If you are in any doubt about the contents of this Prospectus, you should consult your stockbroker, bank manager, solicitor, accountant or other financial adviser. Shares are offered on the basis of the information contained in this Prospectus and the documents referred to herein.

The Directors of BDT Invest Funds p.l.c. (the "Company") whose names appear on page 12 (the "Directors"), are the persons responsible for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of the information. The Directors accept responsibility accordingly.

BDT Invest Funds p.l.c.

(an open-ended umbrella type investment company with variable capital incorporated with limited liability under the laws of Ireland, registered number 335843)

PROSPECTUS

Investment Manager/Promoter

BDT Investment Management Limited

Dated 29th September, 2005

Distribution of this Prospectus is not authorised in any jurisdiction unless it is accompanied by a copy of the most recent annual and any subsequent semi-annual report of the Company. Such reports, this Prospectus and any Supplement together form the Prospectus for the issue of Shares. All holders of Shares are entitled to the benefit of, are bound by and are deemed to have notice of the Memorandum and Articles of Association of the Company, copies of which are available as mentioned herein.

The Company is an umbrella fund in which different Funds may be created from time to time and is authorised in Ireland by the Financial Regulator as an investment company pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2003 (S.I. No. 211 of 2003) as amended by the European Communities (Undertakings for Collective Investment in Transferable Securities) (Amendment) Regulations 2003 (S.I. No. 212 of 2003) or any amendments thereto (the "Regulations"). **The authorisation of the Company by the Financial Regulator is not an endorsement or guarantee of the Company by the Financial Regulator nor is the Financial Regulator responsible for the contents of this Prospectus. In addition, the authorisation of the Company by the Financial Regulator shall not constitute a warranty as to the performance of the Company and the Financial Regulator shall not be liable for the performance or default of the Company.**

The Company is currently comprised of four Funds, BDT Invest Asian Focus Fund, BDT Invest Emerging Markets Focus Fund, BDT Invest Japanese Smaller Companies Fund and BDT Invest Japanese Focus Fund. Other Funds may be introduced by the Company from time to time, with the prior approval of the Financial Regulator. Although a separate portfolio will be maintained for each Fund and each Fund will be treated as bearing its own liabilities, the Company as a whole will remain ultimately liable to third parties for the liabilities of all the Funds.

No person is authorised to give any information or to make any representations concerning the Company other than as contained in this Prospectus, and any purchase made by any person on the basis of statements or representations not contained in or inconsistent with the information and representations contained in this Prospectus shall be solely at the risk of the purchaser.

Application has been made to the Irish Stock Exchange for the Shares issued and to be issued by BDT Invest Asian Focus Fund, BDT Invest Emerging Markets Focus Fund, BDT Invest Japanese Smaller Companies Fund and BDT Invest Japanese Focus Fund to be admitted to listing on the Irish Stock Exchange. The Directors do not expect a secondary market to develop in any of the Shares of the Company. This Prospectus and the applicable Supplement will together comprise listing particulars for the purpose of such application.

Neither the admission of the Shares of any Fund to the Official List nor the approval of this document pursuant to the listing requirements of the Irish Stock Exchange shall constitute a warranty or representation by the Irish Stock Exchange as to the competence of service providers or any other party connected with the Company, the adequacy of information contained in this document or the suitability of the Company for investment purposes. No person has been authorised to give any information or to make any representations, other than those contained in this Prospectus, in connection with the offering of Shares and, if given or made, such information or representations must not be relied on as having been authorised by the Company. Neither the delivery of this Prospectus nor the allotment or issue of Shares shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date hereof.

The distribution of this Prospectus and the offering of the Shares may be restricted in certain jurisdictions. This Prospectus does not constitute an offer or solicitation in a jurisdiction where to do so is unlawful or the person making the offer or solicitation is not qualified to do so or a person receiving the offer or solicitation may not lawfully do so. It is the responsibility of any person wishing to apply for Shares to inform himself of and to observe all applicable laws and regulations of relevant jurisdictions.

The Company is a recognised collective investment scheme for the purposes of Section 264 of the Financial Services and Markets Act 2000 ("FSMA") of the United Kingdom. This Prospectus is distributed in the United Kingdom by or on behalf of the Directors and is approved by BDT Investment Management Limited, which is authorised and regulated by the Financial Services Authority (the "FSA"), for the purposes of Section 21 of FSMA. As a recognised scheme, a United Kingdom investor who enters into an agreement to acquire Shares in the Company in response to the Prospectus may not have the right to cancel the agreement under any cancellation rules made by the FSA. The agreement will be binding upon the acceptance of the application by the Company. In addition most, if not all, of the protections provided by the United Kingdom regulatory system may not apply. The rights of Shareholders in the Company will not be protected by the investor's

compensation scheme established in the United Kingdom.

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 the 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 U.S. Person (as that term is defined herein), except pursuant to registration or an exemption. The definition of "U.S. Person" is set out in Part VIII of this document at page 58. The Company 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 such registration. The Company may make a private placement of its Shares to a limited number or category of U.S. Persons.

The Shares are subject to restrictions on transferability and resale and may not be transferred or resold in the United States except as permitted under the 1933 Act and applicable state securities laws, pursuant to registration or exemption therefrom. Investors should be aware that they will be required to bear the financial risks of this investment for an indefinite period of time. Each U.S. Person subscribing for Shares must agree that the Directors may reject, accept or condition any proposed transfer, assignment or exchange of those Shares in its discretion.

Under the Memorandum and Articles of Association of the Company the Directors have the power to redeem or require the transfer of Shares held by any person in breach of the laws or requirements of any country or government authority or by any person or persons in circumstances where the holding of such Shares may, in the opinion of the Directors, result in regulatory, pecuniary, legal, taxation or material administrative disadvantage for the Company or to such minimum holding of Shares as shall be prescribed from time to time by the Directors.

Potential subscribers of Shares should inform themselves as to (a) the possible tax consequences, (b) the legal requirements and (c) any foreign exchange restrictions or exchange control requirements which they might encounter under the laws of their country of citizenship, residence or domicile and which might be relevant to the subscription, holding or disposal of Shares. The value of investments and the income from them can go down as well as up and an investor may not get back the amount he invests. The difference at any one time between the Net Asset Value of Shares for the purposes of purchases and redemptions means that investment in the Company should be viewed as medium to long term. The attention of potential subscribers is drawn to the "RISK FACTORS" on pages 17 to 23 below of this Prospectus.

This Prospectus may be translated into other languages. Any such translation will contain all of the information contained in the Prospectus. In the event of any inconsistency or ambiguity in relation to the meaning of any word or phrase in such translation the English text shall prevail.

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DEFINITIONS

In this Prospectus the words and expressions listed below have the meanings set opposite them, except where the context otherwise requires:

"Administrator"	HSBC Securities Services (Ireland) Limited or any successor appointed by the Company and in accordance with the requirements of the Financial Regulator as administrator of the Company's affairs;
"Articles"	the Memorandum and Articles of Association of the Company as amended from time to time;
"Auditor"	PricewaterhouseCoopers;
"Business Day"	a day (other than Saturday, Sunday and any public holiday) on which banks in Dublin, London and New York are open for business;
"Base Currency"	the currency of account of a Fund as determined by the Directors at the time of creation of the Fund and as set out in the applicable Supplement;
"Connected Person"	in relation to a company means: (a) any person or company beneficially owning, directly or indirectly, 20 per cent. or more of the ordinary share capital of that company or able to exercise, directly or indirectly, 20 per cent. or more of the total votes in that company; or (b) any person or company controlled by a person who or which meets one or both of the descriptions given in (a); or (c) any member of the group of which that company forms part; or (d) any director or officer of that company or of any of its Connected Persons as defined in (a), (b) or (c).
"Company"	BDT Invest Funds p.l.c.;
"Custodian"	HSBC Institutional Trust Services (Ireland) Limited or any successor appointed by the Company and approved by the Financial Regulator as Custodian of the Company's affairs;
"Dealing Day"	as set out in the applicable Supplement;
"Directors"	the board of directors of the Company and, as the context requires, a duly constituted committee thereof;
"Euro" or "€"	the currency referred to in the second sentence of Article 2 of the Council Regulation (EC) No. 974/98 of 3 May 1998 and adopted as the single currency of participating European Union Member States;
"Exempt Irish Resident"	as defined in Part VIII: General Information on 60 below;
"Financial Regulator"	the Irish Financial Services Regulatory Authority;
"Fund"	any fund or funds established by the Directors from time to time with the prior approval of the Financial Regulator which may be represented by one or more classes of Shares;

"Investment Manager"	BDT Investment Management Limited;
"Irish Resident"	as defined in Part VIII: General Information on page 52 below;
"Intermediary"	a person who: (a) carries on a business which consists of, or includes, the receipt of payments from an investment undertaking on behalf of other persons; or (b) holds shares in an investment undertaking on behalf of other persons;
"Irish Stock Exchange"	The Irish Stock Exchange Limited;
"Management Share"	a non participating share in the capital of the Company;
"Member State"	a member state of the European Union;
"Net Asset Value of the Fund" and "Net Asset Value per Share"	the amount determined for any Dealing Day in accordance with the principles set out on pages 31 to 33 as being the net asset value of the Fund and the net asset value per Share respectively;
"Ordinarily Resident in Ireland"	as defined in Part VIII: General Information on page 60 below;
"Prospectus"	this document as amended from time to time and any Supplement hereto as amended from time to time;
"Recognised Market"	in relation to any investment, any stock exchange, over-the-counter market or other securities market on which the Fund may invest. A list of these stock exchanges and markets is set out under Part VI: Recognised Markets on pages 42 to 44 below and is included in Article 18 of the Articles;
"Regulations"	the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2003 (Statutory Instrument No. 211 of 2003 of Ireland) as amended by the European Communities (Undertakings for Collective Investment in Transferable Securities Regulations) (Amendment) Regulations 2003 (Statutory Instrument No. 212 of 2003) or any amendment thereto for the time being in force;
"Relevant Declaration"	means the declaration relevant to the Shareholder as set out in Schedule 2B of the Taxes Act. The Relevant Declaration for investors who are neither Irish Resident nor Irish Ordinary Resident (or Intermediaries acting for such investors) is set out in the application form accompanying the relevant Supplement to this Prospectus;
"Shareholder"	any person holding Shares;
"Shares"	participating shares of no par value in the capital of the Company, which may be designated in different classes with reference to one or more Funds;
"Supplement"	a supplement to this Prospectus containing information relating to a particular Fund;

"Taxes Act"	the Irish Taxes Consolidation Act, 1997 (as amended);
"UCITS"	an Undertaking for Collective Investment in Transferable Securities, within the meaning of Council Directive 85/611/EEC (as amended) of the European Community - the sole objective which is the collective investment in transferable securities and/or other liquid financial assets referred to in Regulation 45 of the Regulations of capital raised from the public and which operates on the principle of risk-spreading - the shares of which are at request of holders repurchased or redeemed, directly or indirectly, out of that undertaking's assets;
"UCITS Notices"	the notices issued by the Financial Regulator from time to time in relation to UCITS;
"United States"	United States of America (including the States and the District of Columbia) its territories, possessions and all other areas subject to its jurisdiction;
"U.S. Person"	is defined in Part VIII: General Information on page 52 below;
"Valuation Point"	the day(s) and time(s) as at which the assets and liabilities of the Fund will be valued for the purposes of calculating the Net Asset Value of a Fund and the Net Asset Value per Share as set out under "Applications for Shares" on page 25 below.
"1933 Act"	the United States Securities Act of 1933, as amended; and
"1940 Act"	the United States Investment Company Act of 1940, as amended.

References to "U.S. Dollars" or "U.S.$" are to United States dollars. References to "Stg£", "Pounds Sterling" and "Sterling" are to pounds sterling of the United Kingdom. References to "Japanese Yen" "¥" or "Yen" are to Japanese yen.

PART I: THE COMPANY

DIRECTORY

Directors

John Gibbon
Peter Blessing
Alan Deacon
Robert Brewis
Mike Kirby

Registered Office

HSBC House
Harcourt Centre
Harcourt Street
Dublin 2
Ireland

Registrar, Administrator and Secretary

HSBC Securities Services (Ireland) Limited
HSBC House
Harcourt Centre
Harcourt Street
Dublin 2
Ireland

Investment Manager and Promoter

BDT Investment Management Limited
4th Floor, 52 Jermyn Street
London, SW1Y 6LX
United Kingdom

Custodian

HSBC Institutional Trust Services (Ireland) Limited
HSBC House
Harcourt Centre
Harcourt Street
Dublin 2
Ireland

Auditors

PricewaterhouseCoopers
Chartered Accountants
George's Quay
Dublin 2, Ireland

Sponsoring Broker

J& E Davy
49 Dawson Street
Dublin 2, Ireland

Legal Advisers

In Ireland

Dillon Eustace
Grand Canal House
1 Upper Ground Canal Street
Dublin 4, Ireland

In England and Wales

Stephenson Harwood
One St Paul's Churchyard
London EC4M 8SH
United Kingdom

INTRODUCTION

The Company was incorporated on 27 November 2000 under the laws of Ireland as an open ended umbrella-type investment company with variable capital and limited liability. The Company is a UCITS authorised in Ireland by the Financial Regulator as an investment company pursuant to the Regulations on 14 February 2001.

As an umbrella-type collective investment vehicle the Directors are authorised to establish one or more Funds from time to time with the prior approval of the Financial Regulator. The Company is currently comprised of four funds, BDT Invest Asian Focus Fund, BDT Invest Emerging Markets Focus Fund, BDT Invest Japanese Focus Fund and BDT Invest Japanese Smaller Companies Fund. Subject to the prior approval of the Financial Regulator, the Company may create such additional Funds as the Directors may deem appropriate.

The name of each Fund, the terms and conditions of its initial offer of Shares, details of its investment objectives, policies and restrictions and of any applicable fees and expenses shall be set out in a Supplement. This Prospectus and any Supplements should be read and construed as one document. Supplements may be added to or removed from this Prospectus from time to time as Funds are added to the Company or revoked, as the case may be, in accordance with the requirements of the Financial Regulator.

The Directors may, whether on the establishment of a Fund or from time to time, create more than one class of Shares in a Fund to which different currencies, charging structures or other terms and conditions of issue may apply. The creation of further classes must be notified in advance to the Financial Regulator. A separate pool of assets shall not be maintained for each class.

Monies subscribed for each Fund should be in the currency of denomination of the relevant Share class. Any other currency subscribed will be converted to the currency of denomination of the relevant Share class at the rate (whether official or otherwise) which the Administrator deems appropriate in the circumstances.

INVESTMENT OBJECTIVE, POLICY AND RESTRICTIONS

Investment Objective and Policy

The assets of each Fund will be invested in accordance with the investment objectives and policies of that Fund as set out in the applicable Supplement. The Company and its Directors, in consultation with the Investment Manager, are responsible for the formulation of the investment policy of each Fund and any subsequent change to that policy.

Pending full investment of the subscription proceeds, a greater proportion of the assets of a Fund than is anticipated by its investment policy may initially be held in cash, money market instruments (such as short term treasury bills traded on markets in which the Fund may invest) and other debt instruments (such as promissory notes which are freely transferable and certificates of deposit).

Investment and Borrowing Powers and Restrictions

Investments made by each Fund will be made subject to the Regulations and any restrictions which may be imposed by the Financial Regulator. The investment and borrowing powers of each Fund and the investment restrictions to which it is subject are summarised in Part IV: Investment Restrictions on pages 33 to 37 below. Any Fund may derogate from the provisions of the investment restrictions under paragraphs (iii) to (v) therein for up to a period of six months from the date of authorisation of the Fund by the Financial Regulator subject to the observance of the principle of risk spreading. Additional restrictions (if any) relevant to each Fund will be set out in the applicable Supplement.

Financial Derivative Instruments and Efficient Portfolio Management

A Fund may employ techniques and instruments for efficient portfolio management transactions with one of the following aims:- (a) a reduction of risk; (b) a reduction of cost with no increase or a

minimal increase in risk; or (c) generation of additional capital or income with no, or an acceptably low level of risk (relative to the expected return). In relation to efficient portfolio management operations, the Investment Manager will look to ensure that the transaction is economically appropriate.

In addition, a Fund may employ techniques and instruments intended to provide protection against exchange rate risks, in the context of the management of its assets and liabilities subject to the conditions and limits laid down by the Financial Regulator detailed on page 40 under Part V: Financial Derivative Instruments. In this regard, a Fund may:- (i) utilise OTC contracts; (ii) utilise currency options; or (iii) hedge exposure to one currency by entering into forward currency transactions in a related currency because of the institutional and expected future correlation between the two currencies.

A description of the main techniques and instruments that may be used for efficient portfolio management and/or to provide protection against exchange rate risks are set out below.

Forward Currency Contracts and Currency Options

Forward currency contracts and currency options may, at the Directors' sole discretion, be used to hedge some or all of the exchange risk/currency exposure arising as a result of the fluctuation between the currency in which the Net Asset Value per Share is computed and the currencies in which each Fund's investments are denominated. In addition, forward currency contracts and currency options may be used to protect the value of the currency of each class from the adverse movements of other currencies. Please see the section headed "Class Currency Hedging" below for further details.

Access Products

A Fund may employ access vehicles such as low exercise price warrants (which may be known as certificates or notes) in order to gain an exposure to particular security or markets. Low exercise price warrants held by a Fund for efficient portfolio management shall be cash settled, listed on a Recognised Exchange in the European Economic Area (EEA) (European Union, Norway, Iceland, Lichtenstein), Switzerland, Australia, Canada, Japan, New Zealand and the United States) and shall be exercisable at any time over the life of the warrant. In addition, the underlying investment of a low exercise price warrant shall be one in which the Fund could invest in directly.

Warrants, Convertible Bonds and Convertible Debentures

A Fund may purchase warrants, convertible bonds and convertible debentures to provide an efficient, liquid mechanism for taking position in securities without the need to purchase and hold the security.

Other Financial Derivative Instruments

Whilst other financial derivative instruments such as options, futures, swaps, stocklending agreements and repurchase/reverse repurchase agreements have not been used by the Company to date there is a possibility that in the future such financial derivative instruments will be employed for hedging exposure to a market, sector or region.

A Fund may sell futures on securities, currencies or interest rates to provide an efficient, liquid and effective method for the management of risks by "locking in" gains and/or protecting against future declines in value. A Fund may also buy futures on securities, currencies or interest rates to provide a cost effective and efficient mechanism for taking position in securities.

A Fund may utilise options (including equity index options, options on futures and options on swaps) to increase its current return by writing covered call options and put options on securities it owns or in which it may invest and on currencies for the purposes of efficient portfolio management only.

A Fund may enter into swap agreements (including total return swaps) with respect to currencies, interest rates and securities. A Fund may use these techniques to protect against changes in interest

rates and currency exchange rates. In respect of currencies a Fund may utilise currency swap contracts where the Fund may exchange currencies at a fixed rate of exchange for currencies at a floating rate of exchange or currencies at a floating rate of exchange for currencies at a fixed rate of exchange. In respect of interest rates a Fund may utilise interest rate swap contracts where the Fund may exchange floating interest rate cash flows for fixed interest rate cash flows or fixed interest rate cash flows for floating interest rate cash flows.

In respect of securities and securities indices a Fund may utilise total return swap contracts where the Fund may exchange floating interest rate cash flows for fixed cash flows based on the total return of an equity or fixed income instrument or a securities index or fixed cash flow based on total return of an equity or fixed income instrument or a securities index for floating interest rate cash flows. These contracts allow a Fund to manage its exposures to certain securities or securities indexes. For these instruments the Fund's return is based on the movement of interest rates relative to the return on the relevant security of index.

A Fund may utilise stocklending agreements for efficient portfolio management purposes. In such a transaction the Fund may temporarily transfer its securities to a borrower, with agreement by the borrower to return equivalent securities to the Fund at a pre-agreed time. In entering into such transactions the Fund will be endeavouring to increase the returns on its portfolio of securities by receiving a fee for making its securities available to the borrower. Please see Counterparty Risk in the section "Risk Factors" for details of the risks involved in such practises.

A Fund may enter into repurchase / reverse repurchase agreements for efficient portfolio management purposes. Such a transaction is an agreement whereby one party sells the other a security at a specified price with a commitment to buy the security back at a later date for another specified price. The Fund may enter into such agreements as follows (a) if the Fund has short-term funds to invest then difference between the sale and repurchase prices paid for the security represents a return to the Fund similar to interest on a loan or (b) if the Fund wishes to briefly obtain use of a particular security.

Use of Financial Derivative Instruments for Investment Purposes

Where disclosed in the relevant Supplement, a Fund may also invest in financial derivative instruments including equivalent cash settled instruments dealt in on a Recognised Exchange and/or in over the counter derivative instruments in each case under and in accordance with conditions or requirements imposed by the Financial Regulator. The financial derivative instruments in which the Company may invest and the expected effect of investment in such financial derivative instruments on the risk profile of a Fund will be disclosed in the relevant Supplement.

Risk Management Process

The Company will employ a risk management process which will enable it to monitor and measure the risks attached to financial derivative positions and details of this process have been provided to the Financial Regulator. The Company will not utilise financial derivatives which have not been included in the risk management process until such time as a revised risk management process has been submitted to the Financial Regulator. The Company will provide on request to Shareholders supplementary information relating to the risk management methods employed by the Company including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments.

Class Currency Hedging

In the interests of seeking the optimal protection of a Shareholder's interest, each Fund may, where practicable, engage in foreign exchange hedging transactions for each class (where the profits, gains, losses, costs, income and expenditure consequent upon such hedging transactions are allocated solely to the relevant class) which in no case should exceed 100 per cent of Net Asset Value of the relevant class. Foreign exchange transactions with respect to the Dollar Shares will be undertaken with a view to protecting the value of that class in US Dollars from the adverse movements of other currencies. Foreign exchange transactions with respect to the Sterling Shares will be undertaken with a view to

protecting the value of that class in pounds sterling from the adverse movements of other currencies. Foreign exchange transactions with respect to the Euro Shares will be undertaken with a view to protecting the value of that class in Euros from the adverse movements of other currencies. Performance among classes will, however, vary due to their different currency exposure. Investors should be aware that this strategy may substantially limit Shareholders of the relevant class from benefiting if the designated currency of the class falls against the base currency of the Fund and the currencies in which the assets of the Fund are denominated. The annual and semi-annual accounts of the Fund will indicate how transactions undertaken to provide protection against exchange rate risks have been utilised.

DISTRIBUTION AND REINVESTMENT POLICY

Any dividend payment in respect of a Fund shall be made in accordance with the dividend policy of that Fund as set out in the applicable Supplement.

MANAGEMENT AND ADMINISTRATION

Directors

Details of the Directors, who have overall responsibility for the establishment and supervision of the Company's investment policy relating to the Fund, are set out below:

John Gibbon (Chairman) retired as head of BAE SYSTEMS Pension Funds Investment Management Limited at the end of February 2001, a position he had held since 1983. He is a member of the UK Society of Investment Professionals, acts as an investment adviser to a number of UK pension funds and is a director of JP Morgan Fleming Japanese Smaller Companies Investment Trust.

Peter Blessing is an executive director of Corporate Finance Ireland Limited, an independent advisory firm. He is also a consultant to and director of a number of International Financial Services Centre ("IFSC") companies. From 1991 to 1995, he was managing director of Credit Lyonnais' IFSC subsidiary. He worked with Allied Irish Banks as a director of its IFSC subsidiary from 1988 to 1991 and as a senior executive in its Corporate Finance division from 1982 to 1988.

Alan Deacon graduated from Trinity College, Dublin in 1971 with an honours degree in Business Studies. On leaving college, he joined the accountancy firm of Stokes Kennedy Crowley, now KPMG. In 1976, after qualification as a Chartered Accountant, Mr Deacon transferred to KPMG Hong Kong and became a partner in 1981. He retired from the partnership in 1993 and returned to Ireland. Since his return, Mr. Deacon has been appointed as a director and chairman of a number of companies and investment funds listed in Dublin. He also has other business interests in Ireland, which include property development and financial investment.

Robert Brewis is a founder and director of BDT Investment Management Limited, incorporated June 2000. He joined Thornton Management in 1988 in London and transferred to Asia the following year. In 1990 he joined Royal Trust Asset Management (Asia), where he remained during subsequent acquisitions by Credit Lyonnais International Asset Management and Nicholas Applegate Capital Management. In 1999 he returned to London with Colonial First State Investments until his resignation in April 2000.

Mike Kirby is Managing Principal at KB Associates a firm which provides a range of advisory and project management services to the promoters of offshore mutual funds. He has previously held senior positions at Bank of New York (previously RBS Trust Bank) (1995-2000) where he was responsible for the establishment and ongoing management of its Dublin operations. He has also held senior positions in the custody and fund administration businesses of JP Morgan in London and Daiwa Securities in Dublin. Mr. Kirby holds a Bachelor of Commerce (Honours) Degree from University College Dublin and is a Fellow of the Institute of Chartered Accountants in Ireland. He is a founder member of the Dublin Funds Industry Association.

Investment Manager and Promoter

The Company has appointed the Investment Manager, BDT Investment Management Limited, to undertake the day to day discretionary investment management of the Fund. The Investment Manager has also been appointed by the Company to act as the sole distributor of Shares of the Company and is entitled to receive any initial charge payable on purchases of Shares. The Investment Manager is an investment management company incorporated in England and Wales on 7 March 2000. It is authorised and regulated by the Financial Services Authority. Its principal business is to provide investment management and advisory services to clients in the United Kingdom and other parts of the world. As at 31 May 2005, the Investment Manager had U.S.$564 million assets under management.

Administrator

The Company has appointed HSBC Securities Services (Ireland) Limited as administrator of the Company. The Administrator is ultimately an indirect subsidiary of HSBC Holdings plc and was incorporated as a limited liability company on 29 November 1991. The Administrator is a specialist provider of global fund services to investment funds and will act as company secretary of the Company, maintain the register and provide subscription, redemption and transfer agent services, calculate the Net Asset Value per Share and maintain the accounts of the Company.

Custodian

The Company has appointed HSBC Institutional Trust Services (Ireland) Limited as custodian of the assets of the Company. The Custodian, a private limited company, is ultimately an indirect subsidiary of HSBC Holding plc which is a public company incorporated in England. As at 31 December 2004 HSBC Holdings plc had consolidated gross assets of approximately US$1,277 billion. The Custodian is a specialist provider of custodial and trustee services to investment funds.

The Custodian has power to appoint sub-custodians, agents and delegates ("Correspondents") to hold the assets of the Company. The Custodian's liability will not be affected by the fact that it has entrusted to a third party some or all of the assets in its safekeeping. In order to discharge its responsibility the Custodian will exercise care and diligence in choosing and appointing the Correspondents as safekeeping agents so as to ensure that each Correspondent has and maintains the expertise, competence and standing appropriate to discharge the responsibilities concerned and will maintain an appropriate level of supervision over each Correspondent and make appropriate enquiries from time to time to confirm that the obligations of the Correspondent continue to be competently discharged.

In respect of any losses to the Company arising from any Correspondent, including losses resulting from the negligence, fraud, wilful default or bad faith of any Correspondent, the Custodian shall use its best endeavours to exercise such rights as are available to it in the local market against the relevant Correspondent and account to the Company for any recovery, and in the case of a liquidation, bankruptcy or insolvency of a Correspondent, the Custodian will use all reasonable endeavours to recover any Securities or other property held and to recover any losses suffered by the Company as a consequence of such liquidation, bankruptcy or insolvency.

To the extent the Company invests in emerging markets where custodial and/or settlement systems may not be fully developed, the assets of the Company which are traded in such markets and which have been entrusted to Correspondents in circumstances where the use of such Correspondents is necessary, may be exposed to risks which result in the Custodian not being liable to the Company for default in certain circumstances. Prospective investors are referred to "Risk Factors" at pages 17 to 23. There can be no assurance that losses will not arise to the Company from the actions, inactions or insolvency of such Correspondents, particularly since regulations and standards of administration in emerging market countries may be underdeveloped and not of the standard experienced in most industrial economies. The Custodian is not responsible for the safekeeping of assets deposited as margin assets with brokers.

Paying Agents/Representatives/Sub-Distributors

Local laws/regulations in EEA Member States may require the appointment of paying agents/representatives/distributors/correspondent banks ("Paying Agents") and maintenance of accounts by such Agents through which subscription and redemption monies or dividends may be paid. Shareholders who choose or are obliged under local regulations to pay or receive subscription or redemption monies or dividends via an intermediate entity rather than directly to the Custodian (e.g. a Paying Agent in a local jurisdiction) bear a credit risk against that intermediate entity with respect to (a) subscription monies prior to the transmission of such monies to the Custodian for the account of the Company or the relevant Fund and (b) redemption monies payable by such intermediate entity to the relevant Shareholder. Fees and expenses of Paying Agents appointed by the Company or the Manager on behalf of the Company or a Fund which will be at normal commercial rates will be borne by the Company or the Fund in respect of which a Paying Agent has been appointed.

FEES AND EXPENSES

Investment Management Charges

The Investment Manager will be paid a fee in respect of its duties as investment manager of each Fund. Details of such fee are as set out in the applicable Supplement.

Administration Charges

The Administrator will be paid a fee in respect of its duties as administrator and registrar which shall accrue daily and be payable monthly in arrears at a rate as set out in the applicable Supplement.

The fees payable to the Administrator may be varied from time to time by agreement with the Company. Any such variation will be notified to Shareholders. The fees are exclusive of value added tax (if any).

Remuneration of the Custodian

The Custodian will be paid a fee accrued and calculated daily and payable monthly in arrears at a rate as set out in the applicable Supplement.

The fees payable to the Custodian may be varied from time to time by Agreement with the Company. Any such variation will be notified to Shareholders. The fees are exclusive of value added tax (if any). The fees of any sub-custodian appointed by the Custodian shall be at normal commercial rates and shall be paid by the Company.

Directors' Remuneration

Each Director is entitled to such remuneration for his services as the Directors may determine. The Directors have determined that the aggregate remuneration payable to all of the Directors in respect of any twelve month period shall not exceed U.S.$75,000 per annum. In addition, each Director may be reimbursed all reasonable travel, hotel and other expenses incurred in connection with the business of the Company or the discharge of their duties.

Other Expenses

The Investment Manager, the Custodian, the Administrator, any sub-custodian appointed in respect of the Company and any other service provider appointed by the Company are entitled to recover reasonable out-of-pocket expenses incurred in the performance of their duties out of the assets of the Company. The Company bears all its operating and other expenses including, without limitation:

(i) all stamp duty (other than any payable by an applicant for Shares or a Shareholder) or other tax or duty which may be levied or payable from time to time on or in respect of the Company or on creation or issue of Shares or arising in any other circumstance;

(ii) all purchase, fiscal and sale charges arising on any acquisition or disposal of investments;

(iii) all expenses incurred in relation to the registration of any investments into and transfer of any investments out of the name of the Company or the Custodian, or any sub-custodian or their nominees or the holding of any investment or the custody of investments and/or any documents or title thereto (including bank charges, insurance of documents of title against loss in shipment, transit or otherwise) and charges made by the registrar or agents of the Custodian or any sub-custodian for acceptance of documents for safe custody, retention and/or delivery;

(iv) all expenses incurred in the collection of income and administration of the Company;

(v) all costs and expenses of and incidental to preparing and delivering resolutions of Shareholders for the purpose of securing that the Fund conforms to legislation coming into force after the date of the incorporation of the Company (including costs and expenses incurred in the holding of a meeting of Shareholders, where necessary);

(vi) all taxation payable in respect of the holding of or dealings with or income from the Fund relating to the Fund property and in respect of allocation and distribution of income to Shareholders other than tax of Shareholders or tax withheld on account of Shareholders' tax liability;

(vii) all costs and expenses other than items which the Investment Manager has agreed to bear (including legal, accountancy, and other professional charges and printing costs) incurred by the Investment Manager, the Custodian, the Administrator and any placing agent used in setting up the Company and the Fund which are being amortised in the accounts of the Fund over a period not exceeding five years (see Set-Up Expenses below);

(viii) all commissions, stamp duty, value added tax and other costs and expenses of or incidental to any acquisition, holding, realisation or other dealing in investments, foreign exchange options, financial futures or any other derivative instruments or the provision of cover or margin therefore or in respect thereof or in connection therewith;

(ix) all stationery, printing and postage costs in connection with the preparation and distribution of cheques, warrants, tax certificates, statements, accounts and reports made, issued or despatched pursuant to the Articles and the costs of preparation, translation, and distribution of all prospectuses, listing particulars and explanatory memorandum;

(x) the fees and expenses of the auditors of the Company;

(xi) any fees payable by the Company to any regulatory authority in any other country or territory, the costs and expenses (including legal, accountancy and other professional charges and printing costs) incurred in meeting on a continuing basis the notification, registration and other requirements of each such regulatory authority, and any fees and expenses of representatives or facilities agents in any such other country or territory;

(xii) all fees and costs relating to the listing or de-listing of Shares on any stock exchange;

(xiii) all fees and costs relating to a scheme of reconstruction and amalgamation (to the extent it has not been agreed that such expenses should be borne by other parties) under which the Fund acquires property;

(xiv) all costs and expenses incurred by the Company, the Custodian, the Investment Manager and the Administrator and any of their appointees which are permitted by the Articles;

(xv) ongoing marketing and advertising expenses; and

(xvi) the cost of publication of notices in any newspapers.

Set-Up Expenses

The expenses of or incidental to the setting-up of the Company and the initial Fund, BDT Invest Asian Focus Fund and listing of the Shares, including listing fees, printing costs and legal and other fees incurred by the Company, the Administrator, the Custodian, the Investment Manager and any other service provider agreed by the Directors amounted to U.S.$263,210. These fees and expenses, which are payable by the Company, will be deferred and amortised in the initial fund over a period not exceeding five years.

Details of the expenses of or incidental to the setting-up of any additional Fund established in the Company shall be disclosed in the relevant Supplement.

Conversion

In the event that further Funds of the Company are established, no charge will be levied for the conversion of Shares in one Fund into Shares of another Fund.

CONFLICTS OF INTEREST

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

In addition, the Parties may enter into contracts or any financial, banking or other transaction with the Company or any Shareholder or any company or body, any of whose securities are held by or for account of the Company, or any other person or be interested in any such contract or transaction provided that any such contract or transaction is effected on normal commercial terms negotiated on an arm’s length basis and is in the best interests of the Shareholders.

Neither the Investment Manager, the Administrator, the Custodian nor any of their respective affiliates shall enter into any transaction referred to above unless such transaction is carried out as if effected on normal commercial terms negotiated at arms’ length, is in the best interests of shareholders and the following occurs: -

(i) a person approved by the Custodian as independent and competent certifies that the price at which the transaction is effected is fair; or

(ii) the execution of the transaction is on best terms on organised investment exchanges under their rules; or

(iii) where the conditions set out in (i) and (ii) are not practical the transaction is executed on terms which the Custodian is satisfied are normal commercial terms negotiated at arms’ length and in the best interest of Shareholders.

In particular, it is envisaged that the Investment Manager may be involved in advising or managing other investment funds or clients which may have similar or overlapping investment objectives to or with the Company.

Each of the parties will respectively ensure that the performance of their respective duties will not be impaired by any such involvement that they may have and they will ensure that any conflict which may arise will be resolved fairly.

When allocating investment opportunities, the Investment Manager will ensure that all such investments will be allocated in a fair and equitable manner.

SOFT COMMISSION

The Investment Manager may effect transactions by or through the agency of another person with whom the Investment Manager has an arrangement under which that party will from time to time provide to or procure for the Investment Manager goods, services, or other benefits, such as research and advisory services, computer hardware associated with specialised software or research services and performance measures etc., the nature of which is such that they are directly relevant to the provision of investment services to the Company and their provision can reasonably be expected to benefit the Company as a whole and may contribute to an improvement in the Company's performance and that of the Investment Manager in providing services to the Company and for which no direct payment is made but instead the Investment Manager undertakes to place business with that party. That party must agree to provide best execution with respect to such business within the meaning of the Financial Regulator's notices. For the avoidance of doubt, such goods and services do not include travel, accommodation, entertainment, general administrative goods or services, general office equipment or premises, membership fees, employee salaries or direct money payments. Details of any such arrangements shall be included in the Company's annual and half-yearly reports.

RISK FACTORS

Potential investors should note that the investments of the Company and its Funds are subject to market fluctuations and other risks inherent in investing in global securities and there can be no assurance that any appreciation in value will occur. The value of investments and the income from them, and therefore the value of, and income from, the Shares can go down as well as up and an investor may not get back the amount he invests. Changes in exchange rates between currencies may also cause the value of the investments to diminish or increase. An investor who realises Shares after a short period may, in addition, not realise the amount originally invested in view of any initial or redemption charge made on the issue of the Shares. The difference at any one time between the Net Asset Value of Shares for the purposes of purchases and redemptions means that investment in the Fund should be viewed as medium to long term.

Investors should also note that a performance related investment management fee is payable to the Investment Manager by the Company which is based on net realised and net unrealised gains and losses calculated in respect of twelve monthly performance periods. As a result such fees may be paid by the Company on unrealised gains which may subsequently never be realised.

Political and/or Regulatory Risks

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

Credit Risk

There can be no assurance that issuers of the securities or other instruments which a Fund invests in will not be subject to credit difficulties leading to the loss of some or all of the sums invested in such securities or instruments or payments due on such securities or instruments. A Fund will also be exposed to a credit risk in relation to the counterparties with whom they trade or place margin or collateral in respect of transactions in financial derivative instruments, stocklending and repurchase agreements and may bear the risk of counterparty default.

Foreign Exchange/Currency Risk

Although Shares may be denominated in a particular currency, a Fund may invest in securities denominated in a wide range of currencies. The Net Asset Value of a Fund as expressed in its base currency will fluctuate in accordance with the changes in the foreign exchange rate between the currency and the currencies in which the Fund's investments are denominated. A Fund may, therefore, be exposed to a foreign exchange/currency risk.

It may not be possible or practicable to hedge against the consequent foreign exchange/currency risk exposure. The Investment Manager may enter into hedging transactions at its sole discretion and solely for the purposes of efficient portfolio management or protection against currency risk. Furthermore, the manager of any fund in which a Fund invests may not necessarily hedge the foreign currency exposure of that fund.

As investors may be subscribing in a currency other than the base currency they are further exposed to fluctuations in exchange rates.

Counterparty Risk

Each Fund may have credit exposure to counterparties by virtue of investment positions in swaps, options, repurchase transactions and forward exchange rate and other contracts held by the Fund. To the extent that a counterparty defaults on its obligations and the Fund is delayed or prevented from exercising its rights with respect to the investments in its portfolio, it may experience a decline in the value of its position, lose income and incur costs associated with asserting its rights.

Potential Illiquidity of Investments

It may not always be possible for the Investment Manager to execute a buy or sell order at the desired price or to liquidate an open position due to market conditions, including the operation of daily price fluctuation limits. If opportunities for trading are restricted or an exchange is suspended, the Investment Manager may not be able to execute trades or close out positions on terms that the Investment Manager believes are desirable.

Over-the-Counter Markets Risk

Where a Fund acquires securities on over-the-counter markets, there is no guarantee that it will be able to realise the fair value of such securities due to their tendency to have limited liquidity and comparatively high price volatility.

Investment Manager Risk

The Directors may consult the Investment Manager with respect to the valuation of unlisted investments. There is an inherent conflict of interest between the involvement of the Investment Manager in determining the valuation price of each Fund's investments and the Investment Manager's other responsibilities.

Withholding Tax Risk

Distributions and interest on securities issued in countries other than Ireland may be subject to withholding taxes imposed by such countries. A Fund may not be entitled to avail itself of the relevant double taxation agreement in place between Ireland and other countries. Potential investors' attention is drawn to further details given under Part VIII - Taxation below.

Derivatives and Techniques and Instruments Risk

General

The prices of derivative instruments, including futures and options prices, are highly volatile. Price movements of forward contracts, futures contracts and other derivative contracts are influenced by,

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

Liquidity of Futures Contracts

Futures positions may be illiquid because certain commodity exchanges limit fluctuations in certain futures contract prices during a single day by regulations referred to as "daily price fluctuation limits" or "daily limits". Under such daily limits, during a single trading day no trades may be executed at prices beyond the daily limits. Once the price of a contract for a particular future has increased or decreased by an amount equal to the daily limit, positions in the future can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. This could prevent a Fund from liquidating unfavourable positions.

Forward Trading

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

Securities Lending Risk

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

Equity-Linked Warrants and Low Exercise Price Warrants

Certain Funds may invest in equity-linked warrants that provide an easy way for investors to gain an exposure to a particular market or security where access is otherwise difficult and time consuming due to regulatory issues. This is especially true in China, India and Taiwan. An equity call warrant gives the warrant holder the right to buy the underlying security at a particular price on or before a particular date. An equity put warrant gives the warrant holder the right to sell a particular security at a particular price on or before a particular date. A low exercise price warrant is usually an equity call option with a very low exercise price relative to the market. The buyer effectively pays the full value of the underlying instrument at the outset. An index warrant is linked to the performance of a share price index. An index warrant is generally cash settled on the exercise or expiry.

Each Fund may have exposure to counterparties by virtue of investment positions in such warrants. To the extent that a counterparty defaults on its obligations and the Fund is delayed or prevented from

exercising its rights with respect to the investments in its portfolio, it may experience a decline in the value of its position, lose income and incur costs associated with asserting its rights. As the price, performance and liquidity of each warrant is directly linked to the underlying security or basket of securities, each Fund will be exposed to market movements as regards the relevant security or basket of securities.

Emerging Markets Securities Risk

The Funds may invest in securities of issuers located in emerging market countries. Some emerging market countries may be members of the OECD and some may not be members of the OECD. Investments in emerging market securities pose additional risks. These include:

Increased Political and Economic Risks. There is in some emerging market countries a higher than usual risk of nationalisation, expropriation or confiscatory taxation, any of which might have an adverse effect on the value of investments in those countries. Emerging market countries may also be subject to higher than usual risks of political changes, government regulation, social instability or diplomatic developments (including war) which could adversely affect the economies of the relevant countries and thus the value of investments in those countries.

The economies of many emerging market countries can be heavily dependent on international trade and, accordingly have been and may continue to be adversely affected by trade barriers, managed adjustments in relative currency values, other protectionist measures imposed or negotiated by the countries with which they trade and international economic developments generally.

Taxation Risk. A Fund may become liable to taxes in jurisdictions in which it may make investments. Many emerging markets typically have less well defined tax laws and procedures than those of major markets and such laws may permit retroactive taxation so that a Fund could in future become subject to a tax liability that had not reasonably been anticipated in the conduct of investment activities or in the valuation of the assets of the Fund. Furthermore, taxation laws of any emerging market country may change to reflect economic conditions and accordingly there is no guarantee that these will evolve in a manner considered to be favourable to the Fund. It is possible that treaties, laws, orders, rules, regulations or any other legislation currently regulating taxation in these countries may be altered, in whole or in part, or added to. Changes in any taxation regime would have the potential to adversely affect a Fund's income from its various investments as well as adversely affecting the value of equity in which the Fund has invested and also have the potential to negatively alter the value and timing of the Fund's distributions to investors.

Legal matters. The legislative framework in emerging market countries for the purchase and sale of investments and in relation to beneficial interests in those investments may be relatively new and untested and there can be no assurance regarding how the courts or agencies of emerging market countries will react to questions arising from a Fund's investment in such countries and arrangements contemplated in relation thereto.

Laws, orders, rules, regulations and other legislation currently regulating the investment arrangements contemplated may be altered, in whole or in part, and a court or other authority of an emerging market country may interpret any relevant existing legislation in such a way that the investment arrangements contemplated are rendered illegal, null or void, whether retroactively or otherwise, or in such a way that the investment of a Fund is adversely affected. There may be unpublished legislation in force now or at any future time in any emerging market country which conflicts with or supersedes published legislation and which may substantially affect the investment arrangements contemplated.

There is no guarantee that any arrangements made, or agreement entered into, between the Custodian and any Correspondent will be upheld by a court of any emerging market country, or that any judgement obtained by the Custodian or the Company against any such Correspondent in a court of any jurisdiction will be enforced by a court of any emerging market country.

Legislation regarding companies in emerging market countries, specifically those laws in respect of fiduciary responsibility of administrators and disclosure may be in a state of evolution and may be of a considerably less stringent nature than corresponding laws in more developed countries.

Inflation. Although many companies in which a Fund may hold shares may have operated profitably in the past in an inflationary environment, past performance is no assurance of future performance. Inflation may adversely affect any economy and the value of companies' shares.

Privatisation. In certain cases, decisions taken by a new majority share holder following the privatisation of an emerging market country company may have unfavourable effects on the value and marketability of that company's shares traded on any stock exchange. There is also the risk that privatisations of majority share interests could be cancelled by the relevant authorities and these companies could revert to state ownership. In such cases, there is no guarantee as to the timing of a new privatisation tender or the decision of authorities to organise a new tender. Such outcomes may also have adverse effects on the value and marketability of a company's shares traded on any stock exchange.

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

Other Foreign Investment Risks. In certain of the countries where investments are proposed to be made there are restrictions on investment by foreign investors. In addition, the ability of foreign investors, such as a Fund, to participate in privatisations in certain foreign countries may be limited by local law, or the terms on which the Fund may be permitted to participate may be less advantageous than those for local investors. These factors and any restrictions introduced in the future could limit the availability to a Fund of attractive investment opportunities.

Currency Depreciation. Where a Fund's assets are invested in securities which are denominated in currencies other than those of developed countries, any income received by the Fund from those investments will be received in those currencies. Historically, most of the non-developed countries' currencies have experienced significant depreciation against the currencies of developed countries. Some of the emerging market currencies may continue to fall in value against currencies of developed countries. As the Fund may compute its Net Asset Value and make any distribution in currencies different from the currency of the income received from those investments, currency exchange risk may affect the value of Shares.

Custody/Sub-Custody Risk. Local custody services remain underdeveloped in many emerging market countries and there is a transaction and custody risk involved in dealing in such markets. In certain circumstances a Fund may not be able to recover some of its assets. Such circumstances may include any acts or omissions or the liquidation, bankruptcy or insolvency of a sub-custodian, retroactive application of legislation and fraud or improper registration of title. The costs borne by a Fund in investing and holding investments in such markets will generally be higher than in organised securities markets. As the Company may invest in markets where custodial and/or settlement systems are not fully developed, the assets of the Company which are traded in such markets and which have been entrusted to sub-custodians in circumstances where the use of such Sub-Custodian is necessary may be exposed to risk in circumstances whereby the Custodian will have no liability. Such markets include Bangladesh, Indonesia, South Korea, Pakistan and India.

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

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

Credit Risk. The ability of a Fund to make distributions, in the form of dividends or otherwise, and maintain Net Asset Value will be dependent upon the ability and willingness of those whose obligations the Fund acquires to make payment on such obligations as they become due. In the event that any such obligor were to default on the obligations of a Fund's portfolio, not only could distributions from the Fund be diminished or suspended but its ability to sell, and potentially realise "distressed" or "salvage" value on, such obligations could be impaired.

Due to certain restrictions on the ability of foreign entities to acquire, with freely transferable funds, certain securities, the Company may, on behalf of a Fund, enter into certain arrangements with one or more financial institutions, pursuant to which the Company would acquire such financial institution(s) synthetic instruments which bear interest by reference to such securities. Under these circumstances, the Fund will bear not only the risk by default by the relevant government but also will be exposed to counterparty risk.

Stockmarket Practices/Liquidity. Many emerging markets are undergoing a period of rapid growth and are less regulated than many of the world's leading stockmarkets. Market practices for the settlement of securities transactions and custody of assets in emerging markets can provide increased risk to a Fund and may involve delays in obtaining accurate information on the value of securities (which may affect the calculation of Net Asset Value). The emerging markets, in general, are less liquid than those of the world's leading stock markets. Purchases and sales of investments may take longer than would otherwise be expected on developed stock markets and transactions may need to be conducted at unfavourable prices. As a Fund may invest in such markets where custodial and/or settlement systems are not fully developed, the assets of the Fund which have been entrusted to sub-custodians, in circumstances where the use of such sub-custodians is necessary, may be exposed to risk in circumstances where the Custodian will have no liability. A Fund may only invest in those emerging markets which are Recognised Exchanges listed in Part VI and in accordance with the investment objectives and policies of that Fund.

Information Quality. Accounting, auditing and financial reporting standards, practices and disclosure requirements applicable to some companies in emerging markets in which a Fund may invest may differ from those applicable in developed countries in that less information is available to investors and such information may be out of date or carry a lower level of assurance.

Settlement Risk

There can be no guarantee of the operation or performance of settlement, clearing and registration of transactions in emerging market countries nor can there be any guarantee of the solvency of any securities system or that such securities system will properly maintain the registration of the Custodian or the Company as the holder of securities. Where organised markets and banking and telecommunications systems are underdeveloped, concerns inevitably arise in relation to settlement, clearing and registration of transactions in securities. Furthermore, due to the local postal and

banking systems in many emerging market countries, no guarantee can be given that all entitlements attaching to quoted and over-the-counter traded securities acquired by a Fund, including those related to dividends, can be realised.

Some emerging markets currently dictate that monies for settlement be received for a local broker a number of days in advance of settlement, and that assets are not transferred until a number of days after settlement. This exposes the assets in question to risks arising from acts, omissions and solvency of the broker and counterparty risk for that period of time.

Taxation Risk

Potential investors' attention is drawn to the taxation risks associated with investing in a Fund. Further details are given under the heading Part VIII Taxation below.

Natural Catastrophe Risks

Certain investments may have operations in territories that have a history of natural disasters including earthquakes, tornadoes, hurricanes and other "Acts of God". The occurrence of natural disasters effect the valuation of many investments that are exposed to these territories. This is a risk in investing in these areas.

Hedging Risk

A Fund may invest in securities that from time to time may be volatile and the availability of derivatives to hedge exposure may not be available. This applies to a greater degree to emerging market currencies and investments.

Small Capitalisation Risk

A Fund may invest in companies or issues that have a small market capitalisation. These may be less liquid than larger companies or issues and as such may be more difficult to buy or sell or have a more volatile price.

No Established Rating Criteria

No rating criteria have been established for the debt securities in which a Fund may invest. Therefore, in accordance with a Fund's investment policy, the Fund may invest in low rated (considered to be those that are below "investment grade") and unrated debt securities. Low rated and unrated debt securities are the equivalent of high yield, high risk bonds, commonly known as "junk bonds" and are generally considered to be speculative with respect to the issuer's capacity to pay interest and repay principal in accordance with the terms of its obligations under such securities. There are fewer investors in lower-rated securities and it may be harder to buy and sell such securities at an optimum time. Moreover, the settlement periods in certain markets may be longer than in others which may affect portfolio liquidity.

Cross Liability of Funds

All liabilities, irrespective of the Fund they are attributable to, shall (in the event of a winding up of the Company or a redemption of all of the Shares of a Fund), unless otherwise agreed upon with the auditors, be binding on the Company as a whole and, accordingly, liabilities of one Fund may be paid out of one or more other Funds.

In addition to the risks set out above, any risks specific to a particular Fund will be as set out in the applicable Supplement.

PRICING

The price for buying and selling Shares in the Fund is the Net Asset Value per Share (See Part III: calculation of Net Asset Value below) as adjusted in the manner described in the applicable Fund Supplement.

APPLICATIONS FOR SHARES

Dealing

Applications for Shares may be made to the Administrator prior to 5 p.m. (Dublin time) on the Business Day preceding each Dealing Day. Applications so received will, if accepted, be effected at a purchase price per Share which shall be the Net Asset Value per Share prevailing on that Dealing Day (plus initial charge if applicable). The Net Asset Value per Share shall be calculated as at 9 a.m. in Dublin on each Dealing Day (the "Valuation Point") (or such other times as the Directors may determine). Any applications received after 5 p.m. Dublin time on the Business Day preceding each Dealing Day are to be held over until the next Dealing Day.

Applications should be made in writing (by letter or by facsimile) by completing an application form available from the Administrator, the original of which should be delivered to the Administrator at the registered office of the Company. If an application is received by the Administrator by facsimile, the original must follow by post. If payment is being made by cheque, such cheque should accompany the application form.

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

Where the amount subscribed for Shares is not equivalent to an exact number of Shares, fractions of Shares may be issued to the nearest one thousandth of a Share. Excess monies will be retained for the benefit of the Fund.

Minimum Subscription

The minimum initial subscription for Shares in the Fund is set out in the applicable Fund Supplement. The Directors may waive any minima at their discretion in respect of specific applications or generally.

The Directors reserve the right to close subscriptions to Shares of any class in the Fund for such period or periods as they may in their discretion determine. The Financial Regulator and Shareholders will be notified in advance of such event.

Payment of Purchase Price

Investors should place orders for Shares in the Base Currency of the Fund. Settlement for Shares in the Fund should be made within two Business Days after the Dealing Day in respect of which an application has been received in the manner set out above. Subscription payments must be made to the relevant account for that class as set out in the application form.

Other methods of payment are subject to the prior approval of the Company. Where payments are accepted by cheque, the Directors reserve the right to defer the acceptance of the application until cleared monies are received.

No Share Certificates

Shares will be issued in registered form and a written confirmation of ownership as to the entry of the applicant on the register will be sent to Shareholders within five Business Days. Share Certificates will not be issued unless specifically requested by the applicant and, if requested, will be issued at the Shareholders' risk. Shares shall not be issued unless settlement has been made within two Business Days after the Dealing Day in respect of which the application has been received.

Identity of Applicant

Measures aimed towards the prevention of money laundering may require a detailed verification of the applicant's identity. Depending on the circumstances of each application, a detailed verification might not be required where:- (i) the applicant makes the payment from an account held in the applicant's name at a recognised financial institution, or (ii) the application is made through a recognised intermediary or agent. These exceptions will only apply if the financial institution or intermediary or agent referred to above are within a country recognised by Ireland as having equivalent anti-money laundering regulations.

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

The Administrator reserves the right to request such information as is necessary to verify the identity of an applicant. In the event of delay or failure by the applicant to produce any information required for verification purposes, the Administrator or the Company may refuse to accept the application and subscription monies.

Data Protection Information

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

Eligible Investors

Each prospective investor is required to certify that the Shares are not being acquired directly or indirectly for the account or benefit of a "Restricted Person" and such applicants will not sell or offer to transfer or sell Shares to a Restricted Person unless the Company gives its prior approval. "Restricted Person" as used in this document means:

(i) any U.S. Person (as defined in Part VIII: General information below), in subject as provided below;

(ii) any person whose holding of Shares would result in legal, pecuniary, tax regulatory or material administrative disadvantage to the Company or its Shareholders; or

(iii) any person whose holding of Shares would cause the Company to be required to comply with any registration or filing requirements in any jurisdiction with which it would not otherwise be required to comply.

The Company reserves the right to accept applications for Shares from certain qualified investors in the United States or a limited number of U.S. investors if the Company receives evidence satisfactory to it that the sale of Shares to such investors is exempt from registration under the securities laws of the United States, that such sale will not require the Company to register under the 1940 Act, as amended, and, in all events, that there will be no adverse tax or other consequences to the Company or its Shareholders, in the judgment of the Directors, as a result of such sale. If and when permitted, U.S. Persons subscribing on this basis should receive a supplemental disclosure document from the Administrator and will be required to complete a set of additional subscription documents contained therein.

Any person who is holding Shares in contravention of the restrictions set out above or by virtue to this holding, is in breach of the laws and regulations of any competent jurisdiction and whose holding could, in the opinion of the Directors, cause the Company to incur any liability to taxation or to suffer any pecuniary disadvantage which it might not otherwise have incurred or sustained or otherwise in circumstances which the Directors believe might be prejudicial to the interests of the Shareholders, shall indemnify the Company, the Investment Manager, the Custodian, the Administrator and Shareholders for any loss suffered by it or them as a result of such person or persons acquiring of holding Shares in the Company.

As provided for under "Restriction on Purchases and Transfers and Compulsory Redemptions" the Directors have the power to compulsorily redeem and/or cancel Shares.

If the disposal, redemption or transfer of Shares by or declaration of a distribution to a Shareholder give rise to a liability to taxation or withholding tax, the Directors shall be entitled to deduct from the payment due to such Shareholder an amount sufficient to discharge the tax liability, including any interest or penalties payable thereon and/or refuse to register any transfer giving rise to such a liability.

REDEMPTION OF SHARES

Dealing

Requests for the redemption of Shares should be received by the Administrator prior to 5 p.m. in Dublin on the Business Day prior to the Dealing Day and should be made in writing (either by letter or by facsimile). If a redemption request is made by fax, the original redemption request should follow by post. Redemption proceeds will only be paid upon receipt by the Administrator of the original signed redemption request. The Directors may also change the Dealing Day or increase or decrease the number of Dealing Days. Any change to the Dealing Day will be notified in advance to the Shareholders and made in accordance with the requirements of Financial Regulator.

Redemption requests so received will be effected at the redemption price per Share which shall be the Net Asset Value per Share calculated as at the Valuation Point on the relevant Dealing Day, and adjusted to take into account the redemption charge (if any).

Shareholders may redeem all or part of their holding of Shares, provided that if the request would reduce a holding to below the minimum holding prescribed by the Directors, such request will be treated as a request to redeem the entire holding unless the Company otherwise determines. The minimum residual holding following a redemption of Shares is currently prescribed by the Directors and is set out in the applicable Fund Supplement. The Directors may waive these minima at their discretion in respect of specific applications or generally.

Redemption completion notices will normally be issued giving full details of the transaction.

Payment of Redemption Proceeds

Settlement for redemptions of Shares will normally be made in the currency of denomination of the class of Shares by electronic transfer to the bank account specified by the Shareholder or by cheque sent to the registered address of the Shareholder (at his or her risk and expense) within five Business Days after the Dealing Day on which the redemption request is dealt with. If a redemption request is received by fax, the original must follow by post. Redemption proceeds will not be paid until receipt of the original redemption request and the original share certificate (if any).

The cost of any foreign exchange conversion incurred in effecting the redemption will be passed on to the Shareholder.

Deferral of Redemption

The Directors are entitled to limit the number of Shares redeemed on any Dealing Day to ten per cent. of the total number of Shares in issue in the Fund in question. In this event, the limitation will apply pro rata so that all Shareholders of the relevant Fund wishing to have their Shares redeemed on that Dealing Day redeem the same proportion of such Shares, and Shares not redeemed will be carried forward for redemption on the next Dealing Day and all following Dealing Days (in relation to which the Company has the same power) until the original request has been satisfied in full. If requests for redemption are so carried forward, the Directors will inform the Shareholders affected. Redemption requests carried forward will have priority over redemption requests received in respect of subsequent Dealing Days.

In Specie Redemption

In the event that the redemption monies in respect of Shares held by any Shareholder in a Fund wishing to have his Shares redeemed on any Dealing Day amount to more than 5 per cent. of the Shares of that Fund on such day, the Company shall have the power at the discretion of the Directors and with the consent of Shareholders to satisfy any application for redemption in whole or in part by the transfer *in specie* of the whole or any part of the assets of that Fund and to elect by notice in writing to the Shareholder to appropriate and transfer to him such assets in satisfaction or part satisfaction of his redemption request. No such distribution shall cause any material prejudice to the interest of the remaining Shareholders. When a notice of election is served, a Shareholder may within 14 Business Days' serve notice on the Company, requiring the Company instead of transferring the assets in question to arrange for a sale of the assets and for payment to the Shareholder of the net proceeds of sale.

Suspension of Subscriptions and Redemptions

Shares in a Fund may not be subscribed for or redeemed during any period when the calculation of the Net Asset Value of the Fund is suspended in the manner described below. Applicants for Shares and Shareholders who have requested redemption will be notified of such suspension and, unless withdrawn, applications/redemption requests will be considered as at the next Dealing Day following the end of such suspension.

The Directors may declare a temporary suspension of the determination of the Net Asset Value and issue/redemption of Shares in a Fund during:

(i) any period when any of the principal markets on which a substantial portion of the investments of the Fund from time to time are quoted is closed otherwise than the ordinary holidays, or during which dealings therein are restricted or suspended;

(ii) any period when, as a result of political, economic, military or monetary events or any circumstances outside the control, responsibility and power of the Directors, disposal or valuation of a material portion of investments of the Fund is not reasonably practicable without this being seriously detrimental to the interests of Shareholders of the Fund or if, in the opinion of the Directors, redemption prices cannot fairly be calculated;

(iii) any breakdown in the means of communication normally employed in determining the price of a substantial portion of investments or the current prices on any market or stock exchange of the Fund;

(iv) any period when the Directors are unable to repatriate funds for the purpose of making payment on the redemption of Shares or during which any transfer of funds involved in the realisation or acquisition of a substantial portion of investments or payments due on redemption of such Shares cannot, in the opinion of the Directors, be effected at normal rates of exchange; or

(v) any period when, in the opinion of the Directors, it is considered that a suspension would be equitable for the majority of Shareholders and/or when events beyond the control of the Directors gives rise to the Directors having cause to believe that any calculation of a Fund's Net Asset Value per Share may be materially misstated.

Any such suspension of issue and redemption shall be notified immediately to the Financial Regulator and the Irish Stock Exchange and published in the Financial Times (and in such other publications as may be required by any regulatory authority in any jurisdiction in which a Fund is registered) for the information of Shareholders in a Fund without delay and all reasonable steps will be taken to bring any period of suspension to an end as soon as possible.

TRANSFERS

The transfer of Shares may be effected by a transfer in writing in any usual or common form and every form of transfer shall state the full name and address of the transferee and shall be signed by or on behalf of the transferor. The transferee will be required to provide the same information, representations and warranties to the Company as are required on the application form available from the Administrator. The transferor shall be deemed to remain the holder of the Shares until the name of the transferee is entered in the Register in respect thereof.

SWITCHING OF SHARES

Subject to the following conditions, Shareholders have the right on any Dealing Day to switch some or all of their Shares in one class or Fund to Shares in another class or Fund free of charge (in the case of classes with the same currency denomination, whether the same or a different Fund).

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

Requests for switching should be received by the Administrator or the Distributor no later than 5 p.m. (Dublin time) on the Business Day preceding the relevant Dealing Day. Switching of Shares shall be effected by the redemption of such Shares in the original class or Fund (save that the redemption monies shall not be released to the Applicant) and the allotment and issue of Shares of the new class or Fund. Such redemption and allotment shall take place on the Dealing Day for the original class or Fund.

The number of Shares of the new class or Fund to be issued will be calculated in accordance with the following formula:-

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

where

S is the number of Shares of the new class or Fund to be issued.

R is the number of Shares in the original class or Fund to be converted.

RP is the redemption price per Share of the original class or Fund calculated for the relevant Dealing Day.

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

SP is the subscription price per Share of the new class or Fund calculated for the Dealing Day of the new class or Fund.

The number of Shares will be calculated and issued to the nearest thousandth of a Share.

A Shareholder switching from the original class or Fund to the new class or Fund must comply with the minimum initial and subsequent subscription amounts applicable to the new class or Fund as set out in the relevant offering document.

RESTRICTIONS ON PURCHASES AND TRANSFERS AND COMPULSORY REDEMPTIONS

The Directors shall have power to impose such restrictions on purchases and on transfers as they may think necessary for the purpose of ensuring that no Shares are acquired or held by or for the account of a Restricted Person, as defined on page 27 above. In this connection, the Directors may: (i) reject, in their discretion, any subscription for or transfer of Shares; and (ii) compulsorily redeem at any time Shares held by such persons.

If the disposal, redemption or transfer of Shares by or declaration of a distribution to a Shareholder gives rise to a liability to taxation or withholding tax, the Directors shall be entitled to deduct from the payment due to such Shareholder an amount sufficient to discharge the tax liability, including any interest or penalties payable thereon and/or refuse to register any transfer giving rise to such a liability.

PUBLICATION OF PURCHASE AND REDEMPTION PRICES

The Net Asset Value per Share with reference to which Shares are purchased and redeemed as calculated for each Dealing Day will be published daily in the Financial Times and in Bloomberg and such other newspapers and media as the Directors may from time to time determine, and will be notified by the Administrator without delay to the Irish Stock Exchange. Dealing prices are also available from the office of the Administrator.

PART III: CALCULATION OF NET ASSET VALUE AND SUBSCRIPTION AND REDEMPTION PRICES

ALLOCATION OF ASSETS AND LIABILITIES

The assets and liabilities of the Company shall be allocated to each Fund in the following manner:

(a) for each Fund, the Company shall keep separate books and records in which all transactions relating to the relevant Fund shall be recorded and, in particular, the proceeds from the issue of Shares of each Fund shall be applied in the books of the Company relating to that Fund, and the assets and liabilities and income and expenditure attributable thereto shall be applied to such Fund subject to the provisions below;

(b) any asset derived from another asset of a Fund shall be applied in the books and records of the relevant Fund as the asset from which it was derived and on each valuation of an asset, the increase or diminution in value thereof shall be applied to the relevant Fund;

(c) where the Company incurs a liability which relates to any asset of a particular Fund or to any action taken in connection with an asset attributable to a particular Fund, such liability shall be allocated to the relevant Fund;

(d) in the case where an asset or a liability of the Company cannot be considered as being attributable to a particular Fund, the Directors shall have the discretion to determine the basis upon which such asset or liability shall be allocated between the Funds and the Directors shall have power at any time and from time to time to vary such basis;

provided that all liabilities, irrespective of whatever Fund they are attributable to, shall (in the event of a winding up of the Company or a repurchase of all of the Shares of the Fund), unless otherwise agreed upon with the creditors, be binding on the Company as a whole.

CALCULATION OF NET ASSET VALUE OF A FUND

The Articles provide for the Directors to calculate the Net Asset Value of each Fund as at the Valuation Point in respect of each Dealing Day. The Directors have delegated the calculation of the Net Asset Value of each Fund and the Net Asset Value per Share of each Fund to the Administrator.

The Administrator will calculate the Net Asset Value of the Fund as at the Valuation Point in respect of each Dealing Day. The Net Asset Value of the Fund is calculated by deducting the Fund's liabilities from the value of the Fund's assets as at the relevant Valuation Point.

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

(a) assets listed and regularly traded on a Recognised Market and for which market quotations are readily available or traded on over the counter markets shall be valued at their last available traded price on the principal exchange or the market for such investment as at the relevant Valuation Point (or, if no last traded price is available, at mid market prices) provided that the value of any investment listed on a Recognised Market but acquired or traded at a premium or at a discount outside or off the relevant stock exchange or on an over the counter market may be valued with the approval of the Custodian (who in giving such approval, must ensure that the adoption of such a procedure is justifiable in the context of establishing the probable realisation value of the security) taking into account the level of premium or discount as at the date of valuation of the investment.

The Directors, in consultation with the Investment Manager, and with the approval of the Custodian, may adjust or may instruct the Administrator to adjust the value of any such assets

if, in relation to currency, marketability and such other considerations as they deem relevant, they consider that such adjustment is required to reflect the fair value thereof.

If for specific assets the latest available prices do not in the opinion of the Directors, in consultation with the Investment Manager, reflect their fair value, the value shall be calculated with care and in good faith by the Directors or their delegate, being a competent person approved for such purpose by the Custodian, in consultation with the Investment Manger so as to establish the probable realisation value for such assets as at the relevant Valuation Point;

(b) if the assets are listed on several Recognised Markets, the last available traded price or, if not available, latest mid market price, on the Recognised Markets which, in the opinion of the Directors, in consultation with the Investment Manager, constitutes the main market for such assets, will be used.

(c) in all cases the competent person responsible for valuing the assets, which for the Company is the Directors or their delegate (being competent people), in consultation with the Investment Manager, acting in good faith and in accordance with the procedures described below, shall be approved for that purpose by the Custodian;

(d) in the event that any of the assets as at the relevant Valuation Point are not listed or dealt on any Recognised Market, such assets shall be valued by the Directors or their delegate (being competent people) with care and in good faith and in consultation with the Investment Manager at the probable realisation value. Such probable realisation value may be determined by using a bid quotation from a broker. Due to the nature of such unquoted assets and the difficulty in obtaining a valuation from other sources, such competent professional may be related to the Investment Manager;

(e) cash and other liquid assets will be valued at their face value with interest accrued, where applicable, as at the relevant Valuation Point;

(f) units or shares in collective investment schemes (other than those valued pursuant to paragraph (a) or (b) above) will be valued at the latest available net asset value of the relevant collective investment scheme;

(g) any value expressed otherwise than in the Base Currency of the relevant Fund (whether of an investment or cash) and any borrowing in a currency other than the Base Currency of the relevant Fund will be converted at the rate (whether official or otherwise) which the Administrator deems appropriate in the circumstances;

(h) derivative instruments dealt in on a market will be valued at the settlement price for such instruments on such market. Where no such settlement price is available, the value of such investments shall be the probable realisation value as determined with care and in good faith by the Directors or such competent person who has been approved for the purpose by the Custodian. Where such derivative instruments are not dealt in on a market, their value should be the daily valuation from the counterparty, provided that the valuation is approved or verified weekly by the Investment Manager or a party independent of the relevant counterparty appointed by the Investment Manager who is approved for the purpose by the Custodian; and

(i) forward foreign exchange contracts will be valued daily on the basis of the value provided by the relevant counterparty, and verified at least monthly by a party who is approved for the purpose by the Custodian and who is independent of the counterparty.

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

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

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

CALCULATION OF NET ASSET VALUE PER SHARE

The Net Asset Value per Share of each Fund for each applicable Dealing Day is determined by dividing the Net Asset Value on that day by the number of Shares of the relevant Fund in issue on the relevant Dealing Day.

Where more than one class of Shares is in issue in respect of a Fund, the Net Asset Value of the relevant Fund calculated as provided under "Calculation of Net Asset Value" above, shall be allocated between each class in accordance with their respective values in the Base Currency of the Fund as at the relevant Valuation Point. Where different entitlements, costs or liabilities apply in respect of different classes, these are excluded from the initial calculation of the Net Asset Value of the Fund and applied separately to the Net Asset Value allocated to the relevant class. The portion of the Net Asset Value of each Fund attributable to each class shall then be converted into the relevant currency of denomination of the class at prevailing exchange rates applied by the Administrator and shall be divided by the number of Shares of the relevant class in issue as at the Valuation Point in order to calculate the Net Asset Value per Share of the relevant class.

PART IV: INVESTMENT RESTRICTIONS

The permitted investments and investment restrictions applying to each Fund, in accordance with the qualifications and exemptions contained in the Regulations, and in the notices issued by the Financial Regulator, are set out below. The Investment Manager may from time to time impose such further investment restrictions as shall be compatible with or in the interest of the Shareholders, in order to comply with the laws and regulations of the countries where Shares of each Fund are placed. Any such further restrictions shall be in accordance with the requirements of the Financial Regulator.

General

1 Permitted Investments

Investments of a UCITS are confined to:

1.1 Transferable securities and money market instruments which are either admitted to official listing on a stock exchange in a Member State or non-Member State or which are dealt on a market which is regulated, operates regularly, is recognised and open to the public in a Member State or non-Member State.

1.2 Recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year.

1.3 Money market instruments, as defined in the notices issued by the Financial Regulator, other than those dealt on a regulated market.

1.4 Units of UCITS.

1.5 Units of non-UCITS as set out in the Financial Regulator's Guidance Note 2/03.

1.6 Deposits with credit institutions as prescribed in the UCITS notices.

1.7 Financial derivative instruments as prescribed in the UCITS notices.

2 Investment Restrictions

2.1 A UCITS may invest no more than 10% of net assets in transferable securities and money market instruments other than those referred to in paragraph 1.

2.2 A UCITS may invest no more than 10% of net assets in recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described in paragraph 1.1) within a year. This restriction will not apply in relation to investment by each Fund in certain US securities known as rule 144A securities provided that:

- the securities are issued with an undertaking to register with the US Securities and Exchanges Commission within one year of issue; and

- the securities are not illiquid securities i.e. they may be realised by each Fund within seven days at the price, or approximately at the price, at which they are valued by the Fund.

2.3 A UCITS may invest no more than 10% of net assets in transferable securities and money market instruments issued by the same body provided that the total value of transferable securities and money market instruments held in the issuing bodies in each of which it invests more than 5% is less than 40%.

2.4 The limit of 10% (in 2.3) is raised to 35% if the transferable securities or money market instruments are issued or guaranteed by a Member State or its local authorities or by a non-Member State or public international body of which one or more Member States are members.

2.5 The transferable securities and money market instruments referred to in 2.4. and 2.5 shall not be taken into account for the purpose of applying the limit of 40% referred to in 2.3.

2.6 A UCITS may not invest more than 20% of net assets in deposits made with the same credit institution.

Deposits with any one credit institution, (i) other than a credit institution authorised in the EEA (a Member State, Norway, Iceland, Leichtenstein) or (ii) a credit institution authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1998 (Switzerland, Canada, Japan, United States; or (iii) a credit institutions authorised in Jersey, Guernsey, Isle of Man, Australia or New Zealand, held as ancillary liquidity, must not exceed 10% of net assets.

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

2.7 The risk exposure of a UCITS to a counterparty to an OTC derivative may not exceed 5% of net assets.

This limit is raised to 10% in the case of credit institutions authorised in the EEA or credit institutions authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1998 or credit institutions authorised in Jersey, Guernsey, Isle of Man, Australia or New Zealand.

2.8 Notwithstanding paragraphs 2.3, 2.7 and 2.8 above, a combination of two or more of the following issued by, or made or undertaken with, the same body may not exceed 20% of net assets:

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

2.9 The limits referred to in 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9 above may not be combined, so that exposure to a single body shall not exceed 35% of net assets.

2.10 Group companies are regarded as a single issuer for the purposes of 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9. However, a limit of 20% of net assets may be applied to investment in transferable securities and money market instruments within the same group.

2.11 Each Fund may invest up to 100% of net assets in transferable securities and money market instruments issued or guaranteed by any Member State, its local authorities, the governments of Australia, Canada, Japan, New Zealand, Norway and Switzerland, the European Investment Bank, the European Bank for Reconstruction and Development, the International Bank for Reconstruction and Development, the European Coal and Steel Community, Euratom, Council of Europe, the Asian Development Bank, the African Development Bank, the Inter-American Development Bank, the International Finance Corporation, International Monetary Fund International Bank Reconstruction and Development (the World Bank) and issues backed by the full faith and credit of the government of the United State of America. The UCITS must hold securities from at least six different issues with securities from any one issuer not exceeding 30% of the net assets.

3. Investment in Collective Investment Schemes ("CIS")

3.1 A UCITS may not invest more than 20% of net assets in any one CIS.

3.2 Investment in non-UCITS may not, in aggregate, exceed 30% of net assets.

3.3 When each Fund invests in the shares/units of other CIS that are managed, directly or by delegation, by the Fund's management company or by any other company with which each Fund's management company is linked by common management or control, or by a substantial direct or indirect holding, that management company or other company may not charge subscription, conversion or redemption fees on account of a UCITS investment in the shares/units of such other CIS.

3.4 Where a commission (including a rebated commission) is received by a UCITS manager, investment manager/investment adviser by virtue of an investment in the units/shares of another CIS, this commission must be paid into the property of each Fund.

4. Index Tracking UCITS

4.1 A UCITS may invest up to 20% of net assets in shares and/or debt instruments issued by the same body where the investment policy of the Fund is to replicate an index which satisfies the criteria set out in the UCITS Notices issued by the Financial Regulator and is recognised by the Financial Regulator.

4.2 The limit in 4.1 may be raised to 35% and applied to a single issuer where this is justified by exceptional market conditions.

5. General Provisions

5.1 An investment company, or management company acting in connection with all of the CIS it manages, may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.

5.2 A UCITS may acquire no more than:

(i) 10% of the non-voting shares of any single issuing body;
(ii) 10% of the debt securities of any single issuing body;
(iii) 25% of the units of any single CIS;
(iv) 10% of the money market instruments of any single issuing body.

NOTE: The limits laid down in (ii), (iii) and (iv) above may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the money market instruments, or the net amount of securities in issue cannot be calculated.

5.3 5.1 and 5.2 shall not be applicable to:

(i) transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities;
(ii) transferable securities and money market instruments issued or guaranteed by a non-Member State;
(iii) transferable securities and money market instruments issued by public international bodies of which one or more Member States are members;
(iv) shares held by each Fund in the capital of a company incorporated in a non-Member State which invests its assets mainly in the securities of issuing bodies having their registered offices in that State, where under the legislation of that State such a holding represents the only way in which a UCITS can invest in the securities of issuing bodies of that State. This waiver is applicable only if in its investment policies each Fund from the non-Member State complies with the limits laid down in 2.3 to 2.11, 3.1, 3.2, 5.1, 5.2, 5.4, 5.5 and 5.6 and provided that where these limits are exceeded, 5.5 and 5.6 are observed;
(v) shares held by an investment company or investment companies in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the repurchase of shares / units at shareholders / unitholders' request exclusively on their behalf.

5.4 A UCITS need not comply with the investment restrictions herein when exercising subscription rights attaching to transferable securities or money market instruments which form part of their assets.

5.5 The Financial Regulator may allow recently authorised UCITS to derogate from the provisions of 2.3 to 2.11, 3.1, 3.2, 4.1 and 4.2 for six months following the date of their authorisation, provided they observe the principle of risk spreading.

5.6 If the limits laid down herein are exceeded for reasons beyond the control of a UCITS, or as a result of the exercise of subscription rights, the UCITS must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its Shareholders.

5.7 Neither an investment company, nor a management company nor a trustee acting on behalf of a unit trust nor a management company of a common contractual fund, may carry out uncovered sales of:

- transferable securities;
- money market instruments;
- units of CIS; or
- financial derivative instruments.

5.8 A UCITS may hold ancillary liquid assets.

6 Financial Derivative Instruments ("FDIs")

6.1 The UCITS global exposure (as prescribed in the UCITS Notices) relating to FDI must not exceed its total net asset value.

6.2 Position exposure to the underlying assets of FDI, including embedded FDI in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the UCITS Notices. (This provision does not apply in the case of index based FDI provided the underlying index is one which meets with the criteria set out in the notices issued by the Financial Regulator.)

6.3 A UCITS may invest in FDIs dealt in over-the-counter ("OTC's") provided that the counterparties to OTC's are institutions subject to prudential supervision and belonging to categories approved by the Financial Regulator.

6.4 Investment in FDIs is subject to the conditions and limits laid down by the Financial Regulator.

7. Restrictions on Borrowing, Lending and Dealing

7.1 Each Fund may borrow 10% of its assets provided that this borrowing is on a temporary basis. The Company may give a charge over the assets of each Fund in order to secure borrowings. Credit balances (eg. cash) may not be offered against borrowings when determining the percentage of borrowings outstanding.

7.2 The Company may borrow up to 10% of its assets to make possible the acquisition of real property required for the purpose of its business. In this case, the total borrowing referred to herein and in the paragraph above must not exceed 15% of the Company's assets.

7.3 The Company may acquire foreign currency by means of a "back-to-back" loan. Foreign currency obtained in this manner is not classed as borrowings for the purposes of the

borrowing restrictions contained in Regulation 70 and 7.2 above, provided that the offsetting deposit:-

(i) is denominated in the base currency of the Company;

(ii) equals or exceeds the value of the foreign currency loan outstanding.

However, where foreign currency borrowings exceed the value of the back-to-back deposit, any excess is regarded as borrowing for the purpose of Regulation 70 of the Regulations and 7.2 above.

PART V: FINANCIAL DERIVATIVE INSTRUMENTS

Financial Derivative Instruments

The provisions herein apply whenever a Fund proposes to engage in transactions in financial derivative instruments (hereafter FDI) whether transactions are for investment purposes or for the purposes of the efficient portfolio management of the Fund.

Permitted FDI

1. A Fund may invest in FDI provided that:

   (i) the relevant reference items or indices, consist of one or more of the following: transferable securities, money market instruments, CIS, deposits, financial indices, interest rates, foreign exchange rates or currencies; and

   (ii) the FDI do not expose the Fund to risks which it could not otherwise assume (e.g. gain exposure to an instrument/issuer/currency to which the Fund cannot have a direct exposure); and

   (iii) the FDI do not cause the Fund to diverge from its investment objectives.

2. FDI must be dealt in on a market which is regulated, operating regularly, recognised and open to the public in a Member State or non-Member State. The trust deed, the deed of constitution or the articles of association must list the markets on which the Fund may invest. Restrictions in respect of individual stock exchanges and markets may be imposed by the Financial Regulator on a case-by case basis.

3. Notwithstanding paragraph 2, a Fund may invest in FDI dealt in over-the counter,

   "OTC derivatives" provided that:

   (i) the counterparty is a credit institution listed in sub-paragraphs 7(i), (ii) or (iii) of Notice Fund 9 or an investment firm, authorised in accordance with the Investment Services Directive, in the EEA (a Member State, Norway, Iceland, Leichtenstein);

   (ii) In the case of a counterparty which is not a credit institution, the counterparty has a minimum credit rating of A2/P2 or equivalent, or is deemed by the Fund to have an implied rating of A2/P2. Alternatively, an unrated counterparty will be acceptable where the Fund is indemnified against losses suffered as a result of a failure by the counterparty, by an entity which has and maintains a rating of A2/P2;

   (iii) risk exposure to the counterparty does not exceed the limits set out in paragraph 13 of Notice Fund 9;

   (iv) the Fund is satisfied that the counterparty will value the transaction at least daily and will close out the transaction at any time at the request of the Fund at fair value; and

   (v) the Fund has systems in place to ensure that valuations of OTC derivatives are reliable. The valuation provided by the counterparty must be verified independently at least weekly.

4. Position exposure to the underlying assets of FDI, including embedded FDI in transferable securities or money market instruments, when combined where relevant with positions

resulting from direct investments, may not exceed the investment limits set out in the notices issued by the Financial Regulator. This provision does not apply in the case of index based FDI provided the underlying index is one which meets with the criteria set out in Regulation 49A of the Regulations.

Cover requirements

5. A Fund must ensure that its global exposure relating to FDI does not exceed its total net asset value. Global exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions. A Fund may not therefore be leveraged in excess of 100% of net asset value.

6. A transaction in FDI which gives rise, or may give rise, to a future commitment on behalf of a Fund must be covered as follows:

   (i) in the case of FDI which require physical delivery of the underlying asset, the asset must be held at all times by a Fund;

   (ii) in the case of FDI which automatically, or at the discretion of the Fund, are cash settled, or in the case of FDI where the underlying asset consists of highly liquid fixed income securities, a Fund must hold, at all times, liquid assets which are sufficient to cover the exposure.

Limit on premium, initial margin and initial outlay

7. In the case of FDI which are traded on a regulated market, the total amount of premium paid or received for options and initial margin paid for futures contracts may not exceed 15 per cent of the net asset value of a Fund.

Risk management

8. (i) A Fund must employ a risk management process to monitor, measure and manage the risks attached to FDI positions.

   (ii) A Fund must provide the Financial Regulator with details of its proposed FDI activity and risk assessment methodology. The initial filing is required to include information in relation to:

   - Permitted types of FDI, including embedded derivatives in transferable securities and money market instruments;
   - Details of the underlying risks;
   - Relevant quantitative limits and how these will be monitored and enforced;
   - Methods for estimating risks.

   (iii) Material amendments to the initial filing must be notified to the Financial Regulator in advance. The Financial Regulator may object to the amendments notified to it and amendments and/or associated activities objected to by the Financial Regulator may not be made.

9. A Fund must submit a report to the Financial Regulator on its FDI positions on an annual basis. The report, which must include information under the different categories identified in paragraph 8(ii) above, must be submitted with the annual report of the Fund. A Fund must, at the request of the Financial Regulator, provide this report at any time.

Use of Repurchase/Reverse Repurchase and Stocklending Agreements

For the purposes of this section, "relevant institutions" refers to (i) a credit institution authorised in the EEA (a Member State, Norway, Iceland, Leichtenstien) or (ii) credit institutions authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1998 (Switzerland, Canada, Japan, United States; or (iii)a credit institution authorised in Jersey, Guernsey, Isle of Man, Australia or New Zealand.

1. Repurchase/reverse repurchase agreements, ("repo contracts") and stocklending agreements may only be effected in accordance with normal market practice.

2. Collateral obtained under a repo contract or stocklending agreement must be in the form of one of the following:

   (i) cash;

   (ii) government or other public securities;

   (iii) certificates of deposit issued by relevant institutions;

   (iv) bonds/commercial paper issued by relevant institutions;

   (v) letters of credit with a residual maturity of three months or less, which are unconditional and irrevocable and which are issued by relevant institutions;

   (vi) DBVs (deliveries by value) within the Crest clearing system, or comparable Central Securities Depositaries Systems instruments, provided that:

      - they are subject to a concentration limit;

      - the subject securities fall into one of the categories listed under (ii) to (v) above, or the securities are a constituent part of a recognised index such as the FTSE 100; and

      - the subject securities are consistent with the investment objectives and policies of the Fund.

3. Until the expiry of the repo contract or stocklending transaction, collateral obtained under such contracts or transactions

   (i) must equal or exceed, in value, at all times the value of the amount invested or securities loaned;

   (ii) must be transferred to the trustee, or its agent;

   (iii) must be held at the credit risk of the counterparty; and

   (iv) must be immediately available to the Fund, without recourse to the counterparty, in the event of a default by that entity.

Non-cash collateral:

(i) cannot be sold or pledged;

(ii) must be marked to market daily;

(iii) must be issued by an entity independent of the counterparty; and

(iv) must be diversified such that no more than 10% of the collateral may be represented by the securities of any one issuer. This limit will not apply to government or other public securities. Such limit is increased to 30% in respect of securities of, or instruments issued by, or other

obligations of the relevant institutions. Where appropriate, the credit quality of the noncash collateral must be consistent with the investment objectives and policies of the Fund;

Cash collateral:

Cash may not be invested other than in the following:

(i) deposits, which are capable of being withdrawn within 5 working days, or such shorter time as may be dictated by the repo contract or stocklending agreement. The holding of cash on deposit is subject to the provisions of paragraphs 7 and 12 of Notice Fund 9. Cash may not be held on deposit with the counterparty or with a related institution;

(ii) government or other public securities;

(iii) certificates of deposit as set out in paragraph 2 (iii) above;

(iv) letters of credit as set out in paragraph 2 (v) above;

(v) repurchase agreements, subject to the provisions herein;

(vi) daily dealing money market funds which have and maintain a rating of AAA or equivalent. If investment is made in a linked fund, as described in paragraph 5, Fund 9, no subscription, conversion or redemption charge can be made by the underlying money market fund.

4. Notwithstanding the provisions of paragraph 3, a Fund may enter into stocklending programmes organised by generally recognised Central Securities Depositaries Systems provided that the programme is subject to a guarantee from the system operator.

5. The counterparty to a repo contract or stocklending agreement must have a minimum credit rating of A2/P2 or equivalent, or must be deemed by the Fund to have an implied rating of A2/P2. Alternatively, an unrated counterparty will be acceptable where the Fund is indemnified against losses suffered as a result of a failure by the counterparty, by an entity which has and maintains a rating of A2/P2.

6. A Fund must have the right to terminate the stocklending agreement at any time and demand the return of any or all of the securities loaned. The agreement must provide that, once such notice is given, the borrower is obligated to redeliver the securities within 5 business days or other period as normal market practice dictates.

7. Repo contracts or stocklending agreements do not constitute borrowing or lending for the purposes of Regulation 70 and Regulation 71 respectively.

PART VI: RECOGNISED MARKETS

The following is a list of regulated stock exchanges and markets on which a Fund's investments in securities and financial derivative instruments other than permitted investment in unlisted securities and over the counter derivative instruments, will be listed or traded and is set out in accordance with Authority's requirements. With the exception of permitted investments in unlisted securities and over the counter derivative instruments investment in securities and derivative instruments will be restricted to the stock exchanges and markets listed below. The Authority does not issue a list of approved stock exchanges or markets.

(i) without restriction in any stock exchange which is:

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

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

(ii) without restriction in any of the following:-

Argentina	Bolsa de Comercio de Buenos Aires
Brazil	Bolsa de Valores de Sao Paulo
Brazil	Bolsa de Valores de Rio de Janeiro
Chile	Bolsa de Comercio de Santiago
China, People's Republic of	Shanghai Securities Exchange
China, People's Republic of	Shenzhen Stock Exchange
Cyprus	Cyprus Stock Exchange
Czech Republic	Prague Stock Exchange
Egypt	Alexandria Stock Exchange
Egypt	Cairo Stock Exchange
Hungary	Budapest Stock Exchange
India	Calcutta Stock Exchange
India	Delhi Stock Exchange
India	Mumbai Stock Exchange
India	National Stock Exchange of India
Indonesia	Jakarta Stock Exchange
Indonesia	Surabaya Stock Exchange
Israel	Tel-Aviv Stock Exchange
Jordan	Amman Stock Exchange
Kenya	Nairobi Stock Exchange
Korea	Korea Stock Exchange
Malaysia	Kuala Lumpur Stock Exchange
Mexico	Bolsa Mexicana de Valores
Pakistan	Karachi Stock Exchange
Pakistan	Lahore Stock Exchange
Peru	Bolsa de Valores de Lima

Philippines	Philippine Stock Exchange
Poland	Warsaw Stock Exchange
Singapore	Singapore Stock Exchange
South Africa	Johannesburg Stock Exchange
Sri Lanka	Colombo Stock Exchange
Taiwan	Taiwan Stock Exchange Corporation
Thailand	Stock Exchange of Thailand
Turkey	Istanbul Stock Exchange

(iii) without restriction in any of the following:

- MICEX (equity securities that are traded on level 1 or level 2 only);
- RTS1 (equity securities that are traded on level 1 or level 2 only);
- RTS2 (equity securities that are traded on level 1 or level 2 only);
- the market organised by the International Securities Market Association;
- the market conducted by the "listed money market institutions", as described in the Financial Services Authority publication “The Regulation of the Wholesale Cash and OTC derivatives markets; “The Grey Paper”;
- AIM - the Alternative Investment Market in the UK, regulated and operated by the London Stock Exchange;
- the French Markets for Titres de Créances Négotiables (the Over-the-Counter markets in negotiable debt instruments);
- the Over-the-Counter market in the United States of America regulated by the National Association of Securities Dealers Inc.;
- NASDAQ in the United States of America;
- NASDAQ Europe (is a recently formed market and the general level of liquidity may not compare favourably to that found on more established exchanges);
- the Over-the-Counter market in Japan regulated by the Securities Dealers Association of Japan;
- the market in U.S. government securities conducted by primary dealers regulated by the Federal Reserve Bank of New York;
- the over-the-counter market in Canadian Government Bonds, regulated by the Investment Dealers Association of Canada;
- SESDAQ the second tier of Singapore Stock Exchange;
- TAISDAQ the over-the-counter market in Taiwan the general level of liquidity on this market may not compare favourably to that found on more established markets);

(iv) for the purposes only of determining the value of the assets of a Fund, the term “Recognised Market” shall be deemed to include, in relation to any futures or options contract utilised by the Fund for the purposes of efficient portfolio management or to provide protection against exchange rates, any organised exchange or market on which such futures or options contract is regularly traded.

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

- in a Member State;
- in a member state in the European Economic Area (a Member State, Norway, Iceland and Liechtenstein);
- United States of America – Chicago Board of Trade
- Chicago Board Options Exchange;
- Chicago Mercantile Exchange;
- Eurex US;
- New York Futures Exchange.
- Osaka Securities Exchange;
- Singapore International Monetary Exchange;
- Tokyo International Futures Exchange;
- Tokyo Stock Exchange;
- the market in US Government securities which is conducted by primary dealers which are regulated by the Federal Reserve Bank of New York;
- the over-the-counter market in the United States conducted by primary dealers as above and secondary dealers which are regulated by the US Securities and Exchange Commissions and by the National Association of Securities Dealers;
- the Japan Over-the-Counter Markets regulated by the Securities Dealers Association of Japan;
- NASDAQ (the market organised by the National Association of Securities Dealers);
- the market organised by the International Securities Market Association.

PART VII: TAXATION

GENERAL

The statements on taxation below are intended to be a general summary of certain U.K. and Irish tax consequences that may result to the Company, the Fund or Funds and Shareholders in connection with their investment in the Fund or Funds and are based on advice received by the Directors regarding the law and practice in force in the relevant jurisdiction at the date of this document. As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment in the Company is made will endure indefinitely.

Prospective Shareholders should familiarise themselves with and, where appropriate, take advice on the laws and regulations (such as those relating to taxation and exchange controls) applicable to the subscription for, purchasing, holding, switching or disposing of, Shares in the places of their citizenship, residence and domicile. The tax consequences for each Shareholder of acquiring, holding, converting, redeeming or disposing of Shares in the Company will depend upon the relevant laws of any jurisdiction to which the Shareholder is subject. Investors and prospective investors should seek their own professional advice as to this, as well as to any relevant exchange control or other laws and regulations. Taxation law and practice and the levels and bases of and reliefs from taxation relating to the Company and to Shareholders may change from time to time.

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

IRELAND

The Company

The Directors have been advised that on the basis that the Company is resident in Ireland for taxation purposes the taxation position of the Company and the Shareholders is as set out below. The Company will be regarded as resident in Ireland for tax purposes if the central management and control of its business is exercised in Ireland and the Company is not regarded as resident elsewhere. It is the intention of the Directors that the business of the Company will be conducted in such a manner as to ensure that it is Irish resident for tax purposes.

The Directors have been advised that the Company qualifies as an investment undertaking as defined in Section 739B of the Taxes Act. Under current Irish law and practice, on that basis it is not chargeable to Irish tax on its income and gains.

However, tax can arise on the happening of a “Chargeable Event” in the Company. A Chargeable Event includes any distribution payments to Shareholders or any encashments, redemption, cancellation, transfer of Shares or appropriation or cancellation of Shares of a Shareholder by the Company for the purposes of meeting the amount of tax payable on a gain arising on a transfer. No tax will arise on the Company in respect of a Chargeable Event in respect of a Shareholder who is neither Irish Resident nor Ordinarily Resident in Ireland at the time of the Chargeable Event provided that a Relevant Declaration is in place and the Company is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct. In the absence of a such a Relevant Declaration there is a presumption that the investor is Irish Resident or Ordinarily Resident in Ireland.

A Chargeable Event does not include:

- An exchange by a Shareholder, effected by way of an arms length bargain where no payment is made to the Shareholder, of Shares in the Company for other Shares in the Company;

- Any transactions (which might otherwise be a Chargeable Event) in relation to shares held in a recognised clearing system as designated by order of the Irish Revenue Commissioners;

- A transfer by a Shareholder of the entitlement to a Share where the transfer is between spouses and former spouses, subject to certain conditions; or

- An exchange of Shares arising on a qualifying amalgamation or reconstruction of the Company with another investment undertaking (within the meaning of Section 739H of the Taxes Act).

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

Please see the "Shareholders" section below dealing with the tax consequences for the Company and the Shareholders of Chargeable Events in respect of:-

Shareholders who are neither Irish Residents nor Irish Ordinary Residents and

Shareholders who are either Irish Residents or Irish Ordinary Residents.

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

Shareholders

(i) Shareholders who are neither Irish Resident nor Ordinarily Resident in Ireland

The Company will not have to deduct tax on the occasion of a Chargeable Event in respect of a Shareholder if the Shareholder is neither Irish Resident nor Ordinarily Resident in Ireland and the Shareholder has made a Relevant Declaration and the Company is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct. In the absence of a Relevant Declaration, tax will arise on the happening of a Chargeable Event in the Company regardless of the fact that a Shareholder is neither Irish Resident nor Ordinarily Resident in Ireland. The appropriate tax that will be deducted is described below.

To the extent that a Shareholder is acting as an Intermediary on behalf of persons who are neither Irish Resident nor Ordinarily Resident in Ireland, no tax will have to be deducted by the Company on the occasion of a Chargeable Event provided that the Intermediary has made a Relevant Declaration that he/she is acting on behalf of such persons and the Company is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct.

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

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

(ii) Shareholders who are Irish Resident or Ordinarily Resident in Ireland

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

There are a number of Irish Residents and Irish Ordinary Residents who are exempted from the provisions of the above regime once Relevant Declarations are in place. These are Exempted Irish Investors. Additionally, where Shares are held by the Courts Service no tax is deducted by the Company on payments made to the Courts Service. The Courts Service will be required to operate the tax on payments to it by the Company when they allocate those payments to the beneficial owners.

Irish Resident corporate Shareholders who receive distributions (where payments are made annually or at more frequent intervals) from which tax has been deducted will be treated as having received an annual payment chargeable to tax under Case IV of Schedule D of the Taxes Act from which tax at the standard rate has been deducted. In general, such Shareholders will not be subject to further Irish tax on any other payments received in respect of their shareholding from which tax has been deducted. An Irish Resident corporate Shareholder whose Shares are held in connection with a trade will be taxable on any income or gains as part of that trade with a set-off against corporation tax payable for any tax deducted by the Company. In general, non-corporate Shareholders who are Irish Resident or Irish Ordinary Resident will not be subject to further Irish tax on income from their Units/Shares* or gains made on disposal of the Shares where tax has been deducted by the Company on payments received. Where a currency gain is made by a Shareholder on the disposal of his/her Shares, such Shareholder may be liable to capital gains tax in the year of assessment in which the Shares are disposed of.

Any Shareholder who is Irish Resident or Irish Ordinary Resident and receives a distribution or receives a gain on an encashment, redemption, cancellation or transfer from which tax has not been deducted may be liable to income tax or corporation tax on the amount of such distribution or gain.

Stamp Duty

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

No Irish stamp duty will be payable by the Company on the conveyance or transfer of stock or marketable securities provided that the stock or marketable securities in question have not been issued by a company registered in Ireland and provided that the conveyance or transfer does not relate to any immovable property situated in Ireland or any right over or interest in such property or to any stocks or marketable securities of a company (other than a company which is a collective investment undertaking within the meaning of Section 734 of the Taxes Act) which is registered in Ireland.

Capital Acquisitions Tax

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

European Union Taxation of Savings Income Directive

On 3 June 2003 the European Commission published a new directive (EC Directive 2003/48/EC) regarding the taxation of savings income. Subject to a number of important conditions being met, it is proposed that Member States will be required to provide to the tax authorities of another Member State details of payments of interest (which may include distributions on redemption payments by collective investment funds) or other similar income paid by a person within its jurisdiction to an individual resident in that other Member State, subject to the right of certain Member States to opt instead for a withholding system in relation to such payments. Ireland and the United Kingdom amongst others have opted for exchange of information rather than a withholding tax system. Under the provisions of the Directive all EU Member States were required to implement the Directive into their domestic laws by 1 January 2005, although it was proposed that the laws, regulations and administrative provisions necessary to comply with this Directive were to be adopted by 1 January 2004. This Directive has now been enacted into Irish legislation but the actual mechanics with regard to the exchanging of information will only apply with effect from 1 July 2005 and then only provided all Member States are in unanimous agreement at least six months before the date that Switzerland, Andorra, Liechtenstein, Monaco, San Marino, and all relevant dependant or associated territories of Member States will introduce from 1 July 2005, equivalent or similar measures.

Accordingly, the Custodian, Administrator, paying agent or such other entity considered a "paying agent"[1] for the purposes of the Taxation of Savings Income Directive may be required to disclose details of payments of savings interest income to investors in the Fund/Company* who are individuals or residual entities to the Irish Revenue Commissioners who will pass such details to the Member State where the investor resides. To the extent that the paying agent is located in the jurisdictions that operates a withholding tax system under the terms of the Directive, rather than an exchange of information system, tax may be deducted from interest payments to investors.

UNITED KINGDOM

The Company

It is intended that the Company will be resident for tax purposes outside the United Kingdom. Accordingly, and provided that the Company does not carry on a trade in the United Kingdom through a branch or agency situated therein that constitutes an assessable "U.K. Representative" for United Kingdom taxation purposes, the Company will not be subject to United Kingdom corporation tax on income and capital gains arising to it. The Directors and the Investment Manager intend that the respective affairs of the Company and the Investment Manager are conducted so that no such assessable "U.K. Representative" will arise insofar as this is within their respective control, but it

[1] For the purposes of the European Union Taxation of Savings Income Directive a "paying agent" is the economic operator who pays interest to or secures the payment of interest for the immediate benefit of the beneficial owner.

cannot be guaranteed that the conditions necessary to prevent any such assessable "U.K. Representative" coming into being will at all times be satisfied.

Interest and other income received by the Company which has a United Kingdom source may he subject to withholding taxes in the United Kingdom.

Shareholders

Disposals of Shares

The Company and each Fund will constitute an "offshore fund" for the purposes of the offshore fund legislation contained in Chapter V of Part XVII of the Income and Corporation Taxes Act 1988 ("ICTA"). Under this legislation, any gain arising on the sale, disposal or redemption of shares in an offshore fund (or on conversion from one fund to another within an umbrella fund) held by persons who are resident or ordinarily resident in the United Kingdom for tax purposes will be taxed at the time of such sale, disposal, redemption or conversion as income and not as a capital gain. This does not apply, however, where a fund is certified by the Inland Revenue as a "distributing fund" and has enjoyed that status throughout the period during which the shares have been held. It is intended that the Company will conduct its affairs so as to enable it to be certified as a "distributing fund" throughout its life and application for such certification will be made to the Inland Revenue annually. In order to qualify as a distributing fund, an overseas fund that is constituted as an "umbrella" company had to demonstrate to the United Kingdom Inland Revenue that:

(i) the Company distributes in respect of each sub-fund at least 85 per cent. of such part of its net income, as computed in its accounts and as is attributable to that sub-fund, that distribution being made within six months of the end of the relevant accounting period (or within such longer period as the Inland Revenue may see fit to allow);

(ii) the amount so distributed by the Company in respect of each sub-fund is at least 85 per cent. of the amount which would have been the United Kingdom taxable income attributable to that sub-fund were the Company resident in the United Kingdom and were its income computed broadly in accordance with United Kingdom corporation tax principles (the Company's "U.K. equivalent profits"); and

(iii) the Company complies with certain restrictions on the holding of investments.

For accounting periods ending after 21 July 2004, each fund can be certified as a distributing fund in its own right, and it is no longer necessary for each sub fund to meet the tests at i) to iii) above.

Where such certification has been obtained, Shareholders who are resident or ordinarily resident in the United Kingdom for tax purposes (other than persons who are dealing in the Shares who are subject to different rules) may be liable to capital gains tax (or in the case of corporate Shareholders, corporation tax on chargeable gains) in respect of any gains realised on disposal or redemption of the Shares or on conversion from one Fund to another within the Company. For Shareholders who are individuals, taper relief, and for Shareholders within the charge to UK corporation tax, indexation allowance, may reduce a chargeable gain but will not create or increase any allowable loss.

Dividends

United Kingdom resident Shareholders or Shareholders carrying on a trade in the UK may also be liable to income tax or corporation tax on dividends or other distributions of income by the Company either directly or by way of reinvestment in the Company. On a disposal the amount which represents income which has accrued on the Shares since payment of the last dividend will be subject to tax as income. The balance of the proceeds will be taxed as a capital gain in the normal way unless the Shareholder is dealing in the Shares or the Company has not been certified as a distributing fund throughout the entire period the Shares were held.

Other United Kingdom Tax Considerations

Chapter II of Part IV of the Finance Act 1996 ('FA 1996") provides that, if at any time in an accounting period a corporate Shareholder within the charge to United Kingdom corporation tax holds a material interest in an offshore fund within the meaning of the relevant provisions of the Taxes Act, and there is a time in that period when that fund fails to satisfy the ''non-qualifying investments test", the material interest held by such a corporate Shareholder will be treated for the accounting period as if it were rights under a creditor relationship for the purposes of the rules relating to the taxation of most corporate debt contained in FA 1996 (the "Corporate Debt Regime"). The Shares will constitute material interests in an offshore fund but on the basis of the investment policies of the Company, the Company would be likely to satisfy the "non-qualifying investments test". In circumstances where the test is not satisfied (for example if the Company invests in cash, securities or debt instruments and the market value of such investments exceeds sixty per cent. of the market value of all its investments) the Shares will be treated for corporation tax purposes as within the Corporate Debt Regime. As a consequence and where the test is not met in successive accounting periods or a disposal occurs during such accounting period, all returns on the Shares in respect of each corporate investor's accounting period (including gains, profits and deficits) will be taxed or relieved as an income receipt or expense on a "mark to market" basis. Accordingly, a corporate Shareholder in the Company may, depending on its own circumstances, incur a charge to corporation tax on an unrealised increase in the value of its holding of Shares (and, likewise, obtain relief against corporation tax for an unrealised reduction in the value of its holding of Shares). In addition, it is understood that in such circumstances the Shares would also be regarded as a "qualifying asset" for the purpose of taxing foreign exchange movements under the Finance Act 1993 so that differences in the sterling accrued equivalent of the initial U.S. dollar investment would be taxable as a non-trading income receipt or loss as the case may be. The provisions relating to non-distributing funds (outlined above) and those relating to holdings in controlled foreign companies (outlined below) would not apply to Shareholders.

Chapter IV of Part XVII of ICTA subjects United Kingdom resident companies to tax on the profits of companies not so resident in which they have an interest. The provisions affect United Kingdom resident companies which hold, alone or together with certain other associated persons, at least 25 per cent. of the profits of a non-resident company which is controlled by persons who are resident in the United Kingdom and where the company does not, among other exceptions, implement a full distribution policy (as defined in the legislation) and is resident in a low tax jurisdiction. Whilst it is likely that the Company will implement such a distribution policy, U.K. resident companies holding 25 per cent. or more of the Shares of the Company (directly or indirectly) should take their own specific professional taxation advice. The legislation is not directed toward the taxation of capital gains.

The attention of individuals ordinarily resident in the U.K. is drawn to Chapter III Part XVII ICTA which may in certain circumstances render them liable to U.K. income tax in respect of the undistributed income or profits of the Company. These provisions are aimed at preventing avoidance of income tax by individuals through transactions resulting in the transfer of assets or income to persons (including companies) resident or domiciled abroad.

The attention of Shareholders resident or ordinarily resident in the United Kingdom for taxation purposes (and who, if individuals, are also domiciled in the United Kingdom for those purposes) is drawn to the provisions of section 13 of the Taxation of Chargeable Gains Act 1992 ("section 13"). Section 13 applies to a "participator" in the Company for U.K. taxation purposes (which term includes a Shareholder) if at any time when a gains accrues to the Company (such as on a disposal of any of its investments), which constitutes a chargeable gain for those purposes, the Company is itself controlled by a sufficiently small number of persons so as to render the Company a body corporate that would, were it to have been resident in the United Kingdom for taxation purposes, be a "close" company for those purposes. The provisions of section 13 could, if applied, result in such a Shareholder in the Company being treated for the purposes of United Kingdom taxation of chargeable gains as if a part of any chargeable gain accruing to the Company had accrued to that Shareholder directly, that part being equal to the proportion of the gain that corresponds to that Shareholder's proportionate interest in the Company as a "participator". No liability under section 13 could be incurred by such a Shareholder however, where such proportion does not exceed one-tenth of the gain.

Stamp Duty and Stamp Duty Reserve Tax ("SDRT")

The following comments are intended as a guide to the general United Kingdom stamp duty and SDRT position and do not relate to persons such as market makers, brokers, dealers, intermediaries and persons connected with depositary arrangements or clearance services to whom special rules apply.

No United Kingdom stamp duty or SDRT will be payable on the issue of the Shares under the Scheme. United Kingdom stamp duty (at the rate of 0.5%, rounded up where necessary to the nearest £5 of the amount of the value of the consideration for the transfer) is payable on any instrument of transfer of the Shares executed within, or in certain cases brought into, the United Kingdom. Provided that the Shares are not registered in any register of the Company kept in the United Kingdom the agreement to transfer the Shares will not be subject to United Kingdom SDRT.

Any person who is in any doubt as to his tax position or requires more detailed information than the general outline above should consult his professional advisers.

PART VIII: GENERAL INFORMATION

INCORPORATION AND SHARE CAPITAL

The Company was incorporated under the laws of Ireland on 27 November 2000, as an umbrella type open-ended investment company with variable capital, with registered number 335843. No accounts of the Company have been made up since its incorporation.

As at the date hereof:

(i) the authorised share capital of the Company is €37,500 divided into 30,000 Management Shares of €1.25 each and 500,000,000 participating shares of no par value initially designated as unclassified shares; and

(ii) in order to comply with the minimum capitalisation requirements of the Irish Companies (Amendment) Act 1983 and to receive a certificate to commence business pursuant thereto, the issued share capital of the Company is €37,500 represented by 30,000 Management Shares of €1.25 each, which were issued to the Investment Manager and its nominees and of which €9,375 i.e. a quarter, has been paid up. All but seven of the Management Shares were redeemed by the Company for the amount paid up on those shares on the closing of the initial offer for the BDT Invest Asian Focus Fund.

Management Shares do not entitle the holders to any dividend and on a winding-up entitle the holder to receive the amount paid up thereon but not otherwise to participate in the assets of the Company.

MEETINGS AND REPORTS TO SHAREHOLDERS

All general meetings of the Company shall be held in Ireland. In each year, the Company shall hold a general meeting as its annual general meeting. Twenty one days' notice (excluding the day of posting and the day of the meeting) shall be given in respect of each general meeting of the Company. The notice shall specify the venue and time of the meeting and business to be transacted at the meeting. A proxy may attend on behalf of any Shareholder.

Each Shareholder shall have one vote in relation to any matter relating to the Company which is submitted to Shareholders for a vote by show of hands. Each Share gives the holder one vote in relation to any matter relating to the Company which is submitted to Shareholders for a vote by poll. All Shares have equal voting rights.

The accounting date of the Company is 31 December in each year, the first such accounting period was 31 December 2001.

The Company's annual report incorporating audited financial statements will be published within four months after the end of the financial year and at least three weeks before the Annual General Meeting of Shareholders. The financial statements of the Company are maintained in U.S. Dollars.

The Company will publish a semi-annual unaudited financial report made up to 30 June in each year, the first such report was made up to 30 June 2001. Each such report will contain a list of each Fund's holdings and their market values, within two months of the date to which it is made up. All correspondence to Shareholders will be sent at their own risk. The annual and semi-annual reports will be sent to Shareholders, the Irish Stock Exchange and the Financial Regulator within four months and two months respectively of the end of the period to which they relate.

TERMINATION OF FUND

The Company may, upon no less than four nor more than twelve weeks' notice to all Shareholders, redeem on a Dealing Day at the Net Asset Value per Share all (but not some) of the Shares in issue in respect of the Company or any Fund on such date in the following instances:

— if the Company is no longer an authorised UCITS; or

— if any law is passed which renders it illegal, or in the reasonable opinion of the Directors it is impracticable or inadvisable, to continue the Company or any Fund; or

— if within a period of 90 days from the date on which the Custodian notifies the Company of its desire to retire in accordance with the terms of the Custodian Agreement, or from the date on which the appointment of the Custodian is terminated by the Company in accordance with the terms of the Custodian Agreement, or from the date on which the Custodian ceases to be approved by the Financial Regulator, no new Custodian shall have been appointed.

MEMORANDUM AND ARTICLES OF ASSOCIATION

Clause 3 of the Memorandum of Association of the Company provides that the Company's sole object is the collective investment of capital raised from the public in transferable securities and/or other liquid financial assets referred to in Regulation 45 of the Regulations of any kind which operates on the principle of risk spreading.

The following section is a summary of the principal provisions of the Articles of Association of the Company. Defined terms in this section bear the same meanings as defined in the Company's Articles.

(i) Variation of Class Rights

The rights attached to any class may, whether or not the Company is being wound up, be varied or abrogated with the consent in writing of the holders of three-quarters of the issued Shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the Shares of the class. The provisions of the Articles relating to general meetings shall apply to every such separate general meeting except that the necessary quorum at any such meeting shall be two persons holding or representing by proxy at least one-third of the issued Shares of the class in question or, at an adjourned meeting, one person holding Shares of the class in question or his proxy. Any holding of Shares of the class in question present in person or by proxy may demand a poll.

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

(a) the creation, allotment or issue of any further Shares of each class ranking pari passu with Shares already in issue; or

(b) by the liquidation of the Company or of any Fund and distribution of its assets to its members in accordance with their rights or the vesting of assets in trustees for its members in specie.

(ii) Voting rights

On a show of hands every Shareholder who is present in person or by proxy shall have one vote and every Management Shareholder present in person or by proxy shall have one vote in respect of all Management Shares. On a poll, every Shareholder present in person or by proxy shall be entitled to one vote in respect of each Share held by him and every Management Shareholder present in person or by proxy shall be entitled to one vote in

respect of all Management Shares held by him. Fractional Shares shall not carry any voting rights.

(iii) *Change in Share Capital*

The Company may from time to time by ordinary resolution increase its capital by such amount as the resolution shall prescribe.

The Company may, by ordinary resolution, alter its authorised capital by consolidating and dividing its share capital into shares of larger amount that its existing shares, by sub-dividing its shares into shares of smaller amount than that fixed by the Memorandum of Association of the Company, or by cancelling any shares which, at the date of the ordinary resolution, in that behalf have not been taken, or agreed to be taken, by any person, and diminish the amount of its share capital by the amount of the shares so cancelled.

The Company may by special resolution from time to time reduce its share capital.

(iv) *Directors' Interests*

A Director or intending Director may enter into any contract with the Company and such contract or arrangement shall not be liable to be avoided and the Director concerned shall not be liable to account to the Company for any profit realised by any such contract or arrangement by reason of his holding of that office or the fiduciary relationship so established and may hold any other office or place of profit with the Company in conjunction with the office of Director on such terms as to tenure of office and otherwise as the Directors may determine.

A Director shall not vote or be counted in the quorum present on any resolution in respect of his appointment (or the arrangement of the terms of appointment) to hold any office or place of profit with the Company or in respect of any contract or arrangement in which he is materially interested. The prohibition does not apply (in the absence of some other material interest than is indicated below), *inter alia*, to:

(a) the giving of any security or indemnity to him in respect of money lent or obligation incurred by him at the request of or for the benefit of the Company or any of its subsidiaries;

(b) any contract or arrangement by a Director to guarantee or underwrite shares or debentures of the Company;

(c) any proposals concerning any other company in which he is directly or indirectly interested and whether as an officer, shareholder, creditor or otherwise .

The Company may by ordinary resolution suspend or relax the provisions described above to any extent or ratify any transaction not duly authorised by reason of a contravention thereof.

Each Director shall be entitled to such remuneration for his services as the Directors may determine. The Directors have determined that the aggregate remuneration payable to all of the Directors in respect of any twelve month period shall not exceed U.S.$75,000 per annum. In addition, each Director may be reimbursed all reasonable travel, hotel and other expenses incurred in connection with the business of the Company or the discharge of their duties.

(v) No Director has:

(i) any unspent convictions in relation to indictable offences;

(ii) been bankrupt or the subject of an involuntary arrangement, or has had a receiver appointed to any asset of such Director;

(iii) been a director of any company which, while he was a director with an executive function or within 12 months after he ceased to be a director with an executive function, had a receiver appointed or went into compulsory liquidation, creditors voluntary liquidation, administration or company voluntary arrangements, or made any composition or arrangements with its creditors generally or with any class of its creditors;

(iv) been a partner of any partnership, which while he was a partner or within 12 months after he ceased to be a partner, went into compulsory liquidation, administration or partnership voluntary arrangement, or had a receiver appointed to any partnership asset;

(v) had any public criticism by statutory or regulatory authorities (including recognised professional bodies); or

(vi) been disqualified by a court from acting as a director or from acting in the management or conduct of affairs of any company.

There are no loans outstanding made by the Company to any Director nor any guarantee for the benefit of any Director. None of the Directors has or has had any direct or indirect interest in any transaction which are or were unusual in their nature or conditions or significant to the business of the Company and which have been effected since the date of incorporation of the Company.

Robert Brewis is a founder and director of BDT Investment Management Limited and therefore he shall be deemed to have an interest in any contract entered into between the Company and the Investment Manager.

(vi) Borrowing Powers

The Directors may exercise all powers of the Company to borrow money, to mortgage or charge its undertaking, property, or any part thereof.

(vii) Retirement of Directors

There is no provision for the retirement of Directors on their attaining a certain age.

(viii) Transfer of Shares

The Directors may at their absolute discretion in the circumstances outlined in "Restrictions on Purchases and Transfers and Compulsory Redemptions" on page 30 above refuse to register a transfer of Shares unless all applicable taxes and/or stamp duties have been paid in respect of the instrument of transfer and the instrument of transfer is deposited at the office or other such place as the Directors may reasonably require, accompanied by the certificate for the Shares to which it relates, and such evidence as the Directors may reasonably require to show the right of the transferor to make the transfer and such relevant information as the Directors may reasonably require from the transferee.

(ix) Unclaimed Dividend

Any dividend unclaimed after a period of 6 years from the date of declaration of such dividend shall be forfeited and shall revert to the relevant Fund.

(x) Winding Up

If the Directors decide that it is in the best interests of Shareholders to wind up the Company, the Secretary shall forthwith at the Directors' request, convene an extraordinary general meeting of the Company to consider a proposal to appoint a liquidator to wind up the

Company. The liquidator, on appointment, will firstly apply the assets of the Company in satisfaction of creditors' claims as he deems appropriate. The assets of the Company will then be distributed amongst the Shareholders. The assets available for distribution amongst the Shareholders shall be applied as follows:

(a) firstly those assets attributable to a particular class of Shares shall be paid to the holders of Shares in that class;

(b) secondly, any balance then remaining and not attributable to any class of Share shall be apportioned between the classes of Shares pro-rata to the Net Asset Value of each class of Share immediately prior to any distribution to Shareholders and the amounts so apportioned shall be paid to Shareholders pro-rata to the number of Shares in that class held by them; and

(c) thirdly in the payment to holders of Management Shares of sums up to the nominal amount paid thereon. In the event that there are insufficient assets as aforesaid to enable such payment in full to be made, no recourse shall be had to any of the other assets of the Company.

MATERIAL CONTRACTS

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

(i) Investment Management Agreement

(a) By an agreement (the "Investment Management Agreement") dated 14 February 2001, between the Company and the Investment Manager, the Investment Manager has agreed to act as Investment Manager of the Company. It has also agreed to act as a sole distributor of the Shares of the Company.

(b) Details of the fees payable to the Investment Manager, are set out in "Fees and Expenses - Investment Management Charges" on page 15 above and in the applicable Supplement for each Fund.

(c) The Investment Management Agreement may be terminated by either party on not less than six months' notice in writing. The Agreement may be terminated by either party at any time in certain other circumstances.

(d) The Investment Manager and its agents and delegates, their respective officers, employees and directors are indemnified from and against all costs, charges, liabilities and expenses incurred pursuant to or in connection with the Investment Management Agreement or directly or indirectly from any act or omission in the course of or in connection with the services provided by the Investment Manager or from any breach of the Investment Management Agreement by the Company provided that such cost, charge, liability or expense is not due to the fraud, wilful default or negligence of the Investment Manager.

(ii) Custodian Agreement

(a) By an agreement (the "Custodian Agreement") dated 14 February 2001, between the Company and the Custodian, the Custodian has agreed to act as Custodian of the Company's monies and assets. The Custodian is entitled to appoint sub-custodians for the safe custody of the Company's assets.

(b) Details of the fees payable to the Custodian are set out under "Fees and Expenses - Remuneration of the Custodian" on page 15 above and in the applicable Supplement for each Fund.

(c) The Custodian Agreement may be terminated by either party on not less than 90 days' written notice to the other or earlier in certain circumstances specified in the Agreement. The Custodian may not retire from its appointment unless and until a new Custodian has been appointed with the approval of the Financial Regulator. In the event notice of termination is given and no succeeding Custodian is appointed by the Company prior to the expiry of the notice, the Custodian is entitled to apply to the Financial Regulator for the revocation of the Company's authorisation and, at its discretion, to apply to the High Court for an order to wind up the Company; or to convene, in accordance with the Company's Articles, an extraordinary general meeting of Shareholders to consider a resolution to wind-up the Company.

(d) The Custodian is entitled to be indemnified against all actions, proceedings, claims, costs, demands and expenses which may be brought against, suffered or incurred by the Custodian by reason of its performance of its duties under the Custodian Agreement otherwise than as a result of its unjustifiable failure to perform its obligations or its improper performance of them.

(iii) Administration Agreement

(a) By an agreement (the "Administration Agreement") dated 14 February 2001, between the Company and the Administrator, the Administrator will act as Administrator and Registrar to the Company.

(b) Details of the fees payable to the Administrator are set out under "Fees and Expenses - Administration Charges" on page 15 above and in the applicable Supplement for each Fund.

(c) The Administration Agreement may be terminated by either party on not less than 90 days' notice, or earlier in certain circumstances specified in the Agreement.

(d) The Administrator is indemnified and held harmless against actions, proceedings, claims, costs, demands and expenses which may be brought against, suffered or incurred by the Administrator by reason of its performance of its obligations and duties under the terms of this Agreement otherwise than as a result of its bad faith, fraud, wilful default or negligence.

DEFINITION OF "U.S. PERSON"

"U.S. Person" means a "U.S. Person" as defined in Rule 902 of Regulation S under the 1933 Act and includes:

(i) any natural person resident in the United States;

(ii) any partnership or corporation organised or incorporated under the laws of the United States;

(iii) any estate of which any executor or administrator is a U.S. Person;

(iv) any trust of which any trustee is a U.S. Person;

(v) any agency or branch of a foreign entity located in the United States;

(iv) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. Person;

(vii) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated, or (if an individual) resident in the United States;

(viii) any partnership or corporation if:

(A) organised or incorporated under the laws of any foreign jurisdiction; and

(B) formed by a U.S. Person principally for the purpose of investing in securities not registered under the 1933 Act, unless it is organised or incorporated, and owned, by accredited investors (as defined in Rule 501(a) of Regulation D under the 1933 Act) who are not natural persons, estates or trusts.

Notwithstanding the preceding paragraph "U.S. Person" shall not include (i) any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-U.S. Person by a dealer or other professional fiduciary organised, incorporated, or (if an individual) resident in the United States; (ii) any estate of which any professional fiduciary acting as executor or administrator is a U.S. Person, if (A) an executor or administrator of the estate who is not a U.S. Person has sole or shared investment discretion with respect to the assets of the estate, and (B) the estate is governed by non-United States law; (iii) any trust of which any professional fiduciary acting as trustee is a U.S. Person if a trustee who is not a U.S. Person has sole or shared investment discretion with respect to the trust assets and no beneficiary of the trust (and no settlor if the trust is revocable) is a U.S. Person; (iv) an employee benefit place established and administered in accordance with the law of a country other than the United States and customary practices and documentation of such country; (v) any agency or branch of a U.S. Person located outside the United States if (A) the agency or branch operates for valid business reasons, and (B) the agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located; and (vi) certain international organisations as specified in Rule 902(o)(7) of Regulation S under the 1933 Act.

DEFINITION OF "IRISH RESIDENT"

- in the case of an individual, means an individual who is resident in Ireland for tax purposes.
- in the case of a trust, means a trust that is resident in Ireland for tax purposes.
- in the case of a company, means a company that is resident in Ireland for tax purposes.

The following definitions have been issued by Irish Revenue in relation to the residence of individuals and companies:

Residence – Individual

An individual will be regarded as resident in Ireland for a twelve month tax year[1] if he/she is present in Ireland: (1) for a period of at least 183[2] days in that twelve month tax year; or (2) has a combined presence of at least 280[3] days taking into account the number of days spent in Ireland in that twelve month tax year together with the number of days spent in Ireland in the preceding twelve month tax year. Presence in a twelve month tax year by an individual of not more than 30[4] days in Ireland will not be reckoned for the purpose of applying the two year test. In determining days present in Ireland, an individual is deemed to be present if he/she is in the country at the end of the day (midnight).

Residence – Company

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

1 The Irish tax year was changed to a calendar basis with effect from 1 January 2002. A consequence of this change is that a short tax year applied from 6 April 2001 to 31 December 2001.
2 135 days for the tax year 6 April 2001 to 31 December 2001.
3.244 days in respect of the combined tax years, commencing on 6 April 2000 and 6 April 2001 and those commencing on 6 April 2001 and 1 January 2002.
4.22 days for the tax year 6 April 2001 to 31 December 2001.

- the company or a related company carries on a trade in the State, and either the company is ultimately controlled by persons resident in EU Member States or countries with which the Republic of Ireland has a double taxation treaty, or the company or a related company are quoted companies on a Recognised Stock Exchange in the EU or in a tax treaty country; or
- the company is regarded as not resident in the State under a double taxation treaty between the Republic of Ireland and another country.

It should be noted that the determination of a company's residence for tax purposes can be complex in certain cases and potential investors are referred to the specific legislative provisions which are contained in section 23A Taxes Consolidation Act, 1997.

DEFINITION OF "ORDINARILY RESIDENT IN IRELAND"

- in the case of an individual, means an individual who is ordinarily resident in Ireland for tax purposes.
- in the case of a trust, means a trust that is ordinarily resident in Ireland for tax purposes.
- The following definition has been issued by Revenue in relation to the ordinary residence of individuals:

The term "Ordinary Residence" as distinct from "residence", relates to a person's normal pattern of life and denotes residence in a place with some degree of continuity.

An individual who has been resident in Ireland for three consecutive tax years becomes Ordinarily Resident with effect from the commencement of the fourth tax year

An individual who has been ordinarily resident in Ireland ceases to be Ordinarily Resident at the end of the third consecutive tax year in which he/she is not resident. Thus an individual who is resident and Ordinarily Resident in Ireland in the tax year 1 January 2005 to 31 December 2005 and departs from Ireland in that tax year will remain Ordinarily Resident up to the end of the tax year 1 January 2008 to 31 December 2008.

DEFINITION OF "EXEMPT IRISH RESIDENT"

The term "Exempt Irish Resident" means:

- a pension scheme which is an exempt approved scheme within the meaning of Section 774 of the Taxes Act or a retirement annuity contract or a trust scheme to which Section 784 or 785 of the Taxes Act applies;
- a company carrying on life business within the meaning of Section 706 of the Taxes Act;
- an investment undertaking within the meaning of Section 739(B)(1) of the Taxes Act;
- A a special investment scheme within the meaning of Section 737 of the Taxes Act;
- A a charity being a person referred to in Section 739D(6)(f)(i) of the Taxes Act;
- A a qualifying management company within the meaning of Section 734(1) of the Taxes Act;
- a unit trust to which Section 731(5)(a) of the Taxes Acts applies;
- A a specified company within the meaning of Section 734(1) of the Taxes Act;
- A a person who is entitled to exemption from income tax and capital gains tax under Section 784A(2) of the Taxes Act where the shares held are assets of an approved retirement fund or an approved minimum retirement fund; or
- a person exempt from income tax and capital gains tax by virtue of Section 848E of the Taxes Act where the Shares held are assets of a special savings incentive account;
- a person who is entitled to exemption from income tax and capital gains tax by virtue of Section 787I of the Taxes Act and the Shares are assets of a PRSA;
- a credit union within the meaning of Section 2 of the Credit Union Act, 1997;
- any other Irish Resident or person Ordinarily Resident in Ireland who may be permitted to own Shares under taxation legislation or by written practice or concession of the Revenue Commissioners without giving rise to a charge to tax in the Company or jeopardising tax exemptions associated with the Company giving rise to a charge to tax in the Company;

provided that a Relevant Declaration is in place.

LITIGATION AND ARBITRATION

The Company is not engaged in any legal or arbitration proceedings and no legal or arbitration proceedings are known to the Directors to be pending or threatened by or against the Company.

MISCELLANEOUS

(i) There are no service contracts in existence between the Company and any of its Directors, nor are any such contracts proposed.

(ii) Save as described in this Prospectus, no Director is interested in any contract or arrangement subsisting at the date hereof which is unusual in its nature and conditions or significant in relation to the business of the Company.

(iii) As at 30 June 2005 neither the Directors nor their spouses nor their infant children nor any connected person have any interest in the share capital of the Company or any options in respect of such capital, other than as set out below:-

	BDT Invest Asian Focus Fund	BDT Invest Japanese Smaller Companies Fund	BDT Invest Emerging Markets Focus Fund	BDT Invest Japanese Focus Fund
John Gibbon and his connected parties	4,034 "A" Dollar Shares & 497 "A" Sterling Shares	/	737 "A" Sterling Shares	/
Rob Brewis and his connected parties	15,272 "B" Sterling Shares, 1,500 "B" Dollar Shares and 1,498 "A" Dollar Shares	850 "A" Euro Shares	1,200 "A" Dollar Shares and 7,415 "B" Sterling Shares	1,000 "A" Dollar Shares

(iv) No share or loan capital of the Company is under option or is agreed conditionally or unconditionally to be put under option.

(v) As to the date of this Prospectus, the Company has no loan capital (including term loans) outstanding or created but unissued and no outstanding mortgages, charges (save for one charge granted to HSBC Bank plc over the assets of the Company held with the Custodian) or other borrowings or indebtedness in the nature of borrowings including bank overdrafts and liabilities under acceptances or acceptance credits, hire purchase or finance lease commitments, guarantees or other contingent liabilities (other than foreign exchange facilities in an amount not exceeding the lower of US$400,000,000 or 100% of the Net Asset Value of the Company or Sub-Fund).

(vi) Save as disclosed in this Prospectus, no commission, discounts, brokerage or other special terms have been granted by the Company in relation to Shares issued or to be issued by the Company, on any issue or sale of Shares. The Investment Manager may, out of its own funds or out of the initial or management charges, pay commissions on applications received through brokers and other professional agents or grant discounts.

(vii) The Company does not have, nor has it had since its incorporation, any employees. The Company does not have a place of business in the United Kingdom.

(viii) A United Kingdom investor who enters into an investment agreement to acquire Shares in a Fund in response to this Prospectus will not have the right to cancel the agreement under any cancellation rules made by the Financial Services Authority in the United Kingdom. The agreement will be binding upon acceptance of the application by the Company or the Administrator.

(ix) Most, if not all, of the protections provided by the United Kingdom regulatory structure will

not apply. The rights of Shareholders in the Fund will not be protected by the investors' compensation scheme established in the United Kingdom.

(x) Any investor wishing to make a complaint regarding any aspect of the Fund or its operation may do so directly to the Company.

DOCUMENTS FOR INSPECTION

The following documents are available for inspection free of charge during normal business hours on weekdays (Saturdays and public holidays excepted) at the registered office of the Company:

(a) Certificate of Incorporation, Memorandum and Articles of Association of the Company;

(b) the material contracts referred to under "General Information - Material Contracts";

(c) the latest available annual and semi-annual reports;

(d) the Regulations and the UCITS notices issued by the Financial Regulator;

(e) the Irish Companies Acts, 1963 to 2005; and

(f) a list of past and current directorships and partnerships held by each Director over the last five years.

Copies of the Articles of Association of the Company may be obtained from the office of the Administrator where copies of the Annual Reports, the subsequent semi-annual reports (if published thereafter), the Prospectus thereto may be obtained free of charge.