

**This document is important.** If you are in any doubt about it you should consult your solicitor, bank manager, or other professional adviser, who specialises in advising on the acquisition of shares and other securities.

The directors of the Fund whose names appear on page 4, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the directors of the Fund (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Fund is an unregulated collective investment scheme for the purposes of the UK Financial Services and Markets Act 2000. As an unregulated scheme, it cannot be marketed in the UK to the general public. This document is only intended for (i) investment professionals falling within both article 14(5) of the Financial Services and Markets Act 2000 (Financial Promotion of Collective Investment Schemes) (Exemptions) Order 2001 (the "CIS Promotion Order") and article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "General Promotion Order") or (ii) high net worth companies and other persons falling within both article 22(2)(a) to (d) of the CIS Promotion Order and article 49(2)(a) to (d) of the General Promotion Order or (iii) other persons to whom this document could lawfully be distributed and who fall within an exemption both in the CIS Promotion Order and the General Promotion Order. Persons specified in (i) to (iii) above who receive this document in circumstances which do not amount to an offer to the public within the meaning of Part VI of FSMA are collectively referred to as "relevant persons". This document must not be acted on or relied on by persons who are not relevant persons. Any investment activity to which this document relates is available only to relevant persons and will be engaged in only with relevant persons.

Transmission of this document to any other persons, or the publication of this document or any part of it on any website or other form of publication with unrestricted access in or into the United Kingdom, may contravene the FSMA.

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## PROSPECTUS

### THE GLANMORE PROPERTY DOLLAR FUND LIMITED

(the "Fund")

(A company incorporated with limited liability in Guernsey and registered on 3 November 2004 (Registered Number 42483 under the provisions of The Companies (Guernsey) Law 2008 (as amended) and having an authorised share capital of \$20,000 divided into 10 management shares of \$1 each and 199,900,000 unclassified shares of 0.01 cents each.)

Manager

### TILNEY ASSET MANAGEMENT INTERNATIONAL LIMITED

Administrator

### NORTHERN TRUST INTERNATIONAL FUND ADMINISTRATION SERVICES (GUERNSEY) LIMITED

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The distribution of this document and the offering of Shares in certain jurisdictions may be restricted, and accordingly, persons into whose possession this document comes are required to inform themselves about and to observe any such restrictions. This document is not intended as an offer, solicitation or as a basis for any contract.

This document does not constitute, and may not be used for the purposes of, an offer or solicitation by any person in any jurisdiction (i) in which such offer or solicitation is not authorised or (ii) in which the person making such offer or solicitation is not qualified to do so or (iii) to any person to whom it is unlawful to make such offer or solicitation. Please refer to the selling restrictions applicable to your jurisdiction in Appendix I.

The Shares of the Fund have not been and will not be registered under the United States Securities Act of 1933, as amended, for offer or sale as part of their distribution and may not be offered or sold in the United States or to U.S. persons. This document is not an offer of securities for sale into the United States.

The Guernsey Financial Services Commission (the "**Commission**") has authorised the Fund as a "Class B" collective investment scheme under the Protection of Investors (Bailiwick of Guernsey) Law, 1987 (as amended) (the "**POI Law**"). It must be distinctly understood that in giving this authorisation

the Commission does not vouch for the financial soundness or the correctness of any of the statements made or opinions expressed with regard to the Fund. Investors in the Fund are not eligible for the payment of any compensation under the Collective Investment Schemes (Compensation of Investors) Rules 1988 made under the POI Law.

Persons interested in acquiring Shares should inform themselves as to:

- (i) the legal requirements within the countries of their nationality, residence, ordinary residence or domicile for acquiring, holding and disposing of such Shares;
- (ii) any foreign exchange restriction or exchange control requirements which they might encounter on acquisition, holding or disposal of Shares; and
- (iii) the taxation consequences which might be relevant to the acquisition, holding or disposal of the Shares.

Neither the delivery of this document nor any application made in connection herewith shall, under any circumstances, constitute a representation or create any implication that the information herein is correct as of any time subsequent to the date hereof. It is the responsibility of anyone relying on this document to ensure that it is the most current version and that no revisions or corrections have been made.

The attention of prospective investors is drawn to the fact that the investments of the Underlying Fund, in which the Fund will invest, will be long-term and of a relatively illiquid nature. The acquisition of Shares in the Fund should therefore in turn be regarded as a medium to long-term investment subject to the same conditions. Income generated by the Fund may fluctuate and no representation or warranty is made as to the level of returns experienced by investors in the Fund. The level of returns received by investors in previous years should not be used as a guide to future returns. **Please refer to the “Risk Factors” set out on page 5 for a discussion of the risks associated with an investment in the Fund.**

The personalised application form in relation to Participating B Shares (the “**B Share Application Form**”) may *not* be used to subscribe for Participating Shares or any other shares outside the Open Offer Period. Further details of the terms and conditions of the Open Offer are set out in Part II of the Circular. The procedure for application and payment under the Open Offer is set out in Part IV of the Circular and, where relevant, in the B Share Application Form.

Application forms from prospective investors wishing to subscribe for Participating Shares must be received by or on behalf of the Fund together with the relevant bank draft or cheque or a telegraphic transfer of funds no later than 5.00pm (Guernsey time) on the Business Day prior to the relevant Subscription Day. Application forms and details of the application procedure in respect of Participating Shares are available from the Fund’s Administrator, Northern Trust International Fund Administration Services (Guernsey) Limited on request by writing to PO Box 255, Trafalgar Court, Les Banques, St. Peter Port, Guernsey, GY1 3QL or the Fund’s website at [www.glanmore.com](http://www.glanmore.com).

#### **NOTE TO SOUTH AFRICAN INVESTORS IN RELATION TO THE OPEN OFFER OR PARTICIPATING SHARES**

This Prospectus is not an invitation to the public to subscribe for, or an offer to the public to purchase, shares in Fund, as contemplated in the South African Companies Act, 1973, and the Open Offer in relation to Participating B Shares is capable of acceptance only by existing shareholders of the Fund.

Shareholders resident in and/or nationals or citizens of or who have emigrated from South Africa who are able to and who do participate in the Open Offer should be aware that they may be required to comply with all applicable South African exchange control requirements relating to subscribing for or acquiring Participating B Shares and should seek advice from a person properly qualified to advise them if they are in doubt as to what this may involve.

**THIS DOCUMENT IS SUBJECT TO UPDATING AND IT IS THE RESPONSIBILITY OF ANYONE RELYING ON ITS CONTENTS TO ENSURE THAT IT IS THE MOST CURRENT VERSION AND THAT NO CORRECTIONS OR REVISIONS HAVE BEEN MADE.**

**THE WHOLE OF THIS DOCUMENT SHOULD BE READ.**

**22 June 2009**

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## DEFINITIONS

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

<b>“Admission”</b>	the admission of all of the Underlying Fund Participating B Shares: (a) to the Official List of the Irish Stock Exchange; and (b) to trading on the main market of the Irish Stock Exchange.
<b>“Accounting Period”</b>	each period of twelve months ending on 31 March of each year.
<b>“Administrator”</b>	Northern Trust International Fund Administration Services (Guernsey) Limited.
<b>“Articles”</b>	the articles of association of the Fund as amended or replaced from time to time.
<b>“Business Day”</b>	a day other than a Saturday, Sunday, a public holiday or bank holiday in Guernsey.
<b>“Class B Rules”</b>	the relevant rules governing the operation of open-ended funds as issued by the Commission pursuant to the POI Law.
<b>“Circular”</b>	the Circular to Shareholders in the Fund relating to the Open Offer and proposed adoption of new articles of incorporation of the Fund dated 27 May 2009, and convening the Open Offer EGM.
<b>“Class Account”</b>	sub-accounts in the books of the Fund for each class of participating redeemable preference shares in the Fund designated by reference to each such class.
<b>“Companies Law”</b>	The Companies (Guernsey) Laws 1994 to 2001 (as amended) or, with effect from 1 July 2008, the Companies (Guernsey) Law 2008, as from time to time amended, consolidated or replaced and every ordinance, act and regulation promulgated thereunder for the time being in force.
<b>“Custodian”</b>	Northern Trust (Guernsey) Limited.
<b>“Directors” or the “Board”</b>	the Directors of the Fund.
<b>“Dollars”, “\$” and “cents”</b>	US Dollars and cents respectively
<b>“Excluded Territory”</b>	Republic of Ireland, the United States or Japan.
<b>“Front End Fee”</b>	an amount not exceeding 5% of the Net Asset Value of the number of Shares subscribed.
<b>“FSMA”</b>	The UK Financial Services and Markets Act 2000.
<b>“Fund”</b>	The Glanmore Property Dollar Fund Limited.
<b>“Issue Price”</b>	the price per share at which Participating B Shares are being offered to Qualifying Shareholders pursuant to the Open Offer, being \$5 per share.

<b>“Investment and Hedging Adviser”</b> .....	Corazon Capital Limited.
<b>“Manager” or “TAMIL”</b> .....	Tilney Asset Management International Limited.
<b>“Net Assets”</b> .....	the net assets of the Fund from time to time as determined in accordance with the Articles.
<b>“Net Asset Value”</b> .....	the net asset value of all the Shares for the time being in issue as determined in accordance with the Articles from time to time.
<b>“Net Asset Value per Share”</b> .....	in relation to the class of shares, the Net Asset Value divided by the number of Shares of that class in issue or deemed to be in issue.
<b>“Nominal Share”</b> .....	a redeemable preference share in the capital of the Fund of 0.01 Dollar cents nominal value offered as a nominal share in accordance with the Articles.
<b>“Offer Price”</b> .....	Net Asset Value per Share plus Front End Fee (if any).
<b>“Open Offer”</b> .....	the Offer of Participating B Shares to Qualifying Shareholders constituting an invitation to subscribe for a value of Participating B Shares at the Issue Price in proportion to their percentage holdings in the Fund, as at 5:00 pm on 22 May 2009 on the terms and conditions set out in the Circular.
<b>“Open Offer EGM”</b> .....	the extraordinary general meeting of the Fund convened pursuant to the notice set out at the end of the Circular.
<b>“Open Offer Period”</b> .....	the period during which Participating B Shares are being made available pursuant to the Open Offer, running from 27 May 2009 until 27 July 2009 (inclusive).
<b>“POI Law”</b> .....	the Protection of Investors (Bailiwick of Guernsey) Law, 1987 (as amended).
<b>“Participating Shares”</b> .....	the class of participating redeemable preference shares of 0.01 cents each in the capital of the Fund available for subscription at the Offer Price in accordance with the terms of this Prospectus and the Articles.
<b>“Participating B Shares”</b> .....	B participating redeemable preference shares of 0.01 cents each in the capital of the Fund having the rights and restrictions as set out in paragraphs 2 to 5 of the section headed “General Information” of this document.
<b>“Participating B Shares Portfolio”</b> .....	in relation to the class of Participating B Shares in the Fund, the pool of assets within the Fund, held for the benefit of holders of such class in the Fund designated by reference to such class, established in accordance with the Articles of the Fund.
<b>“Placing”</b> .....	the conditional placing of the Underlying Fund Participating B Shares, subject to the entitlements of shareholders in the Underlying Fund under the Underlying Fund Open Offer.
<b>“Placing Agreement”</b> .....	the conditional agreement dated on or about 27 May 2009 between the Underlying Fund and Deutsche Bank A.G. (London Branch) relating to the Placing and Underlying Fund Open Offer.

<b>“Qualifying Shareholders”</b> .....	the Shareholders on the register of members of the Fund at 5:00 pm on 22 May 2009 (except Shareholders resident in an Excluded Territory).
<b>“Shareholder”</b> .....	a person who is registered as the holder of any Shares of the Fund.
<b>“Shares”</b> .....	the Participating Shares and/or the Participating B Shares, as the context so requires.
<b>“Subscription Day”</b> .....	the third Monday of each month or if not a Business Day the previous Business Day or such other and/or additional day or days as may from time to time be determined by the Directors in consultation with the Manager.
<b>“Underlying Fund”</b> .....	The Glanmore Property Fund Limited.
<b>“Underlying Fund Circular”</b> .....	the circular to shareholders in the Underlying Fund relating to the Underlying Fund Open Offer and proposed adoption of new articles of incorporation of the Underlying Fund dated 27 May 2009.
<b>“Underlying Fund Open Offer”</b> ....	the offer of Underlying Fund Participating B Shares to shareholders of the Underlying Fund constituting an invitation to subscribe for Underlying Fund Participating B Shares on a discounted basis on the terms and subject to the conditions set out in the Underlying Fund Circular and the application form enclosed therein.
<b>“Underlying Fund Participating B Shares”</b> .....	B Participating redeemable preference shares of 0.01 cents each in the capital of the Underlying Fund.
<b>“Valuation Date”</b> .....	the Business Day immediately prior to the Subscription Day (unless otherwise determined by the Directors in consultation with the Manager).

## DIRECTORS AND ADVISERS

### Directors

Robert Court FRICS, ACI Arb (Chairman) (UK)  
One Lumley Street, London, W1K 6ND

Leslie Hilton FCA (Guernsey)  
c/o Northern Trust International Fund Administration Services  
(Guernsey) Limited, PO Box 255, Les Banques,  
St Peter Port, Guernsey, GY1 3QL

Paul Meader MA (Oxon) (Guernsey) FSI  
c/o Northern Trust International Fund Administration Services  
(Guernsey) Limited, PO Box 255, Les Banques,  
St Peter Port, Guernsey, GY1 3QL

Anthony C Pickford FCA (Guernsey)  
c/o Mercator Trust Company, PO Box 336, Anson Court, La Route des Camps, St Martin,  
Guernsey, GY1 3UQ

Anthony Wands KGCM MA PhD FRSA MSI (UK)  
Nethervale, East Ashling, Chichester, PO18 9AR

### Registered Office of the Fund

Trafalgar Court  
PO Box 255 Les Banques  
St Peter Port  
Guernsey GY1 3QL

### Administrator and Secretary

Northern Trust International  
Services (Guernsey) Limited  
Trafalgar Court  
PO Box 255, Les Banques  
St Peter Port  
Guernsey GY1 3QL

### Legal Advisers to the Fund in Guernsey:

Carey Olsen  
Carey House, Les Banques  
St Peter Port  
Guernsey GY1 4BZ

### Manager

Tilney Asset Management International Limited  
PO Box 336  
Trafalgar Court  
Anson Court  
La Route des Camps  
St. Martin  
GY1 3UQ

### Custodian

Northern Trust (Guernsey) Limited  
PO Box 71 Les Banques  
St. Peter Port  
Guernsey  
GY1 3DA

### Auditors

KPMG Channel Islands Limited  
Orbis House  
20 New Street

St. Peter Port  
Guernsey  
GY1 4AN

### Investment and Hedging

Corazon Capital  
PO Box 549  
Les Echelons Court  
South Esplanade  
St Peter Port  
Guernsey  
GY1 6HS

### Bankers

Royal Bank of Scotland International Limited  
St Peter Port  
Guernsey GY1 1BR

## **INVESTMENT SUMMARY**

The purpose of the Fund is to provide Dollar investors with a means of investing in The Glanmore Property Fund Limited. Accordingly, investors must fully consider the prospectus for the Underlying Fund and will be deemed to have invested subject to its terms. This document must be read in conjunction with that document.

The value of the Fund's investments is reflected in the value of the Shares.

## **INVESTMENT STRATEGY**

The Fund will operate as a feeder vehicle into The Glanmore Property Fund Limited, a "Class B" collective investment scheme authorised under the POI Law, and has been established for this sole purpose. The Underlying Fund is denominated in Sterling and the Fund will therefore implement hedging arrangements seeking to mitigate this currency exposure.

## **HEDGING**

It is not the intention of the Investment and Hedging Adviser to use the hedging arrangements to generate a further profit for the Fund. The objective of the Investment and Hedging Adviser is to neutralise the impact of currency fluctuations for Dollar investors.

It is only intended to provide such protection against the Net Asset Value of the Fund. The hedging arrangements will not cover any distributions paid by the Fund which will be converted into Dollars when the distribution is made.

## **RISK FACTORS**

Attention is drawn to the following specific risk factors:

1. An investment of the type offered by the Fund may not be suitable for all recipients of this Prospectus. An investment in the Fund is designed as a longer term investment and consequently may not be suitable as a short or medium term investment. Prospective investors should seek advice from their investment adviser.
2. It is intended that an investment in the Shares in the Fund will produce regular income for the investor who should be aware that this income will fluctuate. In addition it should be noted that the tax treatment of the Fund may change.
3. Charges and expenses in connection with the Fund are not made uniformly throughout its life and it is possible that an investor may not receive back the full amount of its investment.
4. Investors will have a currency exposure upon the Fund's investment in the Underlying Fund. Whilst hedging arrangements will be put into place to seek to mitigate this risk, such arrangements are unlikely to provide total protection for such investors and their overall return will be affected by currency fluctuations and the cost of providing the currency hedging.
5. The Fund will invest solely in the Underlying Fund and investors should note the risk factors and other conditions set out in the prospectus for the Underlying Fund.
6. Shareholders should be aware that cross-Class of Shares liability issues may potentially arise. Whilst the Company maintains separate accounting records for each Class of Share and segregates the assets of each Class of Shares from those of the other Classes, the fact that each Class of Shares is a class within a single company means that the assets and liabilities attributable to each Class of Shares are part of the assets and liabilities of the Company as a whole. Shareholders should be aware that should the liabilities of any one Class of Shares exceed the assets attributable to that Class of Shares, the assets of the Company, including its solvent Classes of Shares, will be applied against the liabilities of the insolvent Class of Shares, with a consequent reduction in the Net Asset Value of the other Classes of Shares.

## MANAGEMENT AND ADMINISTRATION

### BOARD OF DIRECTORS

#### **Robert Court (Chairman) FRICS ACI Arb (UK)**

Born in 1951, Mr Court is a Chartered Surveyor. He entered the surveying profession in 1969 and in 1973, having qualified as an Associate of The Royal Institution of Chartered Surveyors, he joined the estates department of BOAC in London. In 1978 he became an equity partner in a private practice, based in Hampshire, where he was responsible for commercial valuation and landlord and tenant matters. The practice was purchased by General Accident plc in 1987 and Mr Court was instrumental in developing a separate commercial surveying subsidiary, which became known as Cardales. He was appointed Chief Executive of this subsidiary, reporting directly to the main board of General Accident plc. A management buy-out occurred in December 1998 and then became the Chief Executive of Cardales UK Limited, which was acquired in February 2004 by Tilney Holdings Limited which was in turn acquired by the Deutsche Bank Group in December 2006. Mr Court is currently Global Head of Real Estate and Infrastructure within the private wealth management division of Deutsche Bank. Mr Court also serves on the Boards of The British Real Estate Fund Limited and its associated feeder funds (Guernsey) and GlanEuro UK Property Fund plc and he is a Member of the Governing Council of the University of Durham.

#### **Leslie Hilton FCA (Guernsey)**

Born in 1945, Mr Hilton qualified as a Chartered Accountant in 1969. He moved to Guernsey in 1974 and was a partner in the predecessor firm to Ernst & Young until 1984. Since then he has been involved in the Guernsey fiduciary sector, and in 2003 founded Confiance Limited, a Guernsey based trust company and remains a director of that company. He is also a Director of The British Real Estate Fund Limited and its associated feeder funds (Guernsey).

#### **Paul Meader MA (Oxon)(Guernsey) FSI**

Born in 1965, Mr Meader is Chief Executive of Corazon Capital group, a Channel Islands investment management company specialising in absolute return investment and hedge funds. He has over 20 years' experience in financial markets in London, Dublin and Guernsey having held senior positions in portfolio management and trading, with particular expertise in fixed income investments. Prior to joining Corazon in 2002, he was Managing Director of Rothschild's Swiss private-banking subsidiary in Guernsey. Mr Meader is Deputy Chairman of the Guernsey International Business Association, a member of the Institute of Directors and is past Chairman of the International Bankers' Association in Guernsey and of the Guernsey Investment Managers' & Stockbrokers' Association. He graduated from Oxford University with a MA (Hons). He is also a director of The British Real Estate Fund Limited and its associated feeder funds (Guernsey).

#### **Anthony C Pickford FCA (Guernsey)**

Born in 1953, Mr Pickford qualified as a Chartered Accountant in 1976 and also is a qualified Insolvency Practitioner. He moved to Guernsey in 1978 and is former Chairman of Mercator Trust Company Limited and also of Chandlers Limited, a Guernsey based trust and accountancy business. He retired as a director of the companies on 31 March 2008. He is a director of The British Real Estate Fund Limited and its associated feeder funds (Guernsey), The Glanmore Property Fund Limited and its associated feeder funds (Guernsey) and a director of various other regulated entities in Guernsey.

#### **Anthony Wands KGCM MA PhD FRSA MSI (UK)**

Born in 1956, Mr Wands is an employee of the Deutsche Bank Group and Head of Private Client legal services at Gaby Hardwicke, English Solicitors. Mr Wands is also a Director of Nova Investment Management Ltd. (Guernsey) and was previously a director of London quoted Premier High Income IT plc and Schroder Split Capital Investment Trust plc. In the commercial property arena he is a Director of The British Real Estate Fund Ltd and the Glanmore Property Fund Limited. He is also a director of the associated feeder funds of British Real Estate Ltd (Guernsey), The GlanEuro Property Fund Ltd (Eire) and the associated feeder funds (Guernsey) of The Glanmore Property Fund Ltd. He currently sits on the FTSE Private Client Index Committee. Mr Wands is a Member of the Securities Institute, a

Fellow of the Royal Society of Arts, and is Visiting Professor at the School of Finance and Law, Bournemouth University.

Prior to these appointments, Mr Wands was Managing Director of Thesis Asset Management plc, Managing Director of Pastor Alliance SA and an Executive Director of UBS Phillips & Drew as well as having held other senior City appointments. Mr Wands is a former Director of the Association of Private Client Investment Managers and Stockbrokers (UK) and also a former Adviser to the Spanish and Portuguese governments and was a founder and Chairman of the Association of Solicitor Investment Managers.

## **THE MANAGER**

### **Tilney Asset Management International Limited (“TAMIL”)**

The Fund has appointed Tilney Asset Management International Limited as Manager pursuant to the Management Agreement dated 8 November 2004 (further details of which are outlined under “Material Contracts” on page 34). Under the Management Agreement TAMIL works in collaboration with the Board of Directors (who retain all executive powers) and provide general management functions, logistic support, marketing, general and specialist investment advice and all strategic services for the Fund’s development. TAMIL also oversees all third party services supplied to the Fund.

The Manager was incorporated in Guernsey on the 3rd July 2001 and is part of the Deutsche Bank group of companies. The Directors of the Manager are Keith Johnson, Stephan Molter, David Preston,, Andreas Tautscher and Scott Dobbie and details of its registered office appear on page 4.

TAMIL is part of Tilney Group which was acquired by Deutsche Bank in December 2006. As at 30 April 2009, TAMIL manages property funds with an aggregate gross value in the region of £984 million.

The Manager has delegated certain administrative functions to the Administrator and property management and strategic asset management functions to the Property Advisor.

## **THE ADMINISTRATOR**

### **Northern Trust International Fund Administration Services (Guernsey) Limited**

TAMIL has appointed Northern Trust International Fund Administration Services (Guernsey) Limited as Administrator pursuant to the administration agreement dated on or about 30 March 2007 (further details of which are outlined under “Material Contracts” on page 34. Under the administration agreement the day-to-day administration and secretarial functions have been delegated to the Administrator. The Administrator is also responsible for preparing the Net Asset Value on each Subscription Day.

The Administrator is licensed by the Guernsey Financial Services Commission under the Protection of Investors (Bailiwick of Guernsey) Law, 1987 (as amended) to provide administrative and other services to collective investment schemes and was incorporated in Guernsey on 29 May 1986. Details of its registered office appear on page 4. The Administrator is a wholly-owned indirect subsidiary of Northern Trust Corporation, a corporation established in the USA.

## **THE CUSTODIAN**

### **Northern Trust (Guernsey) Limited**

The Fund has appointed Northern Trust (Guernsey) Limited as Custodian pursuant to the custodian agreement (further details of which are outlined under “Material Contracts” on page 34.

Under the Custodian Agreement the Custodian has responsibility for the safe-keeping of the assets of the Fund.

Sub-custodians may be appointed by the Custodian from time to time, provided that the Custodian shall exercise reasonable skill, care and diligence in the selection of suitable sub-custodians, and shall satisfy itself as to the ongoing suitability of any sub-custodians selected by it to provide custodial

services to the Fund. The Custodian will also maintain an appropriate level of supervision over the sub-custodians and will make appropriate inquiries periodically to confirm that the obligations of the sub-custodians continue to be competently discharged. Any sub-custodian appointed will, subject to prior approval of the Fund, be paid at normal commercial rates by the Fund.

The Custodian shall not be liable in the event of the loss of any assets held by a sub-custodian provided that such sub-custodian acted in the absence of fraud, negligence or wilful default.

The Custodian was incorporated with limited liability in Guernsey on 19 September 1972 and is wholly-owned indirect subsidiary of Northern Trust Corporation, a corporation established in the USA. The Custodian has an issued and fully paid up share capital of £10 million and provides a full range of banking and custodial services. The Custodian is licensed by the Guernsey Financial Services Commission to act inter alia as custodian or trustee of Guernsey based collective investment schemes and in addition is a bank licensed under the provisions of the Banking Supervision (Bailiwick of Guernsey) Law, 1994. Details of its registered office appear on page 4.

The Custodian has delegated the registrar function under a separate agreement to the Administrator.

## **THE INVESTMENT AND HEDGING ADVISER**

The Fund has appointed Corazon Capital Limited (previously Dawnay Day Milroy Limited) as Investment and Hedging Adviser pursuant to the investment advisory agreement dated 8 November 2004 (further details of which are outlined under "Material Contracts" on page 34.

## **SUBSCRIPTION AND REDEMPTION ARRANGEMENTS**

### **Offer**

On incorporation, the equivalent of up to a total of 99,900,000 Shares were available for issue. None of the Shares available for issue have been underwritten or guaranteed. Following the Open Offer EGM, the authorised share capital of the Fund increased by the creation of 100,000,000 unclassified shares, which can be issued as either Nominal Shares, Participating B Shares or Participating Shares. Any number of unclassified shares may be issued as Participating B Shares at the Issue Price pursuant to the Open Offer.

### **Open Offer of Participating B Shares**

During the Open Offer Period only, and subject to the conditions described below, Participating B Shares with an aggregate value of up to \$5,234,900 (which is the Fund's basic entitlement under the Underlying Fund Open Offer of £3,298,933 converted using the Sterling/Dollar exchange rate prevailing on 22 May 2009, being 1.587) are available for issue at the Issue Price pursuant to the Open Offer. Attention is drawn to Part II and Part IV of the Circular which sets out further details of the terms and conditions of the Open Offer (including the mix and match facility) and the terms on which, and conditions to which, any application for Participating B Shares is made and subject respectively.

There are no pre-emption rights in respect of the Participating Shares under the Articles and no statutory pre-emption rights are conferred by the Companies Law. However, the Participating B Shares are being offered through the Open Offer such that nearly all existing Shareholders will be able to participate on a fully pre-emptive basis should they wish to do so.

Under the Open Offer, Qualifying Shareholders are entitled (as a basic entitlement) to subscribe for Participating B Shares at the Issue Price with an aggregate value in proportion to their respective holdings in the Fund as a percentage of the total issued share capital of the Fund as at that time, subject to a "mix and match facility", as further described below and in Part II of the Circular. No initial fee is charged on subscriptions for Participating B Shares during the Open Offer Period. Application for Participating B Shares is through the completion of a personalised Application Form in relation to Participating B Shares for use by Qualifying Shareholders under the Open Offer, which must be completed and returned to the Northern Trust International Fund Services (Ireland) Limited before the expiry of the Open Offer Period at 5.00 pm on 27 July 2009.

The Open Offer includes a mix and match facility. The mix and match facility enables a Qualifying Shareholder to apply for more than his basic entitlement, and for such applications to be satisfied to the extent that other Qualifying Shareholders choose to take up less than their basic entitlement under the Open Offer.

The Open Offer is conditional on the Underlying Fund Open Offer becoming unconditional in all respects. The Open Offer is also conditional upon the passing of resolution 3 at the Open Offer EGM and that resolution is itself conditional upon the passing of the resolution to be proposed at the extraordinary general meeting of the Underlying Fund by a longstop date of 1 September 2009.

The Placing and Underlying Fund Open Offer are conditional upon, amongst other things:

- (A) the passing of the resolution being proposed at the extraordinary general meeting of the Underlying Fund;
- (B) not less than £95 million (before fees and expenses) being raised pursuant to the Placing and Underlying Fund Open Offer;
- (C) the Directors being satisfied that the proceeds of the Placing and Underlying Fund Open Offer can be applied to cure the breach and ensure the Underlying Fund is in compliance with the Canada Life facility and that Canada Life no longer has any rights in respect of the existing default under the Canada Life facility;
- (D) prior to the application of proceeds to cure such breach, Canada Life has not taken enforcement action and called upon repayment of its facility;
- (E) Admission of the Underlying Fund Participating B Shares on the Irish Stock Exchange becoming effective by no later than 12 August 2009 (or such later date as the Underlying Fund and Deutsche Bank A.G. (London Branch) may agree); and
- (F) the Placing Agreement otherwise becoming unconditional in all respect and not having been terminated in accordance with its terms prior to Admission.

The Open Offer is not a rights issue and is not renounceable, and the Application Form in relation to Participating B Shares is not a negotiable document and cannot be traded. Participating B Shares not applied for under the Open Offer are not to be sold in the market for the benefit of those who do not apply under the Open Offer and Qualifying Shareholders who do not apply to take up their entitlement under the Open Offer have no rights under the Open Offer. In the event that Qualifying Shareholders decide not to subscribe for their full entitlement under the Open Offer, the Fund will not have sufficient proceeds to subscribe for its entitlement under the Underlying Fund Open Offer in full, and the Fund would necessarily suffer a diminution in the value of their investment in the Fund as a consequence of the issue of Underlying Fund Participating B Shares at a significant discount.

The rights and restrictions attaching to the Participating B Shares are identical to the Participating Shares, save that a holder of Participating B Shares may not redeem, or submit requests to redeem, any of the Participating B Shares for a period of 3 years from the date of issue of such Participating B Shares (the “**Lock-In Period**”).

Following expiry of the Lock-In Period, a holder of Participating B Shares may redeem those shares (in the same manner as a holder of Participating Shares) by submitting requests in accordance with the procedure set out in the paragraph headed “Redemption Arrangements” below. Save as expressly provided under the Articles or where stated in this Prospectus, any redemptions of Participating B Shares following expiry of the Lock-In Period will be on the same terms and conditions as redemptions of Participating Shares.

While the Participating B Shares have the same rights (including voting rights) as, Participating Shares, the proceeds from the issue of the Feeder Fund B Shares will be used only to subscribe for Underlying Fund Participating B Shares, and shall be accounted for and treated as a separate pool of assets.

To implement this, with effect from the issue of Participating B Shares, the Directors are establishing a Portfolio in accordance with the Articles for the Participating B Shares to which the Fund’s entire investment in Participating B Shares shall be allocated (the “**Participating B Shares Portfolio**”). All the assets, liabilities and commitments relating solely to the Fund’s investment in Underlying Fund Participating B Shares shall be contained in the Participating B Shares Portfolio.

## Ongoing Subscription Arrangements

Applications for subscription for Participating Shares at the Offer Price may take place on each Subscription Day (which it is intended should be weekly) in accordance with the following procedures. Shares will be issued with reference to the Offer Price ruling on the relevant Subscription Day. **Participating B Shares are not being made available other than pursuant to the Open Offer and are not available for subscription outside of the Open Offer Period.**

## Ongoing Subscription for Participating Shares

The procedure for application is through completion of the application form which is available on request from the Fund's Administrator or on the Fund's website at [www.glanmore.com](http://www.glanmore.com). There is no minimum number of shares that may be the subject of an individual application for subscription and there is no minimum holding of Participating Shares. However, initial applications must be for Participating Shares to a minimum value of \$10,000. Fractions of Participating Shares may be issued if appropriate.

The Directors reserve the right to reject any subscription in whole or in part.

Payment for Participating Shares is to be made by cash to the account specified below. Applications to subscribe must be received no later than 5.00 pm (Guernsey time) on the Business Day prior to the relevant Subscription Day.

Subscription proceeds must be paid by cheque or cleared funds to the Administrator to be received on the Business Day preceding the Subscription Day.

Generally, applicants will be sent a contract note detailing the amount invested, the issue price and number of Participating Shares issued within five Business Days of the relevant Subscription Day. Share certificates will not be issued other than pursuant to a specific request.

## Redemption Arrangements

**The Fund is currently in a postponement regime with regards to redemptions of Shares. Pursuant to the Articles, the Directors have, in December 2008, decided to extend a postponement of redemption of Shares (which has been in effect since July 2008) until the end of June 2009. Following the adoption of new articles of incorporation at the Open Offer EGM, the ability of Directors to postpone redemptions of such Shares until a subsequent Subscription Day has been extended from the current not more than 12 months to up to 4 years after the Expected Subscription Day (as defined below), and the Directors have exercised such power to further extend the postponement regime.**

Requests to redeem Shares (including, following the expiry of the Lock-in Period, the Participating B Shares) at the Net Asset Value per Share (which will generally be published by the Administrator shortly after the announcement of the share price from the Underlying Fund) must be received by the Administrator at least one month (or such other notice period as the Directors may from time to time determine) before the relevant Subscription Day for Shares to be redeemed on that Subscription Day. Redemption requests shall be made on the form of redemption notice available from the Administrator on request together with such other completed documentation as the Administrator may require.

Redemptions can be made by facsimile instructions. However, redemption proceeds will not be paid until the receipt by the Administrator of the original executed instructions. Unless a redemption request specifies a particular number of Shares to be redeemed, it will be deemed to apply in respect of the total holding of the relevant Shareholder.

Redemption proceeds will be sent by telegraphic transfer or by cheque at the holder's risk to the address of the holder registered with the Administrator within 5 Business Days of the relevant Subscription Day. Redemptions payments will only be made to the named holder, or in the case of joint holders to the first named holder only and not third parties.

Shares may become subject to compulsory redemption in certain circumstances. Investors' attention is drawn to the section headed "Compulsory Redemption" on page 30.

## **Valuation**

The Net Asset Value will be calculated as at close of business on the first Business Day of each month. Subscription and redemption will take place on the next Subscription Day at the Net Asset Value per Share and thereafter at that Net Asset Value per Share until the next Valuation Date, subject to the Front End Fee on subscription, the current Net Asset Value per Share figure will be available from the Administrator on request at any time shortly after the announcement of the share price from the Underlying Fund, and will be published by the Financial Times on the publication day following determination by the Administrator. The Net Asset Value in respect of each class of Share will be determined in accordance with the Articles and will reflect the value of the Fund's investment in the relevant class of share in Underlying Fund which will be based on the latest available price.

As such, the Net Asset Value per Participating Share will be calculated separately from the Net Asset Value per Participating B Share. Any increase or diminution in the value of the Fund's investments in Underlying Fund Participating B Shares shall be applied solely to the Participating B Shares Portfolio only and all income arising in respect of the assets comprised in the Participating B Shares Portfolio (that is, arising from the Underlying Fund Participating B Shares) shall form part of the Participating B Shares Portfolio.

Costs, expenses and liabilities which are not directly attributable to any class of shares in the Fund shall be attributed to and discharged out of the assets of the Participating B Shares Portfolio and assets outside the B Share Portfolio in the same ratio as the ratio of the latest Net Asset Value of the Participating B Shares Portfolio bears to the latest Net Asset Value of the other assets of the Fund outside of the Participating B Shares Portfolio unless the Directors, in their discretion, decide that another attribution of a cost, expense or liability is more reasonable and fairer to the holder of Participating Shares and to the holder Participating B Shares, in each case taken as a whole.

The Directors will discharge the costs, expenses and liabilities to which they consider fairly and reasonably to be attributable to the Participating B Shares out of the assets of the Participating B Shares Portfolio only.

The costs, expenses and liabilities attributable to the Participating B Shares Portfolio shall be applied to the relevant Class Account in accordance with the Articles.

In the event of the occurrence of any event which may affect the proportion of the Net Asset Value of the Fund attributable to the Class Account maintained in the books of the Fund for any class of Shares, the Directors may make such adjustment as they deem appropriate to ensure any increase or decrease in the Net Asset Value of the Fund and all liabilities and expenses are attributed to the Class Account maintained for each of the Shares and the Participating B Shares properly and fairly.

## **Transfers**

Instruments of transfer of Shares are available from the Administrator. An instrument of transfer signed by or on behalf of the transferor together with the certificate (if any) for the Shares transferred must be lodged with the Administrator. Transfers of Shares may be restricted and Shares become liable to compulsory redemption where the holding of such Shares may result in regulatory, pecuniary, legal, taxation or material administrative disadvantage to the Fund or its Shareholders as a whole. Investors' attention is drawn to section headed "Compulsory Redemption" on page 30.

## **Suspension of Dealings**

The Directors have power under the Articles to suspend valuation of the Shares, and therefore subscriptions and redemptions of Shares if in the opinion of the Directors, it is not reasonably practicable for the Fund to realise its investments or fairly to determine their Net Asset Value or generally if it is desirable to do so in the interest of continuing members. In addition, the Directors may declare a suspension of the value of the Shares in certain circumstances described under the section headed 'Temporary Suspension of Valuation' on page 33.

The Directors also have power under the Articles to suspend only redemptions of Shares if in the opinion of the Directors:

- (a) it is not reasonably practicable or in the best interests of the Shareholders for the Company to realise or to dispose of the Fund's assets; or

- (b) there is good and sufficient reason to do so having regard to the interests of the continuing Shareholders; or
- (c) the Underlying Fund declares a suspension of redemptions.

Such suspension will be in accordance with the relevant provisions of the Articles.

It is not anticipated that the Directors should have need to use such powers unless market conditions or the level of requests for redemptions received and accepted by the Directors make it Investors' attention is drawn to 'Temporary Suspension of Valuation' on page 33.

### **Postponement of Dealings in respect of Redemptions**

If the directors are of the opinion that it is reasonably unlikely that all Shares that are the subject of all redemption requests received by the Fund and which are due to be satisfied on the same Subscription Day (the "Relevant Redemption Requests") will be able to be redeemed out of the realised assets of the Fund on the Subscription Day on which the Shares that are the subject of the Relevant Redemption Requests are (but for a postponement (if any)) due to be redeemed (the "Expected Subscription Day") (such ability to redeem being determined after taking account of payments due to creditors of the Fund whether falling before or after the Expected Subscription Day), the redemption of such Shares may be postponed by the Directors until a subsequent Subscription Day being not more than 12 months after the Expected Subscription Day ("Postponed Redemption Requests").

If the Directors, in their absolute discretion, determine to redeem any Shares that are the subject of Postponed Redemption Requests during the period of postponement they shall only do so:

- (a) in the order in which the Postponed Redemption Requests were received by the Fund and or its authorised agents; and
- (b) for the purposes of paragraph (a), in the event that the Fund or its authorised agents has received Postponed Redemption Requests from more than one Shareholder simultaneously and the Fund has realised insufficient assets to enable all the relevant Shares concerned to be so redeemed, then such redemptions shall be made pro-rata to the total number of the relevant Shares held by each of the Shareholders concerned.

In the event that a request for redemption in respect of Shares is due to be satisfied at a time when there remain Shares that are the subject of Postponed Redemption Requests that are yet to be redeemed, and the Directors have not postponed the redemption of such Shares in accordance with the above Postponed Redemption Requests, the directors may at their discretion postpone the redemption of such Shares (subject to the notice period for the redemption of such Shares having expired) until a subsequent Subscription Day (being no later than the Subscription Day on which the Shares that are the subject of those Postponed Redemption Requests are redeemed). This is to ensure that redemption requests are satisfied in the order in which they are received by the Fund.

### **ELIGIBLE INVESTORS AND "US PERSONS"**

Each investor must represent and warrant to the Directors that, inter alia, he is able to acquire and hold Shares without violating applicable laws.

The Manager will not knowingly offer or sell Shares to any investor to whom such offer or sale would be unlawful, might result in the Fund incurring any liability to taxation or suffering any other pecuniary disadvantage which the Fund might not otherwise incur or suffer or would result in the Fund being required to register under the United States Investment Company Act of 1940, as amended. Shares may not be held by any person in breach of the law or requirements of any country or governmental authority including, without limitation, exchange control regulations.

The Fund will not be registered under the 1940 Act. Based on interpretations of the 1940 Act by the staff of the United States Securities and Exchange Commission relating to foreign investment entities, if the Fund has more than 100 beneficial owners of its Shares who are US Persons, it may become subject to the 1940 Act. The Directors will not knowingly permit the number of Shareholders in the Fund who are US Persons to exceed 75.

## MEANING OF “US PERSON”

For the purpose of this document, but subject to such applicable law and to such changes as may be notified by the Manager to applicants for Shares and transferees, a US Person shall have the same meaning as in Regulation S, as amended from time to time, of the United States Securities Act of 1933, as amended. Regulation S currently defines a “US Person” as: (a) any natural person who is a resident of the United States; (b) any partnership or corporation organised or incorporated under the laws of the United States; (c) any estate of which any executor or administrator is a US Person as defined in sub-paragraphs (a) and (b) herein; (d) any trust of which any trustee is a US Person as defined in sub-paragraphs (a) and (b) herein; (e) any agency or branch of a foreign entity located in the United States; (f) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or similar fiduciary for the benefit or account of a US Person; (g) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated or, if an individual, resident in the United States; or (h) any partnership or corporation (i) if organised or incorporated under the laws of any foreign jurisdiction and (ii) formed by a US Person principally for the purpose of investing in securities not registered under the 1933 Act, unless it is organised or incorporated, and owned, by accredited investors (as defined in Rule 501(a) under the 1933 Act) who are not natural persons, estates or trusts.

“US Person” does not include: (a) a discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-US Person by a dealer or other professional fiduciary organised, incorporated or, if an individual, resident in the United States; (b) any estate of which any professional fiduciary acting as executor or administrator is a US Person if (i) an executor or administrator of the estate who is not a US Person has sole or shared investment discretion with respect to the assets of the estate and (ii) the estate is governed by foreign law; (c) any trust of which any professional fiduciary acting as trustee is a US Person if a trustee who is not a US Person has sole or shared investment discretion with respect to the trust assets, and no beneficiary of the trust (and no settlor if the trust is revocable) is a US Person; (d) an employee benefit plan established and administered in accordance with the law of a country other than the United States and customary practices and documentation of such country; or (e) any agency or branch of a US Person located outside the United States if (i) the agency or branch operates for valid business reasons and (ii) the agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located.

## EQUALISATION

Grouping for equalisation is permitted under the Articles.

This means that Shares purchased during an Accounting Period will contain in their purchase price an amount called equalisation which represents a proportion of the net income of the Fund already accrued up to the date of purchase. This will be refunded to holders of the relevant Shares as part of their first distribution but for tax purposes is treated as being a return of capital. Being capital it is not liable to income tax and will not give rise to a chargeable gain in the hands of the shareholder, provided the amount received is either less than £3,000 or less than 5% of the value of the relevant Share, in which case the base cost of the relevant Share for purposes of UK taxation of chargeable gains will be reduced by the amount of the equalisation payment attributable to that Share.

The above summary relates only to the tax treatment of United Kingdom tax-resident shareholders. It does not constitute legal or tax advice to particular investors, who should consult their professional advisers on the tax treatment applicable under the laws of their country or citizenship, residence or domicile.

Group periods should be each interim Accounting Period and the period between the end of any interim Accounting Period and the end of the annual Accounting Period.

In the case of the first distribution made in respect of a Share issued during an Accounting Period the amount representing income equalisation included in the price of a Share is a return of capital and is not taxable in the hands of shareholders. This amount is, however, deducted from the base cost of Shares in computing any capital gains realised on the disposal of Shares.

## **DISTRIBUTION POLICY**

As explained below under “Taxation – United Kingdom – Shareholders in the Fund”, under current UK tax law it is necessary for the Fund to distribute by way of dividend not less than a specified proportion of its income for each of its accounting periods in order for the Fund to qualify for certification by the UK tax authorities as a “distributing fund” and thereby enable gains realised by UK resident or ordinarily resident Shareholders on a disposal of Shares to be taxed, in general, as capital rather than as income. So long as the “distributing funds” taxation regime remains in force, the Directors intend that the Fund will, so far as it is able, distribute by way of dividend the necessary level of income for the Fund to be certified as a “distributing fund” for each of its accounting periods. Any remaining income earned by the Fund will be retained for reinvestment.

As also explained below under the above-mentioned part of the “Taxation” section, certain proposals currently before the United Kingdom Parliament will, if enacted, result in the replacement of the “distributing funds” taxation regime with a new “reporting funds” taxation regime. The significance of this prospective change in the context of the Fund’s distribution policy is that under the proposed new “reporting funds” regime, it will no longer be necessary for the Fund to distribute any particular level of its income to Shareholders in order for the Fund to qualify as a “reporting fund”. Assuming that these proposals become law, the Directors will decide, at the appropriate time, what changes should be made to the Fund’s current distribution policy in consequence of the termination, under such proposals, of the “distributing funds” taxation regime.

To the extent that a dividend may be declared, it will be paid in accordance with the provisions of the Companies Law.

Distributions will be paid gross on a half yearly basis. The declarations will be made as at 20 March and 20 September each year with pay dates of 1 May and 1 November respectively. Any tax liability that may arise on receipt of distributions will depend on members’ own circumstances. Please see the Taxation section on page 18 for further information.

The Fund has adopted a dividend reinvestment scheme, under which investors may elect to receive future dividends in the form of fully paid Shares. If investors so elect, their cash dividend will be applied in subscribing for new Shares and they will then be allotted such new Shares (or fractions thereof), subject to the provisions of the Articles, on the Subscription Day immediately following the relevant dividend declaration date at an Offer Price per Share equal to the Net Asset Value thereof plus one percent.

The Directors may from time to time and to varying degree incorporate in the distributed income an element of realised capital gains.

## **CONFLICTS OF INTEREST**

Deutsche Bank is a global financial institution, of which the Manager is a part. Deutsche Bank, together with its affiliates, officers, employees and agents (for purposes of this paragraph, collectively, “Deutsche Bank”), is engaged in wholesale and retail banking, lending, equity investing, financial and merger and acquisition advisory, underwriting, investment management, brokerage, trustee, custodial, and similar activities on a world-wide basis. In addition, groups within Deutsche Bank may manage, during the life of the Fund, property portfolios with objectives similar to or overlapping those of the Fund. In the course of engaging in these activities, Deutsche Bank may be a competitor of the Fund or provide financing or other services to other competitors of the Fund. Deutsche Bank will be under no obligation to refer any opportunities to the Fund, or refrain from investing in, or providing advice or services to others with respect to, these opportunities.

Deutsche Bank has relationships with a significant number of developers, institutions and corporations and provides and will in the future provide advisory services to its clients, which may include portfolio companies and their affiliates. In the course of advising with respect to a particular transaction on behalf of the Fund, the Manager may consider those relationships and may decline to recommend an investment in view of such relationships and there may be occasions when (notwithstanding the separation of areas of confidentiality and the implementation of other accepted means for managing potential conflicts) as a result of a conflict of interest the Manager has to withdraw

from acting on a particular transaction on behalf of the Fund. In providing services to its clients, Deutsche Bank may recommend activities that would compete with or otherwise adversely affect the Fund. In connection with the foregoing activities, Deutsche Bank may from time to time come into possession of information that limits its ability to make an investment, and the Fund's investment ability may be constrained as a consequence of the Manager's inability to use such information for advisory purposes. Deutsche Bank may also receive information that could preclude the Manager from taking actions that would be in the best interests of the Fund.

In addition, Deutsche Bank has in the past sponsored or advised, and in the future may sponsor or advise, other funds or pooled investment vehicles or separate accounts that may acquire interests in, provide financing to or otherwise deal with real estate-related assets that may be suitable investments for the Fund. Deutsche Bank may also underwrite or place real estate or real estate-related assets that may be suitable investments for the Fund. Such actions may compete, perhaps significantly, with those of the Fund. Moreover, in certain circumstances, Deutsche Bank may be selling an investment in circumstances in which the Fund is acquiring, or retaining an investment. Such activities by Deutsche Bank may materially and adversely affect the value of the Fund's investments. Accordingly, no assurance can be given that potentially suitable real estate investments of which Deutsche Bank may become aware will be offered to the Fund, nor is there any assurance that suitable assets will not be acquired by other Deutsche Bank clients. The foregoing is not an exhaustive list of potential conflicts associated with the other activities of Deutsche Bank, and there is no assurance that investments made by Deutsche Bank or its clients will not adversely affect investments of the Fund.

The Directors, the Manager, the Property Adviser, the Custodian and the Administrator or companies with which they are associated may from time to time act as manager, property adviser, custodian or administrator in relation to, or be otherwise involved in, other funds established by parties other than the Fund which have similar objectives to those of the Fund. It is therefore possible that any of them may, in the course of business, have potential conflicts of interest with the Fund. Each will, at all times, have regard in such event to its obligations to the Fund and will endeavour to ensure that such conflicts are resolved fairly. In addition any of the foregoing may deal as principal or agent with the Fund, provided that such dealings are carried out as if effected on normal commercial terms negotiated on an arm's length basis. Notwithstanding this, the Manager will not initiate the acquisition or sale of investment properties between the Fund and any other fund that it manages. The Manager or any of its affiliates or any person connected with the Manager may invest in, directly or indirectly, or manage or advise other property funds or accounts which invest in assets which may also be purchased or sold by the Fund. Neither the Manager nor any of its affiliates nor any person connected with it is under any obligation to offer investment opportunities of which any of them becomes aware to the Fund or to account to the Fund in respect of (or share with the Fund or inform the Fund of) any such transaction or any benefit received by any of them from any such transaction, but will allocate such opportunities on an equitable basis between the Fund and other clients. In determining the Net Asset Value, the Directors may rely on valuations provided or attributed to any asset or liability by the Manager. All valuations undertaken by the Valuers in respect of investment properties will be made in accordance with the Royal Institution of Chartered Surveyors Valuation and Appraisal Standards as amended from time to time.

## **DATA PROTECTION AND PRIVACY**

### **The Data Protection (Bailiwick of Guernsey) Law 2001**

Pursuant to The Data Protection (Bailiwick of Guernsey) Law 2001, (the "DP Law") the Fund and/or its Administrator may hold personal data (as defined in the DP Law) relating to past and present shareholders.

Such personal data held is used by the Administrator to maintain the Fund's register of shareholders and mailing lists and this may include sharing such data with third parties in one or more of the countries mentioned below when (a) effecting the payment of dividends and redemption proceeds to shareholders and (b) filing returns of shareholders and their respective transactions in shares with statutory bodies and regulatory authorities. Personal data may be retained on record for a period exceeding six years after it is no longer used.

The countries referred to above include, but need not be limited to, those in the European Economic Area or the European Union and any of their respective dependent territories overseas, Argentina, Australia, Brazil, Canada, Hong Kong, Japan, New Zealand, Singapore, South Africa, Switzerland and the United States of America.

By becoming registered as a shareholder in the Fund a person becomes a data subject (as defined in the DP Law) and is deemed to have consented to the processing by the Fund or its Administrator of any personal data relating to them in the manner described above.

### **Privacy**

Any individual or entity in jurisdictions with applicable banking secrecy or other privacy laws may be required to waive the benefits of such laws in order to invest in the Fund. The Fund may not be bound by such laws and may require investors to provide to the Fund such additional non-public information that the Fund may request from time to time. The Fund may be forced to disclose such non-public information, personal or otherwise, to the Administrator and/or the Guernsey Financial Services Commission.

## **INDEMNIFICATION**

The Manager, any person to whom the Manager has delegated any of its duties, the Custodian, the Administrator and their respective employees, officers and agents shall be indemnified and held harmless out of the assets of the Fund against all claims and demands, including costs and expenses arising from or incidental to such claims and demands, incurred by an indemnified party by reason of any contract entered into or in any way in discharge of its duties and obligations to the Fund, except as may arise from an indemnified party's fraud, negligence or wilful act or default.

## **FEES**

### **Front End Fee**

All applicants for Shares in the Fund will be required to pay a maximum Front End Fee of 5% of the Net Asset Value of the number of Shares subscribed (except that no fees are payable in respect of a subscription of Participating B Shares pursuant to the Open Offer). On the issue of Shares, the Manager shall be entitled to retain, for its absolute use and benefit, a sum equal to 4.5% of the Net Asset Value of the Shares issued (or such higher percentage as may from time to time be agreed between the Manager and the Fund). Any sum received as a Front End Fee in excess of this amount shall be paid for the account of the Fund.

The Manager may rebate in whole or in part its proportion of the Front End Fee to agents (including any placement agent) as it thinks fit.

The Front End Fee will be deducted from the Shareholder's gross investment in the Fund and this amount will not be included in any valuation or individual performance reports provided to the Shareholder.

Investors who invest in the Underlying Fund via the Fund will only be charged the Front End Fee at the Fund level. The Fund will not be charged a front end fee for investing in the Underlying Fund.

### **Fees Payable to the Manager**

The Manager shall be entitled to a Front End Fee, subject to the terms described above.

Other than the Front End Fee, the Manager will not receive any other fee in respect of the Fund in addition to the fee it receives in respect of its services provided to the Underlying Fund.

The Fund shall reimburse to the Manager all reasonable expenses, costs, charges and fees incurred or to be incurred by the Manager including all reasonable expenses, costs, charges and fees in the relevant categories incurred or to be incurred by any person to whom the Manager shall have delegated any of its powers and duties in accordance with the Management Agreement and who is entitled to be reimbursed in respect of such expenses, costs, charges and fees by the Manager.

The Manager may deal in Shares of the Fund without accounting for its profits (if any).

### **Fees Payable to the Administrator**

The Administrator will not receive any fee in respect of administrative services provided to the Fund, which are in addition to the fee it is entitled to receive from the Underlying Fund.

A fee of £3000 is payable to the Administrator (in its capacity as Receiving Agent) in connection with the Placing and Open Offer.

### **Fees Payable to the Directors**

There is currently no intention to remunerate the Directors separately in respect of their services to the Fund. The Fund may pay its Directors' reasonable expenses incurred in the course of their duties. There is currently no Directors' fee payable by the Fund to its Directors.

### **Fees Payable to the Custodian**

The Custodian is entitled to receive from the Fund, from its management fee, such fee as may be agreed between the Custodian and the Manager from time to time (the "Custodian Fee").

In addition to the Custodian Fee payable to the Custodian as detailed above, the Fund shall pay to the Custodian out of the scheme property of the Fund: (a) the fees and expenses of any sub-custodian to whom the custody of any of the uninvested monies from whatever source and in whatever currency collected or received from time to time by the Custodian or any of its sub-custodians for the account of the Fund is entrusted; and (b) the fees and expenses of any legal adviser, accountant, broker or other agent employed by the Custodian appointed in accordance with the Custodian Agreement, subject to the prior approval of the Fund.

### **Fees payable to the Investment and Hedging Adviser**

The Investment and Hedging Adviser will charge a fee for arranging the hedging cover of 0.10% per annum on the first £10,000,000 (or currency equivalent) of the Net Asset Value of the Fund, 0.05% per annum on the next £40,000,000 (or currency equivalent) and 0.02% per annum thereafter, subject to a minimum fee of £5,000 per annum.

## **EXPENSES**

The Manager, the Directors, the Custodian, the Administrator and the Investment and Hedging Adviser are also entitled to be reimbursed their out of pocket expenses properly incurred in the performance of their respective duties.

The Fund will bear the entire cost of hedging its exposure to Sterling and such hedging costs will be reflected in any distributions payable to the holders of Shares.

The Fund will in addition meet all its own expenses including the costs and expenses of ongoing promotion, advisers, consultants and other agents engaged on its behalf, commissions, legal expenses, auditors' fees and the costs of distribution of reports and accounts and similar documentation to Shareholders.

## **TAXATION**

The following is a summary of the tax treatment which, it is anticipated, will apply to the Fund. The summary is based on existing law and practice which is subject to changes to the relevant legislation, fiscal rules and practice and their interpretation and application. Except where otherwise stated, this summary is based on professional advice received by the Directors.

The summary does not constitute legal or tax advice to particular investors. Prospective investors should consult their professional advisers to the possible tax consequences of buying, selling, holding or redeeming Shares under the laws of their country of citizenship, residence or domicile. Such persons are also advised to inform themselves on any exchange control regulations applicable under the laws of any relevant jurisdiction in relation to the acquisition, ownership or disposal of Shares.

## **GUERNSEY**

### **The Fund**

The Fund has received confirmation from the Administrator of Income Tax that under current law and practice in Guernsey, the Fund will not be liable to income tax in Guernsey save in respect of income arising in Guernsey (other than bank deposit interest). However, the Fund will be liable to pay an annual exempt company fee to the Income Tax Authority in Guernsey which is currently £600.

Guernsey does not levy taxes upon capital inheritances, capital gains (with the exception of a dwelling profits tax), gifts, sales or turnover, nor are there any estate duties save for an ad valorem fee for the grant of probate. No stamp duty is chargeable in Guernsey on the issue, transfer or redemption of Shares (other than on incorporation or subsequent increases in the level of authorised share capital where duty at the rate of 0.5% of the Nominal Share capital is payable by the Fund subject to a maximum of £5,000).

### **Shareholders in the Fund**

Shareholders resident outside Guernsey and who do not carry on business in Guernsey through a permanent establishment situated in Guernsey are not subject to any tax in Guernsey in respect of any Shares owned by them.

Shareholders resident in Guernsey for the purposes of liability to Guernsey income tax will receive their dividends gross.

Guernsey has introduced measures that are equivalent to the EU Saving Tax Directive. However, paying agents located in Guernsey are not required to operate the measures on payments made by Class B collective investment schemes.

## **UNITED KINGDOM**

### **The Fund**

The Fund will be liable to basic rate income tax on its net rental income. Net rental income is broadly rents received net of expenses incurred in producing those rents. The Fund has obtained permission under the non-resident landlord scheme for basic rate income tax not to be deducted from the rent thus maximising cash flow. The Fund is not expected to be subject to UK corporation tax on its capital gains as it is not resident in the UK.

### **Shareholders in the Fund**

#### ***General***

For UK tax purposes, the Fund will be treated as a company, and not as a fiscally transparent entity. However, as more fully explained below, this statement will effectively be qualified as regards the Fund's income upon the commencement of the proposed UK "reporting funds" regime.

#### ***Dividends on Participating B Shares***

Shareholders who are resident in the UK for tax purposes will, subject to their individual circumstances, be liable to UK income tax or, as the case may be, UK corporation tax on dividends paid to them by the Fund. Under the provisions of the Finance Bill currently before the UK Parliament, dividends paid by the Fund on or after 1 July 2009 to certain Shareholders within the charge to UK corporation tax may, in certain circumstances, be exempt from tax.

As explained below, if the proposed UK "reporting funds" regime comes into force and the Directors elect for the Fund to enter into that regime, a UK tax resident Shareholder will, thereafter, be liable to UK income taxation on that Shareholder's pro rata share of the income earned by the Fund in each of its accounting periods, so that the Shareholder's liability to taxation in respect of the income of the Fund will no longer be restricted to the amount of that income which is distributed by the Fund to the Shareholder.

## ***Disposals of Participating B Shares***

Subject to their individual circumstances, Shareholders who are resident or ordinarily resident in the UK for taxation purposes will potentially be liable to UK taxation, as further explained below, on any gains which accrue to them on a redemption, sale or other disposition of their Participating B Shares which constitutes a “disposal” for UK taxation purposes.

In consequence of its open-ended structure, the Fund constitutes an “offshore fund” for UK tax purposes and, in turn, the Participating B Shares Portfolio is deemed to constitute a separate notional “offshore fund”. This means that in order for any gain realised on a disposal of Participating B Shares to be taxable, in the hands of a Shareholder resident or ordinarily resident in the United Kingdom for tax purposes, as a capital gain (rather than as income), the Fund must itself satisfy a prescribed condition, as described below. Should that prescribed condition not be satisfied, any such gain will, in general, be taxable in the hands of the Shareholder as income (rather than as a capital gain). In that event, the gain would not be eligible for shelter by any relief or exemption in UK tax law which applies solely to capital gains, such as the annual allowance of tax-free capital gains available to an individual.

Under current UK tax law, the above-mentioned prescribed condition is that the Fund is certified by HM Revenue & Customs (“HMRC”) as a “distributing fund” in respect of the Participating B Shares Portfolio throughout the period from a Shareholder’s acquisition of Participating B Shares to the date of disposal of those Participating B Shares. The main requirement which the Fund has to fulfil in order to qualify as a “distributing fund” for any accounting period is that the Fund distributes to Shareholders, by way of dividend, a sum not less than 85% of whichever is the greater of (a) the Fund’s accounts income for that period attributable to the Participating B Shares Portfolio or (b) the amount that would be the taxable income of the Fund for that period attributable to the Participating B Shares Portfolio if, hypothetically, the Fund were resident in the United Kingdom for tax purposes.

Under proposals currently before the UK Parliament, the above-mentioned prescribed condition will change to a requirement that the Fund qualifies as a “reporting fund” in respect of the Participating B Shares Portfolio throughout the period of a Shareholder’s investment in Participating B Shares, as described in the preceding paragraph, except for any part of that period in which the Fund has qualified as a “distributing fund” in respect of the Participating B Shares Portfolio under current legislation. The Fund will not need to satisfy any income distribution requirement in respect of the Participating B Shares Portfolio in order to qualify as a “reporting fund”. Instead, the Fund will, broadly, have to submit an election to HMRC to enter into the “reporting funds” regime in relation to the Participating B Shares Portfolio and will thereafter have to provide each Shareholder, for each of the Fund’s accounting periods, with a formal notification of the Shareholder’s pro rata share of the “reportable income” (as defined by regulations) earned by the Fund within the accounting period concerned and attributable to the Participating B Shares Portfolio. A UK tax resident Shareholder will then be liable to UK income tax or (as the case may be) corporation tax on the excess (if any) of the amount of such pro rata share of “reportable income” notified to the Shareholder by the Fund in respect of the accounting period concerned over the dividends or other income distributions (if any) made to the Shareholder by the Fund in respect of that accounting period and his or her holding of Participating B Shares.

The Directors intend to continue to conduct the Fund’s affairs in such manner as to enable the Fund to be certified as a “distributing fund” in respect of the Participating B Shares Portfolio for each accounting period in which the current “distributing funds” regime remains in force. HMRC have indicated that (subject to Parliamentary approval) the “reporting funds” regime will replace the “distributing funds” regime for, in general, the first accounting period of an offshore fund commencing on or after 1 December 2009. Assuming that the proposals presently before the United Kingdom Parliament become law, it is the current intention of the Directors that the Fund should elect, at the appropriate time, to enter into the “reporting funds” regime and that the Fund should thereafter remain within that regime in respect of the Participating B Shares Portfolio. As explained above, the consequence of that election will effectively be to render the Fund transparent for UK income taxation purposes.

Investors should appreciate that the Directors cannot guarantee that the Fund will be able to secure certification as a distributing fund (in respect of the Participating B Shares Portfolio or otherwise) in any particular accounting period in which the current “distributing funds” regime remains in force or (on the assumption that the proposed replacement of that regime with the “reporting funds” regime becomes law) that the Fund will be able to qualify as a reporting fund (in respect of the

Participating B Shares Portfolio or otherwise) in any particular accounting period after the “reporting funds” regime has come into force, since the ability of the Fund to be so certified or (as the case may be) so to qualify is in part dependent on matters outside the control of the Directors.

### ***Certain Other Provisions of UK Tax Legislation***

#### ***Section 13 Taxation of Chargeable Gains Act 1992 – Deemed Gains***

Section 13 of the UK Taxation of Chargeable Gains Act 1992 may apply to Shareholders who are resident or ordinarily resident in the United Kingdom for tax purposes and whose proportionate interest in the Fund as “participators” for UK tax purposes, together with that of any persons “connected” with them for UK tax purposes, is greater than 10% if (and only if) the Fund would be a “close company” for UK tax purposes were it (hypothetically) resident in the United Kingdom for those purposes. For so long as the Fund remained a “close company”, such a Shareholder could (depending on individual circumstances) be liable to UK capital gains taxation on the Shareholder’s pro rata share of any capital gain accruing to the Fund.

Persons “connected” with a Shareholder for UK tax purposes include, where the Shareholder is a company, any other company that is under the control of the Shareholder, or that has control of the Shareholder, or which is under common control with the Shareholder. The rules which determine whether the Fund would (if, hypothetically, it were UK tax resident) be a “close company” are complex but are concerned, very broadly, with the degree of concentration of ownership of the Fund’s share capital from time to time.

#### ***“Controlled Foreign Companies” Provisions – Deemed Income of Corporates***

If the Fund were at any time to be controlled, for UK tax purposes, by persons (of any type) resident in the United Kingdom for tax purposes, the “controlled foreign companies” provisions in Chapter IV of Part XVII of the Taxes Act could apply to UK resident corporate Shareholders. Under these provisions, part of any “chargeable profits” accruing to the Fund may be attributed to such a Shareholder and may in certain circumstances be chargeable to UK corporation tax in the hands of the Shareholder. However, this will apply only if the apportionment to the Shareholder, when aggregated with the apportionment to any person(s) “associated” with the Shareholder, is at least 25% of the chargeable profits of the Fund. “Associated” means here essentially the same as “connected” means for UK tax purposes, as discussed under “Section 13 Taxation of Chargeable Gains Act 1992” above. A company’s “chargeable profits” do not include any of its chargeable gains. It currently appears that these provisions will be of limited practical relevance to Shareholders if, as explained above, the proposed “reporting funds” regime comes into force and, as is currently intended, the Fund elects to enter into that regime.

#### ***Chapter 2 of Part 13 of the Income Tax Act 2007 – Deemed Income of Individuals***

The attention of Shareholders who are individuals ordinarily resident in the United Kingdom for tax purposes is drawn to the provisions set out in Chapter 3 of Part 13 of the UK Income Tax Act 2007, which may render those individuals liable to UK income tax in respect of undistributed income (but not capital gains) of the Fund. It currently appears that these provisions will be of limited practical relevance to Shareholders if, as explained above, the proposed “reporting funds” regime comes into force and, as is currently intended, the Fund elects to enter into that regime.

### **NON-GUERNSEY AND NON-UNITED KINGDOM TAX RESIDENT SHAREHOLDERS**

Investors who are not resident (or in the case of corporate investors) or resident or ordinarily resident (in the case of individual investors) in the United Kingdom or Guernsey and who are not carrying on a trade, profession or vocation in the United Kingdom or Guernsey through a branch, agency or permanent establishment to which their Shares are attributable, are not expected to be liable to UK taxation on chargeable gains arising from the sale or other disposal of their Shares, although they may be subject to foreign taxation in their own jurisdiction.

#### **Abu Dhabi – Individual Investors**

For tax purposes in Abu Dhabi, one of the Emirates of the UAE, the Fund will be treated as a company, and not as a fiscally transparent entity.

There is currently no personal taxation on income or capital gains in Abu Dhabi. Consequently, any income or capital gains received by individuals resident in Abu Dhabi from their participation in the Fund should not be subject to tax in the United Arab Emirates (or Abu Dhabi).

#### **Bahrain – Individual Investors**

For tax purposes, the Fund will be treated as a company, and not as a fiscally transparent entity in Bahrain.

There is no personal taxation on income or capital gains in Bahrain. Consequently, any income or capital gains received by individuals resident in Bahrain from their participation in the Fund should not be subject to tax in Bahrain.

#### **British Virgin Islands – Individual Investors**

For tax purposes, the Fund will be treated as a company, and not as a fiscally transparent entity in the British Virgin Islands.

There is no personal taxation in the British Virgin Islands on income or capital gains received from investments in jurisdictions outside the British Virgin Islands. Consequently, any income or capital gains received by individuals resident in the British Virgin Islands from their participation in the Fund should not be subject to tax in the British Virgin Islands.

#### **Cayman Islands – Corporate Investors**

For tax purposes, the Fund will be treated as a company, and not as a fiscally transparent entity in the Cayman Islands.

There is no corporate taxation in the Cayman Islands on income or capital gains received from investments in jurisdictions outside the Cayman Islands. Consequently, any income or capital gains received by corporate investors resident in the Cayman Islands from their participation in the Fund should not be subject to tax in the Cayman Islands.

#### **France – Individual Investors**

For French tax purposes the Fund will be treated as a company, and not as a fiscally transparent entity.

Individuals resident in France are subject to income tax on dividends received from companies which are resident in other jurisdictions at their marginal rate. Capital gains realised by individuals resident in France on the disposal of shareholdings in companies resident in other jurisdictions are also chargeable to income tax in France but typically at a flat rate. Consequently, any income or capital gains received by individuals resident in France from their participation in the Fund should be chargeable to income tax in France.

In certain circumstances, for example if shares in the Fund are bought back by the company or are sold shortly before a liquidation of the company, amounts received by French investors will be taxed at their marginal rates, rather than at the flat rate.

It should be noted that any French resident individual holding more than 10% of the shares in the Fund will be taxable on any income received by the Fund, even if the income is not distributed to him. The French investor will be taxed in the same way as if he had received a dividend from the Fund.

#### **Hong Kong – Individual Investors**

For Hong Kong tax purposes the Fund will be treated as a company, and not as a fiscally transparent entity.

Dividends received from the Fund by individual investors, will not be regarded as taxable income for Hong Kong tax purposes.

Hong Kong does not tax capital gains. However, profits tax may be charged on the profits of speculative transactions if they can be shown to be an adventure in the nature of trade. Gains realized on the disposal of shares in the Fund will not be taxable in Hong Kong on individual investors unless it can be demonstrated that the transaction was in the nature of a Hong Kong source trade.

### **Hong Kong – Corporate Investors**

For Hong Kong tax purposes the Fund will be treated as a company, and not as a fiscally transparent entity.

Under Hong Kong domestic law, dividends received from the Fund by Hong Kong corporate investors will not be regarded as taxable income for Hong Kong tax purposes.

Hong Kong does not tax capital gains. Accordingly, gains realized on the disposal of shares in the Fund will not be taxable in Hong Kong provided the gain is capital in nature. If the investment is not capital in nature, there is a potential profits tax exposure. However, this only relates to gains that are Hong Kong sourced, and therefore any gains in relation to an investment in the Fund should not be taxable in Hong Kong.

### **Ireland – Individual Investors**

Under general principles, individuals who are tax resident, or ordinarily tax resident in Ireland are subject to income tax at a rate of up to 41% on dividend income. Levies of up to 5.5% can also apply.

Consequently, any income distributions received by Irish tax resident individuals may be chargeable to tax at a rate of up to 46.5% in Ireland. Capital gains arising on the disposal of shares by an Irish tax resident individual are taxable at a rate of 20%.

However the Fund is likely to constitute an ‘offshore fund’ for Irish tax purposes and therefore different rates of tax may apply.

If an offshore fund is located in an EU member state or a jurisdiction with which Ireland has a Double Tax Treaty, tax on income received by an Irish investor will be payable at a rate of between 20% and 23%. Levies may also be payable. Capital gains realised by individuals resident in Ireland on the disposal of shares in such an offshore fund may be taxed at a rate of 23%.

However, since Guernsey is not an EU member state and does not have a Double Taxation Agreement with Ireland, the rates of tax for Irish investors in the Fund will be significantly higher.

Income will therefore be taxable at the normal rate of 41% plus levies. Gains arising on disposals of shares in the Fund will be taxable at a rate of 40% if the Fund is certified as a distributing fund by the Irish tax authorities. If the Fund is not certified as distributing by the Irish tax authorities, gains arising on disposals of shareholdings will be taxed as income at the normal rate of 41% plus levies.

### **Japan – Individual Investors**

For Japanese tax purposes, the entity classification of the Fund is determined on the basis of the equivalent Japanese entity that most closely resembles the Guernsey Limited Company. On the assumption that the Fund is a separate legal person that has been established for the purpose of carrying on a business and registered with an appropriate authority, the company is likely to be treated as a company, and not as a fiscally transparent entity in Japan. As such, the general comments below are made based on the Fund being treated as a company for Japanese tax purposes.

Shareholders who are permanent residents in Japan for taxation purposes will be subject to income tax on income distributions received from the Fund. The only deductible expense in respect of this income is interest paid on funds borrowed to acquire the Shares.

Any gain arising on the disposal of Shares in the Fund will be subject to tax at a standard rate regardless of the shareholder’s marginal rate of tax.

In certain circumstances, a gain arising on the buy back of Shares by the Fund may be treated as an income distribution, rather than a capital gain.

If the Fund is more than 50% owned directly or indirectly by Japanese shareholders, any Japanese shareholders that directly or indirectly hold 5% or more of the shares in the Fund will need to treat this company as a tax haven subsidiary for Japanese tax purposes and may be subject to taxation on their due portion of the income arising to the Fund regardless of the receipt of distributions.

### **Liechtenstein – Individual Investors**

For tax purposes, the Fund will be treated as a company, and not as a fiscally transparent entity in Liechtenstein.

Individuals resident in Liechtenstein are not subject to tax on dividends provided that net wealth tax has been paid in respect of the underlying investment. Therefore, any income distributions received as a result of an individual's investment in the Fund should not be taxable in Liechtenstein if net wealth tax has been paid in respect of the shareholding.

Capital gains realised by individuals resident in Liechtenstein are subject to income tax. Consequently, any capital gains received by individuals resident in Liechtenstein from their participation in the Fund should be subject to income tax in Liechtenstein.

### **Luxembourg – Individual Investors**

For Luxembourg tax purposes the Fund will be treated as a company, and not as a fiscally transparent entity.

Individual investors tax resident in Luxembourg should be subject to income tax on income distributions received as a result of their shareholding in the Fund. The half exemption of dividends will not apply because there is no Double Taxation Agreement in place between Luxembourg and Guernsey.

Capital gains realised by individuals tax resident in Luxembourg in respect of their shareholding in the Fund will be subject to income tax. Short terms gains arising on a disposal of shares held for less than 6 months will be fully taxable and therefore chargeable to income tax at the individual's marginal rate of tax. Gains arising on a disposal of shares directly or indirectly held for more than 6 months should be exempt from tax unless the individual held more than 10% of the shares in the company, in which case, the gain should be chargeable to income tax at half of the individual's marginal rate.

### **Luxembourg – Corporate Investors**

For Luxembourg tax purposes the Fund will be treated as a company, and not as a fiscally transparent entity.

Fully taxable Corporate investors resident in Luxembourg will be taxable on income distributions and capital gains realised in respect of their shareholding in the Fund.

The Luxembourg participation exemption will not apply on income distributions and capital gains realised in respect of shareholdings in the Fund due to the tax exempt status of the Fund in Guernsey. The half exemption of dividends will also not apply because there is no Double Taxation Agreement in place between Luxembourg and Guernsey.

### **Malaysia – Individual Investors**

For Malaysian tax purposes the Fund will be treated as a company, and not as a fiscally transparent entity.

Individuals resident in Malaysia are not subject to income tax on dividends received from companies which are resident in other jurisdictions. Therefore, investors resident in Malaysia should not be subject to income tax on income distributions received as a result of their shareholding in the Fund.

Capital gains realised by individuals resident in Malaysia are chargeable to tax if they are derived from the disposal of real property (land situated in Malaysia, or any interest, option, or other right over such land) or shares in a real property company. Therefore, on the basis that the Fund will not invest in any property situated in Malaysia, capital gains realised by individuals resident in Malaysia on the disposal of shareholdings in the Fund should not be chargeable to tax in Malaysia unless the individuals resident in Malaysia are involved in the business of trading of investments.

### **Malaysia – Corporate Investors**

For Malaysian tax purposes the Fund will be treated as a company, and not as a fiscally transparent entity.

Companies resident in Malaysia (save for those carrying on a business of air or sea transport, banking or insurance which are taxed on a worldwide scope) are not subject to tax on dividends received from companies which are resident in other jurisdictions. Therefore, companies resident in Malaysia should not be subject to tax on income distributions received as a result of their shareholding in the Fund. In addition, foreign dividends received may be credited into a tax exempt income account from which tax exempt dividends may be paid to shareholders.

Capital gains realised by companies resident in Malaysia are chargeable to tax if they are derived from the disposal of real property (land situated in Malaysia, or any interest, option, or other right over such land) or shares in a real property company. Therefore, on the basis that the Fund will not invest in any property situated in Malaysia, capital gains realised by companies resident in Malaysia on the disposal of shareholdings in the Fund should not be chargeable to tax in Malaysia, provided that the companies resident in Malaysia are not involved in the business of trading of investments.

### **Saudi Arabia – Corporate Investors**

Companies resident in Saudi Arabia are taxed depending upon the nationality of their shareholders. Companies should be subject to “Zakat” on the share of the company held by shareholders who are nationals of states that are members of the Gulf Cooperation Council, whilst the company should be subject to income tax on the share of the company held by shareholders not resident in states that are members of the Gulf Cooperation Council.

Both income and capital distributions received by companies resident in Saudi Arabia as a result of their participation in the Fund should be subject to Zakat or income tax as determined by the nationality of the shareholders of the company.

### **Singapore – Individual Investors**

For tax purposes in Singapore, the Fund will be treated as a company, and not as a fiscally transparent entity.

Individuals resident in Singapore are not subject to income tax on dividends received or deemed to be received in Singapore from non-Singapore resident companies unless the dividend income is received by the individual through a partnership in Singapore. If this is the case, the dividend income should be exempt from tax in Singapore provided that; i) the dividend (or the underlying profits out of which the dividend was paid) is subject to income tax under the law of the jurisdiction from which it is received; ii) at the time the dividend is received in Singapore, the highest corporate income tax rate in the jurisdiction from which the income is received is at least 15%; and iii) the Singapore Comptroller of Income Tax (“Comptroller”) is satisfied that the tax exemption would be beneficial to the recipient of the foreign income. If the above conditions are not met, tax exemption may still be granted, on application, under certain specified scenarios provided the taxpayer is able to track the source of income and the Comptroller is satisfied that there is no motive of avoidance of Singapore tax by passing local income to an offshore entity.

Income distributions received by individual investors resident in Singapore as a result of their participation in the Fund should therefore be exempt from tax in Singapore unless they are received through a partnership in Singapore, in which case, the dividends may be subject to income tax in Singapore.

Capital gains are not subject to tax in Singapore. However, there are no specific laws or regulations which deal with the characterization of capital gains. As such, the Comptroller may seek to recharacterise gains as income in situations where he regards the gains as arising from a trade or business carried out in Singapore or where the individual's key purpose in acquiring the shares is to derive a gain from sale (as opposed to acquiring the shares for the key purpose of receiving dividends). The gain would then be chargeable to income tax if it is derived from Singapore, or if it is received or deemed to be received in Singapore from outside Singapore.

Where Singapore resident individual investors do not have the realisation of a profit on the disposal of the shares in the Fund as their key motive in acquiring the shares, gains derived as a result of their participation in the Fund should not be chargeable to tax in Singapore. However, where this is not the case, such gains may be recharacterised as income and subject to income tax in Singapore.

### **Singapore – Corporate Investors**

For tax purposes in Singapore, the Fund will be treated as a company, and not as a fiscally transparent entity.

Companies, whether resident or non-resident in Singapore, are subject to tax on dividends received or deemed to be received in Singapore from non-Singapore resident companies unless they meet the conditions to qualify for an exemption from such Singapore tax. These conditions are; i) the dividend (or the underlying profits out of which the dividend was paid) is subject to income tax under the law of the jurisdiction from which it is received; ii) at the time the income is received in Singapore, the highest corporate income tax rate in the jurisdiction from which the income is received is at least 15%; and iii) the Comptroller is satisfied that the tax exemption would be beneficial to the recipient of the foreign income. If the above conditions are not met, tax exemption may still be granted, on application, under certain specified scenarios provided the taxpayer is able to track the source of income and the Comptroller is satisfied that there is no motive of avoidance of Singapore tax by passing local income to an offshore entity, and the Singapore taxpayer receiving the foreign income is not a shell company.

Income distributions received by companies resident in Singapore as a result of their participation in the Fund should therefore be chargeable to tax in Singapore, as the conditions above are not likely to be satisfied since the dividends payable by the Fund are not subject to withholding tax in Guernsey and the Fund should be tax exempt in Guernsey.

Capital gains are not subject to tax in Singapore. However, there are no specific laws or regulations which deal with the characterization of capital gains. As such, the Comptroller may seek to recharacterise gains as income in situations where he regards the gains as arising from a trade or business carried out in Singapore or where the company's key purpose in acquiring the shares is to derive a gain from sale (as opposed to acquiring the shares for the key purpose of receiving dividends). The gain would then be chargeable to tax if it is derived from Singapore, or if it is received or deemed to be received in Singapore from outside Singapore.

Where Singapore resident companies do not have the realisation of a profit on the disposal of the shares in the Fund as their key motive in acquiring the shares, gains derived as a result of their participation in the Fund should not be chargeable to tax in Singapore. However, where this is not the case, such gains may be recharacterised as income and subject to tax in Singapore.

### **Sweden – Individual Investors**

For Swedish tax purposes the Fund will be treated as a company, and not as a fiscally transparent entity.

Individuals resident in Sweden are subject to income tax on dividends received from companies which are resident in other jurisdictions. Capital gains realised by individuals resident in Sweden on the disposal of shareholdings in companies resident in other jurisdictions are also chargeable to income tax in Sweden. Consequently, any income or capital gains received by individuals resident in Sweden from their participation in the Fund should be chargeable to income tax in Sweden.

It should be noted that Sweden has Controlled Foreign Company rules which can attribute profits of a foreign company to a Swedish resident shareholder if i) the income of the foreign entity is deemed to be subject to low taxation and ii) the individual, together with connected persons, controls 25% or more of the capital or voting rights in the company.

### **Switzerland – Individual Investors**

For Swiss tax purposes the Fund is likely to be treated as a fiscally transparent entity and should qualify as distributing fund.

Individuals resident in Switzerland are generally subject to income tax on their worldwide income whether or not it is received by them. Consequently, the Swiss resident individual investor would, in principle, be chargeable to federal, cantonal and municipal tax on income realised at the level of the Fund. However, based on Swiss internal law, real estate located outside Switzerland is exempt from Swiss taxation. Based on the transparency of the Fund, the Swiss resident individual investor should therefore be exempt from taxation on income derived from real estate located outside Switzerland. However, such income will be taken into consideration in determining the applicable tax rate (progression reservation) on other income.

In addition to income taxation, Swiss resident individual investors are subject to an annual cantonal/municipal wealth tax on their world wide net wealth position; however, real estate property located abroad is exempt. Consequently, due to the transparency of the Fund, to the extent that the net asset value of the shares relates to real estate located outside of Switzerland, the Swiss resident individual investor should be exempt from net wealth tax (progression reservation).

Capital gains realised by individuals resident in Switzerland upon the sale of securities held as private assets, such as shares and investment fund units, are generally exempt from income tax at the federal, cantonal and municipal level. Capital gains realised by Swiss resident individuals upon sale of Swiss real estate property are subject to a cantonal/municipal real estate gains tax. However, capital gains realised by Swiss resident individuals upon sale of real estate located outside of Switzerland are exempt from Swiss taxation. Capital gains realised by the Fund upon sale of real estate located outside of Switzerland should therefore not be taxable at the level of the Swiss resident individual investor.

In Switzerland, securities transfer tax is levied on the transfer of ownership in securities provided a Swiss securities dealer acts as a contracting party or as an intermediary to the transaction. It is the Swiss securities dealer who is liable to the tax. In principle he owes one-half of the tax for each party to the transaction and the tax is usually passed on to the contracting parties. As such, if a Swiss individual investor acquires or sells shares in the Fund and a Swiss securities dealer is involved in the transaction, Swiss securities transfer tax will become due at a rate of 0.3%, of which 0.15% will typically be passed on to the Swiss individual investor.

All references to tax reliefs relate to those applying at the date of the issue of the document.

## GENERAL INFORMATION

### 1. Incorporation and Share Capital

- (1) The Fund was registered in Guernsey on 3 November 2004 under the Companies Law, its registered number being 42483. The liability of its members is limited.
- (2) The authorised share capital of the Fund is \$20,000 divided into 10 management shares of \$1 each and 199,900,000 Unclassified Shares of 0.01 cents each. The unclassified shares may be issued as either Nominal Shares, Participating B Shares or as Participating Shares.
- (3) There are no provisions of Guernsey Law equivalent to Sections 89 to 96 of the Companies Act 1985 of England and Wales which confer pre-emption rights on existing shareholders in connection with the allotment of equity securities for cash and there are no pre-emption rights under the Articles of Association of the Fund.
- (4) Shares (including any Participating B Shares) will be issued in registered form but certificates will only be issued on request.
- (5) 2 management shares of \$1 each are in issue which are held by the Manager (or its nominees for the benefit of the Manager).

### 2. Details of the Participating B Shares

#### **(a) General**

The Participating B Shares are issued with a nominal value of 0.01 cents each. The Participating B Shares are created under the Companies Law. Participating B Shares are not available for subscription other than pursuant to the Open Offer.

Pursuant to the Open Offer, Participating B Shares are offered at the Issue Price which is to be set at \$5 per share.

The Participating B Shares are credited as fully paid and free from all liens, equities, charges, encumbrances and other interests and will rank in full for all dividends and other distributions on the share capital of the Fund declared, made or paid after their issue.

#### **(b) Form and Currency of the Participating B Shares**

The Participating B Shares issued pursuant to the Open Offer are in registered form. Title to the Participating B Shares is evidenced by entry in the registry of members of the Fund. No share certificates are issued in respect of the Participating B Shares. The Participating B Shares are denominated in Dollars.

#### **(c) Rights attached to the Participating B Shares**

Save as otherwise set out below and save that the Participating B Shares may not be redeemed at the request of a holder thereof for the duration of the Lock-In Period, each Participating B Share has the same rights as each Participating Share (including voting rights) and restrictions as each Participating Share, as set out in the Articles.

On a winding up of the Fund, the Participating B Shares rank equally with the Participating Shares as to rights to repayment (from the assets available for distribution to shareholders of the Fund) of the nominal capital paid up in respect of such Shares in priority to any payment on the Nominal Shares or management shares. Any surplus assets shall be divided up between the class of Participating Shares and class of Participating B Shares pro rata according to their relative Net Asset Values and then within such classes of Shares pari passu according to the number of Shares (in that class) held.

A summary of the other rights which attach to the Shares (including the Participating B Shares) is set out in paragraph 3 (“**Rights attaching to the Shares**”) and paragraphs 4 and 5 below.

### **3. Rights attaching to the Shares (including the Participating B Shares)**

#### **(a) Winding Up**

- (1) The fund may be wound up in the circumstances set out in the Companies Law.
- (2) On a winding up of the Fund, the Shares carry a right to repayment (from the assets available for distribution to Shareholders) of the nominal capital paid up in respect of such Shares in priority to any such payment on the Nominal Shares or management shares and the right to share in surplus assets.
- (3) The Nominal Shares may only be issued at par and for the purpose of facilitating redemptions of Shares and have only limited rights. The management shares may only be held by or on behalf of the Manager and exist solely for the purpose of meeting the requirement of Guernsey law that the Shares should have preferential rights relative to other classes in order that they may be redeemable. On the winding up the management shares and Nominal Shares are entitled only to a return of the paid up nominal capital thereon and have no further right to participate in surplus assets.
- (4) On the winding up of the Fund, whether voluntarily or otherwise, the liquidator may, with the sanction of a special resolution, divide among the Shareholders in specie any part of the assets of the Fund.
- (5) On a winding up of the Fund, the surplus assets shall be divided up between the classes of Shares pro rata according to their relative Net Asset Values and then within such classes of Shares pari passu according to the number of Shares (in that class) held.

#### **(b) Voting Rights**

Subject to the provisions of the Companies Law,

- (1) on a show of hands every holder of Shares present in person at a general meeting of the Fund shall have one vote, and on a poll every holder present in person or by proxy shall have one vote for each Share held by him;
- (2) Management Shares confer one vote for each share held on a poll and on a show of hands the holder of Management Shares has one vote. Nominal Shares confer the right to exercise only one vote for each person holding nominal shares at general meetings irrespective of the number of shares held by each of these persons.

#### **(c) Dividends**

Subject to the provisions of Companies Law,

- (1) the Fund in general meeting may declare dividends but no dividend shall exceed the amount recommended by the Board. No dividend shall be paid otherwise than out of the profits of the Fund (including realised capital gains) available for distribution and no dividend shall be payable other than to the holders of Shares;
- (2) dividends will be declared and paid according to the amounts paid up on the Shares in respect of which the dividend is paid; and unless otherwise determined by the Directors Shares will rank for dividends from the beginning of the Accounting Period on which they are issued;
- (3) the Board may at any time declare and pay such interim dividends as appear to be justified by the position of the Fund;
- (4) all unclaimed dividends may be invested or otherwise made use of by the Board for the benefit of the Fund until claimed and the Fund shall not be constituted a trustee in respect thereof. All dividends unclaimed for a period of six years after having become due for payment shall be forfeited and shall revert to the Fund;
- (5) the Board may, before the declaration of any dividend, set aside out of the profits of the Fund such sums as it thinks proper as reserves which may be employed as the Directors think fit.

### **3. Memorandum of Association**

The Memorandum of Association of the Fund provides that the Fund's principal objects are, inter alia, to carry on business as an investment company. Neither the Memorandum nor the Articles of Association contain any restriction on the investment powers of the Fund.

The objects of the Fund are set out in full in Clause 3 of the Memorandum of Association which is available for inspection at the Fund's registered office.

### **4. Articles of Association**

The Articles are available for inspection at the Fund's registered office.

The following section is a summary of certain of the provisions of the Articles:

#### ***(a) Variation of Rights and Alteration of Capital***

Subject to the provisions of the Companies Law,

- (1) if at any time the share capital is divided into different classes of shares the rights attached to any class may, whether or not the Fund is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class;
- (2) the Fund at any time may, by ordinary resolution, increase the share capital by such sum to be divided into shares of such amount as the resolution shall prescribe;
- (3) the Fund may by special resolution:
  - (i) consolidate and divide all or any of its share capital into shares of a smaller amount than its existing shares;
  - (ii) sub-divide all or any of its shares into shares of a smaller amount than is fixed by the Memorandum of Association;
  - (iii) cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.
- (4) the Fund may by ordinary resolution reduce its share capital, subject to the provisions of the Companies Law.

#### ***(b) Issue of Shares***

Subject to any resolution of the Fund in general meeting, the unissued Shares shall be at the disposal of the Directors who may offer, allot, grant options over, or otherwise dispose of them to such persons, on such terms and in such manner as they think fit and the Directors may in their absolute discretion refuse to accept any application for Shares.

#### ***(c) Transfer of Shares***

Subject to such of the restrictions noted below as may be applicable, any member may transfer all or any of his Shares in any form which the Directors may accept.

The instrument of transfer of a Share must be signed by or on behalf of the transferor, and in the case of a partly-paid Share the transferee, and the transferor will be deemed to remain the holder of the Share until the name of the transferee is entered in the register.

The Directors may, in their absolute discretion and without assigning any reasons therefore, refuse to register a transfer of any Share which is not fully paid.

The Directors may also refuse to register any transfer unless:

- (i) the instrument of transfer is lodged with the Fund accompanied by the certificate for the Shares to which it relates (if any) and such other evidence as the Directors may reasonably require to prove the title of the transferor or his right to make the transfer; and

- (ii) the instrument of transfer is in respect of only one class of Share.

If the Directors refuse to register a transfer they must, within two months of the date on which the instrument of transfer was lodged, send notice of the refusal to the transferor and transferee.

In the case of the death of any one of joint holders the survivor or survivors, and in the case of the death of a sole holder the personal representatives, shall be the only person or persons recognised by the Fund as having any title to or interest in the Shares of the deceased holder. The transfer of Shares under this provision shall not release the estate of the deceased holder whether sole or joint from any liability in respect of any Share solely or jointly held by him.

#### ***(d) Redemption***

Subject to the provisions of the Articles, the Fund shall redeem any number of Shares at the written request of the holder thereof. The redemption of Shares shall be made on the Subscription Day following the receipt of such written request therefore, provided the requisite one month notice (or such other notice period as the Directors may from time to time determine) has been given and neither determination of the redemption price or redemptions themselves have been suspended or subject to the exercise of the discretion to postpone of redemptions, all in accordance with the Articles. Redemption requests may, subject to the Directors' absolute discretion, be withdrawn (either in whole or in part) by the relevant Shareholders. Where suspension is declared, redemption will take place on the next Subscription Day following the end of suspension. On the fifth day following the Subscription Day, the redeeming Shareholder shall be sent a contract note stating the amounts payable on the redemption and any such amount shall be posted to the redeeming shareholder not less than 5 days after the Subscription Day.

#### ***(e) Compulsory Redemption***

If it shall come to the notice of the Directors that any Share is owned directly or beneficially by any person; (1) so as to require the Fund to have to comply with any law or regulation of any country or governmental authority which in the judgment of the Directors (whose judgment shall be final and binding) would be unduly burdensome on the Fund; (2) so as to cause the Fund to be in breach of any law or regulation of any country or governmental authority; or (3) so as to constitute a fiscal or tax disadvantage to the Fund, the Directors may serve a notice on such person requiring him within 30 days to transfer the relevant Shares to a person who is, to the satisfaction of the Directors, qualified, entitled and permitted to hold the Shares. If within 30 days of the giving of the notice the notice has not been complied with the Fund may compulsorily redeem the relevant Shares.

#### ***(f) Portfolios***

- (1) The Directors may establish a Portfolio for each class of Shares and each Portfolio shall be designated by reference to a class of Shares.
- (2) The proceeds from the issue of each class of Shares shall be applied in the books of the Fund to the Portfolio established for that class of Shares. Subject to the provisions of the Articles, the assets and liabilities and income and expenditure attributable to that Portfolio shall be applied to such Portfolio and to no other Portfolio.
- (3) Subject to the provisions of the Articles, where any asset is derived from another asset (whether cash or otherwise), such derivative asset shall be applied in the books of the Fund to the same Portfolio as the asset from which it was derived, and on each revaluation of an asset the increase or diminution in value shall be applied to the same Portfolio and to no other Portfolio.
- (4) In the case of any asset or liability of the Fund which the Directors do not consider is attributable to a particular Portfolio the Directors shall have discretion to determine the basis upon which any such asset or liability shall be allocated between or among Portfolios.
- (5) The Directors may, in the books of the Fund, allocate assets and liabilities to and from Portfolios if, as a result of a creditor proceeding against certain of the assets of the Fund or otherwise, a liability would be borne in a different manner from that in which it would have been borne if applied under the foregoing Articles.

- (6) The Directors may from time to time transfer, allocate or exchange an asset or liability from one Portfolio to another Portfolio provided that at the time of such transfer, allocation or exchange the Directors form the opinion (in good faith) that the value in money or money's worth of each such asset or liability transferred, allocated or exchanged is not significantly less or more than the value in money or money's worth received by the Portfolio from which such asset or liability is transferred, allocated or exchanged.

**(g) Class Accounts**

- (1) If the Shares are divided into classes, for the purposes of determining the Net Asset Value per Share of each class, a separate sub-account shall be established in the books of the Fund for each such class and each of such separate sub-accounts (each a "Class Account") shall be designated by reference to a class. An amount equal to the proceeds of issue of each class shall be credited to the relevant designated Class Account, and, subject to the provisions of the Articles, the following provisions shall apply thereto:
  - (a) An amount equal to the payment to Shareholders of a class in respect of any redemption of Shares of that class or payment of a dividend or other distribution thereon, shall be debited against the Class Account designated by reference to the class of such Shares.
  - (b) Any increase or decrease in the Net Asset Value of the Fund attributable to such Shares over the relevant valuation period, shall be allocated to the Class Account established for such Shares in the proportion that the Net Asset Value attributable to such class at the beginning of the relevant valuation period bears to the aggregate Net Asset Value of all such Class Accounts at the beginning of the relevant valuation period.
  - (c) The Net Asset Value of each class or sub-class at the beginning of a valuation period after adjustment by the apportionment referred to above and adjustments shall be the Net Asset Value of each class or sub-class as at the day as at which the allocation or valuation is being determined.
  - (d) Where any event takes place which may affect the proportion of the Net Asset Value of the Fund attributable to the Class Account maintained in the books of the Fund for any class (such as the payment of a dividend on such Shares), the Directors may make such adjustment to the above calculation as they deem appropriate to ensure any increase or decrease in the Net Asset Value of the Fund and all liabilities and expenses are attributed to the Class Accounts maintained for each class properly and fairly.
  - (e) In the case of a prepaid expense, asset, profit, gain, income, loss or liability (including expenses) which the Directors do not consider is attributable to a specific class, the Directors shall have the discretion to determine the basis upon which any such prepaid expense, asset, profit, gain, income, loss or liability (including expenses) shall be allocated between Class Accounts and the Directors shall have power at any time and from time to time to vary such allocation.
  - (f) The Net Asset Value of the Class Account referable to each such class shall be determined in accordance with above provisions (based upon the calculation of the Net Asset Value as provided in the Articles). The Net Asset Value per Share of each such class shall equal the Net Asset Value of the relevant Class Account divided by the number of Shares of that class then in issue calculated up to three decimal places or such number of decimal places as the Directors may determine.

**(h) Directors**

- (1) Unless otherwise determined by ordinary resolution, the number of Directors shall not be less than three.
- (2) The remuneration of each Director shall be determined from time to time by the Company in General Meeting. There is currently no intention that the Directors will be remunerated.
- (3) The Directors shall also be entitled to be paid all properly incurred travelling, hotel and incidental expenses of attending and returning from meetings of the Directors or committees of the Board or general meetings.
- (4) Any Director who, by request, or who performs special or extra services may be paid extra remuneration granted by the Directors.

- (5) A Director who has any material interest in a contract or arrangement or proposed contract or arrangement with the Fund shall declare the nature of his interest at the meeting of the Board at which the question of entering into the contract or arrangement is first considered or, if the Director was not at the date of that meeting interested in the proposed contract or arrangement, at the next meeting of the Board held after he becomes so interested. In a case where the Director becomes interested in a contract of arrangement after it is made, such declaration shall be made at the first meeting of the Board held after the Director becomes so interested. A general notice given to the Board by a Director to the effect that he is a member of a specified company or firm and is to be regarded as interested in any contract or arrangement which may after the date of the notice be made with that company or firm and he shall be deemed to have made a sufficient declaration of interest under the Articles provided that either it is given at a meeting of the Board or the Director takes reasonable steps to ensure that it is raised and read at the next meeting of the Board after it is given.
- (6) There is no provision for the retirement of Directors on their attaining a certain age and the Articles do not provide for retirement of Directors by rotation.
- (7) The Board shall have power at any time to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors. Any Director so appointed shall hold office only until the following annual general meeting and shall then be eligible for re-election.

**(i) Borrowing Powers**

The Board may exercise all the powers of the Fund to borrow or raise money for the purposes of and in connection with any hedging arrangements entered into by the Fund, and to give guarantees and to mortgage, charge, pledge or create any lien over all or part of its undertaking, property and assets (present or future) in connection therewith.

**(j) Valuation of Net Assets**

The determination of the Net Asset Value is carried out by the Administrator on behalf of the Directors pursuant to the Articles. The following principles, inter alia, will apply:

- (1) the value of any cash in hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest accrued and not yet received shall be deemed to be the full nominal amount thereof, unless it is unlikely to be paid or received in full, in which case the value thereof shall be arrived at after making such discount as the Directors may consider appropriate to reflect the true value thereof;
- (2) certificates of deposit, treasury bills, bank acceptances and trade bills shall be valued according to the normal dealing practice therein at noon on the Valuation Day;
- (3) if in any case a particular value is not ascertainable or if the Directors consider that some other method of valuation better reflects the fair value, then the method of valuation shall be such as the Directors in their absolute discretion shall decide;
- (4) there will be deducted all liabilities of the Fund and such provisions and allowances for contingencies including tax as the Directors think fit appropriate and accrued costs and expenses payable by the Fund amortised where relevant over such period as the Directors may determine.

**(k) Temporary Suspension of Valuation**

The Directors may declare a suspension of the valuation of Shares for the whole or any part of a period during which;

- (1) a breakdown occurs in any of the means normally employed by the Directors on ascertaining the value of investments;
- (2) for any other reason the value of a substantial part, in the opinion of the Directors, of the investments cannot reasonably be ascertained;
- (3) circumstances exist as a result of which, in the opinion of the Directors, it is not reasonably practical for the Fund to realise or dispose of investments or fairly determine the Net Asset Value of Shares;

- (4) the remittance of funds which will or may be involved in the realisation of or in the payment for investments or the issue, sale or redemption of Shares cannot in the opinion of the Directors be carried out without undue delay and at normal rates of exchange; or
- (5) in the opinion of the Directors such a suspension shall be desirable in the interests of the continuing members.

Notice of any suspension in the calculation of the Net Asset Value will, if possible, be published in the Gazette Officielle of Guernsey and in such other newspaper as the Directors may from time to time determine or in which the price of shares has been quoted in the immediately preceding 6 month period prior to suspension. Where possible, all reasonable steps will be taken to bring any period of suspension to an end as soon as possible.

## 5. Reports

The accounting date of the Fund is 31 March each year. Copies of the audited yearly accounts will be sent to Shareholders. The annual report will be published within six months of the annual accounting date.

The annual reports and financial statements may be inspected at the office of the administrator.

The Fund will maintain its books and records in Dollars, will report its Net Asset Value in Dollars and declare and pay dividends in Dollars.

## 6. Directors' and Other Interests

- (1) The Directors may be paid their expenses out of the property of the Fund. No benefits in kind are payable to the Directors.
- (2) There are no service agreements in existence between the Fund and the Directors nor are any such agreements proposed.
- (3) Save as disclosed in paragraph 5, no Director has any interest in any transaction which, since its incorporation, has been effected by the Fund, or any interest, direct or indirect, in the promotion of the Fund or in any assets which have been acquired or disposed of by or leased to the Fund or are proposed to be acquired, disposed of by or leased to the Fund, nor is there any contract or arrangement subsisting at the date of this document in which a Director is materially interested and which is significant in relation to the business of the Fund or unusual in its nature.
- (4) For the purposes of the Fund, the address of all of the Directors shall be the registered office of the Fund.
- (5) Save as set out in paragraph 6(1) above, none of the Directors has any interest in shares in the Fund. Save as set out below, no Director has any interest in any transaction which, since its incorporation, has been effected by the Fund, or any interest, direct or indirect, in the promotion of the Fund or in any assets which have been acquired or disposed of by or leased to the Fund or are proposed to be acquired, disposed of by or lease to the Fund, nor is there any contract or arrangement subsisting at the date of this document in which a Director is materially interested and which is significant in relation to the business of the Fund or unusual in its nature.

Robert Court is a director of Cardales (UK) Limited and Tilney Group Limited, both of which are ultimately owned by Deutsche Bank AG, and so may be regarded as interested in all contracts between the Manager and the Fund.

Paul Meader is joint managing director and principal of the Investment and Hedging Adviser and so may be regarded as interested in all contracts between the Investment and Hedging Adviser and the Fund.

Anthony Wands is an employee of Deutsche Bank AG.

## 7. Material Contracts

The following relevant contracts relating to the administration of the Fund have been entered into since the incorporation of the Fund and are or may be material:

- (a) **The Management Agreement** dated 8 November 2004 between the Fund and TAMIL whereby TAMIL has been appointed as Manager to the Fund. Under the terms of the Management Agreement TAMIL shall (a) manage the investment and re-investment of the

cash and other assets of the Fund; (b) perform the administrative duties; and (c) perform the duties in relation to the issue and redemption of Shares, the pricing of them and settlement. TAMIL has delegated certain of its duties for the provision of these services to the Administrator as described under "MANAGEMENT AND ADMINISTRATION" above. Details of the remuneration of the Manager are shown in the section entitled "FEES" on page 16.

In the absence of fraud, negligence or wilful default, neither TAMIL nor any person to whom TAMIL, with the consent of the Fund, shall delegate any of its duties nor any of their respective employees, officers or agents, shall be liable for any loss or damage suffered by the Fund or any Shareholder of the Fund for any act or omission arising directly or indirectly out of any error of judgment or oversight or mistake of law on the part of TAMIL or its delegate or any of their respective employees, officers or agents, made or committed in good faith in the performance of the duties of TAMIL, nor shall TAMIL or its delegate or any of their respective employees, officers or agents, in the absence of fraud, negligence or wilful default, be responsible for any loss or damage which the Fund or any Shareholder of the Fund may sustain or suffer as the result of, or in the course of, the discharge of such duties.

The Fund shall indemnify and hold harmless TAMIL and any person to whom TAMIL has delegated any of its duties and their respective employees, officers and agents all claims and demands (including costs and expenses arising therefrom or incidental thereto) which may be made against TAMIL or any such delegate and their respective employees, officers and agents in respect of any loss or damage sustained or alleged to have been sustained or suffered by any third party, otherwise than by reason of the fraud, negligence or wilful default of TAMIL or its delegate of any of their respective employees, officers or agents.

The Management Agreement may be terminated: (i) on the later of the 7 March 2017 (or, if that day is not a Business Day, the next Business Day) and the date of dissolution of the Fund; (ii) by the Fund or TAMIL, at any time by notice in writing, if (a) an order is made or a resolution is passed for the winding-up of the other party (except a voluntary liquidation for the purpose of a reconstruction of amalgamation upon terms previously approved in writing by the Fund and the Custodian) or its affairs are declared to be en état de desastre; or (b) a receiver is appointed over the undertaking of the other party or any part thereof; (iii) by the Fund at any time by notice in writing if (a) TAMIL ceases to be resident in Guernsey for fiscal purposes; or (b) TAMIL ceases to be licensed under the law; or (c) TAMIL shall commit any breach of its obligations under the agreement and, if capable of remedy, shall fail within 30 days of receipt of notice served by the Directors requiring it to do so to make good such breach; (iv) by TAMIL at any time by notice in writing if the Fund shall commit a breach of any of its obligations and, if capable of remedy, shall fail within 30 days of receipt of notice by TAMIL requiring it to do so make good such breach.

- (b) **The Administration Agreement** dated 30 March 2007 between the Administrator and TAMIL, as Manager to the Fund, whereby TAMIL has delegated to the Administrator certain of its administrative duties and functions under the Management Agreement. Under the terms of the Administration Agreement, the Administrator is responsible for the day-to-day administration and secretarial functions of the Fund. The Administrator is also responsible for preparing the Net Asset Value on each Subscription Day. Details of the remuneration of the Administrator are shown in the section entitled "FEES" on page 16.

The Administrator shall not be liable for any error of judgment or for any loss suffered by the Manager or the Fund, unless such loss arises from negligence, acting in bad faith, fraud or, wilful default on the part of the Administrator. Subject to the foregoing, the Manager undertakes to hold harmless and indemnify the Administrator against all actions, proceedings, claims, costs, demands and expenses which may be brought against, suffered or incurred by reason of its performance of its duties under the terms of the agreement including all reasonable legal, professional and other expenses incurred except such as shall arise from the negligence, acting in bad faith, fraud, or wilful default of the Administrator and in particular (but without limitation) this protection and indemnity shall extend to any such items aforesaid as shall arise as a result of loss, delay, misdelivery or error in transmission of any e-mail, facsimile or telefaxed communication.

The Administrator shall not be responsible for any loss or damage to the Fund or for any failure to fulfil its duties as outlined in the agreement if such loss, damage or failure shall be caused by or directly or indirectly due to war, damage, enemy action, the act of any

Government or other competent authority, riot, civil commotion, rebellion, storm, tempest, accident, fire, strike, lock-out or other cause whether similar or not beyond the control of the Administrator.

The Administrator shall have no liability to the Manager or the Fund (either jointly or solely) whether for negligence, breach of contract, breach of duty, breach of regulation, misrepresentation or otherwise in respect of the provision of the services of the Administrator hereunder for any (a) loss of profit, loss of goodwill, loss of opportunity or loss of anticipated saving; (b) indirect, special, punitive or consequential losses (whether or not in the contemplation of the parties at the date of the Administration Agreement); (c) losses arising from the insolvency or any similar event affecting any broker, dealer, bank or other agent that is engaged by the Manager or the Fund in connection with the provision of services to the Manager or to the Fund and (d) losses arising from the acts, omissions or insolvency of a central depository, federal entry account system or clearing agency.

This Administration Agreement may be terminated by either party on giving not less than 90 days' notice in writing to the other party given so as to expire on the last day of any calendar month but be terminated forthwith if; (a) either party has broken or is in breach of any of the terms of the agreement (other than a breach which in the opinion of the other party is of a trivial nature) and, if such breach is capable of remedy, shall not have remedied such breach within thirty days after service of notice requiring the same to be remedied; or (b) either party has gone into liquidation or an order has been made or a resolution has been passed to put either party into liquidation (except a voluntary liquidation for the purposes of reconstruction or amalgamation; (c) either party has been declared "en désastre" under the laws of the Island of Guernsey or (d) a receiver is appointed over its undertaking of the other party or any part thereof or (e) the other party ceases to be resident in Guernsey for fiscal purposes or (e) the other party's licence has been cancelled or suspended under the law; (f) The Administration Agreement shall also terminate in the event of and forthwith upon the termination of the Management Agreement.

- (c) **The Custodian Agreement** dated 11 December 2007 between the Fund, the Custodian and the Manager whereby Northern Trust (Guernsey) Limited has been appointed custodian of the Fund with the power to delegate. The Custodian has no responsibility for the selection of investments. Details of the remuneration of the Custodian are shown in the section entitled "FEES" on page 16.

In the absence of fraud, negligence or wilful default, neither the Custodian, nor any of its employees, officers or agents, will be liable to the Fund or any Shareholder of the Fund or to the Manager or the Administrator for any act or omission arising directly or indirectly out of any error of judgment, oversight or mistake of law on its part or on the part of any of its employees, officers or agents, made or committed in good faith in the performance of its duties nor shall the Custodian or any of its employees, officers or agents, in the absence of fraud, negligence or wilful default, be responsible for any loss or damage which the Fund or any Shareholder of the Fund or the Manager or the Administrator may sustain or suffer as the result of, or in the course of, the discharge of its duties.

The Fund will indemnify and hold harmless the Custodian and its employees, officers and agents against all claims and demands (including costs and expenses arising therefrom or incidental thereto) which may be made against the Custodian or any of its employees, officers and agents in respect of any loss or damage sustained or suffered by any third party, otherwise than by reason of fraud, negligence or wilful default of the Custodian or any of its employees, officers or agents.

The Custodian Agreement may be terminated by either the Fund or the Custodian; (i) by giving not less than three months' notice to the other party; or (ii) by giving not less than 30 days' notice in writing to the other party if the other party commits any breach of its obligations under the agreement and fails to make good such breach within 30 days of receipt of such notice requiring it to do so; or (iii) at any time, by giving notice in writing to the other party, if the other party shall go into liquidation (except a voluntary liquidation for the purposes of reconstruction or amalgamation upon terms previously approved in writing by all parties to the agreement) or if a receiver or administrator of any of the assets of either party is appointed of the affairs of either party are declared to be en état de désastre. The Fund may also terminate the agreement if the Custodian ceases to be a resident in Guernsey for fiscal purposes; or if

the Custodian ceases to be qualified to act pursuant to the articles of the Fund or its licence has been cancelled or suspended under the POI Law. So long as there are Shares in issue, the Custodian shall not be entitled to retire unless another custodian has been appointed in place of the outgoing Custodian;

- (d) **The Investment Advisory Agreement** dated 8 November 2004 between the Fund and the Investment and Hedging Adviser, whereby the Fund has appointed the Investment and Hedging Adviser to provide investment advisory and hedging services. Details of the remuneration of the Investment and Hedging Adviser are shown in the section entitled "FEES" on page 16.

In the absence of fraud, negligence or wilful default, neither the Investment and Hedging Adviser nor any person to whom the Investment and Hedging Adviser, with the consent of the Fund, shall delegate any of its duties under the agreement, nor any of their respective employees, officers or agents, will be liable for any loss or damage suffered by the Fund or any Shareholder for any act or omission arising directly or indirectly out of any error of judgment, oversight or mistake of law on the part of the Investment and Hedging Adviser or its delegate or any of their respective employees, officers or agents, made or committed in good faith in the performance of the duties of the Investment and Hedging Adviser contained in the agreement nor shall the Investment and Hedging Adviser or its delegate or any of their respective employees, officers or agents, in the absence of fraud, negligence or wilful default, be responsible for any loss or damage which the Fund or any Shareholder may sustain or suffer as the result of, or in the course of, the discharge of such duties.

The Fund shall indemnify and hold harmless the Investment and Hedging Adviser, its delegate and their respective employees, officers and agents against all claims and demands (including costs and expenses arising therefrom or incidental thereto) which may be made against the Investment and Hedging Adviser, its delegate and their respective employees, officers and agents in respect of any loss or damage sustained or suffered or alleged to have been sustained or suffered by any third party, otherwise than by reason of the fraud, negligence or wilful default of the Investment and Hedging Adviser or its delegate or any of their respective employees, officers or agents.

The Investment Advisory Agreement may be terminated by either the Fund or the Investment and Hedging Adviser: (i) by giving 6 months notice in writing to the other party; or (ii) by giving not less than 30 days' notice in writing to the other party if the other party commits any breach of its obligations under the agreement and fails to make good such breach within 30 days of receipt of such notice requiring it to do so; or (iii) by notice in writing at any time if the other party's affairs are declared en état de désastre or an order is made or a resolution is passed for the winding-up of the other party (except a voluntary liquidation for the purpose of a reconstruction or amalgamation upon terms previously approved in writing by all parties to the agreement); or (iv) a receiver is appointed over the undertaking of the other party or part thereof. The Fund may also terminate the agreement if the Investment and Hedging Adviser ceases to be resident in Guernsey for fiscal purposes or the Investment and Hedging Adviser's licence has been cancelled or suspended under the POI Law.

## **8. Share Certificates**

Shares will be in registered form. Certificates will be issued upon request only from holders.

The register of Shareholders will be maintained at the office of the Administrator.

## **9. General Meetings**

The annual general meeting of the Fund will be held in Guernsey or such other place as the Directors may determine. Notices convening the annual general meeting in each year at which the audited financial statements of the Fund will be presented (together with the Directors' Report and Accounts of the Fund) will be sent to Shareholders at their registered addresses not later than 14 days before the date fixed for the meeting. Other general meetings may be convened from time to time by the Directors by sending notices to Shareholders at their registered addresses or by Shareholders requisitioning such meetings in accordance with Guernsey law, and may be held in Guernsey or elsewhere.

## **10. Documents available for inspection**

For a period of not less than 14 days from the date of this Prospectus, copies of the following documents may be inspected free of charge during normal business hours on any week day (Saturdays and public holidays excepted) at the offices of the Administrator, and at the registered office of the Fund:

- (a) the Memorandum and Articles of Association of the Fund;
- (b) the agreements referred to under "Material Contracts" above;
- (c) the Companies (Guernsey) Laws, 1994 to 2001 and the Companies (Guernsey) Law 2008; and
- (d) the audited accounts of the Fund for the year ended 31 March 2007.

Copies of the Memorandum and Articles of Association of the Fund and the latest financial reports of the Fund may be obtained, free of charge, upon request at the registered office of the Fund.

## **11. Miscellaneous**

- (a) The Fund has not, since its incorporation, been involved in any legal or arbitration proceedings and no legal or arbitration proceedings are known to the Directors to be pending or threatened against the Fund, which are in either cases material in the context of the Fund.
- (b) No person has, or is entitled to be given, an option to subscribe for Shares.
- (c) No Shares have been or will be issued as partly paid-up, and no Shares have been issued or agreed to be issued otherwise than in cash.
- (d) The Fund does not have a place of business in the United Kingdom.

## APPENDIX I

### SELLING RESTRICTIONS

#### **Notice to certain non-U.S. residents**

Investors should consult their own appropriately qualified independent tax advisers with respect to the tax consequences of an investment in and ownership of the shares relevant to their individual circumstances.

#### **Notice to residents of Argentina**

This Prospectus is highly confidential and has been prepared by the investment manager solely for use in connection with the private placement of the Shares. This Prospectus is personal to you and does not constitute an offer to any other person or to the public generally to purchase the shares under applicable Argentinean laws. Neither the Argentine Securities Commission nor any other regulatory authority in Argentina has either verified the accuracy of the Prospectus or approved or disapproved the registration of the shares. Distribution of this Prospectus to any person other than to those, if any, retained to advise you in respect thereto is unauthorized, and any disclosure of any of its contents, without the prior written consent of the directors, is prohibited. By accepting delivery of this Prospectus, you agree to the foregoing and to make no further copies of this Prospectus or any documents referred to herein, and, if you do not purchase the shares or the offering is terminated, you will return this Prospectus and all documents referred herein to the manager.

#### **Notice to residents of Australia**

This Prospectus has not been, and will not be, lodged with the Australian Securities and Investments Commission (the "ASIC"). Any invitation in Australia to acquire shares will be an offer that does not need disclosure for the purposes of Section 708 of the Corporations Act 2001. If the recipient receives this Prospectus in Australia, by retaining the Prospectus, the recipient represents that it is (a) a sophisticated investor under section 708(8) of the Corporations Act 2001, a professional investor under section 708(11) of the Corporations Act 2001 or both, and (b) a wholesale client under section 761g(4) of the Corporations Act 2001. Each recipient (regardless of where the Prospectus is received) confirms that it does not have a present resale intention but should it wish to on-sell its shares within 12 months of issue in Australia to a person other than a person who is (a) a "sophisticated investor" or "professional investor"; and (b) a "wholesale client" it may be required to lodge a disclosure document with the ASIC.

#### **Notice to residents of Austria**

The Shares have not and may not be offered or sold, directly or indirectly, to the public in the republic of Austria. The Shares are offered solely on a private placement basis. This Prospectus does not comply with Austrian law for the public offering of shares in foreign funds. The sole purpose of this Prospectus is to provide information about the Shares to a limited number of private, qualified investors in Austria.

#### **Notice to residents of Bahamas**

The Shares may not be offered or sold or otherwise disposed of in any manner to persons deemed by the Central Bank of the Bahamas as resident for exchange control purposes, unless such persons deemed as resident obtain the prior approval of the Central Bank of the Bahamas.

#### **Notice to residents of Bahrain**

All applications for investment should be received outside Bahrain and any allotments of Shares made from outside Bahrain.

#### **Notice to residents of Belgium**

This Prospectus has not been submitted for approval to the Banking, Finance and Insurance Commission (Commission Bancaire, Financiere et des Assurances/Commissie voor het Bank-,

Financie en Assurantiewezen) and is therefore transmitted on a purely confidential basis. Accordingly, the Shares may not be publicly offered for sale, sold or marketed in Belgium by means of a public offering under Belgian law. Any offer to sell the Shares in Belgium will be permitted exclusively to either (i) persons who each subscribe for a minimum of \$250,000, or (ii) qualifying professional investors, as defined under Belgian law. In addition, if an investor is a consumer within the meaning of article 1.7 of the law of July 14, 1991 on consumer protection and trade practices, a sale of shares must be made in compliance with the provisions of such law and its implementing legislation.

### **Notice to residents of Brazil**

The offering of shares has not been and will not be registered with the Brazilian Securities Commission (Comissão de Valores Mobiliários). The Shares and this Prospectus may not be publicly distributed or sold in Brazil.

### **Notice to residents of Canada**

#### ***British Columbia, Ontario and Québec***

This Prospectus constitutes an offering of the shares only in those jurisdictions and to those persons where and to whom they may be lawfully offered for sale, and therein only by persons permitted to sell such shares. The Fund has not filed a prospectus with any securities commission or similar authority in Canada in respect of the Shares and accordingly, the Shares are not qualified for sale in Canada and may not be offered or sold directly or indirectly in Canada except pursuant to an exemption from the prospectus and registration requirements of Canadian securities laws. The offering of the Shares in Canada is being made solely by this Prospectus and no person has been authorized to give any information or to make any representation other than those contained in the Prospectus. No securities commission or similar authority in Canada has reviewed or in any way passed upon this document or the merits of the Shares and any representation to the contrary is an offence.

This Prospectus is not, and under no circumstances is to be construed as, an advertisement or a public offering of the Shares in Canada. The information contained in this Prospectus is furnished on a confidential basis to prospective investors solely to enable prospective investors to evaluate an investment in the Shares. By accepting delivery of this Prospectus, prospective investors agree that they will not transmit, reproduce or otherwise make this Prospectus, or any information contained in it, available to any other person (other than those persons, if any, retained by a prospective purchaser to advise such prospective purchaser with respect to the Shares and their merits) without the prior written consent of the directors.

References to monetary amounts in this Prospectus are expressed in US Dollars (\$). Fluctuations in the exchange rate between the Canadian dollar and the US Dollar will affect the Canadian dollar equivalent of the offering price of the Shares and the financial information contained herein. In addition, the financial information contained herein has not been prepared in accordance with Canadian generally accepted accounting principles.

#### ***Purchasers' representations, acknowledgements and covenants***

Confirmations of the acceptance of offers to purchase Shares will be sent to purchasers in Canada who have not withdrawn their offers to purchase prior to the issuance of such confirmations. Each purchaser of Shares in Canada who receives a purchase confirmation, by the purchaser's receipt thereof, represents to the Fund and the directors that (a) such purchaser is a person or company to which Shares may be sold without the benefit of a prospectus qualified under applicable provincial securities laws; (b) to the knowledge of such purchaser, the sale of the Shares was not accompanied by any advertisement in printed media of general and regular paid circulation, radio or television; (c) such purchaser has reviewed the terms referred to below under the heading "resale restrictions"; (d) where required by applicable Canadian securities law, such purchaser is purchasing as principal and not as agent; (e) such purchaser is an "accredited investor" as such term is defined in Section 1.1 of National Instrument 45-106 – prospectus and registration exemptions ("NI 45-106"); and (f) such purchaser has not been created or used solely to purchase or hold securities as an "accredited investor" under section 2.3 of NI 45-106. In addition, each purchaser in Canada acknowledges that its name and other specified information, including information pertaining to the Shares acquired by such

purchaser, may be disclosed to Canadian securities regulatory authorities and become available to the public in accordance with the requirements of applicable Canadian securities laws and consents to the disclosure of this information.

### ***Resale restrictions***

The distribution of the Shares in Canada is being made on a private placement basis. As a consequence, certain protections, rights and remedies provided by applicable Canadian securities laws will not be available to purchasers in Canada. The Shares offered hereby will be subject to restrictions on transfer and resale in Canada until such time as (a) the appropriate “restricted periods” have been satisfied, (b) a further statutory exemption may be relied upon by the investor, or (c) an appropriate discretionary order is obtained pursuant to the applicable securities laws. As the issuer is not a reporting issuer in any Canadian jurisdiction, the applicable restricted period may never expire and if no further statutory exemption may be relied upon or if no discretionary order is obtained, this could result in an investor having to hold the Shares for an indefinite period of time. The Fund and the directors are not in any manner responsible for ensuring compliance by purchasers with any resale restrictions. Purchasers of the Shares are advised to seek legal advice prior to any resale of the Shares.

### ***Enforcement of legal rights***

All of the Fund’s and manager’s directors and officers may be located outside Canada and, as a result, it may not be possible for Canadian purchasers to effect service of process within Canada upon the Fund, its directors or officers, the manager or its directors or officers. All or a substantial portion of the assets of the Fund, the directors, the manager and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgment against the Fund, the directors, the manager or such persons in Canada or to enforce a judgment obtained in Canadian courts against the Fund, the directors, the manager or such persons outside Canada.

### ***Contractual and/or statutory rights of action***

Securities legislation in certain of the Canadian jurisdictions requires purchasers to be provided with a remedy for rescission or damages, or both, in addition to and not in derogation from any other right they may have at law, where an offering memorandum (including the Prospectus) and any amendment to it contains a misrepresentation. These remedies must be exercised by the purchaser within the time limits prescribed by the applicable securities legislation. Purchasers should refer to the applicable provisions of the securities legislation for the complete text of these rights or consult with a legal adviser.

The applicable contractual and/or statutory rights are summarized below. The summary is subject to the express provisions of the applicable provincial securities laws and the regulations and rules thereunder and reference is made thereto for the complete text of such provisions.

Purchasers in Ontario, British Columbia and Québec to whom this Prospectus is delivered and who purchase shares in reliance on the prospectus exemption provided by sections 2.3 or 2.10 of NI 45-106 are hereby granted the following rights:

In the event that this Prospectus or any amendment thereto delivered to a purchaser of shares in Ontario, British Columbia or Québec contains an untrue statement of a material fact or omits to state a material fact that is required to be stated or that is necessary to make any statement therein not misleading in the light of the circumstances in which it was made (a “misrepresentation”) and it was a misrepresentation at the time of purchase, the purchaser will be deemed to have relied upon the misrepresentation and will, subject as hereinafter provided, have a right of action against the Fund for damages, or, while still the owner of the Shares purchased by that purchaser, for rescission, in which case, if the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages against the Fund, provided that:

The right of action for rescission will be exercisable by a purchaser only if the purchaser gives notice to the Fund not later than 180 days after the date of the transaction that gave rise to the cause of action;

The right of action for damages or any other action other than the right of action for rescission will be exercisable by a purchaser only if the purchaser gives notice to the Fund not later than the earlier of (i) 180 days after the purchaser had knowledge of the facts giving rise to the cause of action or (ii) three years after the date of the transaction that gave rise to the cause of action;

The Fund will not be liable if it proves that the purchaser purchased the interests with knowledge of the misrepresentation;

In the case of an action for damages, the Fund will not be liable for all or any portion of the damages that it proves does not represent the depreciation in value of the Shares as a result of the misrepresentation relied upon; and

In no case will the amount recoverable in any action exceed the price at which the Shares were sold to the purchaser.

The contractual and/or statutory rights discussed above are in addition to and without derogation from any other right the purchaser may have at law and are subject to certain statutory defences.

### ***Designation of Ontario dealer (Ontario only)***

Unless the Fund has engaged an Ontario-registered dealer to place Shares of the Fund in Ontario, each purchaser of Shares in Ontario will be required to designate an Ontario-registered dealer to complete the purchase of the Shares on its behalf. The staff of the Ontario securities commission take the position that a person that provides investment advice to a fund that distributes its shares in Ontario is considered to be acting as an adviser in Ontario, and is subject to the requirement to register as an adviser, notwithstanding that the advice may be given to and received by the Fund outside of Ontario. The Fund is not registered in Ontario. However, the Fund may rely upon an exemption from the adviser registration requirement if the Shares are distributed through an Ontario-registered dealer. Accordingly, unless the Fund has engaged an Ontario-registered dealer to place the Shares in Ontario, no sale will be made to a purchaser resident in Ontario unless the designation form contained in the subscription agreement has been completed and delivered to the Fund.

### ***Certain Canadian income tax considerations***

Prospective purchasers of the Shares should consult their own tax advisers with respect to any taxes eligible in connection with the acquisition, holding or disposition of these interests. It is recommended that tax advisers be employed in Canada, as there are a number of substantive Canadian tax compliance requirements for Canadian investors.

### ***Ontario personal information authorization***

Each purchaser of Shares in Ontario hereby authorizes: (i) the filing by the Fund with the Ontario securities commission and each other provincial securities regulatory authority (the "regulator") of the information (the "information") with respect to its name, address, telephone number, aggregate purchase price, and type of securities purchased, which is being collected for the purpose of the administration and enforcement of securities legislation; and (ii) the indirect collection of the information by the regulator.

Each purchaser of Shares in Ontario further confirms that it has been notified by the Fund: (i) that the Fund will be delivering the information to the regulator, (ii) that such information is being collected indirectly by the regulator under the authority granted to it in securities legislation; (iii) that such information is being collected for the purpose of the administration and enforcement of securities legislation; and (iv) that the title, business address and business telephone number of the public official in the province of Ontario who can answer questions about the regulator's indirect collection of the information is as follows:

Administrative Assistant to the Director of Corporate Finance  
Ontario Securities Commission  
18th floor, 20 Queen Street West  
Telephone: (416) 597-0681

### ***Language of documents***

Upon receipt of this document, each Canadian investor hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the securities described herein (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.

### **Notice to residents of the Cayman Islands**

Shares may not be offered to a person resident or domiciled (not including an exempted or ordinary non-resident Cayman Islands company) in the Cayman Islands.

### **Notice to residents of Chile**

The Shares have not been, and will not be, registered with the Chilean Securities Commission (Superintendencia de valores y seguros) and may not be offered and sold in Chile except in circumstances which do not constitute a public offering or distribution under Chilean laws and regulations.

### **Notice to residents of Denmark**

The Shares have not been filed and will not be filed with, authorized or approved by the Danish Financial Supervisory Authority (Finanstilsynet) or any other regulatory authority in Denmark. The Shares have not been offered or sold and may not be offered or sold or delivered directly or indirectly to the public in Denmark. This Prospectus is strictly for private use by its holder and may not be passed on to third parties or otherwise publicly distributed.

### **Notice to residents of Egypt**

The offering for the Shares described herein is not a public offering in Egypt. The Shares have not been, and they will not be, registered under the Egyptian capital market law no. 95 of 1992 and are being offered pursuant to an exemption therefrom. Consequently, no application for the approval of, or any registration or filing with, the Egyptian capital market authority has been made.

### **Notice to residents of Finland**

This Prospectus does not constitute a public offer or an advertisement to the public in the Republic of Finland. The Shares will not and may not be offered, sold, advertised or otherwise marketed in Finland under circumstances which would constitute a public offering under Finnish law. Any offer or sale of the Shares in Finland shall be made pursuant to a private placement exemption as defined under European Council Directive 2003/71/EC, Article 3(2) and Finnish Securities Market Act (1989/495, as amended) and any regulation(s) made thereunder, as supplemented and amended from time to time. This Prospectus has not been approved by or notified to the Finnish financial supervision authority.

### **Notice to residents of France**

Neither the offer and sale of the Shares nor this Prospectus has been approved by the Autorité des Marchés Financiers. Accordingly, this Prospectus and any other document or material in connection with the offer or sale of the Shares may not be circulated or distributed, nor may Shares be offered and sold, to any person or entity other than the recipients hereof.

### **Notice to residents of Germany**

The Shares have not been, and will not be, registered under the German Investment Act, and any public offer or sale of, or advertisement in relation to, the Shares in Germany constitutes a violation of applicable law. This Prospectus and other offering materials relating to the Shares are strictly confidential and shall not be distributed to any person or entity other than the recipients hereof.

### **Notice to residents of Hong Kong**

No action has been taken to permit an offering of the shares to the public in Hong Kong and, accordingly, no copy of this Prospectus may be issued, circulated or distributed in Hong Kong other than (i) exclusively to persons whose business involves the acquisition, disposal or holding of securities, whether as principal or agent; or (ii) otherwise in circumstances that do not constitute an invitation to the public under the Protection of Investors Ordinance (chapter 335 of the laws of Hong Kong). This Prospectus is strictly confidential and is solely for use by the recipient hereof for the purpose of evaluating the Shares. It shall not be used, copied, reproduced or distributed in whole or in part to any other person or entity except for professional advisers, if any, retained by the recipient hereof for purposes of considering an investment in the Shares.

### **Notice to residents of Indonesia**

The Shares have not been and will not be offered, transferred or sold, directly or indirectly, in Indonesia or to any Indonesian residents or citizens in a manner which constitutes a public offering under the laws and regulations of Indonesia. This Prospectus may not be used for purposes of an offer or an invitation in any circumstances in which such offer or invitation is not authorized.

### **Notice to residents of Ireland**

Neither this Prospectus nor the Fund has been authorised or approved by the Irish Financial Services Regulatory Authority for marketing in Ireland nor is the Fund supervised by the Irish Financial Services Regulatory Authority, accordingly, no shares or other interests in the Fund may be marketed, offered or sold to any person in Ireland whether pursuant to this Prospectus or otherwise.

### **Notice of residents of Isle of Man**

The Fund is an unregulated collective investment scheme for the purposes of Isle of Man law. Accordingly, the promotion in the Isle of Man of the Shares is restricted by Section 3 of the Collective Investment Schemes Act 2008 and the Shares may only be promoted in the Isle of Man to certain categories of licence holder under the Financial Services Act 2008, to authorised insurers within the meaning of section 8 of the Insurance Act 2008, or to persons whose ordinary business involves the acquisition and disposal of property of the same kind as the property, or a substantial part of the property, to which the Fund relates. Promotion of the Shares may also be made by persons who are 'permitted persons' as defined in the Financial Services Act 2008 to those persons to whom unregulated collective investment schemes can be marketed pursuant to the Financial Supervision (Promotion of Unregulated Schemes) (Exemption) Regulations 1992.

The Fund is not subject to approval in the Isle of Man and investors are not protected by any statutory compensation arrangements in the event of the Fund's failure.

The Isle of Man Financial Supervision Commission does not vouch for the financial soundness of the Fund or the correctness of any statements made or opinions expressed with regard to it in this document.

### **Notice to residents of Italy**

This offering has not been cleared under Italian securities laws and the regulations of the Commissione Nazionale per le Società e la Borsa. Accordingly, no action has or will be taken which would allow, or qualify as, an offering of shares in Italy, other than to professional investors as defined in accordance with applicable Italian securities laws and regulations. No active marketing of the Shares has been carried out in Italy and this Prospectus has been sent to the recipient at the recipient's request. The recipient acknowledges the above and hereby agrees not to re-sell or otherwise transfer any Shares. This Prospectus and other offering materials relating to the offer of Shares are strictly confidential and may not be distributed to any person or entity other than the recipient hereof.

### **Notice to residents of Japan**

The Shares have not been and will not be registered under the Securities and Exchange Law of Japan ("SELJ"), no securities registration statement nor any offering material have been filed pursuant

thereto with any Japanese authority, and the distributor of the Shares in Japan is not required to obtain a license or be registered to engage in securities business.

The Shares may not be transferred directly or indirectly to, or for the benefit of, any resident of Japan (which means any persons resident in Japan, including any corporation or other entity organized under the laws of Japan) or to others directly or indirectly in Japan except: (a) where the solicitation or offer of the shares was made in the form of a qualified institutional investor (Tekikaku Kikan Toshika, as defined in the SELJ) private placement, in which case a holder of shares will be prohibited from transferring those shares (or some proportion thereof) to any third party other than a qualified institutional investor; or (b) where the solicitation or offer of the shares was made in the form of a small number of investors private placement (as stipulated under the securities and exchange law of Japan), in which case partial transfers of the shares are prohibited, and the Fund must transfer all of its shares. The transfer restrictions above shall not apply where the applicant (i) has subscribed for or purchased its shares outside Japan; (ii) does not solicit the sale of its shares within Japan; and (iii) transfers its shares outside of Japan.

#### **Notice to residents of Jersey**

The Jersey Financial Services Commission (the "Commission") has given, and has not withdrawn, its consent under Article 8 of the Control of Borrowing (Jersey) Order 1958 to the circulation of this prospectus in Jersey. The Commission is protected by the Control of Borrowing (Jersey) Law 1947, as amended, against liability arising from the discharge of its functions under that law.

It must be distinctly understood that, in giving these consents, the Commission takes no responsibility for the financial soundness of the Fund or for the correctness of any statements made, or opinions expressed, with regard to it.

Marketing activities carried on in Jersey in connection with the Fund may also be subject to the Financial Services (Jersey) Law 1998 and subordinate legislation made thereunder.

#### **Notice to residents of Kuwait**

This offering has not been approved by the Kuwait Central Bank or the Kuwait Ministry of Commerce and Industry, nor has the Fund received authorization or licensing from the Kuwait central bank or the Kuwait ministry of commerce and industry to market or sell the shares within Kuwait. Therefore, no services relating to the offering, including the receipt of applications and/or the allotment of shares, may be rendered within Kuwait by the Fund or persons representing the Fund.

#### **Notice to residents of Luxembourg**

This Prospectus is strictly private and confidential and is being issued to a limited number of sophisticated investors in the Grand-Duchy of Luxembourg, and may not be reproduced or used for any other purpose, nor provided to any person other than the recipient hereof. No public offering or sale of any shares or distribution of any offering material relating thereto may be made in or from Luxembourg except for shares for which the public offering requirements have been met.

#### **Notice to residents of Malaysia**

The Shares are being offered to investors strictly as principals under a very limited and exclusive private placement, within the exclusions specified pursuant to sections 38(1)(a) and 39(1)(a) of the Securities Commission Act, 1993. If the offeree is in doubt as to the action it should take, the offeree should consult its stockbroker, bank manager, solicitor or other professional adviser immediately.

#### **Notice to residents of Mexico**

The Shares have not been and will not be registered with the National Registry of Securities and Intermediaries maintained by the Mexican National Banking and Securities Commission and may not be offered or sold publicly in Mexico. This Prospectus may not be publicly distributed in Mexico.

### **Notice to residents of the Netherlands**

The Shares may not be offered, sold, transferred or delivered in or from the Netherlands as part of their initial distribution or at any time thereafter, directly or indirectly, other than to banks, pension funds, insurance companies, securities firms, investment institutions, central governments, large international and supranational organizations and other comparable entities, including, among others, treasuries and finance companies of large companies or enterprises, who or that do trade or invest in securities in the conduct of their profession or trade for their own account. Individuals or legal entities that do not trade or invest in securities in the conduct of their profession or trade (within the meaning of article 1 of the exemption regulation of 9 October 1990 issued pursuant to article 14 of the investment institution supervision act) may not acquire shares.

### **Notice to residents of Norway**

This Prospectus has not been filed in accordance with the Norwegian Securities Trading Act 1997 as amended. This Prospectus has not been approved or disapproved by, or registered with, either the Oslo Stock Exchange or the Norwegian Registry of Business Enterprises. In Norway, shares will only be offered to institutional investors with a minimum commitment and allotment amount per investor of \$40,000. This Prospectus may not, be copied or either directly or indirectly be distributed by the recipient.

### **Notice to residents of Oman**

Prospective investors should seek professional advice before making any investment. The Shares, this Prospectus and any other offering material relating to the shares may not be distributed to the public in Oman and may only be made available privately with the approval of the directors. In the case of an institutional investor, such investor should ensure that the investment sought to be made by it is in compliance with its establishing charter.

### **Notice to residents of the Philippines**

These Shares have not been registered with the Philippines Securities & Exchange Commission and may not be sold or offered for sale to the public in the Philippines.

### **Notice to residents of Portugal**

This Prospectus has not been registered with the Portuguese securities exchange market commission and therefore the shares may not be offered, sold publicly or otherwise advertised in Portugal. In addition, this Prospectus may not be publicly distributed in Portugal.

### **Notice to residents of Qatar**

All applications for investment should be received outside Qatar, and any allotments made from outside Qatar.

### **Notice to residents of Saudi Arabia**

The offer and sale of the Shares will only take place within the Kingdom of Saudi Arabia in accordance with the Capital Market Law, including the Offer of Securities Regulations issued thereunder. The shares will be offered to investors in the Kingdom of Saudi Arabia pursuant to an “exempt offer” as defined in the Offer of Securities Regulations. Prior to any offer of Shares in the Kingdom of Saudi Arabia, the Capital Market Authority will be notified of this offering in accordance with the Offer of Securities Regulations. The Shares have not been and will not be approved or disapproved by the Capital Market Authority nor will the capital market authority comment upon the accuracy or adequacy of the Prospectus. Furthermore, the capital market authority takes no responsibility for the accuracy or adequacy of the information contained in the Prospectus.

### **Notice to residents of Singapore**

The offer of invitation which is the subject of this Information Memorandum is not allowed to be made to the retail public. This information memorandum is not a prospectus as defined in the Securities and Futures Act, Chapter 289 of Singapore (“SFA”). Accordingly, statutory liability under that

Act in relation to the content of prospectuses would not apply. You should consider carefully whether the investment is suitable for you. This Information Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Information Memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase of Shares may not be circulated or distributed, nor may Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to person in Singapore other than (i) to an institutional investor under Section 304 of the SFA, (ii) to a relevant person, or any persons pursuant to Section 305(2), and in accordance with the conditions, specified in Section 305 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

#### **Notice to residents of South Korea**

The Shares may not be offered, directly or indirectly, to any residents of the Republic of Korea (as defined under the foreign exchange management law of the Republic of Korea) or in the Republic of Korea, except pursuant to applicable laws and regulations of the Republic of Korea.

#### **Notice to residents of Spain**

This Prospectus has not been registered, nor will it be registered, with the Spanish Securities Market Commission (Comisión Nacional del Mercado de Valores). Therefore, the shares may not be sold, offered or distributed in Spain except in circumstances which do not constitute an offer of securities in Spain within the meaning of Spanish securities laws. The Shares may not be publicly offered, marketed or promoted, nor any public offer in respect thereof made, in the Kingdom of Spain. Neither the Prospectus nor any other materials relating to the offer of Shares may be distributed, in the Kingdom of Spain, except in circumstances which do not constitute a public offering and marketing within the meaning of Spanish laws and regulations. The Prospectus and any other materials relating to the Shares are strictly confidential and may not be distributed to any person or entity other than the recipient hereof.

#### **Notice to residents of Sweden**

This private placement is not being made to persons whose participation requires registration or other measures according to Swedish law, in particular the Swedish Financial Instruments Trading Act (1991:980). The Prospectus is directed only to each offeree and does not constitute an offer to any other person or to the public generally to acquire the Shares. Distribution of this Prospectus to any other person than an offeree and those persons, if any, retained to advise such offeree with respect thereto is unauthorized and any disclosure of any of its contents is prohibited. Each prospective purchaser or subscriber, by accepting delivery of the Prospectus, agrees to the foregoing and to make no copies of the Prospectus.

#### **Notice to residents of Switzerland**

The Fund has not been registered with the Swiss Financial Market Supervisory Authority (“FINMA”) under the Swiss Collective Investment Schemes Act of June 23, 2006 (“CISA”). Consequently, the Fund is not supervised by the FINMA and therefore the investors cannot claim any protection under the CISA. As shares of a non-registered fund under the CISA, the Shares cannot be publicly advertised in or from Switzerland. This Prospectus has been prepared for private information purposes of interested investors only and does not constitute a prospectus pursuant to the Swiss Federal Code of Obligations. This Prospectus is strictly for private use by its recipient and shall not be copied or distributed.

#### **Notice to residents of Taiwan**

The shares are not and will not be registered with the Taiwan government authority. The Shares cannot be offered, distributed or resold within the Republic of China without prior approval from the regulatory authorities of the Republic of China.

**Notice to residents of the United Arab Emirates**

The Prospectus has not been registered with the Central Bank of the United Arab Emirates, and the Shares may not be offered to the public in the United Arab Emirates. Further, the information contained in this Prospectus is not intended to lead to the conclusion of any contract of whatsoever nature in the territory of the United Arab Emirates. The Shares will only be sold outside the United Arab Emirates.

**Notice to residents of the United Kingdom**

The Fund is an unregulated collective investment scheme for the purposes of the UK Financial Services and Markets Act 2000. As an unregulated scheme, it cannot be marketed in the UK to the general public. This document is only intended for (i) investment professionals falling within both article 14(5) of the Financial Services and Markets Act 2000 (Financial Promotion of Collective Investment Schemes) (Exemptions) Order 2001 (the "CIS Promotion Order") and article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "General Promotion Order") or (ii) high net worth companies and other persons falling within both article 22(2)(a) to (d) of the CIS Promotion Order and article 49(2)(a) to (d) of the General Promotion Order or (iii) other persons to whom this document could lawfully be distributed and who fall within an exemption both in the CIS Promotion Order and the General Promotion Order. Persons specified in (i) to (iii) above who receive this document in circumstances which do not amount to an offer to the public within the meaning of Part VI of FSMA are collectively referred to as "relevant persons". This document must not be acted on or relied on by persons who are not relevant persons. Any investment activity to which this document relates is available only to relevant persons and will be engaged in only with relevant persons.

The rules made by the Financial Services Authority under FSMA for the protection of private customers do not apply to the shares and the financial services compensation scheme established under section 213 of FSMA will not be available in respect of any investment made in the Fund.

**Notice to residents of Venezuela**

The Fund has not been registered with the Comisión Nacional de Valores and may not be publicly offered or sold in Venezuela.

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