

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

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## SWISS CAPITAL NON-TRADITIONAL FUNDS

(An umbrella unit trust with open-ended, limited liquidity and closed-ended portfolios authorised in Ireland by the Central Bank of Ireland (the “Central Bank”) pursuant to the provisions of the Unit Trusts Act, 1990 and admitted for distribution in Switzerland as foreign investment fund in the category of other funds for alternative investments).

### PROSPECTUS

**1 JUNE, 2012**

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The Directors of the Manager of the Fund whose names appear on page 2 of this Prospectus accept responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

**Portfolios are ‘funds of funds’ investing in Hedge Funds whose risks are not compatible with those of ordinary securities funds. Potential investors are expressly requested to inform themselves of the risks described in this Prospectus and must in particular be able and prepared to sustain substantial price falls. However, the Manager will strive to minimise these risks by applying strict criteria to the selection of Underlying Funds and by diversifying the individual investment strategies. Still, this can, in extreme circumstances, result in a total loss of an Underlying Fund’s assets.**

**Portfolios of the Fund will invest in unregulated collective investment schemes that may not be subject to the same legal and regulatory protection as afforded by collective investment schemes authorised and regulated in the European Union or equivalent jurisdictions. Investment in unregulated schemes involves special risks that could lead to a loss of all or a substantial portion of such investment.**

**An investment in the Fund is not suitable for all investors. A decision to invest in the Fund should take into account your own financial circumstances and the suitability of the investment as a part of your portfolio. You should consult a professional investment advisor before making an investment.**

## REGISTERED OFFICE, DIRECTORS, SERVICE PROVIDERS AND ADVISORS DIRECTORY

<b>Registered Office</b>	<b>Manager</b>
George's Court 54-62 Townsend Street Dublin 2 Ireland	Swiss Capital Invest Holding (Dublin) Limited George's Court 54-62 Townsend Street Dublin 2 Ireland
<b>Directors of the Manager</b>	<b>Representative and Sales Agent in Switzerland:</b>
Hans-Jörg Baumann John Loveridge Marcel Schindler David Shubotham Mark Thorne Philipp Weibel	Swiss Capital Alternative Investments AG Talacker 41 CH 8001 Zurich Switzerland
<b>Paying Agent in Switzerland:</b>	<b>Legal Adviser in Switzerland:</b>
Zürcher Kantonalbank (ZKB) Bahnhofstr. 9 CH 8001 Zurich Switzerland	Bratschi, Wiederkehr & Buob, Bahnhofstrasse 70, 8001 Zurich, Switzerland
<b>Investment Advisor</b>	<b>Trustee</b>
Swiss Capital Alternative Investments AG Talacker 41 CH 8001 Zurich Switzerland	Northern Trust Fiduciary Services (Ireland) Limited George's Court 54-62 Townsend Street Dublin 2 Ireland
<b>Administrator, Registrar and Transfer Agent</b>	<b>Legal Advisers in Ireland</b>
Northern Trust International Fund Administration Services (Ireland) Limited George's Court 54-62 Townsend Street Dublin 2 Ireland	Dillon Eustace 33 Sir John Rogerson's Quay Dublin 2 Ireland
<b>Auditors</b>	<b>Listing Agent</b>
PricewaterhouseCoopers One Spencer Dock Northwall Quay Dublin 1 Ireland	J & E Davy 49 Dawson Street Dublin 2 Ireland

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## **Notices**

*The Fund is an umbrella unit trust with open-ended, limited liquidity and closed-ended Portfolios and is authorised by the Central Bank pursuant to the provisions of the Unit Trusts Act, 1990 and any regulations made thereunder.*

***Authorisation of the Fund and approval of its Portfolios by the Central Bank is not an endorsement or guarantee of the Fund or of its Portfolios by the Central Bank nor is the Central Bank responsible for the contents of this Prospectus. The Central Bank shall not be liable by virtue of its authorisation of the Fund or by reason of its exercise of the functions conferred on it by legislation in relation to this Fund for any default of the Fund. Authorisation of the Fund does not constitute a warranty by the Central Bank as to the creditworthiness or financial standing of the various parties to the Fund.***

***Investors in the Fund should be aware that the Manager has the discretion to impose a fee of up to 5% of the total subscription amount in respect of subscription requests. Details of the imposition of such subscription fee shall be disclosed in the Supplement of the relevant Portfolio.***

***In accordance with the terms of the Trust Deed, the Manager may levy, at any time, a redemption fee of up to 3% of the Net Asset Value of each Unit redeemed. Any such fee shall be disclosed in the Supplement of the relevant Portfolio.***

***Investors in the Fund should note that though certain Portfolios will normally pay redemption proceeds within 20 Business Days of the relevant Dealing Day, a Portfolio may allow up to 95 calendar days between the redemption deadline and the payment of redemption proceeds. The effect of this may be such that, regardless of the actual dealing frequency of the Portfolio, it will in effect be a quarterly dealing Portfolio. In addition, Investors should note that certain Portfolios will not pay redemption proceeds within 90 days of the Redemption Date. The effect of this may be such that regardless of the actual dealing frequency of the Portfolio, it will be considered to be a limited liquidity fund. Further, some Portfolios may be closed-ended and as a result will not permit redemption of Units during the closed-ended period of such Portfolios. Details of settlement of redemption proceeds will be disclosed in the Supplement of the relevant Portfolio.***

***An investment in the Fund is highly speculative and involves a high, above-average degree of risk and is only suitable for those investors who are able to assume the risk of losing their entire investment. The price of Units may fall as well as rise. The difference at any one time between the subscription and redemption prices means that this investment should be viewed as medium to long-term. Prospective investors should consider the risks set forth under "Risk Factors" on page 42.***

***Units in certain Portfolios are admitted to trading on the Irish Stock Exchange. Full details of any admission to trading on the Irish Stock Exchange for a particular Portfolio will be set out in the relevant Supplement to this Prospectus.***

***Neither the admission of the Units to the Official List nor the approval of the Listing Particulars pursuant to the listing requirements of the Irish Stock Exchange shall constitute a warranty or representation by the Irish Stock Exchange as to the competence of the service providers to or any other party connected with the Fund, the adequacy of information contained in the Listing Particulars or the suitability of the Fund for investment purposes.***

***The price of Units may go down as well as up to reflect changes in the Net Asset Value of a Portfolio.***

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

## SUMMARY

The following summary should be read in the context of the Prospectus and the Trust Deed as a whole.

### Investment Philosophy

- Aim to achieve capital growth over the medium to long term through a multi-manager or fund of hedge fund approach, and providing investment opportunities through a range of Portfolios with different investment objectives.
- Focus on absolute return strategies, particularly, Relative Value, Event-Driven, Directional and Multiple Strategies and Long/Short Equity Strategies by way of investment across Underlying Funds, investment in equities, bonds, money market instruments, Traditional Funds and Hedge Funds as outlined more fully in the relevant Supplements to the Prospectus.
- Construct the Portfolios based on detailed selection criteria, strong risk controls and diversification.

### Investment Options

The Fund is an authorised umbrella unit trust with open-ended, limited liquidity and closed-ended Portfolios established by the Trust Deed (as amended from time to time by deed supplemental thereto) pursuant to the provisions of the Act on 26<sup>th</sup> July, 2005. Each Portfolio is a separate pool of assets and liabilities.

Subscribers are able to gain access to the Portfolios through a range of Classes of Units offered in various currencies. The current Portfolios are described in detail in the relevant Supplements to this Prospectus . Additional Portfolios may, with the prior approval of the Central Bank and with the consent of the Trustee, be added by the Manager. The details of each additional Portfolio will be set out in a separate Supplement and will contain information regarding the investment objective and policies of that Portfolio, minimum subscription amounts and applicable fees and details of Subscription and Redemption Days. Additional Classes in respect of which a Supplement or Supplements will be issued may be established by the Manager and notified to and cleared in advance with the Central Bank or otherwise must be created in accordance with the requirements of the Central Bank. Additional Portfolios may be added to the Fund from time to time with the prior approval of the Central Bank.

### Manager

Swiss Capital Invest Holding (Dublin) Limited (the “Manager”) is the Manager of the Fund and any of the Portfolios established with the prior approval of the Central Bank. The Manager, which is a private limited liability company which was incorporated in Ireland on 17 May, 2005, is a wholly owned subsidiary of Swiss Capital Alternative Investments AG, and is authorised by the Central Bank. Full details regarding the Manager are set out in the section entitled “Management of the Fund” herein.

## **Investment Advisor**

The Manager has appointed Swiss Capital Alternative Investments A.G. (the "Investment Advisor") to act as Investment Advisor to the Fund and each of the Portfolios of the Fund pursuant to an Investment Advisory Agreement dated 25 July, 2005. The Investment Advisor is a limited liability company incorporated under the laws of Switzerland in 1998 and has its offices at Talacker 41, 8001 Zurich, Switzerland. It was granted the Securities Dealer Licence by the Swiss Financial Market Supervisory Authority FINMA (former SFBC) in December 1999 and is approved by the Central Bank as an investment manager and promoter of Irish collective investment schemes. Full details regarding the Investment Advisor are set out in the section entitled "Management of the Fund" herein.

## **Administrator**

The Manager has appointed Northern Trust International Fund Administration Services (Ireland) Limited to act as the Fund's Administrator under an administration agreement dated 25 July, 2005. The administration duties and functions of the Administrator will include, inter alia, providing administrative services required in connection with the Fund's operations, the maintaining of the financial records of the Fund and its Portfolios, the calculation and publication of the Net Asset Value, providing registrar and transfer agency services in connection with the issue, transfer and repurchase of Units, collecting subscription payments and disbursing repurchase payments.

## **Trustee**

Northern Trust Fiduciary Services (Ireland) Limited has been appointed as Trustee pursuant to the terms of the Trust Deed. The Trustee is obliged, inter alia, to keep all the assets of the Fund in safe-keeping and to ensure, inter alia, that the issue and repurchase of Units and the application of income are all carried out in accordance with the Act and the Trust Deed of the Fund and to enquire into the conduct of the Fund in each financial year and to report thereon to the Unitholders.

## **Subscriptions**

All Classes of Units offered via this Prospectus and the relevant Supplement that are open for investment can be purchased on any Subscription Day (as defined in respect of each Portfolio in the relevant Supplement). During the initial offer period of a Class, Units shall be issued at a given initial issue price as set out in the relevant Supplement. Thereafter, Units shall be issued at the prevailing Net Asset Value per Unit (plus charges, if applicable). Subscription forms for Units are available from the Administrator. The latest Net Asset Value is available from the Administrator and the Investment Adviser and is published on the web-page of the Investment Adviser ([www.swisscap.com](http://www.swisscap.com)). In Switzerland, the issue and redemption prices of the Units of each Portfolio and the Net Asset Value (with the annotation "excl. commissions") will be published electronically at least in accordance with the frequency of the dealing procedures of the relevant Portfolios as are set out in the relevant Supplements. They are further available at the offices of the Swiss Representative and will be shown on its webpage ([www.swisscap.com](http://www.swisscap.com)) and will be kept up-to-date. The Net Asset Value per Unit will also be notified immediately upon calculation by the Administrator to the Irish Stock Exchange. The Administrator should receive applications for subscriptions by the Subscription Deadline as disclosed in the relevant Supplement to the Prospectus.



The Manager may at its absolute discretion accept subscriptions after the relevant Subscription Deadline provided that such application is received prior to the relevant Valuation Point. Any application received after the Subscription Deadline unless otherwise accepted by the Manager prior to the Valuation Point shall be deemed to be made in respect of the next following Dealing Day.

Investors in the Fund should be aware that the Manager has the discretion to impose a fee of up to 5% of the total subscription amount in respect of subscription requests. Details of any subscription fee will be disclosed in the relevant Supplement to the Prospectus.

### **Eligible Investors**

The Units have not been registered under the United States Securities Act of 1933, as amended, or under the United States Investment Company Act of 1940, as amended, and may not be offered, sold, or delivered directly or indirectly in the United States (except in accordance with an applicable exemption from the registration requirements of such Acts) or to, or for the account or benefit of, any US Person, and with the approval of the Manager. Generally speaking, the Units may not be offered or sold to or held by any person or entity in breach of the laws or regulations applicable to such person or entity.

### **Redemptions**

Units will be redeemed at the option of Unitholder at the prevailing Net Asset Value per Unit in accordance with the provisions of the relevant Supplement. The Administrator should receive redemption requests by the Redemption Deadline as disclosed in the relevant Supplement to the Prospectus. In accordance with the terms of the Trust Deed, the Manager may levy, at any time, a redemption fee of up to 3% of the Net Asset Value of each Unit redeemed. Details of such redemption fees will be disclosed in the relevant Supplement to the Prospectus.

### **Fees and Expenses**

The management, performance, administration and custody fees of each Portfolio are set out in the relevant Supplement. The Fund's management, legal, audit and other expenses will be apportioned among and borne by the Fund's Portfolios pro rata to the Net Asset Value of each Portfolio at the time.

### **Distribution Policy**

It is not envisaged that any net income or gains derived from its investments will be distributed. This does not preclude the Manager from declaring a distribution at any time in the future if they consider it appropriate to do so, in which case notice will be given to Unitholders entitled thereto. In the event that a distribution is declared and remains unclaimed after a period of six years from the date of declaration, such distribution will be forfeited and will revert to the relevant Portfolio. To the extent that a distribution may be declared, it may be paid from net income and realised and unrealised capital gains less realised and unrealised capital losses in compliance with any applicable laws. Any distribution declared in respect of a Portfolio will be made in accordance with the terms of the Trust Deed.

Any declared distribution will be made by bank transfer only to the Unitholders' designated bank accounts at their risk and expense.

## **Financial Statements**

The Fund will publish financial statements as of 30 June of each year and semi-annual unaudited interim financial statements as of 31 December of each year in conformity with International Accounting Standards, except that costs of organisation, re-structurings (if any) and adding further Portfolios need not be written off immediately but may be amortised over a period not exceeding the first financial year of the Portfolio.

## **THE FUND**

### **Introduction**

The Fund, constituted on the 26 July, 2005, is an umbrella unit trust with open-ended, limited liquidity closed-ended Portfolios and is organised pursuant to and complying with the provisions of the Act. Its rules are set out in the Trust Deed (as amended from time to time by supplemental deed thereto), which is binding upon the Trustee, the Manager and all Unitholders.

### **Classes of Units**

The Trust Deed constitutes the Fund, which is made up of the Portfolios, each Portfolio being a single pool of assets. The proceeds from the issue of Units in a Portfolio shall be applied in the records and accounts of the Fund for that Portfolio, and the assets and liabilities and income and expenditure attributable thereto shall be applied to that Portfolio subject to the provisions of the Trust Deed. Additional Portfolios in respect of which a Supplement or Supplements will be issued may be established by the Manager with the prior approval of the Central Bank. The Manager may issue one or more Classes of Units in respect of each Portfolio to which different levels of subscription fees and expenses (including management fee), minimum holding, designated currency, hedging strategy (if any applied) to the designated currency of the Class, distribution policy, Minimum Subscription and other such features as the Manager may determine may be applicable. The Manager will disclose in each Supplement the different entitlements, costs or liabilities that apply to each Class and the assets and liabilities of each Portfolio shall be attributed to each Class accordingly.

The assets of each Portfolio will be invested separately in accordance with the investment objective and policies of the relevant Portfolio as set out in a Supplement to this Prospectus. Supplements may be added to or removed from this Prospectus as Portfolios are added to the Fund or terminated, as the case may be.

The proceeds from the issue of Units in a Portfolio shall be applied in the records and accounts of the Fund for that Portfolio and the assets and liabilities and income and expenditure attributable thereto shall be applied to that Portfolio subject to the provisions of the Trust Deed. The assets of a Portfolio will be invested separately in accordance with the investment objective and policies of that Portfolio as set out in the relevant Supplement.

Monies subscribed for each Portfolio should be in the Base Currency of the relevant Portfolio or the designated currency of the relevant Class. Monies subscribed in a currency other than the Base Currency of the Portfolio or the designated currency of the relevant Class, as appropriate, maybe converted by the Administrator to the Base Currency of the Portfolio or the designated currency of the relevant Class, at the appropriate exchange rate available to the Administrator and such subscription shall be deemed to be in the amount so converted.

Additional Portfolios may be established by the Manager, with the prior approval of the Central Bank and the Trustee. Additional Classes may be added by the Manager upon prior notification to the Central Bank and the Trustee. The name of each additional Portfolio and Class, the terms and conditions of its initial offer of Units, details of its investment objective and policies and of any applicable fees and expenses shall be set out in a separate Supplement to this Prospectus.

## **Segregation of Assets**

To invest in the Fund is to purchase Units in a Portfolio. A separate portfolio of assets will be maintained in respect of each Portfolio but not each Class. It is the Portfolio that accumulates the assets on behalf of the Unitholders. A Unit in a Portfolio represents the beneficial ownership of one undivided share in the assets of the relevant Portfolio referable to that Class of Unit.

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

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

## **Registration of Assets in the Name of the Trustee**

In order to facilitate the timely transfer of positions in Underlying Funds between Portfolios, the Manager may request that ownership of such investments in the books and records of the Underlying Fund be registered in the Trustee's name or the Trustee's agent's name for the benefit of its customers. In this way, when the Manager wishes an individual Portfolio to acquire an Underlying Fund held at that time by another Portfolio, the Manager can instruct the Trustee and Administrator to transfer the position on the books and records of the transferor and transferee Portfolios, while ownership on the register of the Underlying Fund remains with the Trustee for the benefit of its customers. The Trustee shall however ensure that such investments are registered on the books and records of the relevant Portfolio as belonging to that Portfolio and shall ensure the legal entitlement of the relevant Portfolio to the Underlying Fund is assured. The Trustee shall ensure that the assets within the arrangement remain under its control and are capable of being identified as assets of the relevant Portfolio at any point.

## **Investment Objective and Policies**

The assets of each Portfolio will be invested separately in accordance with the investment objective and policies of that Portfolio details of which are set out in a Supplement to this Prospectus.

The Manager, in consultation with the Investment Advisor, is responsible for the formulation of each Portfolio's present investment policy and any subsequent changes to that policy in the light of political and/or economic conditions. Pending investment of the proceeds of a placing or offer of Units or where market or other factors so warrant, a Portfolio's assets may be invested in money market instruments, including but not limited to certificates of deposit, floating rate notes and fixed or variable rate commercial paper and in cash deposits denominated in such currency or currencies as the Manager may determine having consulted with the Investment Advisor. The investment objective of a Portfolio may not be altered and material changes in the investment policy of a Portfolio may not be made without approval of Unitholders on the basis of a majority of votes cast at a meeting of the Unitholders of the particular Portfolio duly convened and held. In the event of a change of the investment objective and/or policy of a

Portfolio, Unitholders in the relevant Portfolio will be given reasonable notice of such change to enable them redeem their Units prior to implementation of such a change.

### **Investment Restrictions**

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

### **Currency Hedging**

The Manager intends that each Portfolio may invest in assets which are denominated in currencies other than its Base Currency. As a result the Manager may enter into hedging transactions where it has acquired investments not denominated in the Base Currency of each Portfolio. The margins and premiums payable for such transactions shall not exceed the Net Asset Value.

A Portfolio may implement a risk management strategy designed to manage the foreign exchange risk associated with a Portfolio investing in assets denominated in a currency other than its Base Currency. The risk management strategy implemented generally consists of a “passive” foreign exchange risk hedging program, whereby the currency exposure is controlled on a permanent basis through the use of forward currency contracts. The aim of such a passive foreign exchange risk hedging program is to provide for a Portfolio a hedge against the impact of changes in the value of the assets not denominated in the Base Currency of the Portfolio (subject to certain inherent limitations of such a program, as described below).

When a “passive” hedging program is implemented, each Portfolio foregoes participation in any currency appreciation of the assets not denominated in the Base Currency, and is subject to costs and expenses associated with hedging. However, each Portfolio is protected against any currency depreciation of the value of the assets not denominated in the Base Currency, subject to hedging costs and expenses.

When hedging contracts are outstanding, their maximum aggregate amount will not exceed the Net Asset Value of each Portfolio, adjusted on a monthly basis in conformity with each Portfolio’s monthly subscription and redemption experience. The investor’s foreign exchange risk will generally be hedged only to the extent that the currency forward contracts are based on each Portfolio’s beginning-of-month assets, subject to regular review of anticipated cash and transactional requirements of each Portfolio. Therefore investment gains in the course of the month will generally not be protected against currency fluctuations in the same manner, although from time to time the hedge strategy may also include forward currency transactions throughout the month in order to protect investment gains generated in the course of the month against currency fluctuations. While the hedge intends to cover month end net assets, the operational aspects of purchases and sales of investments may render each Portfolio moderately over-hedged at some times or moderately under-hedged at other times.

Classes in a Portfolio may be denominated in currencies other than the Base Currency of the Portfolio and the Manager may decide that the currency exposure created be either hedged or unhedged. Hedged Classes may enter into currency hedging transactions, the benefits and costs of which will accrue solely to the Units of that Class. Such hedging transactions will be clearly attributed to the relevant hedged Class on the books and records of the Portfolio. This hedging strategy may substantially limit holders of that Class from benefiting if the denominated currency of that Class falls against the Base Currency and/or the currency in which the assets of the Portfolio are denominated. Unhedged Classes will be valued and will pay redemption proceeds and will effect subscriptions and exchanges on the basis of the prevailing spot currency exchange rate of the currency in which such Class is denominated. The liabilities associated with such hedging will be limited to the Net Asset Value of the relevant hedged Class. No Class may be leveraged as a result.

Hedging contracts may only be concluded with financial institutions who specialise in transactions of this kind or have a credit rating equal to or higher than the rating required by the Central Bank or the relevant supervisory authority in a country in which the Fund is registered. Hedging contracts will be established for maturities from one to twelve months and, if required by the hedging strategy, may be re-established ("rolled over") for additional terms. As at the last Valuation Point of each month, outstanding forward contracts are "marked-to-market" at the then prevailing market prices. Unrealised gains and losses on outstanding contracts as well as gains and losses realised on hedging contracts during the month will be added to or deducted (as the case may be) from each Portfolio's (or, in the case of hedge Classes, each relevant hedged Class') net assets.

## MANAGEMENT OF THE FUND

### Manager

The Manager is a private company limited by shares and was incorporated in Ireland on 17<sup>th</sup> May, 2005. The Manager, which has an authorised share capital of Euro 1,000,000 with an issued and paid up share capital of Euro 125,000 is a wholly owned subsidiary of Swiss Capital Alternative Investments AG and is authorised by the Central Bank. The address of the Directors of the Manager, who are all non-executive Directors, is the registered office of the Manager, George's Court, 54-62 Townsend Street, Dublin 2, Ireland. The Secretary of the Manager is Northern Trust International Fund Administration Services (Ireland) Limited.

Under the Trust Deed, the Manager is responsible for the general management and administration of the Fund's affairs including the investment and re-investment of each Portfolio's assets adhering to the investment objective and policies of each Portfolio as more particularly described in the relevant Supplement to the Prospectus. However, the Manager has appointed the Investment Advisor to advise and assist with the investment and re-investment of the assets of the Portfolios. The Manager shall not be held liable for any actions, costs, charges, losses, damages or expenses arising as a result of the acts or omissions of the Investment Advisor or for its own acts or omissions in bona fide following the advice or recommendations of the Investment Advisor. The Manager shall be indemnified out of the assets of the Fund for any actions, costs, charges, losses, damages and expenses arising as a result of its reliance on any recommendation or advice of the Investment Advisor (other than by reason of the Manager's bad faith, negligence, wilful default, fraud or recklessness) in the performance of its duties.

The Directors of the Manager are:

**Hans-Jörg Baumann** is a Swiss national. He graduated from the University of Zurich in 1985 with a Masters in Business Administration. Mr. Baumann joined Union Bank of Switzerland Zurich in 1985 as a capital market and derivatives specialist. In 1991 he moved to UBS Geneva as Head of the Stock Exchange Department. In 1993 he returned to UBS Zurich to assume the role of Head of Trading and Sales Fixed Income and Foreign Exchange. In 1996 his role was expanded to Head of Trading and Sales Switzerland including equity, fixed income, foreign exchange and commodities. He was a Member of the Board of the Swiss Stock Exchange. In 1998 he left UBS Zurich to co-found Swiss Capital Alternative Investments AG, of which he is currently a Partner and CEO.

**John L. Loveridge** lives and works in Guernsey as independent consultant to the financial industry. He was the Managing Director of Maurant Guernsey Limited, a fund administration company wholly owned by Maurant Limited, the Jersey legal and specialist administration firm, before retiring in 2004. He previously held senior positions with Guernsey International Fund Managers (Barings) and was Managing Director of Butterfield Fund Managers in Guernsey and in Grand Cayman. During his thirty years in the fund industry, he has gained extensive experience in the administration and valuation of traditional funds (including funds for institutional investors, small investors, private equity and fund of funds) and alternative funds (including futures and Hedge Funds) for a world-wide client base.

**Marcel Schindler** is a Swiss national. From 1986 to 1988 he undertook a two-year internship in UBS, Zurich. He graduated from the University of Zurich in 1993 with a Master's Degree in Business Administration. In 1994, Mr Schindler joined Arthur Andersen in Zurich, where he qualified as a Chartered Accountant. In 1999, he joined BT&T Asset Management as its Chief Financial Officer, where he remained until 2004, when he joined Swiss Capital Alternative Investments AG as Chief Operating Officer and Partner and currently acts as Head of Products.

**David Shubotham** is an Irish national. Mr. Shubotham (born 1950), is a qualified accountant with ACMA 1971, and gained a Bachelor of Commerce degree with University College Dublin in 1969. Mr. Shubotham has worked as head of the bond desk of Davy Stockbrokers for 15 years. From the inception of market surveys to his retirement from the desk in 1991 he was consistently voted No 1 stockbroker in Ireland. From 1991 to date he has worked with companies in the Irish Financial Services Centre and been invited to join many boards of companies in the centre. Amongst these Goldman Sachs, Frank Russell, Fischer Francis Trees & Watts and HSBC have combined assets of over \$100bn. Mr. Shubotham is also on the audit committee of these companies. His experience on these boards and on others for over 18 years allows him to have an excellent understanding of all corporate governance issues as well as an excellent understanding of his role in acting in the best interests of the Unitholders.

**Mark Thorne** is an Irish national domiciled in Ireland. Mr. Thorne is working in Dublin as a partner with Dillon Eustace, one of the largest Irish law firms, and has worked with the firm since 1992. Mr. Thorne holds a Bachelor of Civil Law Degree from University College, Dublin. He is on the board of two Irish fund management companies of which one offers two single-strategy hedge funds (Long/Short Equity and Distressed Debt) and the other (a subsidiary of a leading British investment management firm) manages seven UCITS funds with over 75 sub-funds. In addition he is on the board of several self-managed investment companies (without external manager company) some of which are multi-manager funds, funds of hedge funds or single-strategy funds (Regional Long/Short and Emerging Market). Finally, for six months he acted as in-house legal counsel to one of the mentioned investment management firms. He has more than 15 years' experience as board member of and counsel to investment management firms and investment funds.

**Philipp Weibel** is a Swiss national. He graduated from the University of St. Gallen in 1990 with a Masters in Business Administration. Mr Weibel joined Union Bank of Switzerland, Zurich in 1996 in the Trading and Sales and Risk Management Services department, following three years at Swatch SA in Biel/Bienne, where he was a Logistics Project Manager. He joined Swiss Capital Alternative Investments AG in September 1998 and is currently Chief Financial Officer.

None of the Directors have had any convictions in relation to indictable offences, been involved in any bankruptcies, individual voluntary arrangements, receiverships, compulsory liquidations, creditors' voluntary liquidations, administrations, company or partnership voluntary arrangements, any composition or arrangements with creditors generally or any class of creditors of any company where they were a director or partner with an executive function, nor have any had any public criticisms by statutory or regulatory authorities (including recognised professional bodies) nor has any Director ever been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.



The Trust Deed (as amended from time to time by supplemental deed thereto) contains provisions governing the responsibilities of the Manager and providing for its indemnification in certain circumstances subject to the exclusions of fraud, negligence, bad faith, recklessness or wilful default and subject to the provisions of the Act.

As at the date of this Prospectus, the Manager manages 5 other Irish umbrella collective investment schemes, namely Swiss Capital PRO Non-Traditional Funds, Swiss Capital Modus Funds, Swiss Capital Traditional Funds, Swiss Capital PRO Colours Funds Plc and SC New Targets Funds.

### **Investment Committee**

The Manager shall be entitled from time to time to constitute an Investment Committee to provide the Fund with strategic advice and analysis in connection with its investment management. The number of persons constituting the Investment Committee, each of whom shall be appointed by and who can be removed or substituted by the Directors from time to time, shall be not less than two. Any fees or expenses of the Investment Committee shall be borne by the Manager and shall not be charged to the Fund.

The members of the Investment Committee may include Directors of the Manager, senior management of the Investment Advisor and members of the fund management team employed by the Investment Advisor.

### **Investment Adviser**

The Manager has appointed Swiss Capital Alternative Investments AG (the "Investment Advisor") as Investment Advisor to the Fund and each Portfolio pursuant to an Investment Advisor's Agreement dated 25<sup>th</sup> July, 2005 between the Manager and the Investment Advisor. The Investment Advisor is a limited liability company incorporated in 1998 and has its offices at Talacker 41, 8001 Zurich, Switzerland. It was granted the Securities Dealer Licence by the Swiss Financial Market Supervisory Authority FINMA (former Swiss Federal Banking Commission, SFBC) in December 1999 and performs its services in full compliance with regulations of the FINMA. As at 30 March, 2012 it had approximately USD1.5billion under management.

The Investment Advisor's principal business is investment management of which a core aspect is the fund of funds business and it has been approved by the Central Bank to act as a discretionary investment advisor to Irish authorised collective investment schemes. In addition, the Investment Advisor provides investment management services to institutional and private clients. It is also involved in corporate finance and in designing and offering structured investment products to clients.

The Investment Advisor was also appointed as Representative and Sales Agent of the Fund in Switzerland ("the Representative"). Pursuant to the provisions of Article 13 ctd. and 123 ctd. of the Swiss Federal Act on Collective Investment Schemes, the Representative shall, without limitation, represent the Fund in Switzerland in relation to the investors and FINMA. The Investment Advisory Agreement may be terminated by either party on not less than six months' written notice. The Investment Advisory Agreement also includes a provision that the Investment Advisor will not be liable to the Manager or the Portfolios for any act or omission in the performance of its duties except through negligence, fraud or wilful default on the part of the Investment Advisor.

The Portfolios pay no direct fee to the Investment Advisor. The Manager will compensate the Investment Advisor for its advisory services out of the Management Fee it receives as Manager.

Resumes of the key personnel of Swiss Capital Alternative Investments AG are listed below.

**Hans-Jörg Baumann** *See above*

**Marcel Schindler** *See above*

**Philipp Weibel** *See above*

**Mr Meinrad Wyser**

Mr Meinrad Wyser is a Swiss national. He received a Business and Administration Qualification from HWV in Olten in 1998 as well as a Commercial Diploma in 1982. Prior to joining Swiss Capital, Mr Wyser worked with UBS in various locations including Hong Kong, Singapore and Zurich. He joined Swiss Capital in 1998 as a Partner.

#### **Administrator**

Northern Trust International Fund Administration Services (Ireland) Limited has been appointed Administrator under an administration agreement dated 25 July, 2005. The Administrator is a private limited liability company incorporated in Ireland on 15 June 1990 and, like the Trustee, is a wholly-owned subsidiary of Northern Trust (Ireland) Limited which is turn wholly owned by Northern Trust Corporation. Northern Trust Corporation and its subsidiaries comprise the Northern Trust Group, one of the world's leading providers of global custody and administration services to institutional and personal investors. As at 30th June 2011, the Northern Trust Group's assets under custody and administration totalled in excess of US\$4.4 trillion.

The administration duties and functions of the Administrator will include, inter alia, the calculation and publication of the Net Asset Value, the provision of facilities for the confirmation and registration of Units, the keeping of all relevant records and accounts of the Fund and assisting with compliance by the Fund with the reporting requirements of the Central Bank.

#### **Trustee**

Northern Trust Fiduciary Services (Ireland) Limited has been appointed as trustee pursuant to the terms of the Trust Deed. The Trustee is a private limited liability company incorporated in Ireland on 5 July 1990. Its main activity is the provision of custodial services to collective investment schemes. The Trustee is a wholly-owned subsidiary of the Northern Trust Corporation. Northern Trust Corporation and its subsidiaries comprise the Northern Trust Group, one of the world's leading providers of global custody and administration services to institutional and personal investors. As at 30th June 2011, the Northern Trust Group's assets under custody and administration totalled in excess of US\$4.4 trillion.

The Trustee is obliged, inter alia, to keep all the assets of the Fund in safe-keeping and shall be liable to the Unitholders for any loss suffered by them as a result of its negligence, fraud, bad faith, wilful default or recklessness. The Trustee is also obliged to ensure, inter alia, that the issue and repurchase of Units and the application of income are all carried out in accordance with the Act and the Trust Deed of the Fund.

The Trust Deed contains indemnification provisions in favour of the Trustee save in cases of the Trustee's negligence, wilful default, fraud, bad faith or recklessness.

The Trustee, in performing its duties, may hold securities through Euroclear, Clearstream or any similar clearing system and shall have full power to delegate the whole or any part of its custodial functions (other than the duties described as trustee duties in the applicable notices from time to time issued by the Central Bank) to any person, firm or company provided that the liability of the Trustee will not be affected by the fact that it has entrusted to a third party some or all of the investments in its safekeeping. The Trustee must ensure that there is legal separation of non-cash assets held under custody and that such assets are held on a fiduciary basis. In jurisdictions where fiduciary duties are not recognised the Trustee must take reasonable steps to ensure that the legal entitlement of the Fund or the relevant Portfolio to the assets is assured and maintain appropriate internal control systems to ensure that records clearly identify the nature and amount of all assets under custody, the ownership of each asset and where the documents of title to those assets are located. Where the Trustee utilises a sub-custodian, the Trustee must ensure that these standards are maintained by the Sub-Custodian.

The Trustee will discharge this responsibility by exercising care and diligence in choosing and appointing a third party as a safe-keeping agent so as to ensure that the third party has and maintains the expertise, competence and standing appropriate to discharge the responsibilities concerned. The Trustee shall also maintain an appropriate level of supervision over the safe-keeping agent and make appropriate enquiries from time to time to confirm that the obligations of the agent continue to be competently discharged. In addition, the Trustee will be obliged to enquire into the conduct of the Fund in each financial year and to report thereon to the Unitholders. The Trustee's report shall be delivered to the Manager in good time to enable the Directors to include a copy of the report in the annual report of the Fund. The Trustee's report shall state whether in the Trustee's opinion the Fund has been managed in all material respects in that period:

- (i) in accordance with the limitations imposed on the investment and borrowing powers of the Fund by the Trust Deed and by the Central Bank under the powers granted to it by the Act; and
- (ii) otherwise in accordance with the provisions of the Trust Deed and the Act.

If the Manager has not complied with (i) or (ii) above, the Trustee must state why this is the case and outline the steps which the Trustee has taken to rectify the situation.

## CONFLICTS OF INTEREST

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

### **Dealings by Manager, Investment Advisor, Administrator, Trustee and Associates**

There is no prohibition on dealings in the assets of a Portfolio by the Manager, the Investment Advisor, the Administrator, the Trustee or entities related to the Manager, the Investment Advisor, the Administrator or the Trustee or to their respective officers, directors or executives, provided that the transaction is effected on normal commercial terms negotiated at arms length. Such transactions must be in the best interests of the Unitholders.

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

- (i) a person approved by the Trustee (or in the case of a transaction involving the Trustee, by the Manager) as independent and competent certifies the price at which the transaction is effected is fair; or
- (ii) the execution of the transaction is on best terms on organised investment exchanges under their rules; or
- (iii) where the conditions set out in (i) or (ii) above are not practical, the transaction is executed on terms which the Trustee (or in the case of a transaction involving the Trustee, by the Manager) is satisfied confirm with the principle set out in the first paragraph above.

## **Soft Commissions**

The Investment Advisor may effect transactions with or through the agency of another person with whom the Investment Advisor or an entity affiliated to the Investment Advisor has arrangements under which that person will, from time to time, provide to or procure for the Investment Advisor and/or an affiliated party goods, services or other benefits such as research and advisory services, specialised computer hardware or software. No direct payment may be made for such goods or services but the Investment Advisor may undertake to place business with that person provided that person has agreed to provide best execution with respect to such business and the services provided must be of a type which assists in the provision of investment services to the Fund and Portfolio. A report will be included in the Fund's annual report describing the Investment Advisor's soft commission practices.

## **Commission Rebates and Fee Sharing**

Where the Investment Advisor, or any of its delegates, successfully negotiates the recapture of a portion of the commissions charged by brokers or dealers in connection with the purchase and/or sale of Investments including without limitation permitted derivatives and techniques and instruments, for the Fund or relevant Portfolio, the rebated commission shall be paid to the Trustee for the account of the Fund or relevant Portfolio.

## THE UNITS

### Description of Units

The Units and Classes issued in respect of each Portfolio will be set out in the relevant Supplement.

With the exception of Units in closed-ended Portfolios and Side-Pocket Units, all other Classes of Units in a Portfolio are all freely transferable and, subject to the differences between Units of different Classes as described in the relevant Supplement to the Prospectus, are all entitled to participate equally in the profits and distributions (if any) of that Portfolio and in its assets in the event of termination. A Unitholder's holding of Units will be evidenced in the register of the Portfolio. The Units, which are of no par value and which must be fully paid for upon issue, carry no preferential or pre-emptive rights. Fractions of Units may be issued.

A Unit in a Portfolio represents the beneficial ownership of one undivided share in the assets of the relevant Portfolio attributable to the relevant Class. Units issued in a Portfolio or Class will be in registered form. Ownership of Side Pocket Units (where permitted to be established) will be recorded by the Administrator with the approval of the Trustee and notified to investors by way of a contract note. Amendments to a Unitholder's registration details and payment instructions will only be made following receipt of original written instructions from the relevant Unitholder.

The Fund is made up of the Portfolios, each Portfolio being a single pool of assets. For the avoidance of doubt the assets of each Portfolio shall belong exclusively to that Portfolio, shall be segregated from the other Portfolios, shall not be used to discharge directly or indirectly, the liabilities of or claims against any other Portfolio and shall not be available for such purpose. The Manager may, whether on the establishment of a Portfolio or from time to time, upon prior notification to the Central Bank, create more than one Class of Units in a Portfolio to which different levels of subscription fees and expenses (including the management fee), minimum holding, designated currency, hedging strategy (if any) applied to the designated currency of the Class, distribution policy, Minimum Subscription and such other features as the Manager may determine may be applicable. Units shall be issued to investors as Units in a Class.

## **SUBSCRIPTIONS**

### **Initial Issue of Units**

The Units and Classes issued in respect of each Portfolio will be set out in the relevant Supplement. Units may be subscribed for during the Initial Offer Period at the Initial Issue Price per Unit. The Initial Offer Period and the Initial Issue Price per Unit of any Portfolio shall be specified in the relevant Supplement. The Manager may apply a preliminary charge in respect of Units of a Portfolio, details of which will be disclosed in the relevant Supplement for that Portfolio.

The Initial Offer Period may be shortened or extended by the Manager. The Central Bank will be notified in advance of any such shortening or extension if subscriptions for Units have been received and otherwise on a quarterly basis. After the close of the Initial Offer Period Units in the relevant Portfolio will be issued at the Net Asset Value per Unit. The Manager shall, in its absolute discretion, be entitled to determine that Units will not be issued and that all subscription monies will be returned (without interest) if subscriptions totalling in the aggregate not less than the Minimum Amount as specified from time to time by the Manager in respect of each Portfolio and set out in the relevant Supplement are not received by the end of the Initial Offer Period.

Investors must initially subscribe for not less than the Minimum Subscription. Investors wishing to hold Units of one or more Portfolios must subscribe not less than the minimum amount which may be subscribed as specified from time to time by the Manager in respect of each Portfolio and set out in the relevant Supplement.

### **Subsequent Issue of Units**

After the end of the Initial Offer Period, Units shall be issued at a price equal to the Net Asset Value per Unit as at the Valuation Point prior to the relevant Dealing Day on which the Units are to be issued. A subscription fee not exceeding 5% of the total subscription amount may be deducted from the total subscription amount and shall be paid to the Manager or to any placing or sales agent or agents or distributors appointed by the Manager for its or their absolute use and benefit and shall not form part of the assets of the relevant Portfolio. Any such subscription fee intended to be imposed will be disclosed in the relevant Supplement. The Manager may at its sole discretion waive such fee or differentiate between applicants as to the amount of such fee within the permitted limits.

#### *Subscription Procedure*

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

Any person applying for Units of a Portfolio shall complete an application form in such form as the Manager may from time to time prescribe and shall comply with such conditions as may be prescribed by the Manager. Initial applications for subscriptions of Units should be made to the Administrator by completing an application form in such form as the Manager may from time to time prescribe (which may

be in languages other than the English language), a signed original of which should be delivered to the Administrator.

All subsequent applications must be received by letter (or by facsimile in the case of subsequent applications for Units where an original signed application form has been previously received by the Administrator and all ongoing required money laundering checks have been completed) by the Administrator before the Subscription Deadline specified in the relevant Supplement. Subject to the Manager's discretion in exceptional circumstances to accept any application received after the time as aforesaid but before the relevant Valuation Point, any application received after the time aforesaid shall be deemed to be made in respect of the Subscription Day next following the relevant Subscription Day (except in the case of a failure in the banking system as outlined above).

The Manager may reject at its discretion any application for Units in whole or in part in which event the application monies or any balance thereof will (if permitted by applicable law) be returned to the applicant by transfer to the applicants designated bank or post account, each at the applicant's sole risk.

The Administrator may reject an application for Units in whole or in part in the event that such application or its accompanying documentation is incomplete or inadequate with regard to the requirements as laid down in the application form, in which event the application monies or any balance thereof will (if permitted by applicable law) be returned to the applicant by transfer to the applicants designated bank or post account, each at the applicant's sole risk.

Following the Initial Offer Period of a Portfolio, any further issue of Units shall be at the discretion of the Manager and shall only be made by the Administrator with effect from a Subscription Day.

The minimum subscription amounts will be detailed in the relevant Supplement.

### **Subscription Settlement Details**

Details of settlement for subscriptions for Units are given in the application form. Unless otherwise agreed to by the Manager, the settlement details as outlined therein will apply. Settlement for subscriptions for Units is in all cases due by the settlement deadline set out in the application form.

The Manager may reject at its discretion any application for Units in whole or in part where the application monies or any balance thereof is not received by the settlement deadline as outlined above. In addition the Manager reserves the right to cancel any allotment where cleared funds are not received by the settlement deadline and to charge the applicant for losses accruing.

### **"Ineligible Applicants" and Ownership Restrictions**

The Directors may decline to accept any application for Units without giving any reason and may restrict the ownership of Units by any person, firm or corporation in certain circumstances including where such ownership would be in breach of any regulatory or legal requirement or might affect the tax status of the Fund or might result in the Fund or a Portfolio suffering certain disadvantages which it might not otherwise suffer. If the Fund or a Portfolio becomes liable to account for tax in any jurisdiction in the event that a Unitholder or beneficial owner of a Unit were to receive a distribution in respect of his/her Units or to dispose (or deemed to have disposed) of his/her Units in any way ("Chargeable Event"), the Manager



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 Units held by the Unitholder or such beneficial owner as are required to meet the amount of tax. Any person who holds Units in contravention of restrictions imposed by the Directors or, by virtue of his holding, is in breach of the laws and regulations of any applicable jurisdiction or whose holding could, in the opinion of the Directors, cause the Fund or a Portfolio to incur any liability to taxation or to suffer any pecuniary disadvantage which it or the Unitholders or any or all of them might not otherwise have incurred or sustained or otherwise in circumstances which the Directors believe might be prejudicial to the interests of the Unitholders, shall indemnify the Fund, the Manager, the Investment Advisor, the Trustee, the Administrator and Unitholders for any loss suffered by it or them as a result of such person or persons acquiring or holding Units in the Fund.

While Units will generally not be issued or transferred to any US Person, the Directors may authorise the purchase by or transfer to a US Person in their discretion. The Directors will seek reasonable assurances that such purchase or transfer does not violate United States securities laws, e.g. require the Units to be registered under the United States Securities Act of 1933 Act or the Fund to be registered under the United States Investment Company Act of 1940 or result in adverse tax consequences to the Fund or the non-US Unitholders. Each investor who is a US Person will be required to provide such representations, warranties or documentation as may be required to ensure that these requirements are met prior to the issue of Units.

The Directors will not accept subscriptions from any person that is a US employee benefit plan within the meaning of and subject to the US Employee Retirement Income Security Act of 1974, as amended ("ERISA") or a "plan" described in Section 4975(e)(1) of the US Internal Revenue Code of 1986, as amended (the "Code"), or any person the participation of which as a Unitholder in the Fund or its Portfolios would make the Fund or any of its Portfolios or the Manager subject to Title I of ERISA or Section 4975 of the Code.

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

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. 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 the application is made through a recognised intermediary. This exception may only apply if the intermediary referred to above is located within a country recognised by Ireland as having equivalent anti-money laundering and counter terrorist financing regulations to that in place in Ireland and satisfies other applicable conditions such as providing a letter of undertaking confirming the intermediary has carried out the appropriate verification checks on the investor and will retain such information in accordance with the required timeframe and will provide such information on request to the Administrator or the Manager. 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 affect the right of the Administrator or the Manager 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 a copy of a passport or identification card with evidence of his/her address such as a copy of a utility bill or bank statement and proof of tax residence. In the case of corporate applicants this may require production 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 or the Manager's discretion to verify the source of the subscription monies. Amendment to any investor records will only be effected by the Administrator upon receipt of original evidencing documentation.

The details given above are by way of example only and the Administrator and the Manager each reserves the right to request such information as is necessary to verify the identity of an investor and where applicable the beneficial owner of an investor. In particular, the Administrator and the Manager each reserves the right to carry out additional procedures in relation to an investor who is classed as a PEP. Verification of the investor's identity is required to take place before the establishment of the business relationship. Applicants should refer to the Application Form for a more detailed list of requirements for anti-money laundering purposes. In the event of delay or failure by an investor or applicant to produce any information required for verification purposes, the Administrator or the Manager may refuse to accept the application and subscription monies. Each applicant for Units acknowledges that the Manager and its delegates shall be held harmless against any loss arising as a result of a failure to process or a delay in processing his application for Units or redemption request if such information and documentation as has been requested by the Manager or its delegates has not been provided by the applicant.

A full list of anti-money laundering requirements is detailed in the anti-money laundering section of the Application Form.

### **Data Protection Information**

Prospective investors should note that by completing the Application Form they are providing personal information to the Fund, which may constitute personal data within the meaning of data protection legislation in Ireland. This data will be used for the purposes of client identification, administration, statistical analysis, market research, to comply with any applicable legal or regulatory requirements and, if an applicant's consent is given, for direct marketing purposes. Data may be disclosed to third parties including regulatory bodies, tax authorities, delegates, advisers and service providers of the Fund and their or the Manager's duly authorised agents and any of their respective related, associated or affiliated companies wherever located (including outside the EEA) for the purposes specified. By signing the Application Form, investors consent to the obtaining, holding, use, disclosure and processing of data for any one or more of the purposes set out in the application form. Investors have a right to obtain a copy of their personal data kept by the Manager on payment of a reasonable fee and the right to rectify any inaccuracies in personal data held by the Manager.

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

## **In Specie Subscriptions**

The Manager may from time to time make arrangements for the issue of Units to any person by way of exchange for investments held by him upon such terms as the Manager may think fit but subject to and in accordance with the investment objectives, policies and restrictions of the relevant Portfolio and the following provisions:-

- (i) no Units shall be issued until the investments shall have been vested in the Trustee to the Trustee's satisfaction;
- (ii) subject to the foregoing, any such exchange shall be effected on the terms that the number of Units to be issued shall be that number which would have been issued for cash at the then current Net Asset Value per Unit against payment of a sum equal to the value of the investments transferred less such sum as the Manager may consider represents any fiscal or other expenses as aforesaid to be paid out of the assets of the relevant Portfolio in connection with the vesting of the investments;
- (iii) the investments to be transferred to the Portfolio shall be valued in accordance with the methods of calculating the value of investments as set out on page 37;
- (iv) there may be paid to the incoming Unitholder out of the assets of the relevant Portfolio a sum in cash equal to the value at the current Net Asset Value of any fraction of a Unit excluded from the calculation aforesaid; and
- (v) the Trustee shall be satisfied that the terms of such exchange shall not be such as are likely to result in any prejudice to the existing Unitholders.

## **Side Pockets**

Certain Portfolios are permitted to establish Side Pockets in certain specified circumstances as outlined in the Trust Deed. The Manager may establish Side Pockets in respect of a particular Portfolio in order to stabilise that Portfolio and manage its liquidity and in such cases where Side Pockets are created this shall always be in the best interests of the Unitholders of the relevant Portfolio. As at the date of this Prospectus, the following Portfolios are permitted to establish Side Pockets:

- **SC Modus Classic Defender Fund.**

For the avoidance of doubt, the Manager may not establish Side Pockets in respect of a particular Portfolio unless expressly permitted by the Trust Deed and disclosed in the relevant Supplement. If any of the investments of the these Portfolios become Illiquid Investments, the Manager may, from time to time, create one or more Classes of Side Pocket Units. The Manager will then re-allocate assets of the relevant Portfolio by reducing or redeeming the number of Units of all Unitholders in the relevant Portfolio or Class of Units then in issue and creating a corresponding pro-rata interest in one or more separate portfolios, each a Side Pocket, each represented by a Class of Side Pocket Units.

Side Pocket Units may be designated in respect of each Class of Units of the relevant Portfolio and each Class of Units may have an unlimited number of Classes of Side Pocket Units designated in respect thereof.

Without prejudice to the generality of the foregoing, the Manager may effect the foregoing by issuing Side Pocket Units to each Unitholder in consideration for the mandatory and simultaneous redemption of a portion of their Units having a value equal to the value of the Side Pocket Units for which they are exchanged or by compulsorily switching Units for Side Pocket Units in accordance with the Deed. The Manager may, in its sole discretion, consolidate or sub-divide Units before or after any mandatory realisation or compulsorily switch occurring in connection with the issuance of Side Pocket Units.

In calculating the value of Side Pocket Units the Manager or its delegate will use the fair value of all relevant Illiquid Investments (as determined by the Manager acting in its absolute discretion but in consultation with the Investment Advisor) and deduct all accrued expenses and any performance fees which have accrued at the time the creation of the Side Pocket Units by the Manager, unless waived or deferred in its absolute discretion).

Each Class of Side Pocket Units shall be designated in the same currency as the Class of Units in the relevant Portfolio in respect of which it was created. Where a Class of Side Pocket Units is denominated in a currency other than the Base Currency of the Portfolio, the related currency risk of that Class of Side Pocket Units may be hedged or remain unhedged at the discretion of the Manager in consultation with the Investment Advisor. Where a Class of Side Pocket Units is unhedged, currency conversion will take place on creation of the relevant Class of Side Pocket Units and subsequent on realisation or conversion thereof. Unhedged Classes of Side Pocket Units may be exposed to fluctuations in the Net Asset Value per Side Pocket Unit reflecting the gains / losses arising from currency exposures. The Manager may, but is not obligated to, try to mitigate foreign currency exchange risk related to Illiquid Investments by using financial instruments such as foreign exchange forwards, in accordance with the policies and procedures described under the heading "Currency Hedging" in this Prospectus. In such circumstances Unitholders of that Class of Side Pocket Units may be exposed to fluctuations in the Net Asset Value per Unit reflecting the gains / losses on and the costs of the relevant financial instruments and this strategy may substantially limit holders of the Class of Side Pocket Units from benefiting if the class currency falls against the Base Currency and / or the currency in which the assets of the scheme are denominated. The costs of the relevant financial instruments will accrue solely to the relevant Class of Side Pocket Units. Classes of Units or Side Pocket Units are not separate legal entities and may be compelled to bear the liabilities incurred in respect of other Classes of Units or Side Pocket Units if there are insufficient assets in that other Class of Units or Side Pocket Units to satisfy those liabilities.

Side Pocket Units designated in respect of each Class of Units of a Portfolio shall have the same management fee. However, the Manager may waive or reduce the amount of any accrued management fees payable with respect to Side Pocket Units in its sole discretion.

Notwithstanding that a Unit in a Portfolio represents the beneficial ownership of one undivided share in the assets of the Portfolio attributable to the relevant Class, the Manager may if any of the investments of the Portfolio become Illiquid Investments, from time to time, allocate Illiquid Investments and liabilities into Side Pockets and create and issue Classes of Side Pocket Units in respect of such Side Pockets.

On the first Dealing Day after the occurrence of a Realisation Event, the Manager shall realise and cancel in part or in full the Side Pocket Units and either at its sole discretion (a) distribute the net proceeds of the Illiquid Investment to Unitholders of Side Pocket Units in respect of which the Realisation Event has occurred; or (b) issue Units of the Class into which Unitholders of the Side Pocket Units had originally held at the then prevailing Net Asset Value of such Class, which may be then subsequently redeemed in the

normal manner at the option of Unitholders. The redemption price payable in relation to the redemption of the Side Pocket Units shall be net of any accrued fees, expenses or costs payable with respect to such Side Pocket Units.

Fees (as described under the heading “Fees and Expenses”) in respect of Illiquid Investments shall be accrued in the normal manner, save that they shall only crystallise and become payable on a Realisation Event. Any such fees will be based on the fair value of the relevant Illiquid Investments (as determined by the Manager in consultation with the Investment Manager). The Manager and Investment Manager may waive or reduce the amount of any accrued fees payable with respect to Illiquid Investments in their sole discretion.

Other expenses which are quantifiable and directly related to Illiquid Investments will be accrued in the price of the relevant Side Pocket Units. Payment of fees and other expenses relating to the Illiquid Investments may be paid out of the Side Pocket Units.

The Manager shall notify Unitholders and the Central Bank as soon as practicable following the creation of Side Pocket Units and the occurrence of a Realisation Event, with details of Units cancelled or issued to the relevant Unitholder as a result.

## REDEMPTIONS

### Redemption of Units

Except in the case of limited liquidity portfolios, closed-ended portfolios and Side Pocket Units, the Manager will at any time during the term of a Portfolio on receipt by it or by the Administrator of a request in writing by a Unitholder in such Portfolio, repurchase from such Unitholder on any Redemption Date all or any part of his holding of Units at a price per Unit calculated by reference to the Net Asset Value per Unit for the relevant Class of the Portfolio. The charge for redemptions, if any, shall be specified in the relevant Supplement in respect of a particular Portfolio. Redemptions may be made upon such prior written notice to the Administrator as shall be specified in the relevant Supplement in respect of a particular Portfolio.

Original repurchase requests must be received by the Administrator prior to the relevant Redemption Deadline. Facsimile requests will not be processed without forwarding the original repurchase request to the Administrator. Any repurchase requests received after this time shall be deemed to be made in respect of the Redemption Date next following such relevant Redemption Date provided however that the Manager may in its discretion instruct the Administrator to accept and process on a Redemption Date an application received subsequent to the Redemption Deadline but prior to the Valuation Point for that Redemption Date. Unitholders wishing to amend their details must do so by way of letter delivered by hand, mail or courier before a redemption will be paid.

Redemption requests must be received by letter or by facsimile, by the Administrator no later than the Redemption Deadline specified in the relevant Supplement. The Manager may levy, at any time, a redemption fee based on the Net Asset Value of each Unit redeemed. The details of any such redemption fee shall be disclosed in the relevant Supplement.

Subject to the Manager's discretion to accept any redemption requests received after the Redemption Deadline disclosed in the relevant Supplement but before the relevant Valuation Point, any redemption requests received after Redemption Deadline shall be deemed to be made in respect of the Redemption Day next following the relevant Redemption Day. Redemption requests will only be executed where completed documents as required are in place. The Manager may at its sole discretion waive such fee or fees or differentiate between applicants as to the amount of such fee or fees within the permitted limits.

The minimum redemption amount and the minimum remaining balance are specified in the the relevant Supplement.

Investors should note that though Portfolios will normally pay redemption proceeds within 20 Business Days of the relevant deadline for receipt of redemption requests, a Portfolio may allow up to 95 calendar days between the deadline and the payment of redemption proceeds. The effect of this may be such that, regardless of the actual dealing frequency of the Portfolio, it will in effect be a quarterly dealing Portfolio. In addition, certain Portfolios will not pay redemption proceeds within 90 days of the Redemption Date. The effect of this may be such that regardless of the actual dealing frequency of the Portfolio, it will be considered to be a limited liquidity fund. Details of the settlement provisions applicable to each Portfolio shall be provided in the relevant Supplement. The redemption price payable to the Unitholder will be paid in the Base Currency of the relevant Portfolio or the designated currency of the Class by bank transfer at the risk and expense of the Unitholder. Every such bank transfer shall be made payable to the order of such Unitholder, or in the case of joint Unitholders, made payable to the order of the joint Unitholder which

has requested such redemption at the risk of such Unitholder or joint Unitholders. Payments of redemption proceeds will only be made to the account on record. No third party payments will be made, other than in exceptional limited circumstances and at the absolute discretion of the Administrator.

Portfolios may be established as *closed-ended funds*. The duration of the closed-ended period of a Portfolio and the terms applicable thereto shall be specified in the relevant Supplement provided that the initial duration of such closed-ended period shall not exceed 10 years from the date of approval of that Portfolio by the Central Bank unless Unitholders who do not wish to extend the duration of a Portfolio are permitted to redeem their units at the end of the tenth year and on a periodic basis thereafter. Closed-ended Portfolios will be established in accordance with the requirements of the Central Bank, including the provisions of NU Notice 23 or any amendment or successor thereto. While a Portfolio is closed-ended, Unitholders in that Portfolio shall not be entitled to request the repurchase of their Units. The Manager may in certain circumstances as outlined in the relevant Supplement to the Prospectus or supplemental trust deed of a Portfolio redeem or repurchase Units during the life of the Portfolio, including but not limited to, compulsorily redemptions of Units.

*Side Pocket Units* (where permitted and created) are not redeemable at the option of Unitholders, accordingly, any redemption request received shall be deemed to apply only to Units which are not Side Pocket Units.

### **Compulsory Redemption of Units**

The Manager has the power under the Trust Deed in its absolute discretion compulsorily to redeem at any time the Units of any investor (i) which, as a result of a redemption of any part of the investor's holding, have a value of less than the Minimum Subscription or the equivalent thereof in the Base Currency of the Portfolio concerned or (ii) who holds Units directly or beneficially in breach of any law or requirement of any country governmental or regulatory authority or (iii) whose existence as a Unitholder causes or threatens to cause the Fund or any Portfolio to incur any liability to taxation or to suffer any regulatory, pecuniary, legal or material administrative disadvantage in any jurisdiction which it would otherwise not have expected to incur or suffer or (iv) whose existence as a Unitholder may cause the Fund or any Portfolio to be classified as an "investment company" under the U.S. Investment Company Act, 1940.

If, at any time, the Net Asset Value of a Portfolio is less than EUR10,000,000 the equivalent thereof in the Base Currency of the Portfolio, on each Dealing Day falling within a period of three consecutive months, the Manager may compulsorily redeem all the Units of that Portfolio in existence on three months' notice.

Any such redemption will be made on a Redemption Day at a price equal to the then current Net Asset Value per Unit as at the Valuation Point of the relevant Redemption Day on which the Units are to be redeemed.

## **In Specie Redemptions**

The Manager may, in its discretion satisfy any request for redemption of Units by the transfer in specie to a Unitholder requesting redemption of assets of the relevant Portfolio having a value (calculated in accordance with the Trust Deed) equal to the redemption price for the Units redeemed as if the redemption proceeds were paid in cash less any redemption fee and other expenses of the transfer as the Manager may determine provided that either (a) the Unitholder requesting redemption consents to such transfer in specie or (b) at the request of the Unitholder the Manager shall sell any asset or assets proposed to be distributed in specie and distribute to such Unitholder the cash proceeds less the costs of such sale which shall be borne by the relevant Unitholder. The nature and type of assets to be transferred in specie to each Unitholder shall be determined by the Manager on such basis as the Manager in its discretion shall deem equitable and not prejudicial to the interests of the remaining Unitholders in the relevant Portfolio or Class.



## SWITCHING OF UNITS

### Switching

With the exception of Units in closed-ended portfolios and Side Pocket Units, Unitholders will be entitled to exchange Units of one Class in one Portfolio (the "original Class") for Units in any other Class of the same Portfolio then in existence or agreed to be brought into existence (the "new Class"). Unitholders will be entitled to exchange Units of one Portfolio (the "original Portfolio") for Units in any other Portfolio then in existence or agreed to be brought into existence (the "new Portfolio"). Unitholders will only be entitled to exchange Units on a Dealing Day. All conversion requests must be received by letter or by facsimile, by the Administrator in accordance with the time limits described in the relevant Supplement. Subject to the Manager's discretion to accept any conversion requests received after deadline set out in the relevant Supplement but before the relevant Valuation Point, any conversion requests received after the time aforesaid shall be deemed to be made in respect of the Dealing Day next following the relevant Dealing Day. For the avoidance of doubt, Unitholders of Units in closed-ended portfolios and those holding Side Pocket Units shall not be entitled to exchange such Units.

Instructions for the conversion of Units must specify the number or value and the Class of Units (and of which Portfolio) to be converted, the Class of Units (and of which Portfolio) into which they are to be converted and should include the relevant Unitholder number. The Administrator will be deemed to be authorised to make such conversion if instructed to do so by any written instruction from any person purporting to be the Unitholder and including the relevant Unitholder number.

The Manager may at its absolute discretion accept conversion requests after the deadlines stated herein if the Manager can be provided with sufficient proof that the ultimate investor submitted the necessary documents within the deadlines and prior to the relevant Valuation Point.

The conversion will be effected at the Net Asset Value of Units in the relevant Portfolios in accordance (or nearly as may be in accordance) with the formula:

$$NU = \{OU \times (RP \times CF)\} \div SP$$

where:-

- NU* is the number of Units of the new Portfolio to be issued;
- OU* is the aggregate number of Units of the original Portfolio to be converted comprised in the conversion notice;
- RP* is the Net Asset Value per Unit of the original Class of the original Portfolio on the relevant Dealing Day;
- CF* is the currency conversion factor determined by the Manager on the relevant Dealing Day as representing the effective rate of exchange applicable between the currencies of designation of the relevant Classes of Units; and
- SP* is the Net Asset Value per Unit for the new Class (or the new Class of the new Portfolio) on the relevant Dealing Day plus any initial charge payable thereon.

Confirmations confirming the conversion between the Classes and/or the Portfolios will be issued.

The Unitholder will bear any costs incurred in translating the redemption proceeds of the holding of the original Portfolio into the appropriate currency for the payment for the holding in the new Portfolio, where the original and new Classes of Units have different designated currencies.

Upon any such switch, the Administrator shall amend the relevant registers accordingly.

Nothing herein shall compel the Manager to convert Side Pocket Units (where permitted and created) into any Units of any other Portfolio or Class at the request of any Unitholder. Notwithstanding the foregoing, the Manager may in its sole discretion convert Side Pocket Units into Units of another Portfolio or Class either existing or established as provided herein provided that the Side Pocket Units proposed to be converted have not previously been the subject of a request for redemption of Units. The number of Units to be issued on conversion of Side Pocket Units shall be determined by the Manager in accordance with Trust Deed.

### **Transfer of Units**

Units in each Portfolio will be transferable by instrument in writing signed by the transferor and the transferor shall be deemed to remain the holder of the Units until the name of the transferee is entered in the relevant register in respect thereof. A transfer of Units will not be considered unless the transferee, if not an existing Unitholder, has completed an application form, together with all required supporting documentation to the satisfaction of the Manager or its delegate. Furthermore, the Manager and the Administrator reserve the right to request such information as is necessary to verify the identity of the transferee and to request such representations and warranties as may appear to the Manager or the Administrator as appropriate. The transferee shall be required, prior to the registration of the transfer, to complete the relevant declaration in the application form of the time being and also to provide all necessary identification documentation as set out under “Anti-Money Laundering Procedures” above.

The instrument of transfer must be accompanied by a certificate from the transferee that it is not, nor is it acquiring such Units on behalf of or for the benefit of, a U.S. Person. In the case of the death of one of joint Unitholders, the survivor or survivors will be the only person or persons recognised by the Administrator as having any title to or interest in the Units registered in the names of such joint Unitholders.

In addition, at the discretion of the Manager, without prejudice to the generality of the foregoing, no transfer of all or part of a holding of such Units shall be so registered if;

- (i) the transfer is made in contravention of any restrictions on ownership imposed by the Manager or the transferor or the transferee would have a holding of Units less than the Minimum Holding;
- (ii) such transferee is a U.S. Person;
- (iii) such transfer may result in legal, regulatory, pecuniary, taxation or material administrative disadvantage to the Fund, a Portfolio or Unitholders;

- (iv) any payment of taxation and/or stamp duties remains outstanding in respect of the instrument of transfer;
- (v) the instrument of transfer is not delivered to the Manager or its delegate accompanied by such evidence as the Manager may reasonably require to show the right of the transferor to make the transfer and such other information as the Manager may reasonably require from the transferee;
- (vi) such transfer will cause any assets of any Portfolios of the Fund to be "plan assets" for the purposes of ERISA;
- (vii) the Units to be transferred are Side Pocket Units.

Every instrument of transfer must be signed by the transferor and the transferor shall be deemed to remain the holder of the Units intended to be transferred until the name of the transferee is entered in the relevant register in respect thereof. The instrument of transfer need not be a deed and must be accompanied by such certificates as to the qualification of the transferee as required by the Manager or the Administrator.

The registration of transfers may be suspended at such times and for such periods as the Manager may from time to time determine.

A fee not exceeding Euro 50 may be charged by the Manager for the registration of each transfer and at the discretion of the Manager, the issue of a new registered certificate if requested in the name of the transferee and at the discretion of the Manager a balance registered certificate, if necessary and requested in the name of the transferor and such fee must, if required by the Manager, be paid before the registration of the transfer.

## **FEES AND EXPENSES**

The annual fees of the Manager, Trustee, Administrator and Investment Advisor will be as set out in the relevant Supplement. Each Portfolio shall bear the reasonably incurred out of pocket expenses of the Manager, Trustee, Administrator and Investment Advisor.

### **General**

Pursuant to provisions contained in the Trust Deed, the Trustee shall be entitled to have recourse to a Portfolio for the purpose of indemnity against any action, costs, claims, damages, expenses or demands (other than those arising out of fraud, negligence, wilful default, bad faith or recklessness) to which it may be put as Trustee. The Manager is entitled to recover from a Portfolio the costs and expenses incurred by it in litigation by or on behalf of that Portfolio.

## CALCULATION OF NET ASSET VALUE

The Net Asset Value of a Portfolio (other than Side Pocket Units) shall be expressed in the Base Currency of the relevant Portfolio and shall be calculated as of the Valuation Point for the relevant Dealing Day by ascertaining the value of the assets of the Portfolio on such Dealing Day and deducting from such value the liabilities of the Portfolio on such Dealing Day.

The increase or decrease in the Net Asset Value of a Portfolio over or under, as the case may be, the closing Net Asset Value of that Portfolio as at the Valuation Point for the immediately preceding Dealing Day is then allocated between the different Classes of Units in that Portfolio based on their pro rata closing Net Asset Values on the immediately preceding Dealing Day, as adjusted for subscriptions and redemptions executed at the prices calculated as at that immediately preceding Dealing Day to determine the Net Asset Value of each Class. Each Net Asset Value of a Class is then divided by the number of Units in issue, respectively, at the relevant Valuation Point and then rounded to two decimal places to give the Net Asset Value per Unit.

Where there is more than one Class of Units in issue in a Portfolio, the Net Asset Value per Unit of each Class may be adjusted to reflect different entitlements, costs, fees or expenses (for example, the annual investment management fee) or liabilities attributable to different Classes, (including the gains/losses on and costs of financial instruments employed for currency hedging between the Base Currency of a Portfolio and a designated currency of a Class), shall be expressed in the designated currency of the relevant Class, and will be excluded from the initial calculation of the Net Asset Value of the Portfolio and applied separately to the Net Asset Value attributed to the relevant Class.

Due to the nature of the assets in which the Portfolios may invest, the prices of the underlying assets may not be available to the relevant Portfolio on the Dealing Day. In this event valuations may be used in accordance with paragraph (f) below. Although the Net Asset Value of each Portfolio and the Net Asset Value per Unit will be calculated as at the Valuation Point, the calculation will not be made available until after the relevant Dealing Day. Units of a Portfolio will only be issued and redeemed when the Net Asset Value for the relevant Portfolio is available.

The assets of a Portfolio will be valued as follows:-

- (a) any asset listed and regularly traded on a Recognised Market and for which market quotations are readily available shall be valued at the last traded price at the relevant Valuation Point, provided that the value of any investment listed on a Recognised Market but acquired or traded at a premium or at a discount outside or off the relevant Recognised Market or on an over-the-counter market, shall be valued taking into account the level of premium or discount as of the date of valuation of the investment and subject to approval of the Trustee;
- (b) if an asset is listed on several Recognised Markets, the last traded price at the relevant Valuation Point on the stock exchange or market which in the opinion of the Manager constitutes the main market for such assets will be used;

- (c) the assets of a Portfolio which are not listed or which are listed but in respect of which prices are not available or in respect of which the last traded price does not in the opinion of the Manager represent fair market value shall be valued at their probable realisation value estimated with care in good faith by a competent person, firm or corporation (including the Investment Adviser) selected by the Manager and approved for the purpose by the Trustee;
- (d) derivative instruments (including but not limited to futures and options) dealt in or traded on an exchange or market shall be valued at the relevant settlement price as determined by the market. If such a price is not available the value of such investments shall be the probable realisation value estimated with care and in good faith by a competent person selected by the Manager and approved for the purpose by the Trustee. Derivative instruments which are not dealt in or traded on an exchange or market will be valued at the latest weekly valuation obtained from the counterparty to the transaction provided that the valuation is approved or verified at least monthly by an independent party (who must be independent of the relevant counterparty), who may be the Investment Advisor or a party selected for such purpose by the Manager each approved for the purpose by the Trustee. Over-the-counter derivatives will be valued weekly by the counterparty and verified monthly by a party independent of the counterparty, who may not be the Investment Advisor, who shall be appointed by the Manager and approved for this purpose by the Trustee;
- (e) Forward foreign exchange contracts shall be valued with reference to the prevailing market maker quotations as at the relevant Valuation Point, namely the price at which a new forward contract of the same size and maturity could be undertaken or, if unavailable, at the latest weekly settlement price provided by the counterparty provided that the valuation is approved or verified at least monthly by an independent party (who must be independent of the relevant counterparty and who may be the Investment Advisor) or by a party selected for such purpose by the Manager each approved for the purpose by the Trustee;
- (f) Notwithstanding, paragraph (a) above units in collective investment schemes shall be valued by reference to the latest available net asset value of the units of the relevant collective investment scheme. If the net asset value is unavailable the probable realisation value will be used which will be estimated with care in good faith by the Manager or its delegate or a competent professional person, such valuer to be approved for the purpose by the Manager and the Trustee. In the event that such probable realisation value is used, the Net Asset Value of the relevant Portfolio that is arrived at will be final and conclusive notwithstanding any subsequent variation in the net asset value per unit in the collective investment scheme;
- (g) assets and liabilities denominated in a currency other than in the Base Currency (or the designated currency of the relevant Class) of the relevant Portfolio shall be converted into that Base Currency (or the designated currency of the relevant Class) at the rate (whether official or otherwise) which is available to the Administrator or otherwise as the Manager deems appropriate in the circumstances;

- (h) cash and other liquid assets shall be valued at their nominal value plus accrued interest; and
- (i) the Net Asset Value per Unit attributable to a Side Pocket shall be computed as at such intervals determined by the Manager by dividing the value of the assets attributable to the Side Pocket at their fair value, less its liabilities by the number of Units of the Side Pocket Class outstanding and deducting therefrom such amount as may be necessary to round the resulting amount to such decimal place as the Manager may, in its discretion determine.
- (j) Notwithstanding the provisions of paragraphs (a) to (i) above:-
  - (1) the Manager may, at its discretion in relation to any Portfolio which is a money market type Portfolio, value bonds, commercial paper or similar instruments on the basis of amortised cost. In such case, all securities shall have a residual maturity of 15 months or under.

Provided that the Manager will carry out a weekly review of discrepancies between the market value of the Portfolio and the value based on the amortised cost basis of valuation. If any weekly review indicates a deviation between the amortised method of valuation and the current market value of investments which exceeds 0.3% of the Net Asset Value per Unit calculated using the amortised cost method of valuation, the Manager or the Administrator shall cause a review of deviations between the amortised method of valuation and the current market value of investments to take place on a daily basis until such deviation no longer exceeds 0.3% as aforesaid. If the market value of the Portfolio is 0.5% more or less than the value based on the amortised cost basis of valuation, the Manager will take remedial action to ensure that the discrepancy is less than 0.5% and will ensure that all procedures and reviews are clearly documented.

- (2) the Manager, may at its discretion, in relation to any particular Portfolio which is not a money market type Portfolio but which invests in money market type instruments, value bonds, commercial paper or similar instruments on the basis of amortised cost provided that all securities being valued using the amortised cost basis of valuation shall have maturities of 6 months or under.

Notwithstanding the valuation rules set out in paragraphs (a) to (i) the valuation of a specific asset may be carried out under an alternative method of valuation if the Manager deems it necessary. The alternative method of valuation will be approved by the Trustee and the rationale/methodologies used will be clearly documented.

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 Advisor and furnished to the Manager or the Administrator. The Manager, with the approval of the Trustee, 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 currency, marketability, dealing costs and such other considerations which are deemed relevant.

## **Publication of Net Asset Value per Unit**

The latest Net Asset Value is available from the Administrator and the Investment Advisor and is published on the web-page of the Investment Advisor ([www.swisscap.com](http://www.swisscap.com)). In Switzerland, the issue and redemption prices of the Units of each Portfolio and the Net Asset Value (with the annotation "excl. commissions") will be published electronically at least in accordance with the frequency of the dealing procedures of the relevant Portfolios as are set out in the relevant Supplements. They are further available at the offices of the Swiss Representative and will be shown on its webpage ([www.swisscap.com](http://www.swisscap.com)) and will be kept up-to-date. The Net Asset Value per Unit will be notified immediately following calculation to the Irish Stock Exchange in the event that such Portfolios are listed on the Irish Stock Exchange.

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

The Manager may, with the consent of the Trustee, temporarily suspend the calculation of the Net Asset Value of each or any Portfolio, the Net Asset Value per Unit of each such Portfolio and the issue and redemption of Units of such Portfolio to and from Unitholders when:-

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

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



Any such suspension (and the termination of such suspension) will be notified to the Central Bank and the Irish Stock Exchange immediately and in any event on the same Business Day on which such suspension shall have been declared and shall be notified to Unitholders if in the opinion of the Manager it is likely to exceed fourteen (14) days and will be notified to investors or Unitholders requesting issue or redemption of Units by the Manager at the time of application for such issue or filing of the written request for such redemption.

No Units may be issued or redeemed during a period of suspension. In the event of a suspension a Unitholder may withdraw his subscription or redemption request provided such withdrawal is actually received before the termination of the period of suspension. Where a request is not withdrawn it will be dealt with on the relevant subscription/redemption next following the end of the suspension.

### **Side Pockets and Protective Measures**

Some Portfolios established may avail of certain protective measures during times of illiquidity in accordance with the terms of the Trust Deed as supplemented. Such protective measures may include the use of Side-Pockets. The use of such protective measures by the Manager may only be used where specified in the relevant Supplement of the Prospectus. The use of side-pockets and other protective measures will not apply generally to all Portfolios. Only those Supplements which make express provision for such use shall be entitled to do so.

## APPENDIX I

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### RISK FACTORS

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#### GENERAL

The risks described herein should not be considered to be an exhaustive list of the risks which potential investors should consider before investing in a Portfolio. Potential investors should be aware that an investment in a Portfolio may be exposed to other risks of an exceptional nature from time to time. Investment in the Fund carries with it a degree of risk. Different risks may apply to different Portfolios and/or Classes. Details of specific risks attaching to a particular Portfolio or Class which are additional to those described in this section will be disclosed in the relevant Supplement.

Prospective investors should review this Prospectus and the relevant Supplement carefully and in its entirety and consult with their professional and financial advisers before making an application for Units.

The value of the Units may fall as well as rise and investors may not get back, on a redemption or otherwise, the amount originally invested. The use of derivative instruments and the sale of short positions in particular can lead, in extreme circumstances, to a total loss of an underlying Hedge Fund's assets. Accordingly, an investment in any Portfolio should only be made by persons who are able to bear the risk of total loss of capital. Potential investors who are in any doubt as to the risks involved in investing in each Portfolio are recommended to obtain independent financial advice before making an investment. The difference at any one time between the sale price (to which may be added a sales charge or commission) and the redemption price of Units (from which may be deducted a redemption fee) means an investment should be viewed as medium to long term.

The securities and instruments in which the Fund invests are subject to normal market fluctuations and other risks inherent in investing in such investments and there can be no assurance that any appreciation in value will occur. There can be no guarantee that the investment objective of a Portfolio will actually be achieved.

The attention of potential investors is drawn to the taxation risks associated with investing in the Fund. Please refer to Appendix III of the Prospectus entitled "Taxation".

### *Hedge Funds and Risks associated therewith*

A substantial part of a Portfolio's assets may be invested in Hedge Funds investing in equity markets. These Hedge Funds are generally perceived to involve a greater degree of risk than pure equity funds. In addition to the risks inherent in conventional investments (market, credit and liquidity risks), investments in Hedge Funds entail a number of specific risks which are listed below. Therefore, an investment in each Portfolio may not be suitable for all investors. Moreover, potential investors should bear in mind that each Portfolio is intended as a medium to long-term investment. By adopting strict selection, monitoring and control procedures, however, the Manager intends to minimise the investment risks herein.

In contrast to traditional investments, alternative investment strategies such as those pursued by Hedge Funds involve using leverage in the form of selling short, borrowing on margin and acquiring derivatives. The level of leverage utilised by the Underlying Funds is potentially unlimited. Each Portfolio may therefore be exposed to high levels of leverage through the Underlying Funds even though the Portfolios themselves are not permitted to use leverage themselves. While leverage presents opportunities for increasing the total return on investments, it also has the effect of potentially increasing losses.

If the capital gains on the investments acquired with leverage are greater than the interest on the loans, the Portfolio's assets will rise faster than if no leverage had been used. In the event of price decreases, leverage may result in a correspondingly steep decline in the Portfolio's assets.

Hedge Funds also achieve a leverage effect by using derivatives such as options and futures and by taking short positions in securities. If the market situation is not assessed correctly or the markets for the underlying securities prove to be insufficiently liquid, this may seriously affect the Portfolio's performance.

Most Hedge Funds and accordingly most Underlying Funds are domiciled in countries where the legal frameworks and especially the supervisory authorities either do not exist or do not correspond to the standards that are normally found in most European jurisdictions such as the Republic of Ireland or which will not provide a level of investor protection equivalent to funds authorised by the Central Bank.

The Portfolios will generally invest in non-Swiss funds, which, due to the absence of equivalent regulation and/or supervision, could not obtain sales authorisation in Switzerland.

Some funds have a broker as a custodian instead of a bank. In certain cases these brokers may not have the same credit rating as a bank. Furthermore, in contrast to an Irish or a Swiss custodian bank, the brokers perform solely safekeeping functions and have no statutory supervisory obligations. The Trustee is not responsible for the safekeeping of the Underlying Funds' assets.

There may be no liquid market in the shares of some of the Underlying Funds. Despite diversification by the Manager, high concentrations may arise in certain markets. Problems may arise in the valuation and the sale of certain shares, and in some cases shares may have to be sold below their net asset value.

Most Hedge Funds calculate their fees on a performance-linked basis. Performance-linked fees may encourage fund managers to engage in risky or highly speculative investments. Some fund managers have an equity stake in their fund. Therefore, certain conflicts of interests cannot be ruled out at the level of the Underlying Funds.

The success of Hedge Funds hinges to a large degree on the fund manager's skill and the available infrastructure.

The use of derivative instruments and the sale of short positions in particular can lead in extreme circumstances to a total loss of the assets of the Underlying Funds.

#### *Financial Market Crisis*

As at the date of this Prospectus, the global financial markets have in recent times been subject to pervasive and fundamental disruptions and dramatic instability. The extent to which the underlying causes of instability are pervasive throughout global financial markets and have the potential to cause further instability is not yet clear but these underlying causes have led to extensive and unprecedented governmental intervention and Regulators in many jurisdictions have implemented or proposed a number of wide-ranging emergency regulatory measures and includes restrictions on the short selling of financial and other stocks in many jurisdictions. Such intervention has in certain cases been implemented on an "emergency" basis without much or any notice with the consequence that some market participants' ability to continue to implement certain strategies or manage the risk of their outstanding positions has been suddenly and / or substantially eliminated. In addition, due to the uncertain stability of global financial institutions, the security of assets held by any financial institution cannot be guaranteed, notwithstanding the terms of any agreement with such institution. Given the complexities of the global financial markets and the limited time frame within which governments have been able to take action, these interventions have sometimes been unclear in scope and application, resulting in confusion and uncertainty which in itself has been materially detrimental to the efficient functioning of such markets as well as previously successful investment strategies. It is impossible to predict with certainty what additional interim or permanent governmental restrictions may be imposed on the markets and / or the effect of such restrictions on ability of any Portfolio to implement its investment objective / investment policy. However, the Directors believe that there is a likelihood of increased regulation of the global financial markets, and that such increased regulation could be materially detrimental to the performance of the Portfolio.

#### *Valuation and Country Risk*

The majority of the Underlying Funds will report non-audited net asset values and redemption prices monthly. In the absence of net asset values or redemption prices, the Manager may determine its own valuations in respect of such investments. Adequate information for that purpose may not always be available to the Manager from the relevant Underlying Funds or other sources. Consequently, such valuations may not accurately reflect the realisable value of the Portfolio's underlying investments on the next Dealing Day.

Each Portfolio may also invest in equity markets that are perceived to be less stable and more volatile than established markets, such as Western Europe and the United States.

### *Advantages and Disadvantages of the Fund of Funds Structure*

The principal advantages and disadvantages of investing in any Portfolio (which are all funds of funds) compared with investing in individual Hedge Funds are as follows:

Advantages	Disadvantages
risk widely spread over a range of different investment styles and strategies	possible under-performance due to broad risk diversification
meticulous selection procedure taking both qualitative and quantitative aspects into account	there may be a higher burden of fees by the indirect assumption of additional costs at the level of the Underlying Funds, although these are charged directly to the Underlying Funds, since the fund of funds has to bear its own administration costs including the fees of the Administrator, the Trustee, the Investment Adviser and the fees for other services (these fees are higher than those of usual collective investment schemes); additionally there are similar costs which the fund of funds has to bear as an investor in the Underlying Funds; these have to pay similar commissions to their managers and fees for other services; therefore the costs that the fund of funds has to bear amount to a higher percentage of the net assets than would be the case with direct investments
ongoing monitoring and supervision of the various funds	

### *Risk Mitigation Measures of each Portfolio*

Each Portfolio will attempt to mitigate the above mentioned risks through a number of measures and elements (refer to the relevant Supplement regarding the selection criteria).

By means of its selection and monitoring procedures, the Manager sets high standards for the managers of the Underlying Funds, Investment Adviser, Administrator, brokers, Auditors and the Trustee.

As mentioned above, the fund of funds structure reduces the risk of each Portfolio as a whole considerably, while potentially enhancing the overall performance. An investment in any one single Underlying Fund is limited to 20% of the Portfolio's Net Asset Value. Some of the Underlying Funds may in the case of bankruptcy and similar situations become liable for liabilities of other funds of the same structure (above all umbrella funds).

Equity Hedge Funds investing in alternative strategies typically use less leverage and derivatives than other Hedge Fund strategies such as Global Macro.

### *Reliance on the Investment Adviser*

The success of the Portfolios will be dependent on the performance of the Investment Adviser. No assurance can be given that it will succeed in meeting the investment objectives or that its assessments of the short-term or long-term prospects referred to in this Prospectus will prove accurate.

### *Foreign Exchange Risk*

Each Portfolio may invest in assets that are denominated in currencies that are different to its Base Currency. Unitholders may be exposed to foreign exchange risks. The ability of each Portfolio to hedge foreign exchange risks may be affected by limited forward or option markets for the hedging of the Base Currency against the currency of investment. Where there is a foreign exchange risk exposure for any Portfolio, the Manager may, where it is appropriate, hedge the risk. This will be effected at the Portfolio level and the margins and premiums payable for such transactions shall not exceed the Net Asset Value of the respective Portfolio. Please see below regarding hedging at Class level. Performance may be strongly influenced by movements in FX rates because currency positions held by the Portfolios may not correspond with the securities positions held.

### *Liquidity Risk*

It is important for Unitholders to be aware that the Units do not trade on a liquid and regulated market (despite their listing on the Irish Stock Exchange) and that the sale of the Units is only possible on each Dealing Day with notice as described in the relevant Supplement. If there are substantial redemption requests within a limited period of time, it may be difficult for the Manager to provide sufficient funds to meet such redemptions without liquidating positions prematurely at an inappropriate time or on unfavourable terms. The Portfolios may also encounter difficulties in disposing of assets at their fair price due to adverse market conditions leading to limited liquidity. In some circumstances, investments may be relatively illiquid making it difficult to acquire or dispose of them. Accordingly, a Portfolio's ability to respond to market movements may be impaired, and the Portfolio may experience adverse price movements upon liquidation of its investments. In addition some Portfolios may be closed-ended in nature and will not permit redemptions during the relevant closed-ended period.

### *Market Risk*

Some of the markets and exchanges in which a Portfolio may invest may be less well-regulated than those in developed markets and may prove to be illiquid, insufficiently liquid or highly volatile from time to time. This may affect the price at which a Portfolio may liquidate positions to meet redemption requests or other funding requirements.

### *Exchange Control and Repatriation Risk*

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

### *Emerging Markets Risk*

An Underlying Fund may invest directly or indirectly in securities of companies based in emerging countries or issued by the governments of such countries. Investing in securities of certain of such countries and companies involves certain considerations not usually associated with investing in securities of developed countries or of companies located in developed countries, including political and economic considerations, such as greater risks of expropriation, nationalisation and general social, political and economic instability; the small size of the securities markets in such countries and the low volume of trading, resulting in potential lack of liquidity and in price volatility; fluctuations in the rate of exchange between currencies and costs associated with currency conversion; certain government policies that may restrict an Underlying Fund's investment opportunities; and problems that may arise in connection with the clearance and settlement of trades. In addition, accounting and financial reporting standards that prevail in certain of such countries generally are not equivalent to standards in more developed countries and, consequently, less information is available to investors in companies located in these countries than is available to investors in companies located in more developed countries. There is also less regulation, generally, of the securities markets in emerging countries than there is in more developed countries. Placing securities with a custodian in an emerging country may also present considerable risks.

### *Political, Regulatory, Settlement and Sub-Custodial Risk*

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

### *Limited Liquidity*

Portfolios may be limited liquidity funds. Investors should note that redemptions are effected in accordance with the provisions of the relevant Supplement in respect of a particular Portfolio but subject to a prior notice period. Settlement proceeds will generally be paid 20 Business Days after the relevant Redemption Date. However, Investors should note that payment of repurchases may be delayed or suspended until such time as the relevant Portfolio is in a position to liquidate its underlying investments. An investment in a limited liquidity Portfolio may therefore be relatively illiquid and is not suitable for an investor who needs liquidity. There is no guarantee that purchase or sale transactions can be carried out in respect of Units of a Portfolio in a timely manner. The restrictions on transfers and repurchases will significantly affect the liquidity of a Unitholder's investment. A secondary market in the Units is not expected. A Unitholder may only redeem all or a portion of his Units in accordance with the procedures described in the Prospectus and in accordance with the Deed.

### *Closed-Ended Portfolios*

Portfolios may be established which are closed-ended and consequently, Unitholders will not be permitted to seek repurchase or redemption of their Units during the closed-ended period as set out in the relevant Supplement. Investments by a closed-ended Portfolio, as a result of their very nature, may involve uncertainty (and therefore risk) as to their effective realisation value. There is no certainty that a closed-ended Portfolio will be able to realise its position at the planned time. Returns to such a Portfolio (and ultimately the investors) will consequently be uncertain and unpredictable. The Units may not be traded on a recognised or designated investment exchange and therefore there may be no recognised market for them. This means that it may be difficult for investors to obtain reliable information about their value or the extent of the risks to which they are exposed.

### *Highly Volatile Markets*

The target investments of Portfolios are either directly or indirectly highly volatile. Price movements of forward contracts, futures contracts and other Derivative contracts in which Portfolio assets may be directly or indirectly invested are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs 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 those in currencies and interest rate related futures and options. Such intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations. The Underlying Funds are subject to the risk of the failure of any of the exchanges on which their positions trade or of their clearinghouses.

### *General*

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

Persons interested in purchasing Units should inform themselves as to (a) the legal requirements within their own countries for the purchase of Units, (b) any foreign exchange restrictions which may be applicable, and (c) the income and other tax consequences of purchase and redemption of Units.

### *Regulation of Underlying Funds*

Underlying Funds may or may not be subject to regulation. The Underlying Funds in which the Portfolios may invest shall generally be open-ended but may also be in limited liquidity or closed-ended collective investment schemes. The Underlying Funds may be established in regulated and/or unregulated jurisdictions. The jurisdictions in which Underlying Funds are organised will not, in many cases, provide a level of investor protection equivalent to funds authorised under Irish laws and subject to Irish regulations and conditions.



### *Investment Restrictions of Underlying Funds*

While the Investment Adviser will exercise reasonable care to comply with the investment restrictions applicable to a particular Portfolio, the manager of and/or service providers to the underlying schemes are not obliged to comply with such investment restrictions in the management / administration of underlying schemes. No assurance is given that the investment restrictions of a Portfolio with respect to individual issuers or other exposures will be adhered to by underlying schemes or that, when aggregated, exposure by underlying schemes to individual issuers or counterparties will not exceed the investment restrictions applicable to a particular Portfolio. If the investment restrictions applicable to the investments directly made by a Portfolio are exceeded for reasons beyond the control of the Manager or as a result of the exercise of subscription rights, the Directors shall adopt as a priority objective the remedying of that situation, taking due account of the interests of the Unitholders of the relevant Portfolio or Portfolios.

### *Limited Capacity*

Some of the underlying schemes may close to new investment this could make it difficult for the Investment Adviser to replicate a Portfolio's existing portfolio to accommodate new investment into the Portfolio.

In addition, the Investment Adviser's access to underlying schemes may be rationed, creating an investment allocation issue and the potential for the Portfolio to be in competition with other clients of the Investment Adviser for the same investment opportunities. This could lead to a decline in performance of the Portfolio as it may not be possible to invest the new investment in underlying schemes that have superior performance.

### *Lack of Diversification*

Fund of Funds generally benefit from the combination of different investment styles and strategies to achieve a significant improvement in the risk/return trade off over investment in individual underlying schemes. This diversification benefit depends on the Investment Adviser's ability to correctly analyse the degrees of correlation between the different underlying schemes and strategies being considered for investment. The general lack of transparency offered by underlying schemes which are hedge funds and the flexibility their managers often have to change investment approach or strategy can make it difficult to accurately gauge the level of correlation between the underlying schemes' investments. Furthermore even in situations where the Investment Adviser believes that it has accurately gauged the correlation between certain of the underlying schemes, particular market events can cause hitherto apparently uncorrelated strategies to suddenly become much more correlated. For example, under certain market conditions, emerging market and corporate debt starts to behave much more like equity, while significant mergers can attract interest from managers of normally quite separate strategies, resulting in similar exposures across several of the underlying funds.

### *Fund of Funds Redemption and Liquidity Risk*

A Portfolio established as a fund-of-funds may be subject to liquidity risk (see "Liquidity Risk" above) due to the manner and timing of potential redemptions from the underlying schemes. Underlying schemes may be entitled to delay acceptance of redemption requests or payment of redemption proceeds from a Portfolio.

### *Redemption Risk*

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

### *Lock-up liquidity risk*

The Portfolios may invest in Underlying Funds which provide for "lock-up" periods, typically one year, during which the investments in the Underlying Funds may not be redeemed or alternatively may only be redeemed on the payment of an early redemption penalty. This may mean that the Portfolios are not as liquid as other open-ended collective investment schemes. If the Portfolio cannot redeem its investment in an Underlying Fund at a time when there are net redemptions from the Portfolio, the Portfolio may be forced to redeem its investment in other Underlying Funds that do not operate a lock in period. Alternatively the presence of the lock-in in Underlying Funds increases the likelihood that the Manager may decide to exercise its power to refuse to redeem Units in excess of one tenth of the total number of Units of the Portfolio in issue or deemed to be in issue if it considers that to do so would require the Portfolio to incur early redemption penalties or dispose of desirable investments. In addition, the lock-in periods may mean that the Portfolio holds Underlying Funds with unsatisfactory performance for longer than would otherwise be the case. If the Manager decides to redeem an investment in an underlying scheme with a lock in period and an early redemption penalty the redemption penalty could cause a significant reduction in the Portfolio performance.

### *Fee Impact on Overall Performance*

As a Portfolio may invest in Underlying Funds, management fees will be charged at both the Portfolio and Underlying Fund level. This will have a negative impact on the overall performance of the Portfolio. In addition to the Management Fee and Performance Fee charged by the Portfolio, underlying schemes typically have management fees that are in the region of 1.5% to 2%. Underlying Funds may also charge a performance fee based on a percentage of the increase in the value of the assets in the Underlying Fund. Such percentage may be up to 20%.

### *Unit Currency Designation Risk*

A Class of Units of a Portfolio may be designated in a currency other than the Base Currency of the Portfolio. Changes in the exchange rate between the Base Currency of the Portfolio and such designated currency may lead to a depreciation of the value of such Units as expressed in the designated currency. The Manager will, in respect of a Class, try to mitigate this risk by using financial instruments, in no case exceeding 100% of the Net Asset Value attributable to the relevant Class of Units of the Portfolio. Investors should be aware that this strategy may substantially limit Unitholders of the relevant Class from benefiting if the designated currency falls against the Base Currency of the Portfolio and/or the currency/currencies in which the assets of the Portfolio are denominated. Unitholders of the Class of Units of the Portfolio may be exposed to fluctuations in the Net Asset Value per Unit reflecting the gains/losses on and the costs of the relevant financial instruments. Where hedging strategies are Class specific the gains/losses on and the costs of the relevant financial instruments will accrue solely to, and the recourse of the foreign exchange contract counterparty will be limited to, the relevant hedged Class of Units of the Portfolio.

### *Performance Fee*

In addition to receiving the management fee, the Manager may also receive a performance fee according to the section "Performance Fee". The Performance Fee may provide an incentive for the Manager to advise in favour of investments for the relevant Portfolio which carry more risk than would be the case in the absence of a fee based on the performance of the relevant Portfolio.

### *Taxation*

Any change in the Fund's tax status or in taxation legislation could affect the value of the investments held by each Portfolio and affect the Portfolio's ability to provide the investor with returns. Potential investors and Unitholders should note that the statements on taxation which are set out herein and in each supplement 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 and each supplement. 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 Portfolio will endure indefinitely. The attention of potential investors is drawn to the tax risk associated with investing in the Fund. See section headed "Taxation" below.

### *Custody Risks*

Certain Portfolios may invest in markets where custodial and/or settlement systems are not fully developed, the assets of the Portfolio 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 Trustee will have no liability.

Such markets include Jordan, Bangladesh, Indonesia, South Korea, Pakistan, India, and such risks include:

- 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 the central depository

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

### *Cross-Contamination*

The Fund is an umbrella fund with segregated liability between Portfolios. As a result, as a matter of Irish law, any liability attributable to a particular Portfolio may only be discharged out of the assets of that Portfolio and the assets of other Portfolios may not be used to satisfy the liability of that Portfolio. In addition, any contract entered into by the Manager on behalf of the Fund will, by operation of law, include an implied term to the effect that the counterparty to the contract may not have any recourse to assets of any of the Portfolio other than the Portfolio in respect of which the contract was entered into. These provisions are binding both on creditors and in any insolvency but do not prevent the application of any enactment or rule of law which would require the application of the assets of one Portfolio to discharge some, or all liabilities of another Portfolio on the grounds of fault or misrepresentation. In addition, while these provisions are binding in an Irish court which would be the primary venue for an action to enforce a debt against the Fund, these provisions have not been tested in other jurisdictions, and there remains a possibility that a creditor might seek to attach or seize assets of a Portfolio in satisfaction of an obligation owed in relation to another Portfolio in a jurisdiction which would not recognise the principle of segregation of liability between Portfolios.

## **COUNTERPARTY AND CREDIT RISK**

### *Rights of Secured Parties versus Unitholders*

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

### *Credit Risk*

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

### *Securities Lending Risk*

As with any extensions of credit, there are risks of delay and recovery. Should the borrower of securities fail financially or default in any of its obligations under any securities lending transaction, the collateral provided in connection with such transaction will be called upon. The value of the collateral will be maintained to equal or exceed the value of the securities transferred. However there is a risk that the value of the collateral may fall below the value of the securities transferred. In addition, as a Portfolio may invest cash collateral received, subject to the conditions and within the limits laid down by the Central

Bank. Portfolios investing collateral will be exposed to the risk associated with such investments, such as failure or default of the issuer of the relevant security.

## **VALUATION, CURRENCY AND REPORTING RISKS**

### *Valuation Risk*

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

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

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

### *Currency Risk*

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

### *Unit Currency Designation Risk*

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

### *Investment Advisor Valuation Risk*

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

## **TAX RISKS**

### **Tax Considerations**

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

## **RISK FACTORS NOT EXHAUSTIVE**

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

## APPENDIX II

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### GENERAL INFORMATION

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#### Meetings

The Trustee or the Manager may convene a meeting of Unitholders at any time. The Manager must convene such a meeting if requested to do so by the holders of not less than 15% in aggregate of the Units in issue (excluding Units held by the Manager).

All business transacted at a meeting of Unitholders duly convened and held shall be by way of extraordinary resolution.

Not less than fourteen (14) days' notice of every meeting must be given to Unitholders. The notice shall specify the place, day and hour of meeting and the terms of the resolution to be proposed. A copy of the notice shall be sent by post to the Trustee unless the meeting shall be convened by the Trustee. A copy of the notice shall be sent by post to the Manager unless the meeting shall be convened by the Manager. The accidental omission to give notice to or the non-receipt of notice by any of the Unitholders shall not invalidate the proceedings at any meeting.

The quorum shall be Unitholders present in person or by proxy holding or representing at least 5% in number of the Units for the time being in issue. No business shall be transacted at any meeting unless the requisite quorum is present at the commencement of business.

At any meeting (a) on a show of hands every Unitholder who is present in person or by a proxy shall have one vote and (b) on a poll every Unitholder who is present in person or by proxy shall have one vote for every Unit of which he is the Unitholder.

With regard to the respective rights and interests of Unitholders in different Portfolios or different Classes of the same Portfolio the foregoing provisions shall have effect subject to the following modifications:-

- (a) a resolution which in the opinion of the Manager affects one Portfolio or Class only shall be deemed to have been duly passed if passed at a separate meeting of the Unitholders of that Portfolio or Class;
- (b) a resolution which in the opinion of the Manager affects more than one Portfolio or Class but does not give rise to a conflict of interest between the Unitholders of the respective Portfolios or Classes shall be deemed to have been duly passed at a single meeting of the Unitholders of those Portfolios or Classes;
- (c) a resolution which in the opinion of the Manager affects more than one Portfolio or Class and gives or may give rise to a conflict of interest between the Unitholders of the respective Portfolios or Classes shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the Unitholders of those Portfolios or Classes, it shall be passed at separate meetings of the Unitholders of those Portfolios or Classes.

## Reports

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

In respect of each Accounting Period the Manager shall cause to be audited and certified by the auditors an annual report relating to the management of the Fund and each of its Portfolios. Such annual report shall be in a form approved by the Central Bank and shall contain such information as is required under the Act. There shall be attached to such annual report a statement by the Trustee in relation to the Fund and each of its Portfolios and a statement of such additional information as the Central Bank may specify.

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

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

The Trust Deed is available for consultation at the registered office of the Manager.

For the Unitholders in Switzerland copies of the audited annual reports and of the unaudited semi-annual reports as well as copies of the Prospectus, any Supplements and of the Trust Deed may be obtained free of charge in German and in English at the offices of the Representative and Sales Agent in Switzerland and of the Paying Agent in Switzerland appearing in the Directory. The Manager and the Representative shall in addition arrange for and must publish in the required form all facts and data required to be published pursuant to Swiss law and self-regulation.

The Unitholders may request from the Manager the information necessary to determine the subscription and redemption prices of the Units. Furthermore, the Manager must provide to the Unitholders information on the Underlying Funds. If a Unitholders claims to have a good reason he may request from the Manager more detailed information with respect to specific transactions, also if they relate to previous years.



## Notices

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

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

## Material Contracts

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

- (i) The Trust Deed, as supplemented from time to time.
- (ii) The Administration Agreement; this Agreement dated 25 July, 2005 between the Manager and the Administrator is for an indefinite period and may be terminated by the Manager or the Administrator on not less than ninety days' written notice. This Agreement provides that the Manager shall indemnify and hold harmless the Administrator out of the assets of the Fund against all actions, proceedings, claims, costs, demands and expenses which may be brought against, suffered or incurred by the Administrator by reason of its performance or non-performance of its obligations under the terms of this Agreement (other than due to the Administrator's fraud, wilful default or negligence).
- (iii) The Investment Advisory Agreement; this Agreement dated 25 July, 2005 between the Manager and the Investment Advisor is for an indefinite period and may be terminated by the Manager or the Investment Advisor on not less than six months' written notice. This Agreement provides that the Manager shall indemnify and hold harmless the Investment Advisor and its officers, executives and directors from any and all cost, liability and expense arising under this Agreement or resulting directly or indirectly from any act or omission in the course of or in connection with the services provided by the Investment Advisor, or from any breach of this Agreement by either of them provided such cost, liability or expense is not as a result of any negligence, fraud or wilful default of the Investment Advisor.
- (iv) The Representative Agreement dated as of 18 January, 2007 (as amended from time to time).
- (v) The Paying Agent Agreement dated as of 22 January, 2007 (as amended from time to time).

## Termination

The Fund or any of its Portfolios or Classes may be terminated by the *Trustee* by notice in writing as hereinafter provided upon the occurrence of any of the following events, namely:

- (i) if the Manager shall go into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee) or ceases business or becomes (in the reasonable judgement of the Trustee) subject to the de facto control of some corporation or person of whom the Trustee does not reasonably approve or if a receiver is appointed in respect of any of the assets of the Manager or if an examiner is appointed to the Manager pursuant to the Companies (Amendment) Act, 1990;
- (ii) if in the reasonable opinion of the Trustee the Manager shall be incapable of performing its duties;
- (iii) if any law shall be passed which renders it illegal to continue the Fund or any of its Portfolios or Classes; or
- (iv) if within a period of three months from the date of the Trustee expressing in writing to the Manager its desire to retire the Manager shall have failed to appoint a new Trustee pursuant to the provisions of the Trust Deed.

The Fund or any of its Portfolios or Classes may be terminated by the *Manager* in its absolute discretion by notice in writing as hereinafter provided in any of the following events, namely:

- (i) if one year from the date of the first issue of Units or on any Dealing Day thereafter the Net Asset Value of any Portfolio shall be less than EUR10 million or the Net Asset Value of the Fund shall be less than EUR10 million multiplied by the number of Portfolios;
- (ii) if the Fund shall cease to be an Authorised Unit Trust under the Act or if any of the Portfolios shall cease to be approved by the Central Bank;
- (iii) if any law shall be passed which renders it illegal or in the reasonable opinion of the Manager impracticable or inadvisable to continue the Fund or any of its Portfolios;
- (iv) if within a period of three months from the date of the Manager expressing in writing to the Trustee its desire to retire, a replacement manager shall not have been appointed;
- (v) if within a period of six months from the date of the Investment Advisor expressing in writing to the Manager its desire to retire the Manager shall have failed to appoint a new Investment Advisor.

The party terminating the Fund or a Portfolio or Class shall give notice thereof to the Unitholders in the manner herein provided and by such notice fix the date on which such termination is to take effect which date shall not be less than three months after the service of such notice.

The Fund or any of its Portfolios or Class may at any time be terminated by extraordinary resolution of a meeting of the Unitholders duly convened and held in accordance with the provisions contained in the Schedule to the Trust Deed and such termination shall take effect from the date on which the said resolution is passed or such later date (if any) as the said resolution may provide.

Not later than two months before the termination of the Fund or of a Portfolio or Class, as the case may be, the Manager shall (if practically possible) give notice to the Unitholders advising them of the impending distribution of the assets of the Fund, the Portfolio or attributable to the relevant Class, as the case may be. After such termination the Manager shall procure the sale of all investments then remaining in the Trustee's and its nominee's hands as part of the assets of the Fund, the Portfolio or attributable to the relevant Class and such sale shall be carried out and completed in such manner and within such period after the termination of the Fund or of the Portfolio or Class as the Manager and the Trustee thinks desirable. The Manager shall at such time or times as it shall deem convenient and at its entire discretion procure the distribution to the Unitholders, in accordance with the latest available allocation of the Net Asset Value of the Portfolio or Class between Units pursuant to the Trust Deed and then pro rata to the number of Units of the relevant Class held by them respectively, of all net cash proceeds derived from the realisation of the investments and any cash then forming part of the assets of the relevant Portfolio or attributable to the relevant Class so far as the same are available for the purpose of such distribution. Every such distribution shall be made only after the certificates (if any) relating to the Units in respect of which the same is made shall have been lodged with the Manager together with such form of request of payment and receipt as the Manager shall in its absolute discretion require provided that the Manager shall be entitled to retain out of any such monies in the hands of the Trustee full provision for all costs, charges, expenses, claims, liabilities and demands relating to the relevant Portfolios or Classes, for which the Manager is or may become liable or incurred, made or expended by the Manager in connection with the liquidation of the Fund or any of the Portfolios or Classes, as the case may be, and out of the monies so retained to be indemnified and saved harmless against any such costs, charges, expenses, claims and demands. Any unclaimed net proceeds or other cash held by the Trustee may at the expiration of twelve months from the date on which the same were payable be paid into court subject to the right of the Manager to deduct therefrom any expenses it may incur.

### **Continuance or Retirement of Manager**

The Manager shall so long as the Fund subsists continue to act as the Manager thereof in accordance with the terms of the Trust Deed.

The Manager for the time being shall be subject to removal and shall be so removed by (immediate in the case of (i)) (three months (in the case of (ii)) notice in writing given by the Trustee to the Manager in any of the following events:

- (i) if the Manager goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee) or if a receiver is appointed in respect of any of the assets of the Manager or if an examiner is appointed to the Manager pursuant to the Companies (Amendment) Act, 1990; or
- (ii) if a Meeting of the Unitholders by extraordinary resolution determines that the Manager should retire.

The Manager shall have the power on the giving of three months' written notice to the Trustee to retire in favour of some other corporation approved by the Trustee and the Central Bank upon and subject to such corporation entering into an acceptable deed.

### **Retirement of Trustee**

The Trustee shall not be entitled to retire voluntarily except upon the appointment of a new Trustee or the termination of the Fund, including termination of the Fund by the Trustee and the revocation of the Fund's authorisation by the Central Bank where the Manager shall have failed to appoint a new Trustee within a period of three months from the date of the Trustee expressing in writing its desire to retire. In the event of the Trustee desiring to retire, the Manager may by supplemental deed appoint any duly qualified corporation which is acceptable to the Central Bank to be the Trustee in the place of the retiring Trustee.

### **General**

No Units are under option or agreed conditionally or unconditionally to be put under option or is issued or proposed to be issued for a consideration other than cash.

No Director of the Manager has any interest in any contract or arrangement which is either unusual in its nature or significant to the business of the Trust.

### **Documents Available for Inspection**

The following documents are available for inspection on any Business Day at the registered office of the Manager and at the offices of Dillon Eustace, 33 Sir John Rogerson's Quay, Dublin 2, Ireland from the date of this Prospectus:

- (a) the material contracts referred to above;
- (b) annual reports, incorporating audited financial statements, and half-yearly reports, incorporating unaudited financial statements, when published;
- (c) a list of directorships and partnerships of each of the directors of the Manager over the past five years indicating whether or not such directorships or partnerships are current.

Copies of each of the documents referred to at (a) to (c) above can be obtained by Unitholders and potential investors at the registered office of the Manager free of charge on request. The Unitholders are entitled to ask the Manager for information concerning the Underlying Funds at any time.

## APPENDIX III

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### TAXATION

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#### General

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

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

Dividends, interest and capital gains (if any) which the Fund 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 Fund 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 Fund the Net Asset Value will not be re-stated and the benefit will be allocated to the existing Unitholders rateably at the time of repayment.

## DEFINITIONS

### IRELAND

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

<b>"Exempt Irish Investor"</b>	<p>means:</p> <ul style="list-style-type: none"> <li>• a pension scheme which is an exempt approved scheme within the meaning of Section 774 of the Taxes Act or a retirement annuity contract or a trust scheme to which Section 784 or 785 of the Taxes Act applies;</li> <li>• a company carrying on life business within the meaning of Section 706 of the Taxes Act;</li> <li>• an investment undertaking within the meaning of Section 739B(1) of the Taxes Act;</li> <li>• a special investment scheme within the meaning of Section 737 of the Taxes Act;</li> <li>• a charity being a person referred to in Section 739D(6)(f)(i) of the Taxes Act;</li> <li>• a unit trust to which Section 731(5)(a) of the Taxes Act applies;</li> <li>• a qualifying fund manager within the meaning of Section 784A(1)(a) of the Taxes Act where the Units held are assets of an approved retirement fund or an approved minimum retirement fund;</li> <li>• a qualifying management company within the meaning of Section 739B of the Taxes Act;</li> <li>• 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 Units are assets of a PRSA;</li> <li>• a credit union within the meaning of Section 2 of the Credit Union Act, 1997;</li> <li>• the National Pensions Reserve Fund Commission;</li> <li>• the National Asset Management Agency</li> <li>• 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 Fund; or</li> <li>• any other Irish Resident or persons who are Ordinarily Resident in Ireland who may be permitted to own Units under taxation legislation or by written practice or concession of the Revenue Commissioners without giving rise to a charge to tax in the Fund or jeopardising tax exemptions associated with the Fund giving rise to a charge to tax in the Fund;</li> </ul> <p>provided that they have correctly completed the Relevant Declaration.</p>
<b>"Intermediary"</b>	<p>means a person who:</p> <ul style="list-style-type: none"> <li>(a) carries on a business which consists of, or includes, the receipt of payments from an investment undertaking on behalf of other persons; or</li> <li>(b) holds units in an investment undertaking on behalf of other persons.</li> </ul>

<p><b><i>“Irish Resident”</i></b></p>	<p>means:</p> <ul style="list-style-type: none"> <li>• in the case of a company, means a company that is resident in Ireland for tax purposes.</li> <li>• in the case of an individual, means an individual who is resident in Ireland for tax purposes.</li> <li>• in the case of a trust, means a trust that is resident in Ireland for tax purposes.</li> </ul> <p><b><i>Company</i></b></p> <p>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:-</p> <ul style="list-style-type: none"> <li>• 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, resident 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.</li> <li>• the company is regarded as not resident in Ireland under a double taxation treaty between Ireland and another country.</li> </ul> <p>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.</p> <p><b><i>Individual</i></b></p> <p>An individual will be regarded as being resident in Ireland for a tax year if he/she is present in Ireland: (1) for a period of at least 183 days in that tax year; or (2) for a period of at least 280 days in any two consecutive tax years, provided that the individual is present in Ireland for at least 31 days in each period. In determining days present in Ireland, an individual is deemed to be present if he/she is in Ireland at any time during the day. This new test takes effect from 1 January 2009 (previously in determining days present in Ireland an individual was deemed to be present if he/she was in Ireland at the end of the day (midnight)).</p> <p><b><i>Trust</i></b></p> <p>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.</p>
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<b>"Ordinarily Resident Ireland"</b>	<p>means:</p> <ul style="list-style-type: none"> <li>• in the case of an individual, means an individual who is ordinarily resident in Ireland for tax purposes</li> <li>• in the case of a trust, means a trust that is ordinarily resident in Ireland for tax purposes.</li> </ul> <p>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 2011 to 31 December 2011 and departs from Ireland in that tax year will remain ordinarily resident up to the end of the tax year 1 January 2014 to 31 December 2014.</p> <p>The concept of a trust's ordinary residence is somewhat obscure and linked to its tax residence.</p>
<b>"Recognised Clearing System"</b>	<p>means Bank One NA, Depository and Clearing Centre, Clearstream Banking AG, Clearstream Banking SA, CREST, Depository Trust Company of New York, Euroclear, Japan Securities Depository Center, National Securities Clearing System, Sicovam SA, SIS Sega Intersecttle 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.</p>
<b>"Relevant Declaration"</b>	<p>the declaration relevant to the Unitholder as set out in Schedule 2B of the Taxes Act.</p>
<b>"Relevant Period"</b>	<p>means a period of 8 years beginning with the acquisition of a Unit by a Unitholder and each subsequent period of 8 years beginning immediately after the preceding relevant period.</p>
<b>"Taxes Act"</b>	<p>means the Taxes Consolidation Act, 1997 (of Ireland) as amended.</p>

## Irish Taxation

The Manager has been advised that on the basis that the Fund is resident in Ireland for taxation purposes, the taxation position of the Fund and the Unitholders is as set-out below.



## The Fund

The Fund shall be regarded as resident in Ireland for tax purposes if the Trustee of the Fund is regarded as tax resident in Ireland. It is the intention of the Manager that the business of the Fund will be conducted in such a manner as to ensure that the Fund is Irish resident for tax purposes.

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

However, tax can arise on the happening of a “chargeable event” in the Fund. A chargeable event includes any distribution payments to Unitholders or any encashment, redemption, cancellation, transfer or deemed disposal (a deemed disposal will occur at the expiration of a Relevant Period) of Units or the appropriation or cancellation of Units of a Unitholder by the Fund for the purposes of meeting the amount of tax payable on a gain arising on a transfer. No tax will arise on the Fund in respect of chargeable events in respect of a Unitholder 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 Fund is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct. In the absence of either a Relevant Declaration or the Fund satisfying and availing of the equivalent measures (see paragraph headed “*Equivalent Measures*” below) there is a presumption that the investor is Irish Resident or Ordinarily Resident in Ireland. A chargeable event does not include:

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

If the Fund becomes liable to account for tax if a chargeable event occurs, the Fund 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 Units held by the Unitholder or the beneficial owner of the Units as are required to meet the amount of tax. The relevant Unitholder shall indemnify and keep the Fund indemnified against loss arising to the Fund by reason of the Fund 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 Fund from investment in Irish equities may be subject to Irish dividend withholding tax at the standard rate of income tax (currently 20%). However, the Fund can make a declaration to the payer that it is a collective investment undertaking beneficially entitled to the dividends which will entitle the Fund 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 Units in the Fund. Where any subscription for or redemption of Units 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 Fund on the conveyance or transfer of stock or marketable securities provided that the stock or marketable securities in question have not been issued by a company registered in Ireland and provided that the conveyance or transfer does not relate to any immovable property situated in Ireland or any right over or interest in such property or to any stocks or marketable securities of a company (other than a company which is an investment undertaking within the meaning of Section 739B (1) of the Taxes Act) which is registered in Ireland.

## **Unitholders Tax**

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

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

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

### *Unitholders who are neither Irish Residents nor Ordinarily Resident in Ireland*

The Fund will not have to deduct tax on the occasion of a chargeable event in respect of a Unitholder if (a) the Unitholder is neither Irish Resident nor Ordinarily Resident in Ireland, (b) the Unitholder has made a Relevant Declaration on or about the time when the Units are applied for or acquired by the Unitholder and (c) the Fund is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct. In the absence of either a Relevant Declaration (provided in a timely manner) or the Fund satisfying and availing of the equivalent measures (see paragraph headed “*Equivalent Measures*” below) tax will arise on the happening of a chargeable event in the Fund regardless of the fact that a Unitholder 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 Unitholder 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 Fund on the occasion of a chargeable event provided that either (i) the Fund satisfied and availed of the equivalent measures or (ii) the Intermediary has made a Relevant Declaration that he/she is acting on behalf of such persons and the Fund is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct.

Unitholders who are neither Irish Resident nor Ordinarily Resident in Ireland and either (i) the Fund has satisfied and availed of the equivalent measures or (ii) such Unitholders have made Relevant Declarations in respect of which the Fund 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 Units and gains made on the disposal of their Units. However, any corporate Unitholder which is not Irish Resident and which holds Units directly or indirectly by or for a trading branch or agency in Ireland will be liable to Irish tax on income from their Units or gains made on disposals of the Units.

Where tax is withheld by the Fund on the basis that no Relevant Declaration has been filed with the Fund by the Unitholder, 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.

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

Unless a Unitholder is an Exempt Irish Investor and makes a Relevant Declaration to that effect and the Fund is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct or unless the Units are purchased by the Courts Service, tax at the rate of 30% will be required to be deducted by the Fund from a distribution (where payments are made annually or at more frequent intervals) to a Unitholder who is Irish Resident or Ordinarily Resident in Ireland. Similarly, tax at the rate of 33% will have to be deducted by the Fund on any other distribution or gain arising to the Unitholder (other than an Exempt Irish Investor who has made a Relevant Declaration) on an encashment, redemption, cancellation, transfer or deemed disposal (see below) of Units by a Unitholder 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 Unitholders who are Irish Resident or Ordinarily Resident in Ireland in respect of Units held by them in the Fund at the ending of a Relevant Period. Such Unitholders (both companies and individuals) will be deemed to have disposed of their Units ("deemed disposal") at the expiration of that Relevant Period and will be charged to tax at the rate of 33% on any deemed gain (calculated without the benefit of indexation relief) accruing to them based on the increased value (if any) of the Units 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 Fund 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 Fund will refund the Unitholder for the excess (subject to the paragraph headed “15% threshold” below).

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

#### 10% Threshold

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

#### 15 % Threshold

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

#### *Other*

To avoid multiple deemed disposal events for multiple units an irrevocable election under Section 739D(5B) can be made by the Fund 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, it is generally understood that the intention is to permit a fund to group units in six month batches and thereby make it easier to calculate the exit tax by avoiding having to carry out valuations at various dates during the year resulting in a large administrative burden.

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

Unitholders (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 Units. Alternatively they may be entitled to a refund of all or part of any tax deducted by the Fund on a chargeable event.

### *Equivalent Measures*

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

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

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

### **Capital Acquisitions Tax**

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

### **European Union – Taxation of Savings Income Directive - Proposed Amendments**

Article 18 of the EU Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments (the “Directive”) included a requirement for the European Commission to report to the Council on the operation of the Directive every three years and to propose any amendments to the Directive that may be required in order to better ensure effective taxation of savings income and to remove any undesirable distortions of competition. The first report into the effectiveness of the Directive concluded that that the scope of the Directive could be circumvented with relative ease. On the 13<sup>th</sup> November the European Commission adopted an amending proposal to the Directive which amongst other things proposed to extend the scope of the Directive to Non-UCITS funds (currently Non-UCITS are regarded as falling outside the scope of the Directive). The rationale behind the extension of the Directive is to ensure a level playing field between all investment funds irrespective of their legal structure. Consequently, in the future, dividends and other distributions made by the Fund together with payment of the proceeds of sale and/or redemption of Units in the Fund may fall in-scope of the Directive and consequently within the information exchange/withholding tax regime of the Directive (depending on the investment portfolio of the relevant fund, the location of the paying agent, etc).

## APPENDIX IV

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### RECOGNISED MARKETS

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

(i) any stock exchange which is:-

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

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

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

Argentina	-	Bolsa de Comercio de Buenos Aires
	-	Bolsa de Comercio de Cordoba
	-	Bolsa de Comercio de Rosario
Bahrain	-	Bahrain Stock Exchange
Bangladesh	-	Dhaka Stock Exchange
	-	Chittagong Stock Exchange
Bermuda	-	Bermuda Stock Exchange
Botswana	-	Botswana Stock Exchange
Brazil	-	Bolsa de Valores do Rio de Janeiro
	-	Bolsa de Valores de Sao Paulo
Bulgaria	-	First Bulgarian Stock Exchange
Cayman Islands	-	Cayman Islands Stock Exchange
Channel Islands	-	Channel Islands Stock Exchange
Chile	-	Bolsa de Comercio de Santiago
	-	Bolsa Electronica de Chile

China		
(Peoples' Rep. of Shanghai)		Shanghai Securities Exchange
China		
(Peoples' Rep. of Shenzhen)		Shenzhen Stock Exchange
Colombia	-	Bolsa de Bogota
	-	Bolsa de Medellin
	-	Bolsa de Occidente
Croatia	-	Zagreb Stock Exchange
Egypt	-	Alexandria Stock Exchange
	-	Cairo Stock Exchange
Ghana	-	Ghana Stock Exchange
India	-	Bangalore Stock Exchange
	-	Delhi Stock Exchange
	-	Mumbai Stock Exchange
	-	National Stock Exchange of India
Indonesia	-	Jakarta Stock Exchange
	-	Surabaya Stock Exchange
Israel	-	Tel-Aviv Stock Exchange
Jamaica	-	Jamaican Stock Exchange
Jordan	-	Amman Financial Market
Kenya	-	Nairobi Stock Exchange
Lebanon	-	Beirut Stock Exchange
Malaysia	-	Kuala Lumpur Stock Exchange
Mauritius	-	Stock Exchange of Mauritius
Mexico	-	Bolsa Mexicana de Valores
Morocco	-	Societe de la Bourse des Valeurs de Casablanca
Namibia	-	Namibian Stock Exchange
New Zealand	-	New Zealand Stock Exchange
Nigeria	-	Nigerian Stock Exchange
Pakistan	-	Islamabad Stock Exchange
	-	Karachi Stock Exchange
	-	Lahore 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
South Korea	-	Korea Stock Exchange
	-	KOSDAQ Market
Sri Lanka	-	Colombo Stock Exchange
Taiwan		
(Republic of China)	-	Taiwan Stock Exchange Corporation
Thailand	-	Stock Exchange of Thailand
Tunisia	-	Bourse des Valeurs Mobilieres de Tunis
Turkey	-	Istanbul Stock Exchange
Ukraine	-	Ukrainian Stock Exchange
Uruguay	-	Bolsa de Valores de Montevideo



Venezuela	-	Caracas Stock Exchange
	-	Maracaibo Stock Exchange
	-	Venezuela Electronic Stock Exchange
Zambia	-	Lusaka Stock Exchange
Zimbabwe	-	Zimbabwe Stock Exchange

(iii) any of the following markets

MICEX	(equity securities that are traded on level 1 or level 2 only);
RTS1	(equity securities that are traded on level 1 or level 2 only);
RTS2	(equity securities that are traded on level 1 or level 2 only);

the market organised by the International Securities Market Association;

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

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

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

NASDAQ in the United States;

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

The over-the-counter market in the United States regulated by the National Association of Securities Dealers Inc. (also described as the over-the-counter market in the United States conducted by primary and secondary dealers regulated by the Securities and Exchanges Commission and by the 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);

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

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

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

- in a Member State
  - in a Member State in the European Economic Area (European Union Norway, Iceland and Liechtenstein);
- United States of America
- Chicago Board of Trade
  - Chicago Board Options Exchange;
  - Chicago Mercantile Exchange;
  - Eurex US;
  - New York Futures Exchange.

Osaka Securities Exchange

Singapore International Monetary Exchange

Tokyo International Futures Exchange

Tokyo Stock Exchange

For the purposes only of determining the value of the assets of a Portfolio, the term "Recognised Market" shall be deemed to include, in relation to any futures or options contract utilised by the Portfolio for the purposes of efficient portfolio management or to provide protection against exchange rate risk any organised exchange or market on which such futures or options contract is regularly traded.

## APPENDIX V

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### RESTRICTION OF DISTRIBUTION OF THE PROSPECTUS

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No person has been authorised to issue any advertisement or to give any information, or to make any representations in connection with the offering, issue or sale of Units, 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 Manager. Neither the delivery of this Prospectus nor the offer, issue or sale of any of the Units shall under any circumstances create any implication or constitute a representation that the information given in this Prospectus is correct as of any time subsequent to the date hereof.

This Prospectus does not constitute, and may not be used for the purposes of, an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised, or to any person to whom it is unlawful to make such offer or solicitation. The distribution of this Prospectus and the offer, issue or sale of Units 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 Units, (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 Units.

#### *United States of America*

The Units have not been registered under the United States Securities Act of 1933, as amended, or under the United States Investment Company Act of 1940, as amended, and may not be offered, sold, or delivered directly or indirectly in the United States (except in accordance with an applicable exemption from the registration requirements of such Acts) or to, or for the account or benefit of, any US Person.

Applicants will be required to certify that they are not US Persons.

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

#### *France*

The Units offered hereby do not comply with the conditions imposed by French law for issuance, distribution, sale, public offering, solicitation and advertising within France. The distribution of this Prospectus and the offering of Units in France are therefore restricted by French law. Prospective Unitholders should inform themselves as to the restrictions with respect to the manner in which they may dispose of the Units in France.

### *Germany*

Any person who is in possession of this Prospectus understands that no action has or will be taken which would allow an offering of the Units to the public in Germany. Accordingly, the Units may not be offered, sold or delivered and neither this Prospectus nor any other offering materials relating to the Units may be distributed or made available to the public in Germany. Individual sales of the Units to any person in Germany may only be made according to German securities, tax and other applicable laws and regulations.

### *Hong Kong*

This Prospectus relates to a private placement and does not constitute an offer to the public in Hong Kong to subscribe for Units. No steps have been taken to register this Prospectus in Hong Kong. The offer of the Units is personal to the person to whom this Prospectus has been delivered by or on behalf of the Manager, and a subscription for Units will only be accepted from such person for such minimum amount of Units as described in this Prospectus. It is a condition of the offer that each person who agrees to subscribe for Units provides a written undertaking that it is acquiring such Units for investment purposes only and not with a view to distribute or resell such Units and that it will not offer for sale, resell or otherwise distribute or agree to distribute such Units within six months from their date of sale to such person.

This Prospectus does not constitute or form part of any offer or invitation to the public to subscribe for or purchase Units and shall not be construed as such and no person other than the person to whom this Prospectus has been addressed or delivered shall be eligible to subscribe for or purchase Units.

### *Italy*

This Prospectus is solely intended for the individuals to whom it is delivered and may not be considered or used as a public offering in the meaning of and for the purpose of the Art 1/18 ter l.n. 216/74 (Italy). In addition, any person who is in possession of this Prospectus understands that no action has or will be taken which would allow an offering of the Units to the public in Italy. Accordingly, the Units may not be offered, sold or delivered and neither this Prospectus nor any other offering materials relating to the Units may be distributed or made available to the public in Italy. Individual sales of the Units to any person in Italy may only be made according to Italian securities, tax and other applicable laws and regulations.

### *Japan*

Under Article 23-14 paragraph 1 of the Japanese Securities Exchange Law (the “SEL”), the purchase of Units cannot be made unless the purchaser agrees to the condition that it will not make an assignment of the Units to any person other than a non-resident of Japan (having the same meanings as defined in Article 6, paragraph 1(6) of the Foreign Exchange and Foreign Trade Control Laws), except for the case that all the Units (excluding the Units assigned to non-residents of Japan) are assigned to one person. Furthermore, disclosure under the SEL has not been made.

### *Singapore*

This Prospectus has not been registered with the Registrar of Companies in Singapore and the Units will be offered in Singapore pursuant to an exemption invoked under Sections 106c and 106d of the Companies Act, Chapter 50 of Singapore ("Singapore Act"). Accordingly, the Units may not be offered or sold, nor may this Prospectus or any other offering document or material relating to the Units be circulated or distributed, directly or indirectly, to the public or any member of the public other than (1) to an institutional investor or other body or person specified in Section 106c of the Singapore Act, or (2) to a sophisticated investor specified in Section 106d of the Singapore Act, or (3) otherwise pursuant to, and in accordance with the conditions of, Section 106e(2) of the Singapore Act or any other applicable exemption invoked under division 5a of part IV of the Singapore Act.

### *United Kingdom*

The Fund is an unregulated collective investment scheme for the purposes of the Financial Services and Markets Act 2000 (the "FSMA"), Section 238 and made in accordance with the United Kingdom's Financial Services Authority ("FSA") Rules for promotion otherwise than to the general public. Accordingly, Units in the Fund are hereby being promoted only to "Investment professionals" within the meaning of Article 14 of the FSMA (Promotion of Collective Investment Schemes) (Exemptions) Order 2001 ("the 238 Order") and high net worth corporate and unincorporated bodies and trusts of the sorts respectively specified in the provisions of Article 22 of the 238 Order. The transmission of this Prospectus to any other person in the UK is unauthorised and may contravene the FSMA.

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.

## APPENDIX VI

### DEFINITIONS

<b>"Accounting Date"</b>	means the date by reference to which the annual accounts of the Fund and each of its Portfolios shall be prepared and shall be June 30 in each year or (in the case of the termination of the Fund or of a Portfolio) the date on which monies required for the final distribution shall have been paid to the Unitholders in the relevant Portfolio or Portfolios with the prior approval of the Central Bank.
<b>"Accounting Period"</b>	means in respect of each Portfolio, a period ending on an Accounting Date and commencing (in the case of the first such period) from and including the date of the first issue of Units of the relevant Portfolio or (in any other case) from the end of the last Accounting Period.
<b>"Act"</b>	means the Unit Trusts Act, 1990 as same may be amended or re-enacted from time to time including, without limitation any regulations made or notices issued by the Central Bank thereunder affecting the Fund or any Portfolio.
<b>"Administration Agreement"</b>	means an agreement dated 25 July, 2005 between the Manager and the Administrator.
<b>"Administrator"</b>	means Northern Trust International Fund Administration Services (Ireland) Limited or any successor company appointed by the Manager as administrator of the Fund in accordance with the requirements of the Central Bank.
<b>"Arbitrage"</b>	means an attempt to take advantage of price discrepancies between two securities. An arbitrage position may be established by buying the relatively underpriced security and hedging that position by selling short the relatively overpriced security, such as Equity Market Neutral. If the relationship between these securities returns to normal a profit may be realised. Arbitrage strategies can be applied to the equity, fixed income, currency, commodities and derivative markets.
<b>"Base Currency of a Portfolio"</b>	means the denominated currency of a Portfolio as set out in the relevant Supplement.
<b>"Business Day"</b>	means every day which is a bank business day in Dublin (excluding Saturdays and Sundays).
<b>"Class" or "Class of Units"</b>	means a Class of Units of a Portfolio.

<b>“Convertible Arbitrage”</b>	means a strategy that attempts to exploit anomalies in prices of corporate convertible securities, such as convertible bonds, warrants and convertible preferred stock. Managers in this category buy or sell these securities and then hedge part or all of the associated risks. These risks include changes in the price of the underlying stock, changes in expected volatility of the stock, changes in the level of interest rates and changes in the credit standing of the issuer.
<b>“Central Bank”</b>	means the Central Bank of Ireland or any successor thereto.
<b>“Custodian Bank”</b>	is identical with the Trustee as specified in the definition below.
<b>“Credit Strategies”</b>	means investing and trading in credit risk bearing financial instruments through strategies such as long/short and Arbitrage.
<b>"Dealing Day"</b>	means the Day at which the Portfolios may issue new Units and Units may be returned for redemption as further set out in the relevant Supplement. For any Subscriptions and Redemptions at any Dealing Day the periods for the submission of the pertinent documents and the payment of the subscription amounts pursuant to the relevant Supplement must be observed.
<b>“Derivatives”</b>	means derivative financial instruments, such as options, futures, currency exchange futures and swaps and interest swaps etc.
<b>“Directional strategies”</b>	means strategies which attempt to take advantage of one’s view on a security independent from another security. These strategies entail a larger degree of market exposure as the positions are not offsetting. Directional strategies can be taken in the equity, fixed income, currency, commodities and derivative markets.
<b>“Directors”</b>	means the Directors of the Manager.
<b>“Distressed Investing”</b>	means investing in privately or publicly traded securities of companies that are facing financial, operational or legal difficulties. Such companies may be involved in insolvency proceedings, attempting to restructure out of court or be in liquidation. Distressed securities can usually be purchased at a substantial discount to intrinsic value as they are not favoured by investors.
<b>“Equity Market Neutral”</b>	an investment strategy pursuant to which the manager exploits through long / short strategies price and valuation differences among shares in a given sector, industry, market capitalization, country etc. The strategy is typically neutral in relation to the market factor in question.

<b>“Event-driven strategies”</b>	strategies that attempt to take advantage of company specific events such as mergers, acquisitions, divestitures, tender offers, bankruptcy proceedings, liquidations, restructurings and other similar corporate events. These strategies benefit from the completion of the event by purchasing the securities at a discount to the value that will be realised upon completion of the event. Event-Driven strategies can be relative value or directional and can be applied to the fixed income and equity markets.
<b>“Fixed Income”</b>	investment strategies based on interest rate products consisting of fixed and floating rate, convertible, zero-coupon bonds as well as bonds with warrants. Derivatives on interest rate or bond indices can also be used. This strategy seeks to profit from price discrepancies between various bond issues or from the same issuers but in different markets.
<b>"Fund"</b>	means Swiss Capital Non-Traditional Funds.
<b>“Fund of Funds”</b>	means a fund that predominantly invests in other funds, called Underlying Funds in this Prospectus.
<b>“Global Macro”</b>	a strategy that bases its holdings, such as long and short positions across the asset classes, notably, equity, fixed income, currency, commodity and futures markets, on overall economic and political views of various countries (i.e. on macroeconomic principles).
<b>“Hedge Funds”</b>	means collective investment schemes (pools of assets issuing units, shares or other interests which are redeemable at the option of the holders thereof) that pursue alternative investment strategies such as shorting securities, using derivatives, buying securities on margin and borrowing or other forms of leverage. These alternative strategies can be used to reduce volatility and preserve capital. Nevertheless they may also be used to enhance return by increasing leverage and thus increasing risk to investors.
<b>“Intermediary”</b>	means a person who (a) carries on a business, which consists of, or includes, the receipt of payments from an investment undertaking on behalf of other persons; or (b) holds units in an investment undertaking on behalf of other persons.
<b>"Investment Adviser"</b>	means Swiss Capital Alternative Investments AG or more persons or corporations appointed by the Manager to manage the investment and reinvestment of the assets of any one or more of the Portfolios in accordance with the requirements of the Central Bank.
<b>“Investment Committee”</b>	means such persons as may be appointed by the Manager from time to time to provide strategic analysis and advice and as described on page 17.



<b>“Ireland”</b>	means the Republic of Ireland.
<b>“Irish Stock Exchange”</b>	means the Irish Stock Exchange Limited.
<b>“Listing Particulars”</b>	means the Prospectus, which constitutes listing particulars for the purposes of the application by the Manager for the listing of the Units of the Fund on the Official List.
<b>“Long/Short Equity strategies”</b>	investing in all types of equity instruments both long and short and where the ratio of the long and short positions is adjusted to capitalise on market views. Long/short equity strategies can apply different styles such as growth, value, global, regional, Equity Market Neutral, Sector Specialist, etc.
<b>“Managed Futures”</b>	professional money managers known as well as commodity trading advisors that are trading mostly futures and options markets. These managers often rely on systematic trading models to exploit market tendencies or trend on various underlying such as commodities, currencies, financials and equities. One of the major advantages of managed futures funds is that they offer the potential to reduce portfolio volatility due to their overall negative correlation to equities and the ability to earn profit in any economic environment.
<b>"Manager"</b>	means Swiss Capital Invest Holding (Dublin) Limited or any successor company approved by the Central Bank as manager of the Fund.
<b>"Member State"</b>	means a member state of the European Union.
<b>“Merger Arbitrage”</b>	seeking to capture the price spread between current market prices of corporate securities and their value upon successful completion of a take-over, merger, spin-off, or similar transaction involving more than one firm. In merger arbitrage, the opportunity typically involves buying the stock of target companies after a merger announcement and shorting an appropriate amount of the acquiring company's stock.
<b>“Minimum Subscription”</b>	means in respect of each Portfolio or Class, the minimum amount which may be subscribed as specified from time to time by the Manager and set out in the relevant Supplement. Different minimum subscriptions may be imposed on initial and subsequent subscriptions.
<b>“Multiple Strategies”</b>	strategies that include a combination of Hedge Fund strategies and can comprise a number of possible combinations of financial instruments such as equities, bonds, foreign exchange or derivatives thereof.

<b>"Net Asset Value of a Class"</b>	means the net asset value of a Class calculated in accordance with the provisions of the Trust Deed, as described under "Calculation of Net Asset Value".
<b>"Net Asset Value of the Fund"</b>	means the aggregate Net Asset Value of all the Portfolios.
<b>"Net Asset Value of a Portfolio"</b>	means the net asset value of a Portfolio calculated in accordance with the provisions of the Trust Deed, as described under "Calculation of Net Asset Value".
<b>"Net Asset Value per Unit"</b>	means the net asset value per Unit of a Class calculated in accordance with the provisions of the Trust Deed, as described under "Calculation of Net Asset Value".
<b>"Official List"</b>	means the Official List of the Irish Stock Exchange.
<b>"Option"</b>	means a Derivative giving the owner the right to buy (in the case of call-option) or the right to sell (in the case of a put-option) a pre-determined number at a predefined value, during a predefined time period for a pre-agreed price.
<b>"Portfolios"</b>	means any Portfolios established by the Manager from time to time with the approval of the Trustee and of the Central Bank.
<b>"Realisation Event"</b>	means the occurrence of circumstances when, in the opinion of the Manager in consultation with the Investment Advisor, (a) a significant portion of Illiquid Investments allocated to Side Pocket Units becomes liquid (including, without limitation, when there is a public offering of the securities constituting the Illiquid Investment, which offering the Investment Advisor determines reasonably values the Illiquid Investment); or (b) a significant portion of Illiquid Investments allocated to Side Pocket Units are liquidated, sold or otherwise disposed of by the relevant Portfolio; or (c) a significant portion Illiquid Investments allocated to Side Pocket Units are sold, whether to an individual person or corporation including affiliates of the Manager, or on a secondary market for side pockets, should such a secondary market come into existence.
<b>"Recognised Market"</b>	means any regulated stock exchange or market on which a Portfolio may invest. A list of those stock exchanges or markets is contained in Appendix I.
<b>"Redemption Deadline"</b>	in respect of a Portfolio, as provided in the relevant Supplement, or such other Business Day as the Manager may determine and notify in advance to Unitholders.

<b>“Relative Value”</b>	means one or a blend of multiple strategies commonly used by managers of Hedge Funds and consisting of Convertible Arbitrage, Merger Arbitrage, Fixed Income Arbitrage, Statistical Arbitrage Strategies as well as Equity Market Neutral and Credit Strategies (each strategy as defined within this section).
<b>“Relevant Declaration”</b>	means the declaration relevant to the Unitholder as set out in Schedule 2B of the Taxes Consolidation Act, 1997, as amended.
<b>“Sector Specialist”</b>	a manager which uses long / short strategies in a given industry sector to exploit valuation differences between companies of this sector.
<b>“Subscription Deadline”</b>	in respect of a Portfolio, as provided for in the relevant Supplement, or such other Business Day as the Manager may determine and notify in advance to Unitholders.
<b>“Securities”</b>	means any financial instruments, including but not limited to, any stock, share, debenture, Derivative, bond, contract for exchange or difference or any analogous instrument to any of the foregoing, traded on a Recognised Market.
<b>“Securities Act”</b>	means the United States Securities Act of 1933, as amended.
<b>“Sharpe Ratio”</b>	means a measure of a portfolio’s risk adjusted return relative to the total volatility of the portfolio.
<b>“Short Position”</b>	means a sale of securities that the seller does not own to benefit from a decrease in value of securities.
<b>“Short Selling”:</b>	a strategy based on the sale of securities, which are overvalued from either a technical or fundamental viewpoint.
<b>“Side-Pocket”</b>	means any separate portfolio(s) of a Portfolio created in exceptional circumstances to which are allocated interests in Illiquid Investments plus such additional assets representing a reserve for contingencies, commitments and hedging as the Directors and the Manager in their discretion may determine provided cash will only be held in reserve to cover the ongoing expenses of the Side Pocket. Once an Illiquid Investment is so allocated, only the Shareholders at the time of the allocation of the Illiquid Investments will benefit from any subsequent appreciation of the relevant Illiquid Investment. Future investors will not receive a share of the proceeds in the event the relevant Illiquid Investment gets realized. Side-Pockets will only be permitted where provided for in the Trust Deed or by way of Supplemental Trust Deed. The creation of Side Pockets in a permitted Portfolio will be notified to the Central Bank but does not require Uniholder or Central Bank approval.

<b>"Side Pocket Units"</b>	means one or more Classes of Units in a Portfolio created expressly for the purpose of being allocated to Side Pockets created by the Manager from time to time in accordance with the Trust Deed and the requirements of the Central Bank.
<b>"Statistical Arbitrage":</b>	trading similar, statistically related securities which have comparable risk characteristics but relative pricing inefficiencies.
<b>"Supplement or Supplements"</b>	the supplements to the Prospectus describing each Portfolio, which should be read in conjunction with the Prospectus as a whole.
<b>"Traditional Funds"</b>	means funds that invest in securities and other participations or liabilities and that usually cannot use leverage (and if so only on a limited scale) and cannot sell securities short.
<b>"Trust Deed"</b>	means the deed of trust dated 26 July, 2005 between the Manager and the Trustee and any deed supplemental between the Manager and the Trustee thereto.
<b>"Trustee"</b>	means Northern Trust Fiduciary Services (Ireland) Limited or any successor company approved by the Central Bank as trustee of the Fund. Northern Trust Fiduciary Services (Ireland) Ltd. is the Trustee in the sense of the Anglo-American legal tradition and has at the same time the functions of the Custodian Bank.
<b>"Underlying Funds"</b>	means collective investment vehicles of all kinds, including domestic and foreign funds, open-ended, limited liquidity and closed-ended funds, regulated and unregulated funds, leveraged and unleveraged funds, in which each Portfolio may invest from time to time, which may include one or more other Portfolios.
<b>"United States"</b>	means the United States of America (including the States and the District of Columbia), its territories, its possessions and other areas subject to its jurisdiction.
<b>"US Person"</b>	means any resident of the United States, a corporation, partnership or other entity created or organised in or under the laws of the United States, or any person falling within the definition of the term "U. S. person" under Regulation S promulgated under the Securities Act and who does not qualify as "accredited investors" as defined in Rule 501(a) of Regulation D promulgated under the Securities Act.

<b>"Unitholder"</b>	means a person who is registered as the holder of a Unit from time to time.
<b>"Unit"</b>	means one undivided share in the assets of a Portfolio attributable to the relevant Class.
<b>"Valuation Point"</b>	in respect of a Portfolio shall be the day provided for in the relevant Supplement or such other Business Day as the Manager may determine and notify to Unitholders, provided that there is a Valuation Point for each Subscription Date and Redemption Date. The Net Asset Value of the Fund or a Portfolio is calculated by reference to closing prices in the relevant markets on the Valuation Point unless otherwise provided.
<b>"Volatility"</b>	means a statistical measure that quantifies the price fluctuations in returns (usually calculated via standard deviation).

In this Prospectus, unless otherwise specified, all references to "billion" are to one thousand million, to "Dollars", "US\$" or "cents" are to United States dollars or cents, to "Euros" or "€" are to the unit of single currency as defined in and subject to the provisions of Council Regulation (EC) No. 1103/97 and Council Regulation (EC) No. 974/98 of 3 May 1998 and all other Regulations on the introduction of the Euro and to "CHF" are to Swiss Francs.

## APPENDIX VII

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### INFORMATION FOR SWISS UNITHOLDERS

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#### **Authorisation**

The offering and sale of Units in the Portfolios on a commercial basis in or from Switzerland has been authorised by the Swiss Financial Market Supervisory Authority ("FINMA") (former Swiss Federal Banking Commission (SFBC)). However, the Fund or the Portfolios are not subject to the supervision by the FINMA or any other Swiss authority. Persons or entities selling Units in the Portfolio on a commercial basis must hold the necessary authorisations.

#### **Distribution in Switzerland**

FINMA has authorised the sale of Units of the Fund in and from Switzerland as a fund in the category "Other funds for alternative investments" provided that the Unitholder's subscription is based on the attached Subscription Form or another equivalent written agreement. Distributors (those intending to offer Units in any of the Portfolios for purchase by third parties) selling Units in or from Switzerland on a commercial basis must obtain the necessary authorisation from the FINMA.

#### **Representative, Sales Agent and Paying Agent in Switzerland**

Under an Agreement made between the Trustee, the Manager and Swiss Capital Alternative Investments AG, with registered office in Zurich, the latter was appointed as representative and principal distributor of the Fund and the Portfolios in Switzerland (the Representative). Pursuant to the provisions of article 13 ctd. and 123 ctd. of the Swiss Federal Act on Collective Investment Schemes, the Representative shall, without limitation, represent the Fund and the Portfolios in Switzerland in relation to the investors and FINMA. Place of fulfilment, of performance and of jurisdiction is the address of the registered office of the Representative in Switzerland. The address of the registered office will remain the place of fulfilment and jurisdiction, even if the power of the Representative is revoked or the Fund is terminated.

In accordance with the provisions of the representative agreement, the Manager may arrange for execution (out of its Management Fee only and not separately out of the assets of a Portfolio) of certain payments to institutional investors who provide distribution services for the Units in Switzerland. Pursuant to Swiss requirements the following institutional investors (who are deemed under Swiss guidelines and an economic point of view to hold Units of the Portfolios on behalf of third parties) can be paid such fees ("reimbursements"): (a) life insurance companies, (b) pension plans and other pension funds, (c) investment trusts, (d) Swiss fund management companies, (e) foreign fund management companies or fund companies, and (f) investment companies. Also, in accordance with the provisions of the representative agreement and Swiss rules, the following distributors may be paid fees and commissions ("trailer commissions") (out of the Management Fee only and not separately out of the assets of a Portfolio) for distribution of Units of the Portfolios in Switzerland: (g) licensed fund distributors, (h) fund distributors who are exempt from obtaining a license, (i) distribution partners who place Units of the Portfolios exclusively with institutional investors (with a professional treasury function), and (j) distribution

partners who place Units of the Portfolios exclusively on the basis of a written asset management agreement for consideration with their clients (asset managers).

Pursuant to an Agreement made between the Manager and Zürcher Kantonalbank (ZKB) (the "Swiss Paying Agent"), a Swiss authorised bank having its registered office in Zurich, the Swiss Paying Agent will be appointed as paying agent of the Fund in Switzerland. Swiss investors or investors having purchased their Units through Swiss banks or other financial intermediaries may address their subscription orders to the Representative and effect payments through the Swiss Paying Agent. Furthermore, applicants who are Swiss residents or whose Units are held through a Swiss bank or other depository are entitled to request the redemption or conversion of their Units or the payment of dividends due through the Swiss Paying Agent. In case the Units are held by a bank or other depository as a nominee on the investors behalf, the investor has to make such application through its depository.

In respect of any disputes arising in connection with the Units sold in Switzerland, the Swiss Courts shall have jurisdiction, venue being Zurich (as the place of registered office of the Representative). In addition, as regards the distribution of the Units in Switzerland, the place of fulfilment, of performance and of payment is established at the registered offices of the Representative. The Fund and the Manager expressly submit to the jurisdiction of the said Courts. All communications in connection with any such claims shall be sent to or served upon the Representative in Switzerland at the address appearing in the Directory.

## **Information**

In Switzerland, the issue and redemption prices of the Units of each Portfolio and the Net Asset Value (with the annotation "excl. commissions") will be published electronically at least in accordance with the frequency of the dealing procedures of the relevant Portfolios as are set out in the relevant Supplements. They are further available at the offices of the Swiss Representative and will be shown on its webpage ([www.swisscap.com](http://www.swisscap.com)) and will be kept up-to-date. Copies of the audited annual reports and of the unaudited semi-annual reports as well as copies of the Prospectus and of the Trust Deed may be obtained free of charge in German and in English at the offices of the Representative and of the Paying Agent appearing in the Directory.

Notifications to investors to be published pursuant to the applicable Swiss regulatory provisions, in particular notifications of amendments made to the Prospectus, shall be made in the Swiss Commercial Gazette and on [www.swissfunddata.ch](http://www.swissfunddata.ch), the official electronic publication platform for collective investment schemes authorised for public distribution in Switzerland.

The Manager and the Representative shall in addition arrange for and must publish in the required form all facts and data required to be published pursuant to Swiss law and self-regulation.

## **Interpretation**

The original version of this Prospectus and any Supplements approved in Ireland by the Central Bank are in the English language but may also be translated into other languages. Any such translation shall only contain the same information and have the same meaning as the English language Prospectus and Supplements. To the extent that there is any inconsistency between the English language Prospectus/Supplements and the Prospectus/Supplements in another language, the English language Prospectus/Supplements will prevail, except to the extent (but only to the extent) required by the law and/or supervisory authority of any jurisdiction where the Units are sold (including Switzerland), that in an action based upon disclosure in a prospectus in a language other than English, the language of the Prospectus/Supplement on which such action is based shall prevail.

## **Swiss Taxation**

If the Units are subscribed for through a Swiss securities dealer or if such securities dealer acts in capacity of sales intermediary, Swiss turnover tax of normally 0.15 per cent of the subscription amount shall be due. No turnover tax is payable on the redemption of Units. However, such tax is due in the event of a sale and transfer of the Units. Furthermore the tax is due on the issue of new Units resulting from a conversion of Units.

Investors who are Swiss tax payers holding the Units among their private assets are invited to consult with qualified professional advisors on the tax implications that may result from the purchase, the sale and the holding of the Units. The income tax treatment of open-ended investment companies is fairly complex and the practice of the Swiss Confederation and the various Cantons differs. The attention of the investors is in particular drawn to the problem of taxation of liquidation proceeds in case of full or partial liquidations. A partial liquidation may occur upon the redemption of Units and result in the taxation of the liquidation proceeds as income. Under these circumstances, a sale on the secondary market may be given preference to a redemption despite turnover tax applying to sales.