the imposition of exchange of information and/or withholding tax on payments made to certain individuals and residual entities resident in an EU Member State also applies to those resident or located in any of the following countries; Anguilla, Aruba, British Virgin Islands, Cayman Island, Guernsey, Isle of Man, Jersey, Montserrat, Netherlands Antilles and Turks and Caicos Islands.

For the purposes of the Directive, interest payments include income distributions made by certain collective investment funds (in the case of EU domiciled funds, the Directive currently only applies to UCITS), to the extent that the fund has invested more than 15% of its assets directly or indirectly in interest bearing securities and income realised upon the sale, repurchase or redemption of fund units to the extent that the fund has invested 25% of its assets directly or indirectly in interest bearing securities.

The following countries, Andorra, Liechtenstein, Monaco, San Marino and Switzerland, will not be participating in automatic exchange of information. To the extent that they will exchange information it will be on a request basis only. Their participation is confined to imposing a withholding tax.

On 13 November 2008 the European Commission adopted an amending proposal to the Directive. If implemented, the proposed amendments would, inter alia, (i) extend the scope of the EU Savings Directive to payments made through certain intermediate structures (whether or not established in a Member State) for the ultimate benefit of an EU resident individual and (ii) provide for a wider definition of interest subject to the EU Savings Directive. As at the date of this prospectus, it is not known whether and if so when, the amending proposal will become law.



## GENERAL INFORMATION

### 1. Incorporation, Registered Office and Share Capital

- (a) The Company was incorporated in Ireland on 26 June 2006 as an open-ended umbrella variable capital investment company with segregated liability between Sub-Funds under registration number 422577. The Company has no subsidiaries.
- (b) The registered office of the Company is as stated in the Directory at the back of the Prospectus.
- (c) Clause 3 of the Memorandum of Association of the Company provides that the Company's sole object is the collective investment of its funds in either or both transferable securities and other liquid financial assets referred to in Regulation 68 of the UCITS Regulations of capital raised from the public and the Company operates on the principle of risk spreading.
- (d) The authorised share capital of the Company is €300,000, divided into 300,000 redeemable non-participating shares of €1.00 each and 500,000,000,000 Shares of no par value. The minimum issued share capital of the Company is 3 redeemable non-participating shares of €1.00 each. The maximum issued share capital of the Company is 300,000 redeemable non-participating shares of €1.00 each and 500,000,000,000 Shares of no par value. Non-participating shares do not entitle the holders thereof to any dividend and on a winding up entitle the holders thereof to receive the amount paid up thereon but do not otherwise entitle them to participate in the assets of the Company. The Directors have the power to allot shares in the capital of the Company on such terms and in such manner as they may think fit. There are two non-participating shares currently in issue which were taken by the subscribers to the Company and are held by nominees of the Manager.
- (e) No share capital of the Company has been put under option nor has any share capital been agreed (conditionally or unconditionally) to be put under option.

### 2. Variation of Share Rights and Pre-Emption Rights

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

### **3. Voting Rights**

The following rules relating to voting rights apply:-

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

### **4. Meetings**

- (a) The Directors may convene extraordinary general meetings of the Company at any time. The Directors shall convene an annual general meeting within six months of the end of each Accounting Period.
- (a) Not less than twenty one days notice of every annual general meeting and any meeting convened for the passing of a special resolution must be given to Shareholders and fourteen days' notice must be given in the case of any other general meeting.

- (b) Two Shareholders present either in person or by proxy shall be a quorum for a general meeting provided that the quorum for a general meeting convened to consider any alteration to the Class rights of Shares shall be two Shareholders holding or representing by proxy at least one third of the issued Shares of the relevant Sub-Fund or Class. If within half an hour after the time appointed for a meeting a quorum is not present the meeting, if convened on the requisition of or by Shareholders, shall be dissolved. In any other case it shall stand adjourned to the same time, day and place in the next week or to such other day and at such other time and place as the Directors may determine and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the Shareholders present shall be a quorum and in the case of a meeting of a Sub-Fund or Class convened to consider the variation of rights of Shareholders in such Sub-Fund or Class the quorum shall be one Shareholder holding Shares of the Sub-Fund or Class in question or his proxy. All general meetings will be held in Ireland.
- (d) The foregoing provisions with respect to the convening and conduct of meetings shall save as otherwise specified with respect to meetings of Sub-Funds or Classes and, subject to the Act, have effect with respect to separate meetings of each Sub-Fund or Class at which a resolution varying the rights of Shareholders in such Sub-Fund or Class is tabled.

## **5. Reports and Accounts**

The Accounting Date of the Company and of each of its Sub-Funds is June 30 in each year or (in the case of the termination of the Company or of a Sub-Fund) the date on which monies required for the final distribution shall have been paid to the Shareholders in the relevant Sub-Fund or Sub-Funds with the prior approval of the Central Bank.

In respect of each Accounting Period the Manager shall cause to be audited and certified by the auditors an annual report relating to the management of the Company and each of its Sub-Funds.

Such annual report shall be in a form approved by the Central Bank and shall contain such information required under the UCITS Regulations. There shall be attached to such annual report a statement by the Custodian in relation to the Company and each of its Sub-Funds and a statement of such additional information as the Central Bank may specify.

The annual report shall be made available not later than four months after the end of the period to which it relates.

The Manager shall prepare an un-audited half-yearly report for the six months immediately succeeding the Accounting Date by reference to which the last annual report of the Company and of each of the Sub-Funds was prepared. Accordingly, the half-yearly reporting date is 31 December in each year. Such half-yearly report shall be in a form approved by the Central Bank and shall contain such information required under the UCITS Regulations.

The half-yearly report shall be made available not later than two months from the end of the period to which it relates.

The Manager shall provide the Central Bank with any monthly or other reports it may require.

The Articles of Association are available for consultation at the respective registered offices of the Manager, of the Custodian and of the Correspondent Bank.

## **6. Communications and Notices to Shareholders**

Notices may be given to Shareholders and shall be deemed to have been duly given as follows:

MEANS OF DISPATCH	DEEMED RECEIVED
Delivery by Hand	: The day of delivery
Post	: 7 business days after posting
Telex	: Answer back received at end of telex
Fax	: Positive transmission receipt received
Publication	: The day of publication in a leading financial newspaper circulating in the market in which the Shares are sold or such other newspaper as the Manager and the Custodian may agree

## **7. Directors**

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

- (a) Unless otherwise determined by an ordinary resolution of the Company in general meeting, the number of Directors shall not be less than two nor more than nine.
- (b) A Director need not be a Shareholder.
- (c) The Articles of Association contain no provisions requiring Directors to retire on attaining a particular age or to retire on rotation.
- (d) A Director may vote and be counted in the quorum at a meeting to consider the appointment or the fixing or variation of the terms of appointment of any Director to any office or employment with the Company or any company in which the Company is interested, but a Director may not vote or be counted in the quorum on a resolution concerning his own appointment.
- (e) The Directors of the Company for the time being are entitled to such remuneration as may be determined by the Directors and disclosed in the Prospectus and may be reimbursed all reasonable travel, hotel and other expenses incurred in connection with the business of the Company or the discharge of their duties and may be entitled to additional remuneration if called upon to perform any special or extra services to or at the request of the Company.
- (f) A Director may hold any other office or place of profit under the Company, other than the office of Auditor, in conjunction with his office of Director on such terms as to tenure of office or otherwise as the Directors may determine.

- (g) No Director shall be disqualified by his office from contracting with the Company as vendor, purchaser or otherwise, nor shall any contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested be liable to be avoided, nor shall any Director who is so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established, but the nature of his interest must be declared by him at the meeting of the Directors at which the proposal to enter into the contract or agreement is first considered or, if the Director in question was not at the date of that meeting interested in the proposed contract or arrangement, at the next Directors' meeting held after he becomes so interested. A general notice in writing given to the Directors by any Director to the effect that he is a member of any specified company or firm and is to be regarded as interested in any contract or arrangement which may thereafter be made with that company or firm is deemed to be a sufficient declaration of interest in relation to any contract or arrangement so made.
- (h) A Director may not vote in respect of any contract or arrangement or any proposal whatsoever in which he has any material interest or a duty which conflicts with the interests of the Company and shall not be counted in the quorum at a meeting in relation to any resolution upon which he is debarred from voting unless the Directors resolve otherwise. However, a Director may vote and be counted in quorum in respect of any proposal concerning any other company in which he is interested directly or indirectly, whether as an officer or shareholder or otherwise, provided that he is not the holder of 5 per cent or more of the issued shares of any class of such company or of the voting rights available to members of such company. A Director may also vote and be counted in the quorum in respect of any proposal concerning an offer of Shares in which he is interested as a participant in an underwriting or sub-underwriting arrangement and may also vote in respect of the giving of any security, guarantee or indemnity in respect of money lent by the Director to the Company or in respect of the giving of any security, guarantee or indemnity to a third party in respect of a debt obligation of the Company for which the Director has assumed responsibility in whole or in respect of the purchase of directors' and officers' liability insurance.
- (i) The office of a Director shall be vacated in any of the following events namely:-
- (a) if he resigns his office by notice in writing signed by him and left at the registered office of the Company;
  - (b) if he becomes bankrupt or makes any arrangement or composition with his creditors generally;
  - (c) if he becomes of unsound mind;
  - (d) if he is absent from meetings of the Directors for six successive months without leave expressed by a resolution of the Directors and the Directors resolve that his office be vacated;
  - (e) if he ceases to be a Director by virtue of, or becomes prohibited or restricted from being a Director by reason of, an order made under the provisions of any law or enactment;

- (f) if he is requested by a majority of the other Directors (not being less than two in number) to vacate office; or
- (g) if he is removed from office by ordinary resolution of the Company.

## **8. Directors' Interests**

- (a) None of the Directors has or has had any direct interest in the promotion of the Company or in any transaction effected by the Company which is unusual in its nature or conditions or is significant to the business of the Company up to the date of this Prospectus or in any contracts or arrangements of the Company subsisting at the date hereof other than the following:

Charles Jean Hubert Gave and Louis-Vincent Gave, who are employees of the Investment Adviser and Promoter and Directors of the Manager and are therefore to be regarded as interested in any contract entered into with the Investment Adviser and the Manager.

David Hammond is a Director of the Manager and Bridge Consulting Limited, a company which provides certain governance services to the Manager and is to be regarded as interested in any contract entered into with the Manager or Bridge Consulting Limited.

- (b) No present Director or any connected person has any interests beneficial or non-beneficial in the share capital of the Company.
- (c) None of the Directors has a service contract with the Company nor are any such service contracts proposed.

## **9. Winding Up**

- (a) The Company or any Sub-Fund may be wound up if:
  - (i) One year from the date of the first issue of Shares or on any Dealing Day thereafter the Net Asset Value of any Sub-Fund shall be less than 1 million Euro or the Net Asset Value of the Company shall be less than 1 million Euro;
  - (ii) Within a period of six months from the date of the Investment Adviser expressing in writing to the Manager its desire to retire the Manager shall have failed to appoint a new Investment Adviser.
- (b) The Company or any Sub-Fund shall be wound up if
  - (i) The Company shall cease to be an authorised UCITS under the UCITS Regulations or if any of its Sub-Funds or Classes shall cease to be approved by the Central Bank;

- (ii) The Shareholders resolve by ordinary resolution that the Company or any Sub-Fund by reason of its liabilities cannot continue its business and that it be wound up;
  - (iii) The Shareholders resolve by special resolution to wind up the Company or any Sub-Fund;
  - (iv) Any law shall be passed which renders it illegal or in the reasonable opinion of the Manager impracticable or inadvisable to continue the Company or any of its Sub-Funds;
- (c) In the event of a winding up, the liquidator shall apply the assets of the Company or relevant Sub-Fund in such manner and order as he thinks fit in satisfaction of creditors' claims.
- (d) The assets available for distribution among the Shareholders shall be applied in the following priority:-
- (i) firstly, in the payment to the Shareholders of each Class or Sub-Fund of a sum in the base currency (or in any other currency selected and at such rate of exchange as determined by the liquidator) as nearly as possible equal to the Net Asset Value of the Shares of the relevant Class or Sub-Fund held by such Shareholders respectively as at the date of commencement of winding up;
  - (ii) secondly, in the payment to the holders of non-participating shares of sums up to the nominal amount paid up thereon out of the assets of the Company not comprised within any Sub-Fund provided that if there are insufficient assets to enable such payment in full to be made, no recourse shall be had to the assets comprised within any of the Sub-Funds;
  - (iii) thirdly, in the payment to the Shareholders of each Class or Sub-Fund of any balance then remaining in the relevant Sub-Fund, in proportion to the number of Shares held in the relevant Class or Sub-Fund; and
  - (iv) fourthly, any balance then remaining and not attributable to any Sub-Fund or Class shall be apportioned between the Sub-Funds and Classes pro-rata to the Net Asset Value of each Sub-Fund or attributable to each Class immediately prior to any distribution to Shareholders and the amounts so apportioned shall be paid to Shareholders pro-rata to the number of Shares in that Sub-Fund or Class held by them.
- (e) The liquidator may, with the authority of an ordinary resolution of the Company, divide among the Shareholders (pro rata to the value of their respective shareholdings in the Company) in specie the whole or any part of the assets of the Company and whether or not the assets shall consist of property of a single kind provided that any Shareholder shall be entitled to request the sale of any asset or assets proposed to be so distributed and the distribution to such Shareholder of the cash proceeds of such sale. The costs of any such sale shall be borne by the relevant Shareholder. The liquidator may, with like authority, vest any part of the assets in trustees upon such trusts for the benefit of Shareholders as the liquidator shall think fit and the liquidation of the Company may be closed and the Company dissolved, provided that no Shareholder shall be compelled to accept any asset in respect of which there is any liability. Further the liquidator may with like authority transfer the whole or part of the assets of the Company to a company or collective investment scheme (the "Transferee Company") on terms that Shareholders in the Company shall receive from the

Transferee Company shares or units in the Transferee Company of equivalent value to their shareholdings in the Company.

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

#### **10. Indemnities and Insurance**

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

#### **11. Material Contracts**

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

- (a) *Management Agreement* between the Company and the Manager dated 3 August, 2006, under which the Manager is appointed (subject to compliance with applicable laws, the Articles of Association and in accordance with the terms and conditions of the Management Agreement) to manage, supervise, select and evaluate investments of the Company and, if necessary, to obtain any investment advisory or investment management services required by the Company from investment advisers or other sources in connection therewith. The Management Agreement is for an unlimited duration and shall be terminated only upon the winding up of the Company or otherwise in accordance with the terms of the Management Agreement. The Management Agreement is terminable by either party upon giving not less than 3 months' prior written notice to the Company. Either party may terminate the Management Agreement at any time if the other party goes into liquidation or presents or is presented with a petition for or passes a resolution for winding up, or makes any arrangement with its creditors, or has a receiver or manager or judicial manager or similar officer appointed in respect of its business or undertaking, or if the other party fails to remedy a breach of the Management Agreement within thirty day's notice of such breach from the other party, or if the Manager is in breach of law in acting as the manager to the Company.
- (b) The Administration Agreement. This Agreement is for an indefinite period and may be terminated by the Manager or the Administrator on not less than ninety days' written notice. This Agreement provides that the Manager shall indemnify and hold harmless the Administrator against all liabilities, damages, costs, claims and expenses (including reasonable legal expenses) arising



therefrom which may be brought against, suffered or incurred by the Administrator by reason of the performance or non-performance of its duties under the terms of this Agreement (other than directly due to the material breach of the Agreement by the Administrator or the negligence, fraud or wilful default of the Administrator). The terms of this Agreement regarding the remuneration of the Administrator are set out under the section "Management and Company Charges".

- (c) The Custodian Agreement between the Company and the Custodian dated 3 August, 2006. The Agreement is for an indefinite period and may be terminated by any of the parties thereto on giving three months, or such other period as may be agreed between the parties, prior written notice to the other parties thereto or forthwith on breach of the Custodian Agreement. The Custodian Agreement provides that the Company shall keep the Custodian indemnified from and against all costs, liabilities and expenses arising hereunder otherwise than as a result of the Custodian's unjustifiable failure to perform its obligations or its improper performance of them.
- (d) The Investment Advisory Agreement. This Agreement is for an indefinite period and may be terminated by the Manager or the Investment Adviser on not less than 3 months' written notice. This Agreement provides that the Manager shall indemnify and hold harmless the Investment Adviser against all actions, proceedings and claims and against all costs, demands and expenses (including legal and professional expenses) arising therefrom which may be brought against, suffered or incurred by the Investment Adviser by reason of the performance or non-performance of its duties under the terms of this Agreement (other than directly due to the material breach of the Agreement by the Investment Adviser or the negligence, fraud or wilful default of the Investment Adviser).
- (e) The Distribution Agreement. This Agreement is for an indefinite period and may be terminated by the Manager or the Distributor on not less than 3 months' written notice. This Agreement provides that the Manager shall indemnify and hold harmless the Distributor against all actions, proceedings and claims and against all costs, demands and expenses (including legal and professional expenses) arising therefrom which may be brought against, suffered or incurred by the Distributor by reason of the performance or non-performance of its duties under the terms of this Agreement (other than directly due to the material breach of the Agreement by the Distributor or the negligence, fraud or wilful default of the Distributor).

The Manager shall also enter into one or more correspondent bank or paying agency agreements pursuant to which it shall appoint one or more Correspondent Banks or Paying Agents to provide correspondent bank or paying agency facilities for the Company in one or more countries. Any such agreements shall be detailed in Appendix III to this Prospectus.

Any other contracts subsequently entered into, not being contracts entered into in the ordinary course of business which are or may be material, shall be detailed in the appropriate Information Card to this Prospectus.

## **12. Documents Available for Inspection**

The following documents are available for inspection on any Business Day at the registered office of the Administrator from the date of this Prospectus:

- (a) The Articles of Association (copies may be obtained free of charge from the Manager).
- (b) The Act and the UCITS Regulations.
- (c) The material contracts detailed above.
- (d) Once published, the latest annual and half yearly reports of the Company (copies of which may be obtained from the Manager free of charge).

Copies of each of the documents referred to at (a) and (d) above can be obtained by Shareholders at the registered office of the Manager free of charge on request.

## APPENDIX I

### Investment and Borrowing Restrictions

#### Investment Restrictions

The Company is authorised as a UCITS pursuant to the UCITS Regulations. Pursuant to the provision of the UCITS Regulations, a UCITS is subject to the following investment restrictions (in any event the Company will comply with the Central Bank's UCITS Notices):-

<b>1</b>	<b>Permitted Investments</b>
	Investments of each Sub-Fund are confined to:
<b>1.1</b>	Transferable securities and money market instruments which are either admitted to official listing on a stock exchange in a Member State or non-Member State or which are dealt on a market which is regulated, operates regularly, is recognised and open to the public in a Member State or non-Member State.
<b>1.2</b>	Recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year.
<b>1.3</b>	Money market instruments, as defined in the Central Bank's UCITS Notices, other than those dealt on a regulated market.
<b>1.4</b>	Units of UCITS.
<b>1.5</b>	Units of non-UCITS as set out in the Central Bank's Guidance Note 2/03.
<b>1.6</b>	Deposits with credit institutions as prescribed in the UCITS Notices.
<b>1.7</b>	Financial derivative instruments as prescribed in the UCITS Notices.
<b>2</b>	<b>Investment Restrictions</b>
<b>2.1</b>	Each Sub-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.
<b>2.2</b>	Each Sub-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 UCITS in certain US securities known as Rule 144A securities provided that: <ul style="list-style-type: none"><li>- the securities are issued with an undertaking to register with the US Securities and Exchanges Commission within one year of issue; and</li><li>- the securities are not illiquid securities i.e. they may be realised by the UCITS within seven days at the price, or approximately at the price, at which they are valued by the UCITS.</li></ul>

- 2.3** Each Sub-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 Central Bank 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 a Member State and is subject by law to special public supervision designed to protect bond-holders. If a Sub-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 Sub-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 a Member State or its local authorities or by a non-Member State or public international body of which one or more 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** Each Sub-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 the EEA or credit institutions authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988 (Switzerland, Canada, Japan, United States) or credit institutions authorised in Jersey, Guernsey, the Isle of Man, 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 trustee/custodian.
- 2.8** The risk exposure of each Sub-Fund to a counterparty to an 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; or a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand.
- 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:  
investments in transferable securities or money market instruments;  
deposits, and/or  
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.

<p><b>2.11</b></p> <p><b>2.12</b></p>	<p>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.</p> <p>Each Sub-Fund may invest up to 100% of net assets in different transferable securities and money market instruments issued or guaranteed by any Member State, its local authorities, non-Member States or public international body of which one or more Member States are members,</p> <p><b>The individual issuers must be listed in the prospectus and may be drawn from the following list:</b></p> <p>OECD Governments (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.</p> <p>The Sub-Fund must hold securities from at least 6 different issues, with securities from any one issue not exceeding 30% of net assets.</p>
<p><b>3</b></p>	<p><b>Investment in Collective Investment Schemes (“CIS”)</b></p>
<p><b>3.1</b></p> <p><b>3.2</b></p> <p><b>3.3</b></p> <p><b>3.4</b></p> <p><b>3.5</b></p>	<p>Each Sub-Fund may not invest more than 10% of net assets in aggregate in other CIS.</p> <p>Investment in non-UCITS may not, in aggregate, exceed 30% of net assets.</p> <p>The CIS are prohibited from investing more than 10 per cent of net assets in other CIS.</p> <p>When a Sub-Fund invests in the units of other CIS that are managed, directly or by delegation, by the Sub-Fund management company or by any other company with which the Sub-Fund 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 Sub-Fund’s investment in the units of such other CIS.</p> <p>Where a commission (including a rebated commission) is received by the Sub-Fund 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 Sub-Fund.</p>

<b>4</b>	<b>Index Tracking UCITS</b>
<b>4.1</b>	Each Sub-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 Sub-Fund is to replicate an index which satisfies the criteria set out in the UCITS Notices and is recognised by the Central Bank
<b>4.2</b>	The limit in 4.1 may be raised to 35%, and applied to a single issuer, where this is justified by exceptional market conditions.
<b>5</b>	<b>General Provisions</b>
<b>5.1</b>	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.
<b>5.2</b>	Each Sub-Fund may acquire no more than: 10% of the non-voting shares of any single issuing body; 10% of the debt securities of any single issuing body; 25% of the units of any single CIS; 10% of the money market instruments of any single issuing body.  NOTE: The limits laid down in (ii), (iii) and (iv) 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.
<b>5.3</b>	5.1 and 5.2 shall not be applicable to: (i) transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities; (ii) transferable securities and money market instruments issued or guaranteed by a non-Member State; (iii) transferable securities and money market instruments issued by public international bodies of which one or more Member States are members; (iv) shares held by a Sub-Fund in the capital of a company incorporated in a non-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 Sub-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-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. (v) shares held by an investment company or investment companies 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.
<b>5.4</b>	Each Sub-Fund 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.
<b>5.5</b>	The Central Bank may allow recently authorised UCITS 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.
<b>5.6</b>	If the limits laid down herein are exceeded for reasons beyond the control of a Sub-Fund, or as a result of the exercise of subscription rights, the Sub-Fund must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its unitholders.
<b>5.7</b>	Neither an investment company, nor a management company or a trustee acting on behalf of a unit trust or a management company of a common contractual fund, may carry out uncovered sales of: transferable securities; money market instruments; units of CIS; or financial derivative instruments.
<b>5.8</b>	A UCITS may hold ancillary liquid assets.
<b>6</b>	<b>Financial Derivative Instruments ('FDIs')</b>
<b>6.1</b>	The Company's global exposure (as prescribed in the UCITS Notices) relating to FDI must not exceed its total net asset value.
<b>6.2</b>	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 UCITS 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.)
<b>6.3</b>	The Company may invest in FDIs dealt in over-the-counter (OTC) provided that The counterparties to over-the-counter transactions (OTCs) are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.
<b>6.4</b>	Investment in FDIs are subject to the conditions and limits laid down by the Central Bank

<b>7</b>	<b>Restrictions on Borrowing and Lending</b>
<b>(a)</b>	A Sub-Fund may borrow up to 10% of its Net Asset Value provided such borrowing is on a temporary basis. A Sub-Fund may charge its assets as security for such borrowings.
<b>(b)</b>	A Sub-Fund may acquire foreign currency by means of a “back to back” loan agreement. Foreign currency obtained in this manner is not classified as borrowing for the purposes of Regulation 70(1) set out at (a) above provided that the offsetting deposit:  (i) is denominated in the base currency of the Sub-Fund; and (ii) equals or exceeds the value of the foreign currency loan outstanding.



## APPENDIX II RECOGNISED EXCHANGES

The following is a list of regulated stock exchanges and markets on which a Sub-Fund's investments in securities and financial derivative instruments other than permitted investment in unlisted investments, will be listed or traded and is set out in accordance with Central Bank's requirements. With the exception of permitted investments in unlisted securities investment in securities will be restricted to the stock exchanges and markets listed below. The Central Bank does not issue a list of approved stock exchanges or markets.

(i) any stock exchange which is:-

- located in any Member State of the European Union; or
- located in any Member State of the European Economic Area (European Union, Norway, Iceland and Liechtenstein)
- located in any of the following countries:-

Australia  
Canada  
Japan  
Hong Kong  
New Zealand  
Switzerland  
United States of America

(ii) any of the following stock exchanges or markets:-

- |             |   |  |
|-------------|---|--|
| Bahrain     | - | Bahrain Stock Exchange                         |
| Brazil      | - | Bolsa de Valores do Rio de Janeiro             |
| Brazil      | - | Bolsa de Valores de Sao Paulo                  |
| Bulgaria    | - | First Bulgarian Stock Exchange                 |
| Egypt       | - | Alexandria Stock Exchange                      |
| Egypt       | - | Cairo Stock Exchange                           |
| India       | - | Bangalore Stock Exchange                       |
| India       | - | Delhi Stock Exchange                           |
| India       | - | Mumbai Stock Exchange                          |
| India       | - | National Stock Exchange of India               |
| Indonesia   | - | Jakarta Stock Exchange                         |
| Indonesia   | - | Surabaya Stock Exchange                        |
| Jordan      | - | Amman Financial Market                         |
| Malaysia    | - | Kuala Lumpur Stock Exchange                    |
| Morocco     | - | Societe de la Bourse des Valeurs de Casablanca |
| New Zealand | - | New Zealand Stock Exchange                     |
| Philippines | - | Philippine Stock Exchange                      |

Romania	-	Bucharest Stock Exchange
Singapore	-	Singapore Stock Exchange
South Africa	-	Johannesburg Stock Exchange
South Korea	-	Korea Stock Exchange
	-	KOSDAQ Market
Taiwan		
(Republic of China)	-	Taiwan Stock Exchange Corporation
Thailand	-	Stock Exchange of Thailand
Tunisia	-	Bourse des Valeurs Mobilieres de Tunis
Turkey	-	Istanbul Stock Exchange
Zimbabwe	-	Zimbabwe Stock Exchange

(iii) any of the following markets

the market organised by the International Securities Market Association;

the market conducted by the "listed money market institutions", as described in the FSA publication "The Investment Business Interim Prudential Sourcebook (which replaces the "Grey Paper") as amended from time to time;

AIM - the Alternative Investment Market in the UK, regulated and operated by the London Stock Exchange;

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

NASDAQ in the United States;

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

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

The French market for Titres de Créances Négociables (over-the-counter market in negotiable debt instruments);

NASDAQ Europe (is a recently formed market and the general level of liquidity may not compare favourably to that found on more established exchanges);

the over-the-counter market in Canadian Government Bonds, regulated by the Investment Dealers Association of Canada;

SESDAQ (the second tier of the Singapore Stock Exchange.)

All derivatives exchanges on which permitted financial derivative instruments may be listed or traded:

- in a Member State
- in a Member State in the European Economic Area (European Union, Norway, Iceland and Liechtenstein);

United States of America

- Chicago Board of Trade
- Chicago Board Options Exchange;
- Chicago Mercantile Exchange;
- Eurex US;
- New York Futures Exchange;

Asia (including Australia)

- Malaysia Derivatives Exchange
- Osaka Securities Exchange;
- Singapore International Monetary Exchange;
- Sydney Futures Exchange;
- Taiwan Futures Exchange;
- Tokyo International Futures Exchange;
- Tokyo Stock Exchange.

For the purposes only of determining the value of the assets of a Sub-Fund, the term "Recognised Exchange" shall be deemed to include, in relation to any futures or options contract utilised by the Sub-Fund any organised exchange or market on which such futures or options contract is regularly traded.

## **APPENDIX III**

### **CORRESPONDENT BANKS/PAYING AGENTS**

This Appendix will be updated upon appointment of Correspondent Banks/Paying Agents.

## **DIRECTORS**

Louis-Vincent Gave  
Charles Jean Hubert Gave  
David Hammond  
John Mahon

## **MANAGER**

GaveKal Fund Management (Ireland) Limited.  
33 Sir John Rogerson's Quay  
Dublin 2  
Ireland

## **FUND**

GaveKal Multi-Fund Plc  
33 Sir John Rogerson's Quay  
Dublin 2  
Ireland

## **INVESTMENT ADVISER AND PROMOTER**

GaveKal Capital Limited  
Suite 3903  
Central Plaza  
18 Harbour Road  
Wanchai  
Hong Kong SAR

## **ADMINISTRATOR, REGISTRAR AND TRANSFER AGENT**

Société Générale Securities Services, SGSS  
(Ireland) Limited  
No. 6 Exchange Place  
IFSC  
Dublin 1  
Ireland

## **CUSTODIAN**

Société Générale S.A.  
(Head Office)  
29 Boulevard Haussmann  
75009 Paris  
France

Société Générale S.A.  
(Registered Branch)  
No. 6 Exchange Place  
IFSC  
Dublin 1  
Ireland

## **DISTRIBUTOR**

GaveKal Limited  
Sea Meadow House  
Blackburne Highway  
P O Box 116  
Road Town  
Tortola  
British Virgin Islands

## **LEGAL ADVISERS IN IRELAND**

Dillon Eustace,  
33 Sir John Rogerson's Quay  
Dublin 2  
Ireland.

## **LEGAL ADVISERS IN UNITED STATES**

Sidley Austin LLP  
One South Dearborn  
Chicago, IL 60618  
USA

**LEGAL ADVISERS  
IN HONG KONG**

Deacons  
Solicitors  
Alexandra House  
5th Floor  
16-20 Chater Road  
Central  
Hong Kong

**AUDITORS**

Deloitte & Touche  
Deloitte & Touche House,  
Earlsfort Terrace,  
Dublin 2,  
Ireland

**LEGAL ADVISERS  
IN CAYMAN ISLANDS**

Conyers Dill & Pearman, Cayman  
P.O. Box 2681 GT  
Century Yard  
Cricket Square  
Hutchins Drive  
George Town  
Grand Cayman  
British West Indies

**COMPANY SECRETARY**

Tudor Trust Limited  
33 Sir John Rogerson's Quay  
Dublin 2  
Ireland.

## **FIRST ADDENDUM TO THE PROSPECTUS**

### **GAVEKAL MULTI-FUND PLC (“THE COMPANY”)**

**This Addendum should be read in conjunction with, and forms part of, the prospectus for the Company dated 2<sup>nd</sup> July, 2012 (the “Prospectus”).** All capitalised terms herein contained shall have the same meaning in this First Addendum as in the Prospectus, unless otherwise indicated.

The Directors of the Company, whose names appear on page 7 of the Prospectus, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors of the Company (who have taken all reasonable care to ensure that 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. The Directors of the Company accept responsibility accordingly.

#### ***Change to the Payment Deadline***

The following changes shall be made to the text appearing under the heading “Method of Payment” in the section of the Prospectus entitled “ADMINISTRATION OF THE FUND” on pages 35 of the Prospectus:

The text appearing under the sub-heading “Method of Payment shall be deleted in its entirety and replaced with the following: “Payment in respect of subscriptions must be received in cleared funds to the bank account specified on the application form no later than the deadline specified in the Sub-Fund Information Card.”

#### **3. Change of Address of Service Providers**

- (i) The text appearing under the sub-heading “Administrator, Registrar and Transfer Agent” on page 77 of the Prospectus shall be deleted in its entirety and replaced with the following: “Société Générale Securities Services, SGSS, 3rd Floor, IFSC House, IFSC, Dublin 1, Ireland”.
- (ii) The second paragraph appearing under the sub-heading “Custodian” on page 77 of the Prospectus shall be deleted in its entirety and replaced with the following: “Société Générale S.A. (Registered Branch), 3rd Floor, IFSC House, IFSC, Dublin 1, Ireland”.

**Dated 1 October, 2012**

## **SECOND ADDENDUM TO THE PROSPECTUS**

### **GAVEKAL MULTI-FUND PLC (“THE COMPANY”)**

**This Second Addendum should be read in conjunction with, and forms part of, the prospectus for the Company dated 2<sup>nd</sup> July, 2012 and the First Addendum dated 1 October, 2012 (the “Prospectus”).** All capitalised terms herein contained shall have the same meaning in this First Addendum as in the Prospectus, unless otherwise indicated.

The Directors of the Company, whose names appear on page 7 of the Prospectus, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors of the Company (who have taken all reasonable care to ensure that 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. The Directors of the Company accept responsibility accordingly.

#### **Change of Address of Investment Adviser and Promoter**

With effect from 1 May, 2013 the address of the Investment Adviser and Promoter of the Company will change as follows;

“Gavekal Capital Limited  
Suite 3101  
Central Plaza  
18 Harbour Road  
Hong Kong”

The address of the Investment Adviser and Promoter shown on page 77 of the Prospectus will be amended accordingly.

#### **CFTC Disclosure**

The following additional disclosure shall be inserted on page 3 of the Prospectus in the section entitled “Preliminary” immediately before the sub-heading “Translations”;

“Pursuant to U.S. Commodity Futures Trading Commission (“CFTC”) Rule 4.13(a)(3) promulgated under the Commodity Exchange Act, the Manager of the Company will be exempt from registration with the CFTC as a commodity pool operator (“CPO”) and therefore, unlike a registered CPO, is not required to deliver a disclosure document and a certified annual report to participants in the Company.

In order for the Manager to qualify for the exemption provided by CFTC Rule 4.13(a)(3) with respect to each Sub-Fund, the following general criteria must be satisfied: (1) interests in the Sub-Fund are exempt from registration under the U.S. Securities Act of 1933, and such interests are offered and sold without marketing to the public in the United States; (2) at all times each Sub-Fund meets one or the other of the following tests with respect to its commodity interest positions, including positions in security futures products, whether entered into for bona fide hedging purposes or otherwise: (a) the aggregate initial



margin, premiums, and required minimum security deposit for retail forex transactions required to establish such positions, determined at the time the most recent position was established, does not exceed five (5) percent of the liquidation value of the Sub-Fund's portfolio, after taking into account unrealized profits and unrealized losses on any such positions it has entered into; or (b) the aggregate net notional value of the Sub-Fund's commodity interest positions, determined at the time the most recent position was established, does not exceed one hundred (100) percent of the liquidation value of the Sub-Fund's portfolio, after taking into account unrealized profits and unrealized losses on any such positions it has entered into; (3) the investors in the Sub-Fund, at the time of investment, met certain eligibility criteria; and (4) interests in the Sub-Fund are not marketed as or in a vehicle for trading in the commodity futures or commodity options markets.

The exemption requires the Manager to file a claim of exemption with the National Futures Association, maintain certain books and records and submit to such special calls as the CFTC may make to demonstrate eligibility for and compliance with the applicable criteria for exemption under Rule 4.13(a)(3)".

**Dated 1 May, 2013**

**COUNTRY SUPPLEMENT**  
**GaveKal Multi-Fund PLC (THE "FUND")**

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**ADDITIONAL INFORMATION FOR INVESTORS IN GERMANY**

**This Country Supplement forms part of and should be read in conjunction with the Prospectus dated 2 July 2012, as amended by a First Addendum dated 1 October 2012 and a Second Addendum dated 1 May 2013, of GaveKal Multi-Fund PLC (the "Fund"). This Country Supplement will be appended to the Prospectus which is designated for the distribution in Germany. All capitalised terms contained herein shall have the same meaning in this Country Supplement as in the Prospectus unless otherwise indicated. This version of the Country Supplement replaces and supersedes all previous versions.**

The Directors of the Manager accept responsibility for the information contained in this Country Supplement and in the Prospectus. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

The Bundesanstalt für Finanzdienstleistungsaufsicht (Federal Agency for Financial Services Supervision) has been notified pursuant to § 310 Investment Code (Kapitalanlagegesetzbuch) of the intention to distribute Shares of Class A US\$ and Class B GBP (Distributing) of GaveKal Knowledge Leaders Fund and Shares of Class A US\$ of GaveKal Dynamic Futures Fund (the "Sub-Funds") in the Federal Republic of Germany.

With respect to the shares which are authorised for distribution the Fund ensures that it is able to remit payments to investors in Germany and redeem the shares in the Federal Republic of Germany. Investors in Germany will submit requests for subscription, redemption and conversion directly to the Fund through the Administrator. Remittance of the proceeds of redemption or distribution will be made via correspondence banks by the Fund to the bank account detailed on the application form submitted by an investor in Germany.

The Information Agent in Germany is:

Fiducia Capital GmbH  
Bavariafilmpfad 7  
82031 Gruenwald  
Germany

Fees and expenses of the Information Agent (if any) appointed by the Manager will be at normal commercial rates and will be borne by the Fund or the relevant Sub-Fund(s).

German Shareholders may inspect or obtain in paper form the Prospectus dated 2 July 2012, the First Addendum dated 1 October 2012, the Second Addendum dated 1 May 2013, the Sub-Fund Information Card for GaveKal Knowledge Leaders Fund dated 3 February 2014, the Sub-Fund Information Card for GaveKal Dynamic Futures Fund dated 27 February 2014 and the Sub-Fund Information Card for GaveKal Dynamic Futures (Euro Currency) Fund dated 27 February, 2014, the relevant Key Investor Information

Documents, the Memorandum and Articles of Association as adopted by a special resolution on 2 August 2006, the latest available Annual and Semi-Annual Reports as well as the Issue and Redemption Prices and the following documents free of charge at or from the Information Agent in Germany:

- The Management Agreement
- the Investment Advisory Agreement
- the Distribution Agreement
- the Custodian Agreement
- the Administration Agreement
- the UCITS Regulations and Central Bank's Notices

Any other documents and information in respect of the Fund and/or the Sub-Funds which must be published under Irish law will be published in Germany on the website [www.gavekal.com](http://www.gavekal.com). In accordance with § 298 (2) of the Investment Code investors in Germany shall be informed by way of shareholder letter (i.e. a durable medium) and a publication on the website [www.gavekal.com](http://www.gavekal.com) under the following circumstances:

- suspension of the redemption of a Sub-Fund's Shares,
- termination of the management or winding-up of a Sub-Fund,
- amendments of the Memorandum and Articles of Association which are inconsistent with the previous investment principles, which affect material investor rights or which relate to remuneration and reimbursements of expenses that may be paid out of a Sub-Fund,
- merger of Sub-Funds,
- conversion of a Sub-Fund to a feeder fund or the changes to a master fund.

Issue and Redemption Prices will be published on the website [www.gavekal.com](http://www.gavekal.com).

The fees and expenses (if any) to be paid to the Information Agent in Germany shall be at normal commercial rates.

**Note: It should be noted that for the further sub-fund GaveKal Dynamic Futures (Euro Currency) Fund no notification has been filed according to Section 310 Investment Code and that the shares of this sub-fund may not be distributed to investors within the scope of applicability of the Investment Code.**

**4 March, 2014**