

THIS DOCUMENT IS IMPORTANT. IF YOU ARE UNCLEAR ABOUT THE CONTENTS OF THIS DOCUMENT YOU SHOULD CONSULT A PROFESSIONAL FINANCIAL ADVISER.

Master Offering Document

relating to

KHG Funds PLC

(a company incorporated in the Isle of Man under the Companies Act 2006)

Promoter and Investment Manager
Creechurch Capital Limited

This document is dated 7 July 2015

Your attention is drawn to the “**Important Notice**” overleaf. Your attention is also drawn to the “**Definitions**” section of this document, which sets out definitions of certain words and expressions used in this document.

The Fund is established in the Isle of Man as a Regulated Fund, which is subject to the Isle of Man Collective Investment Schemes (Regulated Fund) Regulations 2010.

The Fund is an umbrella open-ended investment company that may have multiple Sub-Funds (“Portfolios”), each of which constitutes a separate sub-fund of the Fund. This Master Offering Document contains information relating to the Fund and generic information relating to each of its Portfolios. Each Portfolio will have its own investment objective, strategy, policies and restrictions and terms and the assets (and liabilities) of each Portfolio will be segregated from the assets (and liabilities) of each other Portfolio though the assets attributable to the Portfolios may be pooled and managed as a whole. This Master Offering Document does not constitute an offer of any shares of any Portfolio of the Fund. Shares may only be subscribed on the terms of the specific offering document relating to the applicable Portfolio(s) (each a “**Supplementary Offering Document**”). Distribution of this Master Offering Document is not authorised unless accompanied by a Supplementary Offering Document issued in respect of the relevant Portfolio(s). This Master Offering Document should be read in conjunction with the accompanying Supplementary Offering Document and the Application Form for the relevant Portfolio(s) and may not otherwise be relied upon. In the event of a conflict between any provision of this Master Offering Document and any provision of a Supplementary Offering Document, the terms of the Supplementary Offering Document shall prevail.

The text of this Master Offering Document and the relevant Supplementary Offering Document should be read in whole. An investment in the Fund involves a degree of risk and, in particular, attention is drawn to the section of this Master Offering Document entitled “**Risk Factors**”. All statements regarding the Fund’s business, financial position and prospects should be viewed in light of such risk factors. An investment in the Fund may not be suitable for all recipients of this document. Prospective investors should consider carefully whether an investment in the Fund is suitable for them in the light of their personal circumstances and the financial resources available to them.

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IMPORTANT NOTICE

ISLE OF MAN – REGULATED FUND STATUS

The Fund is a Regulated Fund which is subject to the Collective Investment Schemes (Regulated Fund) Regulations 2010 (the “Regulations”).

The manager of the Fund, SMP Fund Services Limited, is required to be an Authorised Person for the purposes of the Collective Investment Schemes Act 2008. The Manager’s appointment to this fund has been approved by the Isle of Man Financial Supervision Commission (the “FSC”).

In granting permission for the Manager to manage the Fund, the FSC has:

- reviewed the constitutional documents and offering documents of the Fund;
- been satisfied on the basis of the FSC’s vetting process that the directors of the Fund are fit and proper persons to act as such;
- considered the status of other functionaries to the Fund and the Fund’s arrangements.

The FSC has not, however, commented on, nor is it required to comment on, the investment objectives or strategy of the Fund, its suitability for any investor or class of investor or the accuracy of statements made or opinions expressed about it. The Fund is not subject to the benefit of any compensation arrangements.

The FSC receives annual compliance declarations from the directors of the Fund and the Manager.

There are statutory requirements for the FSC to be notified about material changes to the Fund and matters of concern.

The fiduciary custodian of the Fund, Royal Bank of Canada (Channel Islands) Limited, is licensed to act as a fiduciary custodian by the Guernsey Financial Services Commission.

The investment manager and promoter of the Fund, Creechurch Capital Limited, is licensed to provide discretionary investment management services by the Isle of Man Financial Supervision Commission.

The FSC will review the Manager’s continuation as manager of the Fund when changes are made to the Fund’s documentation, arrangements and functionaries.

On the basis of the FSC’s regulatory considerations in approving the Manager’s appointment and continuation, this Fund is deemed to be regulated by the FSC.

Further information in relation to the regulatory regime applicable to the Fund in the Isle of Man is set out in the section of this document entitled “Regulation”.

INVESTMENT RISK WARNING

The value of Shares and the income produced by them can fall as well as rise. You are wholly responsible for ensuring that the Fund is acceptable to you. Investment in Regulated Funds may involve special risks that could lead to a loss of all or a substantial portion of the investment. Unless you fully understand and accept the nature of the Fund and the potential risks inherent in the Fund you should not invest in the Fund.

Past performance is not an indicator of future performance. An investment in the Fund involves a degree of risk and, in particular, attention is drawn to the section of this document entitled “Risk Factors”.

NOTICE TO PERSONS INVESTING ON BEHALF OF OTHERS

If you are investing on behalf of someone else, the FSC expects you to be satisfied that person understands the risks associated with this type of investment.

NOTICE TO LIFE ASSURANCE COMPANIES

If you are a life assurance company investing assets comprised within your long-term business fund, the FSC expects that relevant policyholders have been given the opportunity to read the Offering Documents for the Fund and the relevant Portfolio and as such to have information about the risks associated with this type of investment.

REQUIREMENT FOR INVESTOR CERTIFICATIONS

No application to invest in the Fund shall be accepted, and no subscription for, or transfer of, an interest in the Fund shall be effected, unless and until the investor has signed the certifications required by Article 33 of the Regulations.

RESPONSIBILITY STATEMENT

The Directors of the Fund, whose names appear in the section of this document entitled “**Directory**”, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document and each Supplementary Offering Document is as at the date thereof: (a) in accordance with the facts and does not omit anything likely to affect the import of such information; and (b) accurately sets out all material information which is relevant for the purposes making an informed judgment about the merits of participating in the Fund and the relevant Portfolio. The Directors accept responsibility accordingly.

STATUS OF OFFERING DOCUMENTS

This document, together with the relevant Supplementary Offering Document, constitutes the “offering document” for the purposes of the Regulations and is prepared in compliance with the Regulations. This document, together with each Supplementary Offering Document, also constitutes the “offering document” for the purposes of section 45 of the Isle of Man Companies Act 2006 and is prepared in compliance with the requirements of that section. It is not necessary for this document, or any Supplementary Offering Document, to be filed or registered with any governmental or public body, authority or agency in the Isle of Man either on, before or after the date of its publication and it is not intended that this document will be filed with the Registrar of Companies in the Isle of Man pursuant to section 45(5) of the Companies Act 2006.

NO LISTING

The Shares are not presently quoted or listed on any stock exchange and no such listing or quotation is intended to be applied for.

ISLE OF MAN – OFFERING RESTRICTIONS

The Fund is not a recognised collective investment scheme for the purposes of Schedule 4 to the Collective Investment Schemes Act 2008 (the “**CISA**”) of the Isle of Man and is accordingly subject to the prohibition on the promotion of collective investment schemes as contained in Section 3 of the CISA. Accordingly, this document may only be issued or passed on to any person in the Isle of Man by way of the three limited exceptions to this general prohibition contained in Section 3(2) of the CISA and the Collective Investment Schemes (Promotion of Schemes Other Than Authorised and Recognised Schemes) (Exemption) Regulations 2010 (the “**Exemption Regulations**”). Under Regulation 4(2) of the Exemption Regulations, any advertisement issued in the Isle of Man in connection with a fund must contain a statement either (a) that participants in a fund are not protected by any statutory compensation scheme; or (b) that participants in a fund are protected by a statutory compensation scheme and particulars sufficient to identify the compensation arrangements. The FSC has issued a direction varying the application of the Exemption Regulations to the Fund; the attention of new and potential participants in the Fund is drawn to the section of this document entitled “**Additional Information**” where the wording of the FSC direction is set out in full. The Manager reserves the right to refuse applications from investors who are resident in the Isle of Man.

UNITED STATES

The Shares have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “**1933 Act**”) or qualified under any applicable state statutes, and Shares may not be offered, sold or transferred in the United States of America (including its territories and possessions) or to, or for the benefit of, directly or indirectly, any US Person, except pursuant to registration or an exemption. The Fund is not, and will not be, registered under the United States Investment Company Act of 1940, as amended (the “**1940 Act**”) and investors will not be entitled to the benefit of registration under the 1940 Act. The Directors may, in their sole discretion, make a private placement of Shares to a limited number or category of US Persons.

UNITED KINGDOM

Each Portfolio will be an unregulated collective investment scheme, the promotion of which by authorised persons in the United Kingdom is restricted by Section 238 of the Financial Services and Markets Act 2000. The Shares may not be offered or sold in the United Kingdom by authorised persons other than in accordance with the Financial Services and Markets Act 2000 (Promotion of Collective Investment Schemes) (Exemptions) Regulations 2001 or the conduct of business rules of the United Kingdom Financial Conduct Authority. Except as described above, no communication, including this document, made or issued in connection with the Shares may be passed on to any person in the United Kingdom except in accordance with Regulations.

ALTERNATIVE INVESTMENT FUND MANAGERS DIRECTIVE

This Offering Document has been prepared in accordance with Article 23 of the AIFM Directive and solely for the purpose of when the Offering Document is to be used to market Shares to professional investors in Member States of the European Economic Area (“**EEA**”) in accordance with Article 42 of the AIFM Directive.

For the purposes of the AIFM Directive, the Investment Manager and Promoter is the alternative investment fund manager (“AIFM”) for the Fund.

GENERAL

The Offering Documents do not constitute an offer or solicitation in any state or other jurisdiction in which an offer or solicitation is not lawful or authorised or in which the person making such offer or solicitation is not qualified to do so.

This document does not on its own constitute an offer of any Shares. This document constitutes an offer only if: (i) it is accompanied by the relevant Supplementary Offering Document; and (ii) delivery of this document is authorised by the Fund and complies with the laws of the country in which the recipient resides. Any reproduction of this document, or any Supplementary Offering Document, or the divulgence of any of their respective contents, without the prior written consent of the Fund, is prohibited.

Investors must acquire the Shares solely for their own account (or under such other permitted arrangements as are disclosed in the Application Form and accepted by the Manager), for investment purposes only and not with an intention of distribution, transfer or resale. The Shares cannot be resold or transferred except in accordance with the terms of the Offering Documents.

No person other than the Manager has been authorised to make any representation or warranty or provide any information with respect to the Shares except the information contained in the Offering Documents. Neither the delivery of the Offering Documents nor the acquisition of any Shares pursuant thereto shall create an implication that there has been no change in the matters disclosed in the Offering Documents since the date of this document.

The Offering Documents should not be construed as investment, legal or tax advice. Each prospective investor should seek independent investment, legal and tax advice concerning an investment in Shares.

The Offering Documents cannot be reproduced or distributed to any other persons. The recipient of the Offering Documents, by accepting delivery thereof, agrees to return them and all related documents to the Fund if the recipient elects not to subscribe for any Shares.

DIRECTORY

Fund:	<p><i>Name:</i> KHG Funds PLC</p> <p><i>Jurisdiction of Incorporation:</i> Isle of Man</p> <p><i>Statute of Incorporation:</i> Companies Act 2006</p> <p><i>Date of Incorporation:</i> 7 April 2010</p> <p><i>Company Number:</i> 005208V</p> <p><i>Corporate Status:</i> Company limited by shares with unlimited duration</p> <p><i>Registered Office and Head Office:</i> Knox House 16-18 Finch Road Douglas Isle of Man IM1 2PT</p> <p><i>Accounting Date:</i> 31 December</p> <p><i>Accounting Standards:</i> International Financial Reporting Standards</p>
Fund's Directors:	<p>Mary Brady John Greenwood David Nixon</p>
Manager, Registrar and Registered Agent:	<p><i>Name:</i> SMP Fund Services Limited</p> <p><i>Jurisdiction of Incorporation:</i> Isle of Man</p> <p><i>Statute of Incorporation:</i> Companies Act 1931 to 2004</p> <p><i>Date of Incorporation:</i> 12 July 2007</p> <p><i>Company Number:</i> 120288C</p> <p><i>Corporate Status:</i> Private company limited by shares with unlimited duration</p> <p><i>Regulatory Status:</i> Licensed by the FSC to provide corporate services and services to collective investment schemes</p> <p><i>Registered Office and address at which the Register can be inspected:</i> Clinch's House Lord Street Douglas Isle of Man IM99 1RZ</p> <p><i>Contact Details:</i> Telephone: +44 1624 683229 Fax: +44 1624 691773 Email: fund.services@smppartners.com</p>
Investment Manager and Promoter:	<p><i>Name:</i> Creechurch Capital Limited</p> <p><i>Jurisdiction of Incorporation:</i> Isle of Man</p> <p><i>Statute of Incorporation:</i> Companies Act 2006</p> <p><i>Date of Incorporation:</i> 22 April 2010</p> <p><i>Company Number:</i> 005267V</p> <p><i>Corporate Status:</i> Private company limited by shares with unlimited duration</p> <p><i>Regulatory Status:</i> Licensed by the FSC to undertake investment business and to provide services to collective investment schemes</p> <p><i>Registered Office and Head Office:</i> Knox House 16-18 Finch Road Douglas Isle of Man IM1 2PT</p>
Fiduciary Custodian:	<p><i>Name:</i> Royal Bank of Canada (Channel Islands) Limited</p> <p><i>Jurisdiction of Incorporation:</i> Guernsey</p> <p><i>Statute of Incorporation:</i> The Companies (Guernsey) Law 2008</p> <p><i>Date of Incorporation:</i> 10 July 1973</p> <p><i>Company Number:</i> 3295</p> <p><i>Corporate Status:</i> Private company limited by shares with unlimited duration</p>

DIRECTORY

Regulatory Status: Licensed by the Guernsey Financial Services Commission to act as a fiduciary custodian

Registered Office: Canada Court
Upland Road
St Peter Port
Guernsey
Channel Islands GY1 3BQ

Auditor:

Name: Moore Stephens

Legal Status: Partnership of Chartered Accountants

Professional Body: Institute of Chartered Accountants in England & Wales

Principal Place of Business in the 26-28 Athol Street

Isle of Man: Douglas
Isle of Man
IM99 1BD

Legal Advisers:

(as to Isle of Man law)

Name: Callin Wild LLC

Legal Status: Isle of Man Limited Liability Company

Professional Body: Isle of Man Law Society

Principal Place of Business in the Bank Chambers

Isle of Man: 15-19 Athol Street
Douglas
Isle of Man
IM1 1LB

STRUCTURE OF THE FUND AND THE PORTFOLIOS

Introduction

The Fund is constituted as an umbrella open-ended investment company incorporated with unlimited duration under the laws of the Isle of Man. The Directors have the power to create separate Portfolios of the Fund from time to time but the Fund will remain a single legal entity under Isle of Man law irrespective of the number of Portfolios that are created. The Fund is empowered to offer the Shares to the public in any part of the world, but the availability and terms of any Offers are matters in the discretion of the Directors and the Manager may refuse to accept any application for Shares in its absolute discretion.

Regulation

The Fund is an “open-ended investment company” as defined in the CISA and is expected to constitute a single “collective investment scheme” for the purposes of the CISA, irrespective of the number of Portfolios created. The Fund has been established as a Regulated Fund for the purposes of the CISA and the Regulations. The Fund is not, and need not be, an “authorised person” for the purposes of the CISA. The Fund is not required to hold a licence under the FSA. Further information on the status and regulation of the Fund is set out in the sections of this document entitled “**Regulation**” and “**Status of the Fund**”.

Portfolios

The Directors have the power to create separate Portfolios of the Fund from time to time, and to issue different classes and/or series of Shares in respect of each Portfolio, without giving notice to, and without the authorisation or vote of, the Shareholders in any other Portfolios. Each Portfolio will be separately valued and will have its own investment objectives and investment strategies. Portfolios may account, and Shares may be issued, in different Base Currencies.

Sub-classes

Sub-classes of Shares in a Portfolio may be created from time to time without giving notice to, and without the authority or vote of existing Shareholders in any other Portfolio or Sub-class

Each Sub-class will participate in the assets of the Portfolio but may have a different Net Asset Value and different Subscription and Redemption Prices from other Sub-classes within the same Portfolio. Further information on the valuation of Sub-classes is set out in the section of this document entitled “**Net Asset Value and Pricing of Shares**”.

Investment Approach and Terms for Portfolio

The investment objectives, strategy and restrictions, the Base Currency, the leverage policy (if any), the terms of issuance of Shares and other information particular to a Portfolio are set out in the Supplementary Offering Document relating to the relevant Portfolio. In circumstances where two or more Sub-classes share similar investment objectives and strategies such information may be set out in a single Supplementary Offering Document.

The Fiduciary Custodian will notify the Manager in the event that it becomes aware of a breach, or an attempted transaction that would cause a breach, of the investment restrictions relating to a Portfolio. The Fiduciary Custodian has the power (but is not obliged) to undertake transactions, or to refuse to implement transactions, to rectify such a breach. Where the acquisition of an investment has been undertaken inadvertently occasioning a breach in the investment restrictions and such transaction can be reversed (in whole or to the extent necessary in order to comply) at minor cost to the Portfolio, this course of action will be adopted; in other cases or where a breach of investment restriction has occurred because of change in the value of portfolio investments or otherwise, the Fiduciary Custodian and the Manager will liaise to determine the most appropriate course of action, which may include convening a Board meeting to consider the same. The Manager will report all such instances to the Board.

The investment objectives, strategy and/or restrictions of a Portfolio will only be materially changed following the passing of a Special Resolution of Shareholders of the Portfolio. Certain other material changes also require the approval of a Special Resolution of Shareholders of a Portfolio, including any increase in the Maximum Permitted Level of certain charges, as described in the section of this document entitled “**Characteristics of Shares – Variation of Class Rights**”. Shareholders will also be given prior notice of any increases in the rates of certain charges (see the section of this document entitled “Charges and Expenses”), of any material changes to the Articles, of any change in the Manager or Fiduciary Custodian and of any material changes to the appointment terms of the Manager or the Fiduciary Custodian. In all such cases, affected Shareholders will be given the relevant Minimum Period of Notice, during which it is intended that a Shareholder who does not wish to remain invested in the relevant Portfolio following implementation of the changes in question would (subject to the Articles and any lock in arrangements agreed under the terms of issue of Shares of the relevant Portfolio) have the opportunity to submit a redemption request in respect of his/her/its holding of Shares to be considered on a Redemption Day falling prior to the date of implementation.

OFFERS

Availability of Offers

Any Offer in respect of Shares will be subject to the terms of the relevant Supplementary Offering Document.

Initial Offers

The Initial Offer Price for Shares of a Sub-class of a Portfolio, and the Initial Offer Closing Date in respect of such Initial Offer will be set out in the relevant Supplementary Offering Document. Cleared funds in respect of the application monies for accepted investments must be received on or before close of business on the Initial Offer Closing Date.

The closing of any Initial Offer in respect of a Sub-class may be conditional upon applications having been received and accepted on behalf of the Fund (and cleared funds having been received in respect thereof) on or before the Initial Offer Closing Date in respect of aggregate investments of at least such amount as may be set out in the relevant Supplementary Offering Document. In the event that sufficient applications are not received, subscription monies will be returned to the applicants (without interest and at the risk and cost of the relevant applicant) within 10 clear Business Days of the relevant Initial Offer Closing Date (if applicable).

Continuing Offers

The Directors may (if specified in the relevant Supplementary Offering Document) conduct a Continuing Offer of Shares in the relevant Sub-class for subscription at prices based on the Net Asset Value on and subject to the terms of the Supplementary Offering Documents, as amended, supplemented or replaced from time to time.

General

Further information on the dealing arrangements are set out below in the section of this document entitled “**Subscriptions, Redemptions and Conversions of Shares**”.

Applications under an Initial Offer and any Continuing Offer will only be accepted from prospective new investors willing to make an initial investment of at least the Minimum Initial Investment specified in the relevant Supplementary Offering Document; an application in respect of less than the Minimum Initial Investment for the Sub-class in question will be rejected by the Manager. An application may be made by an existing Shareholder in the Sub-class in question if the additional investment is at least such amount as may be specified in the relevant Supplementary Offering Document.

No interest will be paid on subscription monies awaiting investment; such monies will be held in the subscription account of the Manager (being a specified client bank account held by the Manager in accordance with the Rule Book in which subscription monies received by the Manager on behalf of all prospective investors in any funds managed or administered by the Manager are held pending acceptance of the related application or the issue of any shares); any interest earned on subscription monies pending acceptance of the related application or the issue of any Shares will be retained for the benefit of the Manager.

The Fund may permit the acceptance of investments "in-kind" in circumstances where the Manager, in its discretion, is satisfied that the terms of any exchange are equivalent.

An investment in the Shares is only suitable for investors that are sufficiently experienced to understand the risks associated with an investment in the relevant Portfolio of the Fund. Investors must carefully read and understand the Offering Documents prior to subscribing for Shares.

Any subscription for Shares may be accepted or rejected, in whole or in part, in the discretion of the Manager. To the extent that an applicant is subject to any investment restrictions or limitations, these should be disclosed at the time of subscription.

Not everyone may acquire Shares, either generally or in relation to a particular Portfolio; further information in this regard is set out in the section of this document entitled “**Permitted Investors**” and in the relevant Supplementary Offering Document.

Application Procedures

The attention of prospective investors is drawn to the application procedure and arrangements described in the section of this document entitled “**Subscriptions, Redemptions and Conversions of Shares**”.

MANAGEMENT, CUSTODY AND AUDIT

Directors

The responsibility for the management of the Fund is vested primarily in, and is subject to the overall supervision of, the Directors. The responsibilities of the Directors include, among other things, determining strategy and investment policies, appointing such service providers to the Fund as may be required by regulation or as they deem necessary, supervising and directing all service providers and reviewing the performance of service providers on a regular basis. The Directors have certain specific regulatory responsibilities under the Regulations, as described in the section of this document entitled “**Regulation**”. The Directors serve in a non-executive capacity and have delegated the day-to-day management of the activities of the Fund to the Manager and the management, investment and reinvestment of the assets of the Fund to the Investment Manager, as described herein.

The minimum number of Directors that the Fund must have is two and (in accordance with the Regulations) at least one of the Directors must be a natural person who is resident in the Isle of Man. The names, places of residence, biographies and significant activities of the Directors are set out below.

- *Mary Brady.* Ms. Brady is resident in the Isle of Man. She has worked within the financial and performance management sector in the Isle of Man since 2000 and held board director positions for over a decade. As at the date of this document, she is the Chief Operating Officer at Creechurch Capital Limited. Mary has been instrumental in the implementation of financial and control systems, and the recruitment and training of accounting and financial teams within these organisations. She has expertise in driving value-in-business, by optimising value from the finance function. Mary’s earlier career was spent employed in the Court Service in the UK, gaining several years’ experience in High Court litigation, insolvency and family matters. Mary retrained with KPMG as an accountant and qualified in 2006. She is a Fellow of the Association of Chartered Certified Accountants.
- *John Greenwood.* Mr. Greenwood is resident in the Isle of Man and has worked within the investment industry in the Isle of Man for the past twenty four years. He re-joined Thomas Miller Investment (TMI) as Chief Executive in July 2004, having previously worked for TMI from 1994 to 1999, specialising in fixed income and currency fund management. In the intervening period John was Managing Director of Insinger de Beaufort International in the Isle of Man, having started his investment career as a fund manager with Coutts & Co in 1986. John has extensive experience at managing institutional mandates throughout his career ranging from mutual insurance, charity and government accounts. John was instrumental in the successful development and launch of the TMI suite of funds and was until May 2010 the Fund Manager for the TMI Liquidity and TMI Income Funds. John was also portfolio manager for the Nedgroup Global Money Market Fund, Snaefell Alternative Investment Fund and was on the board of the Gibbs Hill Alternative Investment Fund. John has been a member of the Securities Institute since 1996.
- *David Nixon* is a self-employed business consultant and non-executive director of a number of Isle of Man investment funds and insurance companies. Between 2001 and 2008 he was Managing Director of BlackRock (Isle of Man) Limited (previously Merrill Lynch Investment Managers) having responsibility for institutional, retail and private clients, together with 2 Manx authorised collective investment schemes. Prior to his appointment as Managing Director, he was engaged as General Manager/Financial Controller and performed the role of Company Secretary for a range of operational and investment vehicles. Between 1987 and 1992 he was General Manager/Financial Director of an international manufacturing company, having previously worked for the Ministry of Defence in a number of senior management positions. Mr Nixon is a Fellow of the Institute of Chartered Management Accountants with over 25 years post qualification experience.

The Directors occupy a fiduciary position in relation to the Fund and are under a duty to act in the best interests of the Fund and in accordance with the constitutional documents of the Fund. In exercising and performing their duties as directors, the Directors must act with all due skill, care and diligence.

Under the Regulations, each Director must have submitted himself/herself to vetting by the FSC before being appointed. A proposed appointee may not be appointed as a Director if the FSC objects. Subject to these requirements, a person may be appointed, either as an additional Director or to fill a vacancy on the Board, either by the Board or by Ordinary Resolution; only the holders of Management Shares may vote on such a resolution. A Director may be removed by a Special Resolution; again, only the holders of Management Shares may vote on such a resolution.

Manager and Registrar

The Fund has appointed the Manager to be the manager of the Fund; the Manager also undertakes the function of Registrar and the Registered Agent. Details of the Manager appear in the “Directory”. The sole business of the Manager is the management and administration of collective investment schemes. The Manager is the holder of a license issued by the FSC pursuant to the FSA under which it is authorised to provide services to collective investment schemes, including acting as manager of Regulated Funds and administrator of Authorised Schemes. The Manager will be responsible for the day-to-day administrative, accounting and registrar requirements of the Fund. The Manager is not responsible for the selection of investments or the performance of the investments of the Fund. The directors of the Manager as at the date of this document are Vincent Campbell, Mark Denton, Paul

MANAGEMENT, CUSTODY AND AUDIT

Eckersley, David Manser, Steve McGowan, Oliver Peck, Keith Corkill and Justin Scott.

Details of the Management Agreement are set out in the section of this document entitled “**Additional Information – Material Contracts**”. Details of the fees and charges of the Manager are set out in the section of this document entitled “**Charges and Expenses**”. The Management Agreement provides that the Manager agrees to provide, secretarial, administrative, accounting, valuation, registrar services and registered agent to the Fund in the Isle of Man. Details of the regulatory responsibilities imposed upon the Manager are set out in the section of this document entitled “**Regulation**”. The Manager is not fulfilling the responsibilities of the Promoter under the Regulations; this function is to be undertaken by the Investment Manager.

Registered Agent

The Fund has been incorporated under the Companies Act and as such is required to appoint a registered agent. The Manager is the Registered Agent and is the holder of a licence issued by the FSC pursuant to the FSA under which it is authorised to act as registered agent to companies incorporated under the Companies Act.

Fiduciary Custodian

The Fund has appointed the Fiduciary Custodian to be the fiduciary custodian of the Fund. Details of the Fiduciary Custodian appear in the “**Directory**”. The Fiduciary Custodian is a wholly-owned subsidiary of RBC Holdings (Channel Islands) Limited, which is a company incorporated in Guernsey, which is in turn a wholly-owned subsidiary of RBC Finance BV, which is incorporated in the Netherlands. The Fiduciary Custodian’s ultimate parent company is Royal Bank of Canada, which is incorporated in Canada. The Fiduciary Custodian is the holder of a licence issued by the Guernsey Financial Services Commission that entitles it to act as fiduciary custodian of funds such as the Fund. The issued and paid up share capital of the Fiduciary Custodian as at the date of this document is GBP5,000,000.

Details of the Custody Agreement are set out in section of this document entitled “**Additional Information – Material Contracts**”. Details of the fees and charges of the Fiduciary Custodian are set out in the section of this document entitled “**Charges and Expenses**”. The Custody Agreement provides that the Fiduciary Custodian agrees to act as fiduciary custodian of the Fund in accordance with the Regulations and to hold the cash and assets of each Portfolio and in safe custody. Details of the regulatory responsibilities imposed upon the Fiduciary Custodian are set out in the section of this document entitled “**Regulation**”.

Custody Arrangements

Any cash held for the account of a Portfolio pending investment, or resulting from the realisation of any investment, will be held in accounts with the Fiduciary Custodian. All the assets of each Portfolio acquired pursuant to the investment strategy and policy pertaining thereto will (save to the extent disclosed in the relevant Supplementary Offering Document) be held in the name of the Fiduciary Custodian or a nominee of the Fiduciary Custodian or a sub-custodian appointed by the Fiduciary Custodian in accordance with the requirements pertaining thereto and described in the section of this document entitled “**Regulation**”. Details of any arrangements for the custody of the assets of any Portfolio that are peculiar to that Portfolio are disclosed in the relevant Supplementary Offering Document.

Relationship Between the Manager and the Fiduciary Custodian

The Manager and the Fiduciary Custodian are under separate ownership, management and control and are thus regarded as independent for the purposes of the Regulations.

Investment Manager and Promoter

The Fund has appointed the Investment Manager to be the discretionary investment manager of the assets of each of the Portfolios and to act as Promoter of the Fund for the purposes of the Regulations. Details of the Investment Manager appear in the “**Directory**”. The Investment Manager is a wholly-owned subsidiary of Knox Group PLC, a company incorporated in the Isle of Man which is ultimately beneficially owned by the trustees of The Whins Trust, as to 70 per cent and by John Greenwood, (a director of the Fund), as to 30 per cent. The Investment Manager is the holder of a licence issued by the FSC pursuant to the FSA that permits it to provide services to collective investment schemes, such as acting as an asset manager or as investment adviser to collective investment schemes and to undertake investment business, including managing investments and giving investment advice. As such, the Investment Manager is entitled to act as investment manager of the assets of the Portfolios. The directors of the Investment Manager as at the date of this document are Douglas Barrowman (Chairman), Mary Brady (Finance Director) and John Greenwood (CEO). Ms Brady and Mr Greenwood are also directors of the Fund and whose biographical details appear above.

Details of the Investment Management Agreement are set out in section of this document entitled “**Additional Information – Material Contracts**”. Details of the fees and charges of the Investment Manager are set out in the section of this document entitled “**Charges and Expenses**”. The Investment Management Agreement provides that

MANAGEMENT, CUSTODY AND AUDIT

the Investment Manager agrees to manage the investment and re-investment of the assets of each Portfolio of the Fund and to act as Promoter.

Auditor

The Fund has appointed the Auditor to act as auditor of the Fund in accordance with the Articles and the Regulations. Details of the Auditor appear in the “**Directory**”. As the first Auditor, the Auditor has been appointed by the Directors. Subsequent Auditors may be appointed by the Shareholders or by the Directors. The Auditor may be removed by an Ordinary Resolution of the Shareholders; only the holders of Management Shares may vote on such a resolution. No Shareholder and no Director or other officer of the Fund is eligible to be the Auditor of the Fund. Details of the arrangements for the preparation and distribution of reports and accounts for the Fund are set out in the section of this document entitled “**Additional Information – Reports and Financial Statements**”. The remuneration of the Auditor is fixed by the Directors.

The Auditor is a member firm of the Institute of Chartered Accountants in England & Wales and is qualified to audit the accounts of the Fund under the Regulations. The Auditor has been appointed pursuant to an engagement letter with the Fund that is on normal market terms. A summary of the regulatory responsibilities of the Auditor is set out in the section of this document entitled “**Regulation**”.

Conflicts of Interest

As well as being Directors of the Fund, Ms. Brady and Mr. Greenwood are also directors of the Investment Manager and are thus subject to potentially conflicting duties when considering matters relating to the appointment and supervision of the activities of the Investment Manager.

Ms Brady is also a director of Knox Group PLC, the holding company of the Investment Manager.

Mr. Greenwood is ultimately beneficially interested in the Investment Manager.

As a result of its investment management and investment advisory services to its clients (other than the Fund), the Investment Manager may invest in the Fund on behalf of its clients or advise them to do so.

Please also refer to page 19 “Fund Risks”, “*Conflicts of interest*”

“Soft Commission” Arrangements

The term “soft commission” refers to the receipt by an investment manager of services from brokers or other persons, without any cash payment by the investment manager, because of the brokerage commission revenues generated from securities transactions executed through those persons on behalf of the investment manager’s clients. These services may take the form of economic and market information, portfolio strategy advice, industry and company comments, technical data, recommendations, consultations, general reports, quotation information and services, computer equipment used for brokerage or research purposes and related technical support, repair and maintenance, all expenses incurred in connection with investigating and researching investments including issuers of securities and other instruments, including but not limited to attending conferences, airfare, car rentals, taxi fares, conference fees and related expenses, hotel accommodations and meals and speaking and meeting with management or industry consultants, accounting fees and legal fees and the like, and other reasonable expenses.

The Investment Manager is permitted to enter into soft commission arrangements with brokers and other persons with or through whom it transacts on behalf of the Fund (including electronic trading platforms). The information, products and services received are in addition to and not in lieu of services required to be performed by the Investment Manager and its fees are not reduced as a consequence of the receipt of such services. Services provided by brokers used by the Fund under these arrangements may be utilised by the Investment Manager and its affiliates in connection with their investment services for other clients and, likewise, services provided by brokers used for transactions of other clients may be utilised by the Investment Manager in performing its services for the Fund. Although the Investment Manager is subject to best execution obligations under the rules of the FSC, to which it is subject, the selection of brokers by the Investment Manager on the basis of considerations which are not limited to applicable commission rates may at times result in the Fund being charged higher transaction costs than it could otherwise obtain.

CHARGES AND EXPENSES

Initial Charge

Details of the Initial Charge (if any) applicable to any subscription for Shares of a Portfolio will be set out in the relevant Supplementary Offering Document. Unless otherwise specified in the relevant Supplementary Offering Document, any Initial Charge will be paid to the Investment Manager (for its benefit) or as it may direct. All Shareholders in respect of a Portfolio will be given the Minimum Period of Notice in relation to any increase in the Initial Charge that does not result in the Initial Charge exceeding the Maximum Permitted Level for the time being. The current Maximum Permitted Level of the Initial Charge is 5 per cent of the Subscription Price for the time being. Any increase in the Maximum Permitted Level of the Initial Charge will require the approval of a Special Resolution of the affected Shareholders. The Investment Manager may rebate some or all of any Initial Charge received by it to persons who introduce prospective investors to the Fund.

Deferred Sales Charge

Details of the Deferred Sales Charge (if any) applicable to any subscription for Shares of a Portfolio will be set out in the relevant Supplementary Offering Document.

Any Deferred Sales Charge applied in an International Sub-class will be an expense of the relevant International Sub-class which will be amortised weekly on a per share basis over five years from subscription for the relevant Share. Any Deferred Sales Charge applied is payable to the Investment Manager (for its benefit) or as it may direct.

Prospective investors in an International Sub-class should be aware of the way in which the Deferred Sales Charge is amortised whereby an inequality may arise between holders of Shares in the same Portfolio.

The performance of the International Sub-classes, within a Portfolio, will diverge from the performance of the Sub-classes in the same Portfolio which do not have a Deferred Sales Charge.

All Shareholders in respect of a Portfolio will be given the Minimum Period of Notice in relation to any increase in the Deferred Sales Charge that does not result in the Deferred Sales Charge exceeding the Maximum Permitted Level for the time being. The current Maximum Permitted Level of the Deferred Sales Charge is 5 per cent of the investment amount for the time being. Any increase in the Maximum Permitted Level of the Deferred Sales Charge will require the approval of a Special Resolution of the affected Shareholders. The Investment Manager may waive or reduce the Deferred Sales Charge in its absolute discretion on a case-by-case basis and it may rebate some or all of any Deferred Sales Charge received by it to persons who introduce prospective investors to the Fund.

Details of Exit and Switching Charges applicable to International Sub-classes are noted below

Periodic Management Charge

Details of the Management Charge payable to either the Manager or the Investment Manager in respect of a Portfolio will be set out in the relevant Supplementary Offering Document. Unless otherwise stated, where the Management Charge is calculated on the basis of the Net Asset Value of the Portfolios, such calculation will be made upon the basis of the most recent confirmed determination of Net Asset Value thereof, including during any period during which the determination of the Net Asset Value is suspended. The confirmed determination is normally the last valuation point at which the Net Asset Value is calculated. Where a charge or fee is calculated for inclusion in a current week's determination of Net Asset Value, the most recent confirmed determination of Net Asset Value will be adjusted for any investor dealing on the dealing day following the most recent confirmed determination and further adjusted for any cross-holdings between the Portfolios that may have taken place between the most recent determination of Net Asset Value and the current determination. The Management Charge in respect of a Portfolio will be borne by that Portfolio only. All Shareholders in respect of a Portfolio will be given the Minimum Period of Notice in relation to any increase in the Management Charge that does not result in the Management Charge exceeding the Maximum Permitted Level for the time being. The current Maximum Permitted Level of the Management Charge (being the aggregate of the periodic charges payable to the Manager and the Investment Manager) in respect of any Portfolio is 2.50 per cent of the Net Asset Value on an annualised basis calculated on the basis of the most recent determination thereof on a Single Price Basis. Any increase in the Maximum Permitted Level of the Management Charge will require the approval of a Special Resolution of the affected Shareholders. It should be noted that additional performance fees may be payable to the Investment Manager, and additional advisory and other fees may be ultimately borne by a Sub-class, as disclosed in the relevant Supplementary Offering Document.

In addition to any fee based on the Net Asset Value of each Portfolio (as disclosed in the relevant Supplementary Offering Document), the Manager is entitled to receive fees for company secretarial services at a current annual minimum of GBP2,500. A fee of GBP10,000 for the preparation of interim half-yearly and annual audited financial statements of the Fund is also paid to the Manager. These Company level fees will be apportioned to the Portfolios

CHARGES AND EXPENSES

based on their respective Net Asset Values.

The Investment Manager's charges are included within the Management Charge as described above. Any expenses that the Investment Manager is entitled to charge to, or to recover from, the Fund in respect of any Portfolio (and which are not described in this document) will be disclosed in the relevant Supplementary Offering Document. The Investment Manager may rebate some of the periodic Management Charge received by it to persons who introduce prospective investors to the Fund.

If the Investment Manager decides that it is more cost efficient for an investing Portfolio to cross-invest into a recipient Portfolio, rather than an external investment product, the Investment Manager may agree to discount part of its investment management fee in the investing Portfolio.

Exit Charge

Details of the Exit Charge (if any) applicable to any redemption of Shares of a Portfolio will be set out in the relevant Supplementary Offering Document. Unless otherwise specified in the relevant Supplementary Offering Document, any Exit Charge will be retained for the benefit of the relevant Portfolio. All Shareholders in respect of a Portfolio will be given the Minimum Period of Notice in relation to any increase in the Exit Charge that does not result in the Exit Charge exceeding the Maximum Permitted Level for the time being.

Shareholders who have invested in Shares in an International Sub-class for a period of not less than 5 years will be given the option of redeeming from the relevant International Sub-class into another Sub-class (other than another International Sub-class) without incurring an Exit Penalty. Shareholders who decide to take advantage of this facility are recommended to seek advice from their tax or financial adviser.

Switching Charge

Details of the Switching Charge (if any) applicable to any conversion of Shares of a Portfolios into Shares of another Portfolio will be set out in the relevant Supplementary Offering Document. All Shareholders in respect of a Portfolio will be given the Minimum Period of Notice in relation to any increase in the Switching Charge that does not result in the Switching Charge exceeding the Maximum Permitted Level for the time being. The current Maximum Permitted Level of the Switching Charge is the greater of the Exit Charge that would apply upon a redemption of the Shares of the first Portfolio to be converted (if any) and the Initial Charge that would apply on a subscription for the Shares of the second Portfolio arising from the conversion. Any increase in the Maximum Permitted Level of the Switching Charge will require the approval of a Special Resolution of the affected Shareholders.

Switching is only permitted between Portfolios which have similar Sub-classes e.g between non-Deferred Sales Charge Sub-classes or between International Sub-classes.

Switching is not permitted between Sub-classes within the Portfolio.

Fiduciary Custodian's Charges

The Fiduciary Custodian will be paid fees in respect of each Portfolio and the details of the fees for each Portfolio will be set out in the relevant Supplementary Offering Document. The Fiduciary Custodian is entitled to recover its out-of-pocket expenses from the Fund.

Preliminary Expenses

The preliminary expenses connected with the establishment of the Fund and its initial Portfolios, the issue of this document and the Supplementary Offering Documents relating to the initial Portfolios and other expenses relating to the launch of the Fund (including professional fees and marketing costs were paid, or reimbursed by the Fund to the Investment Manager or Manager, from the assets of the initial Portfolios. These amounts were amortised and fully written off in December 2013. Any additional professional fees or other fees in connection with the launch of any new Sub-classes or changes that are made to the Master Offering Documents or relevant Supplementary Documents may, at the discretion of the directors, be amortised over a period not exceeding 3 years from the date the preliminary expenses were incurred. The amortisation schedule will be re-balanced each quarter to reflect the relative Net Asset Values of the Portfolio for the time being and any consequent adjustments will be made by the Manager. The unamortised portion of each Portfolios' share of the Preliminary Expenses will be treated as an asset of the relevant Portfolio for the purposes of determining the Net Asset Value of that Portfolio for the time being. As a result of the application of the Accounting Standards, this treatment of the Preliminary Expenses may result in a difference between the Net Asset Value of each of the Portfolios and the net asset value as stated in the annual audited financial statements of the Fund.

The preliminary expenses relating solely to the establishment of any other further Portfolios or Sub-class(es) and the issue of any Supplementary Offering Documents in relation thereto will not be borne by the existing Portfolios.

General Portfolio Expenses

Expenses relating to the operation of a specific Portfolio may be paid (or reimbursed to any service provider or sub-delegate, as appropriate) out of the property of the Portfolio or Portfolios to which they relate or are allocated. In addition to the fees of the functionaries described above, as appropriate, these may include:

- commission, brokerage fees and other costs of dealing in the investments of the Portfolio;

CHARGES AND EXPENSES

- taxation, duties, notarial fees and filing fees payable in respect of the investments of the Portfolio;
- legal expenses and other professional fees and disbursements relating to the activities of the Portfolio;
- the costs incurred in the preparation and publication of the relevant Supplementary Offering Document and any amendments or supplements thereto or any replacements thereof;
- any costs incurred in respect of meetings of Shareholders in respect of only that/those Portfolios;
- the costs associated with dissemination of information on the Portfolio(s) to Shareholders in respect of only that/those Portfolio(s).

Where such expenses relate to more than one Portfolio, they will be apportioned in such manner as the Manager may determine in the interests of equity between Shareholders of different Portfolio and, in default of any specific determination, will be allocated pro rata to their most recent respective Net Asset Values at the time of allocation.

General Fund Expenses

Expenses relating to the operation of the Fund and which are not readily attributable to a specific Portfolio may be paid (or reimbursed to any service provider or sub-delegate, as appropriate) out of the assets of all the Portfolios and will be apportioned in such manner as the Manager may determine in the interests of equity between Shareholders of different Portfolios and, in default of any specific determination, will be allocated pro rata to their most recent respective Net Asset Values at the time of allocation. In addition to the fees of the functionaries described above, as appropriate, these may include:

- taxation, duties, notarial fees and filing fees payable in respect of the Fund as a whole;
- legal expenses and other professional fees and disbursements relating to the Fund as a whole;
- the costs incurred in the preparation and publication of this document and any amendments or supplements thereto and any replacements thereof and any other marketing materials related to the Fund and other marketing costs and expenses;
- any costs incurred in respect of meetings of Shareholders as a whole;
- the costs associated with dissemination of information on the Fund to Shareholders as a whole;
- the fees and expenses of the Registered Agent and the Auditor;
- the costs incurred in publishing annual and interim reports of the Fund;
- Directors' fees, as described below, and travel expenses;
- filing and other fees and charges of any government bodies or agencies relating to the Fund as a whole.

Directors' Fees

In light of their involvement with the Investment Manager, Ms. Brady and Mr. Greenwood have waived any right to fees for acting as a Director. The Fund will pay Mr. Nixon an annual fee of GBP24,000 or such other amount as may be approved by the Fund in general meeting (note that Mr Nixon has been engaged to strengthen the Governing Body and further provide experience on funds, their distribution and structuring to the Governing Body and the Investment Manager). Such fee will accrue from day to day and be paid quarterly in advance. The Fund will reimburse each Director for reasonable hotel, travel and subsistence expenses incurred in carrying out his duties as a Director of the Fund.

Apportionment of Sub-class Expenses

Where a Portfolio has different Sub-classes of Shares in issue the Manager may apportion to one Sub-class any such expenses which relate solely to that Sub-class but not to any other Sub-class within the same Portfolio. Where such expenses relate to more than one Sub-class within a Portfolio, they will be apportioned in such manner as the Manager may determine in the interests of equity between Shareholders of the different Sub-classes.

RISK FACTORS

An investment in the Fund involves a degree of risk and there is no guarantee against loss of an investor's entire investment. The following is not intended to be an exhaustive listing of all the risks involved in an investment in the Shares and does not purport to be an explanation of all the risks associated with an investment in the Fund. Potential investors should review this document and the relevant Supplementary Offering Document, and consult with their own counsel and advisers before deciding to invest in the Shares of any Portfolio.

GENERAL INVESTMENT MATTERS

Where a Portfolio may invest in funds or other collective investment vehicles, any such fund or other vehicle and its underlying investments (to which the Portfolio is indirectly exposed) may also be subject to these risks and this section should be read accordingly.

No Guarantee

The value of an investment in Shares, and any income from it, may go down as well as up; an investor may not get back the amount invested. There is no guarantee from any third party against loss of some or all of a Shareholder's investment in the Fund.

Performance Risk

There can be no assurance that any Portfolio will achieve its investment objectives. The performance of any Portfolio and the risks associated with it will depend on the investment decisions made by the Investment Manager.

Reliance on the Investment Manager

The success of any Portfolio will be dependent on the judgment and abilities of the Investment Manager in selecting and monitoring the performance of investments. Investors will not have the opportunity to evaluate for themselves the relevant economic, financial, and other information regarding the investments of any Portfolio and will be dependent on the Investment Manager's judgment and abilities. There is no assurance that the Investment Manager will be successful. Furthermore, the death, incapacity or retirement of any key personnel of the Investment Manager may adversely affect the investment results of the relevant Portfolio.

Market Risk

External factors can cause an entire asset class to decline in value. Prices and values of similar assets could decline at the same time.

Currency Exchange Risks

Where indicated in the relevant Supplementary Offering Document, the investments of a Portfolio may be denominated in a range of currencies. Investors, therefore, may bear the risk of fluctuations in the exchange rates of such investments and the Portfolio's Base Currency or the currency of the particular Sub-class and/or Shares concerned and between such currencies and the investor's own base currency if different. In particular, investors in different currency Sub-classes within a Portfolio are likely to be affected differently by fluctuations in the exchange rates of the investments of the Portfolio as against the currency of their relevant Sub-class. While the Investment Manager may seek to hedge currency risks, it will not be obliged to do so

The utilisation of such techniques will result in the facilitator of the facility exercising a general lien over the assets of the Portfolio up to a value that will not exceed the value of the hedge exposure..

Concentration Risk

A Portfolio may invest in a relatively small number of markets, issuers or counterparties, which can make it more volatile than a more diversified fund.

Smaller Companies

Where indicated in the relevant Supplementary Offering Document, a Portfolio may invest in smaller companies, which carry a higher risk because their share prices may be more volatile than those of larger companies.

Emerging Markets

Where indicated in the relevant Supplementary Offering Document, a Portfolio may invest in emerging markets. Investments in emerging markets tend to be volatile and usually considered to carry a greater degree of risk than investments in established markets, whether arising from dealing, settlement and custody practice, the possibility of political or economic instability and developing legal, fiscal and regulatory structures.

Failure of Financial Institution

The value of a Portfolio or Sub-class may be affected if any financial institution with which cash is deposited suffers insolvency or other financial difficulty. The Fund is unlikely to benefit from any compensation arrangements.

Risk to Capital

An investor may not receive back all of the capital invested in a Sub-class.

RISK FACTORS

If an investor makes regular withdrawals from an investment, this may reduce capital over time if the growth of the Sub-class does not compensate for the withdrawals.

The application of charges and expenses, including any Initial Charge, Deferred Sales Charge, Exit Charge or Switching Charge, may be a contributory factor in an investor receiving back less than the amount he/she/it invested.

Income

Unless stated otherwise in the Supplementary Offering Document for any particular Portfolio, the Fund does not intend to make distributions on Shares and an investment in Shares therefore is not suitable for investors seeking current income.

If, where indicated in the relevant Supplementary Offering Document, the main aim of a Portfolio is to produce income, when this income is paid out instead of being re-invested, there may be little prospect of capital growth.

No assurance can be given that debt and fixed income obligations purchased by a Portfolio will continue to earn yields comparable to those earned historically.

Where indicated in the relevant Supplementary Offering Document, a Portfolio may invest in "sub-investment grade" bonds, which produce a higher level of income than "investment grade" bonds, but at a higher risk to capital.

Credit Risk

External factors may cause an issuer or other financial institution to default on its financial obligations.

Where a Portfolio invests in bonds, cash or other money market instruments there is a risk that the issuer may default. The likelihood of this happening will depend on the credit-worthiness of the issuer. The risk of default is usually greatest with bonds that are classed as "sub-investment grade".

Derivatives

Where indicated in the relevant Supplementary Offering Document, a Portfolio may use derivatives for specific investment purposes, as well as for hedging and other efficient management purposes as permitted for all Portfolios. Where this is the case, the use of such instruments may lead to higher volatility.

Counterparty Risk

Where a Portfolio uses derivative transactions there is a risk that the counterparty to the transaction will wholly or partially fail to meet its contractual obligations, which may result in a financial loss to the relevant Portfolio of Sub-class(es).

Interest Rate Risk

Where a Portfolio or a fund or other collective investment scheme in which a Portfolio invests holds debt securities (which may be rated or unrated), investors should be aware that the market value of debt securities generally varies in response to changes in interest rates and the financial condition of the issuer. During periods of declining interest rates, the value of debt generally increases. Conversely, during periods of rising interest rates, the value generally declines. These changes in market value will be reflected in the Net Asset Value of the relevant Portfolio.

Investments May Be Illiquid

At various times, the markets for investments purchased or sold by a Portfolio may be "thin" or illiquid, making purchases or sales at desired prices or in desired quantities difficult or impossible. In addition, a Portfolio may invest in private placements and other securities for which there may be no market, making a sale at any price impossible for indeterminate periods of time. This may make it impossible at times for the Portfolio to liquidate positions, meet

Borrowings

The Directors have approved the use of borrowing up to 25% of the Net Asset Value of a Portfolio. Such borrowing facilities can only be utilised where investment trade settlement timing differences necessitate the use of the facility

Should the borrowing limit stated above be exceeded as a result of changes in value or contraction of a Portfolio through redemptions, then further borrowings will be precluded until such time as the limit is restored. The Directors, in consultation with the Investment Manager, will take appropriate steps to restore the limit as soon as reasonably practicable having regard to the interests of the Shareholders.

COLLECTIVE INVESTMENT SCHEME RISKS

The following risks apply to those Portfolios which invest in one or more funds or other collective investment schemes.

Delegation of Control

Although the Investment Manager will screen a fund or other collective investment scheme for the applicable

RISK FACTORS

Portfolio, the Investment Manager has no ability or obligation to predict the investments that fund may select, or whether such fund's advisors will act in accordance with disclosure documents or descriptive materials furnished by them to the Investment Manager.

Increased Expenses

Where the Investment Manager invests a Portfolio's assets in several funds or other collective investment schemes this may significantly increase the fees and expenses payable by the Portfolio because the funds charge their own fees and expenses, which are in addition to the advisory and management fees and expenses relating to the Portfolio. If the Investment Manager decides that it is more cost efficient for an investing Portfolio to cross-invest into a recipient Portfolio, rather than an external investment product, the Investment Manager may agree to discount part of its investment management fee in the investing Portfolio, but is not obliged to do so.

Valuation

The Manager will rely on the valuations provided by the fund or other collective investment scheme in which a Portfolio invests for the purposes of calculating the Net Asset Value and preparing financial reports. There is no assurance that such valuation will be correct or that such information will be received in a timely manner.

Concentrated or Offsetting Investments

Although a Portfolio may intend to invest in several funds or other collective investment scheme, two or more of those funds may hold the same investments. Therefore, if a Portfolio, through such a fund, makes investments that are ultimately concentrated in a limited number of types of investment, the Portfolio could be exposed to losses disproportionate to market declines in general, if there are disproportionately greater adverse price movements in those investments. Conversely, such funds may, at times, hold economically offsetting positions. To the extent that funds, in fact, hold such positions, the Portfolio, considered as a whole, may not achieve any gain or loss despite incurring expenses.

Cross-Investment in Other Portfolios of the Fund

Subject to the Fund satisfying the Solvency Test and to any investment restrictions set out in the relevant Supplementary Offering Document, the Investment Manager may decide that instead of investing in an external investment product it is more cost efficient for an investing Portfolio to cross-invest into a recipient Portfolio with different investment objectives, strategy and/or restrictions. The investing Portfolio will subscribe for new Shares in the recipient Portfolio which will be held on behalf of the Fund (for the account of the investing Portfolio) in the name of the Fiduciary Custodian (or its nominee). As a consequence, an investor in the investing Portfolio will be exposed to the investment objectives, strategy and/or restrictions of the recipient Portfolio and the performance of the recipient Portfolio will affect the performance of an investor's holding of Shares in the investing Portfolio. An investing Portfolio will not invest in any recipient Portfolio which already holds a cross-investment in another Portfolio (including, without limitation, the investing Portfolio).

Investment Strategies Used by Funds or Other Collective Investment Schemes May Fail or Change

Certain economic conditions, such as illiquidity within a market, may cause an investment strategy employed by one or more funds or other collective investment schemes in which a Portfolio invests to fail and adversely affect the performance of the relevant Portfolio. In addition, such funds or other collective investment schemes may have the ability to modify or change their investment strategies.

Estimated Prices

In determining the Net Asset Value of a Portfolio, the Manager may rely on estimated prices provided on behalf of funds in which the Portfolio invests. Estimated prices are not expected to account for a significant proportion of the value of any Portfolio and the use of such prices by the Manager will be agreed with the Fiduciary Custodian. Estimated prices may differ from the prices finally published on behalf of the relevant funds and adjustments will not be made to determinations of the Net Asset Value (and, accordingly, to Subscription or Redemption Prices on the basis thereof) previously made; such differences may work to the advantage or disadvantage of an applicant or redeeming Shareholder or the remaining Shareholders as the case may be.

Effect of Performance-Based Compensation to Advisors to Funds and Other Collective Investment Schemes in which a Portfolio Invests

Advisors to a fund or other collective investment scheme in which a Portfolio invests may receive compensation based on the performance of that fund or scheme they manage. Such performance-based compensation arrangements may create an incentive to make investments that are riskier or more speculative than would be the case if such arrangements were not in effect. In addition, because performance-based compensation is calculated on a basis which includes unrealised appreciation of a fund or scheme's assets, it may be greater than if such compensation were based solely on realised gains.

FUND RISKS

Umbrella Open-Ended Investment Company

As between the Fund and its Shareholders, the assets and liabilities of one Portfolio will be separately identified and allocated to the relevant Portfolio. The Manager will seek, where reasonably practicable, when contracting on behalf of the Fund for the account of one Portfolio with third parties to negotiate terms whereby the recourse of the third party in the event of any liability is limited to the assets allocated to the relevant Portfolio. However, there can be no assurance that such terms may be secured or, if secured, will be effective; the Fund is a single legal entity without any statutory segregation of assets between Portfolio. Accordingly, if the assets attributable to any Portfolio were insufficient to meet the liabilities attributable to it, the shortfall might have to be met out of the assets attributable to one or more of the other Portfolios.

Operating History

The Fund, and some Sub-classes have been operating since 2010. The past performance of the Fund or Sub-classes may not be construed as an indication of the future results of the Fund.

Fees and Expenses

Each Portfolio will be required to meet certain fixed costs, including establishment and offering expenses, investment-related expenses, and ongoing administrative and operating expenses (such as fees payable to the service providers). These fees and expenses may be substantial and will be payable by each Portfolio regardless of whether any profits are realised by such Portfolio.

Where there is inadequate income within a Portfolio, management charges and other fees and expenses may be charged to the capital of such Portfolio, which means that any capital growth may be prejudiced.

Illiquidity

There is not now, and there is not likely to develop, any market for the resale of Shares. Shares are subject to limited redemption rights. Furthermore, under certain circumstances, the Fund may suspend redemptions or delay payment of redemption proceeds with respect to one or more Portfolios, or limit the amount redeemed from any Portfolio on any Redemption Day. See the section of this document entitled "**Subscriptions, Redemptions and Conversions of Shares**".

Possible Effect of Redemptions

Shareholders may redeem their Shares in accordance with the Articles. Substantial redemptions could require the investments of the relevant Portfolio to be liquidated more rapidly than otherwise desirable in order to raise the necessary cash to fund the redemptions and to achieve a market position appropriately reflecting a smaller equity base. This could adversely affect the value of the remaining Shares or the risk profile of the remaining investments or result in the Directors deciding to terminate the relevant Portfolio.

Conflicts of Interest

Potential conflicts of interest exist between the Fund and its service providers (and their respective officers, directors and employees). See the section of this document entitled "**Management, Custody and Audit - Conflicts of Interest**".

From time to time the Investment Manager may identify an investment opportunity that either the Investment Manager (or its directors or associated) manages or upon which they advise. In such cases the Investment Manager will consider the performance return of such an investment in the light of other suitable investment products and take into consideration any conflicts which may arise therefrom.

At all times the Investment Manager will ensure that the investment restrictions of the relevant portfolio are not breached as result investing in such associated investment opportunities.

Changes in Applicable Law

The Fund must comply with various legal requirements, including requirements imposed by securities laws and tax laws in the jurisdictions in which the Fund or the service providers to the Fund operate and/or offer Shares. Should any of those laws change over the term of the Fund, the legal requirements to which the Fund and the Shareholders may be subject could differ materially from current requirements.

The European Union's Alternative Fund Managers Directive

The Council of the European Union and the European Parliament adopted the AIFM Directive to regulate alternative investment fund managers ("AIFM") which required transposition into the laws of individual member states of the European Union (the "EU") by 22 July 2013. The AIFM Directive establishes a framework for the regulation of AIFM managing and/or marketing securities of an alternative investment fund ("AIF") in the EU and generally prohibits unauthorised and/or unregistered AIFM from managing AIF or marketing AIF securities in the EU. The Fund is an AIF under the AIFM Directive.

The operational costs of the Fund could increase as a result of the AIFM Directive.

By acquiring Shares, an investor will be deemed to have acknowledged that the Investment Manager and Promoter and the Fiduciary Custodian, of the Fund, may need to take actions to comply with the AIFM Directive or equivalent laws or regulations even though such actions may affect the Fund and to have consented thereto.

MISCELLANEOUS

Tax Implications

Investments in the Fund may have certain taxation, investment and legal implications. Prospective investors should consult their own professional advisers as to the implications of their subscribing for, purchasing, holding, switching or disposing of Shares under the laws of the jurisdictions to which they may be subject. Tax rules may change in the future.

In addition to tax charges that can arise, increasingly there are disclosure requirements imposed on investors into Funds. The Manager may also be required to make automatic disclosures in relation to investors. Where allowed, the Manager will notify investors in advance of any disclosures that are to be made.

Offering Documents

The Offering Documents contain various expressions of belief and intention. In addition forward-looking statements are made. No assurance can be given that any expression of belief or opinion as to a future event will prove to be correct with the passage of time. Similarly forward-looking statements should not be considered certain of fulfilment.

Inflation

An investment in Shares is not protected against the effects of inflation, which may affect future buying power. If the returns on investments have not beaten the rate of inflation it will have less buying power in the future.

Unforeseen Events

It should be borne in mind that the performance of the Fund may be affected by unforeseen events such as acts of war or terrorism or general changes in economic conditions.

Prospective investors should consider the risks attached to an investment in the Fund, including (but not limited to) those set out above and in the relevant Supplementary Offering Document. Consideration should be given to whether such risks are suitable for them and prospective investors in any doubt about the contents of this document or the nature of an investment in the Fund should seek independent financial advice.

SUBSCRIPTIONS, REDEMPTIONS AND CONVERSIONS OF SHARES

Application Procedure

Further information in relation to the terms upon which applications for Shares may be made under the Offers is set out in the section of this document entitled “**Offers**”.

Under any Continuing Offer, any applications to subscribe for Shares of a Portfolio that are received and accepted by the Manager prior to 5.00p.m. in the Isle of Man on the Subscription Deadline for that Portfolio will be dealt with in the Isle of Man at the relevant Subscription Price ruling on the next following Subscription Day. Requests received or accepted after the Subscription Deadline for that Portfolio will not (unless the Manager agrees otherwise) be dealt with on the next following Subscription Day and will instead be held over until the subsequent Subscription Day and dealt with at the relevant Subscription Price ruling on that Subscription Day. The Manager has discretion to accept applications received after the deadline referred to above and may request a recommendation from the Investment Manager in that regard. An Initial Charge or Deferred Sales Charge may apply on the issue of Shares, as described in the section of this document entitled “**Charges and Expenses**” and in the relevant Supplementary Offering Document.

Applications to subscribe for Shares of a Portfolio should be made by completing the Application Form accompanying the appropriate Supplementary Offering Document and sending it by fax (if so desired) and (in any case) by post, duly completed and signed, to the Manager, together with all ancillary information and documentation required thereunder. All Application Forms must be received in original before the subscription may be completed by the Manager.

Payment for Shares may be made by telegraphic transfer or (in Pounds only) by cheque. Applicants will be allotted Shares under the Initial Offer of any new Sub-classes only if the Manager receives advice from the Custodian that cleared funds were available by close of business on the Initial Offer Closing Date and under any Continuing Offer only if the Manager receives advice from the Custodian that cleared funds were available by close of business at the Subscription Deadline for that Portfolio.

Shares of a Portfolio will not be issued on a day falling within a period of suspension of the determination of the Net Asset Value of the relevant Portfolio, as described in the section of this document entitled “**Net Asset Value and Pricing of Shares**”. The attention of prospective investors is drawn to the sections of this document entitled “**Distribution Arrangement and Permitted Investors**” and “**Investor Due Diligence**”.

Contract notes in respect of accepted applications showing details of the applicable Subscription Price, the number of Shares issued and any Initial Charge paid will be sent to Shareholders within the Settlement Period following the Initial Offer Closing Date or the relevant Subscription Day, as the case may be. Shareholders will not be provided with certificates evidencing Shares.

Where investors have chosen to subscribe to a Sub-class that applies a Deferred Sales Charge, the number of Shares issued will be calculated by reference to the Net Asset Value of the relevant Sub-class and the Deferred Sales Charge will be treated as an expense of the relevant Sub-class.

No interest will be paid on subscription monies awaiting investment; such monies will be held in the subscription account of the Manager (being a specified client bank account held by the Manager in accordance with the Rule Book in which subscription monies received by the Manager on behalf of all prospective investors in any funds managed or administered by the Manager are held pending acceptance of the related application or the issue of any shares); any interest earned on subscription monies pending acceptance of the related application or the issue of any Shares will be retained for the benefit of the Fund.

Redemption Procedure

The Manager will generally redeem Shares of a Portfolio in the Isle of Man with effect from any Redemption Day relating to that Portfolio. Requests to redeem Shares must be made in writing in the form prescribed by the Manager for that purpose for the time being. Redemption requests must be signed by the Shareholder whose name appears in the Register or by one of such Shareholders in the case of joint holdings, or (in the discretion of the Manager) by a person whose authority to act on behalf of such person has been evidenced to the satisfaction of the Manager. Redemption requests are only valid upon receipt and acceptance by the Manager and if the Shareholder has provided any updated or further due diligence information that may be requested by the Manager and; the Manager may act on the basis of a copy of a duly signed redemption request that has been received by it by fax or e-mail in its discretion.

Requests for redemption received prior to the Redemption Deadline for that Portfolio and accepted by the Manager will be dealt with at the relevant Redemption Price ruling as at the next following Redemption Day. Requests received after 5.00p.m. in the Isle of Man on the Redemption Deadline for that Portfolio will not (unless the Manager agrees otherwise) be dealt with as at the next following Redemption Day and will instead be held over until the subsequent Redemption Day and dealt with at the relevant Redemption Price ruling as at that Redemption Day. The Manager has discretion to accept redemption requests received after the deadline referred to above and may request a recommendation from the Investment Manager in that regard. An Exit Charge may apply on the redemption of Shares, as described in the section of this document entitled “**Charges and Expenses**” and in the relevant Supplementary Offering Document.

SUBSCRIPTIONS, REDEMPTIONS AND CONVERSIONS OF SHARES

Requests to redeem, once received by the Manager, may only be withdrawn in the event of a suspension or deferral of the redemption of Shares (see “**Restrictions on Redemption**” below) or with the consent of the Manager, which may be granted or withheld in its absolute discretion.

No interest will be paid on redemption proceeds pending transmission to the redeeming Shareholder; after the relevant redemption has been effected, such monies will be held in the redemption account of the Manager (being a specified client bank account held by the Manager in accordance with the Rule Book in which redemption monies handled by the Manager on behalf of all investors redeeming shares in any funds managed or administered by the Manager are held pending transmission to the redeeming investors); any interest earned on subscription monies pending acceptance of the related application or the issue of any Shares will be retained for the benefit of the relevant Portfolio.

Restrictions on Redemption

The Manager may refuse to comply with instructions for a redemption of Shares, if to do so would result in the Shareholder having a residual holding in the relevant Portfolio of less than the Minimum Holding or if the redemption is for less than the Minimum Transaction and may also do so if the Shares have unless until they have been in issue for such time, or until they have been held by the relevant Shareholder for such time, or before such date, as may be specified for that purpose in the relevant Supplementary Offering Document. The Fund will not be bound to redeem Shares of any Portfolio during a period when the determination of the Net Asset Value of the relevant Portfolio is suspended as described in the section of this document entitled “**Net Asset Value and Pricing of Shares – Suspension of Valuation**”.

The Fund will not be bound to redeem on any Redemption Day more than Maximum Permitted Redemption Percentage of the Shares of a Portfolio that are in issue. If redemption requests are received for the redemption of Shares on any Redemption Day in excess of the Maximum Permitted Redemption Percentage, the Portfolio may scale down the number of Shares to be redeemed in response to each request to such extent as may be necessary to ensure that the Maximum Permitted Redemption Percentage is not exceeded; in such a case any unfulfilled redemption requests will be carried forward to the next Redemption Day, and so on, until each request has been complied with in full. Redemption requests that have been carried forward from an earlier Redemption Day will be complied with in priority to subsequently received requests for redemption of Shares.

Forced Redemption

If, in relation to a Portfolio, either:

- it is, in the opinion of the Manager, considered advisable, prudent or otherwise in the interests of the Shareholders of that Portfolio so to do as a result of any enactment, legislation or other event or circumstances whatsoever;
- on each Valuation Day falling within the Minimum NAV Testing Period applicable to that Portfolio, the Net Asset Value of the Portfolio is less than Minimum NAV; or
- a Special Resolution to that effect has been passed by the Shareholders of that Portfolio, then the Manager may, by not less than four weeks’ notice expiring on a Redemption Day (which in the case of a redemption pursuant to the second provision above falls within 4 months of the last Valuation Day during the relevant Minimum NAV Testing Period in question) given to all Shareholders of that Portfolio, redeem at the Redemption Price on such Redemption Day all (but not some) of such Participating Shares not previously redeemed. The Shares of individual Shareholders may also be compulsorily redeemed in circumstances where they could be compulsorily transferred, as described in the section of this document entitled “**Status of the Fund – Compulsory Transfers**”.

In the event of any redemption under the foregoing provisions, the provisions of the Articles (as summarised above) shall apply as if such redemption had been made at the request of the holder of the Shares in question.

Settlement of Redemption Proceeds

Following a redemption of Shares, payment of the redemption proceeds will normally be made in the currency of the relevant Sub-class, and a contract note will be despatched, within the Settlement Period following the relevant Redemption Day. Unless otherwise instructed and agreed by the Manager, redemption proceeds will be sent by telegraphic transfer to the bank account nominated for that purpose in the relevant Shareholder’s original Application Form. All payments are made at the expense and risk of the relevant Shareholder.

Currency of Payment and Foreign Exchange Transactions

Where payments in respect of any subscription or redemption of Shares are tendered, or requested, in a freely transferable currency other than the currency of the relevant Sub-class, the necessary foreign exchange transaction will be arranged by the Manager for the account, and at the risk and expense, of the applicant, or recipient, at the time the application is received and accepted, or at the time of transmission (as the case may be). The Manager takes no responsibility for any exchange rate obtained.

SUBSCRIPTIONS, REDEMPTIONS AND CONVERSIONS OF SHARES

Conversions of Shares

If and when there are a number of Portfolios in existence, a Shareholder has the right to convert Shares of one Portfolio into Shares of another Portfolio (subject any terms of issue of the Shares in question and the provisions of the Articles) which have similar Sub-classes.. Any conversion of Shares would take place at a rate based upon the relative values of the prevailing Redemption Price of the existing Shares and the prevailing Subscription Price of the new Shares in accordance with the Articles. Conversion requests are subject to the broadly the same procedural requirements, and may be deferred or suspended in the same circumstances, as redemption requests. A Switching Charge may apply on the conversion of Shares, as described in the section of this document entitled “**Charges and Expenses**” and in the relevant Supplementary Offering Document.

Switching is not permitted between Sub-classes within a Portfolio.

Transfers of Shares

Shares are transferable subject to the restrictions described in the section of this document entitled “**Status of the Fund – Voluntary Transfers**”. Shares may be compulsorily transferred in circumstances described in the section of this document entitled “**Status of the Fund – Compulsory Transfers**”.

NET ASSET VALUE AND PRICING OF SHARES

Establishment and Maintenance of Portfolios

The proceeds of issue of any Shares of each Portfolio are allocated to a separate Portfolio established by the Manager within the books of account of the Fund for that Portfolio. The assets and liabilities attributable to each Portfolio shall be allocated to the associated Portfolio.

In the case of any investment of the Fund which the Manager does not consider attributable to a particular Portfolio, the Manager has discretion to determine the basis upon which such investment shall be allocated between Portfolios and the Manager has the power at any time and from time to time to vary any such basis.

The Manager has discretion to determine the basis upon which any liability which it does not consider attributable to a particular Portfolio shall be allocated between Portfolios (including conditions as to subsequent re-allocations if circumstances so require) and shall have power at any time and from time to time to vary any such basis.

Some or all of the assets of two or more Portfolio may be pooled and managed as a whole if the Directors believe that it is appropriate in all the circumstances.

Determination of the Net Asset Value

Except when the determination of the Net Asset Value is suspended, as described below, the value of the net assets of each Portfolio will be determined as soon as is practicable following each Valuation Day in relation thereto by the Manager in the Isle of Man as at the Valuation Point on each such Valuation Day and shall be the value as at such Valuation Day of all the assets of the Portfolio less all the liabilities of the Portfolio calculated in accordance with the provisions of the Articles.

The Net Asset Value of each Portfolio will be expressed in its Base Currency by ascertaining the value of the assets of the Portfolio on the relevant Pricing Basis(es) (including, subject to any specific provisions in relation to a Portfolio that may be specified in the terms of issue of the Shares of that Portfolio, interest and dividends accrued, the market value of all investments, prepaid expenses and the unamortised portion of any expense that the Directors have determined shall be amortised over a specified period of time) and deducting from such amount the liabilities of the Portfolio accruing up to such Valuation Day (including, subject to any specific provisions in relation to a Portfolio that may be specified in the terms of issue of the Shares of that Portfolio and without limitation, all accrued fees payable to the functionaries, estimated realisation costs and other associated costs, excluding amounts paid up on any Shares), with the assets and liabilities being valued (subject to any specific provisions in relation to a Portfolio that may be specified in the terms of issue of the Shares of that Portfolio) in accordance with the following principles:

- The value of any cash in hand or on deposit, bills, demands and promissory notes and accounts receivable, prepaid expenses, unamortised expenses, cash dividends and interest declared or accrued as aforesaid and not yet received is deemed to be the full amount thereof unless the Manager determines that any such deposit, bill, demand or promissory note or account receivable or other amount is not worth the full amount thereof, in which event the value thereof shall be deemed to be such value as the Manager shall deem to be reasonable.
- The market value of any investment which is listed and regularly dealt in, or traded on, a major international market on a daily basis in minimum aggregate amounts in excess of GBP10,000 will be determined on the relevant Pricing Basis by reference to the most recent closing prices quoted by a recognised and respectable daily financial publication covering the relevant Market, such as (but without limitation) the Bloomberg System, Reuters, the Financial Times for United Kingdom Investments and the Wall Street Journal for United States Investments, provided that where such Investment is quoted in, or traded on, more than one market or publication the Manager may determine which quotation shall prevail.
- For other publicly quoted or regularly traded investments the market value will (save for funds, as described below) be determined on the relevant Pricing Basis by reference to the most recent prices provided by a broker who has dealt in that specific stock or another financial institution or who has specific experience in trading investments similar in nature to the Investment being valued, provided that the Manager will, where possible, try to obtain prices from two or more such brokers (who shall be sourced on a consistent basis) and shall take the average of the prices obtained.
- For other investments which are dealt in, or traded through, a clearing firm or an exchange or through a financial institution, the market value will (save for funds, as described below) be determined on the relevant Pricing Basis by reference to the most recent prices quoted by that clearing house, exchange or financial institution.
- For investments that are not listed or quoted or, if being so listed or quoted, are not regularly traded thereon, or in respect of which no prices as described above are available, the market value of the investment will be such amount as may be specified by such appropriately qualified independent person as may be appointed for that purpose by the Directors or the Manager from time to time.
- Investments in funds or other collective investment schemes in which the Fund invests will be valued on the

NET ASSET VALUE AND PRICING OF SHARES

relevant Pricing Basis by reference to the information supplied by the Manager of such fund, provided that the Directors may make adjustments to such valuations by reason of illiquidity of the assets underlying such funds and other factors and may rely on estimates provided on behalf of such funds.

Notwithstanding the foregoing, where at the time of any valuation, any investment has been realised or contracted to be realised, there shall be included in the assets in lieu of such asset the net amount receivable by the Fund in respect thereof, provided that if such amount is not then known exactly, then its value shall be the net amount estimated by the Manager as receivable by the Fund provided that if the net amount receivable is not payable until some future time after the Valuation Day, the Manager shall make such allowance as they consider appropriate to reflect the true current value thereof.

Assets will be valued, and liabilities shall be calculated, in the Base Currency of the Portfolio and (if not initially expressed in the relevant Base Currency) after taking into account such rate of exchange as the Manager shall consider appropriate.

In determining the amount of the liabilities, the Manager may take account of all accrued liabilities and estimated fees earned and all or any other fees, charges or administrative and other expenses of a regular or recurring nature on an estimated figure for yearly or other periods in advance and accrue the same in equal proportions on a day-to-day basis over any such period.

Save as set out in the Articles or disclosed herein, in determining the Net Asset Value, the assets and liabilities thereof shall each be determined on the basis of the Accounting Standard consistently applied under the accrual method of accounting.

The determination of the Net Asset Value by the Manager is binding and conclusive on all parties except in the case of manifest error and in no event will the Directors or the Manager incur any individual liability or responsibility for any determination made or other action taken or omitted by them in the absence of any manifest error or bad faith. Notwithstanding any other provision of the Articles, the Manager may, at their discretion (but with the approval of the Auditor), permit other methods of valuation to be used if they consider that such method of valuation better reflects the value or is in accordance with good accounting practice.

Share Prices

Shares of a Portfolio are priced in the Base Currency of that Portfolio. The Initial Offer Price under the Initial Offer of Shares of any Portfolio will be as set out in the relevant Supplementary Offering Document.

Subsequent to the Initial Offer, Shares may be issued under any Continuing Offer in respect of a Portfolio on a Subscription Day for a Subscription Price determined by the Manager in the Isle of Man in accordance with the relevant provisions of the Articles and the terms of the relevant Supplementary Offering Document. Subject to the provisions of the Articles, Shares of a Portfolio will be redeemed on a Redemption Day for a Redemption Price determined by the Manager in the Isle of Man in accordance with the relevant provisions of the Articles and the terms of the relevant Supplementary Offering Document.

In summary, and subject to any applicable Initial Charge, Deferred Sales Charge or Exit Charge, the Articles provide for both Subscription and Redemptions Prices to be determined by:

- assessing the Net Asset Value of the Portfolio on the relevant Pricing Basis as at the most recent Valuation Day; and
- dividing the amount calculated under the point above by the number of Shares of the relevant Sub-class then in issue or deemed to be in issue and making such adjustments as may be necessary to reflect the terms of issue of the Shares, including those required to reflect any Sub-classes.

Both Subscription and Redemption Prices will generally be calculated to six decimal places and fractions of Shares will be issued accordingly.

Share Price Adjustment for Sub-classes

Where a Portfolio has different Sub-classes of Shares in issue or there are Side-Pockets in place, the Manager may make such adjustments in determining the Net Asset Value of the Portfolio as it may in its discretion deem to be appropriate in order to determine the Net Asset Value of each Sub-class within the Portfolio. The adjustments are to reflect, *inter alia*, income or accumulation interests, different fee structures and expenses which are attributable to one or more Sub-class of the Portfolio but not to all Sub-classes within the same Portfolio. As a result each Sub-class will participate in the assets of the Portfolio but it may have a different Net Asset Value and different Subscription and Redemption Prices from other Sub-classes within the same Portfolio.

NET ASSET VALUE AND PRICING OF SHARES

Suspension of Valuation

The Manager may declare a suspension of the determination of the Net Asset Value in respect of a Portfolio when it is reasonable to do for the whole of any part of any period:

- during which any market or money or foreign exchange market is closed, other than customary weekend or holiday closing;
- during which trading on any such market or money or foreign exchange market is closed, other than customary weekend and holiday closing;
- during which trading on any such market or money or foreign exchange markets is restricted; or
- during which a breakdown occurs in any of the means normally employed by the Manager in ascertaining the values of the investments of the Portfolio or for any other reason the values of the investments of the Portfolio or the Net Asset Value or the Subscription or Redemption Prices cannot in the opinion of the Manager reasonably be ascertained or circumstances exist as a result of which, in the opinion of the Manager, it is not reasonably practicable for the Fund to realise any of the investments of the Portfolio or to receive remittances arising from realisation of such investments either at all or at normal rates of exchange.

Any such period of suspension will take effect at such times as the Manager shall specify but not later than the close of business on the Business Day next following the declaration and thereafter there shall be no determination of the Net Asset Value and no subscriptions or redemptions of Shares of the Portfolio shall be effected or processed (even if a Valuation Day in respect of which the determination of the Net Asset Value remains outstanding has passed) until the Manager has declared the period of suspension at an end.

Whenever the Manager declares a period of suspension, then as soon as may be reasonably practicable after any such declaration, the Manager will cause a notice to be sent to the holders of Shares of the relevant Portfolio(s) stating that such declaration has been made and, at the end of any period of suspension, the Manager will cause another notice to be sent to the holders of such Shares stating that the period of suspension has ended.

Role of Investment Manager in Valuation Arrangements

The Investment Manager will not be involved in determining the value of any Investment for any Portfolio.

CHARACTERISTICS OF SHARES

Share Capital Authorised for Allotment

The Directors are authorised to allot and issue 100 Management Shares and an unlimited number of Shares in respect of the Portfolios. The types of shares available for issue in the capital of the Fund and their characteristics are described below.

Shares

Shares may be issued in respect of a Portfolio on the terms and conditions set out in the applicable Supplementary Offering Document. Subject to any modified or additional rights or restrictions attached at the time of issue and set out in the relevant Supplementary Offering Document, the Shares are participating redeemable preference shares which confer the right to a proportionate share in the investment of the assets of the relevant Portfolio and to dividends as declared from the profits of the relevant Portfolio. The Directors may create and issue Sub-classes of Shares of a Portfolio with different terms of issue if they determine that it is appropriate in all the circumstances in order to reflect, *inter alia*, income or accumulation interests, different fee structures or the creation of any Side-Pocket arrangements and (for the avoidance of doubt) such Sub-classes will, subject thereto, participate in the assets of the Portfolio but may have different Subscription and Redemption Prices accordingly. At shareholder meetings, holders of Shares will be entitled to attend, but no holder of a Share will be entitled to vote. The Shares only carry the right to vote on a class resolution of the holders of the Shares of the relevant Portfolio relating to the variation, or deemed variation, of the class rights attaching to those Shares or on a resolution to wind up the Fund. For the rights of holders of Shares on a winding up, please see below. An unlimited number of Shares may be issued and the Manager is authorised to allot and issue Shares in such numbers, at such times, at such price and to such persons as it sees fit. The Shares confer no rights of pre-emption on Shareholders (whether by statute, under the Articles or otherwise), either in respect of new issues or in respect of transfers of Shares.

Management Shares

The only class of shares in the capital of the Fund other than Shares currently in existence are the Management Shares, which are non-participating non-redeemable voting management shares with a nominal value of GBP1.00 each. Only 100 Management Shares may be issued and one such Management Share has been issued fully paid at its nominal value of GBP1.00 and is held (legally and beneficially) by Knox Group PLC, the immediate parent company of the Investment Manager. The Management Shares are not offered to investors. Save as described above, the Management Shares carry the only rights to vote on resolutions of the Fund. The Management Shares carry the right to participate in the profits or surplus assets of the Fund that are not allocated to any of the Portfolios but carry no right to participate in the profits or surplus assets of any Portfolio. For the rights of holders on a winding up, please see below. Management Shares carry the right to vote at members' meetings of the Fund.

Variation of Class Rights

The rights attaching to any class of shares may only 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 class meeting of the holders of the shares of that class. The holders of Shares of any Portfolio will constitute a separate class for these purposes unless the Directors determine that the holders of Shares of two or more Portfolios shall form one class because they would be affected in the same way by the proposals under consideration. To every such separate general meeting the provisions of the Articles relating to general meetings apply in similar fashion.

Subject to modified or additional rights or restrictions attached at the time of issue and set out in the relevant Supplementary Offering Document, the rights attached to Shares of a Portfolio are deemed to be varied by:

- the creation or issue of any Shares in respect of the relevant Portfolio ranking in priority to or *pari passu* with the Shares as respects rights in a winding up or reduction of capital or rights to dividends;
- any merger or consolidation of the Fund with other companies under the Companies Act;
- any arrangement entered into by the Fund under the Companies Act;
- the discontinuance of the Fund in the Isle of Man in accordance with the Companies Act;
- any alteration or reduction of the share capital relating to the Share, save by way of permitted distribution or dividend or a redemption or purchase of Shares; or
- any increase in the Maximum Permitted Level of the Initial Charge, the Management Charge, the Exit Charge or the Switching Charge;
- the creation of any Side-Pocket; or
- a material variation of the objectives, policies and restrictions of the Portfolio.

Subject to modified or additional rights or restrictions attached at the time of issue and set out in the relevant

CHARACTERISTICS OF SHARES

Supplementary Offering Document, the rights conferred upon the Shareholders of the Shares of any Portfolio will not be deemed to be varied by:

- the creation or issue of further Shares of that Portfolio (including any Sub-class(es) of Shares of that Portfolio);
- the creation or issue of Management Shares;
- the creation of new Portfolios;
- the issue of Shares of other Portfolios;
- any variation of the rights attaching to the Shares of any other Portfolio; or
- the conversion of Shares or one Portfolio into Shares of another Portfolio.

Issue of Shares

The Manager is authorised to allot and issue Shares at any time without reserving preferential subscription rights to existing Shareholders. Fractions of Shares may be issued, transferred and redeemed at the discretion of the Manager if it appears that this is in the interests of Shareholders. If it is decided not to issue fractions of Shares, any subscription monies representing less than one Share will not be returned to the subscriber but will be retained for the benefit of the Fund.

Register of Shareholders

The Register is available for inspection at the registered office of the Manager, details of which appear in the “**Directory**”. The Fund shall register Shares jointly in the names of not more than four holders should they so require, but notices to be sent to an address appearing in the Register will only be sent to the first-named holder.

Winding Up

The procedure for winding up the Fund is described in the section of this document entitled “**Status of the Fund**”. On a winding up of the Fund, the surplus assets of a Portfolio available for distribution amongst the holders of Shares of that Portfolio in accordance with the rights attached thereto and, if there are no Shares in respect of that Portfolio in issue, *pari passu* to the holders of the Management Shares and the surplus assets of the Fund that are not allocated to any of the Portfolios and that are available for distribution amongst the holders of shares in the Fund shall be applied by the liquidator in the following priority:

- firstly, in the repayment, *pari passu* to the holders of Shares of any Portfolio the assets of which are insufficient to repay the nominal amounts paid up thereon, of amounts up to the nominal amount paid up thereon; and
- secondly, in the payment *pari passu* to holders of the Management Shares of any surplus of assets then remaining.

DISTRIBUTION ARRANGEMENTS AND PERMITTED INVESTORS

Marketing

Only applicants who are not US Persons, who have correctly complied with the application procedure and who are otherwise accepted by the Manager may invest in the Fund. Whilst the Fund will not be targeted at any specific type of investor, There are three key markets identified for distribution: Isle of Man, onshore (United Kingdom) and offshore (International). It is intended that the fund will be marketed directly to authorised IFA's and the following alternative routes to market will also be developed: life insurance company platforms, distributor companies, platforms and international professional networks.

US Persons and Prohibited Persons

Only Permitted Investors may acquire Shares. A Prohibited Person is not a Permitted Investor and may not acquire Shares; all applicants for Shares are required to warrant, *inter alia*, that they are not Prohibited Persons.

A US Person will not be a Permitted Investor unless the Manager specifically determines otherwise; all applicants for Shares are ordinarily required to warrant, *inter alia*, that they are not US Persons.

Permitted Categories of Investor

The Directors may, in relation to any particular Portfolio and in light of the investment policy and risk profile, impose limitations on the categories of investor who may invest in that Portfolio. In such case, the permitted categories of investor will be set out in the relevant Supplementary Offering Document.

Investor Certification Requirements

Any prospective investor in any Portfolio, either by subscription or transfer, will only be accepted if (among other things) he/she/it has completed and signed the Part 1 Certification required under the Regulations and set out in the Application Form and (in certain circumstances if the applicant is investing on behalf of another person or is a life insurance company investing assets comprised within its long term business fund) the relevant Part 2 Certification required under the Regulations and also set out in the Application Form.

REGULATION

Isle of Man

The Fund is an “open-ended investment company” as defined in the CISA and constitutes a single umbrella “collective investment scheme” in accordance with the CISA. By virtue of being incorporated in the Isle of Man, the Fund is regarded as “established in the Isle of Man” for the purposes of the CISA and therefore must comply with the requirements imposed by or pursuant to the CISA. Accordingly, the Fund has been established as a Regulated Fund with the ability to establish a number of sub-funds (each being a Portfolio) in accordance with the Regulations, the key provisions of which are described below.

Governing Body

The governing body of the Fund for the purposes of the Regulations is the Fund’s board of directors for the time being. Under the Regulations, the Board must include at least one natural person as a non-executive director who is resident in the Isle of Man.

Each Director must be fit and proper to act as such. Under the Regulations, each Director must have submitted himself/herself to vetting by the FSC before being appointed. A proposed appointee may not be appointed as a Director if the FSC objects.

Under the Regulations, the Board are responsible, *inter alia*, for ensuring that:

- (a) the requirements of the Regulations are complied with;
- (b) the Offering Documents and the Articles are accurate and comply in all respects with the requirements of the CISA and the Regulations;
- (c) the Fund is, and continues to be, managed and operated in accordance with the Offering Documents and the Articles;
- (d) the Offering Documents accurately set out all material information which, as at the date thereof, is within the knowledge of the Board (or which any Director would have been able to obtain at that time by making reasonable enquiries) which is relevant for the purposes making an informed judgment about the merits of participating in the Fund;
- (e) no Offering Documents are issued to Shareholders or potential investors unless, as at the date of issue, it is up to date in accordance with paragraph (d) above;
- (f) the Manager is notified of all changes to the Fund and its arrangements and provided with copies of all amended Offering Documents and constitutional documents without delay;
- (g) Shareholders are informed in a timely manner of any material changes to the Fund and the anticipated impact thereof;
- (h) within 6 months of the Fund’s financial year end or the launch of the Fund (and prior to the cessation of the Fund) an annual compliance declaration is signed by or on behalf of the Board and submitted to the FSC confirming, *inter alia*, that, during the period covered by the declaration, the Fund has complied with the CISA and the Regulations and been managed and operated in accordance with the Offering Documents and the Articles and the Offering Documents have accurately set out all material information to enable an informed investment decision to be made;
- (i) the Manager discharges its responsibilities under the Regulations, as described below;
- (j) an appropriate minimum subscription amount is determined.

A form of responsibility statement must be signed by or on behalf of the Board in relation to the Offering Documents and each amendment thereof and submitted to the FSC prior to the launch of the Fund or the issue of the amended document (as the case may be). Where any Director ceases to hold office as such he/she must notify the FSC in writing of that fact and the reasons therefore. The Board also have certain responsibilities in relation to the selection of any investment advisers or managers, the Promoter and any sub-custodians, as described below.

Manager

Under the Regulations, the Fund must appoint a Manager which is the holder of a licence issued by the FSC which permits it to act as manager of Regulated Funds. The person appointed to fulfil this role as at the date of this document is the Manager, which is the holder of an appropriate licence issued in accordance with the FSA.

The appointment of any manager of a Regulated Fund must be approved in advance by the FSC. The matter considered by the FSC in granting approval in such circumstances is described in the “**Isle of Man Regulatory Fund Risk Warning**” section of the “**Important Notice**” at the beginning of this document. Either the cessation of the Manager’s appointment or the appointment of a new Manager must be approved by the FSC. Furthermore the continuation of the FSC’s approval of the Manager’s appointment must be reviewed by the FSC prior to the

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implementation of any change in the membership of the Board, any change in the identity of, or appointment or removal of, a functionary of the Fund or any material change to the Fund's Articles, Offering Documents or material agreements.

Under the Regulations, the Manager has a number of responsibilities, some of which overlap with those of the Board:

- (a) satisfy itself that the Fund is being managed and operated in accordance with the provisions of the Articles and the Offering Documents;
- (b) ensure that adequate procedures and controls have been implemented which are appropriate for the Fund and include procedures and controls relating to the Fund's corporate governance arrangements, the compliance arrangements for the Fund and services provided to the Fund by the Manager, the accuracy of determining the Net Asset Value and the Subscription and Redemption Prices, the monitoring of investment and borrowing powers and restrictions, the monitoring of the Fund's liquidity profile, the maintenance of the Register, the application and redemption procedures, the issue of contract notes, complaints procedures, the maintenance of a breaches register and a pricing errors log, the issue of annual and (where appropriate) interim financial statements for the Fund, the accuracy of fees and expenses charged to the Fund, the updating of the Offering Documents, the arrangements for advertising the Fund and notifying the Fiduciary Custodian without delay of any material breaches or pricing errors;
- (c) notifying the FSC without delay if it determines that the Fund has not been managed or operated in accordance with the provisions of the Articles or the Offering Documents, if it becomes aware that any of the requirements in the Regulations have not been complied with, if it becomes aware that Director has been removed, resigned or not reappointed at the end of their term of office and if it becomes aware that Auditor has been removed, resigned or has not been reappointed at the end of its term of office;
- (d) notifying the FSC as soon as reasonably practicable after receiving either an audit report on a Fund's financial statements that has been qualified by the Auditor or contains an emphasis of matter or a management letter (or equivalent) in relation to the Fund's audit which notes significant issues, together with a copy and details of any remedial action proposed by the Board;
- (e) notifying the FSC within 10 working days, where the Fund's audited annual financial statements have not been distributed in accordance with the Regulations of that fact and every four weeks thereafter until they have been issued and distributed, in each case giving details of the issues giving rise to the delay, setting out a revised timetable for distribution of the audited annual financial statements and a copy of any Shareholder communication regarding the delay or (if no Shareholder communication has been issued) the reasons for, and the written consent of the Fiduciary Custodian to, not issuing such a communication;
- (f) notifying the Fiduciary Custodian without delay of any material lapses in the implementation of the procedures and controls in sub-paragraph (b);
- (g) sending copies of any revised Offering Documents and any FSC notification documents required by the Regulations to the Fiduciary Custodian;
- (h) satisfying itself that prospective investors in any Portfolio have completed an Application Form and, where entry criteria has been imposed by the Fund in relation to that Portfolio, that they have signed to confirm that they meet those criteria. In relation to applications for subscription in the Fund received from platform arrangements, the Fund has obtained a modification to the Regulations regarding investor certification requirements. The revised requirements are detailed in the Application Form to be completed in respect of such arrangements;
- (i) completing and signing the relevant part of the annual compliance declaration referred to above;
- (j) supplying certain statistical information to the FSC within 15 working days of each calendar quarter end; and
- (k) ensuring the suitability and accuracy of promotional material and advertisements and the compliance of the same with the Regulations or, where a separate Promoter is appointed, overseeing the promotion of the Fund by the Promoter.

Fiduciary Custodian

Under the Regulations, the Fund must appoint a fiduciary custodian which is a different person from the Manager and is the holder of a licence issued by the FSC in the Isle of Man, or by the regulatory authority in another acceptable jurisdiction, which permits it to act as fiduciary custodian of funds such as Regulated Funds. The person appointed to fulfil this role as at the date of this document is the Fiduciary Custodian, which is the holder of an appropriate licence issued by the Guernsey Financial Services Commission.

Any change in the identity of the Fiduciary Custodian would invoke a requirement upon the Manager to obtain the consent of the FSC to the continuation of its appointment to act as Manager of the Fund.

Under the Regulations, the Fiduciary Custodian has a number of responsibilities, including:

- (a) implementing appropriate procedures and controls in order to satisfy itself that the Fund is being managed and

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- operated in accordance with the provisions of the Articles and the Offering Documents;
- (b) having all the property of the Fund in its custody or placed with a Sub-Custodian (see “**Sub-Custodians**” below);
 - (c) having the right to give and carry out instructions in respect of Portfolio assets where it has reasonable grounds to believe that the investment and borrowing limitations in the Offering Documents are not being complied with;
 - (d) notifying the FSC without delay if it determines that the Fund has not been managed and operated in accordance with the provisions of the Articles or Offering Documents, if it becomes aware that any of the requirements of the Regulations have not been complied with or if it becomes aware of breaches (which have not been corrected within 20 working days of discovery) by the Manager, of the obligations imposed on the Manager by the Constitutional documents and Offering Documents.

Sub-Custodians

Under the Regulations and the Custody Agreement, the Fiduciary Custodian is permitted to appoint a Sub-Custodian to act as custodian of certain assets of a Portfolio. Under the Regulations, any Sub-Custodian must be licensed by an appropriate regulatory body to provide such custody services. Before appointing any Sub-Custodian and on an ongoing basis, the Board and the Fiduciary Custodian must ensure that the proposed appointee is competent to undertake the function and is appropriately experienced in providing services to the class of assets for which it will act as Sub-Custodian. In doing so, they must consider the suitability of the domicile and the regulatory framework for the provision of custody services in the jurisdiction in which the Sub-Custodian is regulated. The Board and the Fiduciary Custodian must also obtain the Manager’s approval of the appointment. The Manager must notify the Board and the Fiduciary Custodian without delay if it becomes aware of anything which it reasonably believes is relevant to assessing a Sub-Custodian’s ongoing suitability as aforesaid.

Asset Management

The Fund must ensure that it receives relevant advisory or discretionary management services in relation to the investment and re-investment of the assets of each Portfolio. Before making an appointment of this nature, and on an ongoing basis, the Board must ensure that any proposed or appointed asset manager or investment adviser is suitable to act in that capacity, taking into account the regulatory status of the asset manager or investment adviser and of any person providing investment services to the asset manager or investment adviser and any guidance issued by the FSC. The Manager must notify the Board without delay if it becomes aware of anything which it believes is relevant to this assessment. The Board are satisfied that the Investment Manager is regulated and suitable to act as such.

In accordance with the Regulations, the Investment Manager has established a policy for the spreading of investment risk for each Portfolio and a risk management process including monitoring any relevant restrictions on hedging, gearing (using derivatives and similar instruments) and borrowing and the liquidity of each Portfolio. Where a regulated asset manager is not appointed, responsibility for oversight of these policies and processes rests with the Manager.

Promotion

Under the Regulations, the Fund must appoint a Promoter who is responsible for promotion of the Fund and the suitability and accuracy of promotional materials and advertisements issued in connection with the Fund. The Promoter must be either the Manager or a person whom the Board has assessed as being suitable to act as such, taking into account the regulatory status, experience and track record of the proposed appointee and any guidance issued by the FSC. Where the Manager does not act as the Promoter, the Manager must notify the Board without delay if it becomes aware of anything which it believes is relevant to the ongoing suitability of the Promoter to act as such. In this case, the Fund has appointed the Investment Manager to perform the duties of the Promoter; the Board are satisfied that the Investment Manager is regulated and suitable to act as such.

The Promoter is required to ensure that the marketing of the Fund is consistent with the Constitutional Documents and the Offering Documents and that all advertisements and marketing materials issued in connection with the Fund contain the statements prescribed by, and are prepared in accordance with, the Regulations, are consistent with the Offering Documents and do not contain misleading statements or unsubstantiated claims.

Investor Requirements

The Regulations requires that the Fund may only accept investments:

- (a) where the Minimum Initial Investment is met for the relevant Portfolio; and
- (b) the investor has certified his/her/its status in accordance with the relevant certification requirements, as set out in the Regulations, and the requirements imposed by the Fund, as described in the section of this document entitled “**Distribution Arrangements and Permitted Investors**”.

In summary, an investor investing in the Fund for his/her/its own account must certify that he/she/it is not a Prohibited Person, meets any investor category requirements particular to the Portfolio in question (as set out in the relevant

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Supplementary Offering Document), is sufficiently experienced to understand the features and risks of an investment in the Fund, has read and understood the Offering Documents, accepts the risks associated with an investment in the Fund and (if appropriate) has taken independent advice on the suitability of the investment within his/her/its overall investment portfolio.

Investment Restrictions

Under the Regulations, each Portfolio must have a policy for spreading investment risk, including any restrictions on the amount of property that may be invested in securities issued by one issuer or the amount which may be invested in illiquid or unquoted investment or derivatives, that should take effect within 6 months after the Initial Offer Closing Date. If no such restrictions are imposed or if they would permit more than 10 per cent of the value of the Portfolio to be so invested, then the attendant risks must be clearly disclosed.

Where it is proposed in respect of a Portfolio that leverage in excess of 25 per cent of the Net Asset Value be undertaken using derivatives, then the associated risks must be clearly disclosed and such leverage may not exceed 100 per cent of the Net Asset Value. Where it is proposed in respect of a Portfolio that leverage in excess of 25 per cent of the Net Asset Value be undertaken using borrowing, then the associated risks must be clearly disclosed and such leverage may not exceed 50 per cent of the Net Asset Value. Where the combined leverage in respect of a Portfolio may exceed 25 per cent of the Net Asset Value the associated risks must be clearly disclosed and combined leverage may not in any case exceed 100 per cent of the Net Asset Value.

The Manager may be required by the AIFM Directive to report to investors on leverage of the Fund (if any) calculated by reference to Net Asset Value.

Valuation and Pricing

Under the Regulations, the assets of each Portfolio must normally be valued at least once in each month unless the terms of the valuation and dealing policy, and associated risks, are clearly disclosed. The Board and the Manager must be satisfied that the pricing of Shares achieves a reasonable balance between the interests of subscribing and redeeming Shareholders

Offering Documents and Application Form

Under the Regulations, the Fund is required to have an offering document which accurately sets out all material information which, as at the date thereof, is within the knowledge of the Board (or which any Director would have been able to obtain at that time by making reasonable enquiries) which is relevant for the purposes of making an informed judgment about the merits of participating in the relevant Portfolio, which complies with the requirements of the CISA and contains certain information prescribed by the Regulations. This document, together with any Supplementary Offering Documents, is the offering document of the Fund for the purposes of the Regulations as at the date hereof. Under the Regulations, the Fund is required to have an application form that must contain certain certifications, as referred to above.

Financial Statements and Audit

Under the Regulations the Fund must appoint a “qualifying auditor”. A qualifying auditor must have a permanent place of business in the Isle of Man, must have professional indemnity insurance of not less than £20 million, must be a member, or member firm, of one of certain specified professional bodies and must be independent of the Fund having regard to the auditing standards and code of ethics of the relevant professional body. The Auditor is the qualifying auditor of the Fund as at the date of this document. The Auditor has its principal place of business at the address set out in the “**Directory**” and is a member firm of the body named in the “**Directory**”, which is one of the professional bodies specified in the Regulations; the Auditor has confirmed to the Board that it is independent of the Fund for the purposes of the auditing standards and code of ethics of the Institute of Chartered Accountants in England & Wales and that, as at the date of this document, it maintains professional indemnity insurance of not less than £20 million. The Auditor has undertaken to the Fund to notify the Board should it at any time cease, or become aware that it is likely to cease, to comply with the requirements for appointment as a qualifying auditor.

The Regulations require that the annual financial statements of the Fund must be audited by the qualifying auditor in accordance with one of the approved standard and distributed to investors no later than 6 months after the Fund’s financial year end. The Auditor has agreed under their engagement letter, subject to the terms thereof, to report on the annual financial statements of the Fund in accordance with the requirements of the Regulations. Where the Net Asset Value for a Portfolio is normally determined less frequently than monthly, interim financial statements must be prepared on a six-monthly basis and will generally be sent to Shareholders in the relevant Portfolio within 4 months of the date to which they are made up; such interim financial statement will not be audited by the Auditor.

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In the event of the Auditor ceasing to hold office as such, the Manager is required to notify the FSC of that fact and the Auditor is required to provide a signed statement direct to the FSC stating either that there are no circumstances connected with it ceasing to hold office which it considers should be brought to the attention of the FSC or, if it considers that there are such circumstances, details thereof.

No Compensation Arrangements

Shareholders are not protected by any statutory compensation arrangements in the event of the Fund's failure.

Powers of Intervention in the Isle of Man

Under the CISA, the manager of a fund must satisfy itself regarding certain matters relating to the fund and both the Manager and the auditor of the fund are required to make notifications to the FSC in relation to a fund in certain circumstances. The FSC has certain powers of intervention in relation to funds under the CISA and the Court may make orders relating to such funds, including the Fund and its Portfolios. The powers of the FSC include the power (in circumstances where, *inter alia*, they consider it to be in the interests of participants or potential participants in the scheme) to direct the manager to cease the issue and/or redemption of units or to wind up the scheme. The FSC may apply to the Court for an inspector or manager to be appointed in relation to a scheme and the Court may make and order to that effect if it is satisfied that it is in the interests of participants to do so or that the matter is of public concern. Under the Companies Act 1931, the Court has the power to wind up a company, including the Fund, compulsorily if, *inter alia*, it is satisfied that it would be just and equitable to do so.

TAXATION

Isle of Man

The following information summarises the taxation position of the Fund under current tax law and practice in the Isle of Man. There can be no certainty that this tax regime will persist.

The Fund will be liable to Manx income tax at the standard rate for companies of zero per cent. (A 10 per cent corporate tax rate applies to certain income sources, principally income from Isle of Man land and property and certain banking income, but the Fund is not expected to be in receipt of income from such sources.)

The Fund will not be required to withhold tax from the payments of dividends to Shareholders.

Shareholders resident outside the Isle of Man will have no liability to Manx income tax on dividends received from the Fund.

There is no capital gains tax, inheritance tax, stamp duty or stamp duty reserve tax in the Isle of Man. No death duties are payable, although a probate fee may be payable in respect of the estate of a deceased Shareholder. The current rate of fees can be found at <http://www.courts.im/courtprocedures/willsandprobate/>. No taxes are payable on the transfer of shares in the Fund. There are no current exchange control restrictions applicable in the Isle of Man.

The fees of the Investment Manager and the Manager will not be subject to value added tax, but certain other fees, charges and expenses may be subject to value added tax, where applicable.

Directive 2003/48 of the European Union on the taxation of savings income (which, for the purposes thereof, can include the proceeds of a redemption of certain investments in some circumstances) seeks to bring about the effective taxation of interest payments in a beneficial owner's member state of tax residence through the automatic exchange of information on cross border interest payments to individual beneficial owners. During the transitional period set out in the Directive, three member states (namely Austria, Belgium and Luxembourg) shall not be required to exchange information but shall apply a withholding tax to savings income covered by the Directive. The Isle of Man has entered into agreements with all the EU member states to apply a retention tax during the transitional period in the same manner as the withholding tax under the Directive and, thereafter, to apply automatic exchange of information. These measures now apply in the Isle of Man, but the Directive does not currently apply to funds, such as the Fund, that are Regulated Funds.

Shareholders

It is expected that Shareholders may be resident for tax purposes in a number of different countries. Consequently, no attempt is made in this document to summarise the actual taxation consequences for each investor of subscribing for, buying, holding, transferring, redeeming, selling or otherwise acquiring or disposing of Shares in the Fund.

The taxation of income or capital gains received by Shareholders depends on the tax law applicable to the personal situation of each investor and/or to the place where the capital is invested and if prospective investors are unclear as to their tax position they should seek professional advice or information from specialist organizations, where available.

All investors should inform themselves of, and (when appropriate) consult their professional advisers on, the possible tax consequences and any exchange control requirements of subscribing for, buying, holding, transferring, redeeming, selling or otherwise acquiring or disposing of Shares.

The Manager may be required to make automatic disclosures in relation to investors in Funds that are administered. In particular your attention is drawn to the FATCA rules, the UK IGA's, the OECD Common Reporting Standard and the proposed EUSDII. Where allowed, the Manager will notify you in advance of any disclosures that are to be made.

The Fund was granted "reporting fund" status with effect from 6th December 2010 in respect of each Portfolio from HM Revenue & Customs in the UK as an offshore fund within the meaning of section 40A of the UK Finance Act 2008. The Fund is required to provide computations of reported income to HM Revenue & Customs and to all participants who hold an interest in a Portfolio in respect of their proportionate share of the reported income of the relevant Portfolio. Obtaining reporting status may provide substantial benefit to UK resident participants holding an interest in the fund. Disposal of any interest in a reporting fund by UK resident investors will be subject to a current maximum of 28 per cent capital gains tax, in contrast to disposals of holdings in non-reporting funds which may be taxed as income up to a current maximum of 45 per cent income tax. In certain circumstances, distributions from reporting funds to UK resident investors may also carry a 10 per cent tax credit.

FATCA

The Isle of Man has signed an inter-governmental agreement ("**US IGA**") with the United States to give effect to the US Foreign Account Tax Compliance Act ("**FATCA**"). Financial institutions ("**FIs**") that comply with the US IGA and the enabling legislation will be treated as satisfying the due diligence and reporting requirements of FATCA and accordingly will be treated as participating foreign financial institutions ("**Participating FFIs**") for the purposes of FATCA. As such, those FIs will be "deemed compliant" with the requirements of FATCA, will not be subject to withholding tax, and will not be required to close recalcitrant accounts.

The US IGA typically categorises FIs as either "Reporting FIs" or "Non-Reporting FIs". By default, all FIs will be Reporting FIs, unless they qualify as Non-Reporting FIs. The categories of Non-Reporting FIs are specified in Annex II to the US IGA. A Reporting FI is (i) not required to enter an "FFI agreement" with the US Internal Revenue Service ("**IRS**"), (ii) required to register with the IRS to obtain a Global Intermediary Identification Number, (iii) required to conduct due diligence on its investors to identify whether accounts are held directly or indirectly by "Specified US Persons", and (iv) required to report information on such Specified US Persons to the Isle of Man Assessor of Income Tax ("**Assessor**"). The Assessor will exchange the information reported to it with the IRS annually on an automatic basis. While a Non-Reporting FI will not be subject to these requirements, it will need to provide self-certification, on US tax forms, to withholding agents to avoid the imposition of the 30% withholding tax.

The Isle of Man has also signed separate inter-governmental agreements with the United Kingdom ("**UK IGA**") in broadly similar form to the US IGA. The UK IGA imposes similar requirements to the US IGA, so that the Fund will be required to identify accounts held directly or indirectly by "Specified United Kingdom Persons" and report information on such Specified United Kingdom Persons to the relevant Local Taxation Authority, which will exchange such information annually with HM Revenue & Customs ("**HMRC**"), the United Kingdom tax authority. It is possible that further inter-governmental agreements ("**Future IGAs**") similar to the US IGA and the UK IGA may be entered into by the Isle of Man Governments with other third countries to introduce similar regimes for reporting to such third countries' fiscal authorities ("**Foreign Fiscal Authorities**"), including regimes arising from or in connection with the OECD Common Reporting Standard.

Under the terms of the US IGA and associated legislation, regulations and guidance, FATCA withholding tax will not be imposed on payments made to the Fund, or on payments made by the Fund to an account holder, except to the extent the Fund, its investors or any other account holder fails to comply with its obligations under FATCA or the US IGA, or otherwise fails to comply with any other obligations it may have to the Fund with respect to the Fund's obligations under FATCA and/or the US IGA, as applicable. If subject to, or required to, withhold, such FATCA withholding tax will generally be at the rate of 30% of the relevant payment.

By investing (or continuing to invest) in the Fund, investors shall be deemed to acknowledge that:

- (i) the Fund (or its agents, including the Administrator and the Investment Manager) may be required to disclose to the Assessor certain confidential information in relation to the investor, including but not limited to the investor's name, address, tax identification number (if any), social security or national insurance number (if any) and certain information relating to the investor's investment;
- (ii) the Assessor may be required to automatically exchange information as outlined above with the IRS, HMRC and other Foreign Fiscal Authorities;
- (iii) the Fund or its agents may be required to disclose to the IRS, HMRC and other Foreign Fiscal Authorities certain confidential information when registering with, or reporting to, the IRS and/or HMRC and/or such other authorities and if the IRS and/or HMRC and/or such other authorities contact the Fund (or its agent directly) with further enquiries;
- (iv) the Fund or its agents may require the investor to provide additional information and/or documentation which the Fund or its agents may be required to disclose to the Assessor, the IRS, HMRC and other Foreign Fiscal Authorities;
- (v) in the event an investor does not provide the requested information and/or documentation in a timely manner, or the material provided is in any way misleading, whether or not that actually leads to compliance failures by the Fund, or a risk of the Fund or its investors being subject to withholding tax under the US IGA or UK IGA or any Future IGAs or any associated legislation, regulations or guidance, the Fund reserves the right to take any action and/or pursue all remedies at its disposal including, without limitation, compulsory redemption or withdrawal of the investor concerned; and
- (vi) no investor affected by any such action or remedy shall have any claim against the Fund or its agents for any form of damages or liability as a result of actions taken or remedies pursued by or on behalf of the Fund in order to comply with any of the US IGA, the UK IGA or any Future IGAs, or any associated legislation, regulations or guidance.

Manx Disclosure Facility

The Manx Disclosure Facility started on 6 April 2013 and runs until 30 September 2016. The disclosure facility can be utilised by UK taxpayers who have had a relevant connection with the Isle of Man at any time between 6 April 1999 and 31 December 2013. A relevant connection includes for example a bank account, life policy or the administration of a trust, company or other entity in the Isle of Man.

The disclosure facility will enable individuals to regularise their UK tax affairs with HM Revenue & Customs where there are potentially undeclared amounts and also it can be used to obtain certainty on historical matters where the UK tax position is unclear.

Where clients have been appropriately advised historically the disclosure facility will not be relevant.

STATUS OF THE FUND

The following description is a summary of the status of the Fund and the jurisdiction in which it is established, the principal provisions of the Companies Act as it applies to the Fund and the Fund's Articles, copies of which are available from the Fund. This summary is qualified in its entirety by the information appearing in the Articles.

JURISDICTION

The Isle of Man is a British crown dependency which does not form part of the United Kingdom. The Isle of Man is a self-governing parliamentary democracy with its laws comprising Isle of Man statutes (passed by the insular legislature, Tynwald), Isle of Man common law, and certain statutes passed by the United Kingdom Parliament which are applicable to the Isle of Man either by extension or inference.

COMPANIES ACT

The Fund is incorporated in the Isle of Man under the Companies Act as a company limited by shares. Details of the date of incorporation, company number and registered office of the Fund are set out in the “**Directory**”. The Fund is an umbrella open-ended investment company under the Companies Act.

The Companies Act allows for the incorporation of a simplified corporate vehicle limited by shares designed for international business (a “**2006 Act Company**”).

KEY FEATURES OF A 2006 ACT COMPANY

Corporate Personality

A 2006 Act Company is a legal entity in its own right, separate from its members, and will continue in existence until it is dissolved.

Registered Office and Registered Agent

A 2006 Act Company is required at all times to have a registered office in the Isle of Man. Every 2006 Act Company is required at all times to have a registered agent in the Isle of Man who must hold a licence granted by the FSC which does not exclude acting as registered agent.

Capacity and Powers of a 2006 Act Company

The doctrine of *ultra vires* does not apply to 2006 Act Companies. The Companies Act states that, notwithstanding any provision to the contrary included in its memorandum or articles of association, a 2006 Act Company has unlimited capacity to carry on or undertake any business or activity, to do, or be subject to, any act or to enter into any transaction, irrespective of corporate benefit and irrespective of whether or not it is in the best interests of the company to do so.

Directors

Each director of a 2006 Act Company is subject to Isle of Man common law duties such as the duty to act bona fide in the interests of the company, and Isle of Man statutory duties such as the requirement to disclose any conflicts of interest. In addition, a director of a 2006 Act Company is in a position of trust and as such owes various fiduciary duties to the company. The duties owed by the directors of a 2006 Act Company are owed primarily to the company rather than individual shareholders, employees or creditors.

Any individual or (subject to the requirements below) any body corporate may be a director of a 2006 Act Company. A body corporate may be a director of a 2006 Act Company if it, or another body corporate of which it is a subsidiary, holds a licence granted by the FSC which does not exclude acting as such. A 2006 Act Company is permitted to have a sole director under the Companies Act, but the Articles provide (in compliance with guidance issued by the FSC and the requirements of the Regulations) that the Fund must have at least two directors, of whom one must be a natural person resident in the Isle of Man.

Members

A 2006 Act Company is required to have at least one shareholder at all times. A 2006 Act Company is required to maintain a register of members recording, *inter alia*, the name and business or residential address of the persons who hold shares in the company. The entry of a person's name in the register of members as the holder of a share is prima facie evidence that legal title to that share vests in that person.

Shares

A share in a 2006 Act Company is the personal property of the shareholder. The liability of a member to a 2006 Act Company, as a shareholder of that company, is limited to (a) the amount unpaid on any shares held by that member, (b) any liability to repay all or any part of a Distribution made to that member (see below for a definition of "Distribution"), (c) any liability for calls made on the member by the company and (d) any other liability expressly provided for in the memorandum and articles of association. A 2006 Act Company has no power to issue bearer shares, convert a share into a bearer share or exchange a share for a bearer share.

Rights of Members under the Companies Act

The directors of a 2006 Act Company are required to call a meeting of the company to consider a resolution if requested in writing to do so by a member or members holding at least 10 per cent of the voting rights in relation thereto.

The members may resolve to remove any director of a 2006 Act Company, notwithstanding anything in the memorandum and articles or any agreement between the director and the company. If a 2006 Act Company or a director of such company engages in conduct that contravenes the Companies Act or the memorandum or articles a member or director may apply to the court for a direction restraining the company or the director (as appropriate) from such conduct.

A member of a 2006 Act Company may bring an action against the company for breach of duty owed by the company to such member in that capacity. In addition, a member of a 2006 Act Company who considers that the affairs of the company are being conducted in a manner likely to be oppressive to such member may apply to the court for relief. The court has the power to make such order or orders as it thinks fit including, *inter alia*, the payment of compensation, the regulation of the future conduct of the company, the appointment of a receiver of the company, the rectification of the records of the company or requiring the company or any other person to acquire that member's shares.

Winding Up

The winding up of a 2006 Act Company can be achieved in three ways:

- by the Court;
- voluntarily; or
- voluntarily, subject to the supervision of the court.

A 2006 Act Company may be wound up by the court if the company passes a resolution to that effect. A 2006 Act Company may also be wound up by the Court if, *inter alia*, the company is unable to pay its debts, the company suspends its business for a whole year, or the court is of the opinion that it is otherwise just and equitable that the company be wound up.

If it so resolves, a 2006 Act Company may be wound up voluntarily. If, prior to a resolution for voluntary winding up, a majority of the Directors make a statutory declaration to the effect that they have made a full enquiry into the affairs of the company, and having done so, they have formed the opinion that the company will be able to pay its debts in full within a period, not exceeding 12 months, from the commencement of the winding up the winding up will proceed as a members' voluntary winding up; where no such declaration has been made the winding up will be a creditors' voluntary winding up.

Under a members' voluntary winding up a company is entitled to appoint liquidators to wind up the affairs and distribute the assets of the company, whereas under a creditors' winding up the creditors are entitled to appoint liquidators in preference to any liquidators appointed by the company. In circumstances where a 2006 Act Company has passed a resolution for voluntary winding up the Court may make an order that the voluntary winding up shall continue subject to the supervision of the Court.

The rights of the shareholders in the Fund to participate in the assets of the Fund on its winding up are summarised in the section of this document entitled "**Characteristics of Shares**".

Accounting Records

The Companies Act requires a company to keep reliable accounting records which (i) correctly explain the transactions of the company, (ii) enable the financial position of the company to be determined with reasonable accuracy at any time; and (iii) allow financial statements to be prepared.

Statutory Books

Under the Companies Act originals or copies (as appropriate) of various documents, including the constitutional documents, statutory books and accounting records of a 2006 Act Company, are required to be kept at the office of the

registered agent.

ARTICLES

Various provisions of the Articles (including those relating to the creation of Portfolios, the issue, redemption, conversion and transfer of Shares, the share capital of the Fund, the rights attaching to the various classes of shares in the Fund, variations of class rights) are summarised elsewhere in this document. The Articles also contain provisions, *inter alia*, to the following effect.

Alteration of Share Capital

The Fund may, by a resolution of the shareholders, alter the Fund's share capital in any way and, in particular, may:

- consolidate and divide all or any shares into shares of a larger amount;
- re-denominate all or any shares as shares with a par value denominated in another currency on such basis as the Directors see fit; or
- sub-divide all or any shares into shares of smaller amount.

Shareholders' Meetings

The Directors may convene meetings of the shareholders or any class of shareholders at such times and in such manner and places within or outside the Isle of Man as they consider appropriate. There must be an annual members' meeting of the Fund. All general meetings of Shareholders will be held in the Isle of Man unless otherwise notified and will be convened by not less than 14 days' notice to those shareholders who are entitled to vote at the meeting.

The holders of Management Shares have the right to receive notice of and attend and to vote at members' meetings of the Fund. The rights of the holders of Shares to vote are as set out in the section of this document entitled "**Characteristics of Shares**".

A meeting of shareholders or class of shareholders is duly constituted and quorate if, at the commencement of the meeting, there are present a shareholder or shareholders holding at least 10 per cent of the voting rights entitled to be exercised at the meeting. If within 2 hours from the time appointed for the meeting a quorum is not present, the meeting, if convened at the request of shareholders, shall be dissolved; in any other case, it shall stand adjourned to the next business day in the jurisdiction in which the meeting was to have been held at the same time and place or to such other time and place as the Directors may determine, and if at the adjourned meeting there are present within one hour from the time appointed for the meeting a shareholder or shareholders holding at least 10 per cent of the voting rights entitled to be exercised at the meeting, those present shall constitute a quorum but otherwise the meeting shall be dissolved.

Any action that may be taken by the shareholders or a class of shareholders at a meeting (whether by Ordinary Resolution or Special Resolution) may also be taken by a resolution consented to in writing by the Board and a shareholder or shareholders or the member or members of a class of shareholders holding not less than 75 per cent of the voting rights in relation thereto, provided that a copy of the proposed resolution is sent to all of the persons entitled to consent to it.

Notices

Any notice, information or written statement may be sent to a Shareholder by electronic communication, delivered by personal service or sent by mail to the registered address of the Shareholder appearing in the Register. A Shareholder who provides an e-mail address to the Fund is deemed (unless and until the Manager receives notice to the contrary) to have consented to the provision of any notice, information or written statement by electronic communication sent to that e-mail address. For these purposes, due notice of any notice, information or written statement is deemed to have been given if it is attached to an electronic communication or posted to a website that is referred to in an electronic communication.

In the case of joint owners of a Share, all notices shall be given to the senior joint owner and seniority shall be determined by the order in which the names of the owners stand in the Register and such notice constitutes sufficient notice to all the joint owners. Proof that an envelope containing any communication was properly addressed, pre-paid and posted shall be conclusive evidence that it was given by mail. Any notice, information or written statement shall be deemed to be given at the expiration of 48 hours after the envelope containing it was posted or, in the case of any notice, information or written statement given by electronic communication, at the expiration of 48 hours after the time it was sent (irrespective of whether the Fund receives notification of any delivery problem).

Any person, such as a personal representative of a deceased Shareholder, who becomes entitled to a Share will be bound by any notice in respect of that Share which, before its name is entered in the Register, has been duly given to

the person from whom he/she/it derives title.

Voluntary Transfers of Shares

Shares are not generally transferable, but the Manager may in its discretion permit a transfer to be made if it is made in such form as the Manager may prescribe for that purpose for the time being and signed by the Shareholder, or by one of such Shareholders in the case of joint holders, or (in the discretion of the Manager) by a person whose authority to act on behalf of such person has been evidenced to the satisfaction of the Manager, if the Shareholder has provided any updated or further due diligence information that may be requested by the Manager and if:

- it is to a person whom the Directors are satisfied is a Permitted Investor;
- it is to a person who has duly completed, signed and submitted an appropriate Application Form;
- it is to a person who has provided all requested due diligence information;
- it is in respect of Shares equivalent to the relevant Minimum Transaction;
- if the transferee is not already a holder of Shares of that Portfolio, and the transfer is in respect of Shares equivalent to the Minimum Initial Investment; and
- upon the proposed transfer becoming effective, both the transferee and (unless the transfer is in respect of the transferor's entire holding of Shares) the transferor will be the holders of Shares equivalent to the relevant Minimum Holding.

Information Requests and Compulsory Transfers and Redemptions of Shares

The Directors may, by notice in writing, require any Shareholder to provide such information or documents and/or make such declarations as the Directors may reasonably require in order to determine whether or not to invoke the compulsory transfer powers conferred upon them by the Articles. The compulsory transfer provisions of the Articles state that if the Directors reasonably believe that any Share is held by, or for the benefit of, any person who:

- is a Prohibited Person or (save with the prior consent of the Directors) a US Person or otherwise not a Permitted Investor; or
- by virtue of the holding concerned, gives rise to a regulatory, pecuniary, legal or taxation or material administrative disadvantage or adverse consequence to the Fund or its shareholders; or
- by virtue of the holding concerned, could result in adverse tax or regulatory consequences to the Fund or its shareholders or require the Fund to comply with any registration or filing requirement in any jurisdiction with which it would not otherwise be required to comply; or
- has failed to provide any information, document or declaration required within 21 days of being requested to do so,

then the Directors may serve a notice on the holder of the Share in question requiring him/her to transfer such Shares as the Directors may specify in such notice to a Permitted Investor (subject to the requirements summarised above in relation to voluntary transfers) within 21 days of the date of such notice. In default of compliance with any such notice the Directors are authorised (at their discretion) either (i) to deem the relevant Shareholder to have submitted a Redemption Request in respect of such Shares or (ii) to sell and transfer such Shares (on such terms as the Directors may see fit) to such person or persons as they may in their absolute discretion determine and under the Articles each Shareholder appoints each Director for the time being to act (jointly or singly) as his/her lawful attorney and to do all things and sign and execute on his/her behalf as may be necessary or desirable in connection with any such sale or transfer. The Directors will procure that the proceeds of any such sale shall be held in a segregated account on trust for the holder of the Share in question.

Transmission of Shares

A person becoming entitled to a share in consequence of the death, bankruptcy or winding up of a shareholder may, upon producing such evidence as the Directors may reasonably require, elect either to become the registered holder of the share by giving notice to the Fund to that effect or have some other person registered as the transferee by executing an instrument of transfer even though such person is not a shareholder at the time of the transfer. Any transfer of such share must be in accordance with the provisions of the Articles and the provisions of the Regulations. A person becoming entitled to a share in consequence of the death, bankruptcy or winding up of a shareholder shall have the rights to which such person would be entitled if that person were the registered holder of the share, except that such person shall not, before being registered as the holder of the share, be entitled to receive notice of, to attend or to vote at any meeting of the shareholders, or any class of shareholders, of the Fund.

Borrowing Powers of the Fund

The Directors may exercise all the powers of the Fund to incur indebtedness, liabilities or obligations and to secure indebtedness, liabilities or obligations whether of the Fund or of any third party, including (subject to the investment restrictions applicable thereto) for the account of any Portfolio and may grant security for such borrowings and each

Shareholder agrees and consent to any such borrowings and the granting of security over the assets of the relevant Portfolio as aforesaid.

Directors' Interests

If a Director becomes aware of the fact that he is interested in a transaction entered into or to be entered into by the Fund he is required by the Articles and the Companies Act to disclose such interest to the Board. Subject to the Articles, a Director who is interested in a transaction entered into or to be entered into by the Fund may:

- vote on a matter relating to the transaction;
- attend a meeting of the Directors at which a matter relating to the transaction arises and be included among the Directors present at the meeting for the purposes of a quorum; and
- sign a document on behalf of the Fund, or do any other thing in that person's capacity as a Director, that relates to the transaction.

Provided that a Director has disclosed any interest in accordance with the Articles and the Companies Act, a Director, notwithstanding his office:

- may be a party to, or otherwise interested in, any transaction or arrangement with the Fund or in which the Fund is otherwise interested;
- may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Fund or in which the Fund is otherwise interested; and
- shall not by reason of his or her office, be accountable to the Fund for any benefit which such Director derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.

Indemnities

The Fund may indemnify against all expenses (including legal fees) and against all judgments, fines and amounts paid in settlement and reasonably incurred in connection with legal, administrative or investigative proceedings any person who:

- is or was a party or is threatened to be made a party to any threatened, pending or completed proceedings, whether civil, criminal, administrative or investigative, by reason of the fact that the person is or was a Director; or
- is or was, at the request of the Fund, serving as a director of, or in any other capacity is or was acting for, another body corporate or a partnership, joint venture, trust or other enterprise.

The indemnity set out in the above paragraph will only apply if such person acted honestly and in good faith with a view to the best interests of the Fund and, in the case of criminal proceedings, the person had no reasonable cause to believe that his conduct was unlawful. The decision of the Directors as to whether the person acted honestly and in good faith and with a view to the best interests of the Fund and as to whether the person had no reasonable cause to believe that such person's conduct was unlawful is, in the absence of fraud, sufficient for the purposes of the Articles unless a question of law is involved.

Insurance

The Fund may purchase and maintain insurance in relation to any person who is or was a Director, officer or liquidator of the Fund, or who at the request of the Fund is or was serving as a director, officer or liquidator of, or in any other capacity is or was acting for, another body corporate or a partnership, joint venture, trust or other enterprise, against any liability asserted against that person and incurred by that person in that capacity, whether or not the Fund has or would have had the power to indemnify the person against the liability as provided in the Articles.

Dividends, Distributions and the Solvency Test

The Articles provide that a "Distribution" means the direct or indirect transfer of the Fund's assets to or for the benefit of a member or the incurring of a debt to or for the benefit of a member in relation to shares held by that member, whether by means of the purchase of an asset, the purchase, redemption or other acquisition of shares or a transfer or assignment of indebtedness, or otherwise, and includes a dividend.

Subject to the Act and the Articles, the Fund may, by a resolution of the Directors, declare and pay a Distribution to the holders of Shares of a Portfolio (expressed to be made by way of dividend or otherwise as the Directors may specify) in money, shares or other property out of the assets of the relevant Portfolio at such time and of such amount as the Directors think fit if the Directors are satisfied, on reasonable grounds, that the Fund will, immediately thereafter, satisfy the Solvency Test.

The "Solvency Test" means the solvency test referred to in section 49 of the Companies Act which the Fund will

satisfy if it is able to pay its debts as they become due in the normal course of the Fund's business and the value of its assets exceeds the value of its liabilities.

Where a Distribution has been made to a shareholder and the Fund did not, immediately after the Distribution, satisfy the Solvency Test, the Distribution (or the value thereof) may be recovered by the Fund from the shareholder in accordance with section 51 of the Companies Act. The holders of Management Shares are not entitled to receive dividends in respect of the assets of any Portfolio, but only participate in the assets and profits attributable to the assets of the Fund that are not allocated to the Portfolios.

The Directors may satisfy any dividend or other Distribution by the issue of Shares of that Portfolio or of a Sub-class of that Portfolio or of another Portfolio, as bonus shares, or by applying the same in subscribing for any such Shares credited as fully paid. When such powers, the Directors may (but are not obliged to) afford the affected Shareholders the opportunity to elect in what manner to receive such Distribution (either as regards a particular Distribution or Distributions generally) and may allow Shareholders to vary such election and may specify what treatment will be adopted in default of any such election.

Reduction of Capital

The Fund may, by a Special Resolution, reduce its share capital in any way provided that the Directors are satisfied, on reasonable grounds, that the Fund will, immediately after such reduction, satisfy the Solvency Test. For the avoidance of doubt, neither the making of a Distribution (including by way of dividend) by the Company nor a purchase or redemption by the Fund of any of its shares in accordance with the Articles shall constitute a reduction of capital for these purposes.

Side-Pockets

Subject to the prior sanction of a Special Resolution of the Shareholders of a Portfolio, the Directors may resolve to allocate one or more investments of a Portfolio to a Side-Pocket if they determine that it is in the interests of the affected Shareholders to do so because, *inter alia*, of the illiquidity of certain of such investments, and in such cases may sub-divide each Share into two or more Shares of different classes as appropriate. A class of Shares which is attributable to a Side-Pocket will carry an entitlement to participate in the assets allocated to the Side-Pocket to which it relates.

Amendment of the Articles

The Memorandum or Articles of Association of the Fund may be amended either by a Special Resolution (in relation to which only the holders of Management Shares would be entitled to vote, subject to any variation of class rights) or by a resolution of the Directors (provided that that such amendment does not vary the rights attaching to any class of shares or, to the extent that it does, such variation has been approved by the members of that class in accordance with the Articles and provided further that Shareholders must be given at least the Minimum Period of Notice of any such amendments becoming effective if such amendments are not determined by resolution of Directors to be immaterial.

Winding Up

The rights of members to participate in the assets of the Fund on a winding up are described under "**Characteristics of Shares**".

If the Fund is being wound up, the liquidator may, with the sanction of a Special Resolution of the shareholders of a Portfolio, divide among the shareholders of that Portfolio in specie the whole or any part of the assets of the relevant Portfolio and may, for that purpose, value any assets and determine how the division shall be carried out as between the shareholders or the shareholders of different classes of share.

The liquidator may, with the sanction of a Special Resolution of the shareholders of a Portfolio, vest the whole or any part of the assets of the relevant Portfolio in trustees upon such trusts for the benefit of the shareholders as the liquidator with the like sanction determines, but no shareholder shall be compelled to accept any assets upon which there is a liability.

INVESTOR DUE DILIGENCE

Countering Money Laundering and Terrorist Financing

As part of the Fund's responsibility for the prevention of money laundering and terrorist financing, the Fund and the Manager must establish an investor's identity, any beneficial owner underlying or controlling the investment, the source of the investor's subscription payment and the source of the investor's wealth. The Manager is generally required to verify this information in accordance with the CMLTF Rules and reserves the right to request such documentation and supporting information as they deem necessary to verify such matters. Further information on these procedures is set out in the Application Form. In the event of delay or failure by the subscriber to produce any documentation or information required for verification purposes, the Fund may refuse to accept a subscription or process a transfer or may compulsorily transfer or redeem such person's Shares and/or payment of any amount by or on behalf of the Fund may be delayed, and none of the Fund, the Directors, the Investment Manager or the Manager shall be liable to any applicant, subscriber or Shareholder where an application for Shares or transfer is not processed or where Shares are compulsorily transferred or redeemed in such circumstances. The Fund, by written notice to any Shareholder, may suspend the payment of any amount payable to such person if it reasonably deems it necessary to do so to comply with the CMLTF Rules applicable to the Fund, the Investment Manager, the Manager or any of the Fund's other service providers.

Each subscriber and Shareholder is required to make such representations to the Fund as the Fund, the Investment Manager or the Manager shall require in connection with the CMLTF Rules applicable anti-money laundering/terrorist financing requirements, including, without limitation, representations to the Fund that such subscriber or Shareholder is not a prohibited country, territory, individual or entity listed on any list maintained by any organ of the Isle of Man government or any other body specified from time to time by the Manager, and that it is not directly or indirectly affiliated with any country, territory, individual or entity named on any such list or prohibited by any sanctions programs. Each subscriber or Shareholder must also represent to the Fund that amounts contributed by it to the Fund were not directly or indirectly derived from activities that may contravene any laws and regulations, including, without limitation, the CMLTF Rules.

If any person resident in the Isle of Man knows or suspects that another person is engaged in money laundering or terrorist financing and the information for that knowledge or suspicion came to his attention in the course of his trade, profession, business or employment, he is required to report such belief or suspicion to the relevant authorities pursuant to Isle of Man law, and such report is not to be treated as a breach of confidence or of any restriction upon the disclosure of information imposed by any enactment or otherwise. The Fund may impose additional requirements at any time to comply with the CMLTF Rules.

Data Protection

Prospective investors should note that by completing an Application Form they are providing to the Fund personal information, which may constitute personal data within the meaning of data protection legislation in the Isle of Man and any other relevant jurisdiction (the "**Data Protection Legislation**"). This data will be used for the purposes of administration, transfer agency, statistical analysis, research and disclosure to the Fund, its delegates and agents. By signing the relevant Application Form, an investor acknowledges that he is providing his consent to the Fund, its delegates and its or their duly authorised agents and any of their respective related, associated or affiliated companies obtaining, holding, using, disclosing and processing the data for any one or more of the following purposes:

- To manage and administer the investor's holding in the Fund and any related matters on an on-going basis and for other legitimate business interests of the Fund.
- For any other specific purposes where the investor has given specific consent.
- To comply with legal and regulatory obligations applicable to the investor and the Fund, including, but not limited to, in connection with anti-money laundering/terrorist financing and similar laws.
- For disclosure or transfer whether in the Isle of Man or countries outside the Isle of Man including without limitation the United States of America and Canada which may not have the same data protection laws as the Isle of Man, to third parties including financial advisers, regulatory bodies, auditor, technology providers or to the Fund and its delegates and its or their duly appointed agents and any of their respective related, associated or affiliated companies for the purposes specified above.

The Fund is a Data Controller within the meaning of Data Protection Legislation and undertakes to hold any personal information provided by investors in confidence and in accordance with Data Protection Legislation. Pursuant to the Data Protection Legislation, investors have a right of access to their personal data kept by the Fund and the right to amend and rectify any inaccuracies in their personal data held by the Fund by making a request to the Fund in writing.

By signing the relevant Application Form, prospective investors consent to the recording of telephone calls made to and received from investors by the Fund, its delegates, its duly appointed agents and any of their respective related, associated or affiliated companies for record keeping, security and/or training purposes.

ADDITIONAL INFORMATION

Reports and Financial Statements

Under the Fund's current financial reporting schedule, financial periods of the Fund will end on the Accounting Date in each year. The annual report containing the audited financial statements of the Fund will generally be sent to all Shareholders within six months of the end of the relevant financial year. Where the Net Asset Value for a Portfolio is normally determined less frequently than monthly, unaudited interim financial statements for that Portfolio will be prepared on a six-monthly basis and will generally be sent to Shareholders in the relevant Portfolio within 4 months of the date to which they are made up. The Fund will not otherwise prepare or distribute any interim financial statements. The financial statements of the Fund will be prepared in accordance with the Accounting Standards. It is intended that the annual audited report and accounts of the Fund will be prepared in compliance with Article 22 of the AIFM Directive.

Material Contracts

Management Agreement

The Fund has entered into a Management Agreement dated 6 December 2011 with the Manager and the Investment Manager whereby the Manager agrees to manage the Fund in the Isle of Man. Under the Management agreement, the powers and discretions of the Directors have (subject to the overall control of the Directors and any specific restrictions they may impose) been delegated to the Manager. The Manager is not responsible for the investment management of the assets of the Portfolios; this is the responsibility of the Investment Manager under the Investment Management Agreement. The Management Agreement is terminable by 90 days' notice by either the Fund or the Manager and may be terminated by lesser periods of notice in certain circumstances; it should be noted that, notwithstanding the terms of the Management Agreement, the termination of the appointment of the Manager (save upon the cessation of the Fund) requires the prior consent of the FSC under the Regulations. The Management Agreement contains certain indemnities and exclusions in favour of the Manager, which generally apply in the absence of negligence, fraud or wilful default on its part; any provision purporting to exempt the Manager from liability for a failure to exercise due care and diligence in the discharge of its duties is void under Isle of Man law by virtue of the CISA. The arrangements in relation to the fees and expenses of the Manager are set out above in the section entitled "**Charges and Expenses**".

Prior notice of any changes of any changes to the terms of appointment of the Manager will be given to any Shareholders thereby affected. If the termination or appointment of any Manager is proposed, or if any proposed changes to the terms of appointment of the Manager are not determined by resolution of Directors to be immaterial, the Shareholders thereby affected will be given at least the Minimum Period of Notice before such changes take effect.

The terms of the Management Agreement provide that, in the event that the Fund incurs a liability to the Manager thereunder and such liability is for the account of a particular Portfolio, the Manager is only entitled to enforce such liability against the assets of the Portfolio in question.

Custody Agreement

The Fund has entered into a Custody Agreement dated 29 November 2010 with the Fiduciary Custodian whereby the Fiduciary Custodian agrees to act as fiduciary custodian of the Fund. Under the Custody Agreement, certain powers of the Directors have been delegated to the Fiduciary Custodian. The Custodian Agreement is terminable by 3 months' notice by either the Fund or the Fiduciary Custodian and may be terminated by lesser periods of notice in certain circumstances; it should be noted that, separately from the terms of the Custodian Agreement, the termination of the appointment of the Fiduciary Custodian (save upon the cessation of the Fund) would require the Manager to seek consent from the FSC to its continuing to act as Manager. The Custody Agreement contains certain indemnities and exclusions in favour of the in favour of the Fiduciary Custodian, which generally apply in the absence of negligence, fraud or wilful default on its part; any provision purporting to exempt the Fiduciary Custodian from liability for a failure to exercise due care and diligence in the discharge of its duties is void under Isle of Man law by virtue of the CISA. The arrangements in relation to the fees and expenses of the Fiduciary Custodian are set out above in the section entitled "**Charges and Expenses**".

Prior notice of any changes of any changes to the terms of appointment of the Fiduciary Custodian will be given to any Shareholders thereby affected. If the termination or appointment of any Fiduciary Custodian is proposed, or if any proposed changes to the terms of appointment of the Fiduciary Custodian are not determined by resolution of Directors to be immaterial, the Shareholders thereby affected will be given at least the Minimum Period of Notice before such changes take effect.

The terms of the Custody Agreement provide that, in the event that the Fund incurs a liability to the Fiduciary Custodian thereunder and such liability is for the account of a particular Portfolio, the Fiduciary Custodian is only entitled to enforce such liability against the assets of the Portfolio in question.

ADDITIONAL INFORMATION

Investment Management Agreement

The Fund has entered into an Investment Management Agreement dated 29 November 2010 with the Investment Manager whereby the Investment Manager agrees to act as discretionary investment manager in relation to the assets of each of the Portfolios and as Promoter for the purposes of the Regulations. Under the Investment Management Agreement, the Investment Manager has the power to initiate investment transactions on behalf of the Fund for the account of the relevant Portfolio, subject to the investment policy and restriction applicable to that Portfolio for the time being. The Investment Management Agreement imposes certain obligations upon the Investment Manager including, *inter alia*, obligations to establish and operate a risk management process in relation to the Fund, to provide certain information in relation thereto to the Manager and to make certain reports to the Manager. The Investment Management Agreement is terminable by 90 days' notice by either the Fund or the Investment Manager (given after the first anniversary of the first Initial Offer Closing Date to occur in respect of any Portfolio) and may be terminated by lesser periods of notice in certain circumstances; it should be noted that, separately from the terms of the Investment Management Agreement, the termination of the appointment of the Investment Manager (save upon the cessation of the Fund) would require the Manager to seek consent from the FSC to its continuing to act as Manager. The Investment Management Agreement contains certain indemnities and exclusions in favour of the Investment Manager, which generally apply in the absence of negligence, fraud or wilful default on its part; any provision purporting to exempt the Fiduciary Custodian from liability for a failure to exercise due care and diligence in the discharge of its duties is void under Isle of Man law by virtue of the CISA. The arrangements in relation to the fees and expenses of the Investment Manager are set out above in the section entitled "**Charges and Expenses**".

Prior notice of any changes of any changes to the terms of appointment of the Investment Manager will be given to any Shareholders thereby affected.

The terms of the Investment Management Agreement provide that, in the event that the Fund incurs a liability to the Investment Manager thereunder and such liability is for the account of a particular Portfolio, the Investment Manager is only entitled to enforce such liability against the assets of the Portfolio in question.

Documents Available for Inspection

Copies of the following documents may be inspected during normal business hours in the Isle of Man on any weekday (except on public holidays in the Isle of Man) at the registered office of the Manager, details of which appear in the "**Directory**":

- (a) the Memorandum and Articles of Association of the Fund;
- (b) the current Offering Documents;
- (c) the Register;
- (d) the material contracts entered into by the Fund; and
- (e) the latest reports and accounts of the Fund, when available.

Financial Supervision Commission Direction

Section 24(8) of the Collective Investment Schemes Act 2008

The FSC have issued a direction under Section 24(8) of the Act as follows:

"(1)The Commission directs that in relation to KHG references to promotion in the Collective Investment Schemes (Promotion of Schemes other than Authorised and Recognised Schemes)(Exemption) Regulations 2010 ("the Regulations") shall be read as including the following activities which are designed to raise awareness of the fund name –

- a) sponsorship of a sports team or sports event;
- b) simple placement of a logo on promotional material such as, umbrella, pen, coaster, mouse mat or similar;
- c) simple physical or electronic banners.

(2)This direction will only apply where

- a) the references to KHG are restricted to name awareness including –
 - i. the name "KHG Funds Plc" or "KHG Funds";
 - ii. the KHG logo;
 - iii. the KHG website address. The website address can only be included where it contains all necessary controls to ensure all necessary access controls to ensure full compliance with the regulatory framework for advertising and promotion of regulated funds under these Regulations and the

ADDITIONAL INFORMATION

Collective Investment Schemes (Regulated Fund) Regulations 2010.

- b) the terms of this direction are brought to the attention of new and potential participants in KHG either through the KHG website or through the KHG Offering Document.*
- c) Clear details about this direction are included in the next update to the KHG Offering Document.*

(3) This direction takes effect when it is delivered to the governing body and continues until such time as it is varied or revoked by the Commission.

(4) The Governing Body of KHG shall notify KHG's auditor and fiduciary custodian of this direction. This direction is made following a request from the governing body of KHG.

Dated 28 November 2011"

DEFINITIONS

Certain words and expressions used in this document are defined in the text and, unless the context otherwise requires, such definitions shall apply throughout this document. Unless otherwise specified in this document or any Supplementary Offering Document, the following additional words and expressions shall bear the following meanings when used in this document or in any Supplementary Offering Document, unless the context otherwise requires:

“Accounting Date”	means day and month in each year specified as such in the “Directory” or such other date as may be adopted by the Board (with the approval of the Auditor) as the accounting date of the Fund;
“Accounting Standards”	means the standard specified as such in the “Directory” or such other accounting standard as may be permitted by the Regulations and adopted (with the approval of the Auditor) for the preparation and audit of the financial statements of the Fund;
“AIFM Directive”	means the Directive 2011/61/EU of the European Parliament and of the Council on Alternative Investment Fund Managers and its implementing measures;
“Articles”	means the Memorandum and Articles of Association of the Fund, as amended from time to time;
“Associate”	means: <ul style="list-style-type: none"> (a) in relation to an individual: <ul style="list-style-type: none"> (i) the father, mother, wife, husband, son, stepson, daughter, stepdaughter, brother or sister of the individual; (ii) a body corporate of which that individual is a director; and (iii) a partner or employee of that individual; (b) in relation to a body corporate : <ul style="list-style-type: none"> (i) a subsidiary of that body corporate; and (ii) an employee of any such subsidiary;
“Auditor”	means the person named in the “Directory” as the Auditor or such other person as is appointed as auditor of the Fund for the time being;
“Base Currency”	means, in relation to a Portfolio, the currency that is specified as the currency of account of that Portfolio;
“Bid Price Basis”	means, in relation to valuation of assets for which there is a spread between buying and selling prices for the purposes of determining the Net Asset Value of a Portfolios, the valuation of such assets using bid prices;
“Board”	means the board of directors of the Fund acting as a board, and includes any duly constituted committee thereof;
“Business Day”	means any day on which banks are open for foreign currency exchange dealing business in London, the Isle of Man, Guernsey and such other places (if any) as the Manager may specify in relation to the Fund;
“Cent”	means, in relation to a Base Currency, a one-hundredth of the principal unit of that Base Currency;
“CISA”	means the Isle of Man Collective Investment Schemes Act 2008;
“AML/CTF Rules ”	all applicable money laundering rules and regulations, including the Isle of Man Proceeds of Crime (Money Laundering) Code 2015 and the Prevention of Terrorist Financing Code 2011;
“Companies Act”	means the Isle of Man Companies Act 2006;
“Constitutional Documents”	means the Articles, the Management Agreement, the Custody Agreement and the Investment Management Agreement (as the same may be amended, supplemented or replaced from time to time);
“Continuing Offer”	means, in relation to a Portfolio any continuing private offer of Shares of that Portfolio for subscription at the prevailing Subscription Price contained in, and subject to the terms and conditions set out in, the Offering Documents (as the same may be amended, supplemented or replaced from time to time);
“Court”	means the High Court of Justice of the Isle of Man;
“Deferred Sales Charge”	means in relation to any offer for Shares of a Sub-class, the cost (if any) which will be attributable to the relevant Sub-class by reference to a subscription

DEFINITIONS

	investment amount paid by an investor for Shares, as specified in the relevant Supplementary Offering Document(s);
" Director "	means a director of the Fund for the time being;
" Dollars " or " USD "	means United States dollars, the lawful currency of the US;
" Euros " or " EUR "	means Euros, the single currency of the European Union;
" Exit Charge "	means, the amount that will be levied in relation to the Redemption of Shares in a Portfolio, as specified in the relevant Supplementary Offering Document(s);
" Fiduciary Custodian "	means the person named in the " Directory " as the Fiduciary Custodian or such other person as is appointed as fiduciary custodian of the Fund for the time being in accordance with the Regulations;
" FSA "	means the Isle of Man Financial Services Act 2008;
" FSC "	means the Isle of Man Financial Supervision Commission;
" Functionary "	means the Directors or any person appointed for the time being to provide services to the fund under a contract for services, including (without limitation) any administrator, manager, custodian, asset manager, investment manager or promoter;
" Fund "	means the company named in the " Directory " as the Fund;
" Initial Charge "	means, in relation to any Offer for Shares of a Sub-class, the amount (if any) that will be added by way of initial charge to the Subscription Price for such Shares, as specified in the relevant Supplementary Offering Document;
" Initial Offer "	means, in relation to a Portfolio, the initial private offer of Shares for subscription at the Initial Offer Price contained in, and subject to the terms and conditions set out in, this document (as the same may be amended, supplemented or replaced from time to time) and the relevant Supplementary Offering Document(s);
" Initial Offer Closing Date "	means, in relation to an Initial Offer in respect of Shares of a Portfolio, the close of business on the date specified in the relevant Supplementary Offering Document;
" Initial Offer Price "	means, in relation to an Initial Offer in respect of Shares of a Portfolio, the initial Subscription Price set out in the relevant Supplementary Offering Document(s) (exclusive of any Initial Charge);
" International Sub-class "	means a Sub-class for which a Deferred Sales Charge may be applied;
" Investing Portfolio "	means a Portfolio which invests into another Portfolio of the Fund;
" Investment Management Agreement "	means the agreement relating to the management of the assets of each Portfolio made between the Fund and the Investment Manager (as the same may be amended, supplemented or replaced from time to time);
" Investment Manager "	means the person named in the " Directory " as the Investment Manager or such other person as is appointed as investment manager in relation to the assets of each Portfolio for the time being;
" Management Agreement "	means the agreement relating to the management and the registered agent facilities of the Fund made between the Fund, the Manager and the Investment Manager (as the same may be amended, supplemented or replaced from time to time);
" Management Charge "	means the aggregate amount of the periodic charges payable by the Fund to the Manager and the Investment Manager (excluding any Initial Charge, Switching Charge, Deferred Sales Charge or Exit Charge and any performance related fees);
" Management Shares "	means the Non-Redeemable Non-Participating Management Shares of GBP1.00 nominal value each in the capital of the Fund having the rights and restrictions attached thereto in the Articles;
" Manager "	means the person named in the " Directory " as the Manager or such other person as is appointed as manager by the Fund for the time being in accordance with the Regulations;
" Master Offering Document "	means this offering document, as the same may be amended, supplemented or replaced from time to time;

DEFINITIONS

“Maximum Permitted Level”	means the maximum level of the Initial Charge, Deferred Sales Charge, the Exit Charge, the Switching Charge or the Management Charge (as the case may be) beyond which any increase requires the sanction of a Special Resolution of the holders of Shares in accordance with the Articles;
“Maximum Permitted Redemption Percentage”	means, in relation to a Portfolio, the maximum percentage of the Shares of that Portfolio which the Fund may be required (subject to the Articles) to redeem on any Redemption Day, as specified in the relevant Supplementary Offering Document;
“Minimum Holding”	means, in relation to a Portfolio, the minimum number or value of Shares that any holder of Shares must (save where the Manager permits in its discretion) maintain in that Portfolio, as specified in the relevant Supplementary Offering Document;
“Minimum Initial Investment”	means, in relation to a Portfolio, the minimum number of Shares of that Portfolio or aggregate Subscription Price therefor (excluding any Initial Charge) that any new investor in that Portfolio holder of Shares must acquire in that Portfolio, as specified in the relevant Supplementary Offering Document;
“Minimum NAV”	means, in relation to a Portfolio, the minimum amount, expressed in the Base Currency of the Portfolio, that is required for the operation of the Portfolio, as specified in the relevant Supplementary Offering Document;
“Minimum NAV Testing Period”	means, in relation to a Portfolio, such period of time as the Directors may specify from time to time as the minimum period for determining whether the provisions relating to the Minimum NAV in respect of that Portfolio may be invoked, as specified in the relevant Supplementary Offering Document;
“Minimum Period of Notice”	means, in relation to a notice to be given to the Shareholders of a Portfolio, the greater of (a) 14 clear days and (b) the Minimum Period of Redemption Notice applicable to that Portfolio plus one week;
“Minimum Period of Redemption Notice”	means, in relation to a Portfolio, such period of time as the Directors may specify from time to time as the minimum period of notice that must ordinarily be given by a Shareholder in relation to the redemption or conversion of a Share of that Portfolio, as specified in the relevant Supplementary Offering Document;
“Minimum Transaction”	means, in relation to a Portfolio, the minimum number or value of Shares that may be the subject of a subscription or redemption of Shares in that Portfolio, as specified in the relevant Supplementary Offering Document;
“Net Asset Value”	means, as the context requires, the net asset value of a Portfolio or the net asset value of a Sub-class (as determined in accordance with the Articles);
“Offering Documents”	means either (i) generally, this document and the Supplementary Offering Documents in respect of the Portfolios in existence for the time being or (ii) in relation to a particular Portfolio, this document and the relevant Supplementary Offering Document (as the context requires), as the same may (in each case) be amended, supplemented or replaced from time to time;
“Offer Price Basis”	means, in relation to valuation of assets for which there is a spread between buying and selling prices for the purposes of determining the Net Asset Value of a Portfolio, the valuation of such assets using offer prices;
“Offer(s)”	means, in relation to a Portfolio, the Initial Offer and/or the Continuing Offer of Shares of that Portfolio, as the context requires;
“Penny”	means, in relation to a Base Currency, a one-hundredth of the principal unit of that Base Currency;
“Permitted Investor”	means a person who is: (a) in relation to the relevant Portfolio, a member of any permitted category of investor specified for the time being by the Directors in relation thereto, as set out in the relevant Supplementary Offering Document; (b) not a Prohibited Person; and (c) unless otherwise determined by the Manager on a case-by-case basis, not a US Person;
“Portfolio”	means a class of Shares in the Fund established by the Directors in accordance with the Articles and the accounting entries established in the books of the Fund for the purpose of allocating assets and liabilities relating to that class of

	Shares and keeping them separately identifiable from assets and liabilities relating to any other Portfolio;
“Pounds” or “GBP”	means pounds sterling, the lawful currency of the UK;
“Pricing Basis”	means, in relation to valuation of assets for which there is a spread between buying and selling prices for the purposes of determining the Net Asset Value of a Portfolio, the valuation of such assets on a Single Price Basis, an Offer Price Basis or a Bid Price Basis;
“Prohibited Person”	means: (i) any natural person under the age of 18; (ii) any person or persons in breach of the law or requirements of any country or governmental authority; (iii) a prohibited country, territory, individual or entity listed on any list maintained by any organ of the Isle of Man government or any other body specified from time to time by the Manager or a person directly or indirectly affiliated with any country, territory, individual or entity named on such a list or prohibited by any sanctions programme; or (iv) any person or persons in circumstances (whether directly or indirectly affecting such person or persons and whether taken alone or in conjunction with any other person or persons, connected or not, or any other circumstance appearing to the Manager to be relevant) which in the opinion of the Manager might result in the Fund incurring any liability to taxation or suffering any other pecuniary, fiscal or regulatory disadvantage which the Fund might not otherwise have incurred or suffered;
“Promoter”	means the Investment Manager or such other person who is acting as promoter of the Fund in accordance with the Regulations for the time being;
“Recipient Portfolio”	means a Portfolio of the Fund into which another Portfolio invests;
“Registered Agent”	means the person named in the “Directory” as the registered agent or such other person who is acting as the registered agent of the Fund for the time being in accordance with the Companies Act;
“Redemption Day”	means, in relation to a Portfolio, such Business Days as the Directors shall from time to time in their absolute discretion appoint as a day upon which Shares may (subject to the Articles) be redeemed, as described in the relevant Supplementary Offering Document;
“Redemption Deadline”	means, in relation to a Portfolio, the latest date prior to a Redemption Day by which an application to redeem any Shares of that Portfolio must be received in order to be dealt with on that Redemption Day, as specified in the relevant Supplementary Offering Document;
“Redemption Price”	means, in relation to a Portfolio, the price at which Shares of each Sub-class of that Portfolio are redeemed from time to time;
“Register”	means the register of members of the Fund maintained in accordance with the Act and the Articles, including the names, addresses and Shares held by the Shareholders from time to time;
“Registrar”	means the Manager or such other person who is responsible for maintaining the Register for the time being;
“Regulated Fund”	means a “regulated fund” within the meaning of the Regulations;
“Regulations”	means the Isle of Man Collective Investment Schemes (Regulated Fund) Regulations 2010;
“Rule Book”	means the Isle of Man Financial Services Rule Book issued by the FSC for the time being;
“Settlement Period”	means, in relation to a Portfolio, the period following a Subscription Day or Redemption Day within which confirmation of an investment, or payment of the proceeds in respect of any accepted redemption request (as the case may be), relating to Shares of that Portfolio will be despatched, as specified in the relevant Supplementary Offering Document;
“Shareholder”	means the person recorded in the books and records of the Fund as a registered holder of Shares of a Portfolio;
“Shares”	means, in relation to a Portfolio, participating redeemable preference shares of that Portfolio having the rights and restrictions attached thereto in, or pursuant to, the Articles and having a nominal value of one Penny of the Base Currency of that Portfolio;
“Side-Pocket”	means a sub-class of assets within a Portfolio created under the Articles to apportion the investments if the Board determine that it is in the interests of the

	affected Shareholders to do so because, <i>inter alia</i> , of the illiquidity of certain of such investments;
“ Single Price Basis ”	means, in relation to valuation of assets for which there is a spread between buying and selling prices for the purposes of determining the Net Asset Value of a Portfolio, the valuation of such assets using the average of bid and offer prices;
“ Solvency Test ”	has the meaning given to that expression on page 41 of this document;
“ Special Resolution ”	means a resolution of the Fund passed in members’ meeting by a majority of at least three-quarters of the voting rights exercised or a resolution of the shareholders of a class of shares passed at a separate class meeting by a majority of at least three-quarters of the voting rights exercised (as the context requires);
“ Sub-class ”	means, in relation to a Portfolio, a sub-class of Shares of that Portfolio which may be issued with a nominal value denominated in such currency as the Directors may determine;;
“ Sub-Custodian ”	means a person appointed by the Fiduciary Custodian (other than the Fiduciary Custodian’s own nominee) to act as custodian for certain of the assets of any Portfolio(s);
“ Subscription Day ”	means, in relation to a Portfolio, such Business Days as the Directors shall from time to time in their absolute discretion appoint as a day upon which Shares may be subscribed for, as described in the relevant Supplementary Offering Document;
“ Subscription Deadline ”	means, in relation to a Portfolio, the latest date prior to a Subscription Day by which an application to subscribe for Shares of that Portfolio must be received in order to be dealt with on that Subscription Day, as specified in the relevant Supplementary Offering Document;
“ Subscription Price ”	means, in relation to a Portfolio, the price at which Shares of each Sub-class of that Portfolio are subscribed for, from time to time;
“ Supplementary Offering Document ”	means, in relation to Portfolio(s), the supplementary offering document setting out the terms specifically relating to that/those Portfolio(s), as the same may be amended, supplemented or replaced from time to time;
“ Switching Charge ”	means, in relation to any conversion of Shares of one Portfolio into Shares of another Portfolio, the amount (if any) that will be levied by way of switching charge, as specified in the relevant Supplementary Offering Documents;
“ UK ”	means the United Kingdom of Great Britain and Northern Ireland;
“ US ”	means the United States of America (including the States and the District of Columbia), its territories and possessions and all areas subject to its jurisdiction;
“ US Person ”	has the meaning ascribed thereto in Regulation S promulgated under the US Securities Act of 1933 and includes (1) an individual citizen or resident of the US, (2) a corporation or other entity treated as a corporation that is created or organised under the laws of the US or any political sub-division thereof, (3) an estate the income of which is subject to US federal income taxation without regard to its source and (4) a trust if either (a) a US court is able to exercise primary supervision over administration of the trust and one or more US Persons have the authority to control all substantial decision of the trust or (b) the trust has made a valid election under applicable US Treasury Regulations to be treated as a US trust;
“ Valuation Day ”	means, in relation to a Portfolio, such Business Days as the Directors shall from time to time in their absolute discretion appoint for the purposes of calculating the Net Asset Value of the relevant Portfolio, as described in the relevant Supplementary Offering Document; and
“ Valuation Point ”	means, in relation to a Portfolio, around such time in such place on each Valuation Day as the Directors shall from time to time in their absolute discretion appoint for the purposes of calculating the Net Asset Value of the relevant Portfolio, as described in the relevant Supplementary Offering Document.