

**If you are in doubt about the contents of this Prospectus, you should consult your stockbroker, accountant, solicitor or other independent financial adviser.**

**ODEY INVESTMENT FUNDS PLC**

**(An open-ended umbrella type investment company with variable capital and with segregated liability between Sub-Funds incorporated with limited liability under the laws of Ireland, registered number 360460)**

Investment Manager

**ODEY ASSET MANAGEMENT LLP**

Dated: May 13, 2009

Q:\Commer\Prospectus2\O\Odey Investment Funds March 2009 DF.doc

## PRELIMINARY

*Odey Investment Funds plc (the "Company") is an open-ended umbrella type investment company with variable capital and with segregated liability between Sub-Funds incorporated with limited liability under the laws of Ireland and authorised by the Financial Regulator pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2003 (S.I. No. 211 of 2003) as amended by the European Communities (Undertakings for Collective Investment in Transferable Securities) (Amendment) Regulations, 2003 (S.I. No. 212 of 2003) as may be amended or supplemented from time to time and any notices or regulations that may from time to time be issued by the Financial Regulator affecting the Company (the "UCITS Regulations").*

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

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

*The Company may issue multiple Sub-Funds and different Classes of Shares within any Sub-Fund from time to time. New Sub-Funds may be established by the Directors with the prior approval of the Financial Regulator. New Classes of Shares may be established and notified to and cleared in advance with the Financial Regulator or otherwise must be created in accordance with the requirements of the Financial Regulator. A Supplement for each new Sub-Fund and one or more Classes of Shares, if applicable, will be issued by the Directors at the time of the creation of any Sub-Fund or Class.*

*This Prospectus may only be issued with one or more Supplements each containing information relating to a particular Sub-Fund or Class of Shares in a particular Sub-Fund. This Prospectus and the relevant Supplements should be read and construed as one document.*

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

*This Prospectus does not constitute, and may not be used for the purposes of, an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised, or*

*to any person to whom it is unlawful to make such offer or solicitation. The distribution of this Prospectus and the offering of Shares in certain jurisdictions may be restricted and, accordingly, persons into whose possession this Prospectus comes are required to inform themselves about, and to observe, such restrictions. Prospective investors should inform themselves as to (a) the legal requirements within their own jurisdictions for the purchase or holding of Shares, (b) any foreign exchange restrictions which may affect them, and (c) the income and other tax consequences which may apply in their own jurisdictions relevant to the purchase, holding or disposal of Shares.*

*The Company has been registered with the Swiss Federal Banking Commission as a foreign collective investment scheme under Article 120 of the Swiss Collective Investment Schemes Act of 23 June 2006. Accordingly, the Shares may be offered or distributed on a professional basis in or from Switzerland and this Prospectus or any other offering material relating to the Shares may be distributed in connection with any such offering or distribution.*

*The Shares have not been nor will they be registered under the United States Securities Act of 1933, as amended (the "Securities Act"), or qualified under applicable State statutes. Neither the Company nor the Investment Manager will be registered as Investment Managers under the United States Investment Managers Act of 1940 as amended. Accordingly the Shares may not be offered, sold or delivered, directly or indirectly, in the United States of America, its territories or possessions and all areas subject to its jurisdiction (the "United States") or to or for the account of any US Person (as defined below) (except in accordance with an applicable exemption from the registration requirements of the Securities Act). Except as set out below and as permitted by the Company, the Shares may not be purchased or held by US Persons at any time and any US Person, without such approval, who is the holder of Shares will not be entitled to the benefits accorded to Shareholders.*

*Notwithstanding the foregoing, the issue of Shares may be arranged by the offer and sale of Shares to US Persons (in accordance with an applicable exemption from the registration requirements of the Securities Act) and who, prior to the acceptance of their application for Shares, confirm in writing to the Administrator that they may purchase and hold Shares in accordance with an applicable exemption from the registration requirements of the Securities Act and agree to indemnify and keep indemnified the Company against any loss or damage which it might incur as a result of such confirmation being incorrect.*

*For purposes of this Prospectus, the term US Person shall have the meaning prescribed in Regulation S under the Securities Act, and thus shall include, (i) any natural person resident in the United States; (ii) any partnership or corporation organised or incorporated under the laws of the United States; (iii) any estate of which any executor or administrator is a US Person; (iv) any trust of which any trustee is a US Person; (v) any agency or branch of a foreign entity located in the United States; (vi) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a US Person; (vii) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated, or (if an individual) resident in the United States; and (viii) any partnership or corporation if: (A) organised or incorporated under the laws of any foreign jurisdiction; and (B) formed by a US Person principally for the purpose of investing in securities not registered under the Securities Act, unless it is organised or incorporated, and owned, by accredited investors (as defined in Rule 501(a) under the Securities Act) who are not natural persons, estates or trusts.*

*Applicants will be required to certify that they are not US Persons or that they may purchase and hold shares in accordance with a US applicable exemption..*

*The Company is a recognised collective investment scheme for the purposes of Section 264 of the Financial Services and Markets Act 2000 (“FSMA”). Therefore, the Company may be marketed to the general public in the UK.*

*Certain rules made under the FSMA for the protection of retail clients will not apply to UK investors. Compensation under the Financial Services Compensation Scheme will generally not be available to UK investors.*

*Shares in the Company confer rights against the Company in accordance with the Articles of Association of the Company. Voting rights are attached to Shares in the Company and the Company will hold an annual general meeting of Shareholders at which votes attaching to Shares may be exercised.*

*In connection with the Company’s recognition under Section 264 of the FSMA, the Company will maintain the facilities required of a recognised scheme under the rules contained in the Collective Investment Schemes Sourcebook (produced by the Financial Services Authority in the UK (“FSA”)), at the offices of the Investment Manager. Such facilities will enable, among other things:*

- (a) a Shareholder to redeem his Shares and to obtain the payment of the price on redemption;*
- (b) information to be obtained orally and in writing about the Company’s most recently published Share prices; and*
- (c) any person who has a complaint to make about the operation of the Company to submit his complaint in writing for transmission to the Company.*

*The Company may at any time repurchase, or request the transfer of, Shares held by persons who are excluded from purchasing or holding Shares under the Articles.*

*The Investment Manager may effect transactions by or through the agency of another person with whom the Investment Manager and any entity related to the Investment Manager have arrangements under which that party will from time to time provide or procure for the Investment Manager or any party related to the Investment Manager goods, services or other benefits such as research and advisory services, computer hardware associated with specialised software for research and performance measures etc., the nature of which is such that their provision can reasonably be expected to benefit the Sub-Funds and may contribute to an improvement in the performance of the Sub-Funds and of the Investment Manager or any entity related to the Investment Manager in providing services to the Sub-Funds and for which no direct payment is made but instead the Investment Manager and any entity related to the Investment Manager undertake to place business with that party. For the avoidance of doubt, such goods and services do not include travel, accommodation, entertainment, general administrative goods or services, general office equipment or premises, membership fees,*

*employees' salaries or direct money payments. Where the Investment Manager enters into commission dealing arrangements it must ensure that:*

- (i) the broker or counterparty to the arrangement has agreed to provide best execution to the Sub-Funds;*
- (ii) benefits provided under the arrangement must be those which assist in the provision of investment services to the Sub-Funds;*
- (iii) there is adequate disclosure in the periodic reports issued by the Company.*

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

*There is no prohibition on dealings in the assets of the Company by the Administrator, the Custodian, the Investment Manager or entities related to the Administrator, to the Custodian or to the Investment Manager provided the transaction is carried out as if effected on normal commercial terms negotiated at arm's length, is in the best interests of Shareholders and*

- (a) a person approved by the Custodian (or in the case of a transaction involving the Custodian, the Directors) as independent and competent certifies the price at which the transaction is effected is fair; or*
- (b) the execution of the transaction is on best terms on organised investment exchanges under their rules; or*
- (c) where (a) and (b) above are not practical, the transaction is executed on terms which the Custodian (or in the case of a transaction involving the Custodian, the Directors are) is satisfied conform to normal commercial terms negotiated at arm's length and is in the best interests of Shareholders.*

***Investors should note that because investments in securities can be volatile and that their value may decline as well as appreciate, there can be no assurance that a Sub-Fund will be able to attain its objective. The price of Shares as well as the income therefrom may go down as well as up to reflect changes in the Net Asset Value of a Sub-Fund.***

***As each Sub-Fund of the Company may invest up to 10% of its net assets in warrants, an investment (i) should only be made by those persons who could sustain a loss on their investment; (ii) should not constitute a substantial proportion of an investment portfolio; and (iii) may not be appropriate for all investors.***

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

## CONTENTS

	Page
PRELIMINARY .....	2
DEFINITIONS .....	7
THE COMPANY .....	14
Establishment and Duration .....	14
Structure .....	14
Investment Objectives and Policies .....	15
Eligible Assets and Investment Restrictions .....	16
Distribution Policy .....	22
Application for Shares.....	23
Issue of Shares.....	24
Repurchase of Shares .....	25
Compulsory Repurchase of Shares .....	26
Switching of Shares.....	27
Transfer of Shares .....	28
Calculation of Net Asset Value.....	28
MANAGEMENT AND ADMINISTRATION OF THE COMPANY .....	33
Directors .....	33
Investment Manager and Global Distributor.....	33
Administrator and Registrar .....	34
Custodian.....	34
Paying Agents .....	35
Distributors.....	35
Conflicts of Interest.....	35
Fees and Expenses.....	36
Accounts and Information.....	38
RISK FACTORS.....	39
TAXATION .....	46
APPENDIX I - GENERAL INFORMATION.....	577
APPENDIX II - RECOGNISED EXCHANGES .....	63
SPECIFIC INFORMATION FOR THE ATTENTION OF SWISS INVESTORS.....	67
SUPPLEMENT 1	
SUPPLEMENT 2	
SUPPLEMENT 3	

## DEFINITIONS

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

<b><i>“Accounting Date”</i></b>	the date by reference to which the annual accounts of the Company shall be prepared and shall be December 31 in each year or such other date as the Directors may from time to time decide;
<b><i>“Accounting Period”</i></b>	a period ending on an Accounting Date and commencing from the end of the last Accounting Period;
<b><i>“Administration Agreement”</i></b>	an agreement dated October 25, 2002, between the Company and the Administrator, as amended by a first supplemental agreement dated November 5, 2004, a second supplemental agreement dated May 30, 2006, as novated by a novation agreement dated January 3, 2006 and as amended by a third supplemental agreement dated November 1, 2007;
<b><i>“Administrator”</i></b>	RBC Dexia Investor Services Ireland Limited or any successor company appointed by the Company and appointed in accordance with the requirements of the Financial Regulator as administrator of the Company's and of each Sub-Fund's affairs;
<b><i>“Articles”</i></b>	the Memorandum and Articles of Association of the Company, as amended from time to time with the prior approval of the Financial Regulator;
<b><i>“Base Currency”</i></b>	the currency in which the Shares of a Sub-Fund are denominated;
<b><i>“Board” or “Directors”</i></b>	the board of directors of the Company, including duly authorised committees of the board of directors;
<b><i>“Business Day”</i></b>	every day which is a bank business day in Ireland, Luxembourg and London;
<b><i>“Class of Shares”</i></b>	a particular class of Shares in a Sub-Fund;
<b><i>“Company”</i></b>	Odey Investment Funds plc;
<b><i>“Custodian”</i></b>	RBC Dexia Investor Services Bank S.A., Dublin Branch, or any successor company appointed by the Company and approved by the Financial Regulator as custodian of the assets of the Company and of each Sub-Fund;

<b><i>"Custodian Agreement"</i></b>	an agreement dated October 25, 2002 between the Company and the Custodian, as amended by a first supplemental agreement dated November 5, 2004, a second supplemental agreement dated May 29, 2006, as novated by a novation agreement dated January 3, 2006 and as amended by a third supplemental agreement dated November 1, 2007;
<b><i>"Dealing Day"</i></b>	unless otherwise specified in the relevant Supplement for a particular Sub-Fund, every Business Day or such day or days in each year as the Directors may from time to time determine for each Sub-Fund provided there shall be at least two Dealing Days in each month;
<b><i>"Distribution Date"</i></b>	the date or dates by reference to which a distribution may at the option of the Company be declared;
<b><i>"Distribution Period"</i></b>	any period ending on an Accounting Date or a Distribution Date as the Company may select and beginning on the day following the last preceding Accounting Date, or the day following the last preceding Distribution Date, or the date of the initial issue of Shares of a Sub-Fund, as the case may be;
<b><i>"Distributors"</i></b>	any one or more companies appointed by the Global Distributor as distributors of the Shares of the Company and of each or any Sub-Fund;
<b><i>"Duties and Charges"</i></b>	all stamp and other duties, taxes, governmental charges, evaluation fees, agents' fees, brokerage fees, bank charges, transfer fees, registration fees, and other charges whether in respect of the constitution or increase of the assets of the Company, or the creation, exchange, sale, purchase or transfer of Shares or the purchase, transfer, sale or exchange or proposed purchase, transfer, sale or exchange of investments, market spread or in respect of any share certificates or otherwise which may have become payable in respect of or prior to or upon the occasion of any transaction, dealing or valuation but does not mean commission payable to agents or brokers on the issue of Shares;
<b><i>"Exempt Irish Investor"</i></b>	<ul style="list-style-type: none"> <li>- a pension scheme which is an exempt approved scheme within the meaning of Section 774 of the Taxes Act or a retirement annuity contract or a trust scheme to which Section 784 or 785 of the Taxes Act applies;</li> <li>- a company carrying on life business within the meaning of Section 706 of the Taxes Act;</li> <li>- an investment undertaking within the meaning of Section 739B(1) of the Taxes Act;</li> <li>- a special investment scheme within the meaning of Section 737 of the Taxes Act;</li> </ul>

- 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 specified company within the meaning of Section 734(1) of the Taxes Act;
- a qualifying fund manager within the meaning of Section 784A(1)(a) of the Taxes Act where the Shares held are assets of an approved retirement fund or an approved minimum retirement fund;
- a qualifying 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;
- a company which is within the charge to corporation tax in accordance with Section 110(2) of the Taxes Act in respect of payments made to it by the Company; or
- any other Irish Resident or persons who are Ordinarily Resident in Ireland who may be permitted to own Shares under taxation legislation or by written practice or concession of the Revenue Commissioners without giving rise to a charge to tax in the Company or jeopardising tax exemptions associated with the Company giving rise to a charge to tax in the Company;

provided that they have correctly completed the Relevant Declaration.

***"Financial Regulator"***

the Irish Financial Services Regulatory Authority;

***"Global Distributor"***

Odey Asset Management LLP or any other person or persons for the time being duly appointed global distributor of the Shares in succession to Odey Asset Management LLP;

***"Global Distribution Agreement"***

an agreement dated October 25, 2002, between the Company and the Global Distributor, as novated by a novation agreement dated November 21, 2002 and as amended by a first supplemental agreement dated May 29, 2006;

***"Intermediary"***

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 units in an investment undertaking on behalf of other persons;

***"Investment Manager"***

Odey Asset Management LLP or any successor company appointed by the Company and appointed in accordance with the requirements of the Financial Regulator as Investment Manager of the Company and of each Sub-Fund;

***"Investment Management Agreement"***

an agreement dated October 25, 2002, between the Company and the Investment Manager, as novated by a novation agreement dated November 21, 2002 and as amended by a first supplemental agreement dated November 5, 2004, a second supplemental agreement dated May 29, 2006 and a third supplemental agreement dated September 17, 2008;

***"Ireland"***

the Republic of Ireland;

***"Irish Resident"***

for the present purposes 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.

An individual will be regarded as being resident in Ireland for a twelve month tax year if he/she is present in Ireland: (1) for a period of at least 183 days in that twelve month 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 twelve month period. In determining days present in Ireland, an individual is deemed to be present if he/she is in Ireland at the end of the day (midnight).

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

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

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

or

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

It should be noted that the determination of a company's residence for tax purposes can be complex in certain cases and potential investors are referred to the specific legislative provisions that are contained in Section 23A of the Taxes Act.

***"Management Share"***

a management share in the capital of the Company;

***"Member State"***

a member state of the European Union;

***"Net Asset Value of the Company"***

the aggregate Net Asset Value of all the Sub-Funds;

***"Net Asset Value of a Sub-Fund"***

the net asset value of a Sub-Fund calculated in accordance with the provisions of the Articles, as described under "The Company - Calculation of Net Asset Value";

***"Net Asset Value per Share"***

the net asset value per Share of a Sub-Fund calculated in accordance with the provisions of the Articles, as described under "The Company - Calculation of Net Asset Value";

***"Ordinarily Resident in Ireland"***

- 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 he/she has been Irish Resident for the three previous consecutive tax years (i.e. he/she becomes ordinarily resident with effect from the commencement of the fourth tax year). An individual will remain ordinarily

resident in Ireland until he/she has been non-Irish Resident for three consecutive tax years. Thus, an individual who is resident and ordinarily resident in Ireland in the tax year 1 January 2008 to 31 December 2008 and departs from Ireland in that tax year will remain ordinarily resident up to the end of the tax year 1 January 2011 to 31 December 2011.

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

***"Paying Agent"***

means one or more paying agents appointed by the Company in certain jurisdictions in accordance with the requirements of the Financial Regulator;

***"Recognised Clearing System"***

means Deutsche Bank AG, Depository and Clearing System, 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.

***"Recognised Exchange"***

any regulated stock exchange or market on which a Sub-Fund may invest. A list of those stock exchanges or markets is contained in Appendix II hereto;

***"Register"***

the register in which the names of the Shareholders of the Company are listed;

***"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.

***"Repurchase Price"***

the Net Asset Value per Share of a Sub-Fund or Class of Shares deducting such sum as the Directors consider appropriate for Duties and Charges;

***"Securities Act"***

the United States Securities Act of 1933, as amended;

***"Shareholder"***

a person who is registered as the holder of Shares in the register for the time being kept by or on behalf of the Company;

<b>"Shares"</b>	participating shares of no par value in the capital of the Company, designated as participating shares in one or more Sub-Funds;
<b>"Sub-Fund"</b>	a Sub-Fund of the Company established by the Directors from time to time with the prior approval of the Financial Regulator;
<b>"Subscription Price"</b>	the Net Asset Value per Share of a Sub-Fund or Class of Shares plus such sum as the Directors consider appropriate for Duties and Charges;
<b>"Supplement"</b>	a Supplement to this Prospectus detailing the specific information relating to any particular Sub-Fund and one or more Classes of Shares, if applicable;
<b>"Taxes Act"</b>	The Taxes Consolidation Act, 1997 (of Ireland) as amended.
<b>"UCITS"</b>	an Undertaking for Collective Investment in Transferable Securities established pursuant to EC Council Directive 85/611/ECC of 20 December, 1985, as amended;
<b>"UCITS Notices"</b>	a notice or notices with respect to UCITS issued from time to time by the Financial Regulator as the competent authority with responsibility for the authorisation and supervision of Irish UCITS;
<b>"UCITS Regulations"</b>	the European Communities Undertakings for Collective Investment in Transferable Securities) Regulations, 2003 (S.I. No. 211 of 2003) (as amended consolidated or substituted from time to time) and any regulations or notices issued by the Financial Regulator pursuant thereto for the time being in force;
<b>"United States"</b>	the United States of America and any state, territory, or possession thereof, any area subject to its jurisdiction, the District of Columbia and any enclave of the United States government or its agencies or instrumentalities;
<b>"Valuation Day"</b>	the Business Day immediately preceding a Dealing Day;
<b>"VAT"</b>	any value added tax, goods and services tax, sales tax or other similar tax imposed by any country.

In this Prospectus, unless otherwise specified, all references to "billion" are to one thousand million, to "US Dollars", "US\$" or "cents" are to United States US Dollars or cents, "Stg", "Sterling" are to Great British Pounds and to "Euro" is to Euro.

## THE COMPANY

### Establishment and Duration

The Company was incorporated on August 21, 2002 under the laws of Ireland as an open-ended umbrella type investment company with variable capital, limited liability, with segregated liability between Sub-Funds and has been authorised by the Financial Regulator pursuant to the UCITS Regulations. The Company's share capital is at all times equal to the Net Asset Value of the Company.

Although the Company has an unlimited life, it may at any time, by giving not less than four nor more than twelve weeks' notice to the Shareholders, expiring on a Dealing Day, repurchase at the Repurchase Price prevailing on such Dealing Day all the Shares in each or any Sub-Fund then outstanding.

### Structure

The Company is an umbrella type collective investment vehicle broken down into distinct Sub-Funds. Additional Sub-Funds may, with the prior approval of the Financial Regulator, be added by the Directors. The name of each subsequent Sub-Fund, the terms and conditions of its initial offer of Shares, details of its investment objectives, policies and restrictions and of any applicable fees and expenses shall be set out in the relevant Supplement to this Prospectus.

Each Sub-Fund may be further sub-divided into Classes of Shares with different rights or benefits thereof. Prior to the issue of any Shares, the Directors will designate the Sub-Fund and Class of Shares (if appropriate) from which such Shares shall be issued. A separate pool of assets will not be maintained for each Class of Shares. A separate portfolio will be maintained for each Sub-Fund and will be invested in accordance with the investment objectives applicable to such Sub-Fund. The assets of each Sub-Fund shall initially be constituted out of the proceeds of the initial issue of Shares in the Sub-Fund. Thereafter the assets of each Sub-Fund shall include the investments, cash and other property arising from such proceeds and the proceeds of any Shares in the Sub-Fund subsequently issued. New Sub-Funds may be established by the Directors with the prior approval of the Financial Regulator. New Classes of Shares may be established and notified to and cleared in advance with the Financial Regulator or otherwise must be created in accordance with the requirements of the Financial Regulator.

A Class of Shares may be designated in a currency other than the Base Currency of the relevant Sub-Fund as detailed in the relevant Supplement. The Investment Manager may try to mitigate this risk by using financial instruments, such as foreign exchange spot and forward contracts, as a hedge. If the Investment Manager enters into such transactions then they will each be solely attributable to the relevant Class of Shares and may not be combined or offset against the exposures of other classes or specific assets. In such circumstances, Shareholders of that Class may be exposed to fluctuations in the Net Asset Value per Share reflecting the gains/losses on and the costs of the relevant financial instruments and this strategy may limit holders of the Class from benefiting if the Class currency falls against the Base Currency of the Sub-Fund and/or the currency in which the assets of the scheme are denominated. Where the Investment Manager seeks to hedge against currency fluctuations, while not intended, this could result in over-hedged or under-hedged positions due to external factors outside the control of the Company. However over-hedged positions will not exceed 105% of the Net Asset Value and hedged positions will be kept under review to ensure that positions in excess of 100% of Net

Asset Value will not be carried forward from month to month. To the extent that hedging is successful for a particular Class the performance of the Class is likely to move in line with the performance of the underlying assets with the result that investors in that Class may not gain if the Class currency falls against the Base Currency and/or the currency in which the assets of the particular Sub-Fund are denominated. Where the Investment Manager intends to enter into such hedging transactions it will be disclosed in the Supplement to the relevant Sub-Fund.

Monies subscribed for each Sub-Fund should be in the Base Currency of the relevant Sub-Fund or the designated currency of a Class, as applicable.

The Company is an umbrella-type investment company with segregated liability between Sub-Funds, therefore, all liabilities shall be binding on the relevant Sub-Fund to which they are attributable. The assets and liabilities of the Company shall be allocated to each Sub-Fund in the following manner:

- (i) for each Sub-Fund, the Company shall keep separate books and records in which all transactions relating to the relevant Sub-Fund shall be recorded and, in particular, the proceeds from the issue of Shares in each Sub-Fund shall be applied in the books of the Company to that relevant Sub-Fund, and the assets and liabilities and income and expenditure attributable thereto shall be applied to such Sub-Fund subject to the provisions below;
- (ii) any asset derived from another asset of a Sub-Fund shall be applied in the books of the relevant Sub-Fund as the asset from which it was derived and on each valuation of an asset, the increase or diminution in value thereof shall be applied to the relevant Sub-Fund;
- (iii) where the Company incurs a liability which relates to any asset of a particular Sub-Fund or to any action taken in connection with an asset of a particular Sub-Fund, such liability shall be allocated to the relevant Sub-Fund;
- (iv) in the case where an asset or a liability of the Company cannot be considered as being attributable to a particular Sub-Fund, the Directors shall have the discretion subject to the approval of the Auditors to determine the basis upon which such asset or liability shall be allocated between the Sub-Funds;

provided that all liabilities shall (in the event of a winding up of the Company or a repurchase of all of the Shares of the Sub-Fund) be binding on the relevant Sub-Fund to which they are attributable.

### **Investment Objectives and Policies**

The sole object for which the Company has been established is the collective investment of capital raised from the public in transferable securities of any kind which operates on the principle of risk spreading in accordance with the UCITS Regulations. The specific investment objective and policy to be pursued by a particular Sub-Fund and the instruments in which the assets of the Sub-Fund will be invested shall be specified in the Supplement for the Sub-Fund.

## **General**

The investment return to Shareholders in a particular Sub-Fund is related to the Net Asset Value of that Sub-Fund which in turn is primarily determined by the performance of the portfolio of investments held by that Sub-Fund. Where reference to a specific index is made in the investment policy of a Sub-Fund, the Investment Manager may, without assuming a change in that investment policy, change the reference index to any other index representing a similar or generally consistent exposure where, for reasons outside the Investment Manager's control, the original reference index is no longer the benchmark index for that exposure.

Pending investment of the proceeds of a placing or offer of Shares or where market or other factors so warrant, a Sub-Fund's assets may, subject to the investment restrictions set out under the heading "Investment Restrictions" below, be held as money market instruments and cash deposits (held as ancillary liquid assets) denominated in such currency or currencies as the Investment Manager may from time to time determine.

A Sub-Fund may also hold or maintain ancillary liquid assets including but not limited to time deposits, master demand notes and variable rate demand notes, subject to the investment restrictions set out under the heading "Investment Restrictions" below.

The Directors, in consultation with the Investment Manager, are responsible for the formulation of each Sub-Fund's investment objectives and investment policies and any subsequent changes to those objectives or policies. The investment objective of a Sub-Fund as disclosed in the relevant Supplement may not be altered without approval of Shareholders on the basis of a majority of votes cast at a general meeting. A material change in the investment policy of a Sub-Fund shall also require prior Shareholder approval on the basis of a majority of votes cast at a general meeting of Shareholders. In the event of a change of investment objective and/or investment policies a reasonable notification period shall be provided by the Directors to enable Shareholders to seek repurchase of their Shares prior to implementation of such changes.

The Company will employ a risk management process which will enable it to monitor and measure the risk attached to financial derivative positions and details of this process have been provided to the Financial Regulator. 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 received by the Financial Regulator. 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.

## **Efficient Portfolio Management**

Where considered appropriate, the Sub-Fund may utilise techniques and instruments, such as futures, options, stocklending arrangements and forward currency contracts, for efficient portfolio management and/or to protect against exchange risks subject to the conditions and within the limits laid down by the Financial Regulator. Forward foreign exchange contracts may be used for hedging purposes or to alter the currency characteristics of transferable securities held by the Sub-Fund where the Investment Manager considers it economically appropriate or to reflect the Investment Manager's views on the likely movement of currencies.

Because currency positions held by the Sub-Fund may not correspond with the asset positions held performance may be strongly influenced by movements in foreign exchange rates.

## **Eligible Assets and Investment Restrictions**

The Company is authorised as a UCITS pursuant to the UCITS Regulations. In any event the Company will comply with the UCITS Notices. Pursuant to the provision of the UCITS Regulations, each Sub-Fund is subject to the investment restrictions set out below. Additional investment restrictions may be set out in the relevant Supplement for each Sub-Fund.

### *(1) Permitted Investments*

Investments of a Sub-Fund are confined to:

- (i) Transferable securities and money market instruments which are either admitted to official listing on a stock exchange in a Member State or non-Member State or which are dealt on a market which is regulated, operating regularly, recognised and open to the public in a Member State or non-Member State.
- (ii) Recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year.
- (iii) Money market instruments, as defined in the UCITS Notices, other than those dealt on a regulated market.
- (iv) Units of UCITS as prescribed in the UCITS Notices.
- (v) Units of non-UCITS as set out in the Financial Regulator's Guidance Note 2/03.
- (vi) Deposits with credit institutions as prescribed in the UCITS Notices.
- (vii) Financial derivative instruments as prescribed in the UCITS Notices.

### *(2) Investment Restrictions*

- (i) A Sub-Fund may invest no more than 10% of net assets in transferable securities and money market instruments other than those referred to in section (1) above.
- (ii) A Sub-Fund may invest no more than 10% of net assets in recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described in paragraph 1(ii) above) within a year. This restriction will not apply in relation to investment by that relevant Sub-Fund in certain US securities known as Rule 144A securities provided that:
  - the securities are issued with an undertaking to register with the US Securities and Exchanges Commission within one year of issue; and
  - the securities are not illiquid securities i.e. they may be realised by a Sub-Fund within seven days at the price, or approximately at the price, at which they are valued by the UCITS.

- (iii) A Sub-Fund may invest no more than 10% of net assets in transferable securities or money market instruments issued by the same body provided that the total value of transferable securities and money market instruments held in the issuing bodies in each of which it invests more than 5% is less than 40%.
- (iv) Subject to the prior approval of the Financial Regulator, the limit of 10% (in paragraph 2(iii) above) is raised to 25% in the case of bonds that are issued by a credit institution which has its registered office in a Member State and is subject by law to special public supervision designed to protect bond-holders. If a Sub-Fund invests more than 5% of its net assets in these bonds issued by one issuer, the total value of these investments may not exceed 80% of the net asset value of that relevant Sub-Fund.
- (v) The limit of 10% (in paragraph 2(iii) above) is raised to 35% if the transferable securities or money market instruments are issued or guaranteed by a Member State or its local authorities or by a non-Member State or public international body of which one or more Member States are members.
- (vi) The transferable securities and money market instruments referred to in paragraph 2(iv) and 2(v) above shall not be taken into account for the purpose of applying the limit of 40% referred to in paragraph 2(iii) above.
- (vii) A Sub-Fund may not invest more than 20% of net assets in deposits made with the same credit institution.

Deposits with any one credit institution, other than credit institutions authorised in the remaining member states of the European Economic Area (Norway, Iceland, Liechtenstein) (“EEA”) or credit institutions authorised within a signatory state (other than an EEA member state) to the Basle Capital Convergence Agreement of July 1998, held as ancillary liquidity, must not exceed 10% of net assets.

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

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

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

- (ix) Notwithstanding paragraphs 2(iii), 2(vii) and 2(viii) above, a combination of two or more of the following issued by, made or undertaken with the same body may not exceed 20% of net assets:

- investments in transferable securities or money market instruments;
- deposits, and/or
- risk exposures arising from OTC derivatives transactions.

- (x) The limits referred to in paragraphs 2(iii), 2(iv), 2(v), 2(vii), 2(viii) and 2(ix) above may not be combined, so that exposure to a single body shall not exceed 35% of net

assets.

- (xi) Group companies are regarded as a single issuer for the purposes of paragraphs 2(iii), 2(iv), 2(v), 2(vii), 2(viii) and 2(ix) above. However, a limit of 20% of net assets may be applied to investment in transferable securities and money market instruments within the same group.
  - (xii) Subject to the prior approval of the Financial Regulator a Sub-Fund may invest up to 100% of its assets in different transferable securities issued or guaranteed by any Member State, its local authorities, the International Monetary Fund, the governments of Australia, Canada, Japan, New Zealand, Norway and Switzerland, the European Investment Bank, the European Union, Euratom, the World Bank, the Asian Development Bank, the Inter-American Development Bank and issues backed by the full faith and credit of the government of the United States of America and issues by the US Federal National Mortgage Association and the US Federal Home Loan Mortgage Corporation and the Government National Mortgage Association, provided that the Sub-Fund must hold securities from at least six different issues with securities from any one issue not exceeding 30% of the net assets of the Sub-Fund.
- (3) *Investment in Collective Investment Schemes (“CIS”)*
- (i) A Sub-Fund may not invest more than 20% of net assets in any one CIS.
  - (ii) Investment in non-UCITS may not, in aggregate, exceed 30% of net assets.
  - (iii) The CIS are prohibited from investing more than 10 per cent of net assets in other CIS.
  - (iv) When a Sub-Fund invests in the units of other CIS that are managed, directly or by delegation, by the same management company or by any other company with which the management company is linked by common management or control, or by way of a direct or indirect stake of more than 10% of the capital or votes, that management company or other company may not charge any management fee, subscription, conversion or redemption fees on account of the relevant Sub-Fund investment in the units of such other CIS.
  - (v) Where a commission (including a rebated commission) is received by a Sub-Fund manager/investment manager/investment adviser by virtue of an investment in the units of another CIS, this commission must be paid into the property of the relevant Sub-Fund.
- (4) *Index Tracking UCITS*
- (i) A Sub-Fund may invest up to 20% of net assets in shares and/or debt securities issued by the same body where the investment policy of the relevant Sub-Fund is to replicate an index which satisfies the criteria set out in the UCITS Notices and is recognised by the Financial Regulator.

- (ii) The limit in paragraph 4(i) above may be raised to 35%, and applied to a single issuer, where this is justified by exceptional market conditions.

(5) *General Provisions*

- (i) 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.
- (ii) A Sub-Fund may acquire no more than:
  - (a) 10% of the non-voting shares of any single issuing body;
  - (b) 10% of the debt securities of any single issuing body;
  - (c) 25% of the units of any single CIS;
  - (d) 10% 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.

- (iii) Paragraph 5(i) and 5(ii) above 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 Sub-Fund in the capital of a company incorporated in a non-Member State which invests its assets mainly in the securities of issuing bodies having their registered offices in that state, where under the legislation of that state such a holding represents the only way in which the relevant Sub-Fund can invest in the securities of issuing bodies of that state. This waiver is applicable only if in its investment policies the company from the non-Member State complies with the limits laid down in paragraphs 2(iii) to 2(xi), 3(i), 5(i) and 5(ii) above, and provided that where these limits are exceeded, paragraphs 5(v) and 5(vi) above 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.

- (iv) A Sub-Fund need not comply with the investment restrictions herein when exercising subscription rights attaching to transferable securities or money market instruments which form part of their assets.
- (v) A Sub-Fund may derogate from the provisions of paragraphs 2(iii) to 2(xii), 3(i), 3(ii), 4(i) and 4(ii) above for six months following the date of its authorisation, provided it observes the principle of risk spreading.
- (vi) If the limits laid down herein are exceeded for reasons beyond the control of a Sub-

Fund, or as a result of the exercise of subscription rights, the relevant Sub-Fund must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its Shareholders.

- (vii) A Sub-Fund may not carry out uncovered sales of:
- transferable securities;
  - money market instruments;
  - units of CIS; or
  - financial derivative instruments.
- (viii) A Sub-Fund may not acquire either precious metals or certificates representing them. This provision does not prohibit a Sub-Fund from investing in transferable securities or money market instruments issued by a corporation whose main business is concerned with precious metals.
- (ix) A Sub-Fund may invest up to 5% of its net assets in warrants on transferable securities which warrants are traded in or dealt on a market provided for in Appendix II hereto. The Financial Regulator will permit a Sub-Fund to invest up to 10% of its net assets in warrants, provided an investment (i) should only be made by those persons who could sustain a loss on their investment; (ii) should not constitute a substantial proportion of an investment portfolio; and (iii) may not be appropriate for all investors.
- (6) *Financial Derivative Instruments (“FDIs”)*
- (i) A Sub-Fund may invest in FDIs dealt over-the-counter (“OTC”) provided that
- The counterparty is a credit institution authorised in the EEA or a credit institution authorised within a signatory state (other than an EEA member state) to the Basle Capital Convergence Agreement of July 1998; or an investment firm, authorised in accordance with the Investment Services Directive, in an EEA member state.
  - The counterparty has a minimum credit rating of A2/P2 or equivalent, or is deemed by the relevant Sub-Fund to have an implied rating of A2/P2. Alternatively, an unrated counterparty will be acceptable where the relevant Sub-Fund is indemnified against losses suffered as a result of a failure by the counterparty, by an entity which has and maintains a rating of A2/P2.
  - The relevant Sub-Fund must be satisfied that the counterparty will value the transactions at least daily and will close out the transactions at any time at the request of that Sub-Fund at fair value.
- (ii) Position exposure to the underlying assets of FDIs, including embedded FDIs in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the UCITS Notices. (This provision does not apply in the case of index based FDIs provided the underlying index is one which meets with the criteria set out in the UCITS Notices).

- (iii) A Sub-Fund's global exposure (as prescribed in the UCITS Notices) relating to FDIs must not exceed its total net asset value.
- (iv) A transaction in FDIs which gives rise to a future commitment on behalf of a Sub-Fund must be covered as follows:
  - In the case of FDIs which require physical delivery of the underlying asset, the asset must be held at all times by a Sub-Fund;
  - In the case of FDIs which automatically, or at the discretion of the Sub-Fund, are cash settled, a Sub-Fund must hold, at all times, liquid assets which are sufficient to cover the exposure.
- (v) The total amount of premium paid or received for options, initial margin paid for futures contracts and initial outlay paid to a counterparty in the case of an OTC derivative, may not exceed 15% of the net assets of a Sub-Fund.
- (vi) The Company will, on request, provide supplementary information to shareholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments.

(7) *Restrictions on Borrowing and Lending*

- (i) A Sub-Fund may borrow up to 10% of its net assets provided such borrowing is on a temporary basis. The Custodian may give a charge over the assets of a Sub-Fund in order to secure borrowings. Credit balances (e.g. cash) may not be offset against borrowings when determining the percentage of borrowings outstanding.
- (ii) A Sub-Fund may acquire foreign currency by means of a "back-to-back" loan agreement. Foreign currency obtained in this manner is not classed as borrowings for the purposes of the borrowing restrictions set out at (i) above provided that the offsetting deposit:-

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

However, where foreign currency borrowings exceed the value of the back-to-back deposit, any excess is regarded as borrowing for the purpose of (i) above.

- (c) Without prejudice to the powers of a Sub-Fund to invest in transferable securities, a Sub-Fund may not lend or act as guarantor on behalf of third parties.

### **Distribution Policy**

Unless otherwise specified in the relevant Supplement, the Shares are accumulating Shares, and accordingly, the Company does not intend to make distributions in respect of the Shares. The

Company intends to automatically re-invest all earnings, dividends and other distributions of whatever kind as well as realised capital gains pursuant to the investment objective and policies of the relevant Sub-Fund for the benefit of the Shareholders.

## **Application for Shares**

### *Application Procedure*

All applications for Shares must be received (by letter or by facsimile) by the Administrator at its business address no later than 5.00 p.m. (Irish time) on the Business Day immediately preceding the relevant Dealing Day. Any application received after that time will be dealt with on the next succeeding Dealing Day provided that, at the Directors' sole discretion with the agreement of the Administrator, applications received after that time but before the close of business on the Business Day immediately preceding the relevant Dealing Day (when the value of each Sub-Fund's assets are taken for calculating its Net Asset Value) may be accepted for the relevant Dealing Day. The original application form must be sent to the Administrator by a Shareholder immediately after the initial application for Shares. Failure to provide the original application form may result in the compulsory repurchase of Shares, at the discretion of the Directors. Subscription monies are to be received by the Administrator no later than 5.00 p.m. (Irish time) on the fifth Business Day following the relevant Dealing Day, as appropriate or within such other period as may be permitted by the Directors.

Contract notes will normally be issued by the Administrator within 48 hours of dealing. Contract notes will serve as completion notice where the original application form is received by the Administrator. Share certificates shall not be issued. No repurchase payments will be made until the original application form is received from a Shareholder by the Administrator and all necessary anti-money laundering checks have been completed.

Different minimum subscriptions may be imposed on initial and subsequent subscriptions and minimum subscriptions may differ between Sub-Funds, as set out in the relevant Supplement.

The Company may at its sole discretion waive or reduce such minimum initial and subsequent subscription amounts or differentiate between applicants as to such minimum initial and subsequent subscription amounts.

### *Anti-Money Laundering Procedures*

Measures aimed towards the prevention of money laundering and terrorist financing may require a detailed verification of the applicant's identity and of the source of the subscription monies and where applicable the beneficial owner on a risk sensitive basis and the ongoing monitoring of the business relationship. Politically exposed persons ("PEPs"), an individual who is or has, at any time in the preceding year, been entrusted with prominent public functions, and immediate family member, or persons known to close associates of such persons, must also be identified. Depending on the circumstances of each application, a detailed verification might not be required where (i) the applicant makes the payment from an account held in the applicant's name at a recognised financial institution or (ii) the application is made through a recognised Intermediary. These exceptions may only apply if the financial institution or Intermediary referred to above are within a country recognised by Ireland as having equivalent anti-money laundering and counter terrorist financing regulations to that in place in Ireland and the investor produces a letter of undertaking from the recognised intermediary.

Intermediaries cannot rely on third parties to meet the obligation to monitor the ongoing business relationship with an investor which remains their ultimate responsibility. These exceptions do not effect the right of the Administrator to request such information as is necessary to verify the identity of an applicant or the source of the subscription monies.

By way of example an individual may be required to produce an original certified copy of a passport or identification card duly certified by a notary public, together with evidence of his/her address such as an original copy of evidence of his/her address i.e. utility bill or bank statement, date of birth and tax residence. In the case of corporate applicants this may require production of a certified copy of the certificate of incorporation (and any change of name), memorandum and articles of association (or equivalent), the names, occupations, dates of birth and residential and business addresses of all directors. Additional information may be required at the Administrator's discretion to verify the source of the subscription monies.

**Shares cannot be applied to an account unless full details of registration and anti-money laundering procedures have been completed. Shares cannot be sold from an account unless they have been applied.**

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

The Company and the Administrator reserve the right to reject an application, for any reason, in whole or in part in which event the application monies or any balance thereof will be returned without interest to the applicant by transfer to the applicant's designated account or by post at the applicant's risk.

### **Issue of Shares**

Shares shall be issued in registered form only and shall be represented on issue by entry in the Register.

Applicants for Shares will be required to either certify that they are not US Persons precluded from purchasing, acquiring or holding Shares or certify that they may purchase and hold Shares in accordance with an applicable US exemption. The number of Shares will be calculated to two decimal places. Fractional Shares shall not carry any voting rights.

#### *Initial Issues*

Details of the initial offer of Shares in a Sub-Fund or Class, including the initial offer period, the initial offer price, the subscription fee (if any) and the Closing Date are set out in the relevant Supplement to this Prospectus.

The initial offer period may be shortened or extended by the Company with the consent of the Custodian. The Financial Regulator shall be notified of any such shortening or extension.

A subscription fee, which shall not exceed 5% of the total subscription amount, may be paid to the Global Distributor or Distributors for its or their absolute use and benefit or as they shall direct and shall not form part of the assets of the relevant Sub-Fund. The Company may at its sole discretion waive such fee or fees or differentiate between applicants as to the amount of such fee or fees within permitted limits.

#### *Further Issues*

The Company may issue further Shares in a Sub-Fund or Class after the Closing Date as the Directors deem appropriate. Such issues of Shares shall only take place on Dealing Days at the Subscription Price for the relevant Sub-Fund or Class calculated as at the relevant Valuation Day. A subscription fee not exceeding 5% of the total subscription amount may be deducted from the total subscription amount and may be paid to the Global Distributor or Distributors for its or their absolute use and benefit or as they shall direct and shall not form part of the assets of the relevant Sub-Fund. The Company may at its sole discretion reduce or waive such fee or fees or differentiate between applicants as to the amount of such fee or fees within the permitted limits.

#### **Repurchase of Shares**

Shares may be repurchased, at the option of the relevant Shareholder, on any Dealing Day. Such requests will be dealt with at the Repurchase Price for the relevant Sub-Fund or Class calculated as at the relevant Valuation Day. There is no repurchase fee payable.

All requests for repurchase must be received (by letter or by facsimile) by the Administrator at its respective business addresses no later than 5.00 p.m. (Irish time) on the Business Day immediately preceding the relevant Dealing Day. Any requests for repurchase received after that time will be dealt with on the next Dealing Day, provided that, at the Directors' sole discretion with the agreement of the Administrator, requests for repurchase received after that time but before the close of business on the Business Day immediately preceding the relevant Dealing Day (when the value of each Sub-Fund's assets are taken for calculating its Net Asset Value) may be accepted for the relevant Dealing Day. No repurchase payments will be made until the original application form is received from a Shareholder and all the necessary anti-money laundering checks have been completed. Repurchase proceeds can be paid on receipt of faxed instructions where such payment is made into the account specified by the Shareholder in the original application form submitted. Any amendments to a Shareholder's registration details and payment instructions can only be effected upon receipt of original documentation.

Subject to the prior receipt of the correct original documentation, the full repurchase proceeds will be dispatched in the Base Currency of the relevant Sub-Fund or the designated currency of a Class, as appropriate within five Business Days after the Dealing Day on which the repurchase is effected by telegraphic transfer to the bank account designated by the Shareholder at the expense of the Shareholder.

If the number of Shares in a Sub-Fund falling to be repurchased on any Dealing Day is equal to one-tenth or more of the total number of Shares in issue or deemed to be in issue in that Sub-Fund on such Dealing Day, then the Directors may in their absolute discretion refuse to repurchase any Shares in excess of one-tenth of the total number of Shares in that Sub-Fund in issue or deemed to be in issue as aforesaid and, if they so refuse, the requests for repurchase on such Dealing Day shall be reduced rateably and the Shares to which each request relates which

are not repurchased by reason of such refusal shall be treated as if a request for repurchase had been made in respect of each subsequent Dealing Day until all the Shares to which the original request related have been repurchased. Requests for repurchase which have been carried forward from an earlier Dealing Day shall (subject always to the foregoing limits) be complied with in priority to later requests.

The Company may, at the discretion of the Directors and with the consent of the relevant Shareholders, satisfy any request for repurchase of Shares by the transfer in specie to those Shareholders of assets of the relevant Sub-Fund having a value equal to the Repurchase Price for the Shares repurchased as if the repurchase proceeds were paid in cash less any repurchase charge and other expenses of the transfer provided that any Shareholder requesting repurchase shall be entitled to request the sale of any asset or assets proposed to be distributed in specie and the distribution to such Shareholder of the cash proceeds of such sale, the costs of which shall be borne by the relevant Shareholder.

In calculating the Repurchase Price the Directors may, on the advice of the Investment Manager, require the Administrator to adjust the Net Asset Value per Share to reflect the value of the Company's investments as calculated in the manner set out in "Calculation of Net Asset Value" below assuming its investments were valued using the lowest market dealing bid price on the relevant market at the relevant time. The Directors only intend to use this discretion to preserve the value of the share holdings of continuing Shareholders in the event of substantial or recurring net repurchase of Shares.

The right of any Shareholder to require the repurchase of Shares will be temporarily suspended during any period when the calculation of the Net Asset Value per Share of the relevant Sub-Fund is suspended by the Company in the circumstances set out under "Calculation of Net Asset Value". Requests for repurchase will be irrevocable except in the event of a suspension of repurchases.

All of the aforementioned payments and transfers will be made subject to any withholding tax or other deductions which may apply.

### **Compulsory Repurchase of Shares**

At any time the Company may by giving not less than four nor more than twelve weeks' notice (expiring on a Dealing Day) to all Shareholders in the Company or in any Sub-Fund, repurchase at the Repurchase Price on such Dealing Day, all (but not some) of the Shares in the Company or in the relevant Sub-Fund not previously repurchased.

The Company may at any time repurchase or request the transfer of Shares held by Shareholders who are excluded from purchasing or holding Shares under the Articles. Any such repurchase will be made on a Dealing Day at the Repurchase Price on the relevant Dealing Day on which the Shares are to be repurchased.

If the Company becomes liable to account for tax in any jurisdiction in the event that a Shareholder or beneficial owner of a Share were to receive a distribution in respect of his/her Shares or to dispose (or deemed to have disposed) of his/her Shares in any way ("Chargeable Event" as defined), the Directors 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, cancel or compulsorily repurchase such number of Shares held by the Shareholder

or such beneficial owner 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 in any jurisdiction on the happening of a Chargeable Event if no such deduction, appropriation, cancellation or compulsory repurchase has been made.

### **Switching of Shares**

Subject to the following conditions, Shareholders have the right on any Dealing Day to switch some or all of their Shares in one Sub-Fund or Class (the “Original Sub-Fund”) to Shares in another Sub-Fund or Class (the “New Sub-Fund”), such switch shall be effected on the same Dealing Day for both Sub-Funds.

Switching requests duly made cannot be withdrawn without the consent of the Directors, except in any circumstances in which the relevant Shareholder would be entitled to withdraw a repurchase request for those Shares.

Requests for switching by letter or facsimile should be received by the Administrator no later than 5.00 p.m. (Irish time) on the Business Day immediately preceding the relevant Dealing Day.

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

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

where

S is the number of Shares of the New Sub-Fund to be issued.

R is the number of Shares in the Original Sub-Fund to be converted.

RP is the Repurchase Price per Share of the Original Sub-Fund calculated as at the relevant Dealing Day following receipt of the switching request.

ER is the currency conversion factor (if any) determined by the Directors on the relevant Dealing Day as representing the effective rate of exchange applicable to the transfer of assets between relevant Sub-Funds after adjusting such rate as may be necessary to reflect the effective costs of making such re-investment.

SP is the Subscription Price per Share of the New Sub-Fund calculated as at the next Dealing Day of the New Sub-Fund following receipt of the switching request.

The number of Shares will be calculated to two decimal places. Fractional Shares do not carry any voting rights.

In respect of each such switch, unless otherwise stated in the relevant Supplement to the Prospectus, no switching fee shall apply. The Administrator shall be entitled to be repaid by the Shareholder any fiscal, sale and purchase charges arising out of such switch.

A Shareholder switching from the Original Sub-Fund to the New Sub-Fund must comply with the minimum initial subscription amounts applicable to the New Sub-Fund as set out in the relevant Supplements to this Prospectus.

### **Transfer of Shares**

Shares may be transferred by instrument in writing. The instrument of transfer must be accompanied by a certificate from the transferee that he/she is not, nor is he/she acquiring such Shares on behalf of or for the benefit of a US Person unless the transferee certifies that he/she can purchase Shares pursuant to an applicable US exemption. If the transferee is not already a Shareholder of the Company a completed application form and all necessary anti-money laundering verification documents will be required to be submitted to the Administrator before the registration of the transfer. In the case of the death of one of joint Shareholders, the survivor or survivors will be the only person or persons recognised by the Administrator as having any title to or interest in the Shares registered in the names of such joint Shareholders.

The transferor may be charged by the Company a fee not exceeding Euro 25 for the registration of each transfer and such fee must, if required by the Company, be paid to the Company before the registration of the transfer. The fee, not exceeding Euro 25, will be deducted from amount being transferred by the Administrator to the transferee.

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

The Articles provide for the Directors to calculate the Net Asset Value of each Sub-Fund, the Net Asset Value of each Class and the Net Asset Value per Share of each Sub-Fund as at each Dealing Day. The Directors have delegated the calculation of the Net Asset Value of each Sub-Fund and the Net Asset Value per Share of each Sub-Fund to the Administrator.

The Administrator will calculate the Net Asset Value of each Sub-Fund, the Net Asset Value of each Class and the Net Asset Value per Share of each Sub-Fund after 5.00 p.m. (Irish time) as at each Dealing Day.

The Net Asset Value of a Sub-Fund is calculated by deducting the relevant Sub-Fund's liabilities (after adjusting for any inter company balances) from the value of the relevant Sub-Fund's assets as at close of business on the Valuation Day.

The Net Asset Value per Share of each Sub-Fund is calculated as at each Dealing Day by dividing the Net Asset Value of the relevant Sub-Fund by the number of Shares in that Sub-Fund in issue on the relevant Dealing Day and rounding the result to two decimal places.

Where more than one Class of Share is in issue in respect of a Sub-Fund, the Net Asset Value of the relevant Sub-Fund shall be allocated between each Class based on the Net Asset Value of the Shares in issue in each Class on the relevant Dealing Day plus or minus any subscriptions/repurchase. Where different entitlements, costs, charges or fees and expenses (including any annual management fee) or liabilities apply in respect of different Classes, (including the gains/losses on and costs of financial instruments employed for currency hedging between the Base Currency and a designated currency of a Class) these are excluded from the initial calculation of the Net Asset Value of each Sub-Fund and applied separately to the Net Asset Value allocated to the relevant Class. The portion of the Net Asset Value of each Sub-Fund attributable to each Class shall then be divided by the number of Shares of the relevant

Class in issue on the relevant Dealing Day. The value per Share in each Class shall then be converted into the relevant currency of denomination of the Class at prevailing exchange rates applied by the Administrator and shall be divided by the number of shares of the relevant Class in issue on the relevant Dealing Day in order to calculate the Net Asset Value per share of the relevant Class. The result of the calculation shall be rounded to two decimal places.

The method of calculating the value of the assets of each Sub-Fund is as follows:-

- (i) assets listed and regularly traded on a Recognised Exchange and for which market quotations are readily available or traded on over-the-counter markets shall be valued at the closing price on the principal exchange in the market for such investment as at close of business on the relevant Valuation Day provided that the value of any investment listed on a Recognised Exchange but acquired or traded at a premium or at a discount outside or off the relevant stock exchange or on an over-the-counter market may be valued taking into account the level of premium or discount as at the date of valuation of the investment.

The Directors, in consultation with the Investment Manager, may adjust or may instruct the Administrator to adjust the value of any such assets if, in relation to currency, marketability and such other considerations as they deem relevant, they consider that such adjustment is required to reflect the fair value thereof with the approval of the Custodian.

If for specific assets the latest available prices do not in the opinion of the Directors, in consultation with the Investment Manager, reflect their fair value, the value shall be calculated with care and in good faith by a competent person (which may include the Investment Manager) selected by the Directors and approved for such purpose by the Custodian, in consultation with the Investment Manager (if appropriate) with a view to establishing the probable realisation value for such assets as at the relevant Valuation Day;

- (ii) if the assets are listed on several Recognised Exchanges, the closing price on the Recognised Exchange which, in the opinion of a competent person (which may include the Investment Manager) selected by the Directors and approved for such purpose by the Custodian, in consultation with the Investment Manager (if appropriate), constitutes the main market for such assets, will be used;
- (iii) in all cases other than (i) and (ii) above the competent person responsible for valuing the assets, which for the Company is a competent person (which may include the Investment Manager) selected by the Directors, in consultation with the Investment Manager (if appropriate), acting in good faith and in accordance with the procedures described below, shall be approved for that purpose by the Custodian;
- (iv) in the event that any of the assets on the relevant Valuation Day are not listed or dealt on any Recognised Exchange, such assets shall be valued by a competent person (which may include the Investment Manager) selected by the Directors and approved for such purpose by the Custodian with care and in good faith and in consultation with the Investment Manager (if appropriate) at the probable realisation value. Such probable realisation value may be determined by using a bid quotation from a broker. Alternatively the Administrator, in consultation with the Investment Manager, may use

such probable realisation value as the Investment Manager or other competent professional appointed by the Directors for such purposes, may recommend. Due to the nature of such unquoted assets and the difficulty in obtaining a valuation from other sources, such competent professional may be related to the Investment Manager.

- (v) cash and other liquid assets will be valued at their face value with interest accrued, where applicable, as at close of business on the relevant Valuation Day;
- (vi) units or shares in collective investment schemes (other than those valued pursuant to paragraph (i) or (ii) above) will be valued at the latest available net asset value of the relevant collective investment scheme;
- (vii) any value expressed otherwise than in the denominated currency of a Sub-Fund (whether of an investment or cash) and any borrowing in a currency other than the denominated currency of a Sub-Fund shall be converted into the denominated currency of the relevant Sub-Fund at the rate (whether official or otherwise) which the Administrator deems appropriate in the circumstances;
- (viii) derivative instruments dealt in on a market will be valued at the settlement price for such instruments on such market. If such a price is not available the value shall be the probable realisation value estimated with care and in good faith by a competent person (which may include the Investment Manager) selected by the Directors and approved for such purpose by the Custodian. Where such derivative instruments are not dealt in on a market, their value should be the daily quotation from the counterparty provided that the valuation is approved or verified weekly by an independent party appointed by the Investment Manager and approved for the purpose by the Custodian;
- (ix) forward foreign exchange contracts will be valued by an independent price source by reference to the price at close of business on the Valuation Day at which a new forward contract of the same size and maturity could be undertaken.

In the event of it being impossible or incorrect to carry out a valuation of a specific asset in accordance with the valuation rules set out in paragraphs (i) to (ix) above, or if such valuation is not representative of the asset's fair market value, the Directors or their delegate are entitled to use other generally recognised valuation methods in order to reach a proper valuation of that specific asset, provided that any alternative method of valuation is approved by the Custodian.

Prices from independent brokers in respect of investments traded on an over-the-counter market and/or premiums or discounts thereon shall be obtained by the Investment Manager and furnished to the Directors or the Administrator. The Directors or the Administrator, with the approval of the Custodian, may adjust the value of such investments if it considers that such adjustment is required to reflect the fair value thereof, in the context of the currency, marketability, dealing costs and such other considerations which are deemed relevant.

In order to protect existing Shareholders and reduce the effect of dilution and preserve the value of the underlying assets of a Sub-Fund, the Directors, in consultation with the Investment Manager, may, in their absolute discretion, in calculating the value of the assets of a Sub-Fund as at a given Dealing Day use the offer price and apply to the Net Asset Value per Share an estimated sum (not to exceed 0.50% of Net Asset Value per Share) as an anti-dilution levy to cover dealing charges, costs, commission and taxes where net subscriptions for that Dealing

Day exceed 1% of the Net Asset Value of a Sub-Fund and may use in calculating the value of the assets of a Sub-Fund as at a given Dealing Day the bid price and apply to the Net Asset Value per Share an estimated sum (not to exceed 0.50% of Net Asset Value per Share) as an anti-dilution levy to cover dealing charges, costs, commission and taxes where net repurchases for that Dealing Day exceed 1% of the Net Asset Value of a Sub-Fund. Any such provision would be added to the price at which Shares will be issued in the case of net subscription requests exceeding 1% of the Net Asset Value of a Sub-Fund and deducted from the price at which the Shares would be redeemed in the case of net redemption requests exceeding 1% of the Net Asset Value of a Sub-Fund and will be paid into the account of the relevant Sub-Fund.

In calculating the Net Asset Value of a Sub-Fund, appropriate provisions will be made to account for the charges and fees charged to the Sub-Fund as well as accrued income on the Sub-Fund's investments.

In calculating the Net Asset Value, neither the Directors nor the Administrator shall be liable for any loss suffered by the Company or any Shareholder by reason of any error in the calculation of the Subscription or Repurchase Prices resulting from any inaccuracy in the information provided by any pricing service. Similarly, where the Administrator is directed by the Company or the Investment Manager to use particular pricing services, brokers, market makers or other intermediaries, the Administrator shall not be liable for any loss suffered by the Company or any Shareholder by reason of any error in the calculation of the Subscription or Repurchase Prices resulting from any inaccuracy in the information provided by such pricing services, brokers, market makers or other intermediaries not appointed or selected by the Administrator. The Administrator shall use reasonable endeavours to verify any pricing information supplied by the Investment Manager or any connected person thereof (including a connected person which is a broker, market maker or other Intermediary). However, the Company acknowledges that in certain circumstances it may not be possible or practicable for the Administrator to verify such information and, in such circumstances, the Administrator shall not be liable for any loss suffered by the Company or any Shareholder by reason of any error in the calculation of the Subscription or Repurchase Prices resulting from any inaccuracy in the information provided by any such person.

The Directors may, with the consent of the Custodian, at any time and from time to time temporarily suspend the calculation of the Net Asset Value of a particular Sub-Fund and the issue, repurchase and conversion of Shares in any of the following instances:-

- (i) during any period (other than ordinary holiday or customary weekend closings) when any market or Recognised Exchange is closed and which is the main market or Recognised Exchange for a significant part of the investments of the relevant Sub-Fund, or in which trading thereon is restricted or suspended;
- (ii) during any period when an emergency exists as a result of which disposal by the relevant Sub-Fund of investments, which constitute a substantial portion of the assets of the relevant Sub-Fund, is not practically feasible; or it is not possible to transfer monies involved in the acquisition or disposition of investments at normal rates of exchange; or it is not practically feasible for the Administrator fairly to determine the value of any investments of the relevant Sub-Fund;

- (iii) during any breakdown in the means of communication normally employed in determining the price of any of the investments of the relevant Sub-Fund or of current prices on any market or Recognised Exchange;
- (iv) when for any reason the prices of any investments of the relevant Sub-Fund cannot be reasonably, promptly or accurately ascertained; or
- (v) during any period when remittance of monies which will or may be involved in the realisation of or in the payment for any of the investments of the relevant Sub-Fund cannot, in the opinion of the Directors, be carried out at normal rates of exchange.

Notice of any such suspension and notice of the termination of any such suspension shall be given immediately to the Financial Regulator and shall be notified to Shareholders if in the opinion of the Directors it is likely to exceed fourteen (14) days and will be notified to applicants for Shares or to Shareholders requesting the repurchase of Shares at the time of application or filing of the written request for such repurchase. Where possible, all reasonable steps will be taken to bring any period of suspension to an end as soon as possible.

## MANAGEMENT AND ADMINISTRATION OF THE COMPANY

### Directors

The Directors of the Company are as follows:

#### *David Stewart*

David Stewart, a British national born 10.02.1960 is CEO of Odey Asset Management LLP, which he joined in 2005. Prior to this, Mr. Stewart had various positions in Fidelity Investments from 1994 to 2005, including President of the institutional UIC/EMEA business from 2001 to 2005. Mr. Stewart worked for James Capel & Co. Limited from 1986 to 1994, during which time he held a number of senior positions.

#### *Frank Ennis (Resident in Ireland)*

Frank Ennis, an Irish national born 24.12.55, has been an Independent Consultant since 2001. Mr. Ennis was joint Chief Executive and a Board Director of Trinity Technology Limited from 2000 to 2001. Prior to this, Mr. Ennis held various positions within PricewaterhouseCoopers from 1977 to 2000, including holding the position of Partner from 1985 - 2000. Mr. Ennis obtained a Bachelor of Business Studies from Trinity College Dublin in 1977.

#### *Andrew Bates (Resident in Ireland)*

Andrew Bates, an Irish national born 02.11.66, is a commercial lawyer and has been a partner in Dillon Eustace since 1996, where he works principally in the area of funds management, life assurance and securities offerings. Prior to his current position, Mr. Bates was a solicitor in Cawley Sheerin Wynne since 1992.

The address of the Directors is the registered office of the Company. All the Directors of the Company act in a non-executive capacity.

### Investment Manager and Global Distributor

Odey Asset Management LLP has been appointed to act as Investment Manager of the Company pursuant to the Investment Management Agreement. Subject to the overall supervision of the Directors and to each Sub-Fund's investment objectives, policies and restrictions, the Investment Manager will manage the investment and re-investment of each Sub-Fund's assets. Odey Asset Management LLP will also act as facilities agent in the UK, maintaining facilities at the registered office of the Investment Manager through which Shareholders in the Company may submit application forms and repurchase requests for forwarding to the Company or its delegate and from which the other facilities referred to in section 9.4 of the FSA Collective Investment Schemes Sourcebook will be maintained.

Odey Asset Management LLP was established in July 2002 and assumed all of the regulated business of Odey Asset Management Limited in November, 2002. Odey Asset Management LLP manages the investment of a number of pension funds, hedge funds and segregated accounts and is regulated by the Financial Services Authority. At present, it has assets under management of about US\$5.5 billion.

Odey Asset Management LLP has also been appointed Global Distributor of the Company and each of its Sub-Funds pursuant to the Global Distribution Agreement to distribute the Shares of each Sub-Fund of the Company.

### **Administrator and Registrar**

RBC Dexia Investor Services Ireland Limited has been appointed to act as Administrator and Registrar of the Company pursuant to the Administration Agreement. RBC Dexia Investor Services Ireland Limited is a company incorporated with limited liability in Ireland on 31 January 1997. It is a wholly-owned subsidiary of RBC Dexia Investor Services Bank S.A. and is engaged in the business of, inter alia, providing fund administration services to and in respect of collective investment undertakings and investment companies. RBC Dexia Investor Services Ireland Limited is responsible, under the Administration Agreement, for the administration of the Company's affairs including maintaining the Company's accounting records, calculating the Net Asset Value of each Sub-Fund, the Net Asset Value per Share and serving as registrar and as transfer agent.

### **Custodian**

The Custodian is a branch of RBC Dexia Investor Services Bank S.A. RBC Dexia Investor Services Bank S.A. is a company incorporated with limited liability in Luxembourg on March 30, 1994. It is owned up to 99.99% by RBC Dexia Investor Services Limited, a joint venture between Royal Bank of Canada and Dexia S.A. The head office of RBC Dexia Investor Services Limited, 5, Rue Thomas Edison, L-1445 Strassen, Luxembourg. All the assets of the Company will be held on behalf of the Company by the Custodian or by sub-custodians appointed by the Custodian which will be responsible for the collection of all income and other payments, and the holding of any interest credited, with respect to the investments.

The Custodian's main activity is to act as trustee and custodian of collective investment schemes such as the Company.

The Custodian has the power to appoint agents, sub-custodians and delegates. The Custodian's liability shall not be affected by the fact that it has entrusted some or all of the assets in safekeeping to any third party. The parties agree that the Financial Regulator considers, that, in order for the Custodian to discharge its responsibilities in respect of third parties, the Custodian must exercise care and diligence in choosing and appointing a third party to be a sub-custodian so as to ensure that the sub-custodian has and maintains the expertise, competence and standing appropriate to discharge the responsibilities involved. The Custodian shall maintain an appropriate level of supervision over a sub-custodian and make appropriate enquiries from time to time to confirm that the obligations of the sub-custodian continue to be competently discharged. This does not purport to be a legal interpretation of the UCITS Regulations or the corresponding provisions of EC Council Directive 85/611/EEC of December 20, 1985 (as amended).

***As a Sub-Fund may invest in emerging markets where custodial and/or settlement systems are not fully developed, the assets of the relevant Sub-Fund which are traded in such markets and which have been entrusted to safekeeping agents in circumstances where the use of such safekeeping agents is necessary, may be exposed to risk in circumstances whereby the Custodian will have no liability.***

*Prospective investors are referred to the section headed "Risk Factors".*

### **Paying Agents**

Local laws/regulations in European Economic Area countries may require the appointment of Paying Agents and maintenance of accounts by such Paying Agents through which subscription and redemption monies may be paid. Shareholders who choose or are obliged under local regulations to pay or receive subscription or redemption monies via an intermediate entity rather than directly to the Custodian of the Company (e.g. a sub-distributor or agent in the local jurisdiction) bear a credit risk against that intermediate entity with respect to (a) subscription monies prior to the transmission of such monies to the Custodian for the account of the Company and (b) redemption monies payable by such intermediate entity to the relevant Shareholder. Fees and expenses payable to a Paying Agent appointed by the Company on behalf of the Company or a Sub-Fund, which will be at normal commercial rates, will be borne by the Company or the Sub-Fund in respect of which a Paying Agent has been appointed. All Shareholders of the Company or the Sub-Fund on whose behalf a Paying Agent is appointed may avail of the services provided by Paying Agents appointed by or on behalf of the Company.

### **Distributors**

The Global Distributor may appoint Distributors in one or more countries with responsibility for the marketing and distribution of the Shares of the Company and of each or any Sub-Fund.

### **Conflicts of Interest**

The Investment Manager, the Administrator, the Custodian and their respective affiliates, officers and shareholders, employees and agents (collectively the "Parties") are or may be involved in other financial, investment and professional activities which may on occasion cause a conflict of interest with the management of the Company. These include the management of other funds, purchases and sales of securities, investment and management counselling, brokerage services and serving as directors, officers, advisers or agents of other funds or other companies, including companies in which the Company may invest. The Parties will use reasonable endeavours to ensure that the performance of their respective duties will not be impaired by any such involvement that they might have.

In particular, it is envisaged that the Investment Manager may (i) be involved in advising or managing other investment funds which may have similar or overlapping investment objectives to or with the Company and/or (ii) be involved in procuring or providing valuations of some or all of the assets of a Sub-Fund, their fees being linked directly to the valuation of a Sub-Fund's assets. Each of the Parties will respectively ensure that the performance of their respective duties will not be impaired by any such involvement that they may have and that any conflicts which may arise will be resolved fairly.

The Directors shall ensure that any conflict of interest involving any such Party shall be resolved fairly and in the interests of Shareholders.

The Investment Manager may effect a transaction collectively for the Company and one or more of its other customers, and where upon the effecting of such transaction it is apparent to the Investment Manager that the Company and its other customers cannot be satisfied in full, subject always to the specific needs of each portfolio, then the transaction shall be allocated

between the customers (including the Company) pro rata in accordance with the value of each of the customers' portfolios (omitting any resulting allocation that would be too small to be reasonably marketable or disproportionate to the needs of any portfolio), so that the Investment Manager does not unduly favour one customer at the expense of another. The Company acknowledges that on this basis the Investment Manager will be acting fairly as between its customers, and reasonably in the interests of each customer.

### **Fees and Expenses**

Where fees are stated to be paid out of the assets of the Company or calculated on the Net Asset Value of the Company they shall be borne jointly by all the Sub-Funds pro rata to their respective Net Asset Values at the time when the allocation is made. Where there are multiple Classes of Shares in a Sub-Fund, unless otherwise stated, fees shall be attributable to the Classes of Shares of that Sub-Fund pro rata to their respective Net Asset Values at the time the allocation is made.

The reasonable out-of-pocket expenses of the Administrator and Custodian shall be borne jointly by all the Sub-Funds save that any expenses which are directly or indirectly attributable to a particular Sub-Fund shall be borne solely by that Sub-Fund. The registrar and transfer agency fee shall be paid by each Sub-Fund individually.

Save as provided above and unless otherwise stated below, all fees and expenses shall be borne solely by the relevant Sub-Fund.

#### *The Administrator*

The Company shall pay to the Administrator, out of the assets of the Company, an annual fund accounting, registrar and transfer agency fee, accrued daily and payable monthly in arrears, at a rate which shall not exceed 0.05 % per annum of the Net Asset Value of the Company, subject to a minimum fee of Euro 29,500 per annum per Sub-Fund (plus VAT, if any).

The Administrator shall be entitled to be repaid out of the assets of the Company or relevant Sub Fund, a registrar and transfer agency fee and transaction charges which shall be charged at normal commercial rates and based on transactions undertaken by the Company, the number of subscriptions, redemptions, exchanges and transfer of Shares processed by the Administrator and time spent on company shareholder servicing duties and to the reimbursement of operating expenses.

The Administrator shall also be entitled to be repaid out of the assets of the Company or relevant Sub-Fund all of its reasonable out-of-pocket expenses incurred on behalf of the Company which shall include legal fees, couriers' fees and telecommunication costs and expenses.

#### *The Custodian*

The Company shall pay to the Custodian, out of the assets of the Company, an annual custodian fee, accrued daily and payable monthly in arrears, at a rate which shall not exceed 0.03 % per annum of the Net Asset Value of the Company, subject to a minimum fee of Euro 26,000 per annum per Sub-Fund (plus VAT, if any). The Custodian shall also be entitled to receive out of

the assets of the Company the payment of transaction charges (at normal commercial rates) based on transactions undertaken by the Company.

The Custodian shall be entitled to be repaid out of the assets of the Company or relevant Sub-Fund all of its reasonable disbursements and out-of-pocket expenses incurred by it on behalf of the relevant Sub-Fund together with any transaction charges at a rate agreed by the Company and the Custodian (at normal commercial rates).

The fees (plus VAT, if any) of any sub-custodian appointed by the Custodian in respect of a Sub-Fund shall be payable out of the assets of the relevant Sub-Fund and charged at normal commercial rates.

#### *The Investment Manager and the Global Distributor*

The Investment Manager shall be entitled to receive out of the assets of a Sub-Fund an annual fee, accrued daily and payable monthly in arrears, at the rates (plus VAT, if any) as set out in the relevant Supplement. Within the permitted limit for a Sub-Fund the Investment Manager's fees may differ between Classes of Shares of the same Sub-Fund. Other Classes of Shares may be established from time to time within a Sub-Fund which may be subject to higher/lower/no fees, as applicable. Information in relation to the fees applicable to other Classes of Shares within a Sub-Fund is available on request.

The Investment Manager may also be entitled to receive out of the assets of a Sub-Fund a performance fee as set out in the relevant Supplement.

The Investment Manager shall also pay the fees of any Distributor out of its own fee and such fees shall be at normal commercial rates.

The Investment Manager shall not be entitled to charge any out-of-pocket expenses to a Sub-Fund.

#### *Directors*

The Company shall pay the Directors such annual remuneration for acting as Directors of the Company as the Directors may from time to time agree, provided, however, that the annual aggregate remuneration of the Directors shall not exceed Euro 36,000. Such fees shall be payable semi-annually in arrears and shall be apportioned equally amongst the Sub-Funds. No other remuneration will be payable by the Company to the Directors except for the out-of-pocket expenses reasonably incurred by them.

#### *Dealing Commission*

The Investment Manager may utilise brokers with whom dealing commission arrangements are in place. A report thereon will be included in the Company's annual and semi-annual reports. Any such arrangements will provide for best execution, namely, the best price available in the market, exclusive of any charges but taking account of any other exceptional circumstances such as counterparty risk, order size of client instructions and any benefits provided under such arrangements must be those which assist in the provision of investment services to the Company or any Sub-Fund.

#### *General*

In addition, each Sub-Fund will pay certain other costs and expenses incurred in its operation, including, without limitation, taxes, government duties, expenses for legal, auditing and consulting services, promotional expenses, printing costs, registration fees, to include all fees in connection with obtaining advance treaty clearances from tax authorities in any jurisdiction for a Sub-Fund and other expenses due to supervisory authorities in various jurisdictions, insurance, interest, brokerage costs and all professional fees and expenses incurred in connection therewith and the cost of the publication of the Net Asset Value of a Sub-Fund. Each Sub-Fund will also pay in relation to the issue costs, charges and expenses (including the fees of the legal advisers) in relation to the preparation of the Prospectus and all other documents and matters relating to or concerning the issue and any other fees, charges and expenses on the creation and issue of the Shares. In the event that such a listing is sought, each Sub-Fund will pay the costs of obtaining and maintaining a listing of the Shares on any stock exchange.

All fees and expenses relating to the establishment of the Company did not exceed Euro 50,000 (exclusive of VAT). These fees and expenses are being amortised for accounting purposes over a two year period from the date on which the Company commenced business (or such other period as may be determined by the Company) and will be borne jointly by all of the Sub-Funds and will represent a deduction for the purposes of calculating the Net Asset Value of each Sub-Fund.

### **Accounts and Information**

The Company's financial year ends on 31 December in each year. The Company will prepare an annual report and audited accounts within four months of the end of the financial period to which they relate. The Company's half-yearly accounting date is 30 June. Copies of the unaudited half yearly reports will also be published within two months of the end of the half year period to which they relate.

In addition, the Net Asset Value per Share as calculated on each Dealing Day will be available from the Administrator and will be published daily in the Financial Times and in such other newspapers as the Directors may instruct the Administrator from time to time.

## RISK FACTORS

Potential investors should consider the following risks before investing in any of the Sub-Funds.

### General

**Investors should be aware that the difference at any one time between the Subscription and Repurchase Prices of Shares in each of the Sub-Funds or Classes means that an investment in a Sub-Fund should be viewed as medium to long term.**

### Market Risk

Market risk arises from uncertainty about future prices of financial investments held by a Sub-Fund, whether those changes are caused by factors specific to individual financial instruments, or other factors affecting a number of similar financial instruments traded in the markets. It represents the potential loss a Sub-Fund might suffer through holding market positions in the face of price movements. Usually the maximum risk resulting from financial instruments is determined by the opening fair value of the instruments (i.e. the loss cannot exceed the total amount invested). However, in a number of circumstances, losses can exceed the original investment value - sometimes without limit, e.g. partly paid shares, futures and other margin purchases, options written/sold and various swap transactions.

The Investment Manager may engage in various portfolio strategies on behalf of a Sub-Fund by the use of futures and options for efficient portfolio management purposes only. Due to the nature of futures, cash to meet initial and future margin deposits may be held by a broker with whom a Sub-Fund has an open position. On acquisition of an option the Sub-Fund may pay a premium to a counterparty. In the event of bankruptcy of the counterparty the option premium or futures margin may be lost in addition to any unrealised gains where the contract is "in the money".

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

The Company is authorised pursuant to the UCITS Regulations. Thus, investment in derivative instruments and the engagement in borrowings against its assets are allowed. However, the attention of the Shareholders is drawn to the fact that the Company uses derivative instruments for efficient portfolio management purposes only, and not for investment purposes. Should the investment policies of any Sub-Fund with respect to investment in derivative instruments or borrowing be modified to allow investment powers beyond this scope, the Company will inform the Shareholders of such change and any attendant risk considerations. Notwithstanding these limitations, the attention of Swiss investors is drawn to the fact that the UCITS Regulations allow an undertaking for collective investment the possibility of investment in derivatives instruments up to 100% of its Net Asset Value and the possibility to effect borrowings up to 10% of its Net Asset Value, so that the potential total exposure of an Ireland-domiciled undertaking for collective investment may not entirely be covered by its assets and may reach a potential maximum of 210% of its Net Asset Value.

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

Where a Sub-Fund acquires or values securities in the over-the-counter market there is no guarantee that a Sub-Fund will be able to realise such securities at a premium due to the nature of the over-the-counter market.

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.

The use of over the counter derivatives, such as forward contracts, swap agreements and contracts for difference, will expose the Sub-Funds to the risk that the legal documentation of the contract may not accurately reflect the intention of the parties.

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

Although Shares in a Sub-Fund may be denominated in Euros, a Sub-Fund may invest its assets in securities denominated in a wide range of currencies, some of which may not be freely convertible. The Net Asset Value of a Sub-Fund as expressed in Euro will fluctuate in accordance with the changes in the foreign exchange rate between the Euro and the currencies in which a Sub-Fund's investments are denominated. The relevant Sub-Fund may therefore be exposed to a foreign exchange/currency risk. It may not be possible or practicable to hedge the consequent foreign exchange risk.

A Class of Shares may be designated in a currency other than the Base Currency of the relevant Sub-Fund as detailed in the relevant Supplement. Changes in the exchange rate between the Base Currency of a Sub-Fund and such designated currency may lead to a depreciation of the value of such Shares as expressed in the designated currency. The Investment Manager may try

to mitigate this risk by using financial instruments, such as foreign exchange spot and forward contracts, as a hedge, provided that such instruments shall not result in over hedged positions exceeding 105% of the Net Asset Value attributable to the relevant Class of Shares and hedged positions materially in excess of 100% of Net Asset Value will not be carried forward from month to month. If the Investment Manager enters into such transactions then they will each be solely attributable to the relevant Class of Shares and may not be combined or offset against the exposures of other classes or specific assets. In such circumstances, Shareholders of that Class may be exposed to fluctuations in the Net Asset Value per Share reflecting the gains/losses on and the costs of the relevant financial instrument(s) and this strategy may substantially limit holders of the Class from benefiting if the Class currency falls against the Base Currency of the Sub-Fund and/or the currency in which the assets of the scheme are denominated. Where the Investment Manager intends to enter into such hedging transactions it will be disclosed in the Supplement for the relevant Sub-Fund.

### **Interest Rate Risk**

If not reflected in the market price itself, the effect of interest rate movements on the present value of future payments represents an additional risk in the value of securities to be considered.

Interest rate risk represents the potential losses that a Sub-Fund might suffer due to adverse movements in relevant interest rates. The value of fixed interest securities may be affected by changes in the interest rate environment and the amount of income receivable from floating rate securities and bank balances, or payable on overdrafts, will also be affected by fluctuations in interest rates.

### **Liquidity and Market Characteristics**

In some circumstances, investments may be relatively illiquid making it difficult to acquire or dispose of them at the prices quoted on the various exchanges. Accordingly, the Sub-Fund's ability to respond to market movements may be impaired and the Fund may experience adverse price movements upon liquidation of its investments. Settlement of transactions may be subject to delay and administrative uncertainties.

There can be no assurance that the liquidity of the investments of underlying funds 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 Sub-Fund and the value of its investments.

For such reasons the treatment of redemption requests may be postponed in exceptional circumstances including if a lack of liquidity may result in difficulties in determining the Net Asset Value and the Net Asset Value per Share.

### **Counterparty and Settlement Considerations**

The Sub-Funds will be exposed to credit risk on the counterparties with which they trade in relation to options, futures, contracts and other derivative financial instruments that are not traded on a Recognised Exchange. Such instruments are not afforded the same protections as may apply to participants trading futures or options on organised exchanges, such as the performance guarantee of an exchange clearing house. The Sub-Funds will be subject to the

possibility of the insolvency, bankruptcy or default of a counterparty with which the Sub-Funds trade such instruments, which could result in substantial losses to the Sub-Funds.

The Sub-Funds will also be exposed to a credit risk on parties with whom they trade securities, and may also bear the risk of settlement default, in particular in relation to debt securities such as bonds, notes and similar debt obligations or instruments. Shareholders should also note that settlement mechanisms in emerging markets are generally less developed and reliable than those in more developed countries and that this therefore increases the risk of settlement default, which could result in substantial losses for the Company and the relevant Sub-Fund in respect to investments in emerging markets. Shareholders should also note that the securities of small capitalisation companies as well as the securities of companies domiciled in emerging markets are less liquid and more volatile than more developed stock markets and this may result in fluctuations in the price of the Shares of the relevant Sub-Fund.

### **Custody Risks**

As a Sub-Fund may invest in markets where custodial and/or settlement systems are not fully developed, the assets of a Sub-Fund 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 risks in circumstances whereby the Custodian will have no liability.

Such markets include at the date of this Prospectus but are not limited to Jordan, Bangladesh, Indonesia, South Korea, Pakistan, India and such risks include but are not limited to:

- a non-true delivery versus payment settlement;
- a physical market and, as a consequence, the circulation of forged securities;
- poor information in regards to corporate actions;
- registration process that impacts the availability of the securities;
- lack of appropriate legal/fiscal infrastructure advices;
- lack of compensation/risk fund with a central depository.

### **Political and/or Regulatory Risks**

The value of a Sub-Fund's assets may be affected by uncertainties such as international political developments, changes in government policies, changes in taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in the laws and regulations of countries in which investment may be made. Furthermore, the legal infrastructure and accounting, auditing and reporting standards in certain countries in which investment may be made may not provide the same degree of investor protection or information to investors as would generally apply in major securities markets.

### **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 to 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, a Sub-Fund's holding of the relevant 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 a Sub-Fund as a result thereof. 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 a Sub-Fund would be able to successfully bring a claim against them as a result of such loss. Furthermore, the registrar or the relevant company could wilfully refuse to recognise a Sub-Fund as the registered holder of shares previously purchased by a Sub-Fund due to the destruction of the company's register.

### **Accounting, Auditing and Financial Reporting Standards**

The accounting, auditing and financial reporting standards of many of, if not all of, the countries in which a Sub-Fund may invest are likely to be less extensive than those applicable to United States or United Kingdom companies.

### **Dependence on Key Personnel**

The investment performance of one or more Sub-Funds may be dependent on the services of certain key employees of the Investment Manager and any of the appointees of the Investment Manager. In the event of the death, incapacity or departure of any of these individuals, the performance of the Sub-Funds may be adversely affected.

### **Investment Manager Valuation Risk**

The Administrator may consult the Investment Manager with respect to the valuation of certain investments. Whilst there may be a conflict of interest between the Investment Manager's involvement in establishing the valuation price of the Company's investments and the Investment Manager's duties and responsibilities in relation to the Company, the Investment Manager has in place a pricing committee which reviews all pricing procedures for valuing unlisted investments.

### **Tax Risk**

Dividends, interest and capital gains (if any) on securities in which the Company invests may be subject to taxes including withholding taxes imposed by such countries. In addition, where the Company invests in securities that are not subject to withholding tax at the time of acquisition, there can be no assurance that tax may not be withheld in the future as a result of any change in applicable laws, treaties, rules or regulations or the interpretation thereof. The Company may

Company may not be able to benefit from a reduction in the rate of withholding taxes by virtue of the double taxation agreements in operation between Ireland and other countries imposing such tax. The Company may not therefore be able to reclaim withholding tax suffered by it in various countries.

Where a Sub-Fund sell 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 instruments cease to be subject to withholding tax, the benefit thereof will accrue to the purchaser and not to the Company.

Any change in the Company's tax status or in taxation legislation could affect the value of the investments held by the Company and affect the Company's ability to provide the investor returns. Potential investors and Shareholders should note that the statements on taxation that are set out below are based on advice which has been received by the Directors regarding the law and practice in force in the relevant jurisdiction as at the date of this Prospectus. As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment is made in the Company will endure indefinitely. The attention of potential investors is drawn to the taxation risk associated with investing in the Company. See section headed "TAXATION".

#### *Tax Liability of the Company*

Furthermore, if the Company becomes liable to account for tax, in any jurisdiction, including any interest or penalties thereon if an event giving rise to a tax liability occurs, the Company shall be entitled to deduct such amount from the payment arising on such event or to compulsorily redeem or cancel such number of Shares held by the Shareholder or the beneficial owner of the Shares as have a value sufficient after the deduction of any redemption charges to discharge any such liability. The relevant Shareholder shall indemnify and keep the Company indemnified against any loss arising to the Company by reason of the Company becoming liable to account for tax and any interest or penalties thereon on the happening of an event giving rise to a tax liability including if no such deduction, appropriation or cancellation has been made.

#### **Emerging Markets Risk**

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

#### **Default of Payment Risk**

If subscription monies have not been received by the Administrator by the time specified on the day appointed for payment, the Directors may, pursuant to the Articles, cancel any allotment of Shares made and the Company may charge the applicant for any loss, cost, expense or fees

suffered by the Company as a result of such cancellation.

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

## TAXATION

**The following summary of certain relevant taxation provisions is based on current law and practice and does not constitute legal or tax advice. It does not purport to deal with all the tax consequences applicable to the Company or to all categories of investors, some of whom may be subject to special rules. Shareholders and potential investors are advised to consult their professional advisers concerning possible taxation or other consequences of subscribing for, purchasing, holding, selling, redeeming, switching, converting or otherwise disposing of the Shares under the laws of their country of incorporation, establishment, citizenship, residence or domicile, and in the light of their particular circumstances.**

**Potential investors and Shareholders should note that the statements on taxation which are set out below are based on advice which has been received by the Directors regarding the law and practice in force in the relevant jurisdiction as at the date of this Prospectus. As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment is made in the Company will endure indefinitely.**

Dividends, interest and capital gains (if any) which the Company receives with respect to its investments (other than securities of Irish issuers) may be subject to taxes, including withholding taxes, in the countries in which the issuers of investments are located. It is anticipated that the Company may not be able to benefit from reduced rates of withholding tax in double taxation agreements between Ireland and such countries. If this position changes in the future and the application of a lower rate results in a repayment to the Company the Net Asset Value will not be re-stated and the benefit will be allocated to the existing Shareholders rateably at the time of repayment.

### **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.

### **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 of the Taxes Act. Under current Irish law and practice, the Company is not chargeable to Irish tax on its income and gains.

However, tax can arise on the happening of a “chargeable event” in the Company. A chargeable event includes any distribution payments to Shareholders or any encashment, redemption, cancellation, transfer or deemed disposal (a deemed disposal will occur at the expiration of a Relevant Period) of Shares. No tax will arise on the Company in respect of chargeable events in respect of a Shareholder who is neither Irish Resident nor Ordinarily Resident in Ireland at

the time of the chargeable event provided that a Relevant Declaration is in place and the Company is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct. In the absence of a Relevant Declaration 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 of the Taxes Act) of the Company with another investment undertaking.

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

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

### *Stamp Duty*

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

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

### **Shareholders Tax**

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<sup>1</sup> in the Company. 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 aforementioned footnote in relation to a chargeable event arising on a deemed disposal), the following tax consequences will arise on a chargeable event.

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

The Company will not have to deduct tax on the occasion of a chargeable event in respect of a Shareholder if (a) the Shareholder is neither Irish Resident nor Ordinarily Resident in Ireland, (b) the Shareholder has made a Relevant Declaration and (c) the Company is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct. In the absence of a Relevant Declaration 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.

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

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

<sup>1</sup> There is 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.

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

Unless a Shareholder is an Exempt Irish Investor and makes a Relevant Declaration to that effect and the Company is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct or unless the Shares are purchased by the Courts Service, tax at the standard rate of income tax (currently 20%) will be required to be deducted by the Company from a distribution (where payments are made annually or at more frequent intervals) to a Shareholder who is Irish Resident or Ordinarily Resident in Ireland. Similarly, tax at the standard rate plus 3% (i.e. currently 23%) will have to be deducted by the Company on any other distribution or gain arising to the Shareholder (other than an Exempt Irish Investor who has made a Relevant Declaration) on an encashment, redemption, cancellation, transfer or deemed disposal (see below) of Shares by a Shareholder who is Irish Resident or Ordinarily Resident in Ireland.

The Finance Act 2006 introduced rules (which were subsequently amended by the Finance Act 2008) in relation to an automatic exit tax for Shareholders who are Irish Resident or Ordinarily Resident in Ireland in respect of Shares held by them in the Company at the ending of a Relevant Period. Such Shareholders (both companies and individuals) will be deemed to have disposed of their Shares (“deemed disposal”) at the expiration of that Relevant Period and will be charged to tax at the standard rate of income tax plus 3% (i.e. currently 23%) on any deemed gain (calculated without the benefit of indexation relief) accruing to them based on the increased value (if any) of the Shares since purchase or since the previous exit tax applied, whichever is later.

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

#### *10% Threshold*

However, where Shareholders who are Irish Resident or Ordinarily Resident in Ireland (other than Exempt Irish Investors) hold less than 10% of the Company [(calculated by value of Shares) or in the case of an umbrella fund, 10% of the relevant sub-fund (calculated by value of shares)] immediately before a deemed disposal, then 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 its service providers) provided:

- the Company has made an appropriate election in accordance with Section 739E(2A)(ii) of the Taxes Act; and
- the Company has advised the relevant Shareholder accordingly in this regard.

#### *15% Threshold*

Where Shareholders who are Irish Resident or Ordinarily Resident in Ireland (other than Exempt Irish Investors) hold less than 15% of the Company (calculated by value of Shares) immediately before the deemed disposal and (i) a refund of tax arises (e.g. due to a subsequent loss on an actual disposal), (ii) the Company has made an appropriate election in accordance with Section 739E(1A)(b)(ii)(II) of the Taxes Act and (iii) the Company has advised the relevant Shareholder accordingly in this regard, then, in such circumstances, the relevant Shareholder(s) must (if they wish to receive a refund of tax), seek to be refunded the amount of excess of the first tax over the "second tax" directly from the Irish Revenue Commissioners as opposed to the Company seeking same (on receipt of a claim by the Shareholder) but see next paragraph.

**Please Note** - The legislation does not currently appear to make available a credit for tax on a deemed disposal for Shareholders who are self assessors. While it is believed that this is not intentional, what it means is that under the current provisions a Shareholder can be taxed twice on gains in particular circumstances. The Department of Finance have been made aware of this apparent error in the drafting and they have indicated that they will look at the matter prior to the Finance Act, 2009. Nevertheless, Shareholders who become liable to self assess on deemed gains on or after 1<sup>st</sup> January 2009 may have to wait until the enactment of the Finance Act 2009 to know if they can credit any such tax payable (i.e. on an deemed disposal) against tax payable on an actual disposal.

#### *Other*

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

Finally, the Irish Revenue Commissioners have indicated that they will provide guidance notes later in 2008 (mid-summer) which should deal with the practical aspects of how the above calculations/objectives will be accomplished. It is hoped that it may provide that the 15% threshold test outlined above should apply on a sub-fund basis (as opposed to only on a fund basis), in line with the 10% threshold tests.

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.

#### **Finance Act 2007**

The Finance Act 2007 introduced new provisions regarding the taxation of Irish Resident individuals or Ordinarily Resident in Ireland individuals who hold shares in investment undertakings. The new provisions introduce the concept of a personal portfolio investment undertaking ("PPIU"). Essentially, an investment undertaking will be considered a PPIU in relation to a specific investor where that investor can influence the selection of some or all of

the property held by the investment undertaking. Depending on an individual's circumstances, an investment undertaking may be considered a PPIU in relation to some, none or all individual investors i.e. it will only be a PPIU in respect of those individuals who can "influence" selection. Any gain arising on a chargeable event in relation to an investment undertaking which is a PPIU in respect of an individual that gave rise to the chargeable event and occurs on or after 20<sup>th</sup> February 2007, will be taxed at the standard rate plus 23 per cent (currently 43%). 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.

### **Capital Acquisitions Tax**

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

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

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

### **United Kingdom**

#### *The Company*

The following information shall apply to all Classes of Shares and Sub-Funds of the Company, unless otherwise specified below.

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

### *General*

The receipt of dividends (if any) by Shareholders, the redemption, switching 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. Shareholders resident in or citizens of certain countries which have anti-offshore fund legislation may have a current liability to tax on the undistributed income and gains of the Company. The Directors, the Company and each of the Company's agents shall have no liability in respect of the individual tax affairs of Shareholders.

### *UK Shareholders*

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 distributions are reinvested. Except in the case of a Shareholder which is a company which directly or indirectly controls not less than 10 per cent. of the voting power of the Company, no credit will be available against a Shareholder's United Kingdom taxation liability in respect of income distributions by the Company for any taxes suffered or paid by the Company on its own income.

Chapter V of Part XVII of the United Kingdom Income and Corporation Taxes Act 1988 (the "Taxes Act") provides that if an investor who is resident or ordinarily resident in the United Kingdom for taxation purposes holds a "material interest" in a collective investment scheme (as defined for the purposes of section 756A of the Taxes Act) that constitutes an "offshore fund" and that collective investment scheme does not qualify as a "distributing fund" 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. The Shares will constitute "material interests" in an "offshore fund" for the purpose of those provisions of the Taxes Act.

Except as mentioned below to the contrary (see the section entitled "*Information Specific to distributing Classes of Shares*" below), it is not intended to apply to the United Kingdom HM Revenue & Customs for certification of any Class of Shares as a "distributing 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. One consequence of this treatment is that such investors who are individuals will not be able to benefit from a lower rate of United Kingdom capital gains tax or capital gains tax exemptions or reliefs.

The United Kingdom Government in its Budget on 12 March 2008 confirmed proposals for a new framework for the taxation of investments in offshore funds to replace the present distributing funds regime which would operate by reference to whether a fund opts into a reporting regime ("reporting funds") or not ("non-reporting funds"). Under the proposals, investors in reporting funds would be subject to tax on the share of the reporting fund's income attributable to their holding in the fund, whether or not distributed, but any gains on disposal of their holding would be subject to capital gains tax. HM Revenue & Customs would be able to

approve a fund (or class of shares in a fund) in advance as a reporting fund. Investors in non-reporting funds would not be subject to tax on income retained by the non-reporting fund but any gains on disposal of their holding would be subject to tax as offshore income gains. The new regime will be enacted under regulations made pursuant to the Finance Act 2008 and will have effect on a date to be appointed by Treasury order.

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 Finance Act 1996 (the “loan relationships regime”) provides that, if at any time in an accounting period such a person holds a material interest in an offshore fund within the meaning of the relevant provisions of the Taxes Act, and there is a time in that period when that fund fails to satisfy the “non-qualifying investments” test, the material 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 “non-qualifying investments” test at any time when more than 60 per cent. of its assets by market value comprise government and corporate debt securities or cash on deposit or certain derivative contracts or holdings in other collective investment schemes which at any time in the relevant accounting period do not themselves satisfy the “non-qualifying investments” test. The Shares will constitute material interests in an offshore fund and on the basis of the investment policies of the Company, the Company could invest more than 60 per cent. of its assets in government and corporate debt securities or as cash on deposit or in certain derivative contracts or in other non-qualifying collective investment schemes and hence could fail to satisfy the “non-qualifying investments” test. In that eventuality, the Shares will be treated for corporation tax purposes as within the loan relationships regime with the result that all returns on the Shares 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 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).

The attention of individuals ordinarily resident in the United Kingdom for taxation purposes is drawn to Chapter 2 of Part 13 of the Income Tax Act 2007, which contains anti-avoidance provisions dealing with the transfer of assets to overseas persons in circumstances which may render such individuals liable to taxation in respect of undistributed income profits of the Company.

The attention of companies resident in the United Kingdom for taxation purposes is drawn to the fact that the “controlled foreign companies” legislation contained in Chapter IV of Part XVII of the Taxes Act could apply to any United Kingdom resident company which is, either alone or together with persons 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 of its 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.

The attention of persons resident or ordinarily resident in the United Kingdom for taxation purposes is drawn to the provisions of section 13 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 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 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. Finance Act 2008 extends section 13 with effect from 06 April 2008 to Shareholders who are individuals domiciled outside the United Kingdom, subject to the remittance basis in particular circumstances.

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.

#### *Information Specific to distributing Classes of Shares*

Shareholders who are resident or ordinarily resident in the United Kingdom for taxation purposes should be aware that, as mentioned above, their Shares will constitute “material interests” in an “offshore fund” for the purposes of Chapter V of Part XVII of the Taxes Act. A person has a material interest in a fund if, at the time he acquired it, it could be reasonably expected that within seven years he would be able to realise (by transfer, surrender or otherwise) its value. (It should be noted, however, that changes to the definition of “offshore fund” are expected in Finance Bill 2009.) A person can realise the value of his interest at any time at which he can realise an amount which is reasonably approximate to the proportion of the market value of the fund’s assets represented by his interest. Where such a person holds such a material interest, any gain arising to that person on 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 and not as capital gain, unless the offshore fund has been certified by HM Revenue & Customs as a “distributing fund” for each of its account periods during which that person has held that interest.

In accordance with provisions introduced by the Finance Act 2004, it is possible for a class of interest in a fund to be treated separately as an offshore fund and therefore be certified as a “distributing fund”.

The Directors intend to seek, in relation to certain Sub-Funds and as specified in the relevant Supplement, certification of each of the Sterling Class of Shares and Sterling D Class of Shares as a “distributing fund” from the date of its approval by the Financial Regulator. Accordingly,

if such Classes of Shares are certified by the United Kingdom HM Revenue & Customs as “distributing funds” throughout the period during which such Shares are held, any gain realised by United Kingdom resident or ordinarily resident Shareholders on a sale, redemption or other disposal of their Shares in the Sterling Class of Shares or Sterling D Class of Shares (including a deemed disposal on death) will be taxed as capital gains.

If certification as a “distributing fund” is not obtained, the Sterling Class of Shares and Sterling D Class of Shares will not be “distributing funds” for United Kingdom tax purposes.

Although the Directors intend to manage the Company's affairs so that, in relation to certain Sub-Funds and as specified in the relevant Supplement, each of the Sterling Class of Shares and Sterling D Class of Shares qualifies as a “distributing fund”, and it is intended to apply to the United Kingdom HM Revenue & Customs for certification in respect of each account period of the Company, this policy may be reviewed depending on whether the Sterling Class of Shares and/or Sterling D Class of Shares make(s) an income profit or on account of any other relevant circumstances. In addition, such certification is granted retrospectively and there can be no guarantee that any such certification applied for will be obtained or that, once obtained, it will continue to be available for future periods of account of the Company.

Where the Company ceases to apply for certification of the Sterling Class of Shares or Sterling D Class of Shares of any Sub-Fund as a “distributing fund”, or where certification is not granted, any gain arising to a person with a material interest is termed an “offshore income gain”. Individuals who are basic rate taxpayers will pay United Kingdom income tax on offshore income gains at, currently, 20% whilst those who are higher rate taxpayers will pay United Kingdom tax at, currently, 40%. The precise consequences of such treatment will depend upon the particular tax position of each Shareholder, but United Kingdom resident or ordinarily resident individual Shareholders should be aware that, in particular, they will not be able to benefit from a lower rate of United Kingdom capital gains tax or capital gains exemptions or reliefs. Such Shareholders who are not domiciled in the United Kingdom may, however, be entitled to claim to be taxed on the remittance basis.

### **European Union Savings Directive**

Under EU Council Directive 2003/48/EC of 3 June 2003 on the 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 and the location of the paying agent - which may not necessarily be the same person who may be regarded as the paying agent for other purposes) 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 Community 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 only by Belgium, 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 current rate of withholding tax in those jurisdictions is 20% from 01 July 2008, rising to 35% from 01 July 2011. 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. Jurisdictions including the UK, Ireland and the Cayman Islands are operating

an information providing regime whereas certain dependent and associated territories and other “third country” jurisdictions (including Switzerland) are operating a withholding tax regime.

## APPENDIX I

### GENERAL INFORMATION

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

- (a) The Company was incorporated in Ireland on the August 21, 2002 as an open-ended umbrella type investment company with variable capital, limited liability (registered no. 360460) and with segregated liability between Sub-Funds under the name of Odey Investment Funds plc. The registered office of the Company is at George's Quay House, 43 Townsend Street, Dublin 2, Ireland. On incorporation the authorised share capital of the Company was represented by 38,092 Management Shares of Euro 1.00 each and 500,000,000,000 Shares of no par value.
- (b) The share capital of the Company is as follows:-

#### *Share Capital*

Shares Authorised and issued: 38,092 Management Shares of Euro 1.00 each have been issued for the purposes of incorporation.

Shares Authorised and unissued: 500,000,000,000 Shares

- (c) No capital of the Company is under option or agreed conditionally or unconditionally to be put under option.
- (d) Shares carry no pre-emption rights.

#### 2. Voting Rights

On a show of hands every Shareholder who is present in person or by proxy shall have one vote and every Management Shareholder who is present in person or by proxy shall have one vote in respect of all of the Management Shares. 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 Management Shareholder present in person or by proxy shall be entitled to one vote in respect of all the Management Shares held by him. Fractional Shares shall not carry any voting rights.

#### 3. Winding Up Provisions

If the Directors decide that it is in the best interests of Shareholders to wind up the Company, the Secretary shall forthwith at the Directors' request, convene an extraordinary general meeting of the Company to consider a proposal to appoint a liquidator to wind up the Company. The liquidator, on appointment, will firstly apply the assets of the Company in satisfaction of creditors' claims as he deems appropriate. The assets of the Company will then be distributed amongst the Shareholders. The liquidator may, pursuant to a special resolution of the Company, divide among the Shareholders (pro-rata to the value of their 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 asset 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 assets available for distribution amongst the Shareholders shall be applied as follows:

- (i) firstly, those assets attributable to a particular Sub-Fund shall be paid to the holders of Shares in that Sub-Fund;
- (ii) secondly, any balance then remaining and not attributable to any Sub-Fund shall be apportioned between the Sub-Funds pro-rata to the Net Asset Value of each Sub-Fund immediately prior to any distribution to Shareholders and the amounts so apportioned shall be paid to Shareholders pro-rata the number of Shares in the relevant Sub-Fund held by them; and
- (iii) thirdly, in the payment to holders of Management Shares of sums up to the nominal amount paid thereon. In the event that there are insufficient assets as aforesaid to enable such payment in full to be made, no recourse shall be had to any of the other assets of the Company.

The rights attached to the Shares may, whether or not the Company or any Sub-Fund is being wound up, be varied with the consent in writing of holders of three-quarters of the issued Shares of the Company or of the relevant Sub-Fund or with the sanction of an ordinary resolution passed at a general meeting of the holders of the Shares of the Company or of the relevant Sub-Fund. To be passed, ordinary resolutions of the Company or of the Shareholders of a particular Sub-Fund will require a simple majority of the votes cast by the Shareholders voting in person or by proxy at the meeting at which the resolution is proposed. Special resolutions of the Company or of the Shareholders of a particular Sub-Fund will require a majority of not less than 75% of the Shareholders present in person or by proxy and voting in general meeting in order to pass a special resolution including a resolution to amend the Articles.

The rights attaching to the Shares shall not be deemed to be varied by any of the following:-

- (i) the creation, allotment or issue of any further Shares ranking pari passu with Shares already in issue;
- (ii) by the liquidation of the Company or of any Sub-Fund and distribution of its assets to its members in accordance with their rights or the vesting of assets in trustees for its members in specie.

#### **4. Borrowing Powers**

Subject to the limits laid down by the Financial Regulator, the Directors may exercise all powers of the Company to borrow money to charge its undertaking, property or any part thereof.

## 5. Directors' Interests

- (i) None of the Directors or their family members or any connected person have any interests, either beneficial or non-beneficial, in the share capital of the Company nor have they been granted any options in respect of the share capital of the Company.
- (ii) There are no existing or proposed contracts of service between any of the Directors and the Company.
- (iii) There are no loans outstanding made by the Company to any Director nor any guarantee given for the benefit of any Director.
- (iv) Except as outlined below, none of the Directors has, or has had, any direct or indirect interest in any transactions which are or were unusual in their nature or conditions or significant to the business of the Company and which have been effected since the date of incorporation of the Company;
  - (a) Mr. David Stewart shall be deemed to be interested in any contract entered into by the Company with the Investment Manager by virtue of being CEO of the Investment Manager;
  - (b) Mr. Andrew Bates shall be deemed to be interested in any contract entered into by the Company with Dillon Eustace by virtue of being a partner of Dillon Eustace.

## 6. General Meetings

The Annual General Meeting of the Company will be held in Dublin, normally during the month of May or such other date as the Directors may determine. Notice convening the Annual General Meeting in each year at which the audited financial statements of the Company will be presented (together with the Directors' and Auditors' reports of the Company) will be sent to Shareholders at their registered addresses not less than 21 clear days before the date fixed for the meeting. Other general meetings may be convened from time to time by the Directors in such manner as provided by Irish law.

## 7. Material Contracts

The following contracts, details of which are included in the section headed "Management and Administration of the Company", not being contracts entered into in the ordinary course of business, have been entered into by the Company and are, or may be material:

- (i) *Administration Agreement*
  - (a) Pursuant to the Administration Agreement, the Administrator will provide certain administrative and registrar services to the Company. The Administrator will be entitled to receive a fee as described in "Management and Administration of the Company - Fees and Expenses".

- (b) The Administration Agreement may be terminated by either party on giving not less than ninety days' prior written notice to the other party. The Administration Agreement may also be terminated by either party giving notice in writing to the other party upon certain breaches or upon the insolvency of a party (or upon the happening of a like event).

The Administration Agreement provides for the Company to indemnify the Administrator against all actions, claims, costs, damages, liabilities and expenses (including, without limitation, attorney's fees on a full indemnity basis and amounts reasonably paid in settlement) incurred by the Administrator, its directors, officers, employees, servants or agents in the performance of any of its obligations or duties thereunder otherwise than due to the fraud, bad faith, negligence, recklessness or wilful default of the Administrator, its directors, officers, employees, servants or agents in the performance of any of its obligations or duties thereunder.

(ii) *Custodian Agreement*

- (a) Pursuant to the Custodian Agreement, the Custodian will act as custodian of all of the Company's assets. The Custodian will collect any income arising from the Company's assets on the Company's behalf. The Custodian will be entitled to receive a fee as described in "Management and Administration of the Company - Fees and Expenses".
- (b) The Custodian Agreement may be terminated by either party on giving not less than ninety days' prior written notice to the other party. The Custodian Agreement provides for the Company to hold harmless and indemnify the Custodian against all losses, liabilities, demands, damages, costs, claims or expenses, proceedings, claims, costs, demands and expenses other than as a result of the Custodian's unjustifiable failure to perform its obligations or its improper performance of them, its fraud, negligence, bad faith, wilful default or recklessness whatsoever or howsoever arising (including without limitation, legal fees on a full indemnity basis and other costs, charges and expenses incurred in enforcing or attempting to enforce this indemnity).

(iii) *Investment Management Agreement*

- (a) Pursuant to the Investment Management Agreement, the Investment Manager will manage and will recommend and provide general advice to the Company in connection with the investment and reinvestment of the assets of each Sub-Fund. The Investment Manager will be entitled to receive a fee as described in "Management and Administration - Fees and Expenses".
- (b) The Investment Management Agreement may be terminated by either party on giving not less than ninety days' prior written notice to the other party. The Investment Management Agreement may also be terminated

forthwith upon certain breaches or upon the insolvency of a party (or upon the happening of a like event). The Investment Management Agreement provides that the Investment Manager shall not be liable for any error or judgement or mistake of law or for any loss suffered by the Company under the terms of this Agreement but also that the Investment Manager is to indemnify and hold harmless the Company against all or any damages, losses, liabilities, actions, proceedings, claims, costs, and expenses (including, without limitation, reasonable legal fees and expenses) arising from its wilful default, fraud, or negligence or reckless disregard of its obligations thereunder.

(iv) *Global Distribution Agreement*

- (a) Pursuant to the Global Distribution Agreement, the Global Distributor will act as global distributor of all of the Shares. The Global Distributor will be entitled to receive a fee as described in "Management and Administration of the Company - Fees and Expenses".
- (b) The Global Distribution Agreement may be terminated by either party on giving not less than ninety days' prior written notice to the other party. The Global Distribution Agreement provides for the Company to hold harmless and indemnify the Global Distributor against all loss, liability, claim, damage and expense whatsoever other than as a result of the Global Distributor's wilful deceit, fraud or negligence (or any sub-distributor appointed by it) in the performance of its/their duties.

**8. Notices**

- (i) Any notice or other document required to be served upon or sent to a Shareholder shall be deemed to have been duly given if sent by post to or left at his address as appearing on the register of members and in the case of joint Shareholders if so done upon or to the first named on the register of members.
- (ii) Service of a notice or document on the first named of several joint Shareholders shall be deemed an effective service on himself and the other joint Shareholders.
- (iii) Any notice or document sent by post to or left at the registered address of a Shareholder shall, notwithstanding that such Shareholder be then dead or bankrupt and whether or not the Company or the Administrator has notice of his death or bankruptcy, be deemed to have been duly served or sent and such service shall be deemed as sufficient service on or receipt by all persons interested (whether jointly with or as claiming through or under him) in the Shares concerned.
- (iv) Any certificate or notice or other document which is sent by post to or left at the registered address of the Shareholder named therein or dispatched by the Company or the Administrator in accordance with his instructions shall be so sent, left or dispatched at the risk of such Shareholder.
- (v) Any notice in writing or other document in writing required to be served upon or

or sent to the Company shall be deemed to have been duly given if sent by post to the registered office of the Company or left at the registered office of the Company.

## **9. Documents Available for Inspection**

Copies of the following documents may be inspected during usual business hours on any business day (Saturdays excepted) at the registered office of the Company and at the offices of the Paying Agent(s):-

- (i) the Memorandum and Articles of Association of the Company;
- (ii) the material contracts referred to in paragraph 7 above;
- (iii) the UCITS Regulations and the UCITS Notices; and
- (iv) the Irish Companies Acts, 1963 to 2006.

Copies of the Articles of the Company may be obtained free of charge from the office of the Administrator where copies of the annual reports, the subsequent semi-annual reports (if published thereafter), the Prospectus, any Supplement thereto and the issue price and Repurchase Price of Shares may also be obtained free of charge.

## APPENDIX II

### RECOGNISED EXCHANGES

With the exception of permitted investment in unlisted securities or in shares of open-ended collective investment schemes, the Company will only invest in securities traded on a stock exchange or market which meets with the regulatory criteria (regulated, operate regularly, be recognised and open to the public) and which is listed in the Prospectus. The exchanges and markets are listed in accordance with the requirements of the Financial Regulator and the Financial Regulator does not issue a list of approved markets. Investments may be made:

- (i) without restriction in any stock exchange which is:-
- located in any Member State of the European Union; or
  - located in a Member State of the European Economic Area (EEA) (excluding Norway, Iceland and Liechtenstein); or
  - located in any of the following countries:-
    - Australia
    - Canada
    - Japan
    - Hong Kong
    - New Zealand
    - Switzerland
    - United States of America
- (ii) without restriction in any of the following stock exchanges:-
- |                           |   |                                    |
|---------------------------|---|------------------------------------|
| Argentina                 | - | Bolsa de Comercio de Buenos Aires  |
| Argentina                 | - | Bolsa de Comercio de Cordoba       |
| Argentina                 | - | Bolsa de Comercio de Rosario       |
| Bahrain                   | - | Bahrain Stock Exchange             |
| Bangladesh                | - | Dhaka Stock Exchange               |
| Bangladesh                | - | Chittagong Stock Exchange          |
| Botswana                  | - | Botswana Stock Exchange            |
| Brazil                    | - | Bolsa de Valores do Rio de Janeiro |
| Brazil                    | - | Bolsa de Valores de Sao Paulo      |
| Bulgaria                  | - | First Bulgarian Stock Exchange     |
| Chile                     | - | Bolsa de Comercio de Santiago      |
| Peoples Republic of China | - | Shanghai Securities Exchange       |
|                           | - | Shenzhen Stock Exchange            |
| Colombia                  | - | Bolsa de Bogota                    |
| Colombia                  | - | Bolsa de Medellin                  |
| Colombia                  | - | Bolsa de Occidente                 |
| Croatia                   | - | Zagreb Stock Exchange              |
| Egypt                     | - | Alexandria Stock Exchange          |
| Egypt                     | - | Cairo Stock Exchange               |
| Ghana                     | - | Ghana Stock Exchange               |

Hong Kong	-	Hong Kong Stock Exchange
India	-	Bangalore Stock Exchange
India	-	Delhi Stock Exchange
India	-	Mumbai Stock Exchange
India	-	National Stock Exchange of India
Indonesia	-	Jakarta Stock Exchange
Indonesia	-	Surabaya Stock Exchange
Israel	-	Tel-Aviv Stock Exchange
Jamaica	-	Jamaican Stock Exchange
Jordan	-	Amman Financial Market
Kazakhstan (Rep. Of)	-	Central Asian Stock Exchange
Kazakhstan (Rep. Of)	-	Kazakhstan Stock Exchange
Kenya	-	Nairobi Stock Exchange
Lebanon	-	Beirut Stock Exchange
Mauritius	-	Stock Exchange of Mauritius
Malaysia	-	Kuala Lumpur Stock Exchange
Morocco	-	Societe de la Bourse des Valeurs de Casablanca
Namibia	-	Namibian Stock Exchange
Pakistan	-	Karachi Stock Exchange
Pakistan	-	Lahore Stock Exchange
Pakistan	-	Islamabad Stock Exchange
Peru	-	Bolsa de Valores de Lima
Philippines	-	Philippine Stock Exchange
Romania	-	Bucharest Stock Exchange
Singapore	-	Singapore Stock Exchange
South Africa	-	Johannesburg Stock Exchange
Sri Lanka	-	Colombo Stock Exchange
Taiwan (Republic of China)	-	Taiwan Stock Exchange Corporation
Thailand	-	Stock Exchange of Thailand
Trinidad & Tobago	-	Trinidad & Tobago Stock Exchange
Tunisia	-	Bourse des Valeurs Mobilieres de Tunis
Turkey	-	Istanbul Stock Exchange
Ukraine	-	Ukrainian Stock Exchange
Uruguay	-	Bolsa de Valores de Montevideo
Venezuela	-	Maracaibo Stock Exchange
Venezuela	-	Caracas Stock Exchange
Venezuela	-	Venezuela Electronic Stock Exchange
Zimbabwe	-	Zimbabwe Stock Exchange

(iii) without restriction in any of the following markets:

ISMA - the market organised by the International Securities Market Association;

the market conducted by the "listed money market institutions", as described in the Financial Services Financial Regulator publication 'The Regulation of the Wholesale Cash and OTC Derivatives Markets' - the "Grey Paper" (as amended from time to time);

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

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

NASDAQ in the United States of America;

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

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

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

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

- (iv) for the purposes only of determining the value of the assets of a Sub-Fund, the term “Recognised Exchange” shall be deemed to include, in relation to any futures or options contract utilised by the Sub-Fund for the purposes of efficient portfolio management or to provide protection against exchange rates, any organised exchange or market on which such futures or options contract is regularly traded.
- (v) The following is a list of regulated futures and options exchanges and markets in which the assets of each Sub-Fund may be invested from time to time and is set out in accordance with the Financial Regulator’s requirements. The Financial Regulator does not issue a list of approved futures and option exchanges or markets.

All futures and options exchanges:

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

## **REGISTERED OFFICE**

George's Quay House,  
43 Townsend Street,  
Dublin 2,  
Ireland.

## **SECRETARY**

RBC Dexia Investor  
Services Ireland Limited  
George's Quay House,  
43 Townsend Street,  
Dublin 2,  
Ireland

## **ADMINISTRATOR AND REGISTRAR**

RBC Dexia Investor  
Services Ireland Limited,  
George's Quay House,  
43 Townsend Street,  
Dublin 2,  
Ireland.

## **INVESTMENT MANAGER AND GLOBAL DISTRIBUTOR**

Odey Asset Management  
LLP  
12 Upper Grosvenor Street,  
London,  
W1K 2ND,  
England.

## **CUSTODIAN**

RBC Dexia Investor  
Services Bank S.A.,  
Dublin Branch,  
George's Quay House,  
43 Townsend Street,  
Dublin 2,  
Ireland.

## **LEGAL ADVISERS**

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

In England  
Simmons & Simmons  
City Point,  
One Ropemaker Street,  
London EC2Y 9SS,  
England

## **AUDITORS**

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

## **ODEY PAN EUROPEAN FUND**

### **Supplement 1 to the Prospectus dated May 13, 2009 for Odey Investment Funds plc dated May 13, 2009**

**This Supplement contains specific information in relation to the Odey Pan European Fund (the “Sub-Fund”) a Sub-Fund of Odey Investment Funds plc (the “Company”) an open-ended umbrella type investment company with segregated liability between Sub-Funds authorised by the Financial Regulator pursuant to the UCITS Regulations.**

**This Supplement replaces the Supplement for Odey Pan European Fund dated September 17, 2008.**

**This Supplement forms part of and should be read in conjunction with the general description of:-**

- **the Company and its management and administration**
- **the Company’s fee and expenses**
- **the taxation of the Company and of its Shareholders and**
- **its risk factors**

**which is contained in the Prospectus for the Company dated May 13, 2009 which is available from the Administrator at George’s Quay House, 43 Townsend Street, Dublin 2, Ireland.**

**The other existing Sub-Funds of the Company, details of which are set out in the relevant Supplements to the Prospectus are Odey Allegra European Fund and Odey Allegra International Fund.**

**Investors should note that an investment in the Sub-Fund (i) should only be made by those persons who could sustain a loss on their investment; (ii) should not constitute a substantial proportion of their investment portfolio; and (iii) may not be appropriate for all investors.**

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

#### **1. The Investment Manager**

The Directors have appointed Odey Asset Management LLP (the “Investment Manager”) to manage the investment and re-investment of the assets of the Sub-Fund.

A description of the Investment Manager can be found under the heading “Management and Administration of the Company” on page 33 of the Prospectus.

## **2. Share Classes**

The Euro Class and Sterling Class are being offered in the Sub-Fund.

## **3. Base Currency**

The Base Currency of the Sub-Fund is Euro.

## **4. Investment Objective and Policies**

### *Investment Objective*

The investment objective of the Sub-Fund is long term capital appreciation through investing in equities issued by companies which derive a significant proportion of their income from or whose principal offices are in Europe, including Eastern Europe (“European companies”).

### *Investment Policies*

The Sub-Fund will invest primarily in equities issued by what the Investment Manager considers to be companies which derive a significant proportion of their income from or whose principal offices are in Europe, including Eastern Europe (“European companies”) which are listed or traded on one or more Recognised Exchanges.

The Sub-Fund may invest up to 10% of its Net Asset Value in equities issued by what the Investment Manager reasonably considers non-European companies and which are listed or traded on one or more Recognised Exchanges. The Sub-Fund may invest up to 20% of its Net Asset Value in emerging markets. The Sub-Fund may also invest up to 35% of its Net Asset Value in fixed income securities, including bonds and unleveraged notes (including, but not limited to commercial paper) issued principally by government/supranational and/or local authority issuers but also, to a lesser extent, by corporates all of which are rated at least investment grade by a recognised rating agency and which are listed or traded on one or more Recognised Exchanges. The Sub-Fund may invest up to 5%, in aggregate, of its Net Asset Value in UCITS and/or non-UCITS, such non-UCITS will be principally regulated and domiciled in Europe.

The Sub-Fund may hold or maintain cash deposits and/or cash equivalents (such as short term commercial paper, certificates of deposit and fixed or variable rate commercial paper) on a temporary basis and subject to the conditions and within the limits laid down by the Financial Regulator. The amount of cash that the Sub-Fund will hold will vary depending on prevailing circumstances. Under normal market conditions, the Sub-Fund may hold or maintain up to 30% of its Net Asset Value in cash deposits and/or cash equivalents as set out above. In exceptional market conditions, such as market volatility or falling markets, the amount of such cash deposits and/or cash equivalents may be up to 50% of the Sub-Fund’s Net Asset Value.

The performance of the Sub-Fund's portfolio of investments will be measured against the MSCI Europe Total Return Net Index (or any other index which replaces it or is considered by the Investment Manager to be the market standard in place of that index and any such change in that index will be notified to Shareholders in the semi-annual and annual accounts) which is currently a market value-weighted index of the following countries in the region: Austria,

Belgium, Denmark, Finland, Germany, Italy, Netherlands, Norway, Spain, Sweden, Switzerland and the United Kingdom. Countries weightings may change from time to time.

Where considered appropriate, the Sub-Fund may utilise techniques and instruments, such as futures, options, stocklending arrangements and forward currency contracts, for efficient portfolio management and/or to protect against exchange risks subject to the conditions and within the limits laid down by the Financial Regulator. Forward foreign exchange contracts may be used for hedging purposes or to alter the currency characteristics of transferable securities held by the Sub-Fund where the Investment Manager considers it economically appropriate or to reflect the Investment Manager's views on the likely movement of currencies. Because currency positions held by the Sub-Fund may not correspond with the asset positions held performance may be strongly influenced by movements in foreign exchange rates.

Deterioration in the Sub-Fund's performance may arise in relation to a Share Class designated in a currency other than the Base Currency of the Sub-Fund. Changes in the exchange rate between the Base Currency of the Sub-Fund and the designated currency could lead to a depreciation in the value of the Share Class as expressed in their designated currency. The Investment Manager may try to mitigate this risk by using financial instruments, such as foreign exchange spot and forward contracts, as a hedge, generally not leveraging the Class by exceeding 100% of the Net Asset Value attributable to the relevant Class of Shares. Overhedged positions may occur due to factors outside the Investment Manager's control but will not exceed 105% of the Net Asset Value attributable to the relevant Class of Shares. Positions materially in excess of 100% will not be carried forward from month to month.

## **5. Distribution Policy**

The Euro Class Shares are accumulating Shares and, accordingly, the Company does not intend to make distributions in respect of these Shares. The Company intends to automatically reinvest all earnings, dividends and other distributions of whatever kind as well as realised capital gains pursuant to the investment objective and policies of the Sub-Fund for the benefit of the Shareholders.

The net amount of all realised and unrealised gains in respect of the Sterling Class Shares (less unrealised and realised losses) arising on the disposal of investments shall not be distributed but shall form part of the assets of the Sub-Fund, as attributable to the Sterling Class Shares.

Owing to the fact that the expenses of the Sub-Fund, as attributable to the Sterling Class Shares are in the first instance payable out of income, it is not anticipated that the net income of the Sub-Fund, as attributable to the Sterling Class Shares or any dividends will be significant.

If sufficient net income after expenses is available in the Sub-Fund, the Directors intend to make a single distribution to Shareholders of the Sterling Class Shares of substantially the whole of the net income of the Sub-Fund, as attributable to the Sterling Class Shares (in accordance with the requirements of UK distributor status).

Unless a Shareholder of the Sterling Class Shares elects otherwise, any distributions will be applied in the purchase of further Sterling Class Shares (or fractions thereof) as applicable. Where such distributions are to be reinvested they shall be paid by the Sub-Fund into an account in the name of the Company for the account of the Shareholders. The amount standing to the credit of this account shall not be an asset of the Sub-Fund, as attributable to Sterling Class Shares and will be immediately transferred, pursuant to a standing instruction, from the aforementioned account to the account of the Sub-Fund. Cash payments, for Shareholders of

the Sterling Class Shares who elect to receive distributions in cash, will be payable to the account specified by Shareholders on the application form.

Dividends, if declared will normally be declared in December of each year and will be paid within six months of the Accounting Date.

Dividends which are not claimed or collected within six years of payment shall revert to and form part of the assets of the Sub-Fund.

## **6. Issue of Shares**

Issue of Shares shall only take place on Dealing Days at the Subscription Price for the relevant Sub-Fund or Class calculated as at the relevant Valuation Day. A subscription fee not exceeding 5% of the total subscription amount may be deducted from the total subscription amount and may be paid to the Global Distributor or Distributors for their absolute use and benefit and shall not form part of the assets of the Sub-Fund. The Company may at its sole discretion reduce or waive such fee or fees or differentiate between applicants as to the amount of such fee or fees within the permitted limits.

The minimum initial subscription amount in the Sub-Fund is Euro 20,000. The Company may at its sole discretion waive or reduce such minimum initial subscription amount or differentiate between applicants as to such minimum initial subscription amount.

## **7. Fees**

In addition to the general fees and expenses set out in the Prospectus under the heading “Management and Administration of the Company – Fees and Expenses, the following fee is payable out of the Sub-Fund.

### ***Investment Manager***

The Investment Manager shall be entitled to receive out of the assets of the Sub-Fund an annual fee, accrued daily and payable monthly in arrears, at an annual rate of 1.50% of the Net Asset Value of the Sub-Fund (plus VAT, if any). Within this permitted limit the Investment Manager’s fees may differ between Classes of Shares of the Sub-Fund.

The Investment Manager shall not be entitled to charge any out-of-pocket expenses to the Sub-Fund.

<b>Class of Shares</b>	<b>Investment Managers Fee</b>
Euro	1.50%
Sterling	1.50%

The costs and expenses of and incidental to the creation of Sterling Class Shares in this Sub-Fund did not exceed Euro 5,000 (exclusive of VAT) and are payable by the Company, out of the assets of this Sub-Fund.

**8. Risk Factors**

Persons interested in purchasing Shares in the Sub-Fund should read the section headed “Risk Factors” in the main body of the Prospectus.

**9. Taxation**

Persons interested in purchasing Sterling Class Shares should read the sub-section “Information Specific to distributing Classes of Shares” under the main section headed “TAXATION” which also applies to the Sterling Class Shares of this Sub-Fund.

## **ODEY ALLEGRA EUROPEAN FUND**

### **Supplement 2 to the Prospectus dated May 13,2009 for Odey Investment Funds plc dated May 13, 2009**

**This Supplement contains specific information in relation to the Odey Allegra European Fund (the “Sub-Fund”) a Sub-Fund of Odey Investment Funds plc (the “Company”) an open-ended umbrella type investment company with segregated liability between Sub-Funds authorised by the Financial Regulator pursuant to the UCITS Regulations.**

**This Supplement replaces the Supplement for Odey Allegra European Fund dated September 17, 2008.**

**This Supplement forms part of and should be read in conjunction with the general description of:-**

- **the Company and its management and administration**
- **the Company’s fee and expenses**
- **the taxation of the Company and of its Shareholders and**
- **its risk factors**

**which is contained in the Prospectus for the Company dated May 13, 2009, which is available from the Administrator at George’s Quay House, 43 Townsend Street, Dublin 2, Ireland.**

**The other existing Sub-Funds of the Company, details of which are set out in the relevant Supplements to the Prospectus are Odey Pan European Fund and Odey Allegra International Fund.**

**Investors should note that an investment in the Sub-Fund (i) should only be made by those persons who could sustain a loss on their investment; (ii) should not constitute a substantial proportion of their investment portfolio; and (iii) may not be appropriate for all investors.**

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

#### **1. The Investment Manager**

The Directors have appointed Odey Asset Management LLP (the “Investment Manager”) to manage the investment and re-investment of the assets of the Sub-Fund.

A description of the Investment Manager can be found under the heading “Management and Administration of the Company” on page 33 of the Prospectus.

## **2. Share Classes**

The Euro Class, Euro I Class, US Dollar Class, US Dollar I Class, Sterling Class, Sterling I Class and Sterling D Class\* are being offered in the Sub-Fund.

\*Investors are advised that the Directors are offering a new Sterling D Class. The Sterling D Class referred to in the Supplement of the Sub-Fund dated January 27, 2006 has been terminated.

## **3. Base Currency**

The Base Currency of the Sub-Fund is Euro.

## **4. Investment Objective and Policies**

### *Investment Objective*

The investment objective of the Sub-Fund is to achieve long term capital appreciation through investing predominantly in European equity and European equity related securities.

### *Investment Policies*

The Sub-Fund will invest predominantly in equities and equity related securities (such as convertible bonds and warrants) which are listed or traded on one or more Recognised Exchanges in Europe. The Sub-Fund may also invest up to 35% of its Net Asset Value in fixed and/or floating rate bonds issued by governments with a rating at least A2/P2 from Standard & Poors\ Moodys, respectively. The Sub-Fund may invest up to 5%, in aggregate, of its Net Asset Value in UCITS and/or non-UCITS, such non-UCITS may be domiciled in Europe, and which invest in the securities described above and which are listed or traded on one or more Recognised Exchanges in Europe. The Sub-Fund will at all times invest at least two-thirds of its total assets in issuers (of the securities described above) having their registered offices in Europe or carrying out the preponderant part of their economic activities in Europe.

The Sub-Fund may hold or maintain cash deposits and/or cash equivalents (such as short term commercial paper, certificates of deposit and fixed or variable rate commercial paper) on a temporary basis and subject to the conditions and within the limits laid down by the Financial Regulator. The amount of cash that the Sub-Fund will hold will vary depending on prevailing circumstances. Under normal market conditions, the Sub-Fund may hold or maintain up to 30% of its Net Asset Value in cash deposits and/or cash equivalents as set out above. In exceptional market conditions, such as market volatility or falling markets, the amount of such cash deposits and/or cash equivalents may be up to 50% of the Sub-Fund's Net Asset Value.

The performance of the Sub-Fund's portfolio of investments will be measured against the MSCI Europe Total Return Net Index. The MSCI Europe Total Return Net Index is a free float-adjusted market capitalization index that is designed to measure developed market equity performance in Europe. The MSCI Europe Total Return Net Index consists of the following 16 developed market country indices: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and the United Kingdom.

Where considered appropriate, the Sub-Fund may utilise techniques and instruments, such as futures, options, stocklending arrangements and forward currency contracts, for efficient portfolio management and/or to protect against exchange risks subject to the conditions and within the limits laid down by the Financial Regulator. Forward foreign exchange contracts may be used for hedging purposes or to alter the currency characteristics of transferable securities held by the Sub-Fund where the Investment Manager considers it economically appropriate or to reflect the Investment Manager's views on the likely movement of currencies. Because currency positions held by the Sub-Fund may not correspond with the asset positions held performance may be strongly influenced by movements in foreign exchange rates.

Deterioration in the Sub-Fund's performance may arise in relation to a Share Class designated in a currency other than the Base Currency of the Sub-Fund. Changes in the exchange rate between the Base Currency of the Sub-Fund and the designated currency could lead to a depreciation in the value of the Share Class as expressed in their designated currency. The Investment Manager may try to mitigate this risk by using financial instruments, such as foreign exchange spot and forward contracts, as a hedge, generally not leveraging the Class by exceeding 100% of the Net Asset Value attributable to the relevant Class of Shares. Overhedged positions may occur due to factors outside the Investment Manager's control but will not exceed 105% of the Net Asset Value attributable to the relevant Class of Shares. Positions materially in excess of 100% will not be carried forward from month to month.

## **5. Distribution Policy**

The Euro Class Shares, US Dollar Class Shares and Sterling Class Shares (save for Sterling D Class Shares) are accumulating Shares and, accordingly, the Company does not intend to make distributions in respect of these Shares. The Company intends to automatically re-invest all earnings, dividends and other distributions of whatever kind as well as realised capital gains pursuant to the investment objective and policies of the Sub-Fund for the benefit of the Shareholders.

The net amount of all realised and unrealised gains in respect of the Sterling D Class Shares (less unrealised and realised losses) arising on the disposal of investments shall not be distributed but shall form part of the assets of the Sub-Fund, as attributable to the Sterling D Class Shares. Owing to the fact that the expenses of the Sub-Fund, as attributable to the Sterling D Class Shares are in the first instance payable out of income, it is not anticipated that the net income of the Sub-Fund, as attributable to the Sterling D Class Shares or any dividends will be significant.

If sufficient net income after expenses is available in the Sub-Fund, the Directors intend to make a single distribution to Shareholders of the Sterling D Class Shares of substantially the whole of the net income of the Sub-Fund, as attributable to the Sterling D Class Shares (in accordance with the requirements of UK distributor status).

Unless a Shareholder of the Sterling D Class Shares elects otherwise, any distributions will be applied in the purchase of further Sterling D Class Shares (or fractions thereof) as applicable. Where such distributions are to be reinvested they shall be paid by the Sub-Fund into an account in the name of the Company for the account of the Shareholders. The amount standing to the credit of this account shall not be an asset of the Sub-Fund, as attributable to Sterling D Class Shares and will be immediately transferred, pursuant to a standing instruction, from the

aforementioned account to the account of the Sub-Fund. Cash payments, for Shareholders of the Sterling D Class Shares who elect to receive distributions in cash, will be payable to the account specified by Shareholders on the application form.

Dividends, if declared will normally be declared in December of each year and will be paid within six months of the Accounting Date.

Dividends which are not claimed or collected within six years of payment shall revert to and form part of the assets of the Sub-Fund.

## **6. Issue of Shares**

Issue of Shares shall only take place on Dealing Days at the Subscription Price for the relevant Sub-Fund or Class calculated as at the relevant Valuation Day. A subscription fee of 2% of the total subscription amount may be deducted from the total subscription amount and may be paid to the Global Distributor or Distributors for their absolute use and benefit and shall not form part of the assets of the Sub-Fund. The Company may at its sole discretion reduce or waive such fee or fees or differentiate between applicants as to the amount of such fee or fees within the permitted limits.

The minimum initial subscription amount in each Class of the Sub-Fund is Euro 1,000,000 (or its equivalent in US Dollars or Sterling as appropriate). The minimum subsequent subscription amount in each Class of the Sub-Fund is Euro 250,000 (or its equivalent in US Dollars or Sterling as appropriate). The Company may at its sole discretion waive or reduce such minimum initial or subsequent subscription amounts or differentiate between applicants as to such minimum initial or subsequent subscription amounts.

## **7. Fees**

In addition to the general fees and expenses set out in the Prospectus under the heading “Management and Administration of the Company – Fees and Expenses, the following fee is payable out of the Sub-Fund.

### *Investment Manager*

The Investment Manager shall be entitled to receive out of the assets of the Sub-Fund, an annual fee, accrued daily and payable monthly in arrears, at an annual rate of up to 1% of the Net Asset Value of the Sub-Fund (plus VAT, if any). Within this permitted limit the Investment Manager’s fees may differ between Classes of Shares of the Sub-Fund.

The Investment Manager, in addition to the aggregate annual fee, is entitled to receive a performance fee in aggregate equal to 20% of the amount by which performance of each Class of Shares exceeds the benchmark (as described below). The performance fee is payable on the last Valuation Day in each financial year (each a “Payment Date”). The performance fee will be equal to 20% of x where x equals the Net Asset Value per Share on the Payment Date less the benchmark value per Share on such Date multiplied by the weighted average number of Shares of the relevant class in issue on Dealing Days in the period since the preceding Payment Date.

Such calculation of the performance fee shall be verified by the Custodian.

The benchmark value per Share for the purposes of the performance fee calculation will be the higher of: (a) the benchmark value per Share on the previous Payment Date adjusted by the return in the MSCI Europe Total Return Net Index since the previous Payment Date and (b) the Net Asset Value per Share on the previous Payment Date adjusted by the return in the MSCI Europe Total Return Net Index since the previous Payment Date. For the purposes of the first calculation of the fee, the starting point for the benchmark value per Share is the Initial Issue Price.

If the fee as calculated is less than zero, then no performance fee becomes payable until the under-performance has been made good (and future performance has exceeded the benchmark).

The performance fee will accrue on a daily basis and for the purposes of calculating the performance fee, the Net Asset Value will be adjusted by adding back the accrual. Investors whose shares are repurchased on a day other than a Payment Date will accordingly receive repurchase proceeds based on a Net Asset Value calculation reflecting the performance fee accrued on the repurchase date. If subsequent performance means that no performance fee is payable on the Payment Date next succeeding the relevant repurchase date, the sums representing the accrual will not be paid to the Investment Manager but will be retained by the Company.

Where performance fees are payable by the Company these will be based on net realised and net unrealised gains and losses at the end of each performance period. As a result, performance fees may be paid on unrealised gains which may subsequently not be realised.

The Investment Manager shall not be entitled to charge any out-of-pocket expenses to the Sub-Fund.

<b>Class of Shares</b>	<b>Investment Manager's Fee</b>	<b>Performance Fee</b>
Euro	0.70%	See above
Euro I	1%	See above
US Dollar	0.70%	See above
US Dollar I	1%	See above
Sterling	0.70%	See above
Sterling I	1%	See above
Sterling D	0.70%	See above

## **8. Risk Factors**

Persons interested in purchasing Shares in the Sub-Fund should read the section headed “Risk Factors” in the main body of the Prospectus.

## **9. Taxation**

Persons interested in purchasing Sterling D Class Shares should read the sub-section “Information Specific to distributing Classes of Shares” under the main section headed “TAXATION” which also applies to the Sterling D Class Shares of this Sub-Fund.

## **ODEY ALLEGRA INTERNATIONAL FUND**

### **Supplement 3 to the Prospectus dated May 13, 2009 for Odey Investment Funds plc dated May 13, 2009**

**This Supplement contains specific information in relation to the Odey Allegra International Fund (the “Sub-Fund”) a Sub-Fund of Odey Investment Funds plc (the “Company”) an open-ended umbrella type investment company with segregated liability between Sub-Funds authorised by the Financial Regulator pursuant to the UCITS Regulations.**

**This Supplement replaces the Supplement for Odey Allegra International Fund dated September 17, 2008.**

**This Supplement forms part of and should be read in conjunction with the general description of:-**

- **the Company and its management and administration**
- **the Company’s fee and expenses**
- **the taxation of the Company and of its Shareholders and**
- **its risk factors**

**which is contained in the Prospectus for the Company dated May 13, 2009 which is available from the Administrator at George’s Quay House, 43 Townsend Street, Dublin 2, Ireland.**

**The other existing Sub-Funds of the Company, details of which are set out in the relevant Supplements to the Prospectus are Odey Pan European Fund and Odey Allegra European Fund.**

**Investors should note that an investment in the Sub-Fund (i) should only be made by those persons who could sustain a loss on their investment; (ii) should not constitute a substantial proportion of their investment portfolio; and (iii) may not be appropriate for all investors.**

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

#### **1. The Investment Manager**

The Directors have appointed Odey Asset Management LLP (the “Investment Manager”) to manage the investment and re-investment of the assets of the Sub-Fund.

A description of the Investment Manager can be found under the heading “Management and Administration of the Company” on page 33 of the Prospectus.

## **2. Share Classes**

The Euro Class, Euro I Class, US Dollar Class, Sterling Class and Sterling D Class\* are being offered in the Sub-Fund.

\*Investors are advised that the Directors propose to offer a new Sterling D Class. The Sterling D Class referred to in the Supplement of the Sub-Fund dated January 26, 2007 has been terminated.

## **3. Base Currency**

The Base Currency of the Sub-Fund is Euro.

## **4. Investment Objective and Policies**

### *Investment Objective*

The investment objective of the Sub-Fund is to achieve long term capital appreciation through investing predominantly in equity and equity-related securities on a world wide basis.

### *Investment Policies*

The Sub-Fund will invest predominantly in equity and equity-related securities (such as convertible bonds and warrants) which are listed or traded on one or more Recognised Exchanges worldwide. The Sub-Fund may also invest up to 35% of its Net Asset Value in debt and debt-related securities (such as notes, preferred securities, debentures, fixed or floating rate bonds) issued by Governments, municipalities, agencies, supranationals or corporates listed or traded on one or more Recognised Exchanges worldwide with a rating at least A2/P2 from Standard & Poors\ Moodys, respectively. The Sub-Fund may invest up to 5%, in aggregate, of its Net Asset Value in UCITS and/or non-UCITS, such non-UCITS will be regulated and domiciled on a worldwide basis.

The Sub-Fund may hold or maintain cash deposits and/or cash equivalents (such as short term commercial paper, certificates of deposit and fixed or variable rate commercial paper) on a temporary basis and subject to the conditions and within the limits laid down by the Financial Regulator. The amount of cash that the Sub-Fund will hold will vary depending on prevailing circumstances. Under normal market conditions, the Sub-Fund may hold or maintain up to 30% of its Net Asset Value in cash deposits and/or cash equivalents as set out above. In exceptional market conditions, such as market volatility or falling markets, the amount of such cash deposits and/or cash equivalents may be up to 50% of the Sub-Fund's Net Asset Value.

The performance of the Sub-Fund's portfolio of investments will be measured against the MSCI World Total Return Net Index. The MSCI World Return Net Index consists of more than 1,500 stocks in 23 countries globally and represents approximately 85 of the total market capitalization in those countries. The countries include: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, United Kingdom, United States.

Where considered appropriate, the Sub-Fund may utilise techniques and instruments, such as futures, options, stocklending arrangements, contracts for differences and forward currency contracts for efficient portfolio management in order to reduce risk and/or costs and/or to generate additional income for the Sub-Fund, subject to the conditions and within the limits laid down by the Financial Regulator. Forward foreign exchange contracts may be used for hedging purposes or to alter the currency characteristics of transferable securities held by the Sub-Fund where the Investment Manager considers it economically appropriate or to reflect the Investment Manager's views on the likely movement of currencies. Because currency positions held by the Sub-Fund may not correspond with the asset positions held performance may be strongly influenced by movements in foreign exchange rates.

Deterioration in the Sub-Fund's performance may arise in relation to a Share Class designated in a currency other than the Base Currency of the Sub-Fund. Changes in the exchange rate between the Base Currency of the Sub-Fund and the designated currency could lead to depreciation in the value of the Share Class as expressed in their designated currency. The Investment Manager may try to mitigate this risk by using financial instruments, such as foreign exchange spot and forward contracts, as a hedge, generally not leveraging the Class by exceeding 100% of the Net Asset Value attributable to the relevant Class of Shares. Overhedged positions may occur due to factors outside the Investment Manager's control but will not exceed 105% of the Net Asset Value attributable to the relevant Class of Shares. Positions materially in excess of 100% will not be carried forward from month to month.

## **5. Distribution Policy**

The Euro Class, Euro I Class, US Dollar Class and Sterling Class Shares are accumulating Shares and, accordingly, the Company does not intend to make distributions in respect of these Shares. The Company intends to automatically re-invest all earnings, dividends and other distributions of whatever kind as well as realised capital gains pursuant to the investment objective and policies of the Sub-Fund for the benefit of the Shareholders.

The net amount of all realised and unrealised gains in respect of the Sterling D Class Shares (less unrealised and realised losses) arising on the disposal of investments shall not be distributed but shall form part of the assets of the Sub-Fund, as attributable to the Sterling D Class Shares. Owing to the fact that the expenses of the Sub-Fund, as attributable to the Sterling D Class Shares are in the first instance payable out of income, it is not anticipated that the net income of the Sub-Fund, as attributable to the Sterling D Class Shares or any dividends will be significant.

If sufficient net income after expenses is available in the Sub-Fund, the Directors intend to make a single distribution to Shareholders of the Sterling D Class Shares of substantially the whole of the net income of the Sub-Fund, as attributable to the Sterling D Class Shares (in accordance with the requirements of UK distributor status).

Unless a Shareholder of the Sterling D Class Shares elects otherwise, any distributions will be applied in the purchase of further Sterling D Class Shares (or fractions thereof) as applicable. Where such distributions are to be reinvested they shall be paid by the Sub-Fund into an account in the name of the Company for the account of the Shareholders. The amount standing to the credit of this account shall not be an asset of the Sub-Fund, as attributable to Sterling D Class Shares and will be immediately transferred, pursuant to a standing instruction, from the aforementioned account to the account of the Sub-Fund. Cash payments, for Shareholders of

the Sterling D Class Shares who elect to receive distributions in cash, will be payable to the account specified by Shareholders on the application form.

Dividends, if declared will normally be declared in December of each year and will be paid within six months of the Accounting Date.

Dividends which are not claimed or collected within six years of payment shall revert to and form part of the assets of the Sub-Fund.

## **6. Issue of Shares**

### *Initial Issue*

US Dollar Class Shares are being offered from 9a.m. on May 14, 2009 to 5p.m. on June 30, 2009 (the "Initial Offer Period") at the initial offer price as set out below and subject to acceptance of applications for Shares by the Company and will be issued on the first Dealing Day after expiry of the Initial Offer Period. The Initial Offer Period may be shortened or extended by the Company. The Financial Regulator will be notified of any such shortening or extension.

<i>Share Class</i>	<i>Initial Offer Price</i>
US Dollar Class	USD 100

### *Subsequent Issue*

Issue of US Dollar Class (following the Initial Offer Period as set out above) and Sterling D Class Shares and issue of Euro Class, Euro I Class and Sterling Class Shares shall only take place on Dealing Days at the Subscription Price for the relevant Sub-Fund or Class calculated as at the relevant Valuation Day. A subscription fee of 2% of the total subscription amount may be deducted from the total subscription amount and may be paid to the Global Distributor or Distributors for their absolute use and benefit and shall not form part of the assets of the Sub-Fund. The Company may at its sole discretion reduce or waive such fee or fees or differentiate between applicants as to the amount of such fee or fees within the permitted limits.

The minimum initial subscription amount in each Class of the Sub-Fund is Euro 1,000,000 (or its equivalent in US Dollars or Sterling as appropriate). The minimum subsequent subscription amount in each Class of the Sub-Fund is Euro 100,000 (or its equivalent in US Dollars or Sterling as appropriate). The Company may at its sole discretion waive or reduce such minimum initial or subsequent subscription amounts or differentiate between applicants as to such minimum initial or subsequent subscription amounts.

## **7. Fees**

In addition to the general fees and expenses set out in the Prospectus under the heading "Management and Administration of the Company – Fees and Expenses, the following fee is payable out of the Sub-Fund.

### *Establishment Costs*

The Sub-Fund shall bear the fees and expenses relating to the establishment of the Sub-Fund, estimated to amount to Euro 7,500, which may be amortised for accounting purposes over a 3 year period or such other period as may be determined by the Company.

#### *Investment Manager*

The Investment Manager shall be entitled to receive out of the assets of the Sub-Fund, an annual fee, accrued daily and payable monthly in arrears, at an annual rate of up to 1% of the Net Asset Value of the Sub-Fund (plus VAT, if any). Within this permitted limit the Investment Manager's fees may differ between Classes of Shares of the Sub-Fund.

The Investment Manager, in addition to the aggregate annual fee, is entitled to receive a performance fee in aggregate equal to 20% of the amount by which performance of each Class of Shares exceeds the benchmark (as described below). The performance fee is payable on the last Valuation Day in each financial year (each a "Payment Date"). The performance fee will be equal to 20% of  $x$  where  $x$  equals the Net Asset Value per Share on the Payment Date less the benchmark value per Share on such Date multiplied by the weighted average number of Shares of the relevant class in issue on Dealing Days in the period since the preceding Payment Date.

Such calculation of the performance fee shall be verified by the Custodian.

The benchmark value per Share for the purposes of the performance fee calculation will be the higher of: (a) the benchmark value per Share on the previous Payment Date adjusted by the return in the MSCI World Total Return Net Index since the previous Payment Date and (b) the Net Asset Value per Share on the previous Payment Date adjusted by the return in the MSCI World Total Return Net Index since the previous Payment Date. For the purposes of the first calculation of the fee, the starting point for the benchmark value per Share is the Initial Issue Price.

If the fee as calculated is less than zero, then no performance fee becomes payable until the under-performance has been made good (and future performance has exceeded the benchmark).

The performance fee will accrue on a daily basis and for the purposes of calculating the performance fee, the Net Asset Value will be adjusted by adding back the accrual. Investors whose shares are repurchased on a day other than a Payment Date will accordingly receive repurchase proceeds based on a Net Asset Value calculation reflecting the performance fee accrued on the repurchase date. If subsequent performance means that no performance fee is payable on the Payment Date next succeeding the relevant repurchase date, the sums representing the accrual will not be paid to the Investment Manager but will be retained by the Company.

Where performance fees are payable by the Company these will be based on net realised and net unrealised gains and losses at the end of each performance period. As a result, performance fees may be paid on unrealised gains which may subsequently not be realised.

The Investment Manager shall not be entitled to charge any out-of-pocket expenses to the Sub-Fund.

<b>Class of Shares</b>	<b>Investment Manager's Fee</b>	<b>Performance Fee</b>
Euro	0.70%	See above
Euro I	1%	See above
US Dollar	0.70%	See above
Sterling	0.70%	See above
Sterling D	0.70%	See above

## **8. Risk Factors**

Persons interested in purchasing Shares in the Sub-Fund should read the section headed "Risk Factors" in the main body of the Prospectus.

## **9. Taxation**

Persons interested in purchasing Sterling D Class Shares should read the sub-section "Information Specific to distributing Classes of Shares" under the main section headed "TAXATION" which also applies to the Sterling D Class Shares of this Sub-Fund.