

PROSPECTUS

IMPORTANT: IF YOU ARE IN ANY DOUBT AS TO THE CONTENTS OF THIS PROSPECTUS YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR ACCOUNTANT OR OTHER FINANCIAL ADVISER.

The Directors, whose names appear on page (ix), accept responsibility for the information contained in this document. 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.

FMIM FUNDS PLC

An investment company with variable capital structured as an umbrella fund with segregated liability between sub-funds and incorporated pursuant to the Companies Acts 1963 to 2012 with limited liability in Ireland under registered number 501533 and authorised by the Central Bank pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011.

FM INVESTMENT MANAGEMENT LLP
(INVESTMENT MANAGER)

28 March 2013

IMPORTANT INFORMATION

FMIM Funds PLC (the “Company”) is both authorised and supervised by the Central Bank. The authorisation of the Company by the Central Bank shall not constitute a warranty as to the performance of the Company and the Central Bank shall not be liable for the performance or default of the Company. The authorisation of the Company is not an endorsement or guarantee of the Company by the Central Bank and the Central Bank is not responsible for the contents of this Prospectus.

No person has been authorised by the Company to give any information or make any representations in connection with the offering of Shares other than those contained in this Prospectus, and, if given or made, such information or representations must not be relied on as having been made by the Company.

The distribution of this Prospectus and the offering of Shares in certain jurisdictions may be restricted. Persons into whose possession this Prospectus comes are required by the Company to inform themselves about and to observe any such restrictions. This Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such an offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

This Prospectus may only be issued with one or more supplements (each a “Supplement”), each containing information relating to a separate Fund. The creation of new Funds requires the prior approval of the Central Bank. If there are different classes of Shares representing a Fund, details relating to the separate classes may be dealt with in the same Supplement or in a separate Supplement for each class. The creation of further classes of Shares will be effected in accordance with the requirements of the Central Bank. This Prospectus and the relevant Supplement should be read and construed as one document. To the extent that there is any inconsistency between this Prospectus and the relevant Supplement, the relevant Supplement shall prevail.

Applications for Shares will only be considered on the basis of this Prospectus (and any relevant Supplement). The latest audited annual report and accounts and the latest unaudited semi-annual report may be obtained from the offices of the Administrator. The delivery of this Prospectus (whether or not accompanied by any reports) or the issue of Shares shall not, under any circumstances, create any implication that the affairs of the Company have not changed since the date hereof.

Potential investors should not treat the contents of this Prospectus as advice relating to legal, taxation, investment or any matters and are recommended to consult their own professional advisers concerning the acquisition, holding or disposal of Shares.

The provisions of the Company's Articles are binding on each of its Shareholders (who are taken to have notice of them).

This Prospectus is based on information, law and practice currently in force in Ireland (which may be subject to change) at the date hereof. The Company cannot be bound by an out of date Prospectus when it has issued a new Prospectus, and investors should check with the Investment Manager that this is the most recently published Prospectus.

The value of investments and the income derived therefrom may fall as well as rise and investors may not recoup the original amount invested in a Fund.

Where appropriate and as described in the relevant Supplement, all or part of the fees and expenses may be charged to the capital of the Company. This will have the effect of

lowering the capital value of your investment and may result in you not receiving back the full amount invested.

As the Funds of the Company may be subject to subscription, redemption and exchanging charges (which, in the case of redemption charges shall not exceed 3 per cent of the Net Asset Value per Share), the difference at any one time between the sale and repurchase price of Shares in any Fund means that an investment in any Fund should be viewed as a medium to long-term investment.

Austria: Neither this Prospectus nor any other document in connection with the Shares is a Prospectus according to the Austrian Investment Funds Act (Investmentfondsgesetz, InvFG), the Austrian Capital Markets Act (Kapitalmarktgesetz, KMG) or the Austrian Stock Exchange Act (Börsegesetz, BörseG) and has therefore not been drawn up, audited, approved, passported and/or published in accordance with the aforesaid acts. Neither the Company nor the Investment Manager is under the supervision of the Austrian Financial Market Authority or any other Austrian supervision authority.

Prospective purchasers of Shares should note that the Shares have not been and will not be offered in the Republic of Austria in the course of an offer to the public within the meaning of section 140 of the Austrian Investment Funds Act or section 176 of the Austrian Investment Funds Act or sec 1 para 1 no 1 of the Austrian Capital Markets Act but under circumstances which will not be considered as an offer to the public under any of the aforesaid acts. Therefore, the provisions of the Austrian Investment Funds Act and the provisions of the Austrian Capital Markets Act relating to registration requirements and to prospectus requirements do not apply and the Shares have thus neither been registered for public distribution in Austria with the Austrian Financial Market Authority (Finanzmarktaufsichtsbehörde) nor been the subject matter of a prospectus compliant with the Austrian Investment Funds Act or the Austrian Capital Markets Act.

This Prospectus is confidential and is being provided only to a limited number of recipients who have been individually selected in advance by certain criteria and are targeted in Austria exclusively by means of a private placement. This Prospectus is provided solely for the information of such recipients and must not be reproduced, published, distributed or made available to any other person (including the press and any other media), in whole or in part, for any purpose and no steps may be taken that would constitute a public offer of the Shares under either the Austrian Investment Funds Act or the Austrian Capital Markets Act (whether presently or in the future).

This Prospectus is a marketing communication and has not been prepared in accordance with legal requirements designed to promote the independence of investment research.

This Prospectus is not intended to provide a basis of any credit or other evaluation of the Company and its business and should not be considered as a personal recommendation for any recipient of this Prospectus to purchase Shares as it does not take into account the particular investment objectives, financial situation or needs of any specific recipient. Each investor contemplating purchasing any Shares therefore represents to make its own independent investigation of the Company and of the suitability of an investment in Shares in light of their particular circumstances and represents to seek independent professional advice, including tax advice.

This Prospectus is distributed under the condition that the above obligations are accepted by the recipient and complied with.

Belgium: The offering of Shares has not been and will not be notified to the Belgian Financial Services and Markets Authority (Autoriteit voor Financiële Diensten en Markten/Autorité des Services et Marchés Financiers) nor has this Prospectus been, nor will it be, approved by the Financial Services and Markets Authority. The Shares may be offered in Belgium only to a maximum of 99 investors or to investors investing a minimum of €250,000 or to professional or institutional investors, in reliance on Article 5 of the Law of July 20, 2004. This Prospectus may be distributed in Belgium only to such investors for their personal use and exclusively for the purposes of this offering of Shares. Accordingly, this Prospectus may not be used for any other purpose nor passed on to any other investor in Belgium.

Denmark: The Company has not completed the notification procedure in order to be permitted to market its shares in Denmark pursuant to the Danish Act on Investment Associations etc. (Act No. 935 of 17 September 2012 (the "Act") and the Executive Order on Marketing Carried out by Foreign Investment Undertakings in Denmark (Executive Order No. 746 of 28 June 2011) (the "Executive Order") issued by the Danish Financial Supervisory Authority. The Shares have not been offered or sold and may not be offered, sold or delivered, directly or indirectly, to investors in Denmark. This implies, inter alia, that the Shares may not be offered or marketed to potential investors in Denmark unless the notification procedure in accordance with Section 16(1) of the Act has been obtained.

Finland: This Prospectus does not constitute an offer to the public in Finland. The Shares cannot be offered or sold in Finland by means of any document to any persons other than "Professional Investors" as defined by the Finnish Mutual Funds Act (*Sijoitusrahastolaki* 29.1.1999/48), as amended. No action has been taken to authorise an offering of the Shares to the public in Finland and the distribution of this Prospectus is not authorised by the Financial Supervision Authority in Finland. This Prospectus is strictly for private use by its holder and may not be passed on to third parties or otherwise publicly distributed. Subscriptions will not be accepted from any persons other than the person to whom this Prospectus has been delivered by the Investment Manager or its representative. This Prospectus may not include all the information that is required to be included in a prospectus in connection with an offering to the public.

Germany: Each purchaser of Shares acknowledges that the Company is not registered for public distribution in Germany. This Prospectus does not constitute a sales prospectus pursuant to the German Investment Act (Investmentgesetz) or the German Securities Prospectus Act (Wertpapierprospektgesetz). Accordingly, no offer of the Shares may be made to the public in Germany. This Prospectus and any other document relating to the Shares, as well as information or statements contained therein, may not be supplied to the public in Germany or used in connection with any offer for subscription of the interests to the public in Germany or any other means of public marketing. An offer of the Shares exclusively to credit institutions and financial services providers as defined in the German Banking Act, private or public insurance companies, investment companies and their investment managers as well as pension funds and their administrators is not deemed to be a public distribution.

Hong Kong: WARNING - The contents of this Prospectus have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to this offer. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice. The Company is not authorised by the Securities and Futures Commission in Hong Kong pursuant to Section 104 of the Securities and Futures Ordinance of Hong Kong and a copy of this Prospectus has not been registered by the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies Ordinance of Hong Kong. This Prospectus must not, therefore, be issued, or possessed for the purpose of issue, to persons in Hong Kong other than (1) to professional investors within the meaning of the Securities and Futures Ordinance of Hong Kong (including professional investors falling within the Securities and Futures (Professional Investors) Rules), (2) in circumstances which would not constitute an offer to the public or any

section thereof or (3) in circumstances relating to an offer specified in Part I of the Seventeenth Schedule to the Companies Ordinance of Hong Kong.

Ireland: The distribution of this Prospectus and the offering or purchase of Shares is restricted to the individual to whom this Prospectus is addressed. Accordingly, it may not be reproduced in whole or in part, nor may its contents be distributed in writing or orally to any third party and it may be read solely by the person to whom it is addressed and his/her professional advisers. Shares will not be offered or sold by any person: (a) otherwise than in conformity with the provisions of the European Communities (Markets in Financial Instruments) Regulations 2007, as amended; or (b) otherwise than in a manner that does not constitute an offer for sale to the public within the meaning of Section 9 of the Unit Trust Act, 1990; or (c) in any way which would require the publication of a prospectus under the Investment Funds, Companies and Miscellaneous Provisions Act, 2005, as amended, and any regulations adopted pursuant thereto; or (d) except in all circumstances that will result in compliance with all applicable laws and regulations in Ireland. Shares will not in any event be marketed in Ireland except in accordance with the requirements of the Central Bank of Ireland.

Isle of Man: The Company is not subject to any form of regulation or approval in the Isle of Man. This document has not been registered or approved for distribution in the Isle of Man and may only be distributed in or into the Isle of Man by a person permitted under Isle of Man law to do so and in accordance with the Isle of Man Collective Investment Schemes Act 2008 and regulations made thereunder. The Shareholders in the Company are not protected by any statutory compensation scheme.

Japan: The Shares have not been and will not be registered pursuant to Article 4, Paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law no. 25 of 1948, as amended) and, accordingly, no Shares may be offered or sold, directly or indirectly, in Japan or to, or for the benefit, of any Japanese person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese person except under circumstances which will result in compliance with all applicable laws, regulations and guidelines promulgated by the relevant Japanese governmental and regulatory authorities and in effect at the relevant time. For this purpose, "Japanese person" means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

Jersey: This Prospectus relates to a private placement and does not constitute an offer to the public in Jersey to subscribe for the Shares offered hereby. No regulatory approval has been sought to the offer in Jersey and it must be distinctly understood that the Jersey Financial Services Commission does not accept any responsibility for the financial soundness of or any representations made in connection with the Company. The offer of Shares is personal to the person to whom this Prospectus is being delivered by or on behalf of the Company, and a subscription for the Shares will only be accepted from such person. The Prospectus may not be reproduced or used for any other purpose.

Korea: Neither FMIM Funds PLC nor FM Investment Management LLP is making any representation with respect to the eligibility of any recipients of this Prospectus to acquire the Shares therein under the laws of Korea, including but without limitation the Foreign Exchange Transaction Act and Regulations thereunder. The Shares have not been registered under the Financial Investment Services and Capital Markets Act, and none of the Shares may be offered, sold or delivered, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea except pursuant to applicable laws and regulations of Korea.

Netherlands: This document is not addressed to or intended for any individual or legal entity in the Netherlands except individuals or legal entities who qualify as qualified investors (as defined by section 1:1 of the Act on financial supervision (wet op het financieel toezicht), as amended.

Spain: The Company has not been authorised by or registered with the Spanish Securities Market Commission (CNMV) as a foreign UCITS in accordance with section 15.1 of Law 35/2003 of 4 November 2003 on Collective Investment Schemes (which implements into Spanish law the provisions of Directive 85/611 EEC, as amended). Accordingly, the Shares of the Company may not be offered or sold in Spain by means of any marketing activities as defined in section 2 of Law 35/2003, as amended by Law 25/2005, of 24 November 2005.

Sweden: This Prospectus has not been approved by or registered with the Swedish Financial Supervisory Authority (*Finansinspektionen*) pursuant to the Swedish Financial Instruments Trading Act (*lagen 1991:980 om handel med finansiella instrument*). Accordingly, the Shares may only be offered in Sweden in circumstances that will not result in a requirement to prepare a prospectus pursuant to the Swedish Financial Instruments Trading Act.

The Company is not an Investment Fund (*fondföretag*) for the purpose of the Swedish Investment Funds Act (*lag (2004:46) om investeringsfonder*) and has therefore not been, nor will it be, approved or registered by the Swedish Financial Supervisory Authority pursuant to the Swedish Investment Funds Act.

United Kingdom: The Company is not a recognised collective investment scheme for the purposes of the Financial Services and Markets Act 2000 of the United Kingdom (the “Act”). The promotion of the Company and the distribution of this Prospectus in the United Kingdom is accordingly restricted by law.

Whilst this Prospectus may be issued outside the United Kingdom directly by the Company, and the Directors of the Company are responsible for its contents, wherever issued, it is being issued inside and outside the United Kingdom by FM Investment Management LLP (which is authorised and regulated by the Financial Services Authority (“FSA”)) only to and/or is directed only at persons who are professional clients or eligible counterparties for the purposes of the FSA’s Conduct of Business Sourcebook.

This Prospectus is exempt from the scheme promotion restriction (in Section 238 of the Act) on the communication of invitations or inducements to participate in unrecognised collective investment schemes on the grounds that it is being issued to and/or directed at only the types of person referred to above. To the extent that this Prospectus is issued by FM Investment Management LLP the Shares are only available to such persons and this Prospectus must not be relied or acted upon by any other persons.

Any recipient of this Prospectus who is an authorised person may (if and to the extent it is permitted to do so by the FSA rules applicable to it) distribute it or otherwise promote the Company in accordance with Section 238 of the Act but not otherwise. Any recipient of this Prospectus who is not an authorised person may not distribute it to any other person.

United States of America: The Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (“the 1933 Act”) or the securities laws of any of the states of the United States, nor is such registration contemplated. The Shares may not be offered, sold or delivered directly or indirectly in the United States or to or for the account or benefit of any “US Person” except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the 1933 Act and any applicable state laws.

The Shares are being offered outside the United States pursuant to the exemption from registration under Regulation S under the 1933 Act and inside the United States in reliance on Regulation D promulgated under the 1933 Act and Section 4(2) thereof.

There is no public market for the Shares and no such market is expected to develop in the future. The Shares offered hereby are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the 1933 Act and applicable state securities laws pursuant to registration or exemption therefrom.

The Company has not been and will not be registered under the United States Investment Company Act of 1940, as amended (the "1940 Act") pursuant to the provisions of Section 3(c) (7) of the 1940 Act, which excludes from the definition of "investment company" a privately offered fund that is organised outside the US and whose US Person security holders consists exclusively of "qualified purchasers", as defined in Section 2(a) (51) of the 1940 Act.

The Company may arrange or permit the private placement in the United States of a portion of the Shares under the exemption provided by Section 4(2) of the 1933 Act and Regulation D promulgated thereunder to US Persons that are "accredited investors" (as defined in Rule 501(a) of Regulation D under the 1933 Act) and "qualified purchasers" (as defined in Section 2(a)(51) of the 1940 Act), under restrictions and other circumstances designed to preclude a distribution that would otherwise require registration of the Shares under the 1933 Act, cause the Company to become subject to the registration requirements of the 1940 Act, oblige the Company or the Investment Manager to comply with requirements under the United States Commodity Exchange Act, or cause the assets of the Company to be "plan assets" for the purposes of the United States Employee Retirement Income Security Act of 1974, as amended ("ERISA"), including presentation by such investors, prior to the delivery to them of Shares, of subscription documentation containing specified representations and agreements.

The Company will not accept any subscriptions from investors that are employee benefit plans subject to Title I of ERISA, certain tax qualified plans subject to Section 4975 of the United States Internal Revenue Code of 1986, as amended, or other entities deemed to hold assets of such plans (together, "Benefit Plans") if after such subscription the Shares of any class held by Benefit Plans would be 25 per cent or more of the total outstanding Shares of that class. If the Shares of any class held by Benefit Plans were to exceed this 25 per cent limit, the Fund's assets might be considered "plan assets" under ERISA, which could result in adverse consequences to the Fund, the Investment Manager and the fiduciaries of the Benefit Plans.

Restrictions on Distribution and Sale of Shares

The distribution of this Prospectus and the offering of Shares may be restricted in certain jurisdictions. This Prospectus does not constitute an offer or solicitation in any jurisdiction in which such offer or solicitation is not authorised or the person receiving the offer or solicitation may not lawfully do so. It is the responsibility of any person in possession of this Prospectus and of any person wishing to apply for Shares to inform himself of and to observe all applicable laws and regulations of the countries of his nationality, residence, ordinary residence or domicile.

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

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

Reliance on this Prospectus

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

Investors should not treat the contents of this Prospectus as advice relating to legal, taxation, investment or other matters. You should consult your stockbroker, accountant, solicitor, independent financial adviser or other professional adviser.

Risk Factors

Investors should read and consider the section entitled "Risk Factors" before investing in the Company.

Financial Derivative Instruments

The Company may engage in transactions in Financial Derivative Instruments on behalf of a Fund either for investment purposes or for the purposes of efficient portfolio management as more particularly disclosed in this Prospectus and the Supplement for the relevant Fund.

The Company employs a risk management process which enables it to accurately measure, monitor and manage the risks attached to financial derivative positions and details of this process have been provided to the Central Bank. The Company 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 submitted to and cleared by the Central Bank. The Company will provide on request to Shareholders supplementary information relating to the risk management methods employed by the Company including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments.

Translations

This Prospectus and any Supplements 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 Supplements. To the extent that there is any inconsistency between the English language Prospectus/Supplements and the Prospectus/Supplements in another language, the English language Prospectus/Supplements will prevail, except to the extent (but only to the extent) required by the law of any jurisdiction where the Shares are sold, that in an action based upon disclosure in a prospectus in a language other than English, the language of the Prospectus/Supplement on which such action is based shall prevail.

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CONTENTS

INVESTMENT MANAGER, DISTRIBUTOR AND PROMOTER	12
THE ADMINISTRATOR.....	13
THE CUSTODIAN	15
PAYING AGENTS	16
SUBSCRIPTIONS	17
REDEMPTIONS.....	21
EXCHANGING BETWEEN FUNDS OR CLASSES.....	23
VALUATION.....	25
FEES AND EXPENSES.....	29
CONFLICTS OF INTEREST	33
USE OF DEALING COMMISSIONS.....	34
RISK FACTORS.....	35
TAXATION	53
GENERAL INFORMATION	65
APPENDIX 1	75
APPENDIX 2	81
APPENDIX 3	87
SUPPLEMENT 1: FMIM LONG/SHORT EQUITY RELATIVE VALUE UCITS FUND	91
SUPPLEMENT 2: FMIM QUANTITATIVE INVESTMENT STRATEGIES FUND	104
SUPPLEMENT 3: FMIM EQUITY EVENT DRIVEN UCITS FUND.....	118

DEFINITIONS

“Accumulation Shares”	Shares in respect of which income is accumulated and added to the capital property of a Fund.
“Administration Agreement”	the agreement dated 10 February 2012 between the Company and the Administrator.
“Administrator”	BNP Paribas Fund Services Dublin Limited.
“Articles”	Articles of Association of the Company.
“Auditor”	PricewaterhouseCoopers, Dublin.
“Business Day”	in relation to any Fund, as specified in the Supplement for the relevant Fund.
“Central Bank”	the Central Bank of Ireland, or any successor regulatory authority thereto.
“CFTC”	US Commodity Futures Trading Commission.
“Class”	a class of Shares in a particular Fund.
“Company”	FMIM Funds PLC.
“Custodian”	BNP Paribas Securities Services, Dublin Branch.
“Custodian Agreement”	the agreement dated 10 February 2012 between the Company and the Custodian.
“Dealing Day”	such Business Day or Business Days for each class of Shares being not less than one each fortnight as shall be specified in the relevant Supplement for that Fund or any such other day or days as the Directors may determine and notify in advance to the Shareholders provided there is at least one per fortnight.
“Dealing Request Deadline”	such time in respect of any relevant Dealing Day as shall be specified in the relevant Supplement for that Fund or such other time as the Directors may determine and notify to Shareholders in advance provided always that the Dealing Request Deadline is before the Valuation Point.
“Directors”	the members of the board of directors of the Company for the time being and any duly constituted committee thereof and any successors to such members as may be appointed from time to time.
“Distribution Agreement”	the distribution agreement dated 10 February 2012 between the Company and the Investment Manager.
“Distribution Shares”	Shares in respect of which income is distributed periodically

	to Shareholders.
“Distributor”	FM Investment Management LLP.
“EEA State”	the European Economic Area States (European Union, Member States, Norway, Iceland and Liechtenstein).
“ERISA”	the US Employee Retirement Income Security Act of 1974.
“Financial Derivative Instrument” or “FDI”	as defined in Appendix 3 attached hereto.
“FSA”	the Financial Services Authority of the United Kingdom or any successor regulatory authority thereto.
“Fund”	a sub-fund of the Company representing the designation by the Directors of a particular class of Shares as a sub-fund the proceeds of issue of which are pooled separately and invested in accordance with the investment objective and investment policies applicable to such sub-fund (as set out in the relevant Supplement) and which is established by the Directors from time to time with the prior approval of the Central Bank.
“IFRS”	the International Financial Reporting Standards.
“Ineligible Applicant”	an ineligible applicant as described on pages 18-19.
“Initial Offer Period”	the period set out by the Directors in relation to any Fund or Class of Shares as the period during which Shares are initially on offer and as specified in the relevant Supplement.
“Initial Offer Price”	the initial price payable for a Share as specified in the relevant Supplement for each Fund.
“Investment Management Agreement”	the investment management agreement dated 10 February 2012 between the Company and the Investment Manager.
“Investment Manager”	FM Investment Management LLP.
“Ireland”	the Republic of Ireland.
“Minimum Holding”	the minimum holding for each class of Shares as specified in the relevant Supplement for each Fund.
“Minimum Additional Subscription”	the minimum additional investment for each class of Shares as specified in the relevant Supplement for each Fund.
“Minimum Subscription”	the minimum investment for each class of Shares as specified in the relevant Supplement for each Fund.
“Money Market Instruments”	instruments normally dealt in on a money market which are liquid and have a value which can be accurately determined

	at any time and which comply with the requirements of the Central Bank.
“Net Asset Value”	the value of the Company, a Fund or a Class (as the context may require) less the liabilities of (or attributable to) the Company, Fund or Class concerned, determined in accordance with the Articles.
“Net Asset Value per Share”	the Net Asset Value in issue in respect of any Fund divided by the number of Shares of the relevant Fund in issue in that Fund.
“Non-United States Person”	(a) a natural person who is not a resident of the United States, (b) a partnership, corporation or other entity, other than an entity organised principally for passive investment, organised under the laws of a non-US jurisdiction and which has its principal place of business in a non-US jurisdiction, (c) an estate or trust, the income of which is not subject to United States income tax regardless of source, (d) an entity organised principally for passive investment such as a pool, investment company or other similar entity, provided that units of participation in the entity held by persons who do not qualify as Non-United States Persons or otherwise as qualified eligible persons represent in the aggregate less than 10 per cent of the beneficial interest in the entity and that such entity was not formed principally for the purpose of facilitating investment by persons which do not qualify as Non-United States Persons in a commodity pool with respect to which the commodity pool operator is exempt from certain requirements of Part 4 of the CFTC’s regulations by virtue of its participants being Non-United States Persons, and (e) a pension plan for employees, officers or principals of an entity organised and with its principal place of business outside the United States.
“OECD”	the Organisation for Economic Co-operation and Development.
“Paying Agent”	any paying agent as may be appointed by the Company.
“Promoter”	FM Investment Management LLP.
“Recognised Exchange”	the stock exchanges or regulated markets set out in Appendix 2.
“Recognised Rating Agency”	Standard & Poor’s Rating Group (“S&P”), Moody’s Investors Services (“Moody’s”), Fitch IBCA or an equivalent rating agency as the Directors may from time to time determine.
“Redemption Price”	the price per Share at which Shares are redeemed or calculated in the manner described on page 21.

“Share” or “Shares”	Shares of any Class in the Company issued in respect of any Fund as the context requires.
“Share Class” or “Class of Shares” or “Class”	all of the Shares issued by the Company as a particular class of Shares relating to a single Fund.
“Shareholder”	a holder of Shares in the Company.
“Subscription Price”	the price per Share at which Shares may be issued after the close of the Initial Offer Period calculated in the manner described on page 17.
“Supplement”	a supplement to this Prospectus specifying certain information in respect of a Fund and/or one or more Classes.
“UCITS”	an undertaking for collective investment in transferable securities established pursuant to EC Council Directive no. 85/611/EEC of 20 December 1985 on the co-ordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities, as amended from time to time.
“UCITS Regulations”	the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (S.I. Number 352 of 2011) (as amended) and any regulations or notices issued by the Central Bank pursuant thereto for the time being in force including the UCITS Regulations.
“US Tax-Exempt Investor”	a US person within the meaning of the United States Internal Revenue Code of 1986, as amended, that is subject to ERISA or is otherwise exempt from payment of US Federal income tax.
“US Person”	a person other than a Non-United States Person.
“Valuation Point”	the point, whether on a periodic basis or for a particular valuation, as at which the Administrator carries out a valuation of the assets of the Company or a Fund (as the case may be) for the purpose of determining the price at which Shares of a Class may be issued, cancelled or redeemed as specified in the relevant Supplement for that Fund.

In this Prospectus the words and expressions set out in the first column above shall have the meanings set opposite them unless the context requires otherwise. All references to “Euro” and “€” are to the unit of the European single currency, all references to “US\$” and \$ are to the currency of the United States, and all references to “Sterling” and “£” are to the currency of the United Kingdom.

THE COMPANY AND THE FUNDS

The Company

The Company was incorporated in Ireland on 22 July 2011 as an investment company with variable capital structured as an umbrella fund with segregated liability between sub-funds and with limited liability under registration number 501533. The Company is authorised by the Central Bank as a UCITS pursuant to the UCITS Regulations.

At the date of this Prospectus, the Company consists of the following Funds, which have been approved by the Central Bank:

FMIM Long/Short Equity Relative Value UCITS Fund

FMIM Quantitative Investment Strategies Fund

FMIM Equity Event Driven UCITS Fund

The base currency of each Fund is set out in the relevant Supplement.

Subject to the UCITS Regulations and the Articles, the Directors may establish additional Funds from time to time in respect of which a Supplement or Supplements will be issued with the prior approval of the Central Bank.

The assets of each Fund will be segregated from one another and will be invested in accordance with the investment objectives and investment policies applicable to each such Fund and as set out in the relevant Supplement. A Fund may, subject to the conditions imposed by the Central Bank, invest in collective investment schemes, including other Funds of the Company (provided that the Fund in which the investments are made does not itself hold Shares in other Funds of the Company and subject to the conditions set out in Appendix I).

The liabilities of a particular Fund (in the event of a winding up of the Company or a repurchase of the Shares in the Company or all of the Shares of any Fund) shall be binding on the Company but only to the extent of the particular Fund's assets and in the event of a particular Fund's liabilities exceeding its assets, recourse shall not be made against the assets of another Fund to satisfy any such deficit.

Shareholders of Shares denominated in a currency other than the base currency of the relevant Fund ("Non Base Currency Shares") will be subject to the risk that the value of their Non Base Currency Shares will fluctuate against the base currency shares. The Company may, in respect of the Fund in question, at the discretion of the Investment Manager, attempt to reduce or minimise the effect of fluctuations in the exchange rate on the value of the Non Base Currency Shares. Any profit and loss resulting from foreign exchange hedging will be allocated only to the Non Base Currency Share Class to which the specific hedge relates. Due to the foregoing, each class of Shares may differ from each other in their overall performance. In particular, to the extent that hedging positions taken by the Investment Manager in respect of a Class are successful, the performance of such Class is likely to move in line with the performance of the underlying assets. However Shareholders in a hedged Class will not benefit if the currency in which such Class is denominated falls against the base currency and/or the currency in which the assets of the Fund are denominated. The Investment Manager will limit hedging to the extent of the relevant hedged Share Class currency exposure and shall monitor such hedging on at least a monthly basis to ensure that such hedging shall not substantially diverge from the Net Asset Value of the relevant hedged Share Class and to review unhedged positions of the relevant hedged Share Class to

ensure that they are not carried forward from month to month. However over-hedged or under-hedged positions may arise due to factors outside of the control of the Company or the Investment Manager. In the event that the hedging in respect of a hedged Share Class substantially diverges from the Net Asset Value of the relevant hedged Class due to market movements or redemptions of Shares, the Investment Manager shall modify such hedging appropriately as soon as possible thereafter. Where the value of transactions in place in respect of the relevant hedged Class is more or less than 100 per cent of the Net Asset Value of the relevant Class, the Investment Manager shall keep the situation under review and will ensure that over hedged positions do not exceed 105 per cent Positions materially in excess of 100 per cent of the Net Asset Value of the relevant hedged Class will not be carried forward from month to month.

Currency conversions in respect of any unhedged Non Base Currency Shares will take place on subscriptions, redemptions, exchanges and distributions at prevailing exchange rates. The value of Non Base Currency Shares in an unhedged Class expressed in such Class's base currency denomination will be subject to the exchange rate risk in relation to the base currency of the relevant Fund.

Subject to the above, each Fund will be charged with the liabilities, expenses, costs and charges of the Company attributable to that Fund, and within the Funds charges will be allocated between Classes in accordance with the terms of issue of Shares of those Classes. Any assets, liabilities, expenses, costs or charges not attributable to a particular Fund may be allocated by the Directors in a manner which they believe is fair to the Shareholders generally. This allocation will normally be pro rata to the Net Asset Value of the relevant Funds.

The Funds and their Investment Objectives and Investment Policies

Details of the investment objective, investment policies and certain terms relating to an investment in the Funds will be set out in the relevant Supplement.

The Recognised Exchanges in which the Funds may invest are set out in Appendix II. These stock exchanges and markets are listed in accordance with the requirements of the Central Bank, it being noted that the Central Bank does not issue a list of approved exchanges or markets.

Any alteration to the investment objectives or a material alteration to the investment policies of any Fund at any time will be subject to the prior approval in writing of all the Shareholders of the relevant Fund, or, if a general meeting of the Shareholders of such Fund is convened, by a majority of the votes cast at such meeting. Shareholders of the relevant Fund will be given not less than the greater of two Dealing Days' or 14 calendar days' advance notice of the implementation of any alteration to the investment objectives or investment policies in a Fund to enable them to redeem their Shares prior to such implementation.

Leverage and use of VaR

Where deemed appropriate, and subject to the UCITS Regulations, the Funds may employ leverage including, without limitation, by entering into derivatives transactions. The leverage created through the use of Financial Derivative Instruments will be measured using either the commitment approach or using a sophisticated risk measurement technique known as "value-at-risk" (VaR) depending on the risk profile of the strategies pursued by each Fund. The commitment approach calculates leverage by measuring the market value of the underlying exposures of Financial Derivative Instruments. VaR is a statistical methodology that predicts, using historical data, the likely maximum loss that a Fund could suffer, calculated to a specific (e.g. 95 per cent) confidence level over a certain holding period. Using a 95 per cent confidence interval, there is,

therefore, a 5 per cent statistical chance that the daily VaR limit may be exceeded over the holding period. In accordance with the requirements of the Central Bank, the Fund may use an “absolute” VaR model where the measurement of VaR is relative to the Net Asset Value of the Fund or the Fund may use a relative VaR model where the measurement of VaR is relative to a derivatives free comparable benchmark or equivalent portfolio. Where an “absolute” VaR model is used, the VaR of the Fund may not exceed either (i) 4.47 per cent of the Net Asset Value of the Fund, based on a 1 day time horizon and a 99 per cent confidence interval or (ii) 20 per cent of the Net Asset Value of the Fund, based on a 20 day time horizon and a 99 per cent confidence interval. Where a “relative” VaR model is used, the VaR may not exceed twice the VaR of the derivatives free benchmark or equivalent portfolio. The approach to the measurement of leverage taken in respect of each Fund will be set out in the relevant Supplement.

Profile of Typical Investor

The typical investor in the Funds will be an institutional investor who understands and appreciates the risks associated with investing in Shares of such Funds. The choice of a specific Fund should be determined by the attitude to risk, wish for income or growth, intended investment time horizon and in the context of the investor’s overall portfolio. Investors should seek professional advice before making investment decisions.

Classes of Shares

Several Classes of Share may be issued in respect of each Fund, distinguished, inter alia, by their criteria for subscription, redemption, minimum holding, fee structure, currency and dividend policy. The Classes of Share currently available for each Fund are set out in the relevant Supplement. Further Classes may be created in accordance with the requirements of the Central Bank.

The limits for minimum subscription for any Fund or Class of Shares may be waived or reduced at the discretion of the Directors.

Investment Restrictions

Investment of the assets of each Fund must comply with the UCITS Regulations. The investment and borrowing restrictions applying to the Company and each Fund are set out in Appendix 1. The Directors may impose further restrictions in respect of any Fund. With the exception of permitted investments in unlisted securities or in units of open-ended collective investment schemes or in over-the-counter derivative contracts, investments will be made on Recognised Exchanges. Each Fund may also hold ancillary liquid assets.

Cross-Investment

Where it is appropriate to its investment objective and policies a Fund may invest in other Funds of the Company. A Fund may only invest in another Fund if the Fund in which it is investing does not itself hold Shares in any other Fund of the Company. A Fund shall not invest in its own Shares. Where a Fund invests in the Shares of another Fund of the Company: (i) the Investment Manager will waive the initial charge which it is entitled to charge for its own account; and (ii) the Investment Manager will waive that portion of its annual Investment Management Fee in order to avoid a double charge.

Changes to the UCITS Regulations

It is intended that the Company shall have the power (subject to the prior approval of the Central Bank and any applicable restrictions imposed by any exchange on which the Shares are listed) to avail itself of any change in the investment and borrowing restrictions specified in the UCITS Regulations which would permit investment by the Company in securities, derivative instruments or in any other forms of investment in which investment is at the date of this Prospectus restricted or prohibited under the UCITS Regulations. The Company will give Shareholders at least 14 calendar days' prior written notice of its intention to avail itself of any change which is material in nature. The Company will update the Prospectus and relevant Supplement(s) as necessary prior to availing itself of any such change.

Funds may to the extent set out in the relevant Supplement use Financial Derivative Instruments for direct investment purposes and/or for efficient portfolio management. The Funds will use Financial Derivative Instruments for such purposes as are deemed to be of benefit to the Fund for example, increasing the yield, generating additional returns or altering the risk exposure for a given Fund. The use of Financial Derivative Instruments may increase the volatility of the relevant Fund, as may further be described in the relevant Supplement. Details of some of the strategies that may be employed through the use of Financial Derivative Instruments are set out in Appendix 3.

Reports and Financial Statements

The Company's accounting year end date will be 31 December in each year.

The Company will prepare an annual report and audited annual accounts within four months of the financial period to which they relate i.e. by 30 April of each year. Copies of the unaudited half yearly reports (made up to 30 June in each year) will also be prepared within two months of the end of the half year period to which they relate i.e. by 31 August of each year.

All correspondence to Shareholders will be sent at their own risk. The annual and semi-annual reports will be sent to Shareholders and the Central Bank within four months and two months respectively of the end of the period to which they relate. The most recent audited annual and unaudited semi-annual reports will be sent to any Shareholder and any potential investor upon request.

Distribution Policy

Whether Accumulation Shares or Distribution Shares will be issued in relation to a particular Fund will be described in the relevant Supplement. Each year the general meeting of Shareholders will decide, based on a proposal from the Board of Directors, for each Fund and for both Distribution and Accumulation Shares, on the use of the balance of the year's net income of the investments, from which dividends may be paid. Where applicable, a dividend will be distributed within 2 months of the relevant annual general meeting which is expected to be held on or about 31 May of each year. The Directors may, at the discretion of the Company and with the consent of the individual Shareholder concerned, make an in kind distribution in lieu of a dividend by issuing Shares in the relevant Fund to such Shareholder. In such cases, any asset allocation shall be subject to the approval of the Custodian.

The year's net income of each Fund will be spread across, on the one hand, all the Distribution Shares and on the other hand, all Accumulation Shares, in proportion of the net income corresponding to the Class of Shares in question.

The part of the year's net income corresponding to Distribution Shares will be distributed to the holders of the Distribution Shares either in cash or Shares.

The part of the year's net income corresponding to Accumulation Shares will not be paid to holders of such Shares and instead will be capitalised in the relevant Fund for the benefit of the Accumulation Shares.

At the same time that dividends are paid in respect of Distribution Shares, the part of the net assets of the Fund to be allocated to all the Distribution Shares will be reduced by the global amount of the dividends paid out while the part of the net assets of the Fund to be allocated to all Accumulation Shares will increase.

In addition to the dividends described in the preceding paragraphs, the Board of Directors may decide to make a payment of interim dividends in accordance with the requirements of the Central Bank.

Payments will be made in the base currency of each Fund or any other currency as specified in the Supplement in relation to the relevant Fund. Dividends remaining unclaimed for five years after their declaration will be forfeited and revert to the relevant Fund.

Dividends may be declared separately in respect of each Fund by a resolution of the Shareholders of the Fund concerned at the annual general meeting of Shareholders.

Publication of Net Asset Value per Share

The most up-to-date Net Asset Value per Share and the issue price and redemption price of each Class of Shares of each Fund will be published on the Investment Manager's website www.fminvestment.com and updated following each calculation of the Net Asset Value per Share. In addition, the Net Asset Value per Share may be obtained free of charge from, and will be available at, the offices of the Administrator or the Investment Manager during normal business hours.

DIRECTORS

Directors Functions

The Directors are responsible for the overall management and control of the Company in accordance with the Articles. The Directors review the operations of the Company at regular meetings and it is the current intention of the Directors to meet at least quarterly. For this purpose, the Directors receive periodic reports from all service providers, including the Custodian. The Investment Manager will provide details of the Company's and the Funds' performance and provide an analysis of the investment portfolios. The Investment Manager provides such other information as may from time to time be reasonably required by the Directors for the purpose of such meetings.

Directors of the Company

Charles Grant

Mr Grant's career started at Morgan Stanley Investment Bank 2000 where he worked for 6 years in the Fixed Income and Equities departments. From 2006 to 2010 Mr Grant held Head of Operations/Chief Operating Officer positions in London-based Hedge Fund management companies. In 2010 Mr Grant joined FM Capital Partners Ltd., a London based asset management company as Chief Operating Officer.

John Skelly

Mr Skelly joined Carne in 2006 and specialises in compliance, product and operations for traditional funds and hedge funds. Prior to joining Carne he was Chief Operating Officer of Carlton Capital Partners, London from 2005 to 2006 where he was responsible for developing and running its fund of hedge fund operations. Prior to this he was General Manager of the Dublin Branch of BNP Paribas Securities Services from 2000 to 2005 where he set up and managed the company's Trust and Custody business in Dublin. During this period, he was a member of the Irish Funds Industry Association Trustee Committee. From 1999 to 2000 he acted as Financial Controller of Investments for Norwich Union Insurance Group (Ireland) and from 1997 to 1999 as Head of Operations at Custom House Fund Management, an alternative investment/hedge fund administrator. Previous to this, he was Accounting and Tax manager with Ulster Bank Investment Services Limited having trained with Deloitte in Dublin. Mr Skelly is a Fellow of the Institute of Chartered Accountants in Ireland and holds a Bachelor of Commerce degree from University College Dublin.

Teddy Otto

Mr Otto is a principal of Carne Global Financial Services Limited which he joined in 2007. He specialises mainly in product development, fund establishment, governance and risk. Before joining Carne, Mr Otto was employed by the Allianz/Dresdner Bank group in Ireland for six years. During this time he acted as Head of Fund Operations, Head of Product Management and was appointed as a director of the Irish management company for Allianz Global Investors and a range of Irish- and Cayman-domiciled investment companies. He had previously held senior positions in the areas of market data and custody at Deutsche International (Ireland) Limited and worked in the investment banking division of Deutsche Bank, Frankfurt. He spent over six years at Deutsche Bank group. Prior to that, he was employed with Bankgesellschaft Berlin for two years. He holds a degree in business administration from Technische Universität Berlin.

All the Directors act in a non-executive capacity. For the purposes of this Prospectus, the address of each of the Directors is the registered office of the Fund.

The Secretary of the Company is Carne Global Financial Services Limited.

INVESTMENT MANAGER, DISTRIBUTOR AND PROMOTER

Details of Investment Manager, Distributor and Promoter

The Company has delegated the performance of discretionary investment management of the Funds to FM Investment Management LLP. FM Investment Management LLP was incorporated as a limited company in England and Wales on 28 February 2011 with company number OC362235, and is authorised and regulated by the FSA.

The Investment Manager manages a range of funds, using both traditional and alternative strategies, aimed at meeting its clients' investment objectives.

Based in London, the Investment Manager also acts as Promoter of the Company.

Appointment of Investment Manager

The Investment Manager was appointed pursuant to the Investment Management Agreement. Under the Investment Management Agreement, the Investment Manager has full discretion (subject to the control of and review by the Directors) to invest the assets of the Funds in pursuit of the investment objective and policy described in each Supplement and subject to the investment restrictions.

The Company has also appointed the Investment Manager, pursuant to a Distribution Agreement, to act as a non-exclusive distributor to solicit subscriptions for Shares with power to appoint sales agents.

The Investment Manager (and/or its members, employees, related entities and connected persons) may subscribe, directly or indirectly, for Shares.

THE ADMINISTRATOR

The Company has appointed BNP Paribas Fund Services Dublin Limited as Administrator to administer the day to day operations and business of the Company, including processing subscriptions, redemptions, computing the Net Asset Value and the Net Asset Value per Share, maintaining books and records, disbursing payments, establishing and maintaining accounts on behalf of the Company and any other matters usually performed for the administration of a fund, including the calculation of the performance fee, where applicable. The Administrator will keep the accounts of the Company in accordance with international financial reporting standards. The Administrator will also maintain the register of Shareholders.

The Administrator was incorporated in Ireland on 9 April 1998 as a private company limited by shares and is an investment business firm authorised by the Central Bank to carry out administration of collective investment schemes. The Administrator is ultimately a wholly-owned subsidiary of BNP Paribas Securities Services, which is owned up to 99.9 per cent by BNP Paribas Group, one of Europe's largest banks.

The Administrator is a service provider to the Company and will not have any responsibility or authority to make investment decisions, nor render investment advice, with respect to the assets of the Company.

The Administration Agreement between the Company and the Administrator, dated 10 February 2012, shall have an initial term of eighteen (18) months from the Effective Date (the "Initial Term") and thereafter following the expiry of the initial term, the Administration Agreement may be terminated by either party giving written notice of at least ninety (90) days to the other party.

Either party may terminate the agreement immediately by notice in writing to the other party if the other party (a) goes into liquidation or receivership, or an examiner shall be appointed pursuant to the Companies (Amendment) Act 1990 (except for a voluntary liquidation for the purposes of reconstruction or amalgamation upon terms previously approved in writing by the other party) or is unable to pay its debts as they fall due; or (b) commits any material breach of the provisions of the Administration Agreement and shall not have remedied that breach within thirty (30) days after the service of written notice by any other party requiring it to be remedied. The Company may terminate the Administration Agreement immediately if the Administrator is no longer permitted to act as an administrator by the Central Bank and the Administrator shall inform the Company promptly in writing of the occurrence of this event.

The Administrator shall not be liable for any loss of any nature whatsoever suffered by the Shareholders, the Company or its delegates in connection with the performance of its obligations under the Administration Agreement, except where that loss results directly from negligence, fraud, bad faith or wilful default on the part of the Administrator or any of its agents or delegates. The Administrator shall not be liable for any indirect, special or consequential loss howsoever arising, even if advised of the possibility of such loss or damage arising.

The Company has undertaken to hold harmless and indemnify the Administrator on its own behalf and on behalf of its permitted delegates, servants and agents against all actions, proceedings and claims (including reasonable claims of any person purporting to be the beneficial owner of any part of the investments or Shares) and against all costs, demands and expenses (including legal and professional fees and expenses) arising therefrom which may be brought against, suffered or incurred by the Administrator, its permitted delegates, servants or agents in the performance or non-performance of its obligations and duties thereunder and from and against all taxes on profits or gains of the Company which may be assessed upon or become payable by the Administrator or its permitted delegates, servants or agents provided that such indemnity shall not apply to the

extent that such actions, proceedings, claims, costs, demands and expenses arise from the negligence, fraud, bad faith or wilful default of the Administrator or its delegates, servants or agents.

THE CUSTODIAN

The Company has appointed BNP Paribas Securities Services, Dublin Branch to act as Custodian for the safekeeping of all the investments, cash and other assets of the Company and to ensure that the issue and repurchase of Shares by the Company and the calculation of the Net Asset Value of the Company and of the Shares is carried out and that all income received and investments made are in accordance with the Articles of Association and the UCITS Regulations. In addition, the Custodian is obliged to enquire into the conduct of the Company in each financial year and report thereon to Shareholders.

The Custodian is a branch of BNP Paribas Securities Services, incorporated in France as a Partnership Limited by Shares and authorised by the ACP (Autorité de Contrôle Prudentiel) and supervised by the AMF (Autorité des Marchés Financiers), whose head office is at 3 rue d'Antin, 75002 Paris, France. It is owned up to 99.99 per cent by BNP Paribas Group, one of Europe's largest banks. The Custodian acts, inter alia, as trustee or custodian of a number of collective investment schemes. The Custodian's main business activity consists of providing custody and related services to collective investment schemes and other portfolios.

The principal duties of the Custodian include the safekeeping of the Company's assets, the maintenance of bank accounts and the timely settlement of all securities transactions. The Custodian must segregate, keep and maintain the assets of the Company separate and apart from the assets of the Custodian and its affiliates. Under the terms of the Custody Agreement, the Custodian has the full power to delegate the whole or any part of its custodial functions in relation to the assets of the Company, provided that the liability of the Custodian will not be affected by the fact that it has entrusted to a third party some or all of the assets of the Company in its safekeeping. The Company and the Custodian consider that the Central Bank considers that, in order to discharge its liability, the Custodian must exercise care and diligence in choosing and appointing a third party as a safekeeping agent so as to ensure that the third party has and maintains the expertise, competence and standing appropriate to discharge the responsibilities concerned and must maintain an appropriate level of supervision over the safekeeping agent and make appropriate enquiries from time to time to confirm that the obligations of the agent continue to be competently discharged. This does not purport to be a legal interpretation of the UCITS Regulations.

The Custodian Agreement, dated 10 February 2012, between the Company and the Custodian provides that the Custodian shall be liable to the Company and the Shareholders for any loss suffered by them arising out of its unjustifiable failure to perform its obligations or its improper performance of such obligations. The Custodian Agreement provides that, subject to certain terms of the Custody Agreement, the Company undertakes to hold harmless and indemnify the Custodian against all actions, proceedings and claims (including claims of any person purporting to be the beneficial owner of any part of the Fund's investments) and against all costs, demands and expenses (including legal and professional expenses) arising therefrom which may be brought against, suffered or incurred by the Custodian by reason of performance or non-performance of the Custodian's duties under the terms of the Custodian Agreement or arising from the fact that the fund's investments are registered in the name of or held by the Custodian or its nominees or agents, save where and to the extent that any such actions, proceedings, claims, costs, demands or expenses arise as a result of the Custodian's unjustifiable failure to perform its obligation or its improper performance of them.

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

The Custodian Agreement shall continue in force for an initial period of eighteen (18) months from the Effective Date (the "Initial Term") and thereafter, following the expiry of the Initial Term, can be terminated by any party giving written notice of at least ninety (90) days to the other party.

In addition, either party may terminate the Custodian Agreement at any time by giving notice to the other party where the other party (i) goes into liquidation or receivership or an examiner is appointed pursuant to the Companies (Amendment) Act 1990 (except for a voluntary liquidation for the purposes of reconstruction or amalgamation upon terms previously approved in writing by the notifying party); or is unable to pay its debts as they fall due (ii) the party notified shall commit any material breach of its duties under the Custodian Agreement and shall not have remedied that breach within thirty (30) days after the service of written notice requiring it to be remedied.

Pursuant to the Custodian Agreement, the Company may not terminate the appointment of the Custodian and the Custodian may not retire from such appointment unless and until a successor custodian shall have been appointed in accordance with the Articles and the UCITS Regulations provided such successor custodian and its appointment is approved in advance by the Central Bank. Notwithstanding any other provision in the Custodian Agreement, the termination of the appointment of the Custodian is only permissible on the appointment of a successor custodian or on the revocation by the Central Bank of the authorisation of the Company.

PAYING AGENTS

Local laws/regulations in EEA Member States may require the appointment of paying agents / representatives / distributors / correspondent banks and maintenance of accounts by such paying agents through which subscription and redemption monies or distributions may be paid. Shareholders who choose or are obliged under local regulations to pay or receive subscription or redemption monies or distributions via an intermediate entity rather than directly to or from the Administrator (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 Administrator for the account of the Company or the relevant Fund and (b) redemption monies payable by such intermediate entity to the relevant Shareholder. Fees and expenses of paying agents appointed by the Company on behalf of a Fund which will be at normal commercial rates will be borne by the Company or the Fund in respect of which a paying agent has been appointed.

SUBSCRIPTIONS

Initial Offer

Shares in the Company may be subscribed for during the Initial Offer Period at the Initial Price and will be issued for the first time on the first Business Day following the close of the Initial Offer Period. The Directors may extend or shorten the Initial Offer Period at their discretion. Any such extension or shortening of the Initial Offer Period will be notified to the Central Bank in accordance with its requirements.

Cleared funds must be received no later than 5.00 p.m. (Dublin time) on the last day of the Initial Offer Period.

Subsequent Subscriptions

Following the close of the Initial Offer Period, Shares will be available for subscription at the Subscription Price on each Dealing Day on a forward pricing basis (see below under "Procedure"). The Subscription Price will be equal to the Net Asset Value per Share as at the relevant Valuation Point.

The Directors are authorised from time to time to resolve to close a Fund or any Class of Shares to new subscriptions on such basis and on such terms as the Directors may in their absolute discretion determine.

Procedure

Applicants for Shares during the Initial Offer Period should complete and sign an application form which may be obtained from the Administrator and send it to the Administrator, together with any information required in respect of anti-money laundering requirements as detailed in the application form, by mail or facsimile (or where made available, by electronic means) so as to be received by the Administrator no later than 5.00 p.m. (Dublin time) on the last day of the Initial Offer Period. Where the Administrator does not require the original application form to be submitted, the application procedure will be formally documented by and approved by the Directors. Cleared funds in the relevant currency in respect of the subscription monies must be received by the Administrator by the same time. If the relevant application form and/or subscription monies is/are not received by these times, the application will be held over until the first Dealing Day after the close of the Initial Offer Period and Shares will then be issued at the relevant Subscription Price on that Dealing Day.

Thereafter, applicants for Shares, and Shareholders wishing to apply for additional Shares, must send their completed and signed application form by mail or facsimile to the Administrator so as to be received before the relevant Dealing Request Deadline, together with any information required in respect of anti-money laundering requirements as detailed in the application form. Applications accepted prior to the Dealing Request Deadline for any particular Dealing Day will be processed on that Dealing Day. Cleared funds in the relevant currency in respect of the subscription monies must be received by the Administrator as outlined in the relevant Supplement. Any applications received after the Dealing Request Deadline for a particular Dealing Day will be processed on the following Dealing Day unless the Directors in their absolute discretion otherwise determine to accept one or more applications received after the Dealing Request Deadline for processing on that Dealing Day provided that such application(s) have been received prior to the Valuation Point for that particular Dealing Day. Investors should note that the Directors will only exercise their discretion to accept subscriptions received after the Dealing Request Deadline in exceptional circumstances.

Fractions of Shares to four decimal places will be issued if necessary. Interest on subscription monies will accrue to the Company.

The Company reserves the right to reject any application in whole or part at its absolute discretion, in which event the amount paid on application or the balance thereof (as the case may be) will be returned (without interest) as soon as practicable in the relevant currency at the risk and cost of the applicant.

The Administrator will issue a written confirmation via email to successful applicants confirming acceptance of their application. A contract note will be issued to applicants once the Net Asset Value for the relevant Dealing Day is finalised and the Shares have been allocated. Once completed applications have been received by the Administrator, they are irrevocable.

The Company and/or the Administrator reserve the right to ask for the production of original documents or other information to authenticate the communication and to require communications to be re-sent in the event that such communication has not been properly received or has been corrupted. Facsimiles sent to the Administrator will be acknowledged by the Administrator. In the event that no acknowledgement is received from the Administrator within 5 business days of submission of the request, the Applicant should contact the Administrator to confirm receipt by the Administrator of the request. The Applicant must use the form of document provided by the Administrator/Company in respect of subscriptions, redemptions, exchanges or transfers, unless such condition is waived by the Company in agreement with the Administrator. Subject thereto, Shares are deemed to be issued on the relevant Dealing Day.

An initial fee of up to 5 per cent of the Subscription Price may be payable by applicants for Shares at the discretion of the Directors.

Minimum Investment

The Minimum Holding, the Minimum Subscription and the Minimum Additional Subscription for each Class in respect of each Fund are set out in the relevant Supplement.

Ineligible Applicants

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

In particular, 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, except that the Directors may authorise the issue or transfer of Shares to or for the account of a US Person provided that:

- (a) such US Person certifies that it is an “accredited investor” and a “qualified purchaser”, in each case as defined under applicable US federal securities laws;
- (b) such issue or transfer does not result in a violation of the United States Security Act of 1933 (the “1933 Act”) or the securities laws of any of the states of the United States;

- (c) such issue or transfer will not require the Company to register under the United States Investment Company Act of 1940 or to file a prospectus with the US Commodity Futures Trading Commission or the US National Futures Association pursuant to regulations under the US Commodity Exchange Act ("CEA");
- (d) such issue or transfer will not cause any assets of the Fund to be "plan assets" for the purposes of Part 4 of Title 1 of ERISA; and
- (e) such issue or transfer will not result in any adverse regulatory or tax consequences to the Fund or its Shareholders as a whole.

Each applicant for, and transferee of, Shares who is a US Person will be required to provide such representations, warranties or documentation as may be required by the Directors to ensure that these requirements are met prior to the issue or the registration of any transfer of Shares. If the transferee is not already a Shareholder, it will be required to complete the appropriate application form.

Form of Shares

All the Shares will be registered Shares and will only be issued in bookstock form, meaning that a Shareholder's entitlement will be evidenced by an entry in the Company's register of Shareholders, as maintained by the Administrator, and not by a share certificate. Each Shareholder will be notified of its ownership of shares by written confirmation of entry on to the Company's register of Shareholders.

Suspension

The Directors may declare a suspension of the issue of Shares in certain circumstances as described under "Suspension of Valuation of Assets" in the section "General Information". No Shares will be issued during any such period of suspension.

Anti-Money Laundering

Measures provided for in the Criminal Justice (Money Laundering and Terrorist Financing) Act 2010, which are aimed towards the prevention of money laundering, require an applicant for shares to verify its identity and/or the source of funds to the Administrator. Depending on the circumstances of each application, a detailed verification might not be required where the applicant is a regulated financial institution in a country with equivalent Anti- Money Laundering and Counter Terrorist Financing rules to those in place in Ireland.

By way of example an individual will be required to produce a copy of a passport or identification card duly certified by a public authority such as a notary public, the police or the ambassador in his country of residence, together with two items of evidence of his 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.

The details given above are by way of example only and, regardless of the material produced by an applicant or its representatives, the Administrator will request such additional information and documentation as it, in its absolute discretion, considers is necessary to fully verify the identity or source of funds of an applicant and to establish the circumstances of the application. In the event of delay or failure by the applicant to produce any information required for verification purposes,

the Administrator may accept the application and the subscription monies relating thereto. In such cases the subscription monies may be returned without interest to the account from which the monies were originally debited, subject to any advice or request from the relevant authorities that the subscription monies should be retained pending any further directions from them or the Administrator may withhold payment of a redemption request until full information has been provided, in each case without any liability whatsoever on the part of the Company, the Administrator or any service provider to the Company.

Each applicant for Shares acknowledges that the Company and the Administrator shall be held harmless against any loss arising as a result of a failure to process its application for Shares if such information and documentation as has been requested by the Administrator has not been provided by the applicant.

Each applicant for Shares will be required to make such representations as may be required by the Directors in connection with anti-money laundering programmes, including, without limitation, representations that such applicant is not a prohibited country, territory, individual or entity listed on the United States 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. Each applicant will also be required to represent that subscription monies are not directly or indirectly derived from activities that may contravene United States federal or state, or international, laws and regulations, including anti-money laundering laws and regulations.

REDEMPTIONS

Shares will be redeemable at the option of the Shareholder on each Dealing Day.

Shareholders should send a signed and completed redemption request in the form available from the Administrator to be received by the Administrator before the relevant Dealing Request Deadline for any Dealing Day as outlined in the relevant Supplement, failing which the redemption request will be held over until the next following Dealing Day and Shares will be redeemed at the relevant Redemption Price applicable on that Dealing Day.

The Directors may in exceptional circumstances determine in their absolute discretion to accept a redemption application after the Dealing Request Deadline (provided that such redemption request has been received prior to the Valuation Point for that particular Dealing Day). The Directors shall keep a record of any such redemption applications and the reason(s) for accepting them.

No redemption payment may be made until the original subscription application form has been received and all the documentation required by the Company (including any documents in connection with anti-money laundering procedures) and the anti-money-laundering procedures have been completed. Any amendment to shareholders registration details may be effected upon receipt of original documentation.

A request for a partial redemption of Shares may be refused, or the holding redeemed in its entirety, if, as a result of such partial redemption, the Net Asset Value of the Shares retained by the Shareholder would be less than the Minimum Holding.

A redemption request, once given, is irrevocable save with the consent of the Directors (which may be withheld in their discretion).

Redemption Price

The Redemption Price per Share will be equal to the Net Asset Value per Share as at the relevant Valuation Point less any redemption charge as set out in the Supplement for each Fund.

Settlement

Payment of redemption proceeds will be made as soon as practicable after the relevant Dealing Day and no later than 10 Business Days after the relevant Dealing Request Deadline. Payment will be made in the currency of denomination of the Shares being redeemed by direct transfer in accordance with instructions given by the redeeming Shareholder to the Administrator and at the Shareholder's risk and expense. Payments made on receipt of faxed instructions will only be processed where payment is made to the account of record of the Shareholder.

Suspension

The Directors may declare a suspension of the redemption of Shares in certain circumstances as described under the heading "Suspension of Valuation of Assets" in the section "General Information". No Shares will be redeemed during any such period of suspension.

Compulsory Redemptions

The Directors have the right to require the compulsory redemption of all or part of the Shares held by or for the benefit of a Shareholder if the Directors determine that the Shares are held by or for

the benefit of any Shareholder who is or becomes an Ineligible Applicant as described under “Subscriptions” above. The Company also reserves the right to require compulsory redemption of all Shares held by a Shareholder if the Net Asset Value of the Shares held by the Shareholder is less than the Minimum Holding. Where the Net Asset Value of the Shares held by a Shareholder is less than the Minimum Holding and the Company decides to exercise its right to compulsorily redeem, the Company will notify the Shareholder in writing and allow such Shareholder 30 calendar days to purchase additional Shares to meet the minimum holding requirement.

Notwithstanding the above, the Directors also have the right to compulsorily redeem all or part of the Shares held by or for the benefit of a Shareholder at any time by giving notice in writing to the Shareholders.

Deferred Redemptions

Subject to any statement to the contrary in respect of a particular Fund in the relevant Supplement, the Directors may defer redemptions at a particular Dealing Day to the next Dealing Day where the requested redemptions exceed 25 per cent of a Fund’s Net Asset Value. The Directors will ensure the consistent treatment of all Shareholders who have sought to redeem Shares at any Dealing Day at which redemptions are deferred. The Directors will pro-rate all such redemption requests to the stated level (i.e. 25 per cent of the Fund’s Net Asset Value) and will defer the remainder until the next Dealing Day until all Shares in respect of which the original redemption request was made have been redeemed. The Directors will also ensure that all deals relating to an earlier Dealing Day are completed before those relating to a later Dealing Day are considered.

The Directors currently expect not to exercise such power to defer redemptions except to the extent that they consider that existing Shareholders would otherwise be materially prejudiced or that such exercise is necessary to comply with applicable law or regulation.

In-Specie Redemptions

The Directors may, at the discretion of the Company and with the consent of the individual Shareholder concerned, satisfy any request for redemption of Shares by the transfer in specie to such Shareholder of assets of the relevant Fund having a value equal to the Redemption Price for the Shares redeemed as if the redemption proceeds were paid in cash less any redemption charge and other expenses of the transfer. The Directors shall determine the nature and type of assets to be transferred to the Shareholder (subject to the approval of the Custodian as to the asset allocation) on such basis as they, in their absolute discretion shall deem equitable and not prejudicial to the interests of the remaining Shareholders in the relevant Fund or Class.

Anti-Money Laundering

Investors should note that the Directors may refuse to settle a redemption request if it is not accompanied by such additional information as they, or the Administrator on their behalf, may reasonably require. This power may, without limitation to the generality of the foregoing, be exercised where proper information has not been provided for anti-money laundering verification purposes as described under “Subscriptions”.

EXCHANGING BETWEEN FUNDS OR CLASSES

Except when issues and redemptions of Shares have been suspended in the circumstances described under “Suspension of Valuation of Assets” in the section “General Information” and subject to the discretion of the Directors, holders of Shares may request an exchange of some or all of their Shares in one Class or Fund (“the Original Class”) to Shares in another Class or Fund (the “New Class”). Such exchanges can only take place, if following the exchange, the Shareholder’s holding in the New Class will satisfy the Minimum Subscription and Minimum Holding requirements and other criteria of that Class or Fund.

A Share exchange will be effected by way of a redemption of Shares of one Class or Fund (and thus will result in the payment of Performance Fee accrued in respect of such Shares, if any) and a simultaneous subscription (at the most recent Subscription Price) for Shares of the other Class or Fund and, accordingly, the general provisions and procedures relating to redemptions and subscriptions of Shares will apply.

Redemption proceeds will be converted into the other currency at the rate of exchange available to the Administrator and the cost of conversion will be deducted from the amount applied in subscribing for Shares of the other Class.

The Articles authorise the Directors to charge a fee on the exchange of Shares in any Fund for Shares in another Fund up to a maximum of 5 per cent of Net Asset Value of Shares in the original Fund. With respect to exchanges between Classes of Shares within a Fund, an exchange fee of up to a maximum of 3 per cent of the redemption proceeds of the Class of Shares which is being exchanged for another Class of Shares in that Fund will be payable on each exchange. The redemption proceeds of the Class of Shares which is being exchanged will be reduced by the amount of the exchange fee and the net amount applied in subscribing for Shares of the other Class or Fund. The Directors may waive the payment of the exchange fee at their discretion. The exchange fee will be retained by the Company.

Shareholders should send a completed exchange request in the form available from the Administrator to be received by the Administrator prior to the earlier of the Dealing Request Deadline for redemptions in the Original Class and the Dealing Request Deadline for subscriptions in the New Class. Any applications received after such time will be dealt with on the next Dealing Day, unless the Directors in their absolute discretion otherwise determine. Investors should note that the Directors will only exercise their discretion to accept applications for exchanges of shares received after the Dealing Request Deadline on an exceptional basis. Exchange requests will only be accepted where cleared funds and completed documents are in place from original subscriptions.

Fractions of Shares to four decimal places may be issued by the Company on exchange where the value of Shares exchanged from the Original Class is not sufficient to purchase an integral number of Shares in the New Class and any balances representing entitlements of less than a fraction of a Share to four decimal places will be retained by the Company in order to discharge administration costs.

An exchange request, once given, is irrevocable save with the consent of the Directors (which may be withheld in their discretion) or in the event of a suspension of calculation of the Net Asset Value of the Company in respect of which the exchange requests are made.

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

$$S = \frac{(R \times NAV \times ER)}{SP}$$

where

S is the number of Shares of the New Class to be allotted.

R is the number of Shares in the Original Class to be redeemed.

NAV is the Net Asset Value per Share of the Original Class as at the relevant Valuation Point for the relevant Dealing Day.

ER is the currency exchange factor (if any) as determined by the Administrator as representing the effective rate of exchange of settlement on the relevant Dealing Day applicable to the transfer of assets between the relevant Funds or Classes where the base currencies are different or, where the base currencies are the same, ER = 1.

SP is the Net Asset Value per Share of the New Class as at the relevant Valuation Point for the relevant Dealing Day.

VALUATION

Net Asset Value and Valuation of Assets

The Net Asset Value of each Fund will be calculated by the Administrator as at the Valuation Point for each Dealing Day in accordance with the Articles. The Net Asset Value of a Fund shall be determined as at the Valuation Point for the relevant Dealing Day by valuing the assets of the relevant Fund (including income accrued but not collected) and deducting the liabilities of the relevant Fund. The Net Asset Value attributable to a Class shall be determined as at the Valuation Point for the relevant Dealing Day by calculating that portion of the Net Asset Value of the relevant Fund attributable to the relevant Class as at the Valuation Point by reference to the last finalised Net Asset Value of the relevant Class adjusted for investor activity on the relevant Dealing Day.

The Net Asset Value of a Fund will be expressed in the base currency of the Fund, or in such other currency as the Directors may determine either generally or in relation to a particular Class or in a specific case, as may be set out in the relevant Supplement for each Fund or Class.

The Net Asset Value per Share shall be calculated as at the Valuation Point for each Dealing Day by dividing the Net Asset Value of the relevant Fund or attributable to a Class by the total number of Shares in issue or deemed to be in issue in the Fund or Class at the relevant Valuation Point and rounding the resulting total to four decimal places or such number of decimal places as the Directors may determine.

In determining the value of the assets of the Company:

- (A) Securities which are quoted, listed or traded on a Recognised Exchange save as hereinafter provided at (D), (E), (F), (G) and (H) will be valued at their last traded price on the relevant exchange or market. Where a security is listed or dealt in on more than one Recognised Exchange the relevant exchange or market shall be the principal stock exchange which constitutes the main market for such security or the one which the Directors in their sole discretion determine provides the fairest criteria in ascribing a value to such security. Investments listed or traded on a Recognised Exchange, but acquired or traded at a premium or at a discount outside or off the relevant exchange or market may be valued taking into account the level of premium or discount on the Valuation Point provided that the Custodian shall be satisfied that the adoption of such a procedure is justifiable in the context of establishing the probable realisation value of the security.
- (B) The value of any security which is not quoted, listed or dealt in on a Recognised Exchange or which is so quoted, listed or dealt in but for which no such quotation or value is available or the available quotation or value is not representative will be valued at its probable realisation value as determined by the Directors, or by a competent person appointed by the Directors and approved for such purpose by the Custodian, in good faith.
- (C) Cash on hand or on deposit will be valued at its nominal / face value plus accrued interest, where applicable, to the end of the relevant day on which the Valuation Point occurs.
- (D) Derivative contracts traded on a regulated market shall be valued at the settlement price on the relevant market. If the settlement price is not available, the value shall be the probable realisation value estimated with care and in good faith by (i) the Directors or the Investment Manager or (ii) a competent person, firm or corporation selected by the Directors and approved for the purpose by the Custodian or (iii) any other means provided that the value is approved by the Custodian.

- (E) Derivative contracts which are traded 'over-the-counter' will be valued daily either (i) on the basis of a quotation provided by the relevant counterparty and such valuation shall be approved or verified at least weekly by a party who is approved for the purpose by the Custodian and who is independent of the counterparty; or (ii) using an alternative valuation provided by a competent person appointed by the Directors and approved for the purpose by the Custodian or a valuation by any other means provided that the value is approved by the Custodian (the "Alternative Valuation"). Where such Alternative Valuation method is used the Company will follow international best practice and adhere to the principles on valuation of "over-the-counter" instruments established by bodies such as the International Organisation of Securities Commissions or the Alternative Investment Management Association and will be reconciled to the counterparty valuation on a monthly basis. Where significant differences arise these will be promptly investigated and explained.
- (F) 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 freely available market quotations.
- (G) Notwithstanding paragraph (A) above units in collective investment schemes shall be valued at the latest available net asset value per unit or bid price as published by the relevant collective investment scheme or, if listed or traded on a Recognised Exchange, in accordance with (A) above.
- (H) Notwithstanding the provisions of paragraphs (A) to (G) above:-
- (i) The Directors or their delegate may, at its discretion in relation to any particular Fund which is a short-term money market fund, value any investment using the amortized cost method of valuation where such collective investment schemes comply with the Central Bank's requirements for money market funds and where a review of the amortized cost valuation vis-à-vis market valuation will be carried out in accordance with the Central Bank's guidelines.
 - (ii) The Directors or their delegate may, at its discretion, in relation to money market instruments in a money-market fund or non-money market fund be valued on an amortised basis, in accordance with the Central Bank's requirements.
- (I) The Directors may 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.
- (J) Any value (whether of an investment or cash) expressed otherwise than in the base currency of the relevant Fund shall be converted into the base currency of the relevant Fund at the rate (whether official or otherwise) which the Directors in their absolute discretion deem applicable on the relevant Valuation Point, having regard, among other things, to any premium or discount which they consider may be relevant and to costs of exchange.
- (K) Where the value of any investment is not ascertainable as described above, the value shall be the probable realisation value estimated by the Directors with care and in good faith or by a competent person appointed by the Directors and approved for the purpose by the Custodian.

- (L) If the Directors deem it necessary a specific investment may be valued under an alternative method of valuation chosen by the Directors and approved by the Custodian.

In calculating the Net Asset Value of each Fund the following principles will apply:

- (A) in determining the value of investments of each Fund the Directors may at their discretion instead value the investments of each Fund (i) at lowest market dealing bid prices where on any Dealing Day the value of all redemption requests received exceeds the value of all applications for Shares received for that Dealing Day or at highest market dealing offer prices where on any Dealing Day the value of all applications for Shares received for that Dealing Day exceeds the value of all redemption requests received for that Dealing Day, in each case in order to preserve the value of the Shares held by existing Shareholders; or (ii) at bid and offer prices, where a fund is dual priced in accordance with the requirements of the Central Bank and bid and offer value is used to determine the price at which Shares are issued and redeemed.
- (B) every Share agreed to be issued by the Directors with respect to each Dealing Day shall be deemed to be in issue at the Valuation Point for the relevant Dealing Day and the assets of the Fund shall be deemed to include not only cash and property in the hands of the Custodian but also the amount of any cash or other property to be received in respect of Shares agreed to be issued after deducting therefrom (in the case of Shares agreed to be issued for cash) or providing for initial charges.
- (C) where investments have been agreed to be purchased or sold but such purchase or sale has not been completed, such investments shall be included or excluded and the gross purchase or net sale consideration excluded or included as the case may require as if such purchase or sale had been duly completed unless the Directors have reason to believe such purchase or sale will not be completed.
- (D) there shall be added to the assets of the relevant Fund any actual or estimated amount of any taxation of a capital nature which may be recoverable by the Company which is attributable to that Fund.
- (E) there shall be added to the assets of the relevant Fund a sum representing any interest, dividends or other income accrued but not received and a sum representing unamortised expenses.
- (F) there shall be added to the assets of the relevant Fund the total amount (whether actual or estimated by the Directors or their delegate) of any claims for repayment of any taxation levied on income or capital gains including claims in respect of double taxation relief;
- (G) where notice of the redemption of Shares has been received by the Company with respect to a Fund for a particular Dealing Day and the cancellation of such Shares has not been completed, the Shares to be redeemed shall be deemed not to be in issue at the Valuation Point and the value of the assets of the Fund, as at the Valuation Point, shall be deemed to be reduced by the amount payable upon such redemption.
- (H) there shall be deducted from the assets of the Fund:
 - (1) the total amount of any actual or estimated liabilities properly payable out of the assets of the Fund including any and all outstanding borrowings of the Fund, interest, fees and expenses payable on such borrowings and any estimated liability

for tax and such amount in respect of contingent or projected expenses as the Directors consider fair and reasonable as of the relevant Valuation Point;

- (2) such sum in respect of tax (if any) on income or capital gains realised on the investments of the Company or Fund as in the estimate of the Directors will become payable;
- (3) the amount (if any) of any distribution declared but not distributed in respect thereof;
- (4) the remuneration of the Administrator, the Custodian, the Investment Manager, the Distributor and any other providers of services to the Fund accrued but remaining unpaid together with a sum equal to the value added tax chargeable thereon (if any);
- (5) (the total amount (whether actual or estimated by the Directors) of any other liabilities properly payable out of the assets of the Fund (including all establishment, operational and ongoing administrative fees, costs and expenses) as of the relevant Valuation Point;
- (6) an amount as of the relevant Valuation Point representing the projected liability of the Fund in respect of costs and expenses to be incurred by the Fund in the event of a subsequent liquidation;
- (7) an amount as of the relevant Valuation Point representing the projected liability of the relevant calls on Shares in respect of any warrants issued and/or options written by the Fund or Class of Shares; and
- (8) any other liability which may properly be deducted.

In the absence of negligence, fraud or wilful default, every decision taken by the Directors or any committee of the Directors or by the Investment Manager or any duly authorised person on behalf of the Company in calculating the Net Asset Value of a Class or the Net Asset Value per Share shall be final and binding on the Company and on present, past or future Shareholders.

FEES AND EXPENSES

Any fees or expenses payable by a Shareholder or out of the assets of the Company are set out in this section.

Initial Charge

The Directors are permitted to make an initial charge on the sale of Shares to an investor. The current percentage rates of charge are shown in the relevant Supplement for each Fund. The maximum amount for such initial charge will be 5 per cent of the value of the relevant subscription. Such subscription charge will be payable to the Investment Manager unless otherwise disclosed in the relevant Supplement.

Redemption Charge

The Directors are permitted to make a redemption charge on the redemption of Shares by an investor. The current percentage rates of charge are shown in the relevant Supplement for each Fund. The charge is calculated prior to the addition of any dilution levy, as set out in the relevant Supplement. The maximum amount for such redemption charge will be 3 per cent of the aggregate Net Asset Value of the Shares being redeemed. Such redemption charge will be payable to the Investment Manager unless otherwise disclosed in the relevant Supplement.

Investment Management Fee

The Investment Manager will receive from the Company an Investment Management Fee the details of which are set out in the relevant Supplement.

The Investment Manager shall also be entitled to be repaid all of its disbursements out of the assets of the Company, including legal fees, couriers' fees and telecommunication costs and expenses which shall be at normal commercial rates together with VAT, if any, thereon.

Performance Fee

The Investment Manager may also be entitled to receive a Performance Fee from the Company, the details of which are set out in the relevant Supplement for each Fund.

The Investment Manager may from time to time, and at its sole discretion, and out of its own resources decide to return to intermediaries and/or Shareholders part or all of the Investment Management Fee and/or Performance Fee.

Paying Agents' Fees

Fees and expenses of any paying agent(s) appointed by the Company, which will be at normal commercial rates, will be borne by the Company.

Administrator's Fees

The Company shall pay to the Administrator out of the assets of the Company an annual fee, accrued at each Valuation Point and payable in monthly arrears the details of which are set out in the relevant Supplement for each Fund.

Custodian's Fees

The Company shall pay to the Custodian out of the assets of the Company an annual fee, accrued at each Valuation Point and payable monthly in arrears the details of which are set out in the relevant Supplement for each Fund.

Directors' Fees

The Articles of the Company provide that the remuneration of the Directors shall be determined by a resolution of the Directors. Currently, the Directors are entitled to an annual fee of €20,000 each. The Directors may also be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or any committee of the Directors or general meetings of the Company or in connection with the business of the Company.

Operating Expenses and Fees

The Company bears its own operating and other expenses. Where applicable, these expenses include (but are not limited to) (a) all investment expenses, (b) all fees and expenses of transactional and trade-related services including, for the avoidance of doubt and without limitation and costs incurred in arranging and stocklending programme, (c) all administrative expenses, (d) all of the charges and expenses of legal advisers, accountants and auditors, (e) all brokers' commissions, all fees for investment research and/or trade ideas, all charges relating to Financial Derivative Instruments and any issue or transfer taxes or stamp duties chargeable in connection with securities transactions, (f) all taxes and corporate fees payable to governments or agencies, (g) all interest on borrowings, (h) all communication expenses with respect to investor services and all expenses of meetings of Shareholders and of preparing, printing and distributing financial and other reports, proxy forms, prospectuses and similar documents, (i) all of the costs of insurance for the benefit of the Directors (if any), (j) all litigation and indemnification expenses and extraordinary expenses not incurred in the ordinary course of business, (k) the fees of the Central Bank, (l) the cost of termination of the Company or any Fund, (m) the fees and expenses of any regulator, paying agent, representative, distributor or correspondent bank appointed in connection with the registration of the Company (or any Fund) or the marketing of Shares in any jurisdiction (including legal fees and translation costs), and (n) all other organisational and operating expenses.

Any establishment expenses may be deferred and amortised by the Company, in accordance with standard accounting practice, at the discretion of the Directors. An estimated accrual for operating expenses of the Company will be provided for in the calculation of the Net Asset Value of the Company. Operating expenses and the fees and expenses of service providers which are payable by the Company shall be borne by all Shares in proportion to the Net Asset Value of the Company or attributable to the relevant Class provided that fees and expenses directly or indirectly attributable to a particular Class shall be borne solely by the relevant Class.

Allocation of Assets, Charges and Expenses

All fees, duties, charges and expenses are charged to the relevant Fund in which they were incurred.

Costs of Establishment

The total costs and expenses of establishing the Company, including the Funds, are estimated to be approximately US\$300,000 and will be payable and borne by the Company. These costs and expenses may at the discretion of the Directors be amortised on a straight-line basis over a

period of up to 5 years from the date on which the Company commences business. The Directors may, in their absolute discretion, shorten the period over which such costs and expenses are amortised. These establishment expenses are being charged as between the various Funds established by the Company within the amortisation period on such terms and in such manner as the Directors (with the consent of the Custodian) deem fair and equitable and provided that each Fund bears its own direct establishment costs and costs of listing its Shares on any stock exchange. It is expected that such accounting treatment will not be material to the financial statements of the Company. If the effect of the accounting treatment becomes material in the future and there is a requirement to write off any unamortised balance of establishment expenses in the financial statement, the Directors will reconsider this policy.

Charges to Capital

Where the Investment Manager determines that the generation of income in a Fund has equal or higher priority to capital growth, all or part of the fees and expenses of that Fund may be charged against capital instead of against income. This will constrain and may forego the potential for future capital growth and capital may be eroded.

Dilution Levy

A Fund may suffer dilution (reduction) in the value of its property as a result of the costs incurred in dealing in its underlying investments and of any spread between the buying and selling prices of these investments. As dilution is directly related to the inflows and outflows in respect of the relevant Fund, it is not possible to predict accurately whether dilution will occur at any point in time and consequently it is also not possible to predict accurately how frequently the Company will need to make a dilution levy to mitigate the effects of dilution.

In calculating the subscription or redemption price for a Fund the Directors may on any Redemption Day or Subscription Day when there are net subscriptions or redemptions, charge a dilution levy of up to 3 per cent to cover dealing costs and to preserve the value of the underlying assets of the Fund and any such dilution levy will be shown in addition to the subscription or redemption price.

In cases where a dilution levy is made the value of the capital of the property of a Fund will not be adversely affected by dilution. If charged, the dilution levy will be shown in addition to (but not part of) the price of Shares on their issue by the Company and as a deduction to (but not part of) the price of their Shares on their cancellation or redemption by the Company. The dilution levy will either be paid into the relevant Fund in the case of an issue of shares by the Company or retained in the Fund in the case of a cancellation or redemption of Shares by the Company.

The need to charge a dilution levy will depend on the volume of net purchases or redemptions, as described below. The Company may charge a discretionary dilution levy on any purchase or redemption of Shares if, in its opinion, the existing Shareholders (for purchases) or continuing Shareholders (for redemptions) might otherwise materially be adversely affected. A dilution levy must be imposed only in a manner that, so far as practicable, is fair to all Shareholders or potential Shareholders.

In particular, it is intended that the dilution levy will only be charged in the following circumstances:

- (a) on a Fund experiencing large levels of net purchases (i.e. purchases less redemptions) relative to its size; or

- (b) on a Fund experiencing large levels of net redemptions (i.e. redemptions less purchases) relative to its size.

In order to reduce inconsistency in the application of any dilution levy, the Company may take account of the trend of the Fund in question to expand or to contract and the transactions in Shares at a particular Valuation Point.

The Company's intention to impose a dilution levy in respect of any particular Fund is set out in the relevant Supplement.

CONFLICTS OF INTEREST

The Directors, the Investment Manager, the Custodian and the Administrator and/or their respective affiliates or any person connected with them may from time to time act as directors, investment manager, manager, distributor, trustee, custodian, registrar, broker, administrator, investment adviser or dealer in relation to, or be otherwise involved in, other investment funds which have similar or different objectives to those of the Funds or which may invest in the Funds. It is, therefore, possible that any of them may, in the course of business, have potential conflicts of interest with the Funds. The Board of Directors and each of the other foregoing entities will, at all times, have regard in such event to its obligations to the Funds and will endeavour to ensure that such conflicts are resolved fairly. In addition, subject to applicable law, any of the foregoing may deal, as principal or agent, with the Funds, provided that such dealings are carried out as if effected on normal commercial terms negotiated on an arm's length basis and are consistent with the best interests of Shareholders. Any of the Directors, the Investment Manager, the Custodian and the Administrator and/or their respective members, directors or employees may deal with the Company as principal or as agent, provided that:-

there is obtained a certified valuation of the transaction by a person approved by the Custodian (or the Directors in the case of a transaction with the Custodian) as independent and competent; or

- (i) the transaction is executed on best terms reasonably obtainable on an organised investment exchange in accordance with the rules of such exchange; or
- (ii) where (i) and (ii) are not practical, execution is on terms which the Custodian (or the Directors in the case of a transaction with the Custodian) is satisfied conforms with the principle that the transaction is consistent with the best interest of the Shareholders and is carried out as if effected on normal commercial terms negotiated at arm's length and are consistent with the best interests of Shareholders.

The Investment Manager or any of its affiliates or any person connected with Investment Manager may invest in, directly or indirectly, or manage or advise other investment funds or accounts which invest in assets which may also be purchased or sold by the Funds. Neither the Investment Manager nor any of its affiliates nor any person connected with the Investment Manager is under any obligation to offer investment opportunities of which any of them becomes aware to the Funds or to account to the Funds in respect of (or share with the Funds or inform the Funds of) any such transaction or any benefit received by any of them from any such transaction, but will allocate such opportunities on an equitable basis between the Funds and other clients.

In calculating a Fund's Net Asset Value, the Administrator may consult with the Investment Manager with respect to the valuation of certain investments. There is an inherent conflict of interest between the involvement of the Investment Manager in determining the Net Asset Value of a Fund and the entitlement of the Investment Manager to a management fee and/or performance fee which is calculated on the basis of the Net Asset Value of the Fund.

USE OF DEALING COMMISSIONS

The Investment Manager may effect transactions or arrange for the effecting of transactions through brokers with whom it has arrangements whereby the broker agrees to use a proportion of the commission earned on such transactions to discharge the broker's own costs or the costs of third parties in providing certain services to the Investment Manager. The services which can be paid for under such arrangements are those permitted under the rules of the FSA, namely those that relate to the execution of transactions on behalf of customers or the provision of investment research to the Investment Manager. The benefits provided under such arrangements will assist the Investment Manager in the provision of investment management services to the Company. Specifically, the Investment Manager may agree that a broker shall be paid a commission in excess of the amount another broker would have charged for effecting such transaction so long as, in the good faith judgement of the Investment Manager, the amount of the commission is reasonable in relation to the value of the brokerage and other services provided or paid for by such broker and the broker agrees to provide best execution with respect to such transaction.

Subject to applicable laws and regulations, authorised delegates of the Investment Manager may enter into similar arrangements with brokers.

RISK FACTORS

The risks described herein should not be considered to be an exhaustive list of the risk which potential investors should consider before investing in a Fund. Different risks may apply to different Funds. Details of Fund specific risks which are additional to those described in this section will be disclosed in the relevant Fund Supplement. Prospective investors should review this Prospectus and the relevant Supplement carefully and in its entirety and consult with their professional and financial advisers before making an application for Shares.

Prospective investors should consider, among others, the following factors before subscribing for Shares:

General Risks

Investors should be aware that there are risks inherent in the holding of securities:-

- (A) There is no assurance that any appreciation in the value of Investments will occur, or that the investment objectives of any Fund will be achieved. Past performance is no guide to the future. The value of Shares, and any income from them, can go down as well as up, particularly in the short term, meaning that an investment may not be returned in full.
- (B) The tax treatment of the Funds may change and such changes cannot be foreseen.
- (C) Where regular investments are made with the intention of achieving a specific capital sum in the future, this will normally be subject to maintaining a specified level of investment.
- (D) The difference at any one time between subscription prices and redemption prices for Shares means that any investment should be viewed as medium to long term. An investment should only be made by those persons who are able to sustain a loss on their investment.

Amortisation of Organisational Costs

The Company's financial statements will be prepared in accordance with IFRS. IFRS does not permit the amortisation of organisational costs. Notwithstanding this, the Company is amortising its organisational costs and the auditor's report in the Company's annual financial statements may be qualified in this regard.

Business Risk

There can be no assurance that the Funds will achieve their investment objective. There is no operating history by which to evaluate their likely future performance. The investment results of the Funds will be reliant upon the success of the Investment Manager which is a recently established entity and there is likewise little operating history by which to evaluate its likely future performance.

Limited Operating History

Each Fund is recently formed and therefore has limited operating history.

Past performance is not necessarily indicative of future results. No assurance can be made that profits will be achieved or that substantial losses will not be incurred.

Since investors in the Shares both acquire and may potentially redeem Shares at different times, certain investors may experience a loss on their Shares in circumstances in which it is possible that other investors, and that Fund as a whole, are profitable. Consequently, even the past performance of a Fund itself is not representative of each investor's investment experience in it.

Market Risk

The investment of a Fund's assets is subject to normal market fluctuations and the risks inherent in investment in international securities markets and there can be no assurances that appreciation will occur. Stock markets can be volatile and stock prices can change substantially. Debt securities are interest rate sensitive and may be subject to price volatility due to various factors including, but not limited to, changes in interest rates, market perception of the creditworthiness of the issuer and general market liquidity. The magnitude of these price fluctuations will be greater when the maturity of the outstanding securities is longer. Since investment in securities may involve currencies other than the base currency of a Fund, the value of a Fund's assets may also be affected by changes in currency rates and exchange control regulations, including currency blockage. The performance of a Fund will therefore depend in part on the ability of the Investment Manager to anticipate and respond to such fluctuations in prices, market interest rates and currency rates and to utilise appropriate strategies to maximise returns, while attempting to reduce the associated risks to investment capital.

Eurozone crisis

It is possible that a country may leave the Eurozone and return to a national currency, and as a result may leave the European Union (the "EU") and/or that the Euro, the European single currency, will cease to exist in its current form and/or lose its legal status in one or more countries in which it currently has such status. The effect of such potential events on the Company and/or on one or more Classes of Shares is impossible to predict. The Investment Manager will monitor the position.

Equity Securities

Equity securities represent ownership interests in a company or corporation, and include common stock, preferred stock and warrants and other rights to acquire such instruments. Investment in equity securities in general are subject to market risks that may cause their prices to fluctuate over time. The value of convertible equity securities is also affected by prevailing interest rates, the credit quality of the issuer and any call provisions. Fluctuations in the value of equity securities in which a Fund invests would cause the Net Asset Value of the Fund to fluctuate.

Charges to Capital

Where all or part of fees and/or charges in respect of any Class or Fund may be charged against capital rather than income, this will enhance income returns but may constrain future capital growth.

Effect of Initial Charge

Where an initial charge is imposed, an investor who realises his Shares after a short period may not (even in the absence of a rise in the value of the relevant investments) realise the amount originally invested.

The Shares therefore should be viewed as medium to long-term investments.

Suspension of Dealings in Shares

Investors are reminded that in certain circumstances their right to redeem Shares (including a redemption by way of exchanging) may be suspended (see “Suspension of Valuation of Assets” in the section “General Information”).

Segregation of Liabilities between Funds

As a matter of Irish law, the assets of one Fund will not be available to meet the liabilities of another. However, these provisions remain untested in foreign courts in particular for satisfying local credit claims. Therefore, other jurisdictions (such as the United Kingdom) may not necessarily recognise such segregation and, in such circumstances, the assets of one Fund may be exposed to the liabilities of another.

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 or from the Administrator (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 Administrator for the account of the Company and (b) redemption monies payable by such intermediate entity to the relevant Shareholder.

Assets held by Clearing Brokers

The Fund may deposit margin monies or margin assets with a clearing broker in respect of futures and options or other hedging contracts. Such clearing broker shall not be a sub-custodian or agent of the Custodian for such purpose and the Custodian shall not be liable for the acts or omissions or any loss directly or indirectly caused by any such clearing broker.

Custodian Insolvency

The Company is at risk of the Custodian entering into an insolvency procedure. During such a procedure (which may last many years) the use by the Company of assets held by or on behalf of the Custodian may be restricted and accordingly (a) the ability of the Investment Manager to fulfil the investment objective of the Funds may be severely constrained, (b) the Funds may be required to suspend the calculation of the Net Asset Value and as a result subscriptions for and redemptions of Shares, and/or (c) the Net Asset Value may be otherwise affected. During such a procedure, the Company is likely to be an unsecured creditor in relation to certain assets and accordingly the Company may be unable to recover such assets from the insolvent estate of the Custodian in full, or at all.

Custodian Liability

In the event of loss suffered by the Company caused by the Custodian, the Company would generally, in order to bring a successful claim against the Custodian, have to demonstrate that it has suffered a loss as a result of Custodian’s unjustifiable failure to perform its obligations or its improper performance of them.

Sub-Custodians and other depositaries

In relation to sub-custodians in emerging markets, the Custodian will be liable for sub-custodians it appoints in accordance with the terms of the custody agreement entered into between the Custodian and the Company, including instances where the Custodian unjustifiably fails to

perform its duties in relation to such sub-custodians. Furthermore, where securities are held 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, other than in relation to any loss suffered by the Company as a result of the Custodian's unjustifiable failure to perform its obligations or its improper performance of them. A Fund may invest in markets where custodial and/or settlement systems are not fully developed. The assets of such Fund which are traded in such markets and which have been entrusted to sub-custodians, in the circumstances where the use of such sub-custodians is necessary, may be exposed to risk in circumstances whereby the Custodian will have no liability.

Market Crisis and Governmental Intervention

The global financial markets have undergone and, to some extent 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 Investment Manager's ability to fulfil the Funds' investment objectives. However, the Company 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 the Funds' portfolios.

US Tax-Exempt Investors

Certain prospective investors may be subject to US federal and state laws, rules and regulations which may regulate their participation in the Company, or their engaging directly or indirectly through an investment in a Fund, in investment strategies of the types which the Funds may utilise from time to time. While the Company believes that the Funds' investment programs are otherwise generally appropriate from a tax perspective for the US tax-exempt investors for which an investment in the Funds would be suitable, each type of such investor may be subject to different laws, rules and regulations and should consult with their own advisers as to the advisability and tax consequences of an investment in a Fund. Investment in a Fund by tax-exempt entities subject to ERISA and other tax-exempt investors requires special consideration. Trustees or administrators of such investors are urged carefully to review the matters discussed in this Prospectus and the relevant application form.

ERISA Considerations

The Company intends to restrict the ownership and holding of each Class of Shares so that none of a Fund's assets will constitute "plan assets" of any employee benefit plan subject to the fiduciary responsibility and prohibited transaction rules in Title I of ERISA or subject to section 4975 of the Code ("together a "Plan"). The Company intends to impose such restrictions based on representations made by each purchaser and subsequent transferee of Shares. The Company will also have the right to require benefit plan investors (as defined in ERISA) to redeem Shares so that the 25% test is satisfied. If the Company's assets were deemed to be "plan assets" of any

Plan subject to plan assets regulation, certain transactions that the Investment Manager or the Company may enter into, or may have entered into, in the ordinary course of business might constitute or result in non-exempt prohibited transactions under ERISA or certain rules of the Code. Employee benefit plans that are governmental plans (as defined in Section 3(32) of ERISA) and certain church plans (as defined in Section 3(33) of ERISA) are not subject to the fiduciary responsibility or the prohibited transaction provisions of ERISA or the Code, but may be subject to restrictions under US state or local law.

Compliance with U.S. Reporting and Withholding Requirements

The U.S. Hiring Incentives to Restore Employment Act of 2010 introduced the Foreign Account Tax Compliance Act (“FATCA”) as a new Chapter 4 in the Code. The implementation of FATCA and any regulations promulgated thereunder means that a 30 per cent withholding tax may be imposed on payments of certain U.S. source income, including dividends and interest, made on or after 1 January 2014, and on payments of proceeds from the sale of property of a type that could give rise to U.S. source dividends and interest made on or after 1 January 2017.

The United States and Ireland have entered into an intergovernmental agreement to implement FATCA (the “IGA”). Under the IGA, an entity classified as a Foreign Financial Institution (“FFI”) that is treated as resident in Ireland is expected to provide the Irish tax authorities with certain information on Noteholders. Information on US holders will be automatically exchanged with the US Internal Revenue Service. Although the final implementing Irish legislation has not yet been published, the Company expects to be treated as an FFI and provided it complied with the requirements of the IGA and the Irish legislation. It should not be subject to FATCA withholding on any payments it receives and may not be subject to withholding on any payments which it makes.

Although the Company will attempt to satisfy any obligations imposed on it to avoid the imposition of the FATCA withholding tax, no assurance can be given that the Company will be able to satisfy these obligations. If the Company becomes subject to a withholding tax as a result of the FATCA regime, the value of Shares held by all Shareholders may be materially affected.

All prospective investors and Shareholders should consult with their own tax advisors regarding the possible implications of FATCA on an investment in the Company. For further discussion, see “Tax Considerations” below.

Specific Risks

Deferred Redemptions

In the event that redemption requests are received for redemption of Shares representing in aggregate more than 25 per cent of the total number of Shares of a single Fund then in issue, redemption requests may be reduced rateably and pro rata and the redemption of Shares may be carried forward to the next following Dealing Day, unless expressly prohibited in the Supplement of a Fund, in which case, redemption requests may not be deferred. In the event of a large number of redemptions, this power to defer redemptions could be exercised on a number of successive Dealing Days and materially restrict a Shareholder’s ability to redeem his Shares (as described in more detail on page 21).

Currency Exposure

Shares may be denominated in various currencies and will be issued and redeemed in those currencies.

Certain of the assets held by the Custodian on behalf of the Funds may be invested in securities and other investments which are denominated in currencies other than the base currency of the relevant Fund. The assets and investments of the Funds will be valued in its base currency. Accordingly, the value of such assets may be affected favourably or unfavourably by fluctuations in currency rates. The Investment Manager may (but is not obliged to) seek to hedge the currency exposure of a Fund to currencies other than its base currency but will necessarily be subject to foreign exchange risks. To the extent unhedged, the value of a Fund's net assets will fluctuate with the base currency exchange rate, as well as with price changes of the Fund's investments in the various local markets and currencies.

The Investment Manager may (but is not obliged to) seek to hedge the foreign exchange exposure of the assets of the Fund attributable to the Shares which are not denominated in the base currency with the aim of minimising the impact of fluctuations in that currency against the base currency on the Net Asset Value per Share of such Shares. Prospective investors whose assets and liabilities are predominately in currencies other than the denominated currency of the Class in which it is invested or proposes to invest should take into account the potential risk of loss arising from fluctuations in value between the denominated currency of such Class, as the case may be, and such other currencies. Performance of a Fund may be strongly influenced by movements in foreign exchange rates because currency positions held by a Fund may not correspond with the securities positions held.

Interest Rates

Investors in the Shares should be aware that an investment in the Shares may involve interest rate risk in that there may be fluctuations in the currency of denomination of the assets of the Funds and/or the Shares.

Interest rates are determined by factors of supply and demand in the international money markets which are influenced by macro economic factors, speculation and central bank and government intervention. Fluctuations in short term and/or long term interest rates may affect the value of the Shares. Fluctuations in interest rates of the currency in which the Shares are denominated and/or fluctuations in interest rates of the currency or currencies in which the assets of the Funds are denominated may affect the value of the Shares.

Debt Securities

Where a Fund may invest in fixed income securities which may be unrated by a recognised credit-rating agency or below investment grade, such Fund is subject to greater risk of loss of principal and interest than higher-rated debt securities. A Fund may invest in debt securities which rank junior to other outstanding securities and obligations of the issuer, all or a significant portion of which may be secured on substantially all of that issuer's assets. A Fund may invest in debt securities which are not protected by financial covenants or limitations on additional indebtedness. A Fund will therefore be subject to credit, liquidity and interest rate risks. In addition, evaluating credit risk for debt securities involves uncertainty because credit rating agencies throughout the world have different standards, making comparison across countries difficult. Also, the market for credit spreads is often inefficient and illiquid, making it difficult to accurately calculate discounting spreads for valuing financial instruments.

Fixed income securities

Fixed income securities are particularly affected by trends in interest rates and inflation. If interest rates increase, capital values may fall and vice versa. Inflation will erode the real value of capital. In addition, companies may not be able to honour repayment on bonds they issue.

Derivatives

The Funds may utilise both exchange-traded and over-the-counter (OTC) derivatives, including, but not limited to, futures, forwards, swaps, options and contracts for differences, as part of their investment policies. These instruments can be highly volatile and expose investors to a high risk of loss.

Derivatives, in particular derivatives which are negotiated "over-the-counter" are subject to legal risks including the uncertainty in the applicability of laws, or the interpretation or enforceability of contracts or an action by a court or regulatory body that could invalidate a derivative contract entered into by the Company.

The prices of financial derivative instruments may be imperfectly correlated to the prices of the underlying securities, for example, because of transaction costs and interest rate movements. The prices of exchange traded financial derivative instruments may also be subject to changes in price due to supply and demand factors.

Options

The seller (writer) of an option has the obligation to make, or to take, delivery of the underlying asset of the contract at a future date, or in some cases to settle the position with cash. The buyer of an option has the right (but not the obligation) to exercise the option, thereby making or taking delivery of the underlying asset of the contract at a future date, or in some cases settling the position with cash. Options carry a high degree of risk.

Credit Default Swaps

The Funds may take long and/or short positions in credit default swaps. A credit default swap is a type of credit derivative which allows one party (the "protection buyer") to transfer credit risk of a reference entity (the "reference entity") to one or more other parties (the "protection seller"). The protection buyer pays a periodic fee to the protection seller in return for protection against the occurrence of a number of events experienced by the reference entity. Credit default swaps carry specific risks including high levels of gearing, the possibility that premiums are paid for credit default swaps which expire worthless, wide bid/offer spreads and documentation risks. In addition, there can be no assurance that the counterparty to a credit default swap will be able to fulfil its obligations to the relevant Fund if a credit event occurs in respect of the reference entity. Further, the counterparty to a credit default swap may seek to avoid payment following an alleged credit event by claiming that there is a lack of clarity in, or an alternative meaning of, language used in the contract, most notably the language specifying what would amount to a credit event.

Over-the-Counter ("OTC") Transactions

There has been an international effort to increase the stability of the financial system in general, and the OTC derivatives market in particular, in response to the recent financial crisis. In September 2009, the leaders of the G20 agreed, and in June 2010 reaffirmed, that all standardised OTC derivative contracts should be traded on exchanges or electronic trading platforms, where appropriate, and cleared through central counterparties by end 2012 at the latest, that OTC derivative contracts should be reported to trade repositories and non-centrally cleared contracts should be subject to higher capital requirements.

In the United States, the Dodd-Frank Act, which became law in July 2010, includes provisions that comprehensively regulate the derivatives markets for the first time. Key provisions of the Dodd-Frank Act require rulemaking by the SEC and the CFTC, not all of which are effective as at

the date of this Prospectus. As a result, there may be additional changes in the regulatory environment.

The Dodd-Frank Act will require that a substantial portion of derivatives must be executed on regulated markets and submitted for clearing to regulated clearinghouses. Trades submitted for clearing will be subject to minimum initial and variation margin requirements set by the relevant clearinghouse, as well as possible SEC-mandated or CFTC-mandated margin requirements. The regulators also have broad discretion to impose margin requirements on non-cleared derivatives. Although the Dodd-Frank Act includes limited exemptions from the clearing and margin requirements for so-called “end-users”, the Company does not expect to be able to rely on such exemptions. In addition, the dealers with which the Company may execute the majority of its derivatives will not be able to rely on the end-user exemptions under the Dodd-Frank Act and therefore such dealers will be subject to clearing and margin requirements notwithstanding whether the Company is subject to such requirements. Dealers will also be required to post margin to the clearinghouses through which they clear their customers’ trades instead of using such margin in their operations, as they currently are allowed to do. This will further increase the dealers’ costs, which costs are expected to be passed through to other market participants in the form of higher fees and less favourable dealer marks.

The SEC and the CFTC may also require a substantial portion of derivative transactions that are currently executed on a bilateral basis in the OTC markets to be executed through a regulated securities, futures, or swap exchange or execution facility. Such requirements may make it more difficult and costly for investment funds, including the Company, to enter into highly tailored or customised transactions. They may also render certain strategies in which the Company might otherwise engage impossible or so costly that they will no longer be economical to implement.

Swap dealers and major swap participants will be required to register with the CFTC and security-based swap dealers and major security-based swap participants will be required to register with the SEC. Dealers and major participants will be subject to minimum capital and margin requirements, new business conduct standards, disclosure requirements, reporting and recordkeeping requirements, transparency requirements, position limits, limitations on conflicts of interest, and other regulatory burdens. These requirements may increase the overall costs for the dealers and major participants, which are likely to be passed along, at least partially, to market participants in the form of higher fees or less advantageous dealer marks. It is unclear how the derivatives markets will adapt to this new regulatory regime.

Although the Dodd-Frank Act will require many derivative transactions previously entered into on a principal-to-principal basis to be submitted for clearing by a regulated clearinghouse, certain of the derivatives that may be traded by the Company may remain principal-to-principal or OTC contracts between the Company and third parties entered into privately. The risk of counterparty non-performance can be significant in the case of these OTC instruments, and “bid-ask” spreads may be unusually wide in these heretofore substantially unregulated markets. While the Dodd-Frank Act is intended in part to reduce these risks, its success in this respect may not be evident for some time after the Dodd-Frank Act is fully implemented, a process that may take several years. To the extent not mitigated by implementation of the Dodd-Frank Act, if at all, the risks posed by such instruments and techniques, which can be extremely complex and may involve leveraging of the Company’s assets, include: (1) credit risks (the exposure to the possibility of loss resulting from a counterparty’s failure to meet its financial obligations); (2) market risk (adverse movements in the price of a financial asset or commodity); (3) legal risks (the characterisation of a transaction or a party’s legal capacity to enter into it could render the financial contract unenforceable, and the insolvency or bankruptcy of a counterparty could preempt otherwise enforceable contract rights); (4) operational risk (inadequate controls, deficient procedures, human error, system failure or fraud); (5) documentation risk (exposure to losses resulting from inadequate documentation); (6) liquidity risk (exposure to losses created by inability

to prematurely terminate the derivative); (7) system risk (the risk that financial difficulties in one institution or a major market disruption will cause uncontrollable financial harm to the financial system); (8) concentration risk (exposure to losses from the concentration of closely related risks such as exposure to a particular industry or exposure linked to a particular entity); and (9) settlement risk (the risk faced when one party to a transaction has performed its obligations under a contract but has not yet received value from its counterparty). For derivatives that are cleared through a clearinghouse, there is the additional risk that the clearing house may become insolvent or lack the financial resources to assure performance in the event of a clearing house member's default.

Steps are also being taken to regulate OTC derivative contracts in Europe. European Union Regulation No 648/2012 on OTC derivatives, central counterparties and trade repositories (also known as the European Market Infrastructure Regulation, or "EMIR"), which came into force on 16 August 2012, introduces uniform requirements in respect of OTC derivative contracts by requiring certain "eligible" OTC derivative contracts to be submitted for clearing to regulated central clearing counterparties and by mandating the reporting of certain details of OTC derivative contracts to trade repositories. In addition, EMIR imposes requirements for appropriate procedures and arrangements to measure, monitor and mitigate operational counterparty credit risk in respect of OTC derivatives contracts which are not subject to mandatory clearing. These requirements are likely to include the posting and segregation of collateral, not only to and for, but also by, the Company.

EMIR covers financial counterparties, which may include the Company, and certain non-financial counterparties in respect of OTC derivative contracts. Although EMIR provides certain limited exemptions from its requirements for non-financial counterparties which do not trade OTC derivative contracts beyond a certain threshold, the Company does not expect to be able to rely on such exemptions.

Many provisions of EMIR require the adoption of delegated acts by the European Commission before becoming fully effective, not all of which had been proposed or finalised by the date of this Prospectus. Accordingly, it is difficult to predict the precise impact of EMIR on the Company. The Directors and the Investment Manager will monitor the position and react appropriately. However, prospective investors and Shareholders should be aware that the regulatory changes arising from EMIR may in due course adversely affect the Company's ability to adhere to its investment approach and achieve its investment objective.

Particular Risks of OTC Derivatives

Unlike exchange-traded options, which are standardised with respect to the underlying instrument, expiration date, contract size, and strike price, the terms of OTC derivatives, are generally established through negotiation with the other party to the instrument. While this type of arrangement allows a Fund greater flexibility to tailor the instrument to its needs, OTC derivatives may involve greater legal risk than exchange-traded instruments, as there may be a risk of loss if OTC derivatives are deemed not to be legally enforceable or are not documented correctly.

Transactions in OTC contracts may involve additional risk as there is no exchange market on which to close out an open position. It may be impossible to liquidate an existing position, to assess the value of a position or to assess the exposure to risk. Contractual asymmetries and inefficiencies can also increase risk, such as break clauses, whereby a counterparty can terminate a transaction on the basis of a certain reduction in Net Asset Value, incorrect collateral calls or delays in collateral recovery.

There also may be a legal or documentation risk that the parties to the OTC derivatives may disagree as to the proper interpretation of its terms. If such a dispute occurs, the cost and unpredictability of the legal proceedings required for the Company to enforce its contractual rights may lead the Company to decide not to pursue its claims under the OTC derivatives. The Company thus assumes the risk that it may be unable to obtain payments owed to it under OTC arrangements, that those payments may be delayed or made only after the Company has incurred the costs of litigation.

Counterparty Risk

The Funds will be subject to the risk of the inability of any counterparty to perform with respect to transactions, whether due to its own insolvency or that of others, bankruptcy, market illiquidity or disruption or other causes and whether resulting from systemic or other reasons.

The participants in OTC derivative markets are typically not subject to the same credit evaluation and regulatory oversight as are members of “exchange-based” markets. In addition, many of the protections afforded to participants on some organised exchanges, such as the performance guarantee of an exchange clearing house, might not be available in connection with such OTC transactions. This exposes the relevant Fund to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the relevant Fund to suffer a loss. Such “counterparty risk” is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the relevant Fund has concentrated its transactions with a small group of counterparties. Moreover, although the Funds shall only transact with eligible counterparties and although any counterparty with whom a Fund enters into an OTC derivative transaction will be either a credit institution or rated at or in excess of the requirements of the Central Bank by a Recognised Rating Agency and a Fund may further reduce its exposure to the counterparty through the use of collateral, a Fund will be subject to the risk that the counterparty will not perform its obligations under the transactions. In the event that the counterparty is unable or unwilling to meet its contractual liabilities, there may be a limited but detrimental impact on the Fund, the Investment Manager has no formal credit function which evaluates the creditworthiness of the relevant Fund’s counterparties. The ability of a Fund to transact business with any one or number of counterparties, the lack of any separate evaluation of such counterparties’ financial capabilities and the absence of a regulated market to facilitate settlement may increase the potential for losses by the Funds.

Valuation Risk

Derivative instruments and forward exchange contracts which are not dealt on a Recognised Market shall be valued by the counterparty at least daily, provided that the valuation is approved or verified at least weekly either by the Investment Manager or other independent party such person to be independent of the counterparty and approved for that purpose by the Custodian.

Investors should note that there is often no single market value for instruments such as OTC derivatives. The discrepancies between bid offer spread on OTC derivatives may be partly explained by various estimates on their pricing parameters. The Company has put procedures in place to reconcile any differences in valuation between the counterparties as well as pricing anomalies.

Liquidity Risk

Certain types of assets or securities in which the Funds invest (such as equities, bonds, depositary receipts, futures, options, contracts for difference, warrants and rights) may be difficult to buy or sell, particularly during adverse market conditions. This may affect the ability to obtain

prices for the assets held by the Funds, and, may therefore affect the Net Asset Value per Share. Moreover, the sale of these securities may result in higher brokerage charges or dealer discounts and other selling expenses than the sale of securities eligible for trading on national securities exchanges or in the OTC markets. The Funds may not be able readily to dispose of such investments and, in some cases, may be contractually prohibited from disposing of such investments for a specified period of time.

There can be no assurance that the liquidity of the investments will always be sufficient to meet redemption requests as, and when, made. Any lack of liquidity may affect the liquidity of the Shares of a Fund and the value of its investments.

Short Selling

Typically, UCITS, such as the Company, invest on a “long only” basis. This means that their net asset value will rise (or fall) in value based on the market value of the assets they hold. A “short” sale involves the sale of a security that the seller does not own in the hope of purchasing the same security (or a security exchangeable for such security) at a later date at a lower price. To make a delivery to the buyer, the seller must borrow the security and is obligated to return the security (or a security exchangeable for such security) to the lender, which is accomplished by a later purchase of said security. Although the Company is not permitted to enter into short sales under the UCITS Regulations, a Fund may, by employing certain derivative techniques (such as contracts for difference) designed to produce the same economic effect as a short sale (a “synthetic short”), establish both “long” and “short” positions in individual stocks and markets. As a result, as well as holding assets that may rise or fall with markets, a Fund may also hold positions that will rise as the market value falls, and fall as the market value rises. Taking synthetic short positions involves trading on margin and accordingly can involve greater risk than investments based on a long position. Investors should also consider the risk factors under “Derivatives” and “Particular Risks of OTC Derivatives” above.

Due to regulatory or legislative action taken by regulators around the world as a result of recent volatility in the global financial markets, taking short positions on certain securities has been restricted in a number of financial markets, and is continuing to evolve. The levels of restriction vary across different jurisdictions and are subject to change in the short to medium term. These restrictions have made it difficult and in some cases impossible for numerous market participants either to continue to implement their investment strategies or to control the risk of their open positions. Accordingly, the Investment Manager may not be in a position to fully express its negative views in relation to certain securities, companies or sectors and the ability of the Investment Manager to fulfil the investment objective of a Fund may be constrained.

Short Selling Regulations

Pursuant to the European Union (Short Selling) Regulations 2012 (SI No. 340/2012) implementing the Regulation (EU) No. 236/2012 of the European Parliament and of the Council of 14 March 2012, on short selling and certain aspects of credit default swaps (the “SSR”), information on net short positions, in shares admitted to trading on a trading venue in the EU (except where the principal trading venue of that instrument is outside the EU) or sovereign debt issued by a Member State or the EU, is required to be notified to the relevant competent authority as prescribed in the SSR and the delegated regulations adopted by the European Commission to supplement the SSR. In brief, under the SSR, a short position may be generated either by the short selling of physical shares or sovereign debt or by entering into a transaction relating to a financial instrument, other than shares or sovereign debt, where the effect is to confer a financial advantage on the person entering in to the transaction in the event of a decrease in the price of value of the relevant share or sovereign debt instrument. The term ‘financial instrument’ is defined by reference to Section C of Annex I to Directive 2004/39/EC (“MiFID”) and includes

transferable securities, money market instruments, units in collective investment schemes and a broad range of derivatives referencing various underlying investments. Accordingly, the SSR notification requirements cover net short positions created by the use of FDIs such as options, futures, index-related instruments, contracts for differences and spread bets relating to shares or sovereign debt.

The SSR and the delegated regulations set out the deadlines by which notifications of net short positions must be made to the relevant competent authority and the thresholds at which a notification requirement is triggered. The thresholds, in the case of shares, are set by reference to the value of the short position relative to the issued share capital of the issuer and, in the case of sovereign debt, by reference to the total amount of outstanding issued sovereign debt. Depending on the value of the short position, notifications may constitute private notifications to the relevant competent authority or public disclosure where information on net short positions notified will be available to the public.

In order to comply with the SSR, where a Fund is engaging in synthetic shorting of shares or sovereign debt, the Company must be aware of the notification and disclosure obligations under the SSR. Failure to adhere to the notification and disclosure requirements under the SSR could result in losses to the Company.

Compliance with the SSR and the delegated regulations may represent a significant increase in the administrative burden on the Company in respect of Funds impacted by the SSR with inevitable adverse cost implications.

Market Disruptions

The Company may incur major losses in the event of disrupted markets and other extraordinary events which may affect markets in a way that is not consistent with historical pricing relationships. The risk of loss from a disconnect with historical prices is compounded by the fact that in disrupted markets many positions become illiquid, making it difficult or impossible to close out positions against which the markets are moving. The financing available in the market from its banks, dealers and other counterparties will typically be reduced in disrupted markets. In 1994, in 1998 and again in the so-called “credit crunch” of 2007-2009 a sudden restriction of credit by the dealer community resulted in forced liquidations and major losses for a number of investment vehicles. The “credit crunch” of 2007-2009 has particularly affected investment vehicles focused on credit-related investments. However, because market disruptions and losses in one sector can cause ripple effects in other sectors, during the “credit crunch” of 2007-2009 many investment vehicles suffered heavy losses even though they were not necessarily heavily invested in credit-related investments. In addition, market disruptions caused by unexpected political, military and terrorist events may from time to time cause dramatic losses for the Company and such events can result in otherwise historically low-risk strategies performing with unprecedented volatility and risk. A financial exchange may from time to time suspend or limit trading. Such a suspension could render it difficult or impossible for the Company to liquidate affected positions and thereby expose it to losses. There is also no assurance that off-exchange markets will remain liquid enough for the Company to close out positions.

Emerging Markets

If a Fund invests in securities of companies incorporated in or whose principal operations are in emerging markets, additional risks may be encountered. These include:

Currency Risk: the currencies in which investments are denominated may be unstable, may be subject to significant depreciation and may not be freely convertible.

Country Risk: the value of a Fund's assets may be affected by political, legal, economic and fiscal uncertainties. Existing laws and regulations may not be consistently applied.

Accounting Standards: Accounting standards in some of the countries in which a Fund may invest do not correspond to international accounting standards. In addition, auditing requirements and standards differ from those generally accepted in international capital markets. Accordingly, a Fund may have access to less reliable financial information on a Fund's investments and on other investments than would normally be the case in more sophisticated markets.

Market Characteristics: emerging markets are still in the early stages of their development, have less volume, are less liquid and experience greater volatility than more established markets and are not highly regulated. The trading and settlement practices and the reliability of the trading and settlement systems of some of the markets or exchanges on which a Fund may invest may not be the same as those in more developed markets, which may increase settlement risk and/or result in delays in realising investments made by, or disposed of, by a Fund.

Political and legal risks: emerging markets carry a higher degree of political risk than developed markets or regulations can impede repatriation of investment capital or earnings. It may be difficult to obtain and enforce a judgement in certain emerging markets in which assets of a Fund have been invested.

Custody Risk: custodians are not able to offer the level of service and safe-keeping, settlement and administration of securities that is customary in more developed markets and there is a risk that a Fund will not be recognised as the owner of securities held on its behalf by a sub-custodian. i.e. in certain countries, ownership is evidenced by entries in the books of a company or its registrar. In such instances, no certificates representing ownership of companies will be held by the Custodian or any of its local correspondents or in an effective central depository system.

Disclosure: less complete and reliable fiscal and other information may be available to investors.

Legal Risk: The Funds may be subject to a number of unusual risks, including inadequate investor protection, contradictory legislation, incomplete, unclear and changing laws, ignorance or breaches of regulations on the part of other market participants, lack of established or effective avenues for legal redress, lack of standard practices and confidentiality customs characteristic of developed markets and lack of enforcement of existing regulations. Furthermore, it may be difficult to obtain and enforce a judgment in certain of the developing countries in which assets of the Funds' may be invested. There can be no assurance that this difficulty in protecting and enforcing rights will not have a material adverse effect on the Funds and their operations.

Settlement, Credit and Liquidity Risks: The trading and settlement practices of some of the stock exchanges or markets on which a relevant Fund may invest may not be the same as those in more developed markets, which may increase settlement risk and/or result in delays in realising investments made by a Fund. Those exchanges and markets may also have substantially less volume and generally be less liquid than those in more developed markets. In addition, a Fund will be exposed to credit risk on parties with whom it trades and will bear the risk of settlement default. The Custodian may be instructed by the Investment Manager to settle transactions on a delivery free of payment basis where the Investment Manager believes and the Custodian agrees that this form of settlement is common market practice. Shareholders should be aware, however, that this may result in a loss to a relevant Fund if a transaction fails to settle and the Custodian will not be liable to the relevant Fund or to the Shareholders for such a loss. By comparison with more developed markets, most emerging countries markets are smaller, less liquid and more volatile. Whilst a relevant Fund will endeavour to invest in positions that are readily realisable, market conditions can change such that in disposing of certain investments to meet liquidity needs or in light of adverse developments affecting a particular investment or its issuer a Fund

may find it necessary to dispose of securities at unfavourable prices or to retain securities that it would otherwise sell.

Registration Risk

In some emerging market countries, evidence of legal title to shares is maintained in “book-entry” form. In order to be recognised as the registered owner of the shares of a company, a purchaser or purchasers’ representative must physically travel to a registrar and open an account with the registrar (which, in certain cases, requires the payment of an account opening fee). Thereafter, each time that the purchaser purchases additional shares of the company, the purchasers’ representative must present to the registrar powers of attorney from the purchaser and the seller of such shares, along with evidence of such purchase, at which time the registrar will debit such purchased shares from the seller’s account maintained on the register and credit such purchased shares to the purchaser’s account to be maintained on the register.

The role of the registrar in such custodial and registration processes is crucial. Registrars may not be subject to effective government supervision and it is possible for a Sub-Fund to lose its registration through fraud, negligence or mere oversight on the part of the registrar. Furthermore, while companies in certain emerging market countries may be required to maintain independent registrars that meet certain statutory criteria, in practice, there can be no guarantee that this regulation has been strictly enforced. Because of this possible lack of independence, management of companies in such emerging market countries can potentially exert significant influence over the shareholding in such companies. If the company register were to be destroyed or mutilated, the Funds holding of the shares of the company could be substantially impaired, or in certain cases, deleted. Registrars often do not maintain insurance against such occurrences, nor are they likely to have assets sufficient to compensate shareholders. While the registrar and the company may be legally obliged to remedy such loss, there is no guarantee that either of them would do so, nor is there any guarantee that an affected Fund would be able to bring successfully a claim against them as a result of such loss. Furthermore, the registrar or the relevant company could wilfully refuse to recognise the Company or a Fund as the registered holder of shares previously purchased by or in respect of a Fund due to the destruction of the company’s register.

Effect of Substantial Redemptions

Substantial redemptions by Shareholders within a short period of time could require a Fund to liquidate securities positions more rapidly than would otherwise be desirable, possibly reducing the value of the assets of the Fund and/or disrupting the Investment Manager’s investment strategy. Reduction in the size of a Fund could make it more difficult to generate a positive return or to recoup losses due to, among other things, reductions in a Fund’s ability to take advantage of particular investment opportunities or decreases in the ratio of its income to its expenses.

Forward Foreign Exchange Contracts

The Company may enter into forward foreign exchange contracts. A forward foreign exchange contract is a contractually binding obligation to purchase or sell a particular currency at a specified date in the future. Forward foreign exchange contracts are not uniform as to the quantity or time at which a currency is to be delivered and are not traded on exchanges. Rather, they are individually negotiated transactions. Forward foreign exchange contracts are generally effected through a trading system known as the interbank market. It is not a market with a specific location but rather a network of participants electronically linked. Documentation of transactions generally consists of an exchange of telex or facsimile messages. There is no limitation as to daily price movements on this market and in exceptional circumstances there have been periods during which certain banks have refused to quote prices for forward foreign exchange contracts or

have quoted prices with an unusually wide spread between the price at which the bank is prepared to buy and that at which it is prepared to sell. Transactions in forward foreign exchange contracts are not regulated by any regulatory authority nor are they guaranteed by an exchange or clearing house. The Funds are subject to the risk of the inability or refusal of its counterparties to perform with respect to such contracts. Any such default would eliminate any profit potential and compel the Funds to cover their commitments for resale or repurchase, if any, at the then current market price. These events could result in significant losses.

Investing in other collective investment schemes

A Fund may, subject to its investment objective and investment policy, and the investment restrictions set forth in the UCITS Regulations, invest in other regulated collective investment schemes. As an investor of another collective investment scheme, a Fund will bear, along with the other investors, its portion of the expenses of the other collective investment scheme, including management, performance and/or other fees. These fees will be in addition to the management fees and other expenses which a Fund bears directly with its own operations.

A Fund may invest in collective investment schemes managed by either the Investment Manager or its associates. In such cases, to avoid a double charge, the relevant Investment Manager or its associate will waive any initial charge and may rebate an amount equal to up to 100 per cent of any annual management charge payable by the relevant Fund.

Exchange Traded Funds (“ETFs”)

The Funds may invest in ETFs. ETFs represent a basket of securities that are traded on an exchange and may not necessarily trade at the Net Asset Value of their underlying holdings. As a result, they may trade at a price that is above or below the value of the underlying portfolio.

Index Risks

The level of an index in which a Fund invests can fall as well as rise.

Where an index ceases to be calculated or published, is modified, disrupted or cancelled or is otherwise unable to be used for the purpose of the investment objective of the Fund, the Company will take steps to substitute another index which resembles as closely as possible the original index or take any steps which it considers necessary to achieve (in so far as it is possible to do so in the circumstances) the investment objective of the relevant Fund.

The returns of a Fund investing in one or more indices may differ significantly to those of the relevant indices alone.

Commodities

Each of the Funds may seek indirect exposure in commodities as set out in relevant supplement and at all times in line with the UCITS Regulations. Prices of commodities are influenced by, among other things, various macro economic factors such as changing supply and demand relationships, weather conditions and other natural phenomena, agricultural, trade, fiscal, monetary, and exchange control programmes and policies of governments (including government intervention in certain markets) and other unforeseeable events.

Information Rights

Upon request by a Shareholder, the Investment Manager may provide a Shareholder with information about a Fund. This information may not be systematically provided to all other

Shareholders in a Fund (but will be available to all Shareholders if requested). As a result, the Shareholder that has received this information may be able to act on such additional information (e.g. redeem their Shares) that other Shareholders may not systematically receive.

Net Asset Value Considerations

The Net Asset Value per Share is expected to fluctuate over time with the performance of the Fund's investments. A Shareholder may not fully recover his initial investment when he chooses to redeem his Shares or upon compulsory redemption, if the Net Asset Value per Share at the time of such redemption is less than the Subscription Price paid by such Shareholder, or if there remain any unamortised costs and expenses of establishing the Company. In addition, where there is any conflict between IFRS and the valuation principles set out in the Articles and this document in relation to the calculation of Net Asset Value, the latter principles shall take precedence.

In calculating a Fund's Net Asset Value, the Administrator may consult the Investment Manager with respect to the valuation of certain investments. Whilst there is an inherent conflict of interest between the involvement of the Investment Manager in determining the valuation price of each Fund's investments and the Investment Manager's other duties and responsibilities in relation to the Funds, the Investment Manager will endeavour to resolve any such conflict of interest fairly and in the interest of investors.

Price Fluctuations

It should be remembered that the value of Shares and the income (if any) derived from them can go down as well as up.

No active secondary market

It is not anticipated that there will be an active secondary market for the Shares and it is not expected that such a market will develop.

Investment Management Risk

The investment performance of the Funds is substantially dependent on the services of certain individuals employed by the Investment Manager who are responsible for managing the assets of the Funds. In the event of the death, incapacity, departure, insolvency or withdrawal of these individuals, the performance of the Funds may be adversely affected.

Market Liquidity and Leverage

A Fund may be adversely affected by a decrease in market liquidity for the instruments in which it invests which may impair its ability to adjust its positions. The size of a Fund's positions may magnify the effect of a decrease in market liquidity for such instruments. Changes in overall market leverage, deleveraging as a consequence of a decision by counterparties with which the Fund enters into repurchase/reverse repurchase agreements or derivative transactions, to reduce the level of leverage available, or the liquidation by other market participants of the same or similar positions, may also adversely affect a Fund's portfolio.

Strategy Risk

Strategy risk is associated with the failure or deterioration of an entire strategy such that most or all investment managers employing that strategy suffer losses. Strategy specific losses may result from excessive concentration by multiple investment managers in the same investment or

general economic or other events that adversely affect particular strategies (for example, the disruption of historical pricing relationships). The strategies employed by the Funds may be speculative and involve substantial risk of loss in the event of such failure or deterioration, in which event the performance of the Funds may be adversely affected.

Tax Considerations

A Fund may be subject to withholding, capital gains or other taxes on income and/or gains arising from its investment portfolio, including without limitation taxes imposed by the jurisdiction in which the issuer of securities held by that Fund is incorporated, established or resident for tax purposes. Where a Fund invests in securities that are not subject to withholding or other taxes at the time of acquisition, there can be no assurance that tax may not be withheld or imposed in the future as a result of any change in applicable laws, treaties, rules or regulations or the interpretation thereof. The relevant Fund may not be able to recover such tax and so any change would have an adverse effect on the Net Asset Value of the Shares in that Fund. Where a Fund sells securities short that are subject to withholding tax at the time of sale, the price obtained will reflect the withholding tax liability of the purchaser. In the event that in the future such securities cease to be subject to withholding tax, the benefit thereof will accrue to the purchaser and not to the relevant Fund.

Where the a Fund chooses or is required to pay taxation liabilities and/or account for reserves in respect of taxes that are or may be payable in respect of current or prior periods by the Fund or the Company (whether in accordance with current or future accounting standards), this would have an adverse effect on the Net Asset Value of the Shares in that Fund. This could cause benefits or detriments to certain Shareholders, depending on the timing of their entry to and exit from the relevant Fund.

The attention of potential investors is drawn to the taxation risks associated with investing in any Fund. Please see the heading "Taxation" below.

Profit Sharing

In addition to receiving an Investment Management Fee, the Investment Manager may also receive a Performance Fee based on the appreciation in the Net Asset Value per Share and accordingly the Performance Fee will increase with regard to unrealised appreciation, as well as realised gains. Accordingly, a Performance Fee may be paid on unrealised gains, which may subsequently never be realised. The Performance Fee may create an incentive for the Investment Manager to make investments for a Fund, which are riskier than would be the case in the absence of a fee based on the performance of a Fund.

Transaction Costs

The investment approach of the Funds may involve a high level of trading and turnover of the investments of the Funds which may generate substantial transaction costs which will be borne by each Fund separately.

Clearing House Protections

On many exchanges, the performance of a transaction by a broker (or a third party with whom it is dealing on the Company's behalf) is "guaranteed" by the exchange or clearing house. However, this guarantee is unlikely in most circumstances to cover the Company and may not protect the Company if a broker or another party defaults on its obligations to the Company.

Redemption Risks

Payment of redemption proceeds may be delayed if the Directors declare a temporary suspension of the determination of the Net Asset Value of the Company or a Fund in any of the exceptional circumstances as described under "Suspension of Valuation of Assets" in the section "General Information".

Availability of Investment Strategies

The success of the investment activities of a Fund may depend on the Investment Manager's ability to identify overvalued and undervalued investment opportunities and to exploit price discrepancies in the financial markets, as well as to assess the import of news and events that may affect the financial markets. Identification and exploitation of the investment strategies to be pursued by a Fund involves a high degree of uncertainty. No assurance can be given that the Investment Manager will be able to locate suitable investment opportunities in which to deploy all of a Fund's assets or to exploit discrepancies in the securities and derivatives markets. A reduction in money market liquidity or the pricing inefficiency of the markets in which a Fund seeks to invest, as well as other market factors, may reduce the scope for the implementation of a Fund's investment strategies.

The Funds may be adversely affected by unforeseen events involving such matters as changes in interest rates, exchange rates or the credit status of an issuer, forced redemptions of securities or acquisition proposals, break-up of planned mergers, unexpected changes in relative value, short squeezes, inability to implement short positions through Financial Derivative Instruments or changes in tax treatment.

Fund Specific Risks

Please review the particular Fund Supplement for specific risks associated with each particular Fund.

TAXATION

General

The information given is not exhaustive and does not constitute legal or tax advice. Prospective Shareholders 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. Shareholders are also advised to inform themselves as to any exchange control regulations applicable in their country of residence.

The following is a brief summary of certain aspects of Irish and United Kingdom taxation 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.

Generally the tax consequences of acquiring, holding, exchanging, redeeming or disposing of Shares in the Company will depend on the relevant laws of the jurisdiction to which the Shareholder is subject. Shareholders resident in or citizens of certain countries which have anti-offshore fund legislation may have a current liability to tax on the undistributed gains of the Company. These consequences will vary with the law and practice of the Shareholder's country of residence, domicile or incorporation and with his personal circumstances. The Directors, the Company and each of the Company's agents shall have no liability in respect of the individual tax affairs of Shareholders.

Dividends, interest and capital gains (if any) which the Company or any Fund receives with respect to 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 the repayment.

Ireland

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.

Definitions

For the purposes of this section, the following definitions shall apply.

"Exempt Irish Shareholder"

means:

- a qualifying management company within the meaning of Section 739B(1) of the Taxes Act;
- 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;
- a specified company within the meaning of Section 734(1) of the Taxes Act;

- a company carrying on life business within the meaning of Section 706 of the Taxes Act;
- an investment undertaking within the meaning of Section 739B(1) of the Taxes Act;
- a special investment scheme within the meaning of Section 737 of the Taxes Act;
- a qualifying management company within the meaning of Section 739B of the Taxes Act (see heading “Finance Bill 2010” below);
- a charity being a person referred to in Section 739D(6)(f)(i) of the Taxes Act;
- a unit trust to which Section 731(5)(a) of the Taxes Act applies;
- a person who is entitled to exemption from income tax and capital gains tax by virtue of Section 784A(2) of the Taxes Act where the Shares held are assets of an approved retirement fund or an approved minimum retirement fund;
- a qualifying fund manager within the meaning of Section 784A of the Taxes Act or a qualifying savings manager within the meaning of Section 848B of the Taxes Act, in respect of Shares which are assets of a special savings incentive account within the meaning of Section 848C 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;
- an Irish resident company, within the charge to corporation tax under Section 739G(2) of the Taxes Act, but only where the investment undertaking is a money market fund; 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 Irish 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;

provided that they have correctly completed the Relevant Declaration.

“Intermediary”

means a person who:-

- carries on a business which consists of, or includes, the receipt of payments from an investment undertaking on behalf of other persons; or
- holds Shares in an investment undertaking on behalf of other persons.

“Irish Resident”

means:

- in the case of an individual, means 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;

The Irish tax year operates on a calendar year basis.

An individual will be regarded as being resident in Ireland for a tax year if that individual 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 resident in Ireland for at least 31 days in each period. In determining days present in Ireland, an individual is deemed to be present if that individual is in Ireland at any time during the day.

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 (a “taxation treaty country”), or the company or a related company are quoted companies on a recognised Stock Exchange in the EU or in a taxation treaty country;

or

the company is regarded as not resident in 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.

“Ordinarily Resident in Ireland”

means

- in the case of an individual, means an individual who is ordinarily resident in Ireland for tax purposes;
- in the case of a trust, means 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 that individual has been Irish Resident for the three previous consecutive tax years (i.e. that individual becomes ordinarily resident with effect from the commencement of the fourth tax year). An individual will remain ordinarily resident in Ireland until that individual 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 2010 and departs from Ireland in that tax year will remain ordinarily resident up to the end of the tax year 2013.

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

“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, National Securities Clearing System, Sicovam SA, SIS Sega Intersettle AG or any other system for clearing units 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.

“Relevant Declaration”

means the declaration relevant to the Shareholder as set out in Schedule 2B of the Taxes Act.

“Relevant Period”

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.

“Taxes Act”

means the Taxes Consolidation Act, 1997 (of Ireland) as amended.

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, therefore, the Company is not chargeable to Irish tax on its relevant income and relevant gains for so long as the Company is resident in Ireland for tax purposes.

However, a charge to tax can arise on the happening of a “chargeable event” in the Company. A chargeable event includes any payments to Shareholders in respect of their Shares (including distributions) or any encashment, redemption, cancellation, transfer, appropriation or cancellation of Shares by a Shareholder for the purposes of meeting the amount of tax payable on a gain arising on a transfer of an entitlements to a Share or on a “Deemed Disposal” (a Deemed Disposal will occur at the expiration of a Relevant Period) of Shares.

No tax will arise on the Company in respect of chargeable events in respect of a Shareholder who either:

- (i) is neither Irish Resident nor Ordinarily Resident in Ireland at the time of the chargeable event, the Company is in possession of a completed 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 not, or is no longer, materially correct;

- (ii) is neither Irish Resident or Ordinarily Resident in Ireland and has confirmed as much to the Company and the Company is in possession of written notice of approval from the Irish Revenue Commissioners to the effect that the requirement to provide a Relevant Declaration is deemed to have been complied with in respect of that Shareholder and the written notice of approval has not been withdrawn by the Irish Revenue Commissioners; or
- (iii) is an Exempt Irish Shareholder and the Company is in possession of a Relevant Declaration to that effect.

In the absence of a Relevant Declaration or written notice of approval from the Revenue Commissioners referred to above, 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 a Share 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 (1) of the Taxes Act) of the Company with another investment undertaking; or
- The cancellation of Shares arising from an exchange in relation to a scheme of amalgamation (as defined in Section 739HA of the TCA).

If the Company becomes liable to account for tax on the happening of a chargeable event, 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 per cent). 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 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 that is neither Irish Resident nor Ordinarily Resident in Ireland provided that:

- (i) the Company is in possession of a completed Relevant Declaration from that Shareholder 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
- (ii) the Company is in possession of written notice of approval from the Irish Revenue Commission to the effect that the requirement to provide a Relevant Declaration is deemed to have been complied with in respect of that Shareholder and the written notice of approval has not been withdrawn by the Irish Revenue Commission. In the absence of a Relevant Declaration or if the Company is not in possession of written notice of approval from the Irish Revenue Commission as outlined above, 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 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.

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 Shareholder 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 33 per cent will be required to be deducted by the Company from a payment (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 36 per cent will have to be deducted by the Company on any other distribution or gain arising to the Shareholder (other than an Exempt Irish Shareholder 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.

In addition, an automatic exit tax exists 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 36 per cent 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.

The rates quoted above in the preceding paragraphs are subject to the enactment of certain legislative provisions as part of the Irish Finance Act 2013.

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 per cent threshold” below).

10 per cent Threshold

The Company will not have to deduct tax (“exit tax”) in respect of this deemed disposal where the value of the chargeable units (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 per cent 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 the Irish Revenue Commissioners (the “Affected Unit Holder”) 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 Fund (or their service providers). The Company is deemed to have made the election to report once it has advised the Affected Unit Holders in writing that it will make the required report.

15 per cent 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 units in the Company (or in the sub-fund within an umbrella scheme) does not exceed 15 per cent of the value of the total Shares, the Company (or sub-fund) may elect to have any excess tax arising repaid directly by the Irish Revenue Commissioners 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 the Irish Revenue Commissioners on receipt of a claim by the Shareholder.

Other

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.

Personal Portfolio Investment Undertaking (“PPIU”)

An investment undertaking will be considered a PPIU in relation to a specific Shareholder where that Shareholder can influence the selection of some or all of the property held by the investment undertaking. An investment undertaking may be considered a PPIU in relation to some, none or all individual Shareholders i.e. it will only be a PPIU in respect of those individuals’ who can “influence” the selection. Any gain arising on a chargeable event in relation to an investment undertaking which is a PPIU in respect of an individual, will be taxed at the rate of 56 per cent (subject to the passing of certain legislative provisions as part of the Irish Finance Act 2012). 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.

For the avoidance of doubt the above PPIU provisions are only relevant for individual Shareholders who are Irish Resident or Ordinarily Resident in Ireland.

Capital Acquisitions Tax

The disposal of Shares may be subject to Irish gift or inheritance tax (Capital Acquisitions Tax). However, provided that the Company continues to qualify as an investment undertaking (within the meaning of Section 739B 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 transferee of the Shares is neither domiciled nor Ordinarily Resident in Ireland; (b) at the date of the disposition, the transferor 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 transferee or transferor will not be deemed to be Irish 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 Irish Resident or Ordinarily Resident in Ireland on that date.

FATCA Implementation in Ireland

On 21 December 2012, the governments of Ireland and the United States signed an Agreement to Improve International Tax Compliance and to Implement FATCA (the “**Inter-Governmental Agreement**”).

This agreement will significantly increase the amount of tax information automatically exchanged between Ireland and the United States. It provides for the automatic reporting and exchange of information in relation to accounts held in Irish “financial institutions” by U.S persons and the reciprocal exchange of information regarding U.S. financial accounts held by Irish residents. It is likely that the Fund will be subject to these rules.

The Inter-Governmental Agreement provides that Irish financial institutions will report to the Irish Revenue Commissioners in respect of US account-holders and, in exchange, U.S. financial institutions will be required to report the U.S. Internal Revenue Service in respect of any Irish-resident account-holders. The two tax authorities will then automatically exchange this information on an annual basis. The Irish legislation implementing the agreement has not been published and a number of matters remain uncertain.

The Fund (and/or the Administrator or the Investment Manager) shall be entitled to require investors to provide any information regarding their tax status, identify or residency in order to satisfy any reporting requirements which the Fund may have as a result of the Inter-Governmental Agreement or any legislation promulgated in connection with all the agreement and investors will be deemed, by their subscription for or holding of Shares to have authorised the automatic disclosure of such information by the Issuer or any other person to the relevant tax authorities.

United Kingdom

The Company

The Directors intend that the affairs of the Company should be managed and conducted so that it does not become resident in the United Kingdom for United Kingdom taxation purposes. Accordingly, and provided that the Company is not trading in the United Kingdom through a fixed place of business or agent situated therein that constitutes a “permanent establishment” for United Kingdom taxation purposes and that all its trading transactions in the United Kingdom (if any) are carried out through a broker or investment manager acting as an agent of independent status in the ordinary course of its business, the Company will not be subject to United Kingdom corporation tax or income tax on its profits. The Directors and the Investment Manager each intend that the respective affairs of the Company and the Investment Manager are conducted so that these requirements are met, insofar as this is within their respective control. However, it cannot be guaranteed that the necessary conditions will at all times be satisfied.

Certain interest and other amounts received by the Company which have a United Kingdom source may be subject to withholding or other taxes in the United Kingdom.

UK Investors

Subject to their personal circumstances, Shareholders resident in the United Kingdom for taxation purposes will be liable to United Kingdom income tax or corporation tax in respect of dividends or other distributions of an income nature made by the Company, whether or not such dividends or distributions are reinvested. The nature of the charge to tax and any entitlement to a tax credit in respect of such dividends or distributions will depend on a number of factors which may include the composition of the relevant assets of the relevant Fund and the extent of a Shareholder's interest in that Fund.

The Offshore Funds (Tax) Regulations 2009 (the "Offshore Funds Regulations") set out the regime for the taxation of investments in offshore funds (as defined in the United Kingdom Taxation (International and Other Provisions) Act 2010 ("TIOPA 2010") which operates by reference to whether a fund opts into a reporting regime ("reporting funds") or not ("non-reporting funds"). If an investor who is resident or ordinarily resident in the United Kingdom for taxation purposes holds an interest in an offshore fund that does not have reporting fund status throughout the period during which the investor holds that interest, any gain accruing to the investor upon the sale, redemption or other disposal of that interest (including a deemed disposal on death) will be taxed at the time of such sale, redemption or other disposal as income ("offshore income gains") and not as a capital gain. Investors in reporting funds are subject to tax on the share of the reporting fund's income attributable to their holding in the fund, whether or not distributed, and any gains on disposal of their holding would be taxed as capital gains. Investors in non-reporting funds would not be subject to tax on income retained by the non-reporting fund.

The Shares will constitute interests in an offshore fund and it is not intended to apply to the United Kingdom HM Revenue & Customs in respect of any Class of Shares for recognition as a reporting fund. Accordingly, any gains arising to Shareholders resident or ordinarily resident in the United Kingdom on a sale, redemption or other disposal of Shares (including a deemed disposal on death) will be taxed as offshore income gains rather than capital gains.

The Company may operate equalisation arrangements in relation to any Fund or Class in accordance with the relevant Supplement. Consequently, where such an arrangement applies, a part of the first dividend paid following the subscription for Distribution Shares will be treated as a partial repayment of the purchase price (i.e. capital), and not as taxable income. The amount of such repayment must be deducted from the acquisition cost of the Distribution Shares in calculating the capital gain arising on the disposal of Distribution Shares.

The exchange of Shares in one Fund for Shares in another Fund (see under the heading "Exchanging Between Funds or Classes") will amount to a disposal of the original Shares for tax purposes and accordingly an offshore income gain (or a capital gain where recognition of the original Shares as a reporting fund has been obtained) or an allowable capital loss may be realised. The exchange of Shares of one Class for Shares of another Class in the same Fund will only amount to a disposal if the original Shares are not of a Class which is a reporting fund and the new Shares are of a Class so recognised.

Persons within the charge to United Kingdom corporation tax should note that the regime for the taxation of most corporate debt contained in the United Kingdom Corporation Tax Act 2009 (the "loan relationships regime") provides that, if at any time in an accounting period of such a person, that person holds an interest in an offshore fund within the meaning of the relevant provisions of the Offshore Funds Regulations and TIOPA 2010, and there is a time in that period when that fund fails to satisfy the "qualifying investments" test, the interest held by such a person will be treated for that accounting period as if it were rights under a creditor relationship for the purposes of the loan relationships regime. An offshore fund fails to satisfy the qualifying investments test at any time when more than 60 per cent of its assets by market value (excluding cash awaiting

investment) comprise “qualifying investments”. Qualifying investments include government and corporate debt securities, cash on deposit, certain derivative contracts and holdings in other collective investment schemes which at any time in the accounting period of the person holding the interest in the offshore fund do not themselves satisfy the qualifying investments test. The Shares will constitute such interests in an offshore fund and on the basis of the investment policies of certain Funds, such a Fund could fail to satisfy the qualifying investments test. In that eventuality, the Shares in that Fund will be treated for corporation tax purposes as within the loan relationships regime with the result that all returns on the Shares in that Fund in respect of such a person’s accounting period (including gains, profits and losses) will be taxed or relieved as an income receipt or expense on a “fair value accounting” basis. Accordingly, such a person who acquires Shares in the Company may, depending on its own circumstances, incur a charge to corporation tax on an unrealised increase in the value of its holding of Shares (and, likewise, obtain relief against corporation tax for an unrealised reduction in the value of its holding of Shares).

Anti-avoidance

Individuals ordinarily resident in the United Kingdom for taxation purposes should note that Chapter 2 of Part 13 of the United Kingdom Income Tax Act 2007 contains anti-avoidance provisions dealing with the transfer of assets to overseas persons that may in certain circumstances render such individuals liable to taxation in respect of undistributed income profits of the Company.

Companies resident in the United Kingdom for taxation purposes should note that the “controlled foreign companies” legislation contained in Chapter IV of Part XVII of the United Kingdom Income and Corporation Taxes Act 1988 (the “Taxes Act”) could apply to any United Kingdom resident company which is, either alone or together with persons connected or associated with it for taxation purposes, deemed to be interested in 25 per cent or more of any chargeable profits of the Company arising in an accounting period, if at the same time the Company is controlled (as “control” is defined in section 755D of the Taxes Act) by persons (whether companies, individuals or others) who are resident in the United Kingdom for taxation purposes or is controlled by two persons taken together, one of whom is resident in the United Kingdom for tax purposes and has at least 40 per cent of the interests, rights and powers by which those persons control the Company, and the other of whom has at least 40 per cent and not more than 55 per cent of such interests, rights and powers. The “chargeable profits” of the Company do not include any capital gains. The effect of these provisions could be to render such companies liable to United Kingdom corporation tax in respect of the undistributed income of the Company.

Persons resident or ordinarily resident in the United Kingdom for taxation purposes should note the provisions of section 13 of the United Kingdom Taxation of Chargeable Gains Act 1992 (“section 13”). Section 13 could be material to any such person who has an interest in the Company as a “participator” for United Kingdom taxation purposes (which term includes a shareholder) at a time when any gain accrues to the Company (such as on a disposal of any of its investments) which constitutes a chargeable gain or an offshore income gain if, at the same time, the Company is itself controlled in such a manner and by a sufficiently small number of persons as to render the Company a body corporate that would, were it to have been resident in the United Kingdom for taxation purposes, be a “close” company for those purposes. The provisions of section 13 would result in any such person who is a Shareholder being treated for the purposes of United Kingdom taxation as if a part of any chargeable gain or offshore income gain accruing to the Company had accrued to that person directly, that part being equal to the proportion of the gain that corresponds to that person’s proportionate interest in the Company. No liability under section 13 could be incurred by such a person, however, in respect of a chargeable gain or an offshore income gain accruing to the Company if the aggregate proportion of that gain that could be attributed under section 13 both to that person and to any persons connected with him for

United Kingdom taxation purposes does not exceed one-tenth of the gain. In the case of Shareholders who are individuals domiciled outside the United Kingdom, section 13 applies subject to the remittance basis in particular circumstances.

Transfer taxes

Transfers of Shares will not be liable to United Kingdom stamp duty unless the instrument of transfer is executed within the United Kingdom when the transfer will be liable to United Kingdom *ad valorem* stamp duty at the rate of 0.5 per cent of the consideration paid rounded up to the nearest £5. No United Kingdom stamp duty reserve tax is payable on transfers of Shares, or agreements to transfer Shares.

It should be noted that the levels and bases of, and relief from taxation can change.

European Union – Taxation of Savings Income Directive

Under EU Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments (the “Directive”), dividends and other distributions of income made by the Company and payment of the proceeds of sale and/or redemption of Shares, may (depending on the investment portfolio of the Company) be subject to the withholding tax and/or information providing regime imposed by the Directive, where payment is made to a Shareholder who is an individual resident in a Member State of the European Union for the purposes of the Directive (or a “residual entity” established in a Member State) by a paying agent resident in another such Member State. A withholding tax regime is being operated for a transitional period by Luxembourg and Austria, although Shareholders can notify their paying agent to provide information about the payments to their national tax authority rather than withhold tax. The rate of withholding tax in those jurisdictions is 35 per cent. Certain dependent and associated territories and “third countries” have, or are proposing to introduce, an equivalent withholding tax and/or information providing regime (“equivalent legislation”) in respect of payments made through a paying agent established in such jurisdictions. 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.

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 per cent 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 per cent of its assets directly or indirectly in interest bearing securities.

The European Commission has adopted a proposal to amend the Directive, with a view to closing existing loopholes and eliminating tax evasion. These changes broadly relate to the scope of, and mechanisms implemented by, the Directive. If these changes are implemented, the position of Shareholders in relation to the Directive could be different to that set out above.

General

The receipt of dividends (if any) by Shareholders, the redemption, exchange, conversion or transfer of Shares and any distribution on a winding-up of the Company may result in a tax liability for the Shareholders according to the tax regime applicable in their various countries of residence, citizenship or domicile. The Directors, the Fund and each of the Fund’s agents shall have no liability in respect of the individual tax affairs of Shareholders.

GENERAL INFORMATION

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

- (A) The Company was incorporated in Ireland on 22 July 2011 as an investment company with variable capital with limited liability and segregated liability between its sub-funds under registration number 501533.
- (B) The registered office of the Company is as stated in the Directory at the front 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 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. Clause 3 further provides that the Company operates on the principle of risk spreading.
- (D) The authorised share capital of the Company is 1,000,000,000,000 Shares of no par value initially designated as unclassified participating shares; the issued share capital of the Company is €2 represented by 2 shares (the subscriber shares) issued for the purposes of the incorporation of the Company and to obtain a certificate to commence trade at an issue price of €1 per Share which are fully paid up and which are beneficially owned by the Investment Manager. 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.

2. **Variation of Share Rights and Pre-emption Rights**

- (A) The rights attaching to the Shares issued in any Class 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 with the sanction of an ordinary resolution passed at a general meeting of the Shareholders of that Class.
- (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 Class or any Shareholder of a Class present in person or by proxy at a meeting of a Class may demand a poll. The chairman of a general meeting of the Company or at least two members of the Company present in person or by proxy or any Shareholder or Shareholders of the Company present in person or by proxy representing at least one tenth of the Shares of the Company 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) In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or casting vote.
- (F) 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.
- (G) 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.
- (H) To be passed, ordinary resolutions of the Company or of the Shareholders of a particular 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 Class will require a majority of not less than 75 per cent of the Shareholders present in person or by proxy and voting in general meeting in order to pass a special resolution including a resolution to amend the Articles.

4. **Meetings**

The Directors may convene extraordinary general meetings of the Company at any time.

Not less than 21 calendar days' notice of every annual general meeting and any meeting convened for the passing of a special resolution must be given to Shareholders and 14 calendar days' notice must be given in the case of any other general meeting.

Two Members 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 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 Members present shall be a quorum and in the case of a meeting of a Class convened to consider the variation of rights of Shareholders in such Class the quorum shall be one Shareholder holding Shares of the Class in question or his proxy. All general meetings will be held in Ireland.

The foregoing provisions with respect to the convening and conduct of meetings shall save as otherwise specified with respect to meetings of Classes and, subject to the Companies Acts 1963-2009, have effect with respect to separate meetings of each Class at which a resolution varying the rights of Shareholders in such Class is tabled.

5. **Reports, Accounts and documents available for inspection**

The financial year of the Company will end on 31 December in each year.

An annual report and audited financial statements for the Fund in respect of each financial year prepared in accordance with IFRS will be sent to Shareholders as soon as practicable and in any event within six months of the end of the Fund's financial year. The first audited financial statements will cover the period from the date of the Company's incorporation until 31 December 2012. The Company has not traded prior to the date of this Prospectus and no audited financial statements have been prepared in respect of the Company to date.

Half-yearly unaudited reports, incorporating unaudited accounts, will be prepared as of 30 June each year. The first half-yearly report will cover the six month period ending 30 June 2012.

The annual report and audited annual financial statements of the Company and half-yearly reports incorporating unaudited accounts will be sent to each Shareholder at his registered address or email address free of charge and may also be obtained, together with the Articles, at the registered office of the Administrator and the Company.

Shareholders will also be sent monthly newsletters including unaudited reports of the Net Asset Value of the relevant Sub-Fund(s). The latest newsletters and other fund-related data will also be available to Shareholders at the offices of the Investment Manager.

6. **Suspension of Valuation of Assets**

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

- (A) during the whole or part of any period (other than for ordinary holidays or customary weekends) when any of the Recognised Exchanges on which the Company's investments are quoted, listed, traded or dealt are closed or during which dealings therein are restricted or suspended or trading is suspended or restricted;
- (B) during the whole or part of any period when circumstances outside the control of the Directors exist as a result of which any disposal or valuation by the Company of investments of the Fund or Class is not reasonably practicable or would be detrimental to the interests of Shareholders or it is not possible to transfer monies

involved in the acquisition or disposition of investments to or from the relevant account of the Company;

- (C) during the whole or part of any period when any breakdown occurs in the means of communication normally employed in determining the value of any of the Company's investments of the relevant Fund or Class;
- (D) any period when due to conditions of market turmoil or market illiquidity it is not possible, in the opinion of the Directors, to determine the fair value of the assets of the Company or Fund;
- (E) during the whole or any part of any period when for any reason the value of any of the Company's investments cannot be reasonably, promptly or accurately ascertained;
- (F) during the whole or any part of any period when subscription proceeds cannot be transmitted to or from the account of the Company or the Fund being unable to repatriate funds required for making redemption payments or when such payments cannot, in the opinion of the Directors, be carried out at normal rates of exchange;
- (G) for the purpose of winding up the Company or terminating any Fund;
- (H) if any other reason makes it impossible or impracticable to determine the value of a portion of the investments of the Company or any Fund; or
- (I) if, in the absolute discretion of the Directors, suspension of the determination of Net Asset Value is in the best interests of Shareholders (or Shareholders in that Fund or Class as appropriate).

Any suspension of valuation of the Net Asset Value of the Company, a Fund or a Class and the issue, exchange and redemption of Shares in any Class shall be notified immediately to the Central Bank and the Custodian without delay and, in any event, within the same Business Day. Shareholders will be notified as soon as reasonably practicable. Where possible, all reasonable steps will be taken to bring any period of suspension to an end as soon as possible.

7. **Compulsory Redemption**

The Directors have the right to require the compulsory redemption of all or part of the Shares held by or for the benefit of a Shareholder if the Directors determine that the Shares are held by or for the benefit of any Shareholder who is or becomes an Ineligible Applicant as described under "Subscriptions" above. The Company may also require compulsory redemption of all Shares held by a Shareholder if the Net Asset Value of the Shares held by the Shareholder is less than the Minimum Holding. Where the Net Asset Value of the Shares held by a Shareholder is less than the Minimum Holding and the Company decides to exercise its right to compulsorily redeem, the Company will notify the Shareholder in writing and allow such Shareholder 30 calendar days to purchase additional Shares to meet the minimum holding requirement.

Notwithstanding the above, the Directors also have the right to compulsorily redeem all or part of the Shares held by or for the benefit of a Shareholder at any time by giving notice in writing to the Shareholders. This discretion may only be exercised in accordance with the Directors' fiduciary duties to act in the best interest of the Company.

8. Directors

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

- (A) Unless otherwise determined by an ordinary resolution of the Company in a 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 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 under "Directors' Fees" under "Fees and Expenses" 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:-
- (1) if he resigns his office by notice in writing signed by him and left at the registered office of the Company;
 - (2) if he becomes bankrupt or makes any arrangement or composition with his creditors generally;
 - (3) if he becomes of unsound mind;
 - (4) 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;
 - (5) 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;
 - (6) if he is requested by a majority of the other Directors (not being less than two in number) to vacate office; or
 - (7) if he is removed from office by ordinary resolution of the Company.

9. **Directors' Interests**

The interests of the Directors and their interests in companies associated with the management, administration, promotion and marketing of the Company and the Shares are set out below:

- (A) There are no existing or proposed service agreements between the Fund and any of the Directors;
- (B) The Directors or companies of which they are officers or employees, including the Investment Manager, may subscribe for Shares in the Fund. Their applications for Shares will rank *pari passu* with all other applications. As at the date of this Prospectus, save as described herein, none of the Directors, nor any connected person, has or intends to have an interest (direct or indirect) in the Shares of the Fund.

10. **Termination of Funds**

- (A) Any Fund may be terminated by the Directors, in their sole and absolute discretion, by notice in writing to the Custodian in any of the following events:
- (1) if at any time the Net Asset Value of the relevant Fund shall be less than such amount as may be determined by the Directors in respect of that Fund;
 - (2) if any Fund shall cease to be authorised or otherwise officially approved;
 - (3) if any law shall be passed which renders it illegal or in the opinion of the Directors impracticable or inadvisable to continue the relevant Fund;
 - (4) if there is a change in material aspects of the business, in the economic or political situation relating to a Fund which the Directors consider would have material adverse consequences on the investments of the Fund; or
 - (5) if the Directors shall have resolved that it is impracticable or inadvisable for a Fund to continue to operate having regard to prevailing market conditions and the best interests of the Shareholders.

The decision of the Directors in any of the events specified herein shall be final and binding on all the parties concerned but the Directors shall be under no liability on account of any failure to terminate the relevant Fund pursuant to this section 10 or otherwise.

- (B) The liquidator shall apply the assets of each Fund in satisfaction of liabilities incurred on behalf of or attributable to such Fund and shall not apply the assets of any Fund in satisfaction of any liabilities incurred on behalf of or attributable to any other Fund.

11. **Winding Up**

The Articles contain provisions to the following effect:

- (A) If the Company shall be wound up the liquidator shall, subject to the provisions of the Companies Acts and section 12 below, apply the assets of each Fund in such manner and order as he thinks fit in satisfaction of creditors' claims relating to that Fund;
- (B) A Fund may be wound up pursuant to section 256E of the Companies Act, 1990 and in such event the provisions reflected in this paragraph 11 shall apply mutatis mutandis in respect of that Fund;
- (C) The assets available for distribution among the Shareholders shall be applied in the following priority:
- (1) first, in the payment to the Shareholders of each Class or Fund of a sum in the base currency (or in any other currency selected and at such rate of exchange as determined by the liquidator) as nearly as possible equal to the Net Asset Value of the Shares of the relevant Class or Fund held by such Shareholders respectively as at the date of commencement of winding up;

- (2) secondly, in the case of the winding up of the Company or Fund, in the payment to the holders of non-participating shares of sums up to the consideration paid in respect thereof 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 Funds or Classes;
 - (3) thirdly, in the payment to the Shareholders of each Class of any balance then remaining in the Company or relevant Fund, in proportion to the number of Shares held in the relevant Fund or Class; and
 - (4) fourthly, any balance then remaining and not attributable to any Fund or Class shall be apportioned between the Classes pro-rata to the Net Asset Value of the Company 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 the Fund or Class held by them.
- (D) 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.
- (E) Notwithstanding any other provision contained in the Memorandum and Articles, should the Directors at any time and in their absolute discretion resolve that it would be in the best interests of the Shareholders to wind up the Company, the Secretary 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.

12. **Indemnities and Insurance**

The Directors (including alternates), the Company 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 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.

13. **Material Contracts**

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Company and are, or may be, material:

- (A) An Investment Management Agreement dated 10 February 2012 between (1) the Company and (2) the Investment Manager whereby the Company has appointed the Investment Manager, subject to the control of and review by the Directors, to manage and invest the assets of the Company in accordance with the investment objective and strategy and subject to the investment restrictions set out in this Prospectus. Under the Investment Management Agreement the Investment Manager has been authorised to delegate responsibility for managing the assets of the Company to a sub-adviser. The Investment Management Agreement will continue in force until terminated by any party on 90 days' notice in writing to the other parties. It may be terminated forthwith by any party on immediate written notice if another party commits any material breach of its obligations and fails to remedy the breach within 30 days of receipt of written notice requiring the same, or if another party is dissolved or otherwise enters into insolvency proceedings. The Investment Manager will not be liable for any loss suffered by the Company in connection with the performance or non performance by the Investment Adviser of its obligations and duties under the Investment Management Agreement in the absence of fraud, wilful default or negligence on the part of the Investment Adviser or any of its employees. The Company have agreed to indemnify the Investment Manager and its directors, officers and employees against all liabilities incurred by it in the performance of its obligations and duties under the Investment Management Agreement other than liabilities arising out of the fraud, wilful default or negligence on the part of the Investment Manager or its directors, officers and employees.
- (B) A Distribution Agreement dated 10 February 2012 between (1) the Company and (2) the Investment Manager whereby the Company appointed the Investment Manager to solicit subscriptions for Shares with power to appoint sales agents. The Distribution Agreement contains provisions indemnifying and exempting the Investment Manager from liability not due to its own wilful default, bad faith or negligence. It may be terminated by 30 days' notice in writing given by the Company to the Investment Manager or vice versa, forthwith by either party on written notice if the other party commits any material breach of its obligations and duties and fails to remedy the breach within 7 days of receipt of notice requiring the same, and automatically if either party goes into liquidation or otherwise enters into insolvency proceedings.
- (C) An Administration Agreement dated 10 February 2012 between (1) the Company and (2) the Administrator whereby the Administrator was appointed to provide registrar and transfer agency, accounting and other administrative services to the Company. The Administration Agreement shall continue in force for an initial period of 18 months and thereafter may be terminated by either the Company or the Administrator on ninety (90) days notice in writing to the other party or until terminated by either the party on written notice if the other party commits any material breach of its obligations and duties and fails to remedy the breach within 30 days of receipt of notice requiring the same, and automatically if either party goes into liquidation or otherwise enters into insolvency proceedings.

- (D) A Custodian Agreement dated 10 February 2012 (the “Custodian Agreement”) between (1) the Company and (2) the Custodian whereby the Company appointed the Custodian to provide custodian services to the Company. The Custodian Agreement shall continue in force for an initial period of 18 months and thereafter may be terminated by either party on ninety (90) days' notice in writing to the other party or as otherwise provided by the Custodian Agreement, provided that such termination shall only take effect upon the appointment of a successor custodian with the prior approval of the Central Bank.

14. **General**

- (A) The rights conferred on Shareholders by virtue of their shareholdings are governed by the Articles, the general law of Ireland, the UCITS Regulations and the Companies Acts 1963 to 2012.
- (B) The material contracts referred to in paragraph 13 above may be obtained along with the Prospectus, Supplements, Memorandum and Articles and latest audited annual and semi-annual reports during normal business hours from the offices of the Company at 2nd Floor, Block E, Iveagh Court, Harcourt Road, Dublin 2, Ireland.

APPENDIX 1

INVESTMENT AND BORROWING POWERS

1. Permitted Investments

Investments of each Fund are confined to:

- 1.1 Transferable securities and Money Market Instruments, as prescribed in the UCITS Notices, 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.
- 1.2 Recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year.
- 1.3 Money Market Instruments other than those dealt on a regulated market.
- 1.4 Units of UCITS.
- 1.5 Units of non-UCITS as set out in the Central Bank's Guidance Note 2/03.
- 1.6 Deposits with credit institutions as prescribed in the UCITS Notices.
- 1.7 Financial Derivative Instruments as prescribed in the UCITS Notices.

2. Investment Restrictions

- 2.1 Each Fund may invest no more than 10 per cent of net assets in transferable securities and Money Market Instruments other than those referred to in paragraph 1.
- 2.2 Each Fund may invest no more than 10 per cent 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:
 - (A) the securities are issued with an undertaking to register with the US Securities and Exchanges Commission within one year of issue; and
 - (B) the securities are not illiquid securities i.e. they may be realised by the UCITS within 7 calendar days at the price, or approximately at the price, at which they are valued by the Fund.
- 2.3 Each Fund may invest no more than 10 per cent 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 per cent is less than 40 per cent
- 2.4 Subject to the prior approval of the Central Bank the limit of 10 per cent (in 2.3) is raised to 25 per cent 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 UCITS invests more than 5 per cent of its net assets

in these bonds issued by one issuer, the total value of these investments may not exceed 80 per cent of the net asset value of the UCITS.

- 2.5 The limit of 10 per cent (in 2.3) is raised to 35 per cent 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 per cent referred to in 2.3.
- 2.7 Each Fund may not invest more than 20 per cent of net assets in deposits made with the same credit institution.

Deposits with any one credit institution, other than

- (A) a credit institution authorised in the EEA;
- (B) a credit institution authorised within a signatory state (other than an EEA State) to the Basle Capital Convergence Agreement of July 1988 (Switzerland, Canada, Japan, United States); or
- (C) a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand

held as ancillary liquidity, must not exceed 10 per cent of net assets.

This limit may be raised to 20 per cent in the case of deposits made with the trustee/custodian.

- 2.8 The risk exposure of a Fund to a counterparty to an OTC derivative may not exceed 5 per cent of net assets.

This limit is raised to 10 per cent in the case of credit institutions authorised in the EEA or credit institutions authorised within a signatory state (other than an EEA State) to the Basle Capital Convergence Agreement of July 1988; 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 per cent of net assets:

- (A) investments in transferable securities or Money Market Instruments;
- (B) deposits; and/or
- (C) 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 per cent of net assets.

- 2.11 Group companies are regarded as a single issuer for the purposes of 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9. However, a limit of 20 per cent of net assets may be applied to investment in transferable securities and Money Market Instruments within the same group.
- 2.12 Each Fund may invest up to 100 per cent 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.

The individual issuers may be drawn from the following list: OECD Governments (provided the relevant issues are investment grade), Government of Singapore, 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), Straight A Funding LLC, Student Loan Marketing Association (Sallie Mae), Federal Home Loan Bank, Federal Farm Credit Bank and Tennessee Valley Authority.

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

3. Investment in Collective Investment Schemes (“CIS”)

- 3.1 If provided for in the relevant Supplement in respect of a particular Fund, investments made by a Fund in units of other CIS will not exceed, in aggregate, 10 per cent of the Net Asset Value of the Fund.
- 3.2 If no express limit is provided for in the relevant Supplement, the following restrictions shall apply instead:
- (a) Each Fund may not invest in more than 20 per cent of its Net Asset Value in any one CIS.
 - (b) Investments in non-UCITS CIS may not, in aggregate, exceed 30 per cent of its Net Asset Value.
- 3.3 The CIS in which a Fund invests must be prohibited from investing more than 10 per cent of net assets in other CIS.
- 3.4 When a Fund invests in the units of other CIS that are managed, directly or by delegation, by the UCITS management company or by any other company with which the UCITS 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, exchange or redemption fees on account of the Fund investment in the units of such other CIS.
- 3.5 Where a commission (including a rebated commission) is received by the UCITS manager/investment adviser by virtue of an investment in the units of another CIS, this commission must be paid into the property of the relevant Fund.

4. **Index Tracking UCITS**

- 4.1 Each Fund may invest up to 20 per cent of net assets in shares and/or debt securities issued by the same body where the investment policy of the Fund is to replicate an index which satisfies the criteria set out in the UCITS Notices and is recognised by the Central Bank.
- 4.2 The limit in 4.1 may be raised to 35 per cent, and applied to a single issuer, where this is justified by exceptional market conditions.

5. **General Provisions**

- 5.1 An investment company, or management company acting in connection with all of the CIS it manages, may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.
- 5.2 A Fund may acquire no more than:
- (A) 10 per cent of the non-voting shares of any single issuing body;
 - (B) 10 per cent of the debt securities of any single issuing body;
 - (C) 25 per cent of the units of any single CIS;
 - (D) 10 per cent of the Money Market Instruments of any single issuing body.

NOTE: The limits laid down in (B), (C) and (D) above may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the Money Market Instruments, or the net amount of the securities in issue cannot be calculated.

5.3 5.1 and 5.2 shall not be applicable to:

- (A) transferable securities and Money Market Instruments issued or guaranteed by a Member State or its local authorities;
- (B) transferable securities and Money Market Instruments issued or guaranteed by a non-Member State;
- (C) transferable securities and Money Market Instruments issued by public international bodies of which one or more Member States are members;
- (D) shares held by a 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 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.
- (E) 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.

- 5.4 The 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 its assets.
- 5.5 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.
- 5.6 If the limits laid down herein are exceeded for reasons beyond the control of the Company, or as a result of the exercise of subscription rights, the Company must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its Shareholders.
- 5.7 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.
- 5.8 A Fund may hold ancillary liquid assets.

6. **Financial Derivative Instruments (“FDI”)**

- 6.1 The global exposure (as prescribed in the UCITS Notices) of a Fund relating to FDI must not exceed its total Net Asset Value under a commitment approach.
- 6.2 Position exposure to the underlying assets of FDI, including embedded FDI in transferable securities or Money Market Instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the UCITS Regulations. (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 Regulations.)
- 6.3 Funds may invest in FDI dealt in 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.
- 6.4 Investment in FDI is subject to the conditions and limits laid down by the Central Bank.

7. **Restrictions on Borrowing and Lending**

- 7.1 The Company may borrow in respect of any Fund up to 10 per cent of its Net Asset Value provided such borrowing is on a temporary basis. The Company may charge its assets as security for such borrowings.
- 7.2 A 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

UCITS Regulation 70(1) and the borrowing restrictions set out at 7.1 above provided that the offsetting deposit:

- (A) is denominated in the base currency of the relevant Fund; and
- (B) equals or exceeds the value of the foreign currency loan outstanding.

7.3 The Company will adhere to any investment or borrowing restrictions and any criteria necessary to obtain and/or maintain any credit rating in respect of any Shares or Class in the Company, subject to the UCITS Regulations.

7.4 It is intended that a Fund shall have the power (subject to the prior approval of the Central Bank) and as disclosed in an updated Prospectus to avail itself of any change in the investment and borrowing restrictions laid down in the UCITS Regulations which would permit investment by the Fund in securities, derivative instruments or in any other forms of investment in which investment is at the date of this Prospectus restricted or prohibited under the UCITS Regulations. The Company will update the Prospectus and relevant Supplement(s) as necessary prior to availing itself of any such change.

APPENDIX 2

Stock Exchanges and Regulated Markets

The following is a list of regulated stock exchanges and markets in which the assets of each Fund may be invested from time to time and is set out in accordance with the Central Bank's requirements. With the exception of permitted investments in unlisted securities investment is restricted to these stock exchanges and markets. The Central Bank does not issue a list of approved stock exchanges or markets.

1. All stock exchanges located in any Member State of the European Union, any Member State of the EEA, Australia, Canada, Hong Kong, Japan, New Zealand, Switzerland and the United States of America on which transferable securities admitted to official listing are dealt in or traded.

in Argentina	Bolsa de Comercio de Buenos Aires Bolsa de Comercio de Cordoba Bolsa de Comercio de Rosario
in Bahrain	Bahrain Stock Exchange
in Bangladesh	Dhaka Stock Exchange Chittagong Stock Exchange
in Bermuda	Bermuda Stock Exchange
in Botswana	Botswana Stock Exchange
in Brazil	Bolsa de Valores do Rio de Janeiro Bolsa de Valores de Sao Paulo
in Chile	Bolsa de Comercio de Santiago Bolsa Electronica de Chile
in China	the Shanghai Stock Exchange the Shenzhen Stock Exchange
in Colombia	Bolsa de Bogota Bolsa de Medellin Bolsa de Occidente
in Costa Rica	Bolsa Nacionalde Valores
in Croatia	the Zagreb Stock Exchange
in Ecuador	Bolsa de Valores de Guayaquil Bolsa de Valores de Quito
in Egypt	Alexandria Stock Exchange Cairo Stock Exchange
in Ghana	Ghana Stock Exchange

in India	the National Stock Exchange the Mumbai Stock Exchange the Delhi Stock Exchange the Bangalore Stock Exchange
in Indonesia	the Jakarta Stock Exchange Surabaya Stock Exchange
in Israel	the Tel Aviv Stock Exchange
in the Ivory Coast	Bourse des Valeurs d'Abidjan Bourse Regionale des Valeurs Mobilieres
in Jordan	Amman Financial Market
in Kazakhstan	Central Asian Stock Exchange Kazakhstan Stock Exchange
in Kenya	Nairobi Stock Exchange
in Kuwait	Kuwait Stock Exchange
in Lebanon	Beirut Stock Exchange
in Malaysia	the Kuala Lumpur Stock Exchange
in Mauritius	Stock Exchange of Mauritius
in Mexico	Bolsa Mexicana de Valores
in Morocco	Societe de la Bourse des Valeurs de Casablanca
in Namibia	Namibian Stock Exchange
in Nigeria	Nigerian Stock Exchange
in Oman	Muscat Securities Market
in Pakistan	Islamabad Stock Exchange Karachi Stock Exchange Lahore Stock Exchange
in Peru	Bolsa de Valores de Lima
in Philippines	the Philippines Stock Exchange
in Qatar	Doha Securities Market
in Serbia	Belgrade Stock Exchange
in Singapore	the Singapore Stock Exchange
in South Africa	the Johannesburg Stock Exchange

in South Korea	Korea Stock Exchange KOSDAQ Market
in Sri Lanka	Colombo Stock Exchange
in Taiwan (Republic of China)	the Taiwan Stock Exchange Corporation
in Thailand	the Stock Exchange of Thailand
in Trinidad & Tobago	Trinidad & Tobago Stock Exchange
in Tunisia	Bourse des Valeurs Mobilieres de Tunis
in Turkey	the Istanbul Stock Exchange
in Ukraine	Ukrainian Stock Exchange
in Uruguay	Bolsa de Valores de Montevideo
in Venezuela	the Caracas Stock Exchange the Maracaibo Stock Exchange Venezuela Electronic Stock Exchange
in Vietnam	Ho Chi Minh City Securities Exchange Centre
in Zimbabwe	Zimbabwe Stock Exchange
in Zambia	Lusaka Stock Exchange

2. The following regulated markets:-

the markets organised by the International Securities Market Association;

NASDAQ in the United States;

NASDAQ Europe;

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

the market in US Government Securities conducted by primary dealers regulated by the Federal Reserve Bank of New York;

the OTC market in the United States regulated by the US Financial Industry Regulatory Authority, Inc. ("**FINRA**") also described as the OTC market in the United States conducted by primary and secondary dealers regulated by the Securities and Exchanges Commission and by FINRA and by banking institutions regulated by the US Comptroller of the Currency, the Federal Reserve System or Federal Deposit Insurance Corporation;

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 OTC market in Japan regulated by the Securities Dealers Association of Japan;

the French market for “Titres de Créance Negotiable” (OTC market in negotiable debt instruments); and

the OTC market in Canadian Government Bonds, regulated by the Investment Dealers Association of Canada.

3. In addition to those markets listed above on which financial derivative instruments are traded, the following regulated derivatives markets:

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 (the European Union, Norway, Iceland and Liechtenstein);
- in Asia, on the
 - Bursa Malaysia Derivatives Berhad
 - Hong Kong Exchanges & Clearing;
 - Jakarta Futures Exchange;
 - Korea Futures Exchange;
 - Korea Stock Exchange;
 - Kuala Lumpur Options and Financial Futures Exchange;
 - National Stock Exchange of India;
 - Osaka Mercantile Exchange;
 - Osaka Securities Exchange;
 - Shanghai Futures Exchange (SHFE);
 - Singapore Commodity Exchange;
 - Singapore Exchange;
 - Stock Exchange of Thailand;

- Taiwan Futures Exchange;
- Taiwan Stock Exchange;
- The Stock Exchange, Mumbai;
- Tokyo International Financial Futures Exchange;
- Tokyo Stock Exchange;

- in Australia, on the
 - Australian Stock Exchange;
 - Sydney Futures Exchange;
 - in Brazil on the Bolsa de Mercadorias & Futuros (BM&F);
 - in Israel on the Tel-Aviv Stock Exchange;
- in Mexico on the Mexican Derivatives Exchange (MEXDER)
- in South Africa on the South African Futures Exchange (Safex);
- in Switzerland on Eurex (Zurich)
- in the United States of America, on the
 - American Stock Exchange;
 - Chicago Board of Trade;
 - Chicago Board Options Exchange;
 - Chicago Mercantile Exchange;
 - Eurex US;
 - International Securities Exchange;
 - New York Futures Exchange;
 - New York Board of Trade;
 - New York Mercantile Exchange;
 - Pacific Stock Exchange;
 - Philadelphia Stock Exchange;
- in Canada on the

- Bourse de Montreal;
- Winnipeg Commodity Exchange (WCE).

for the purposes only of determining the value of the assets of a Fund, the term “Recognised Exchange” shall be deemed to include, in relation to any futures or options contract, any organised exchange or market on which such futures or options contract is regularly traded.

APPENDIX 3

Financial Derivative Instruments and Efficient Portfolio Management

Financial Derivative Instruments

The Financial Derivative Instruments which the Investment Manager may use on behalf of the Company and the expected effect of investment in such Financial Derivative Instruments on the risk profile of the Company are set out below. In addition, the attention of investors is drawn to the risks described under the headings “Derivatives”, “Options”, “Particular Risks of OTC Derivatives”, “Counterparty Risk”, “Valuation Risk” and “Short Selling” in the “Risk Factors” section of the Prospectus.

Where considered appropriate, the Company may invest in Financial Derivatives Instruments and/or utilise other techniques and instruments, for investment purposes, for efficient portfolio management, to gain currency exposure and/or to protect against foreign exchange risks, subject to the conditions and within the limits laid down by the Central Bank.

In general, these Financial Derivative Instruments and other techniques and instruments include, but are not limited to: swaps, futures, currency forwards, options and contracts for difference (“CFD”).

The Company will typically use these instruments and/or techniques as described below and under the “Investment Policy” section in the relevant Supplement for hedging as well as investment purposes, provided that in each case the use of such instruments:

- (i) is in accordance with the limits and guidelines issued by the Central Bank from time to time;
- (ii) does not contravene pertinent EU and Irish legislations and law;
- (iii) will not result in an exposure to underlyings other than transferable securities, financial indices, interest rates, foreign exchange rates or currencies;
- (iv) will not cause the Fund to diverge from its investment objective.

Financial Derivative Instruments can be used in the Funds as follows:

Swaps

Subject to the above conditions, the Funds may use swap agreements (swaps) of any kind, including such swaps where the swap counterparties agree to exchange the proceeds (including or excluding capital gains/losses) of a reference asset such as a deposit, financial security, money market instrument, units/shares of collective investment schemes, FDI, financial index or security or index basket against the proceeds of any other such reference asset.

Generally, a swap is a contractual agreement between two counterparties in which the cash flows from two reference assets are exchanged as they are received for a predetermined time period, with the terms initially set so that the present value of the swap is zero. Swaps may extend over substantial periods of time, and typically call for the making of payments on a periodic basis. In most swap contracts, the notional principal of the swap is not exchanged but is used to calculate the periodic payments. Swaps are usually traded OTC.

Interest rate swaps involve the exchange by a Fund with another party of their respective commitments to make or receive interest payments (e.g. an exchange of fixed rate payments for floating rate payments). On each payment date under an interest rate swap, the net payments owed by each party are paid by one party to the other. Currency swaps are agreements between two parties to exchange future payments in one currency for payments in another currency. These agreements are used to transform the currency denomination of assets and liabilities. Unlike interest rate swaps, currency swaps must include an exchange of principal at maturity.

A total return swap is a contract in which one party receives interest payments on a reference asset, plus any capital gains and losses accrued on the underlying position over the payment period, while the other receives a specified fixed or floating cash flow unrelated to the credit worthiness of the reference asset. The payments are usually based on the same notional amount. The interest payments are usually based on floating rates (LIBOR) with a spread added according to the agreement between the parties. The reference asset may be any asset, instrument, index, or basket of assets or instruments of indices, including Trading Strategies. The total return swap allows one party to derive the economic benefit of owning an asset or index without buying directly into that asset or index. Total return swaps can be "funded" or "unfunded". In a funded total return swap the Fund will pay the principal to the counterparty whereas in an unfunded swap the principal will not be paid. Unfunded total return swaps are also referred to as excess return swaps.

A credit default swap is a type of credit derivative which allows one party (the "protection buyer") to transfer credit risk of a reference entity (the "reference entity") to one or more other parties (the "protection seller"). The protection buyer pays a periodic fee to the protection seller in return for protection against the occurrence of a number of events experienced by the reference entity. Credit default swaps may be used in a Fund to purchase protection against the default of individual assets held by the Fund or against a security which the Fund does not hold but in anticipation of a worsening in that issuer's credit position. Protection may also be sold under a credit default swap in anticipation of a stable or improving credit position. Each Fund may enter into credit default swaps either individually or in combinations as part of a relative value trade, whereby protection is purchased and sold respectively on two assets in order to remove the general market exposure but retain the credit specific exposure. Each Fund may also enter into credit default swaps on baskets of credits or indices, provided such baskets or indices have been cleared in advance by the Central Bank.

Other types of swaps exist, which a Fund may, from time to time, utilise subject to the above conditions.

Swaps are entered into for various reasons. Currency swaps can be used to transform the exposure to one currency against the exposure to another currency. This can be done for hedging purposes as well as gaining exposure to another currency. Equity swaps are typically entered into for gaining exposure to certain reference assets in order to avoid transaction costs (including tax), to avoid locally based dividend taxes, or to get around rules governing the particular type of an investment that a Fund can hold. They can also be used for hedging purposes.

Futures

The Funds may, subject to the above conditions, buy or sell exchange-traded futures (contracts) whose underlyings are relevant equities or equity indices and which are compliant with the investment objective and policies of the Fund.

Futures are contracts to buy or sell a standard quantity of a specific asset (or, in some cases, receive or pay cash based on the performance of an underlying asset, instrument or index) at a

pre-determined future date and at a price agreed through a transaction undertaken on an exchange.

The commercial purpose of futures contracts can be to allow investors to hedge against market risk or gain exposure to the underlying market. Since these contracts are marked-to-market daily, investors can, by closing out their position, exit from their obligation to buy or sell the underlying assets prior to the contract's delivery date. Using futures to achieve a particular strategy instead of using the underlying or related security or index may result in lower transaction costs being incurred.

Forward Foreign Exchange Contracts

The Funds may use forward foreign exchange contracts for hedging purposes. A forward contract locks in the price at which an index or asset may be purchased or sold on a future date. In forward foreign exchange contracts, the contract holders are obligated to buy or sell from another a specified amount of one currency at a specified price (exchange rate) with another currency on a specified future date. Forward contracts cannot be transferred but they can be 'closed out' by entering into a reverse contract. Forward foreign exchange contracts are OTC derivatives.

Options

Subject to the above conditions, the Funds may buy or sell (write) exchange-traded or OTC put and call options whose underlyings are relevant assets, instruments (such as equity securities or futures) or indices in respect of the investment policies of the Fund.

An option is a contract which gives the contract buyer the right, but not the obligation, to exercise a feature of the option, such as buying a specified quantity of a particular product, asset or financial instrument, on, or up to and including, a future date (the exercise date). The 'writer' (seller) has the obligation to honour the specified feature of the contract. Since the option gives the buyer a right and the seller an obligation, the buyer pays the seller a premium. Put options are contracts that give the option buyer the right to sell to the seller of the option the underlying product or financial instrument at a specified price on, or before, the exercise date. Call options are contracts that give the option buyer the right to buy from the seller of the option the underlying product or financial instrument at a specified price on, or before, the exercise date. Options may also be cash settled.

The commercial purpose of options can be to hedge against the movements of a particular market or financial instrument or to gain exposure (either long or short) to a particular market or financial instrument instead of using a physical security.

Warrants

The Funds may acquire warrants either as a result of corporate actions or by purchasing warrants, subject to the above conditions. A warrant is a similar instrument to an option in that the holder of the warrant has the option but not the obligation to either purchase or sell the underlying for a specified price or before a specified date. The underlying of the warrant can be either an equity, bond or an index.

Contracts for Difference ("CFD")

The Fund may enter into contracts for differences (CFD) mainly for investment purposes, subject to the above conditions, as a replacement for direct investment in transferable securities in order to avail of cost or liquidity advantages of Financial Derivative Instruments over transferable securities. CFD are also utilised to obtain synthetic short exposures to particular issuers. CFD

allow a direct exposure to the market, a sector or an individual security. CFD are used to gain exposure to share price movements without buying the shares themselves. A CFD on a company's shares will specify the price of the shares when the contract was started. The contract is an agreement to pay out cash on the difference between the starting share price and the price when the contract is closed.

In a long CFD contract, the counterparty agrees to pay the Fund the amount, if any, by which the notional amount of the CFD contract would have increased in value had it been invested in the underlying security or securities, plus any dividends that would have been received on those stocks.

In a short CFD contract, the counterparty agrees to pay the Fund the amount, if any, by which the notional amount of the CFD contract would have decreased in value had it been invested in the underlying security or securities. The Fund must also pay the counterparty the value of any dividends that would have been received on those stocks. CFD are OTC Financial Derivative Instruments and the counterparty will usually be an investment bank or broker.

SUPPLEMENT 1: FMIM LONG/SHORT EQUITY RELATIVE VALUE UCITS FUND

This Supplement contains information relating specifically to FMIM Long/Short Equity Relative Value UCITS Fund, a sub-fund of FMIM Funds PLC (the “Company”), an open-ended umbrella fund with segregated liability between sub-funds authorised by the Central Bank on 10 February 2012 as a UCITS pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011. This Supplement forms part of and should be read in conjunction with the Prospectus of the Company dated 28 March 2013.

The Fund is not principal protected. The value of investments may fall as well as rise and investors may get back less than they originally invested.

The Fund may engage in transactions in Financial Derivative Instruments (“FDIs”) for investment purposes and for the purposes of efficient portfolio management. The Directors of the Company expect that the Net Asset Value of the Fund will have medium to high volatility through investments in FDIs. Investors should read the section entitled ‘Risk Factors’ before investing in the Fund.

Name of Fund: FMIM Long/Short Equity Relative Value UCITS Fund

Investment Objective: The investment objective of the Fund is to seek to achieve stable capital appreciation on a risk adjusted basis over the medium to long term by investing primarily in listed equities and FDIs related to equities in companies which are selected on the basis that they will either outperform or underperform relative to other similar or related companies. The Fund may also seek to achieve shorter term returns where an investment opportunity warrants it due to a potential short term increase or decrease in the performance of a particular investment. The Fund’s portfolio is in general intended to be market neutral, although where a particular investment opportunity arises, the Fund may seek increased market risk.

It is anticipated that the value of the Fund’s long positions will in general be equal to the value of its short positions. The Fund under normal circumstances may be invested short to a maximum of 100 per cent of its Net Asset Value.

Where a particular risk is identified in the Fund’s portfolio which the Investment Manager wishes to isolate or reduce, the Investment Manager may seek to mitigate or reduce such risk through hedging, for example where a short position develops excess risk (which may include, but is not limited to, issuer risk and market risk), the Investment Manager may seek to hedge the risk through a long investment in a similar stock.

There can be no assurance that the Fund will achieve its investment objective.

Investment Policy: The Fund will seek to achieve its investment objective by investing primarily in listed equities and FDIs related to equities including equity indices, across all industries and geographical regions (primarily EU

and OECD member states), with a focus on companies which are selected on the basis that they will either outperform or underperform relative to other similar or related companies. The Fund may also invest in unlisted securities from time to time, such as securities issued by companies in a pre-listing phase.

The Fund will invest primarily in a portfolio of direct and synthetic long and synthetic short equity positions (which will be achieved through the use of FDIs, as described below on page 3 and 4 below) in companies where, in the opinion of the Investment Manager, valuations differ meaningfully from the intrinsic value, combined with a path of events indicating that a particular investment is, in the Investment Manager's view, likely to yield an attractive return, as further disclosed below under "Investment Process".

The Fund may also take positions in the FDIs disclosed below for the purpose of hedging or managing the overall risk of the portfolio, or to enhance returns.

The Fund will seek to take positions primarily in equities of listed companies and in FDIs related to equities, as further disclosed below. It is expected that the Fund's main exposure will be to companies issuing securities in the European Union and other markets in OECD member states, although the Fund may also invest in issuers outside these markets where a suitable investment opportunity presents itself.

The Fund will seek to invest on the basis of the Investment Process disclosed below, with the intention of taking long positions where in the Investment Manager's opinion, an equity (and/or related FDIs) is undervalued relative to its fundamental value, and taking short positions where an equity is perceived to be over-valued.

The Fund will seek to ensure that each investment is consistent with the Fund's requirements for prudent risk management, details of which are set out under "Risk Management" below.

In addition, the Fund may take positions in companies operating entirely or principally outside the European Union and OECD member states. All investments will be made in accordance with the UCITS Regulations as summarised in Appendix 1 of the Prospectus. It is not intended that the Fund's exposure to global emerging markets will at any time exceed 20 per cent of the Fund's net asset value in aggregate.

The equity positions and the FDIs related to equities, as further disclosed below, include without limitation, shares, preference shares and ADRs and GDRs. The Fund may also, on an ancillary basis, invest in units of other UCITS or other collective investment schemes as permitted by the Regulations, including other sub-funds of the Company, whose investment objectives and policies are consistent with the investment objective and policy of the Fund.

The Fund may also, on an ancillary basis, and primarily for cash management purposes, invest in fixed and/or floating rate bonds, deposits and money market instruments such as treasury bills. Where the Fund invests in fixed and/or floating debt securities, these will

primarily be government and government guaranteed securities and will be instruments which are considered investment grade by Standard & Poor's or an equivalent rating by any of the other principal rating agencies.

The FDIs the Fund may use to gain both long and synthetic short exposure include the following:

- (i) futures on equities and main equity indices of OECD member states including indices relating to Eurostoxx, S&P, CAC and DAX. (which allow the Fund to hedge against market risk or gain exposure to underlying equities or equity indices);
- (ii) forward contracts, which will be used by the Fund for hedging purposes, including forward foreign exchange contracts (which allow the Fund to fix a price at which an index or asset may be purchased or sold in the future);
- (iii) options on equities and main equity indices of OECD member states including indices relating to Eurostoxx, S&P, CAC and DAX (which can be used to hedge against the movements of a particular equity market or equity financial instrument or to gain exposure to a particular equity market or equity financial instrument instead of using a physical security);
- (iv) contracts for differences on equities and main equity indices of OECD member states including indices relating to Eurostoxx, S&P, CAC and DAX (which can be used for hedging purposes, as well as for gaining direct exposure to an underlying without the need for full capital expenditure);
- (v) equity index forwards (which also allows the Fund to gain long or short exposure to a market without purchasing the relevant stock);
- (vi) Funded Total Return Swaps and Unfunded Total Return Swaps (as defined below) on equities and equity indices (which can be used for hedging purposes as well as for gaining exposure to an underlying equity or equity index); and
- (vii) credit default swaps (which can be used for hedging purposes, as well as for gaining long or short exposure to a particular issuer).

The FDIs the Fund may use in addition for the purposes of efficient portfolio management include Funded Total Return Swaps and Unfunded Total Return Swaps (as defined below) on currencies.

Funded Total Return Swap means a Total Return Swap (as defined below) whereby an investor pays the full value or notional value of the agreed underlying reference asset on the date of entry into the Total Return Swap. On maturity the investor receives back the notional value of the underlying reference asset (which may be greater or lesser than

the original notional value).

Unfunded Total Return Swap means a Total Return Swap whereby an investor does not pay the full value or notional value of the agreed underlying reference asset on the date of entry into the Total Return Swap, but instead pays a set percentage of its full value or notional value (known as margin). On maturity the investor (i) receives the gain or pays the loss of the performance of the underlying reference asset; (ii) pays an interest rate payment which is equal to the funding cost of holding the underlying reference asset during the term of the Total Return Swap; and (iii) receives back the margin amount.

Total Return Swap means a type of financial derivative instrument between two parties in which each party agrees to make a series of payments to the other at regular scheduled dates, with at least one set of payments determined by the return on an agreed underlying reference asset (such as a return on an equity or equity index) and which include, in addition, any income generated on the underlying reference asset (such as dividends and/or bonus shares).

FDIs may be exchange-traded or over the counter.

Traditionally, UCITS have invested on a “long only” basis. This means that their net asset value will rise (or fall) in value based on the market value of the assets they hold. The Fund can take long positions by investing in the financial instruments, including the derivative instruments, referred to above.

A “short” sale involves the sale of a security that the seller does not own in the hope of purchasing the same security (or a security exchangeable for such security) at a later date at a lower price. Short positions may only be achieved through the use of derivative instruments which are futures, options and contracts for differences. Further information with respect to the use of FDIs by the Fund is set out above (with further explanation regarding the different types of FDI contained in Appendix 3) and the risks attached to the use of FDIs by the Fund are set out under the “Risk Factor” section in the main body of the Prospectus.

It is anticipated that the value of the Fund’s long positions will in general be equal to the value of its short positions.

The Fund may gain direct exposure to global emerging markets by investing in equity securities as well as via investments in ADRs and GDRs, which are listed or traded on Regulated Markets. It is not intended that the Fund’s exposure to global emerging markets will at any time exceed 20 per cent of the Fund’s net asset value.

Leverage will only be effected through the use of FDIs and the market risk of the Fund will be monitored using absolute VaR to ensure that the VaR of the Fund may not exceed 6.70 per cent of the Net Asset Value of the Fund, based on a 1 month holding period and a one tailed 99 per cent confidence interval, as further disclosed under the paragraphs entitled “*Value at Risk*” and “*Leverage*” under the section entitled “Risk

Management” below.

All investments will be made in accordance with the UCITS Regulations as summarised in Appendix 1 of the Prospectus.

Investment Process:

The Investment Manager will aim to build a diversified portfolio of investments across industries and geographies. The Investment Manager will base its investment decisions on attractive valuations combined with a path of events indicating that a particular investment is, in the Investment Manager’s view, likely to yield an attractive return. In this regard the Investment Manager may use several valuation approaches including:

- (i) discounted cash flow - estimating future cash flow of an investment and discounting the value of such future cash flows to reflect the Investment Manager’s view on possible risks such estimated cash flow may have on the actual value of the investment;
- (ii) sum of the parts - valuing an asset by determining what its value would be if separated into parts; and
- (iii) peer multiples and/or fair multiples - determining current value of asset by examining and comparing earnings multiples (such as company earnings and the company balance sheet) peers trade at.

The Investment Manager will look to project an investment opportunity’s potential over 12 to 18 months from the point of investment, and based on that assess what the fair value of this investment may be at that time. Part of the Investment Manager’s approach will be focused on understanding the factors which may lead an investment to produce an attractive return in the future, including operational assumptions, strategy, capital structure and appropriate valuation approaches. The Investment Manager intends to incorporate a margin of error in its target of potential returns from investments. The Investment Manager intends to manage a diversified and varied portfolio of investments, with the contribution to portfolio returns evenly spread across investments.

The Fund will invest in a range of situations including companies:

undergoing corporate restructuring, litigation or facing regulatory changes;

- (i) in which the Investment Manager perceives underestimated earnings power or attractive total investor return when adjusting share price of the company in respect of any dividends, share buy-backs, spin-offs or other factors or events;
- (ii) which have been unpopular long enough to represent good value, with strong underlying market fundamentals;
- (iii) holding companies – a valuation method pursuant to which the

Investment Manager will look at the share price of a holding company and compare this with the perceived value of each of the companies which are subsidiaries of the holding company. Using this valuation method, the Investment Manager aims to identify holding companies which in its opinion are valued higher or lower than the value of their respective subsidiary companies, with a view to profiting from such differences in value by making long or short investments in such holding companies; and

- (iv) share class spreads – identifying and taking advantage where issuers have several different share classes which, in the Investment Manager’s view, may produce different returns due to, for example, different voting rights/dividend rights/currency denominations.

Profile of Typical Investor in the Fund

The typical investor in the Fund will be an institutional investor who understands and appreciates the risks associated with investing in Shares of the Fund. Investment in the Fund should be determined by the attitude to risk, wish for income or growth, intended investment time horizon of medium to long term and in the context of the investor’s overall portfolio. Investors should seek professional advice before making investment decisions.

Currency Hedging

The Fund may seek (but shall be under no obligation) to limit the impact on Net Asset Value of residual currency exposures resulting from an imbalance of investments priced in different currencies. Hedges may be carried out at the Investment Manager’s discretion based on an assessment of what is the acceptable currency risk and the cost of the hedges.

Distribution Policy

It is not envisaged that any income or gains will be distributed by the Fund by way of dividend. This does not preclude the Directors from declaring a dividend at any time in the future if they consider it appropriate to do so. In such case, full details will be provided in an updated Supplement and Shareholders will be notified in advance if the Directors declare a dividend.

Risk Management

The Fund will comply with the investment restrictions and limits set out in the UCITS Regulations.

Value at Risk

In addition, the Fund will use an absolute VaR approach to calculate its global exposure. The Fund will use an absolute VaR limit of 6.70 per cent for a one tailed 99 per cent confidence interval, using a 1 month holding period and a 1 year observation period (250 business days). The Investment Manager’s absolute VaR approach has been extensively tested across a large number of trading strategies in the Investment Manager’s proprietary database, and the relevance of the results have been validated against historical values.

Investors should be aware that VaR is a way of measuring the maximum potential loss due to market risk with a given degree of confidence (i.e. probability) under normal market conditions.

Accordingly, under abnormal market conditions, the Fund could be exposed to losses which are much greater than envisaged using VaR.

It should be noted that VaR does not explicitly measure leverage. VaR is a statistical risk measure and the actual maximum loss of a particular trading strategy or the Fund overall may exceed the loss indicated by the use of VaR.

Leverage

The Fund under normal circumstances employs leverage of around 200 per cent of its Net Asset Value. The leverage employed by the Fund will not exceed 275 per cent of Net Asset Value. This figure is calculated as the sum of the absolute value of notionals of the derivatives used as is required by the UCITS Regulations. This figure does not take into account any netting and hedging arrangements that the Fund has in place at any time even though these netting and hedging arrangements are used for risk reduction purposes which is why the figure may be considered high. As these netting and hedging arrangements, if taken into account, may reduce the level of exposure, this calculation may not provide an accurate measure of the Fund's actual leverage position.

Furthermore, investors should note that the use of leverage may increase losses and result in investors suffering serious financial losses under abnormal market conditions.

In order to manage risks resulting from abnormal market conditions, the Investment Manager will use specific risk management techniques, including (but not limited to) taking into account the existence of extreme price movements in its VaR calculation, and reducing the Fund's leverage as required.

Investment in collective investment schemes:

The Fund may invest up to 10 per cent of its net assets in aggregate in the units of other UCITS or other non-UCITS collective investment schemes. Any non-UCITS collective investment schemes may consist of regulated collective investment schemes domiciled in a member state of the EEA, the US, Jersey, Guernsey or the Isle of Man.

Cross-Investment:

Where it is appropriate to its investment objective and policies, the Fund may invest in other Funds of the Company (once these are established). The Fund may invest in other Funds of the Company, but may only invest in another Fund if the Fund in which it is investing does not itself hold Shares in any other Fund of the Company. The Fund shall not invest in its own Shares. Where the Fund invests in the Shares of another Fund of the Company: (i) the Investment Manager will waive the initial charge which it is entitled to charge for its own account; (ii) the Investment Manager will waive that portion of its Investment Management Fee in order to avoid a double charge. Any investment made in other Funds of the Company shall be subject to the investment restrictions stated above under "Investment in collective investment schemes".

Valuation Point:

11.59 p.m. (Dublin time) on the Business Day immediately preceding the relevant Dealing Day.

Dealing Day: Weekly every Monday, commencing on the first Monday following the close of the Initial Offer Period. In the event that a Dealing Day is not a Business Day, as described below, the next Business Day shall become the Dealing Day.

Business Day: Any day on which banks are open for business in Dublin and London and/or such other place or places and such other day or days as the Directors may determine.

Dealing Request Deadline: 12.00 noon (Dublin time) five Business Days immediately preceding the relevant Dealing Day or such other time as the Directors may determine and notify to Shareholders in advance provided always that the Dealing Request Deadline is no later than the Valuation Point.

In the event of subscriptions, in addition to a duly completed application form being received by the Dealing Request Deadline, cleared funds in the relevant currency in respect of the subscription monies must be received by the Administrator by 5.00 p.m. on the date of the Dealing Request Deadline. Applications for Shares will not be dealt with and Shares will not be issued until receipt of notification that an applicant's funds have been cleared in the full amount of the subscription.

Deferred Redemptions: Redemption requests submitted at a particular Dealing Day may be deferred in accordance with the terms of the Prospectus to the next Dealing Day where the requested redemptions exceed 25 per cent of the Fund's Net Asset Value.

Price Publication: The Net Asset Value per Share will be published within two Business Days of each Valuation Point and updated following each calculation of Net Asset Value. Such prices will be up to date as of the time of publication.

Share Classes and types of Shares: Shares

A Shares US\$ A Shares (Accumulation Shares)

Euro A Shares (Accumulation Shares)

B Shares US\$ B Shares (Accumulation Shares)

Euro B Shares (Accumulation Shares)

Base currency: US Dollar

Offer of Shares

Following the close of the Initial Offer Period, Shares will be available for subscription at the Subscription Price on each Dealing Day on a forward pricing basis. The Subscription Price will be equal to the Net Asset Value per Share as at the relevant Valuation Point. The Investment Manager may also charge a preliminary charge on such a subscription for Shares as set out under "Fees and Expenses" below.

	US\$ A Shares	Euro A Shares	US\$ B Shares	Euro B Shares
Initial Offer Price	US\$100	€100	US\$100	€100
Minimum Subscription*	US\$100,000	€100,000	US\$10,000	€10,000
Minimum Additional Subscription	US\$10,000	€10,000	US\$5,000	€5,000
Minimum Holding	US\$100,000	€100,000	US\$10,000	€10,000

*(Investors should refer to the section of the Prospectus headed “Important Information” which may refer to an alternative minimum subscription requirement for investors from a particular country)

Once the Minimum Subscription has been subscribed for, Shareholders are required to maintain the relevant Minimum Holding in the Fund, which shall be the same amount as the Minimum Subscription (ignoring any fluctuation in the Net Asset Value of Shares as a result of market movement).

The Directors may reduce or waive the Minimum Holding, the Minimum Subscription and the Minimum Additional Subscription at their sole discretion.

Initial Offer Period

The Initial Offer Period will commence at 9.00 a.m. (Dublin time) on 13 February 2012 and close at 5.00 p.m. (Dublin time) on 31 December 2012.

Initial Charge

The Directors are permitted to impose an initial charge on the sale of Shares to an investor of up to 5 per cent of the amount subscribed and has discretion to waive this charge in whole or in part.

Dilution Levy

The Directors, having consulted with the Investment Manager, may, in their absolute discretion, apply to the Net Asset Value per Share a dilution levy of up to 3 per cent to cover dealing charges, costs, commission and taxes incurred by the Fund when there are net subscriptions or net redemptions when dealing in its underlying investments. A dilution levy may be charged in the circumstances described in more detail under the “Dilution Levy” paragraph in the “Fees and Expenses” section in the main body of the Prospectus.

Fees and Expenses

Investment Management Fee – 2 per cent p.a. in respect of A Shares, 2.25 per cent p.a. in respect of the B Shares (in each case an “IM Fee Percentage”)

The Investment Manager receives from the Company a monthly Investment Management Fee equal to 1/12 of the IM Fee Percentage per month of the Net Asset Value of the relevant Class of Shares (before deduction of that month’s fees, expenses, borrowings and interest together with Value Added Tax, if any on such fees and before deduction for any accrued Performance Fees).

Such fee is payable monthly in arrears and is accrued and calculated as at each Valuation Point.

Performance Fee – 20 per cent (the “Performance Percentage”)

The Performance Fee is calculated in respect of each calendar year (a “Calculation Period”). However, the first Calculation Period in respect of any Class of Shares is the period commencing on the Business Day immediately following the close of the Initial Offer Period for that Class and ending on 31 December 2013.

The Performance Fee is calculated and accrued as at each Valuation Point as an expense of the relevant Class and is payable to the Investment Manager in arrears within 14 Business Days of the end of each Calculation Period after verification of the calculation of the Performance Fee by the Custodian. No Performance Fee is payable until the Net Asset Value per Share exceeds the previous highest Net Asset Value per Share on which a Performance Fee was paid, in accordance with the methodology described below.

In the case of Shares redeemed during a Calculation Period, the accrued Performance Fee in respect of those Shares will be payable within 14 Business Days after the date of redemption. Crystallised Performance Fees shall remain in the relevant Class (but shall not participate in subsequent gains and losses of the relevant Class) until paid to the Investment Manager, and shall not be used or made available to satisfy redemptions or pay any fees and expenses of the relevant Class. In the event of a partial redemption, and where the Performance Fee is calculated using the Equalisation Method (as described below), Shares will be treated as redeemed on a first in, first out (“fiffo”) basis.

If the Investment Management Agreement is terminated during any calendar year the Performance Fee in respect of the then current Calculation Period will be calculated and paid as though the date of termination were the end of the relevant Calculation Period.

A Performance Fee charged using the Equalisation Method ensures that the Performance Fee is calculated on a Share-by-Share basis so that each Share is charged a Performance Fee which equates precisely with that Share’s performance. This method of calculation ensures that (i) any Performance Fee paid to the Investment Manager is charged only to those Shares which have appreciated in value, (ii) all holders of Shares of the same Class have the same amount of capital per Share at risk in the Fund in question, and (iii) all Shares of the same Class have the same Net Asset Value per Share.

For each Calculation Period, the Performance Fee in respect of each Share will be equal to 20 per cent of the appreciation in the Net Asset Value per Share of the relevant Class during that Calculation Period above the High Water Mark per Share of that Class.

The **High Water Mark per Share** is the greater of:-

- a) the Net Asset Value per Share as of the most recent end of calendar year at which a Performance Fee was paid in respect of such Share (after deduction of the Performance Fee then paid); and
- b) the Initial Offer Price per Share.

Adjustments required when charging a Performance Fee using the Equalisation Method

If an investor subscribes for Shares at a time when the Net Asset Value per Share of the relevant Class is other than the High Water Mark per Share of that Class, certain adjustments will be made to reduce inequities that could otherwise result to the Shareholder or to the Investment Manager.

Subscriptions below High Water Mark per Share:

- (A) If Shares are subscribed for at a time when the Net Asset Value per Share is less than the High Water Mark per Share of the relevant Class, the Shareholder will be required to pay a Performance Fee with respect to any subsequent appreciation in the value of those Shares. With respect to any appreciation in the value of those Shares from the Net Asset Value per Share at the date of subscription up to the High Water Mark per Share, the Performance Fee will be charged at the end of each Calculation Period by redeeming for nil consideration such number of the Shareholder's Shares of the relevant Class as have an aggregate Net Asset Value (after accrual for any Performance Fee) equal to the relevant Performance Percentage of any such appreciation, (a "Performance Fee Redemption"). An amount equal to the aggregate Net Asset Value of the Shares so redeemed will be paid to the Investment Manager as a Performance Fee. Performance Fee Redemptions are employed to ensure that the Fund maintains a uniform Net Asset Value per Share of each Class. As regards the Shareholder's remaining Shares of the relevant Class, any appreciation in the Net Asset Value per Share of those Shares above the High Water Mark per Share of that Class will be charged a Performance Fee in the normal manner described above.

Subscriptions above High Water Mark per Share:

- (B) If Shares are subscribed for at a time when the Net Asset Value per Share is greater than the High Water Mark per Share of the relevant Class, the Shareholder will be required to pay an amount in excess of the then current Net Asset Value per Share of that Class equal to the relevant Performance Percentage of the difference between the then current Net Asset Value per Share of that Class (before accrual for the Performance Fee) and the High Water Mark per Share of that Class (an "Equalisation Credit"). At the date of subscription, the Equalisation Credit will equal the Performance Fee per Share accrued with respect to the other Shares of the same Class in the Fund (the "Maximum Equalisation Credit"). The Equalisation Credit is payable to account for the fact that the Net Asset Value per Share of that Class has been reduced to reflect an accrued Performance Fee to be borne by existing Shareholders of the same Class and serves as a credit against Performance Fees that might otherwise be payable by the Fund but that should not, in equity, be charged against the Shareholder making the subscription because, as to such Shares, no favourable performance has yet occurred. The Equalisation Credit ensures that all holders of Shares of the same Class have the same amount of capital at risk per Share.

The additional amount invested as the Equalisation Credit will be at risk in the Fund and will therefore appreciate or depreciate based on the performance of the relevant Class subsequent to the issue of the relevant Shares but will never exceed the Maximum Equalisation Credit. In the event of a decline as at any Valuation Day in the Net Asset Value per Share of that Class, the Equalisation Credit will also be reduced by an amount equal to the relevant Performance Percentage of the difference between the Net Asset Value per Share of the relevant Class (before accrual for the Performance Fee) at the date of issue and as at that Valuation Day. Any subsequent appreciation in the Net Asset Value per Share of the relevant Class will result in the recapture of any reduction in the Equalisation Credit but only to the extent of the previously reduced Equalisation Credit up to the Maximum Equalisation Credit.

At the end of each Calculation Period, if the Net Asset Value per Share of the relevant Class (before accrual for the Performance Fee) exceeds the prior High Water Mark per Share of that

Class, that portion of the Equalisation Credit equal to the relevant Performance Percentage of the excess, multiplied by the number of Shares of that Class subscribed for by the Shareholder, will be applied to subscribe for additional Shares of that Class for the Shareholder. Additional Shares of the relevant Class will continue to be so subscribed for at the end of each Calculation Period until the Equalisation Credit, as it may have appreciated or depreciated in the Fund after the original subscription for that Class was made, has been fully applied.

If the Shareholder redeems its Shares of the relevant Class before the Equalisation Credit (as adjusted for depreciation and appreciation as described above) has been fully applied, the Shareholder will receive additional redemption proceeds equal to the Equalisation Credit then remaining multiplied by a fraction, the numerator of which is the number of Shares of that Class being redeemed and the denominator of which is the number of Shares of that Class held by the Shareholder immediately prior to the redemption in respect of which an Equalisation Credit was paid on subscription.

Redemption Charge

A redemption charge of up to 3 cent of the Net Asset Value per Share of the Shares being redeemed may be applied to the redemption of Shares in the Fund. The Directors may, in their absolute discretion, resolve to waive such charge. Where applied, a proportion of the charge up to 3 per cent of the Net Asset Value per Share of the Shares being redeemed shall be retained by the Fund for the benefit of ongoing Shareholders, and a proportion of the charge up to 3 per cent of the Net Asset Value per Share of the Shares being redeemed shall be paid to the Investment Manager, which may be applied to satisfy the Investment Manager's own operational costs linked to redemptions (including legal and administrative costs incurred in relation to the redemption of Total Return Swaps) and to marketing and distribution costs incurred in order to replace redeeming Shareholders.

Administration Fee

The Administrator is entitled to receive out of the assets of the Fund an annual fee, which fee is accrued daily and payable monthly in arrears, at a rate of up to 0.08 per cent of the Net Asset Value of the Fund (plus VAT, if any), subject to a minimum annual fee of €40,000. The minimum annual fee is applied at the level of the umbrella company. The allocation of such minimum umbrella fee shall be applied to the sub-funds by the umbrella in its absolute discretion whether pro-rata of in equal shares.

The Fund bears all of the reasonable out-of-pocket expenses of the Administrator on behalf of the Fund.

Custodian Fee

The Custodian is entitled to receive out of the assets of the Fund a per transaction fee of between EUR 15 to 50 for listed securities, and a custody fee charged as a percentage of assets held in custody, with a maximum charge of 0.20 per cent and which is accrued daily and payable monthly in arrears.

The Custodian shall also be entitled to be repaid, out of the assets of the Fund, the fees, transaction charges and expenses of any sub-custodian appointed by it which shall be at normal commercial rates together with VAT, if any, thereon.

The Fund bears all of the reasonable out-of-pocket expenses of the Custodian on behalf of the Fund.

Details on other fees and expenses to be incurred by the Company are detailed in the main body Prospectus under the heading entitled “**Fees and Expenses**”.

Risk Factors

Investors’ attention is particularly drawn to the section entitled “Risk Factors” on page 35 of the Prospectus.

SUPPLEMENT 2: FMIM QUANTITATIVE INVESTMENT STRATEGIES FUND

This Supplement contains information relating specifically to FMIM Quantitative Investment Strategies Fund, a sub-fund of FMIM Funds PLC (the “Company”), an open-ended umbrella fund with segregated liability between sub-funds authorised by the Central Bank on 10 February 2012 as a UCITS pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011. This Supplement forms part of and should be read in conjunction with the Prospectus of the Company dated 28 March 2013.

The value of investments may fall as well as rise and investors may get back less than they originally invested.

The Fund may engage in transactions in Financial Derivative Instruments (“FDIs”) for investment purposes and for the purposes of efficient portfolio management. The Directors of the Company expect that the Net Asset Value of the Fund will have medium to high volatility through investments in FDIs. Investors should read the section entitled ‘Risk Factors’ before investing in the Fund.

Name of Fund: FMIM Quantitative Investment Strategies Fund

Investment Objective: The investment objective of the Fund is to seek to achieve capital appreciation on a risk adjusted basis over the medium term by gaining exposure to various trading strategies developed and sponsored by investment banks and financial institutions researched and identified by the Investment Manager (the “Trading Strategies”).

There can be no assurance that the Fund will achieve its investment objective.

Investment Policy: The Fund seeks to achieve its investment objective by gaining exposure to the Trading Strategies.

Trading Strategies are proprietary structured products and other investment programs (which may take the form of indices, notes, collective investment schemes or other legal structures), that are typically developed and sponsored by investment banks and financial institutions. Trading Strategies are usually designed to capture and benefit from certain statistical biases and other persistent inefficiencies in various liquid financial markets. The Trading Strategies will provide returns linked to underlying investments in one or more of the four main asset classes: equities, fixed income, currencies and commodities. The sponsoring investment bank or financial institution of a Trading Strategy will enter into a financial transaction (e.g. a Total Return Swap) with the Fund, whereby such sponsoring institution agrees to provide the Fund with the economic return of a particular Trading Strategy, as further described below. The Fund will not invest directly in the underlying assets of any Trading Strategy. Exposure to commodities will only be obtained through eligible commodity-related indices.

The Fund can take long positions, by investing in the financial instruments, including Total Return Swaps, certificates and structured

notes, referred to below. Short positions will only be taken for hedging purposes, up to a maximum of 100 per cent of the net asset value of the Fund, and will be achieved synthetically by the Fund through the use of FDIs, as described above (see in addition the section headed "Financial Derivative Instruments" in Appendix 3 of the Prospectus). Long positions in FDIs may also be taken for the purposes of hedging. Trading Strategies may also contain underlying short positions. The risks attached to the use of FDIs by the Fund are set out in the "Risk Factors" section of the Prospectus in the paragraph headed "Derivatives".

There is no intended directional bias on the types of Trading Strategies that may be utilised and no minimum or maximum number of Trading Strategies the Fund may be exposed to.

Trading Strategies typically share the following unique characteristics:

- (i) a trading idea which the Investment Manager regards as relatively simple and which it is able to monitor effectively, compatible with the investment strategies listed below. The investment manager may divest from particular trading strategies where in the investment manager's opinion a change to underlying assets may not be consistent with the Fund's investment policy and process;
- (ii) use of a strictly formula-based, transparent and non-discretionary algorithm to make investments in underlying assets;
- (iii) the value of a Trading Strategy is usually calculated and published at least on a daily basis, and can be recalculated independently; and
- (iv) Trading Strategies can be invested in, typically with daily liquidity, and their performance can be replicated by investment banks.

The Investment Manager selects Trading Strategies from its extensive database covering, as of the date of this Supplement, a total of more than 400 distinct Trading Strategies. The Investment Manager sources the Trading Strategies through its relationships with various investment banks and financial institutions. The Investment Manager continuously monitors and updates the database with new entries as new Trading Strategies become available to the Fund and monitors the ongoing performance of each Trading Strategy in the Fund. The number of Trading Strategies which the Fund has exposure to at any one time will be determined by the amount of assets available to the Fund for investment and the availability of appropriate Trading Strategies identified by the Investment Manager in accordance with the Investment Process described below. There is accordingly no minimum or maximum number of Trading Strategies the Fund may be exposed to. Where relevant, the look-through approach will apply to any investment made to ensure that the underlying assets to the financial transaction entered into are UCITS eligible.

The Investment Manager may seek to employ a number of investment

strategies in its approach to allocating the Fund's assets between Trading Strategies. These Trading Strategies will expose investors to risks that are not directly related to the performance of the markets of the underlying asset classes. The Investment Manager may employ the following investment strategies:

Arbitrage - Carry: will seek to identify and take advantage of the currency futures markets' perceived overestimation of the depreciation of high yielding currencies compared to low yielding currencies over the long term.

Arbitrage – Fixed Income: will aim to take advantage of perceived premiums in higher yielding and longer term fixed income instruments as compared with lower yielding short term instruments.

Arbitrage – Volatility: will seek to identify and take advantage of perceived imbalances between implied and realised volatility.

Economic Indicators – Macro: will seek to identify and take advantage of macro-economic trends through the study of economic indicators and their perceived impact on the direction of financial markets.

Economic Indicators – Research: will attempt to identify and take advantage of perceived over-valued and under-valued investments, based on the research and analysis of published statistics and market information.

Momentum – Mean Reversion: will attempt to identify and take advantage of the perceived imbalance between short term asset prices and the longer term reversion of such asset prices to their average value.

Momentum – Trend Following: will attempt to identify and take advantage of perceived upward and downward trends in asset prices.

Multi-Strategy: will seek to benefit from a combination of any of the investment strategies listed above.

The Fund will gain exposure to the Trading Strategies by investing in or entering into:

over-the-counter Total Return Swap transactions (funded or unfunded) entered into with several counterparties which will provide the Fund with exposure to the Trading Strategies.

A “Total Return Swap” is a type of financial derivative instrument between two parties in which each party agrees to make a series of payments to the other at scheduled dates, with one set of payments comprised of a series of intermediate payments and a final payment on maturity determined by the return on an agreed underlying reference asset (such as a return on an equity or equity index) and which includes, in addition, any income generated on the underlying reference asset (such as dividends and/or bonus shares), while the other set of payments, if applicable, represents Libor payments plus a fee (or

margin) agreed between the parties.

Where the Fund uses Total Return Swap transactions to gain exposure to Trading Strategies, the underlying assets of such Trading Strategies underlying the Total Return Swap transactions will fall within one or more of four main asset classes, being equities, fixed income, currencies and commodities. Underlying assets may, in the case of equity securities and debt securities, be issued by companies established in the United States of America, Europe, Asia and, to a smaller extent, emerging markets, and will be listed or traded on a market or exchange set out in Appendix 2 of the Prospectus. The Fund will achieve exposure to commodities by entering into Total Return Swaps on financial indices which have been approved by the Central Bank.

In the case of Trading Strategies which are (or provide exposure to) financial indices, the Investment Manager monitors the components of each financial index on a look-through basis to ensure compliance with the UCITS Regulations and the Central Bank's issued guidance. Where the look-through approach is not available, namely where the components of the index in question are ineligible assets for the purposes of the UCITS Regulations (e.g. commodities) or where, on applying the look through approach it would not be possible for the Fund to invest in the components without breaching the risk-spreading limits in the UCITS Regulations, the Investment Manager will seek the Central Bank's approval of relevant Financial Indices.

structured notes, certificates, exchange-traded funds ("ETFs"), UCITS and non-UCITS collective investment schemes backed by or linked to the performance of the underlying instruments of the Trading Strategies.

The Fund will invest in structured notes and certificates issued by investment banks and financial institutions where such instruments qualify as eligible investments permitted by the UCITS Regulations.

The Fund invests in structured notes, certificates, ETFs, UCITS and non-UCITS to gain exposure to Trading Strategies where, in the Investment Manager's view, to do so is preferable to entering into over-the-counter Total Return Swap transactions as described at (i) above. This includes cases where exposure to underlying assets (such as commodities) contained in Trading Strategies is not permitted via Total Return Swap transactions under the UCITS Regulations, or where such Total Return Swap transactions are not available to the Fund for certain Trading Strategies (e.g. where required legal documentation allowing transactions in Total Return Swaps are not in place with the relevant sponsor of a Trading Strategy, or where the Investment Manager determines that it may be more cost effective for the Fund). The structured notes and certificates in which the Fund invests will not embed derivatives and will not be leveraged.

The Fund shall not invest more than 10 per cent of its net assets in aggregate in collective investment schemes (including ETFs). The Fund shall not invest in collective investment schemes (including ETFs) which can in terms of their prospectus or instruments of incorporation invest more than 10 per cent of their net assets in other collective investment

schemes. The Fund will at all times comply with investment restrictions in respect of any investment in non-UCITS collective investment schemes (including ETFs). The non-UCITS collective investment schemes in which the Fund may invest shall consist of regulated collective investment schemes domiciled in a member state of the EEA, the US, Jersey, Guernsey or the Isle of Man.

The Fund uses the following FDIs for investment purposes:

over-the-counter Total Return Swap transactions (funded or unfunded) over Trading Strategies, as described above at paragraph (i) page 2 of this Supplement;

The Fund uses the following FDIs for hedging purposes, intended to allow the Fund to hedge against market risk within a Trading Strategy when the Fund's exposure to a certain market or underlying asset is considered too high or not in line with the Fund's Investment Objective, in which case FDIs will be used to reduce such exposure. FDIs may also be used for cash and currency management purposes:

- (i) futures over equity securities, government and/or corporate debt securities (which may be rated or unrated), money market instruments, units of collective investment schemes, foreign exchange rates, currencies and financial indices (related to equities, fixed income, currencies and commodities) contained within a Trading Strategy;
- (ii) forward contracts over equity securities, government and/or corporate debt securities (which may be rated or unrated), money market instruments, units of collective investment schemes, foreign exchange rates, currencies and financial indices (related to equities, fixed income, currencies and commodities), intended to allow the Fund to fix a price at which such assets may be purchased or sold in the future;
- (iii) over-the-counter interest rate swaps and Total Return Swaps over equity securities, government and/or corporate debt securities (which may be rated or unrated), money market instruments, units of collective investment schemes, foreign exchange rates, currencies and financial indices (related to equities, fixed income, currencies and commodities);
- (iv) options over equity securities, government and/or corporate debt securities (which may be rated or unrated), money market instruments, units of collective investment schemes, foreign exchange rates, currencies and financial indices (related to equities, fixed income, currencies and commodities); and
- (v) options on futures, contracts for differences.

FDIs may be exchange-traded or over-the-counter. Exposure to such FDIs and the underlying assets to the FDIs will comply with the Central Bank's requirements.

Leverage will only be effected through the use of FDIs and the market

risk of the Fund is monitored using absolute VaR to ensure that the VaR of the Fund may not exceed 4.47 per cent of the Net Asset Value of the Fund, based on a 1 day holding period and a one tailed 99 per cent confidence interval as further disclosed under the paragraphs entitled “Value at Risk” and “Leverage” under the section entitled “Risk Management” below.

It is anticipated that the Fund may from time to time, whether due to the fact that it will invest in FDIs which trade on margin or it is awaiting suitable investment opportunities or otherwise, hold a large proportion of its assets in cash, up to a maximum of 100 per cent of the Net Asset Value of the Fund. In the interests of efficient cash management, the Fund may invest such cash on an ancillary basis in deposits, treasury bills, short-term money market instruments (including corporate debt securities and commercial paper), and in money market funds (subject to the aggregate limit of 10 per cent on investments in collective investment schemes). Where the Fund invests on an ancillary basis in fixed and/or floating debt securities, these will primarily be, but are not limited to, government and government guaranteed securities and will be mostly in such instruments which are considered investment grade by Standard & Poor’s or an equivalent rating by any of the other principal rating agencies. Where the Fund invests such cash and the Investment Manager determines it appropriate to do so in the interests of efficient cash management and taking into account market conditions, which may include market liquidity, the Fund may invest up to 100 per cent of its Net Asset Value in different fixed or floating rate debt securities and Money Market Instruments issued or guaranteed by any OECD Government (provided the relevant issues are investment grade).

Where the Fund invests 100 per cent of its Net Asset Value in different transferable securities and Money Market Instruments issued or guaranteed by a single OECD Government, it must hold securities from at least 6 different issues, with securities from any one issue not exceeding 30 per cent of the Fund’s Net Asset Value.

All investments are made in accordance with the UCITS Regulations as summarised in Appendix 1 of the Prospectus.

Investment Process: The Fund relies on the Investment Manager’s in-depth expertise and monitoring of this industry to select Trading Strategies appropriately and in line with the Fund’s objective and risk management process.

The Fund’s investment in Trading Strategies is characterised by:

in depth analysis of strategies through due diligence and a quantitative selection process: the Fund relies on the Investment Manager’s extensive database of Trading Strategies which are compared from a qualitative and quantitative standpoint, in order to select the Trading Strategies which will be invested by the Fund;

discretionary selection of investments with dynamic re-allocation into Trading Strategies, based on expected return in current and anticipated market conditions: in order to achieve its Investment Objective, the Fund may select new Trading Strategies with a positive outlook under a given market environment which the Investment Manager believes is likely to

occur or persist; and

diversification across underlying assets, asset classes, algorithms and counterparties: in order to improve its diversification and risk/return characteristics, the Fund will aim to select the Trading Strategies which exhibit low correlations against each other.

Depending on market conditions, if the exposure of a particular Trading Strategy to a certain market or underlying asset is considered too high or not in line with the Fund's Investment Objective, the Investment Manager may decide to reduce the Fund's exposure to such market or underlying asset by entering into a transaction in a FDI or transferable security linked to the relevant assets.

In addition, to the extent that the Investment Manager identifies investment opportunities in line with the Investment Objective, the Fund may also to a small extent be exposed to emerging markets through the underlying assets comprised in Trading Strategies.

Profile of Typical Investor in the Fund

The typical investor in the Fund will be an institutional investor who understands and appreciates the risks associated with investing in Shares of the Fund. Investment in the Fund should be determined by the attitude to risk, wish for income or growth, intended investment time horizon of medium to long term and in the context of the investor's overall portfolio. Investors should seek professional advice before making investment decisions.

Currency Hedging

The Fund seeks to limit the impact on Net Asset Value of residual currency exposures resulting from an imbalance of investments priced in different currencies. Hedges may be carried out at the Investment Manager's discretion based on an assessment of what is the acceptable currency risk and the cost of the hedges.

Distribution Policy

It is not envisaged that any income or gains will be distributed by the Fund by way of dividend. This does not preclude the Directors from declaring a dividend at any time in the future if they consider it appropriate to do so. In such case, full details will be provided in an updated Supplement and Shareholders will be notified in advance if the Directors declare a dividend.

Risk Management

The Fund complies with the investment rules and limits set out in the UCITS Regulations.

Value at Risk

In addition, the Fund uses an absolute VaR approach to calculate its global exposure. The Fund uses an absolute VaR limit of 4.47 per cent for a one tailed 99 per cent confidence interval, using a 1 day holding period and a 1 year observation period (250 business days). The Investment Manager's absolute VaR approach has been extensively tested across a large number of Trading Strategies in the Investment Manager's proprietary database, and the relevance of the results have been validated against historical values.

Investors should be aware that VaR is a way of measuring the maximum

potential loss due to market risk with a given degree of confidence (i.e. probability) under normal market conditions. Accordingly, under abnormal market conditions, the Fund could be exposed to losses which are much greater than envisaged using VaR.

It should be noted that VaR does not explicitly measure leverage. VaR is a statistical risk measure and the actual maximum loss of a particular Trading Strategy or the Fund overall may exceed the loss indicated by the use of VaR.

Leverage

The Fund under normal circumstances employs leverage of around 250 per cent of its Net Asset Value. The leverage employed by the Fund will not exceed 500 per cent of Net Asset Value at any time and this level may only be reached under extreme circumstances, when the selected Trading Strategies (as described above) have a low combined volatility and the Fund has to increase its exposure in order to keep a risk/return profile that is in line with its objective. The Investment Manager expects the Fund to experience low volatility of returns (5 to 10 per cent) in most market conditions while operating at the normal leverage level or around 250 per cent of its Net Asset Value, and only experience higher volatility at times of increased volatility in the market as a whole. This figure is calculated as the sum of the absolute value of notionals of the derivatives used as is required by the UCITS Regulations. This figure does not take into account any netting and hedging arrangements that the Fund has in place at any time even though these netting and hedging arrangements are used for risk reduction purposes which is why the figure may be considered high. As these netting and hedging arrangements, if taken into account, may reduce the level of exposure, this calculation may not provide an accurate measure of the Fund's actual leverage position.

The leverage employed by the Fund may increase as the Fund's exposure to Trading Strategies with low VaR increases, at all times within the leverage limit set out above. The Fund may seek exposure to Trading Strategies with low VaR if the risk versus return profile of such Trading Strategies is perceived by the Investment Manager, in the context of the Fund's investment objective, to be more attractive than that of Trading Strategies with higher VaR.

Furthermore, investors should note that the use of high levels of leverage may increase losses and result in investors suffering serious financial losses under abnormal market conditions.

In order to manage risks resulting from abnormal market conditions, the Investment Manager will use specific risk management techniques, including (but not limited to) taking into account the existence of extreme price movements in its VaR calculation, and reducing the Fund's leverage as required.

Investment in collective investment schemes:

The Fund may invest up to 10 per cent of its net assets in aggregate in the units of other UCITS or other non-UCITS collective investment schemes. Any non-UCITS collective investment schemes may consist of regulated collective investment schemes domiciled in a member state of

the EEA, the US, Jersey, Guernsey or the Isle of Man.

Cross-Investment: Where it is appropriate to its investment objective and policies the Fund may invest in other Funds of the Company (once these are established). The Fund may invest in other Funds of the Company, but may only invest in another Fund if the Fund in which it is investing does not itself hold Shares in any other Fund of the Company. The Fund shall not invest in its own Shares. Where the Fund invests in the Shares of another Fund of the Company: (i) the Investment Manager will waive the initial charge which it is entitled to charge for its own account; (ii) the Investment Manager will waive that portion of its Investment Management Fee in order to avoid a double charge.

Valuation Point: 11.59 p.m. (Dublin time) on the Business Day immediately preceding the relevant Dealing Day.

Dealing Day: Weekly every Monday, commencing on the first Monday following the close of the Initial Offer Period. In the event that a Dealing Day is not a Business Day, as described below, the next Business Day shall become the Dealing Day.

Business Day: Any day on which banks are open for business in Dublin and London and/or such other place or places and such other day or days as the Directors may determine.

Dealing Request Deadline: 12.00 noon (Dublin time) five Business Days immediately preceding the relevant Dealing Day or such other time as the Directors may determine and notify to Shareholders in advance provided always that the Dealing Request Deadline is no later than the Valuation Point.

In the event of subscriptions, in addition to a duly completed application form being received by the Dealing Request Deadline, cleared funds in the relevant currency in respect of the subscription monies must be received by the Administrator by 5.00 p.m. on the date of the Dealing Request Deadline. Applications for Shares will not be dealt with and Shares will not be issued until receipt of notification that an applicant's funds have been cleared in the full amount of the subscription.

Deferred Redemptions: Redemption requests submitted at a particular Dealing Day may be deferred in accordance with the terms of the Prospectus to the next Dealing Day where the requested redemptions exceed 25 per cent of a Fund's Net Asset Value.

Price Publication: The Net Asset Value per Share will be published within two Business Days of each Valuation Point and updated following each calculation of Net Asset Value. Such prices will be up to date as of the time of publication.

Share Classes and types of Shares: Shares

A Shares US\$ A Shares (Accumulation Shares)

Euro A Shares (Accumulation Shares)

B Shares US\$ B Shares (Accumulation Shares)
 Euro B Shares (Accumulation Shares)

Base currency: US Dollar

Offer of Shares

Following the close of the Initial Offer Period, Shares will be available for subscription at the Subscription Price on each Dealing Day on a forward pricing basis. The Subscription Price will be equal to the Net Asset Value per Share as at the relevant Valuation Point. The Investment Manager may also charge a preliminary charge on such a subscription for Shares as set out under “Fees and Expenses” below.

	US\$ A Shares	Euro A Shares	US\$ B Shares	Euro B Shares
Initial Offer Price	US\$100	€100	US\$100	€100
Minimum Subscription*	US\$100,000	€100,000	US\$500,000	€500,000
Minimum Additional Subscription	US\$10,000	€10,000	US\$10,000	€10,000
Minimum Holding	US\$100,000	€100,000	US\$500,000	€500,000

*(Investors should refer to the section of the Prospectus headed “Important Information” which may refer to an alternative minimum subscription requirement for investors from a particular country)

Once the Minimum Subscription has been subscribed for, Shareholders are required to maintain the relevant Minimum Holding in the Fund, which shall be the same amount as the Minimum Subscription (ignoring any fluctuation in the Net Asset Value of Shares as a result of market movement).

The Directors may reduce or waive the Minimum Holding, the Minimum Subscription and the Minimum Additional Subscription at their sole discretion.

Initial Offer Period

The Initial Offer Period will commence at 9.00 a.m. (Dublin time) on 13 February 2012 and close at 5.00 p.m. (Dublin time) on 31 December 2012.

Initial Charge

The Directors are permitted to impose an initial charge on the sale of Shares to an investor of up to 5 per cent of the amount subscribed and has discretion to waive this charge in whole or in part.

Dilution Levy

The Directors, having consulted with the Investment Manager, may, in their absolute discretion, apply to the Net Asset Value per Share a dilution levy of up to 3 per cent to cover dealing charges, costs, commission and taxes incurred by the Fund when dealing in its underlying investments. A

dilution levy may be charged in the circumstances described in more detail under the “Dilution Levy” paragraph in the “Fees and Expenses” section in the main body of the Prospectus.

Fees and Expenses

Investment Management Fee – 2 per cent p.a. in respect of A Shares, 2.25 per cent p.a. in respect of the B Shares (in each case an “IM Fee Percentage”)

The Investment Manager receives from the Company a monthly Investment Management Fee equal to 1/12 of the IM Fee Percentage per month of the Net Asset Value of the relevant Class of Shares (before deduction of that month’s fees, expenses, borrowings and interest together with Value Added Tax, if any on such fees and before deduction for any accrued Performance Fees).

Such fee is payable monthly in arrears and is accrued and calculated as at each Valuation Point.

Performance Fee – 20 per cent (the “Performance Percentage”)

The Performance Fee is calculated in respect of each calendar year (a “Calculation Period”). However, the first Calculation Period in respect of any Class of Shares is the period commencing on the Business Day immediately following the close of the Initial Offer Period for that Class and ending on 31 December in that year.

The Performance Fee is calculated and accrued as at each Valuation Point as an expense of the relevant Class and is payable to the Investment Manager in arrears within 14 Business Days of the end of each Calculation Period after verification of the calculation of the Performance Fee by the Custodian. No Performance Fee is payable until the Net Asset Value per Share exceeds the previous highest Net Asset Value per Share on which a Performance Fee was paid, in accordance with the methodology described below.

In the case of Shares redeemed during a Calculation Period, the accrued Performance Fee in respect of those Shares will be payable within 14 Business Days after the date of redemption. Crystallised Performance Fees shall remain in the relevant Class (but shall not participate in subsequent gains and losses of the relevant Class) until paid to the Investment Manager, and shall not be used or made available to satisfy redemptions or pay any fees and expenses of the relevant Class. In the event of a partial redemption, and where the Performance Fee is calculated using the Equalisation Method (as described below), Shares will be treated as redeemed on a first in, first out (“fifo”) basis.

If the Investment Management Agreement is terminated during any calendar year the Performance Fee in respect of the then current Calculation Period will be calculated and paid as though the date of termination were the end of the relevant Calculation Period.

A Performance Fee charged using the Equalisation Method ensures that the Performance Fee is calculated on a Share-by-Share basis so that each Share is charged a Performance Fee which equates precisely with that Share’s performance. This method of calculation ensures that (i) any Performance Fee paid to the Investment Manager is charged only to those Shares which have appreciated in value, (ii) all holders of Shares of the same Class have the same amount of capital per Share at risk in the Fund in question, and (iii) all Shares of the same Class have the same Net Asset Value per Share.

For each Calculation Period, the Performance Fee in respect of each Share will be equal to 20 per cent of the appreciation in the Net Asset Value per Share of the relevant Class during that Calculation Period above the High Water Mark per Share of that Class.

The **High Water Mark per Share** is the greater of:-

- a) the Net Asset Value per Share as of the most recent end of calendar year at which a Performance Fee was paid in respect of such Share (after deduction of the Performance Fee then paid); and
- b) the Initial Offer Price per Share.

Adjustments required when charging a Performance Fee using the Equalisation Method

If an investor subscribes for Shares at a time when the Net Asset Value per Share of the relevant Class is other than the High Water Mark per Share of that Class, certain adjustments will be made to reduce inequities that could otherwise result to the Shareholder or to the Investment Manager.

Subscriptions below High Water Mark per Share:

- (A) If Shares are subscribed for at a time when the Net Asset Value per Share is less than the High Water Mark per Share of the relevant Class, the Shareholder will be required to pay a Performance Fee with respect to any subsequent appreciation in the value of those Shares. With respect to any appreciation in the value of those Shares from the Net Asset Value per Share at the date of subscription up to the High Water Mark per Share, the Performance Fee will be charged at the end of each Calculation Period by redeeming for nil consideration such number of the Shareholder's Shares of the relevant Class as have an aggregate Net Asset Value (after accrual for any Performance Fee) equal to the relevant Performance Percentage of any such appreciation, (a "Performance Fee Redemption"). An amount equal to the aggregate Net Asset Value of the Shares so redeemed will be paid to the Investment Manager as a Performance Fee. Performance Fee Redemptions are employed to ensure that the Fund maintains a uniform Net Asset Value per Share of each Class. As regards the Shareholder's remaining Shares of the relevant Class, any appreciation in the Net Asset Value per Share of those Shares above the High Water Mark per Share of that Class will be charged a Performance Fee in the normal manner described above.

Subscriptions above High Water Mark per Share:

- (B) If Shares are subscribed for at a time when the Net Asset Value per Share is greater than the High Water Mark per Share of the relevant Class, the Shareholder will be required to pay an amount in excess of the then current Net Asset Value per Share of that Class equal to the relevant Performance Percentage of the difference between the then current Net Asset Value per Share of that Class (before accrual for the Performance Fee) and the High Water Mark per Share of that Class (an "Equalisation Credit"). At the date of subscription, the Equalisation Credit will equal the Performance Fee per Share accrued with respect to the other Shares of the same Class in the Fund (the "Maximum Equalisation Credit"). The Equalisation Credit is payable to account for the fact that the Net Asset Value per Share of that Class has been reduced to reflect an accrued Performance Fee to be borne by existing Shareholders of the same Class and serves as a credit against Performance Fees that might otherwise be payable by the Fund but that should not, in equity, be charged against the Shareholder making the subscription because, as to such Shares, no favourable performance has yet occurred. The Equalisation Credit ensures that all holders of Shares of the same Class have the same amount of capital at risk per Share.

The additional amount invested as the Equalisation Credit will be at risk in the Fund and will therefore appreciate or depreciate based on the performance of the relevant Class subsequent to

the issue of the relevant Shares but will never exceed the Maximum Equalisation Credit. In the event of a decline as at any Valuation Day in the Net Asset Value per Share of that Class, the Equalisation Credit will also be reduced by an amount equal to the relevant Performance Percentage of the difference between the Net Asset Value per Share of the relevant Class (before accrual for the Performance Fee) at the date of issue and as at that Valuation Day. Any subsequent appreciation in the Net Asset Value per Share of the relevant Class will result in the recapture of any reduction in the Equalisation Credit but only to the extent of the previously reduced Equalisation Credit up to the Maximum Equalisation Credit.

At the end of each Calculation Period, if the Net Asset Value per Share of the relevant Class (before accrual for the Performance Fee) exceeds the prior High Water Mark per Share of that Class, that portion of the Equalisation Credit equal to the relevant Performance Percentage of the excess, multiplied by the number of Shares of that Class subscribed for by the Shareholder, will be applied to subscribe for additional Shares of that Class for the Shareholder. Additional Shares of the relevant Class will continue to be so subscribed for at the end of each Calculation Period until the Equalisation Credit, as it may have appreciated or depreciated in the Fund after the original subscription for that Class was made, has been fully applied.

If the Shareholder redeems its Shares of the relevant Class before the Equalisation Credit (as adjusted for depreciation and appreciation as described above) has been fully applied, the Shareholder will receive additional redemption proceeds equal to the Equalisation Credit then remaining multiplied by a fraction, the numerator of which is the number of Shares of that Class being redeemed and the denominator of which is the number of Shares of that Class held by the Shareholder immediately prior to the redemption in respect of which an Equalisation Credit was paid on subscription.

Redemption Charge

A redemption charge of up to 3 cent of the Net Asset Value per Share of the Shares being redeemed may be applied to the redemption of Shares in the Fund. The Directors may, in their absolute discretion, resolve to waive such charge. Where applied, a proportion of the charge up to 3 per cent of the Net Asset Value per Share of the Shares being redeemed shall be retained by the Fund for the benefit of ongoing Shareholders, and a proportion of the charge up to 3 per cent of the Net Asset Value per Share of the Shares being redeemed shall be paid to the Investment Manager, which may be applied to satisfy the Investment Manager's own operational costs linked to redemptions (including legal and administrative costs incurred in relation to the redemption of Total Return Swaps) and to marketing and distribution costs incurred in order to replace redeeming Shareholders.

Administration Fee

The Administrator is entitled to receive out of the assets of the Fund an annual fee, which fee is accrued daily and payable monthly in arrears, at a rate of up to 0.08 per cent of the Net Asset Value of the Fund (plus VAT, if any), subject to a minimum annual fee of €40,000. The minimum annual fee is applied at the level of the umbrella company. The allocation of such minimum umbrella fee shall be applied to the sub-funds by the umbrella in its absolute discretion whether pro-rata of in equal shares.

The Fund bears all of the reasonable out-of-pocket expenses of the Administrator on behalf of the Fund.

Custodian Fee

The Custodian is entitled to receive out of the assets of the Fund a per transaction fee of between EUR 15 to 50 for listed securities, and a custody fee charged as a percentage of assets held in

custody, with a maximum charge of 0.20 per cent and which is accrued daily and payable monthly in arrears.

The Custodian shall also be entitled to be repaid, out of the assets of the Fund, the fees, transaction charges and expenses of any sub-custodian appointed by it which shall be at normal commercial rates together with VAT, if any, thereon.

The Fund bears all of the reasonable out-of-pocket expenses of the Custodian on behalf of the Fund.

Details on other fees and expenses to be incurred by the Company are detailed in the main body Prospectus under the heading entitled "Fees and Expenses".

Risk Factors

Investors' attention is particularly drawn to the section entitled "Risk Factors" on page 35 of the Prospectus.

SUPPLEMENT 3: FMIM EQUITY EVENT DRIVEN UCITS FUND

This Supplement contains information relating specifically to FMIM Equity Event Driven UCITS Fund, a sub-fund of FMIM Funds PLC (the “Company”), an open-ended umbrella fund with segregated liability between sub-funds authorised by the Central Bank on 10 February 2012 as a UCITS pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011. This Supplement forms part of and should be read in conjunction with the Prospectus of the Company dated 28 March 2013.

The Fund is not principal protected. The value of investments may fall as well as rise and investors may get back less than they originally invested.

The Fund may engage in transactions in Financial Derivative Instruments (“FDIs”) for investment purposes and for the purposes of efficient portfolio management. The Directors of the Company expect that the Net Asset Value of the Fund will have medium to high volatility through investments in FDIs. Investors should read the section entitled ‘Risk Factors’ before investing in the Fund.

Name of Fund: FMIM Equity Event Driven UCITS Fund

Investment Objective: The investment objective of the Fund is to seek to generate consistent risk-adjusted returns in the medium and long term relatively independent of the returns in global equity markets.

It is anticipated that the value of the Fund’s long positions will in general be equal to the value of its short positions. The Fund under normal circumstances may be invested short to a maximum of 100 per cent of its Net Asset Value.

There can be no assurance that the Fund will achieve its investment objective.

Investment Policy: The Fund will seek to achieve its investment objective by taking positions primarily in listed equity and FDIs related to equities of companies issuing securities in the European Union and other markets in OECD member states as further disclosed below across all industries and geographical regions in companies which are selected on the basis that they will either outperform or underperform relative to other similar or related companies. Such investments will be made where, in the view of the Investment Manager, the impact from a potential corporate event, such as mergers and acquisitions, tentative offers, spin-off or sale of divisions, shareholder restructurings, proxy contests and operational disruptions, is not adequately reflected by the prevailing price at which such securities trade. The Investment Manager may also invest in listed equity and FDIs related to equities which in its view are being priced at a substantial discount or premium to their estimated intrinsic value. The Fund may also invest in unlisted securities from time to time, such as securities issued by companies in anticipation of a listing on a stock exchange.

The Fund may also take positions in the FDIs disclosed below for the purpose of hedging or managing the overall risk of the portfolio, or to

enhance returns.

It is expected that the Fund will have exposure primarily to companies issuing securities in the European Union and other markets in OECD member states. Portfolio exposure to investment themes, sector or geographies will be monitored to avoid excessive concentration.

The Fund will seek to invest on the basis of the Investment Process disclosed below, with the intention of taking long positions where in the Investment Manager's opinion, an equity (and/or related FDIs as listed below) is undervalued relative to its fundamental value, and taking short positions where an equity is perceived to be over-valued. The maximum amount that the Fund may be invested short is 100 per cent of the Net Asset Value of the Fund.

The Fund will seek to ensure that each investment is consistent with the Fund's requirements for prudent risk management, details of which are set out under "Risk Management" below.

In addition, the Fund may, on an ancillary basis, take positions in companies operating entirely or principally outside the European Union and OECD member states. All investments will be made in accordance with the UCITS Regulations as summarised in Appendix 1 of the Prospectus. It is not intended that the Fund's exposure to global emerging markets will at any time exceed 20 per cent of the Fund's net asset value.

The equity positions and the FDI-related to equities, as further disclosed below, which include, without limitation, shares, preference shares and ADRs and GDRs.

The Fund may also, on an ancillary basis, invest in units of other UCITS or other collective investment schemes as permitted by the Regulations, including other sub-funds of the Company, whose investment objectives and policies are consistent with the investment objective and policy of the Fund.

The Fund may also, on an ancillary basis, and primarily for cash management purposes, invest in fixed and/or floating rate debt securities, deposits and money market instruments such as treasury bills. Where the Fund invests in fixed and/or floating rate bonds, these will primarily be government and government guaranteed securities and will be instruments which are considered investment grade by Standard & Poor's or an equivalent rating by any of the other principal rating agencies.

The FDIs the Fund may use to gain both long and synthetic short exposure include the following:

- (i) futures on equities and equity indices (which allow the Fund to hedge against market risk or gain exposure to underlying equities or equity indices);

- (ii) forward contracts, which will be used by the Fund for hedging purposes, including forward foreign exchange contracts (which allow the Fund to fix a price at which an index or asset may be purchased or sold in the future);
- (iii) options on equities and equity indices (which can be used to hedge against the movements of a particular equity market or equity financial instrument or to gain exposure to a particular equity market or equity financial instrument instead of using a physical security);
- (iv) contracts for differences on equities and equity indices (which can be used for hedging purposes, as well as for gaining direct exposure to an underlying without the need for full capital expenditure);
- (v) equity index forwards (which also allows the Fund to gain long or short exposure to a market without purchasing the relevant stock);
- (vi) Funded Total Return Swaps and Unfunded Total Return Swaps (as defined below) on equities and equity indices (which can be used for hedging purposes as well as for gaining exposure to an underlying equity or equity index); and

Funded Total Return Swap means a Total Return Swap (as defined below) whereby an investor pays the full value or notional value of the agreed underlying reference asset on the date of entry into the Total Return Swap. On maturity the investor receives back the notional value of the underlying reference asset (which may be greater or lesser than the original notional value).

Unfunded Total Return Swap means a Total Return Swap whereby an investor does not pay the full value or notional value of the agreed underlying reference asset on the date of entry into the Total Return Swap, but instead pays a set percentage of its full value or notional value (known as margin). On maturity the investor (i) receives the gain or pays the loss of the performance of the underlying reference asset; (ii) pays an interest rate payment which is equal to the funding cost of holding the underlying reference asset during the term of the Total Return Swap; and (iii) receives back the margin amount.

Total Return Swap means a type of financial derivative instrument between two parties in which each party agrees to make a series of payments to the other at regular scheduled dates, with at least one set of payments determined by the return on an agreed underlying reference asset (such as a return on an equity or equity index) and which include, in addition, any income generated on the underlying reference asset (such as dividends and/or bonus shares).

FDIs may be exchange-traded or over the counter.

Traditionally, UCITS have invested on a “long only” basis. This means

that their net asset value will rise (or fall) in value based on the market value of the assets they hold. The Fund can take long positions by investing in the financial instruments, including the derivative instruments, referred to above.

A “short” sale involves the sale of a security that the seller does not own in the hope of purchasing the same security (or a security exchangeable for such security) at a later date at a lower price. Short positions may only be achieved through the use of derivative instruments which are forwards, futures, options and contracts for differences. Further information with respect to the use of FDIs by the Fund is set out in Appendix 3 and the risks attached to the use of FDIs by the Fund are set out under the “Risk Factor” section in the main body of the Prospectus.

The Fund may gain direct exposure to global emerging markets by investing in equity securities as well as via investments in ADRs and GDRs, which are listed or traded on Regulated Markets. It is not intended that the Fund’s exposure to global emerging markets will at any time exceed 20 per cent of the Fund’s net asset value.

Leverage will only be effected through the use of FDIs and the market risk of the Fund will be monitored using absolute VaR to ensure that the VaR of the Fund may not exceed 16.90 per cent of the Net Asset Value of the Fund, based on a 1 month holding period and a one tailed 99 per cent confidence interval, as further disclosed under the paragraphs entitled “Value at Risk” and “Leverage” under the section entitled “Risk Management” below.

All investments will be made in accordance with the UCITS Regulations as summarised in Appendix 1 of the Prospectus.

Investment Process: The Investment Manager will generally research and summarise the risk-reward profile of every investment by (i) estimating the possible outcomes (with their associated probability of occurrence and estimated exit price) and (ii) using these estimates to calculate the risk-weighted price. The Fund will invest in securities which, in the view of the Investment Manager, are available at a substantial discount or premium to such risk-weighted price. The Investment Manager will dynamically update its numerical analysis to incorporate its ongoing research and news and other developments relevant to each investment.

The Fund may from time to time pursue a range of investment strategies including:

Risk arbitrage - to benefit from pricing inefficiencies in connection with an announced corporate acquisition or merger.

Special situations - to benefit from pricing inefficiencies in connection with price-relevant corporate events (i.e. tentative offers, spin-off or sale of divisions, shareholder restructurings, proxy contests) other than announced acquisitions or mergers.

Intrinsic value - to take positions in securities that are trading at a substantial discount or premium to their intrinsic value as estimated by the Investment Manager.

Opportunistic - to benefit from other investments offering an attractive risk-reward profile.

The Investment Manager will implement a dynamic allocation process to determine the amount of Fund assets to be invested in the different investment strategies according to market conditions.

Profile of Typical Investor in the Fund

The typical investor in the Fund will be an institutional investor who understands and appreciates the risks associated with investing in Shares of the Fund. Investment in the Fund should be determined by the attitude to risk, wish for income or growth, intended investment time horizon of medium to long term and in the context of the investor's overall portfolio. Investors should seek professional advice before making investment decisions.

Currency Hedging

The Fund may seek (but shall be under no obligation) to limit the impact on Net Asset Value of residual currency exposures resulting from an imbalance of investments priced in different currencies. Hedges may be carried out at the Investment Manager's discretion based on an assessment of what is the acceptable currency risk and the cost of the hedges.

Distribution Policy

It is not envisaged that any income or gains will be distributed by the Fund by way of dividend. This does not preclude the Directors from declaring a dividend at any time in the future if they consider it appropriate to do so. In such case, full details will be provided in an updated Supplement and Shareholders will be notified in advance if the Directors declare a dividend.

Risk Management

The Fund will comply with the investment restrictions and limits set out in the UCITS Regulations.

Value at Risk

In addition, the Fund will use an absolute VaR approach to calculate its global exposure. The Fund will use an absolute VaR limit of 16.90 per cent for a one tailed 99 per cent confidence interval, using a 1 month holding period and a 1 year observation period (250 business days). The Investment Manager's absolute VaR approach has been extensively tested across a large number of trading strategies in the Investment Manager's proprietary database, and the relevance of the results have been validated against historical values.

Investors should be aware that VaR is a way of measuring the maximum potential loss due to market risk with a given degree of confidence (i.e. probability) under normal market conditions. Accordingly, under abnormal market conditions, the Fund could be exposed to losses which are much greater than envisaged using VaR.

It should be noted that VaR does not explicitly measure leverage. VaR is a statistical risk measure and the actual maximum loss of a particular

trading strategy or the Fund overall may exceed the loss indicated by the use of VaR.

Leverage

The Fund under normal circumstances employs leverage of around 200 per cent of its Net Asset Value. The leverage employed by the Fund will not exceed 350 per cent of Net Asset Value. This figure is calculated as the sum of the absolute value of notionals of the derivatives used as required by the UCITS Regulations. This figure does not take into account any netting and hedging arrangements that the Fund has in place at any time even though these netting and hedging arrangements are used for risk reduction purposes which is why the figure may be considered high. As these netting and hedging arrangements, if taken into account, may reduce the level of exposure, this calculation may not provide an accurate measure of the Fund's actual leverage position.

Furthermore, investors should note that the use of leverage may increase losses and result in investors suffering serious financial losses under abnormal market conditions.

In order to manage risks resulting from abnormal market conditions, the Investment Manager will use specific risk management techniques, including (but not limited to) taking into account the existence of extreme price movements in its VaR calculation, and reducing the Fund's leverage as required.

Investment in collective investment schemes:

The Fund may invest up to 10 per cent of its net assets in aggregate in the units of other UCITS or other non-UCITS collective investment schemes. Any non-UCITS collective investment schemes may consist of regulated collective investment schemes domiciled in a member state of the EEA, the US, Jersey, Guernsey or the Isle of Man.

Cross-Investment:

Where it is appropriate to its investment objective and policies, the Fund may invest in other Funds of the Company (once these are established). The Fund may invest in other Funds of the Company, but may only invest in another Fund if the Fund in which it is investing does not itself hold Shares in any other Fund of the Company. The Fund shall not invest in its own Shares. Where the Fund invests in the Shares of another Fund of the Company: (i) the Investment Manager will waive the initial charge which it is entitled to charge for its own account; (ii) the Investment Manager will waive that portion of its Investment Management Fee in order to avoid a double charge. Any investment made in other Funds of the Company shall be subject to the investment restrictions stated above under "Investment in collective investment schemes".

Valuation Point:

11.59 p.m. (Dublin time) on the Business Day immediately preceding the relevant Dealing Day.

Dealing Day:

Weekly every Monday, commencing on the first Monday following the close of the Initial Offer Period. In the event that a Dealing Day is not a Business Day, as described below, the next Business Day shall become the Dealing Day.

Business Day: Any day on which banks are open for business in Dublin, and London and/or such other place or places and such other day or days as the Directors may determine.

Dealing Request Deadline: 12.00 noon (Dublin time) five Business Days immediately preceding the relevant Dealing Day or such other time as the Directors may determine and notify to Shareholders in advance provided always that the Dealing Request Deadline is no later than the Valuation Point.

In the event of subscriptions, in addition to a duly completed application form being received by the Dealing Request Deadline, cleared funds in the relevant currency in respect of the subscription monies must be received by the Administrator by 5.00 p.m. on the date of the Dealing Request Deadline. Applications for Shares will not be dealt with and Shares will not be issued until receipt of notification that an applicant's funds have been cleared in the full amount of the subscription.

Deferred Redemptions: Redemption requests submitted at a particular Dealing Day may be deferred in accordance with the terms of the Prospectus to the next Dealing Day where the requested redemptions exceed 25 per cent of the Fund's Net Asset Value.

Price Publication: The Net Asset Value per Share will be published within two Business Days of each Valuation Point and updated following each calculation of Net Asset Value. Such prices will be up to date as of the time of publication.

Share Classes and types of Shares: Shares

A Shares US\$ A Shares (Accumulation Shares)

Euro A Shares (Accumulation Shares)

B Shares US\$ B Shares (Accumulation Shares)

Euro B Shares (Accumulation Shares)

Base currency: US Dollar

Offer of Shares

Following the close of the Initial Offer Period, Shares will be available for subscription at the Subscription Price on each Dealing Day on a forward pricing basis. The Subscription Price will be equal to the Net Asset Value per Share as at the relevant Valuation Point. The Investment Manager may also charge a preliminary charge on such a subscription for Shares as set out under "Fees and Expenses" below.

	US\$ A Shares	Euro A Shares	US\$ B Shares	Euro B Shares
Initial Offer Price	US\$100	€100	US\$100	€100

Minimum Subscription*	US\$100,000	€100,000	US\$10,000	€10,000
Minimum Additional Subscription	US\$10,000	€10,000	US\$5,000	€5,000
Minimum Holding	US\$100,000	€100,000	US\$10,000	€10,000

*(Investors should refer to the section of the Prospectus headed “Important Information” which may refer to an alternative minimum subscription requirement for investors from a particular country)

Once the Minimum Subscription has been subscribed for, Shareholders are required to maintain the relevant Minimum Holding in the Fund, which shall be the same amount as the Minimum Subscription (ignoring any fluctuation in the Net Asset Value of Shares as a result of market movement).

The Directors may reduce or waive the Minimum Holding, the Minimum Subscription and the Minimum Additional Subscription at their sole discretion.

Initial Offer Period

The Initial Offer Period will commence at 9.00 a.m. (Dublin time) on 13 February 2012 and close at 5.00 p.m. (Dublin time) on 31 December 2012.

Initial Charge

The Directors are permitted to impose an initial charge on the sale of Shares to an investor of up to 5 per cent of the amount subscribed and has discretion to waive this charge in whole or in part.

Dilution Levy

The Directors, having consulted with the Investment Manager, may, in their absolute discretion, apply to the Net Asset Value per Share a dilution levy of up to 3 per cent to cover dealing charges, costs, commission and taxes incurred by the Fund when dealing in its underlying investments. A dilution levy may be charged in the circumstances described in more detail under the “Dilution Levy” paragraph in the “Fees and Expenses” section in the main body of the Prospectus.

Fees and Expenses

Investment Management Fee – 2 per cent p.a. in respect of A Shares, 2.25 per cent p.a. in respect of the B Shares (in each case an “IM Fee Percentage”)

The Investment Manager receives from the Company a monthly Investment Management Fee equal to 1/12 of the IM Fee Percentage per month of the Net Asset Value of the relevant Class of Shares (before deduction of that month’s fees, expenses, borrowings and interest together with Value Added Tax, if any on such fees and before deduction for any accrued Performance Fees).

Such fee is payable monthly in arrears and is accrued and calculated as at each Valuation Point.

Performance Fee – 20 per cent (the “Performance Percentage”)

The Performance Fee is calculated in respect of each calendar year (a “Calculation Period”). However, the first Calculation Period in respect of any Class of Shares is the period commencing

on the Business Day immediately following the close of the Initial Offer Period for that Class and ending on 31 December in that year.

The Performance Fee is calculated and accrued as at each Valuation Point as an expense of the relevant Class and is payable to the Investment Manager in arrears within 14 Business Days of the end of each Calculation Period after verification of the calculation of the Performance Fee by the Custodian. No Performance Fee is payable until the Net Asset Value per Share exceeds the previous highest Net Asset Value per Share on which a Performance Fee was paid, in accordance with the methodology described below.

In the case of Shares redeemed during a Calculation Period, the accrued Performance Fee in respect of those Shares will be payable within 14 Business Days after the date of redemption. Crystallised Performance Fees shall remain in the relevant Class (but shall not participate in subsequent gains and losses of the relevant Class) until paid to the Investment Manager, and shall not be used or made available to satisfy redemptions or pay any fees and expenses of the relevant Class. In the event of a partial redemption, and where the Performance Fee is calculated using the Equalisation Method (as described below), Shares will be treated as redeemed on a first in, first out (“fiffo”) basis.

If the Investment Management Agreement is terminated during any calendar year the Performance Fee in respect of the then current Calculation Period will be calculated and paid as though the date of termination were the end of the relevant Calculation Period.

A Performance Fee charged using the Equalisation Method ensures that the Performance Fee is calculated on a Share-by-Share basis so that each Share is charged a Performance Fee which equates precisely with that Share’s performance. This method of calculation ensures that (i) any Performance Fee paid to the Investment Manager is charged only to those Shares which have appreciated in value, (ii) all holders of Shares of the same Class have the same amount of capital per Share at risk in the Fund in question, and (iii) all Shares of the same Class have the same Net Asset Value per Share.

For each Calculation Period, the Performance Fee in respect of each Share will be equal to 20 per cent of the appreciation in the Net Asset Value per Share of the relevant Class during that Calculation Period above the High Water Mark per Share of that Class.

The **High Water Mark per Share** is the greater of:-

- a) the Net Asset Value per Share as of the most recent end of calendar year at which a Performance Fee was paid in respect of such Share (after deduction of the Performance Fee then paid); and
- b) the Initial Offer Price per Share.

Adjustments required when charging a Performance Fee using the Equalisation Method

If an investor subscribes for Shares at a time when the Net Asset Value per Share of the relevant Class is other than the High Water Mark per Share of that Class, certain adjustments will be made to reduce inequities that could otherwise result to the Shareholder or to the Investment Manager.

Subscriptions below High Water Mark per Share:

- (A) If Shares are subscribed for at a time when the Net Asset Value per Share is less than the High Water Mark per Share of the relevant Class, the Shareholder will be required to pay

a Performance Fee with respect to any subsequent appreciation in the value of those Shares. With respect to any appreciation in the value of those Shares from the Net Asset Value per Share at the date of subscription up to the High Water Mark per Share, the Performance Fee will be charged at the end of each Calculation Period by redeeming for nil consideration such number of the Shareholder's Shares of the relevant Class as have an aggregate Net Asset Value (after accrual for any Performance Fee) equal to the relevant Performance Percentage of any such appreciation, (a "Performance Fee Redemption"). An amount equal to the aggregate Net Asset Value of the Shares so redeemed will be paid to the Investment Manager as a Performance Fee. Performance Fee Redemptions are employed to ensure that the Fund maintains a uniform Net Asset Value per Share of each Class. As regards the Shareholder's remaining Shares of the relevant Class, any appreciation in the Net Asset Value per Share of those Shares above the High Water Mark per Share of that Class will be charged a Performance Fee in the normal manner described above.

Subscriptions above High Water Mark per Share:

- (B) If Shares are subscribed for at a time when the Net Asset Value per Share is greater than the High Water Mark per Share of the relevant Class, the Shareholder will be required to pay an amount in excess of the then current Net Asset Value per Share of that Class equal to the relevant Performance Percentage of the difference between the then current Net Asset Value per Share of that Class (before accrual for the Performance Fee) and the High Water Mark per Share of that Class (an "Equalisation Credit"). At the date of subscription, the Equalisation Credit will equal the Performance Fee per Share accrued with respect to the other Shares of the same Class in the Fund (the "Maximum Equalisation Credit"). The Equalisation Credit is payable to account for the fact that the Net Asset Value per Share of that Class has been reduced to reflect an accrued Performance Fee to be borne by existing Shareholders of the same Class and serves as a credit against Performance Fees that might otherwise be payable by the Fund but that should not, in equity, be charged against the Shareholder making the subscription because, as to such Shares, no favourable performance has yet occurred. The Equalisation Credit ensures that all holders of Shares of the same Class have the same amount of capital at risk per Share.

The additional amount invested as the Equalisation Credit will be at risk in the Fund and will therefore appreciate or depreciate based on the performance of the relevant Class subsequent to the issue of the relevant Shares but will never exceed the Maximum Equalisation Credit. In the event of a decline as at any Valuation Day in the Net Asset Value per Share of that Class, the Equalisation Credit will also be reduced by an amount equal to the relevant Performance Percentage of the difference between the Net Asset Value per Share of the relevant Class (before accrual for the Performance Fee) at the date of issue and as at that Valuation Day. Any subsequent appreciation in the Net Asset Value per Share of the relevant Class will result in the recapture of any reduction in the Equalisation Credit but only to the extent of the previously reduced Equalisation Credit up to the Maximum Equalisation Credit.

At the end of each Calculation Period, if the Net Asset Value per Share of the relevant Class (before accrual for the Performance Fee) exceeds the prior High Water Mark per Share of that Class, that portion of the Equalisation Credit equal to the relevant Performance Percentage of the excess, multiplied by the number of Shares of that Class subscribed for by the Shareholder, will be applied to subscribe for additional Shares of that Class for the Shareholder. Additional Shares of the relevant Class will continue to be so subscribed for at the end of each Calculation Period until the Equalisation Credit, as it may have appreciated or depreciated in the Fund after the original subscription for that Class was made, has been fully applied.

If the Shareholder redeems its Shares of the relevant Class before the Equalisation Credit (as adjusted for depreciation and appreciation as described above) has been fully applied, the Shareholder will receive additional redemption proceeds equal to the Equalisation Credit then remaining multiplied by a fraction, the numerator of which is the number of Shares of that Class being redeemed and the denominator of which is the number of Shares of that Class held by the Shareholder immediately prior to the redemption in respect of which an Equalisation Credit was paid on subscription.

Redemption Charge

A redemption charge of up to 3 cent of the Net Asset Value per Share of the Shares being redeemed may be applied to the redemption of Shares in the Fund. The Directors may, in their absolute discretion, resolve to waive such charge. Where applied, a proportion of the charge up to 3 per cent of the Net Asset Value per Share of the Shares being redeemed shall be retained by the Fund for the benefit of ongoing Shareholders, and a proportion of the charge up to 3 per cent of the Net Asset Value per Share of the Shares being redeemed shall be paid to the Investment Manager, which may be applied to satisfy the Investment Manager's own operational costs linked to redemptions (including legal and administrative costs incurred in relation to the redemption of Total Return Swaps) and to marketing and distribution costs incurred in order to replace redeeming Shareholders.

Administration Fee

The Administrator is entitled to receive out of the assets of the Fund an annual fee, which fee is accrued daily and payable monthly in arrears, at a rate of up to 0.08 per cent of the Net Asset Value of the Fund (plus VAT, if any), subject to a minimum annual fee of €40,000. The minimum annual fee is applied at the level of the umbrella company. The allocation of such minimum umbrella fee shall be applied to the sub-funds by the umbrella in its absolute discretion whether pro-rata of in equal shares.

The Fund bears all of the reasonable out-of-pocket expenses of the Administrator on behalf of the Fund.

Custodian Fee

The Custodian is entitled to receive out of the assets of the Fund a per transaction fee of between EUR 15 to 50 for listed securities, and a custody fee charged as a percentage of assets held in custody, with a maximum charge of 0.20 per cent and which is accrued daily and payable monthly in arrears.

The Custodian shall also be entitled to be repaid, out of the assets of the Fund, the fees, transaction charges and expenses of any sub-custodian appointed by it which shall be at normal commercial rates together with VAT, if any, thereon.

The Fund bears all of the reasonable out-of-pocket expenses of the Custodian on behalf of the Fund.

Details on other fees and expenses to be incurred by the Company are detailed in the main body Prospectus under the heading entitled "Fees and Expenses".

Risk Factors

Investors' attention is particularly drawn to the section entitled "Risk Factors" on page 35 of the Prospectus.

SUPPLEMENT 4: FMIM DYNAMIC MACRO UCITS FUND

This Supplement contains information relating specifically to FMIM Dynamic Macro UCITS Fund, a sub-fund of FMIM Funds PLC (the “Company”), an open-ended umbrella fund with segregated liability between sub-funds authorised by the Central Bank on 10 February 2012 as a UCITS pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011. This Supplement forms part of and should be read in conjunction with the Prospectus of the Company dated 28 March 2013.

The Fund is not principal protected. The value of investments may fall as well as rise and investors may get back less than they originally invested.

Investors should note that there is a difference between the nature of a deposit and the nature of an investment in the Fund. The return on the Shares may be less than that of other securities of comparable maturity or less than interest rates available in the market and the principal invested in the Fund is capable of fluctuation.

The Fund may engage in transactions in Financial Derivative Instruments (“FDIs”) principally for investment purposes and for the purposes of efficient portfolio management. The Directors of the Company expect that the Net Asset Value of the Fund will have medium to high volatility through investments in FDIs. Investors should read the section entitled ‘Risk Factors’ before investing in the Fund.

Name of Fund: FMIM Dynamic Macro UCITS Fund

Investment Objective: The investment objective of the Fund is to seek to generate consistent risk-adjusted returns in the medium and long term. As part of the objective, the Fund may also seek to achieve shorter term returns where an investment opportunity warrants it due to an anticipated potential short term increase or decrease in the performance of a particular investment, which will include buying and selling investments on an intra-day basis.

There can be no assurance that the Fund will achieve its investment objective.

Investment Policy: The Fund will seek to achieve its investment objective through a macro trading strategy primarily investing in listed securities and principally in FDIs in the equity, foreign exchange, fixed income, credit and commodity markets (where permitted in accordance with the UCITS Regulations), where, in the view of the Investment Manager, the potential risk/reward profile of the investment is attractive and likely to generate investment returns for the Fund.

The Fund invests primarily in listed securities and FDIs, but may also hold, up to a maximum of 10 per cent of its net asset value, investments in unlisted securities from time to time. The majority of the Fund’s investment portfolio will be exposed to issuers from the European Union and other markets in OECD member states. However, the Fund may, on an ancillary basis, seek to gain exposure to companies operating entirely or principally outside the European Union and OECD member states.

The Investment Manager will seek to identify investment opportunities

and anticipated potential investment returns using numerous investment tools and information sources including amongst others, freely available public data (for example, newspapers, industry press, annual reports of companies and macro economic figures), privately available subscription-based data (for example, Bloomberg, Reuters, Standard & Poors and Moodys), internal research and external research from financial services institutions, and the analysis of third party fund management data.

In addition, to the extent that the Investment Manager identifies investment opportunities in line with the Investment Objective, the Fund may also be exposed to emerging markets, although In general, no more than 20 per cent of the Net Asset Value of the Fund will be allocated to emerging markets across all asset classes.

In order to aim to meet the investment objective of the Fund, the Investment Manager will utilise two distinct investment approaches, one consisting of longer term investment themes, which will constitute a “Core Portfolio” of the Fund’s assets, and the second comprising shorter term investment themes and constituting the “Satellite Portfolio” of the Fund’s assets.

The Core Portfolio will be equal to approximately 70 per cent of the Fund’s Net Asset Value under normal market conditions, containing positions in:

- bonds - investment grade, high yield corporate debt, sovereign debt and unrated debt. Investment in bonds will under normal conditions comprise between 50 per cent of the Core Portfolio, up to a maximum of 100 per cent. Investment in below investment grade bonds will be up to a maximum 25 per cent of the Net Asset Value of the Fund;
- equities – including without limitation, shares, preference shares, ADRs, GDRs and single issuer equity options. Investment in shares will be in “blue chip” companies with a market capitalisation of more than US\$5 billion, across all sectors and industries with a geographical focus in Europe and the United States. Investment in equities will under normal conditions comprise around 5 per cent of the Core Portfolio, up to a maximum of 50 per cent of the Net Asset Value of the Fund;
- currency (mainly the currencies of G20 member states) – including foreign exchange transactions, currency futures and options (both listed and unlisted). Investment in currency will under normal conditions comprise around 10 per cent of the Core Portfolio, up to a maximum of 50 per cent of the Net Asset Value of the Fund;
- futures and options on major equity indices which have been cleared by the Central Bank – including S&P 500, Eurostoxx 50, Nikkei, Hang Seng, Kospi. Investment in futures and options will under normal conditions comprise around 30 per cent of the Core Portfolio, up to a maximum of 50 per cent of

the Net Asset Value of the Fund; and

- exposure to commodities by entering into total return swaps on financial indices which have been cleared by the Central Bank. Exposure to commodities will under normal conditions comprise around 5 per cent of the Core Portfolio, up to a maximum of 20 per cent of the Net Asset Value of the Fund.

The Fund will generally seek to hold each investment made for between 1 month to 3 years, with an anticipated average holding period of approximately 6 months.

The remainder of the Fund's portfolio, the Satellite Portfolio, will be comprised of short term, highly liquid investments in equities, equity indices, futures and options over equities and equity indices which have been approved by the Central Bank, currencies and exposure to commodities. The Fund will seek to achieve shorter term returns from investment opportunities generated by potential short term increases or decreases in the performance of particular investments. The holding period for investments in the Satellite Portfolio will generally be up to three months, with average holding periods expected to be around two weeks. The Satellite Portfolio will contain positions in:

- bonds - investment grade, high yield corporate debt, sovereign debt and unrated debt. Investment in bonds will under normal conditions comprise between 50 per cent of the Satellite Portfolio, up to a maximum of 70 per cent. Investment in below investment grade bonds will be up to a maximum 25 per cent of the Net Asset Value of the Fund;
- equities – including single issuer equity options. Investment in shares will be in Blue Chip companies with a market capitalisation of more than US\$5 billion, across all sectors and industries with a geographical focus in Europe and the United States. Investment in equities will under normal conditions comprise around 10 per cent of the Satellite Portfolio, up to a maximum of 50 per cent of the Net Asset Value of the Fund;
- currency (mainly the currencies of G20 member states) – including foreign exchange transactions, currency futures and options (both listed and unlisted). Investment in currency will under normal conditions comprise around 10 per cent of the Satellite Portfolio, up to a maximum of 50 per cent of the Net Asset Value of the Fund;
- futures and options on major equity indices which have been approved by the Central Bank – including S&P 500, Eurostoxx 50, Nikkei, Hang Seng, Kospi. Investment in futures and options will under normal conditions comprise around 40 per cent of the Satellite Portfolio, up to a maximum of 50 per cent of the Net Asset Value of the Fund; and
- exposure to commodities – by entering into short term, highly liquid total return swaps on financial indices which have been

cleared by the Central Bank. Investment in commodities will under normal conditions comprise around 10 per cent of the Satellite Portfolio, up to a maximum of 50 per cent of the Net Asset Value of the Fund

The Fund may enter short positions in the Core Portfolio for hedging purposes only in instruments such as index futures, put options, credit default swaps and credit indices. In the Satellite Portfolio short positions will be entered into for investment purposes with the aim of generating returns in instruments such as index futures, put options, credit default swaps, credit indices, futures and options and total return swaps on financial indices linked to commodities.

The Fund will seek to invest on the basis of the Investment Process disclosed below. The Fund will seek to ensure that each investment is consistent with the Fund's requirements for prudent risk management, details of which are set out under "Risk Management" below.

The Fund may also invest in units of other UCITS or other collective investment schemes as permitted by the Regulations, including other sub-funds of the Company, whose investment objectives and policies are consistent with the investment objective and policy of the Fund.

The Fund relies on the Investment Manager's ability to make profitable trading and investment decisions across the range of markets, securities and asset classes as set out above. The process behind the investment decisions may be driven by, for example, the following considerations:

- macro events – taking positions in securities in response to macro events or in anticipation of macro events;
- mispricing across assets – investing in securities which are selected on the basis that they will either outperform or underperform relative to other similar or related securities;
- mergers and acquisitions activity – monitoring potential mergers and acquisitions in order to benefit from pricing inefficiencies in connection with an announced or anticipated corporate merger or acquisition;
- analysis of perceived deviations from fair value within markets; and
- timely reaction to key news and events in relevant markets.

The Investment Manager will implement a dynamic allocation process to determine the amount of the Fund assets to be invested according to market conditions. As information and prices change continuously in the markets in which the Fund invests, so the Fund's trading positions and investments may likewise change rapidly and dynamically as a result of changes in several factors effecting investment and taking variables into account.

The Investment Manager may decide from time to time to keep a

significant portion of the portfolio (between 50 – 60 per cent of the Net Asset Value of the Fund) in cash or cash equivalents in any permitted currency. Cash or cash equivalents will be held by the Fund for margin purposes or where the Fund is not fully invested.

The Fund may invest in securities directly or via FDIs. Any FDI not included in the Fund's risk management process will not be utilised until such time as a revised submission has been provided to and cleared by the Central Bank.

The FDIs the Fund may use for both investment and hedging purposes include (but are not limited to) the following:

- (i) futures on equities, equity indices which have been cleared by the Central Bank, currencies, interest rates and bonds (which allow the Fund to hedge against market risk or gain exposure to underlying equities or equity indices);
- (ii) forward contracts, which will be used by the Fund for hedging purposes or to gain exposure to the underlying index or asset, including forward foreign exchange contracts (which allow the Fund to fix a price at which an index or asset may be purchased or sold in the future);
- (iii) options on equities, equity indices which have been cleared by the Central Bank, currencies, interest rates and bonds (which can be used to hedge against the movements of a particular equity market or equity financial instrument or to gain exposure to a particular equity market or equity financial instrument instead of using a physical security);
- (iv) contracts for differences on equities and equity indices which have been cleared by the Central Bank (which can be used for hedging purposes, as well as for gaining direct exposure to an underlying without the need for full capital expenditure);
- (v) equity index forwards (which also allows the Fund to gain long or short exposure to a market without purchasing the relevant stock);
- (vi) Funded Total Return Swaps and Unfunded Total Return Swaps (as defined below) on equities and equity indices which have been cleared by the Central Bank (which can be used for hedging purposes as well as for gaining exposure to an underlying equity or equity index); and
- (vii) Commodities through total return swaps on financial indices which have been approved by the Central Bank. The Investment Manager monitors the components of each financial index on a look-through basis to ensure compliance with the UCITS Regulations and the Central Bank's issued guidance. Where the look-through approach is not available, namely where the components of the index in question are ineligible assets for the purposes of the UCITS Regulations or where, on applying the look through approach it would not be possible for the Fund to

invest in the components without breaching the risk-spreading limits in the UCITS Regulations, the Investment Manager will seek the Central Bank's approval of relevant Financial Indices before gaining exposure to such indices.

Funded Total Return Swap means a Total Return Swap (as defined below) whereby an investor pays the full value or notional value of the agreed underlying reference asset on the date of entry into the Total Return Swap. On maturity the investor receives back the notional value of the underlying reference asset (which may be greater or lesser than the original notional value).

Unfunded Total Return Swap means a Total Return Swap whereby an investor does not pay the full value or notional value of the agreed underlying reference asset on the date of entry into the Total Return Swap, but instead pays a set percentage of its full value or notional value (known as margin). On maturity the investor (i) receives the gain or pays the loss of the performance of the underlying reference asset; (ii) pays an interest rate payment which is equal to the funding cost of holding the underlying reference asset during the term of the Total Return Swap; and (iii) receives back the margin amount.

Total Return Swap means a type of financial derivative instrument between two parties in which each party agrees to make a series of payments to the other at regular scheduled dates, with at least one set of payments determined by the return on an agreed underlying reference asset (such as a return on an equity or equity index) and which include, in addition, any income generated on the underlying reference asset (such as dividends and/or bonus shares).

FDIs may be exchange-traded or over-the-counter.

Traditionally, UCITS have invested on a "long only" basis. This means that their net asset value will rise (or fall) in value based on the market value of the assets they hold. The Fund can take long positions by investing in the financial instruments, including the derivative instruments, referred to above.

A "short" sale involves the sale of a security that the seller does not own in the hope of purchasing the same security (or a security exchangeable for such security) at a later date at a lower price. Short positions may only be achieved through the use of derivative instruments which are futures, options and contracts for differences. Further information with respect to the use of FDIs by the Fund is set out in Appendix 3 and the risks attached to the use of FDIs by the Fund are set out under the "Risk Factor" section in the main body of the Prospectus.

The Fund can take long positions, by investing in securities and the FDIs, referred to above. Short positions will be taken for investment and hedging purposes and will be achieved synthetically by the Fund through the use of FDIs, as described above (see in addition the section headed "Financial Derivative Instruments" in Appendix 3 of the Prospectus). The risks attached to the use of FDIs by the Fund are set out in the "Risk Factors" section of the Prospectus in the paragraph

headed “Derivatives”.

The Fund under normal circumstances may be invested short to a maximum of 100 per cent of its Net Asset Value and long to a maximum of 200 per cent of its Net Asset Value.

The Fund under normal circumstances employs leverage of around 200 per cent of its Net Asset Value. The leverage employed by the Fund will not exceed 350 per cent of Net Asset Value. This figure is calculated as the sum of the absolute value of notional of the derivatives used as is required by the UCITS Regulations. This figure does not take into account any netting and hedging arrangements that the Fund has in place at any time even though these netting and hedging arrangements are used for risk reduction purposes which is why the figure may be considered high. As these netting and hedging arrangements, if taken into account, may reduce the level of exposure, this calculation may not provide an accurate measure of the Fund’s actual leverage position.

All investments will be made in accordance with the UCITS Regulations as summarised in Appendix 1 of the Prospectus.

Investment Process:

The Investment Manager has sole discretion to make trading and investment decisions for the Fund using its skill, experience and judgement, in order to fulfil the stated Investment Policy. The Investment Manager may use multiple sources of information in making such decisions. However, the most relevant medium-term drivers for investment decisions will typically include macro data such as economic statistics, earnings estimates, company news, accounting ratios, options data, stock exchange statistics, money flows, interest rates, bond yields, credit ratings and exchange rates. Short-term market drivers such as breaking news, surprise data and political events may also be particularly relevant for tactical asset allocation, including intra-day investment opportunities.

The investment approach will combine different types of analysis being undertaken prior to an investment being made, including:

- **Fundamental Analysis** through the use of proprietary valuation models in order to determine theoretical values and identify under-valued or over-valued assets;
- **Macroeconomic** through the analysis of economic data and other leading indicators to develop investment models based on the relationships between such data and indicators;
- **Relative value** through the comparison of valuations between pairs of investments within an asset class or across asset classes in order to identify under-valued and over-valued assets and take long or short positions accordingly; and
- **Technical Analysis** which consists of the analysis of past market data, primarily price and volume, in order to identify price patterns and trends in financial markets in an attempt to take advantage of such patterns, where, for example an asset has been under or over valued.

The proportion of the portfolio to be invested in the different investment strategies varies according to market conditions and the Investment Managers view.

Depending on market conditions, if the exposure to a certain market or underlying asset is considered too high or not in line with the Fund's Investment Objective, the Investment Manager may seek to reduce the Fund's exposure to such market or underlying asset by entering into a transaction in a FDI or transferable security linked to the relevant assets.

Profile of Typical Investor in the Fund

The typical investor in the Fund will be an institutional investor who understands and appreciates the risks associated with investing in Shares of the Fund. Investment in the Fund should be determined by the attitude to risk, wish for income or growth, intended investment time horizon of medium to long term and in the context of the investor's overall portfolio. The typical investor in the Fund would have a medium tolerance to volatility. Investors should seek professional advice before making investment decisions.

Currency Hedging

The Fund may seek (but shall be under no obligation) to limit the impact on Net Asset Value of residual currency exposures resulting from an imbalance of investments priced in different currencies. The Fund may also seek (but shall be under no obligation) to use currency hedging techniques in an attempt to enhance returns. Hedges may be carried out at the Investment Manager's discretion based on an assessment of what is the acceptable currency risk and the cost of the hedges.

Distribution Policy

It is not envisaged that any income or gains will be distributed by the Fund by way of dividend. This does not preclude the Directors from declaring a dividend at any time in the future if they consider it appropriate to do so. In such case, full details will be provided in an updated Supplement and Shareholders will be notified in advance if the Directors declare a dividend.

Risk Management

The Fund will comply with the investment restrictions and limits set out in the UCITS Regulations.

Value at Risk

In addition, the Fund will use an absolute VaR approach to calculate daily its global exposure. The Fund uses an absolute VaR limit of 6.5 per cent for a one tailed 99 per cent confidence interval, using a 1 month time horizon and a 1 year observation period (250 business days). The Investment Manager's absolute VaR approach has been extensively tested across a large number of trading strategies in the Investment Manager's proprietary database, and the relevance of the results have been validated against historical values.

Investors should be aware that VaR is a way of measuring the maximum potential loss due to market risk with a given degree of confidence (i.e. probability) under normal market conditions. Accordingly, under abnormal market conditions, the Fund could be exposed to losses which are much greater than envisaged using VaR.

It should be noted that VaR does not explicitly measure leverage. VaR is a statistical risk measure and the actual maximum loss of a particular trading strategy or the Fund overall may exceed the loss indicated by the use of VaR.

Leverage

The Fund under normal circumstances employs leverage of around 200 per cent of its Net Asset Value. The leverage employed by the Fund will not exceed 350 per cent of Net Asset Value. This figure is calculated as the sum of the absolute value of notionals of the derivatives used as is required by the UCITS Regulations. This figure does not take into account any netting and hedging arrangements that the Fund has in place at any time even though these netting and hedging arrangements are used for risk reduction purposes which is why the figure may be considered high. As these netting and hedging arrangements, if taken into account, may reduce the level of exposure, this calculation may not provide an accurate measure of the Fund's actual leverage position.

Furthermore, investors should note that the use of high levels of leverage may increase losses and result in investors suffering more extensive losses under abnormal market conditions.

In order to manage risks resulting from abnormal market conditions, the Investment Manager will use specific risk management techniques, including (but not limited to) taking into account the existence of extreme price movements in its VaR calculation, and reducing the Fund's leverage as required.

Investment in collective investment schemes:

The Fund may invest up to 10 per cent of its net assets in aggregate in the units of other UCITS or other non-UCITS collective investment schemes. Any non-UCITS collective investment schemes may consist of regulated collective investment schemes domiciled in a member state of the EEA, the US, Jersey, Guernsey or the Isle of Man.

Cross-Investment:

Where it is appropriate to its investment objective and policies the Fund may invest in other Funds of the Company (once these are established). The Fund may invest in other Funds of the Company, but may only invest in another Fund if the Fund in which it is investing does not itself hold Shares in any other Fund of the Company. The Fund shall not invest in its own Shares. Where the Fund invests in the Shares of another Fund of the Company: (i) the Investment Manager will waive the initial charge which it is entitled to charge for its own account; (ii) the Investment Manager will waive that portion of its Investment Management Fee in order to avoid a double charge. Any investment made in other Funds of the Company shall be subject to the investment restrictions stated above under "Investment in collective investment schemes".

Valuation Point:

11.59 p.m. (Dublin time) on the Business Day immediately preceding the relevant Dealing Day.

Dealing Day:

Weekly every Monday, commencing on the first Monday following the close of the Initial Offer Period. In the event that a Dealing Day is not a Business Day, as described below, the next Business Day shall

become the Dealing Day.

Business Day: Any day on which banks are open for business in Dublin and London and/or such other place or places and such other day or days as the Directors may determine.

Dealing Request Deadline: 12.00 noon (Dublin time) three Business Days immediately preceding the relevant Dealing Day or such other time as the Directors may determine and notify to Shareholders in advance provided always that the Dealing Request Deadline is no later than the Valuation Point.

In the event of subscriptions, in addition to a duly completed application form being received by the Dealing Request Deadline, cleared funds in the relevant currency in respect of the subscription monies must be received by the Administrator by 5.00 p.m. on the date of the Dealing Request Deadline. Applications for Shares will not be dealt with and Shares will not be issued until receipt of notification that an applicant's funds have been cleared in the full amount of the subscription.

Deferred Redemptions: Redemption requests submitted at a particular Dealing Day may be deferred in accordance with the terms of the Prospectus to the next Dealing Day where the requested redemptions exceed 10 per cent of a Fund's Net Asset Value.

Price Publication: The Net Asset Value per Share will be published no later than three Business Days of each Valuation Point and updated following each calculation of Net Asset Value. Such prices will be up to date as of the time of publication.

Share Classes and types of Shares: Shares

A Shares US\$ A Shares (Accumulation Shares)
Euro A Shares (Accumulation Shares)

B Shares US\$ B Shares (Accumulation Shares)
Euro B Shares (Accumulation Shares)

Base currency: US Dollar

Offer of Shares

Following the close of the Initial Offer Period, Shares will be available for subscription at the Subscription Price on each Dealing Day on a forward pricing basis. The Subscription Price will be equal to the Net Asset Value per Share as at the relevant Valuation Point. The Investment Manager may also charge a preliminary charge on such a subscription for Shares as set out under "Fees and Expenses" below.

	US\$ A Shares	Euro A Shares	US\$ B Shares	Euro B Shares
Initial Offer Price	US\$100	€100	US\$100	€100

Minimum Subscription*	US\$100,000	€100,000	US\$10,000	€10,000
Minimum Additional Subscription	US\$10,000	€10,000	US\$5,000	€5,000
Minimum Holding	US\$100,000	€100,000	US\$10,000	€10,000

*(Investors should refer to the section of the Prospectus headed “Important Information” which may refer to an alternative minimum subscription requirement for investors from a particular country)

Once the Minimum Subscription has been subscribed for, Shareholders are required to maintain the relevant Minimum Holding in the Fund, which shall be the same amount as the Minimum Subscription (ignoring any fluctuation in the Net Asset Value of Shares as a result of market movement).

The Directors may reduce or waive the Minimum Holding, the Minimum Subscription and the Minimum Additional Subscription at their sole discretion.

Initial Offer Period

The Initial Offer Period will commence at 9.00 a.m. (Dublin time) on 17 July 2012 and close at 5.00 p.m. (Dublin time) on 30 April 2013 in respect of US\$ A Shares, and 31 August 2013 in respect of Euro A Shares and B Shares, or such other time and date as the Directors may in their absolute discretion determine.

Initial Charge

The Directors are permitted to impose an initial charge on the sale of Shares to an investor of up to 5 per cent of the amount subscribed and has discretion to waive this charge in whole or in part.

Dilution Levy

The Directors, having consulted with the Investment Manager, may, in their absolute discretion, apply to the Net Asset Value per Share a dilution levy of up to 3 per cent of net subscriptions/redemptions (as relevant) to cover dealing charges, costs, commission and taxes incurred by the Fund when dealing in its underlying investments, in circumstances where the Fund has received Share dealing instructions resulting in net redemptions or net subscriptions. A dilution levy may be charged in the circumstances described in more detail under the “Dilution Levy” paragraph in the “Fees and Expenses” section in the main body of the Prospectus.

Fees and Expenses

Investment Management Fee – 1 per cent p.a. in respect of A Shares, 2 per cent p.a. in respect of the B Shares (in each case an “IM Fee Percentage”)

The Investment Manager receives from the Company a monthly Investment Management Fee equal to 1/12 of the IM Fee Percentage per month of the Net Asset Value of the relevant Class of Shares (before deduction of that month’s fees, expenses, borrowings and interest together with Value Added Tax, if any on such fees and before deduction for any accrued Performance Fees).

Such fee is payable monthly in arrears and is accrued and calculated as at each Valuation Point.

Performance Fee – 10 per cent (the “Performance Percentage”)

The Performance Fee is calculated in respect of each calendar year (a “Calculation Period”). However, the first Calculation Period in respect of any Class of Shares is the period commencing on the Business Day immediately following the close of the Initial Offer Period for that Class and ending on 31 December in that year.

The Performance Fee is calculated and accrued as at each Valuation Point as an expense of the relevant Class and is payable to the Investment Manager in arrears within 14 Business Days of the end of each Calculation Period after verification of the calculation of the Performance Fee by the Custodian. No Performance Fee is payable until the Net Asset Value per Share exceeds the previous highest Net Asset Value per Share on which a Performance Fee was paid, in accordance with the methodology described below.

In the case of Shares redeemed during a Calculation Period, the accrued Performance Fee in respect of those Shares will be payable within 14 Business Days after the date of redemption. Crystallised Performance Fees shall remain in the relevant Class (but shall not participate in subsequent gains and losses of the relevant Class) until paid to the Investment Manager, and shall not be used or made available to satisfy redemptions or pay any fees and expenses of the relevant Class. In the event of a partial redemption, and where the Performance Fee is calculated using the Equalisation Method (as described below), Shares will be treated as redeemed on a first in, first out (“fifo”) basis.

If the Investment Management Agreement is terminated during any calendar year the Performance Fee in respect of the then current Calculation Period will be calculated and paid as though the date of termination were the end of the relevant Calculation Period.

A Performance Fee charged using the Equalisation Method ensures that the Performance Fee is calculated on a Share-by-Share basis so that each Share is charged a Performance Fee which equates precisely with that Share’s performance. This method of calculation ensures that (i) any Performance Fee paid to the Investment Manager is charged only to those Shares which have appreciated in value, (ii) all holders of Shares of the same Class have the same amount of capital per Share at risk in the Fund in question, and (iii) all Shares of the same Class have the same Net Asset Value per Share.

For each Calculation Period, the Performance Fee in respect of each Share will be equal to 10 per cent of the appreciation in the Net Asset Value per Share of the relevant Class during that Calculation Period above the High Water Mark per Share of that Class.

The **High Water Mark per Share** is the greater of:-

- a) the Net Asset Value per Share as of the most recent end of calendar year at which a Performance Fee was paid in respect of such Share (after deduction of the Performance Fee then paid); and
- b) the Initial Offer Price per Share.

Adjustments required when charging a Performance Fee using the Equalisation Method

If an investor subscribes for Shares at a time when the Net Asset Value per Share of the relevant Class is other than the High Water Mark per Share of that Class, certain adjustments will be made to reduce inequities that could otherwise result to the Shareholder or to the Investment Manager.

Subscriptions below High Water Mark per Share:

- (A) If Shares are subscribed for at a time when the Net Asset Value per Share is less than the High Water Mark per Share of the relevant Class, the Shareholder will be required to pay a Performance Fee with respect to any subsequent appreciation in the value of those Shares. With respect to any appreciation in the value of those Shares from the Net Asset Value per Share at the date of subscription up to the High Water Mark per Share, the Performance Fee will be charged at the end of each Calculation Period by redeeming for nil consideration such number of the Shareholder's Shares of the relevant Class as have an aggregate Net Asset Value (after accrual for any Performance Fee) equal to the relevant Performance Percentage of any such appreciation, (a "Performance Fee Redemption"). An amount equal to the aggregate Net Asset Value of the Shares so redeemed will be paid to the Investment Manager as a Performance Fee. Performance Fee Redemptions are employed to ensure that the Fund maintains a uniform Net Asset Value per Share of each Class. As regards the Shareholder's remaining Shares of the relevant Class, any appreciation in the Net Asset Value per Share of those Shares above the High Water Mark per Share of that Class will be charged a Performance Fee in the normal manner described above.

Subscriptions above High Water Mark per Share:

- (B) If Shares are subscribed for at a time when the Net Asset Value per Share is greater than the High Water Mark per Share of the relevant Class, the Shareholder will be required to pay an amount in excess of the then current Net Asset Value per Share of that Class equal to the relevant Performance Percentage of the difference between the then current Net Asset Value per Share of that Class (before accrual for the Performance Fee) and the High Water Mark per Share of that Class (an "Equalisation Credit"). At the date of subscription, the Equalisation Credit will equal the Performance Fee per Share accrued with respect to the other Shares of the same Class in the Fund (the "Maximum Equalisation Credit"). The Equalisation Credit is payable to account for the fact that the Net Asset Value per Share of that Class has been reduced to reflect an accrued Performance Fee to be borne by existing Shareholders of the same Class and serves as a credit against Performance Fees that might otherwise be payable by the Fund but that should not, in equity, be charged against the Shareholder making the subscription because, as to such Shares, no favourable performance has yet occurred. The Equalisation Credit ensures that all holders of Shares of the same Class have the same amount of capital at risk per Share.

The additional amount invested as the Equalisation Credit will be at risk in the Fund and will therefore appreciate or depreciate based on the performance of the relevant Class subsequent to the issue of the relevant Shares but will never exceed the Maximum Equalisation Credit. In the event of a decline as at any Valuation Day in the Net Asset Value per Share of that Class, the Equalisation Credit will also be reduced by an amount equal to the relevant Performance Percentage of the difference between the Net Asset Value per Share of the relevant Class (before accrual for the Performance Fee) at the date of issue and as at that Valuation Day. Any subsequent appreciation in the Net Asset Value per Share of the relevant Class will result in the recapture of any reduction in the Equalisation Credit but only to the extent of the previously reduced Equalisation Credit up to the Maximum Equalisation Credit.

At the end of each Calculation Period, if the Net Asset Value per Share of the relevant Class (before accrual for the Performance Fee) exceeds the prior High Water Mark per Share of that Class, that portion of the Equalisation Credit equal to the relevant Performance Percentage of the excess, multiplied by the number of Shares of that Class subscribed for by the Shareholder, will be applied to subscribe for additional Shares of that Class for the Shareholder. Additional Shares of the relevant Class will continue to be so subscribed for at the end of each Calculation Period

until the Equalisation Credit, as it may have appreciated or depreciated in the Fund after the original subscription for that Class was made, has been fully applied.

If the Shareholder redeems its Shares of the relevant Class before the Equalisation Credit (as adjusted for depreciation and appreciation as described above) has been fully applied, the Shareholder will receive additional redemption proceeds equal to the Equalisation Credit then remaining multiplied by a fraction, the numerator of which is the number of Shares of that Class being redeemed and the denominator of which is the number of Shares of that Class held by the Shareholder immediately prior to the redemption in respect of which an Equalisation Credit was paid on subscription.

Redemption Charge

A redemption charge of up to 3 cent of the Net Asset Value per Share of the Shares being redeemed may be applied to the redemption of Shares in the Fund. The Directors may, in their absolute discretion, resolve to waive such charge. Where applied, a proportion of the charge up to 3 per cent of the Net Asset Value per Share of the Shares being redeemed shall be retained by the Fund for the benefit of ongoing Shareholders, and a proportion of the charge up to 3 per cent of the Net Asset Value per Share of the Shares being redeemed shall be paid to the Investment Manager, which may be applied to satisfy the Investment Manager's own operational costs linked to redemptions (including legal and administrative costs incurred in relation to the redemption of Total Return Swaps) and to marketing and distribution costs incurred in order to replace redeeming Shareholders.

Administration Fee

The Administrator is entitled to receive out of the assets of the Fund an annual fee, which fee is accrued daily and payable monthly in arrears, at a rate of up to 0.08 per cent of the Net Asset Value of the Fund (plus VAT, if any), subject to a minimum annual fee of €40,000. The minimum annual fee is applied at the level of the umbrella company. The allocation of such minimum umbrella fee shall be applied to the sub-funds by the umbrella in its absolute discretion whether pro-rata of in equal shares.

The Fund bears all of the reasonable out-of-pocket expenses of the Administrator on behalf of the Fund.

Custodian Fee

The Custodian is entitled to receive out of the assets of the Fund a per transaction fee of between EUR 15 to 50 for listed securities, and a custody fee charged as a percentage of assets held in custody, with a maximum charge of up to 0.20 per cent of the Net Asset Value of the Fund and which is accrued daily and payable monthly in arrears.

The Custodian shall also be entitled to be repaid, out of the assets of the Fund, the fees, transaction charges and expenses of any sub-custodian appointed by it which shall be at normal commercial rates together with VAT, if any, thereon.

The Fund bears all of the reasonable out-of-pocket expenses of the Custodian on behalf of the Fund.

Details on other fees and expenses to be incurred by the Company are detailed in the main body Prospectus under the heading entitled "Fees and Expenses".

Risk Factors

Investors' attention is particularly drawn to the section entitled "Risk Factors" on page 35 of the Prospectus.

In addition, investors' attention is drawn to the following risk factors relating specifically to the Fund:

Trade Execution Risk

Certain trading techniques used by the Investment Manager in relation to the "Satellite Portfolio" of the Fund (as described above) require the rapid and efficient execution of transactions. Inefficient execution can eliminate the small pricing differentials which the Investment Manager may attempt to exploit. The potentially adverse impact of inefficient trade executions will be increased by the Fund's potentially high turnover rate.